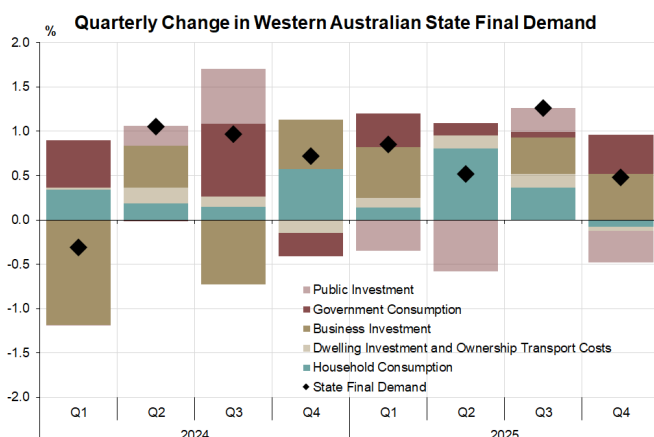


Western Australian Data Highlights

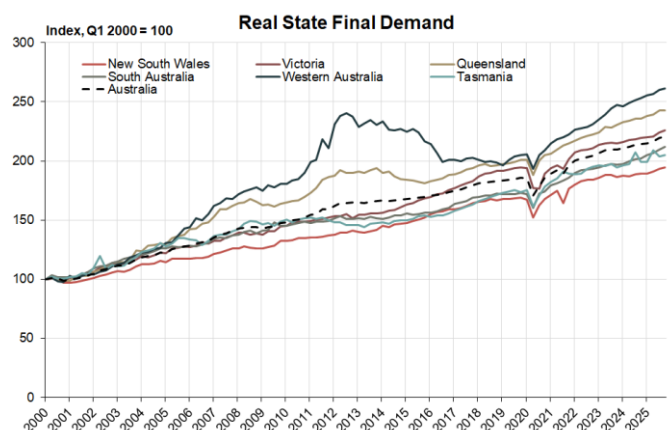
- The RBA increased the cash rate target by 25 basis points to 4.10% in March.
- Western Australian state final demand rose by 0.5% in Q4 2025, to be up by 3.2% through the year.
- The Perth CPI picked up by 0.6% in February, while the annual rate of inflation remained at 4.9%.
- The Western Australian unemployment rate, at 4.2%, remained below the national average in February.
- Perth home prices rose by 2.5% in March, which followed a 3.1% increase in dwelling approvals in February.

Q4 2025 State Final Demand

- Western Australian state final demand rose by 0.5% in Q4 2025, to be up by 3.2% through the year, roughly the same as the quarter before. The annual growth rate of state final demand was faster than that for Australia's domestic final demand (2.9%).
- The strongest contribution to Western Australia's domestic demand growth in Q4 2025 came from a 2.6% rise in business investment, supported by a solid 5.6% increase in spending for machinery and equipment and – to a lesser extent – a 1.1% increase in non-dwelling construction. Both increases are a result of strong spending in the mining and non-mining business sectors.
- Household consumption ebbed by 0.2%, reflecting mainly the impacts of energy bill relief measures that reduced the out-of-pocket spending for electricity bills. Excluding spending for energy bills, household consumption would have risen by 0.5%, with solid gains in discretionary goods and services such as hospitality services, apparel and household items.
- Dwelling investment and ownership transfer costs ebbed by 0.9%, reflecting mainly a 2.8% fall in ownership transfer costs amid increased concessions for first home buyers. Dwelling investment ebbed by 0.2%, solely due to alterations and conditions easing after a surge in the previous quarter. New dwelling investment rose by 3.0% in the final quarter of 2025.
- Within the public sector, general government consumption picked up by 2.2% in Q4 2025, while public investment fell by 7.0% following the completion of large-scale public transport projects.
- Western Australia continues to outpace other states in terms of economic performance over the past two decades, thanks to solid performance during expansions and resilience during global economic setbacks. Since 2000, Western Australian state final demand has risen by 261.3%, by far most of all states, which compares with a rise in Australia's domestic final demand of 220.5%.



Source: ABS



Australian Interest Rates (%)			FX and Equities		
RBA Cash Rate Target	4.10	(↑25 pt)	AUD/USD	0.6900	(↓3.1%)
90-Day Bank Bills	4.31	(↑32 pt)	AUD/JPY	109.52	(↓1.4%)
3-year Australian Government Bond	4.65	(↑44 pt)			
10-year Australian Government Bond	4.97	(↑32 pt)	ASX200	8482	(↓717 pt)

Market Summary

- The RBA increased the cash rate target by 25 basis points to 4.10% in March, and did not rule out further hikes.
- Australian Government bond yields rose sharply in March, reflecting an increase in cash rate hikes and intensification of cash rate hike expectations. Market participants anticipate two more cash rate increases in 2026, which reflect significant upside risks to inflation due to the rise in global fossil fuel prices after the closure of the critical Strait of Hormuz and attacks on energy facilities across the Middle East. WATC yields also rose quite significantly, and the spread to Commonwealth bond yields was either steady or widened only slightly.
- The deterioration of global market sentiment after the US and Israeli attacks on Iran sent the Australian dollar lower against both the US dollar and Japanese yen. However, the scale of depreciation was limited by the increase in some commodity prices as well as the rise in the cash rate and cash rate hike expectations.
- The Australian benchmark equity market index, the ASX 200, fell by 7.8% in March, reflecting concerns over the impacts of the conflict in the Middle East and RBA monetary policy tightening.

WATC Benchmark Bond Yields				
Maturity	Yield 31/3/2026		Spread to AGS 31/3/2026	
21 October 2026	4.41	(↑28 pt)	-1 pt	(↓3 pt)
21 October 2027	4.77	(↑48 pt)	+11 pt	(↓2 pt)
20 July 2028	4.83	(↑49 pt)	+16 pt	(0 pt)
24 July 2029	4.89	(↑47 pt)	+23 pt	(↑1 pt)
22 October 2030	4.99	(↑46 pt)	+29 pt	(↑3 pt)
22 October 2031	5.07	(↑45 pt)	+31 pt	(↑3 pt)
21 July 2032	5.13	(↑44 pt)	+36 pt	(↑3 pt)
20 July 2033	5.23	(↑43 pt)	+40 pt	(↑3 pt)
24 October 2034	5.41	(↑41 pt)	+48 pt	(↑4 pt)
24 October 2035	5.45	(↑40 pt)	+48 pt	(↑5 pt)
21 October 2037	5.64	(↑38 pt)	+63 pt	(↑5 pt)
23 July 2041	5.87	(↑37 pt)	+74 pt	(↑7 pt)

