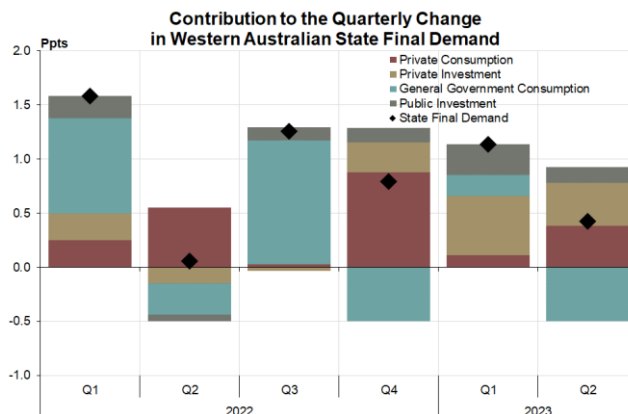
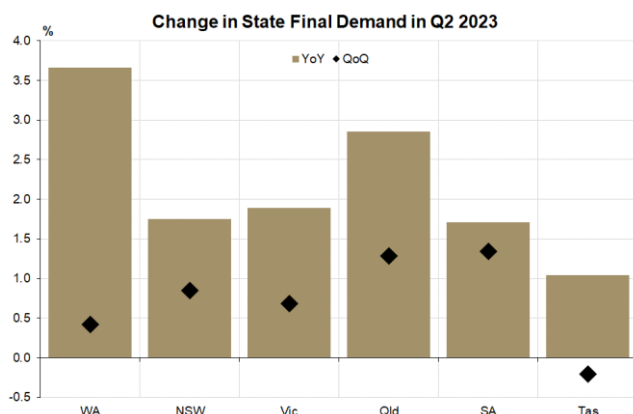


THIS MONTH'S WESTERN AUSTRALIAN DATA HIGHLIGHTS

- Western Australian real state final demand rose by 0.4% in Q2, to be 3.7% up through the year.
- The Western Australian wage price index rose by 0.8% in Q2, to be 4.2% up YoY.
- Western Australian employment rose by 15.0k in July, while the unemployment rate declined 0.2ppts to 3.4%.
- Western Australia's retail trade ebbed 0.4% in July but remained 3.6% higher than a year ago.

WESTERN AUSTRALIAN Q2 2023 STATE FINAL DEMAND

- Western Australian real state final demand increased 0.4% in Q2 2023, to be up 3.7% through the year. This was the strongest annual increase of all the Australian states.
- The largest contribution to the quarterly increase in state final demand in Q2 2023 came from a 0.8% increase in household consumption and a 1.7% rise in private investment, which both added 0.4ppts to growth. Public investment growth of 3.0% also contributed positively to the Q2 rise in state final demand. These increases were partly offset by a 2.3% fall general government consumption expenditure, which detracted 0.5ppts from Q2 growth.
- The 0.8% rise in household consumption was led by an 11.3% increase in the purchase of vehicles followed by a 2.6% rise in healthcare spending and a 7.1% rise in expenditure on electricity, gas and other fuel. Western Australia is the only state to enjoy an uninterrupted rise in private consumption since the onset of COVID-19.
- The 1.7% rise in private investment was driven by a 4.7% increase in business investment in machinery and equipment, with strong contributions from the mining, transport and construction industries, and a 4.2% increase in dwelling investment.
- The 3.0% increase in public investment was the result of a 10.0% rise in spending by public corporations, mainly on transport and renewable energy infrastructure. This was partly offset by a 2.0% decline in general government investment, following strong increases in the previous quarters on road infrastructure and sporting facility upgrades.
- The Western Australian domestic economy has grown 16.5% since the onset of COVID, the strongest of all the states, compared to national growth of 11.1% over the same period.



