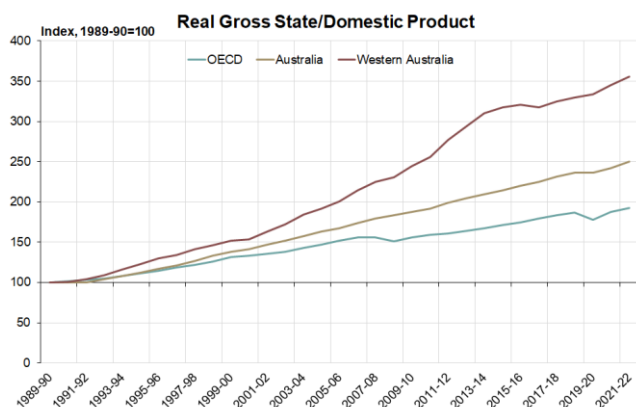
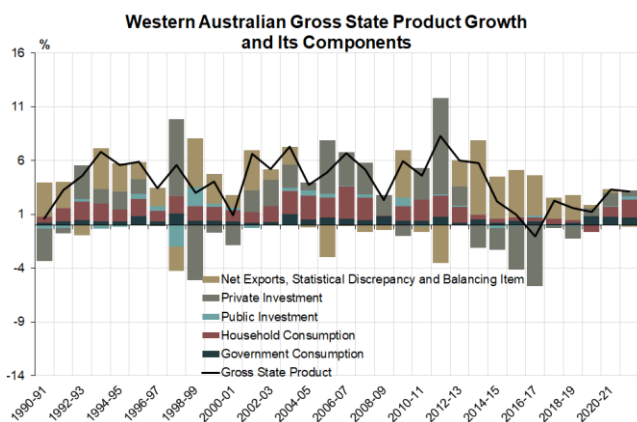


THIS MONTH'S WESTERN AUSTRALIAN DATA HIGHLIGHTS

- Western Australia's gross state product rose by 3.1% in 2021-22.
- Western Australian retail trade was unchanged in October, but rose 7.7% over the year.
- October also saw a 5.7% increase in dwelling approvals in Western Australia.
- According to CoreLogic, Perth house prices were flat in November, to be 3.9% up through the year.

WESTERN AUSTRALIAN GROSS STATE PRODUCT 2021-22

- Western Australian gross state product (GSP) rose by 3.1% in 2021-22, which followed a 3.3% increase in the previous financial year.
- Household consumption rose 5.5% and contributed to a little over half of the rise in GSP in 2021-22. The strongest gains were recorded in clothing and footwear (+16.3%), transport (+13.0%), and hotels, cafes and restaurants (+12.1%), which benefitted from the removal of restrictions at venues in June 2021 and the reopening of the border in March 2022. Consumption of food, which had picked up in previous financial years, retreated by 1.4% in real terms.
- Private investment (+3.9%) contributed almost 20% to GSP growth in 2021-22, mainly thanks to a 10.4% surge in business spending for machinery and equipment. This was the fifth consecutive financial year of rising machinery and equipment spending. Dwelling investment rose 2.7% as the industry contends with capacity constraints, with a record number of private sector houses currently under construction following several years of depressed activity.
- Government consumption (+5.6%) and public investment (+11.7%) also made significant contributions to GSP growth, mainly thanks to elevated spending related to COVID-19 and a pick-up in infrastructure investment.
- The solid performance of the Western Australian domestic economy was partly offset by a negative contribution of net exports. Goods and services credits both declined slightly in 2021-22, by 2.7% and 4.4%, respectively. Imports of goods also saw a slight decline of 2.1%, but services debits bounced back by 21.0% amid the easing of travel restrictions in March 2022.
- Western Australia continues to outperform the rest of Australia and OECD countries in macroeconomic performance over the past three decades, with GSP more than tripling since 1989-90.



Australian Interest Rates (%)			FX and Equities	
RBA Cash Rate Target	2.85	(↑25 pt)	AUD/USD	0.6786 (↑389 pt)
90-Day Bank Bills	3.05	(↓9 pt)	AUD/JPY	93.73 (↓1.4 pt)
3-year Australian Government Bond	3.17	(↓13 pt)		
10-year Australian Government Bond	3.54	(↓22 pt)	ASX200	7284 (↑421 pt)

