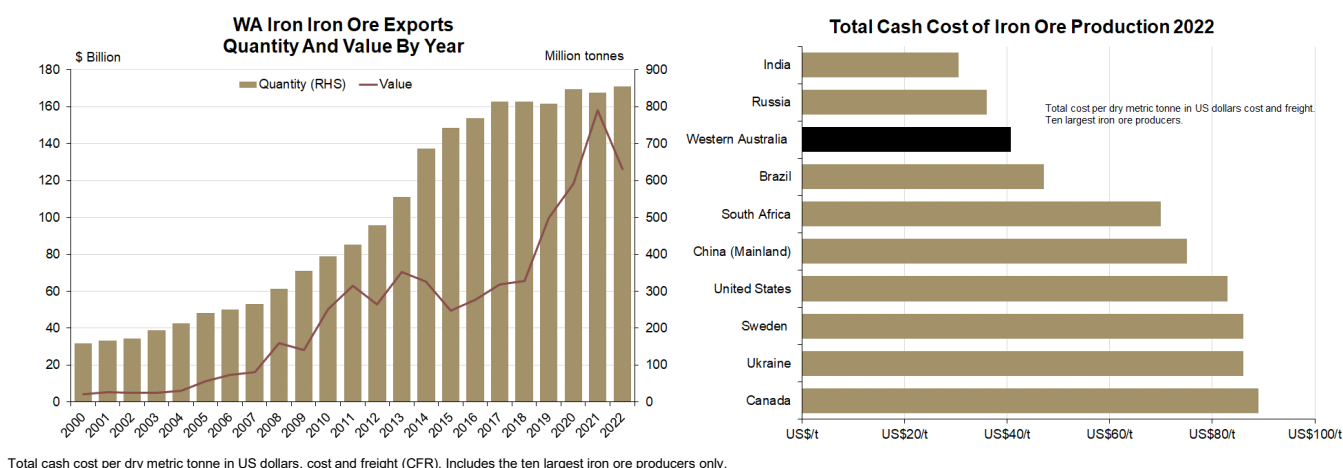


THIS MONTH'S WESTERN AUSTRALIAN DATA HIGHLIGHTS

- The Perth CPI increased 0.8% in Q2 to be up 4.9% YoY.
- The Western Australian seasonally adjusted unemployment rate fell 0.1ppt to 3.6% in June.
- The CoreLogic Western Australian regional home value index fell 0.3% in July, to be up 3.3% YoY.
- Western Australian dwelling approvals increased 0.8% in June but were down 2.5% YoY.

WESTERN AUSTRALIAN IRON ORE PROFILE JULY 2023

- Western Australia is the largest iron ore supplier in the world, accounting for 39% of global supply in 2022, followed by Brazil with 17%.
- Iron ore supplies from Western Australian rose 2% to 908 million tonnes in 2022 and have increased by 393 million tonnes between 2012 and 2022.
- Asia accounted for 80% of global iron ore demand in 2022, led by China (63%), India (8%), Japan (4%) and South Korea (3%).
- Western Australia's iron ore industry has established long-term trade relationships across Asia. In 2022, Western Australia accounted for most iron ore imported by China (68%), Japan (53%) and South Korea (63%).
- Western Australia's iron ore miners are among the world's lowest cost seaborne iron ore exporters.
- The average total cash cost of Western Australia's iron ore exports was US\$40.7 a tonne in 2022, below the world average of US\$52.1 a tonne, and below its main competitor in Brazil (US\$47.1 a tonne).
- Western Australia's major iron ore ports are close to the largest iron ore markets in Asia, reducing shipping costs relative to some of its competitors.
- The state had an estimated 45.2 billion tonnes of economic demonstrated iron ore resource in 2021-22, which could sustain production for 56 years at 2021-22 production rates.
- The value of Western Australia's exploration expenditure on iron ore rose 23% to \$649 million in 2022.



Australian Interest Rates (%)			FX and Equities		
RBA Cash Rate Target	4.10	(0 pt)	AUD/USD	0.6720	(↑0.8%)
90-Day Bank Bills	4.26	(↓9 pt)	AUD/JPY	95.56	(↓0.6%)
3-year Australian Government Bond	3.92	(↓11 pt)			
10-year Australian Government Bond	4.06	(↑6 pt)	ASX200	7410	(↑207 pt)

