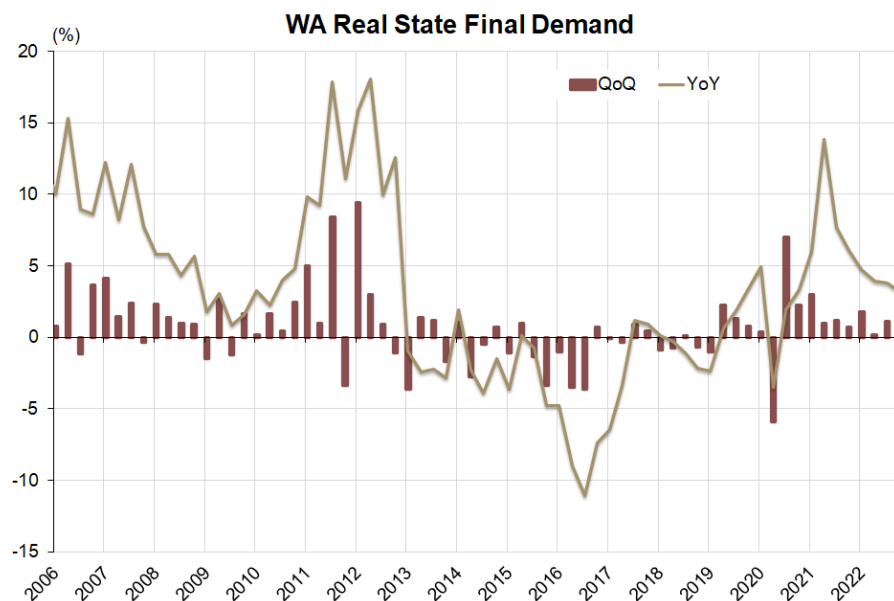


THIS MONTH'S WESTERN AUSTRALIAN DATA HIGHLIGHTS

- Western Australian real state final demand rose a seasonally adjusted 0.1% in Q4 2022, to be up 3.2% YoY.
- The Western Australian seasonally adjusted unemployment rate rose 0.1ppt to 3.6% in January.
- The CoreLogic Perth home value index fell 0.1% in February, to be up 2.4% YoY.
- The Western Australian wage price index rose 0.8% in Q4 2022, to be up 3.6% YoY.

WESTERN AUSTRALIA REAL STATE FINAL DEMAND Q4 2022

- Western Australian real state final demand rose a seasonally adjusted 0.1% in the final quarter of 2022, following a 1.1% increase in Q3, with annual growth slowing to 3.2 YoY from 3.8%.
- Within the details of the report, household consumption rose 1.6% in the quarter, adding 0.8ppts to real final demand growth. This was largely driven by a statistical quirk that saw spending on electricity, gas and other fuel surge after the Western Australian Government's household electricity credit suppressed measured spending on energy bills in Q3.
- The impact of the end of the electricity credit was reflected in a sharp decline in government social benefits to households in the quarter, which was a major driver of a 2.8% fall in general government consumption expenditure in the quarter.
- Private business capital investment declined 0.8%, as a fall in mining investment in machinery and equipment partly offset ongoing strength in new engineering construction from the mining industry.
- Dwelling construction rose 3.9% in the quarter, led by a rise in new dwellings as supply constraints eased.
- Government capital investment increased 2.0%, driven by a rise in spending from state and local public sector corporations on rail infrastructure and public housing.



Source: Refinitiv

Australian Interest Rates (%)			FX and Equities	
RBA Cash Rate Target	3.35	(↑25 pt)	AUD/USD	0.6728 (↓326 pt)
90-Day Bank Bills	3.56	(↑19 pt)	AUD/JPY	91.65 (↓0.1 pt)
3-year Australian Government Bond	3.60	(↑44 pt)		
10-year Australian Government Bond	3.87	(↑31 pt)	ASX200	7258 (↓218 pt)

