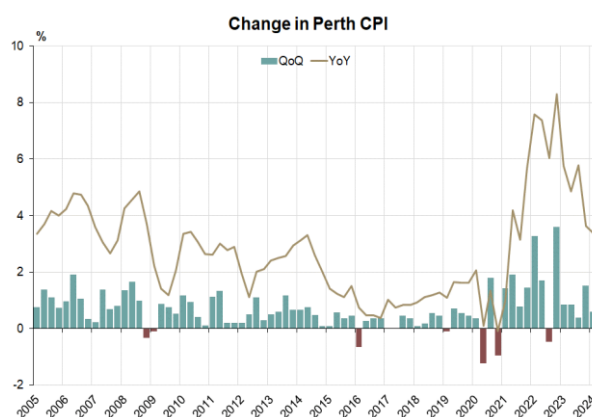
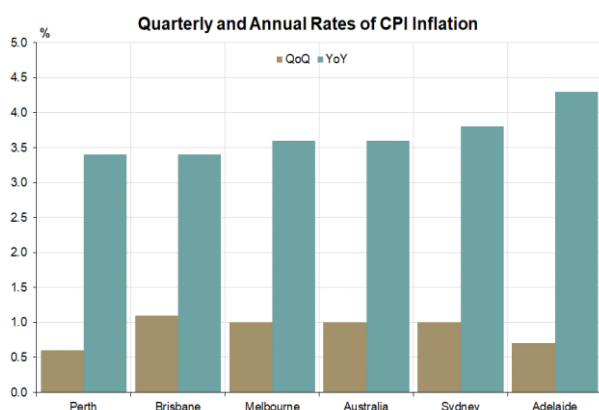


THIS MONTH'S WESTERN AUSTRALIAN DATA HIGHLIGHTS

- The Perth **CPI** rose by 0.6% in Q1, to be 3.4% up from a year ago.
- Western Australian **retail sales** rose 0.6% in March to be up 2.5% from a year earlier.
- Western Australian **employment** rose 0.7k in March, to be 4.1% up YoY, while the unemployment rate fell to 3.4%.
- Western Australian **dwelling approvals** rose 1.5% in March, to be up 21.4% YoY.

WESTERN AUSTRALIAN Q1 CONSUMER PRICE INDEX

- The Perth CPI increased 0.6% in Q1 2024, while the annual rate of consumer price inflation fell 0.2ppts to 3.4%, to be the lowest since Q3 2021 and the lowest of all mainland capital cities.
- New dwellings and rents remained the major driver of the quarterly rise in the Perth CPI, rising by 3.6% and 2.9%, respectively. However, this was fully offset by an 18.1% drop in electricity prices, driven by the base effects of the WA Government's household electricity credit, coupled with the impacts of the nationwide Energy Bill Relief Fund that lowered out-of-pocket expenses for electricity. As a result, the housing category overall did not contribute to the rise in the Perth CPI in Q1.
- Education and healthcare were significant contributors to the rise in the Perth CPI in Q1, as they were for Australia as a whole. Education costs rose 5.0% in Q1 due to the annual increase in fees, while health costs rose by 2.3% due to annual revisions of consultation fees and Medicare and Pharmaceutical Scheme thresholds. Insurance fees rose by another 4.1%.
- From underlying measures of Perth CPI inflation, CPI excluding food and energy rose by 1.2% in Q1, to be up 4.2% through the year, 0.4ppts more than in the previous quarter. Excluding 'volatile items', the CPI picked up by 0.7% QoQ and 3.4% YoY, down from 3.7% YoY in the previous quarter.
- Services price inflation accelerated to 1.2% QoQ to be up 4.1% YoY, while the goods price index rose 0.2% to be up 2.7% YoY.