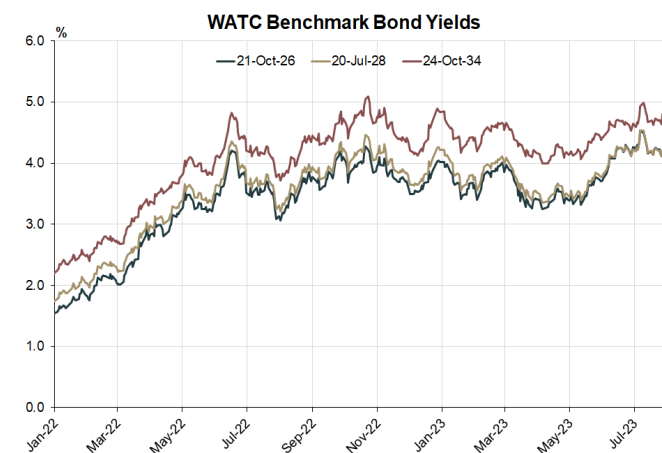
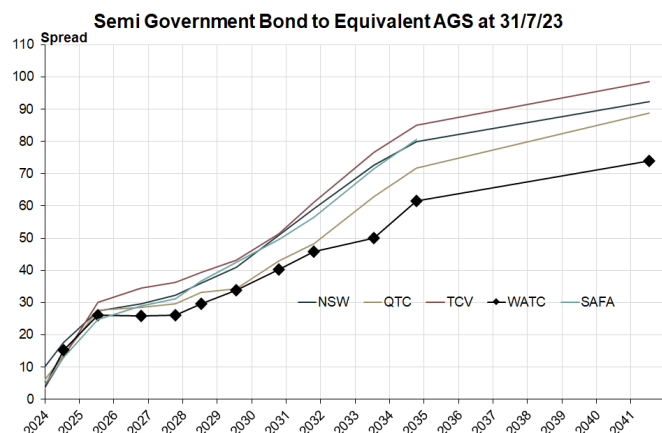
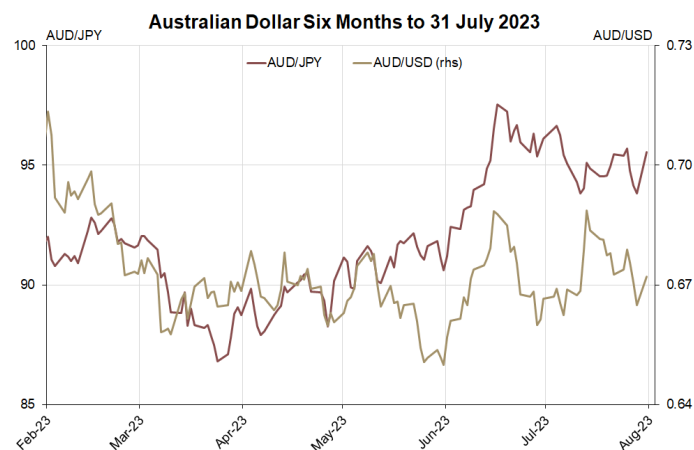
*Change between the RBA Board meetings on 6 June 2023 and 4 July 2023.

MARKET SUMMARY

- The RBA Board kept its cash rate target unchanged at 4.10% at its meeting on 1 August.
- Australian money market interest rates fell after the Q2 CPI report showed that inflation continued to ease, although it remained too high, suggesting that the RBA would likely keep rates unchanged for the second month in a row in August (this has since proved to be the case). Commonwealth bond yields slipped back at the front end of the yield curve as traders pared back expectations for further RBA interest rate hikes, while longer term yields rose along with the general increase in global bond yields.
- The Australian dollar rose against the weaker US dollar during July but fell against the Japanese yen, which strengthened on expectations of a slight adjustment to the Bank of Japan yield curve control policy.
- The Australian equity market gained 2.9% in July, climbing along with the general rise in global markets during July. The ASX 200 hit its highest level since February, before edging down in the last few days of the month.

WATC Benchmark Bond Yields		
Maturity	Yield 31/07/2023	Spread to AGS 31/07/2023
23 July 2024	4.33 (↓18 pt)	+15 pt (↑2 pt)
23 July 2025	4.29 (↓13 pt)	+26 pt (↑2 pt)
21 October 2026	4.14 (↓12 pt)	+26 pt (↓1 pt)
21 October 2027	4.11 (↓10 pt)	+26 pt (-)
20 July 2028	4.14 (↓8 pt)	+30 pt (↑1 pt)
24 July 2029	4.24 (↓6 pt)	+34 pt (↓1 pt)
22 October 2030	4.37 (↓1 pt)	+40 pt (↑1 pt)
22 October 2031	4.46 (↑2 pt)	+46 pt (↑2 pt)
20 July 2033*	4.52 (↑5 pt)	+50 pt (↑4 pt)
24 October 2034	4.71 (↑6 pt)	+62 pt (↑4 pt)
23 July 2041	5.09 (↑4 pt)	+74 pt (↑2 pt)

Spreads are to nearest Commonwealth Bond. *New issue of a [green bond](#).



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