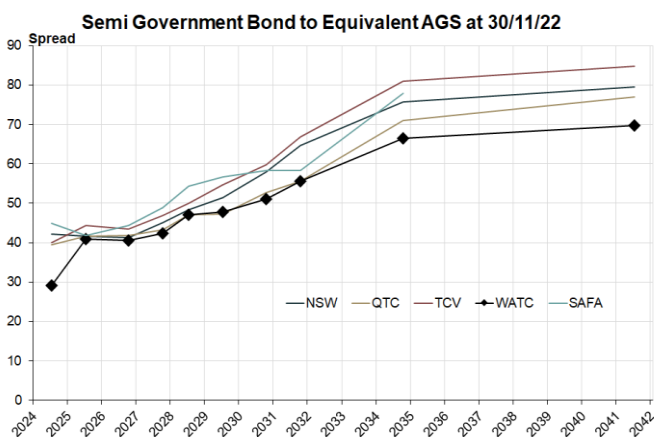
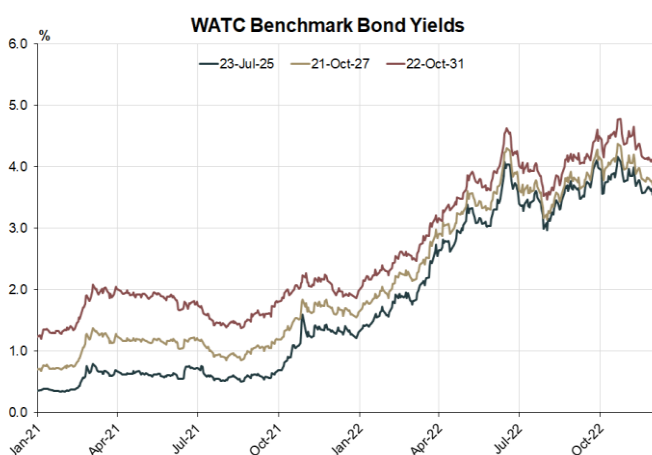
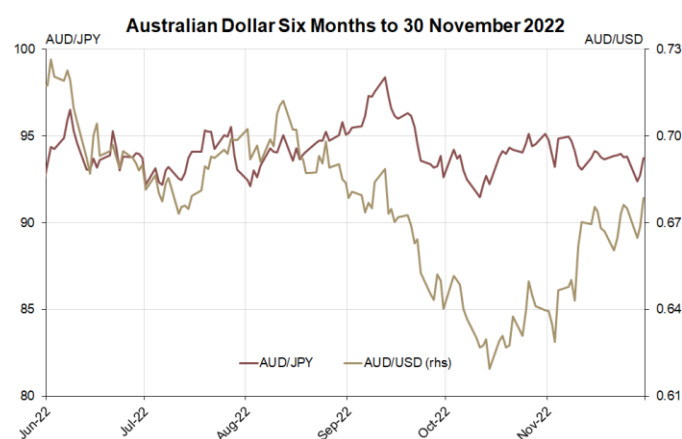
*As at end of October. Figures in brackets represent the monthly change.

MARKET SUMMARY

- Australian bond yields fell again in November, particularly for longer maturities. The decline at the back end of the yield curve was partly driven by a fall in global yields, amid easing concerns about inflation worldwide, coupled with expectations of a global economic slowdown next year. The fall in yields at the front end of the curve was driven by a decline in RBA rate expectations due to the slower pace of tightening in October and November as well as a downside surprise to the annual rate of increase in the CPI indicator in October.
- The Australian dollar appreciated by 6.1% against the greenback in November, reflecting improved global market sentiment and the weaker USD. The AUD weakened 1.5% versus the yen, however, reflecting the strong appreciation of the Japanese currency due to a recent decline in oil prices, which improved Japan's external position outlook.
- Australian equities surged 6.1% in November after a 6.0% rise in October, to reach the highest level in half a year. The November increase reflected a global rally and a rise in iron ore futures, which translated into a rise in mining stock prices.

WATC Benchmark Bond Yields			
Maturity	Yield 30/11/2022		Spread to AGS 30/11/2022
16 October 2023	3.36	(↓21 pt)	+29 pt (↓24 pt)
23 July 2024	3.50	(↓22 pt)	+29 pt (↓22 pt)
23 July 2025	3.55	(↓23 pt)	+41 pt (↓12 pt)
21 October 2026	3.62	(↓25 pt)	+41 pt (↓11 pt)
21 October 2027	3.72	(↓27 pt)	+42 pt (↓11 pt)
20 July 2028	3.81	(↓26 pt)	+47 pt (↓10 pt)
24 July 2029	3.90	(↓27 pt)	+48 pt (↓10 pt)
22 October 2030	4.02	(↓29 pt)	+51 pt (↓11 pt)
22 October 2031	4.11	(↓28 pt)	+56 pt (↓10 pt)
24 October 2034	4.37	(↓31 pt)	+67 pt (↓9 pt)
23 July 2041	4.72	(↓19 pt)	+70 pt (↓9 pt)

*Spreads are to nearest Commonwealth Bond.



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