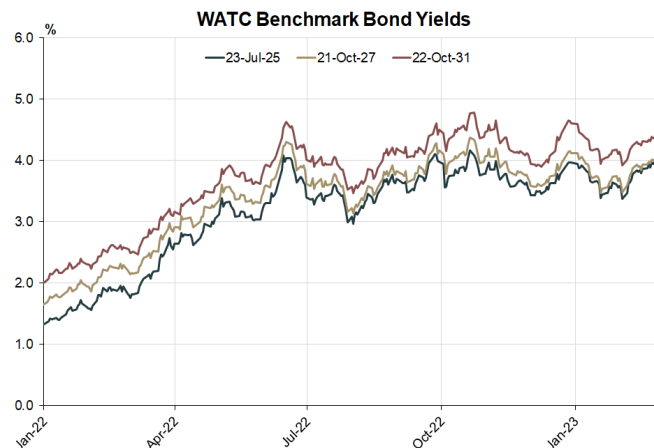
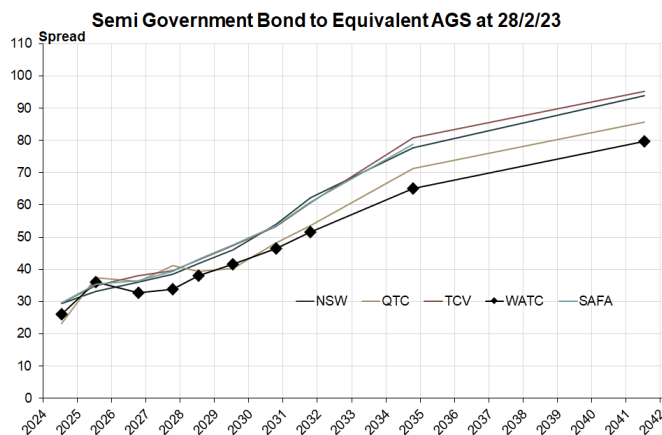
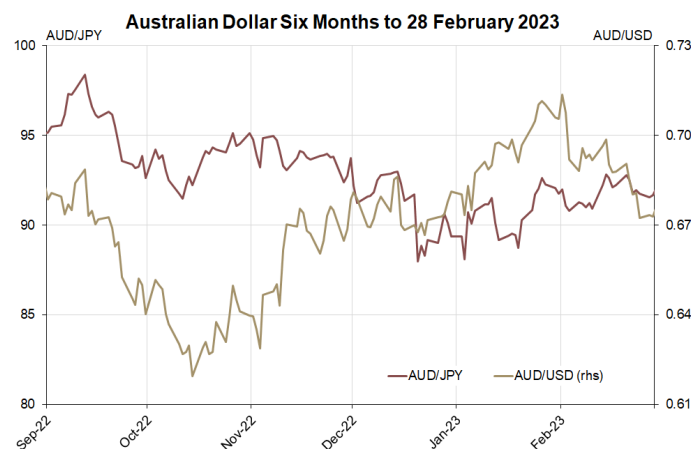
*As at end of October. Figures in brackets represent the monthly change.

MARKET SUMMARY

- The RBA raised the cash rate target by 25bps to 3.35% and the interest rate on the \$454 billion of exchange settlement balances currently held at the Bank to 3.25%, at the Board meeting in February. The RBA Governor's post-meeting media statement said the Board expects further increases in interest rates will be needed over the months ahead to ensure inflation returns to target.
- Australian bond yields climbed through February. The increases were driven by hawkish comments from the RBA that saw traders upwardly revise their expectations for cash rate hikes on the one hand, and higher bond yields overseas on the other.
- The Australian dollar weakened against all the major currencies in February, weighed down by the deterioration in risk appetite that drove the sell-off in global equity markets during the month. The Aussie hit a two-month closing high of ¥93.00 against the Japanese yen on 14 February, before slipping back over the remainder of the month to close slightly lower than where it started.
- Australian equities fell during February, dragged down by the decline in US equities and the sharp lift in interest rates during the month as traders revised up their expectations for the peak in the RBA tightening cycle.

WATC Benchmark Bond Yields			
Maturity	Yield 28/2/2023	Spread to AGS 28/2/2023	
16 October 2023	3.94 (↑35 pt)	+26 pt	(↓13 pt)
23 July 2024	4.01 (↑42 pt)	+26 pt	(↓11 pt)
23 July 2025	3.98 (↑41 pt)	+36 pt	(↓6 pt)
21 October 2026	3.94 (↑35 pt)	+33 pt	(↓8 pt)
21 October 2027	4.00 (↑33 pt)	+34 pt	(↓8 pt)
20 July 2028	4.05 (↑32 pt)	+38 pt	(↓8 pt)
24 July 2029	4.14 (↑29 pt)	+42 pt	(↓8 pt)
22 October 2030	4.27 (↑27 pt)	+47 pt	(↓8 pt)
22 October 2031	4.36 (↑25 pt)	+52 pt	(↓8 pt)
24 October 2034	4.63 (↑26 pt)	+65 pt	(↓5 pt)
23 July 2041	4.96 (↑25 pt)	+80 pt	(↑3 pt)

*Spreads are to nearest Commonwealth Bond.



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