Source: Australian Bureau of Statistics

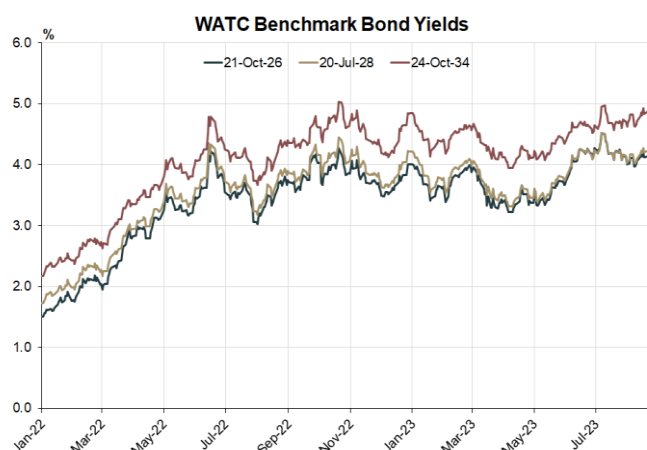
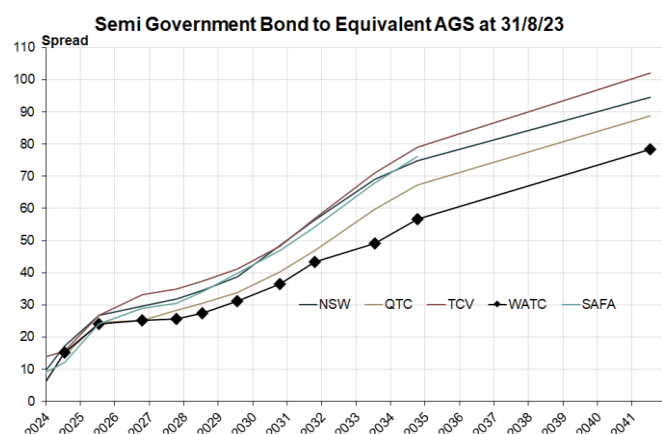
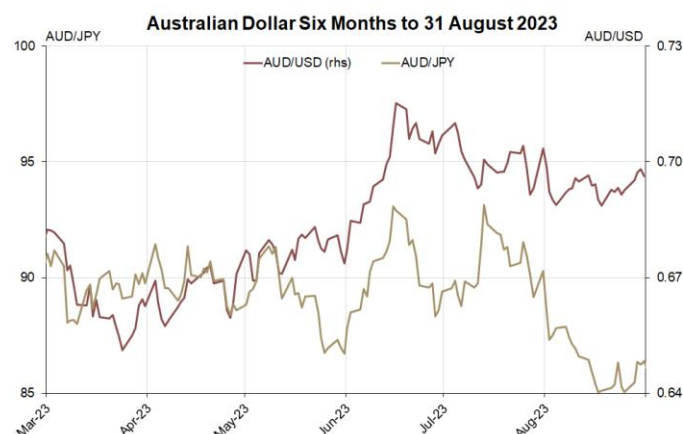
Australian Interest Rates (%)			FX and Equities	
RBA Cash Rate Target	4.10	(0 pt)	AUD/USD	0.6484 (↓3.5%)
90-Day Bank Bills	4.13	(↓13 pt)	AUD/JPY	94.38 (↓1.2%)
3-year Australian Government Bond	3.74	(↓19 pt)		
10-year Australian Government Bond	4.03	(↓3 pt)	ASX200	7305 (↓105 pt)

MARKET SUMMARY

- The RBA Board kept its cash rate target unchanged at 4.10% at its meeting on 5 September.
- Australian money market interest rates fell further in August, mainly in reaction to the downside surprise to the wages, employment, and the monthly CPI inflation indicators, which triggered another decline in RBA cash rate expectations. In consequence, Commonwealth bond yields dropped at the front end of the yield curve, while longer-term yields saw only a slight decline.
- The decline in cash rate expectations, coupled with concerns over the Chinese economy and a decline in commodity prices, saw the Australian dollar depreciate against the greenback and Japanese yen in August. The Aussie dollar dropped to its lowest levels against the USD since November 2022, but found support at US\$0.64. The decline of the AUD/USD pair was both due to weakness in the AUD and the USD's strength.
- The Australian equity market declined 1.4% in August, reflecting weaker global market sentiment and concerns over China. The losses were concentrated in the first half of the month and were pared back towards the end of August amid tentative stimulatory measures announced by Chinese authorities.

WATC Benchmark Bond Yields			
Maturity	Yield 31/08/2023	Spread to AGS 31/08/2023	
23 July 2024	4.12 (↓21 pt)	+15 pt	(-)
23 July 2025	4.10 (↓18 pt)	+24 pt	(↓2 pt)
21 October 2026	3.99 (↓15 pt)	+25 pt	(↓1 pt)
21 October 2027	4.00 (↓11 pt)	+26 pt	(-)
20 July 2028	4.05 (↓9 pt)	+28 pt	(↓3 pt)
24 July 2029	4.15 (↓8 pt)	+31 pt	(↓3 pt)
22 October 2030	4.28 (↓9 pt)	+37 pt	(↓3 pt)
22 October 2031	4.40 (↓6 pt)	+43 pt	(↓3 pt)
20 July 2033*	4.49 (↓3 pt)	+49 pt	(↓1 pt)
24 October 2034	4.64 (↓6 pt)	+57 pt	(↓5 pt)
23 July 2041	5.05 (↓4 pt)	+78 pt	(↑14 pt)

Spreads are to nearest Commonwealth Bond. * Green bond.



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