Source: ABS

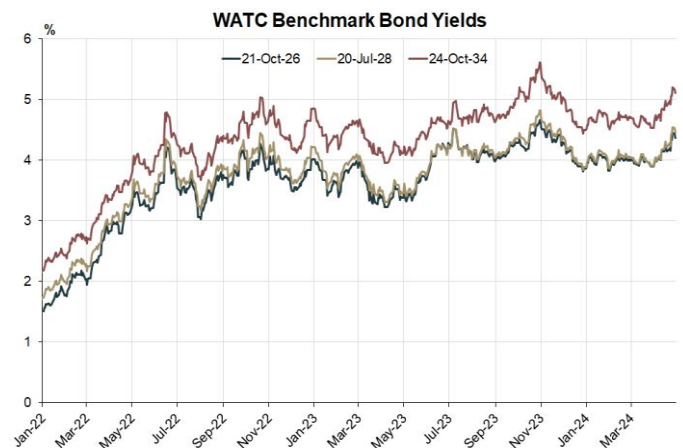
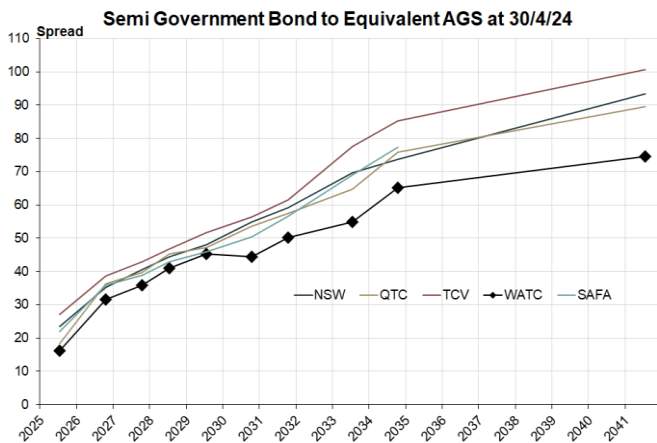
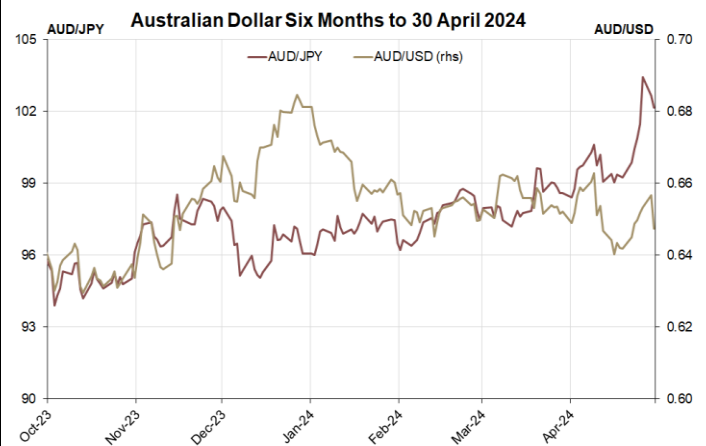
Australian Interest Rates (%)			FX and Equities	
RBA Cash Rate Target	4.35	(0 pt)	AUD/USD	0.6473 (↓0.7%)
90-Day Bank Bills	4.41	(↑6 pt)	AUD/JPY	102.15 (↑3.6%)
3-year Australian Government Bond	4.04	(↑42 pt)		
10-year Australian Government Bond	4.42	(↑46 pt)	ASX200	7664 (↓233 pt)

MARKET SUMMARY

- There was no RBA monetary policy meeting in April.
- Aussie bond yields climbed through April, hitting the highest levels since November last year, as higher-than-expected inflation readings in Australia and the US saw traders pull back on their pricing for central bank interest rate cuts. The Australian cash rate futures curve is now pricing in the chance of an RBA interest rate increase later this year.
- The Australian dollar slipped against the greenback but was stronger against the remainder of the G10 currency basket. The AUD climbed to an 11-year closing high of ¥103.45 against the Japanese yen on 26 April, before edging back at the end of the month.
- The Australian equity market had its first monthly fall in the past six in April, with the ASX 200 falling almost 3%, as bond yields rose and traders unwound expectations for an interest rate cut from the RBA. Most of the major industry sectors recorded losses, led by real estate and consumer discretionary shares. Utilities and materials were the only sectors to see gains.

WATC Benchmark Bond Yields		
Maturity	Yield 30/4/2024	Spread to AGS 30/4/2024
23 July 2025	4.45 (↑36 pt)	+16 pt (↑4 pt)
21 October 2026	4.37 (↑47 pt)	+32 pt (↑8 pt)
21 October 2027	4.40 (↑52 pt)	+36 pt (↑8 pt)
20 July 2028	4.46 (↑56 pt)	+41 pt (↑9 pt)
24 July 2029	4.55 (↑56 pt)	+45 pt (↑9 pt)
22 October 2030	4.68 (↑55 pt)	+44 pt (↑10 pt)
22 October 2031	4.80 (↑55 pt)	+50 pt (↑7 pt)
20 July 2033*	4.93 (↑55 pt)	+55 pt (↑9 pt)
24 October 2034	5.11 (↑57 pt)	+65 pt (↑8 pt)
23 July 2041	5.48 (↑49 pt)	+75 pt (↑4 pt)

Spreads are to nearest Commonwealth Bond. * Green bond.



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