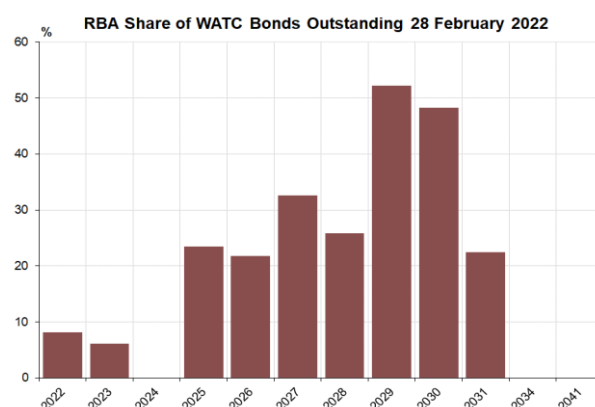
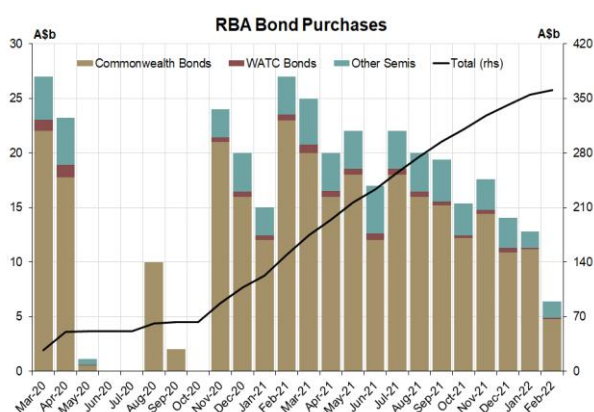


THIS MONTH'S WESTERN AUSTRALIAN DATA HIGHLIGHTS

- Western Australian real state final demand rose by 0.1% in Q4 2021 to be up 4.5% YoY.
- The Western Australian wage price index rose by 0.5% in Q4, to be 2.0% up through the year.
- Western Australian employment rose by 8.8k in January, while the unemployment rate stood at 3.7%.
- Western Australian retail trade picked up by 4.7% in January, which was the largest gain of all states.

RBA'S BOND PURCHASE PROGRAM

- The RBA's bond purchase program, which began on 5 November 2020 in order to support the economy during the COVID-19 pandemic, came to an end on 10 February 2022.
- The initial schedule of A\$100 billion in purchases, comprising of 80% Commonwealth Government bonds and 20% state government bonds (semis), was extended on two occasions and saw the RBA purchase a total of A\$280.7 billion in bonds over the course of the program.
- A total of A\$223.7 billion of Commonwealth bonds and A\$57.0 billion of semis were purchased, including A\$6.8 billion of WATC bonds.
- The RBA purchased an additional A\$80.3 billion of Commonwealth and semi-government bonds as part of its yield curve control policy, whereby it set a target for the 3-year Commonwealth government bond yield. The yield target was initially set at 0.25% in March 2020, and was lowered to 0.10% in November 2020. The program officially came to an end in November 2021.
- To maintain the 3-year yield target, the RBA purchased A\$69.3 billion in Commonwealth bonds and A\$11.1 billion of semi-government bonds, including A\$2.3 billion of WATC bonds
- Total RBA Commonwealth and semi-government bond holdings stood at A\$356 billion at the end of February, including A\$7.9 billion of WATC stock. This is 21% of WATC bonds outstanding, with the RBA holding approximately half of the 2029 and 2030 stock lines.



Source: RBA, WATC

Australian Interest Rates (%)			FX and Equities	
RBA Cash Rate Target	0.10	(0 pt)	AUD/USD	0.7262 (↑198 pt)
90-Day Bank Bills	0.09	(↑1 pt)	AUD/JPY	83.5 (↑1.8 pt)
3-year Australian Government Bond	1.43	(↑24 pt)		
10-year Australian Government Bond	2.16	(↑25 pt)	ASX200	7049 (↑77 pt)

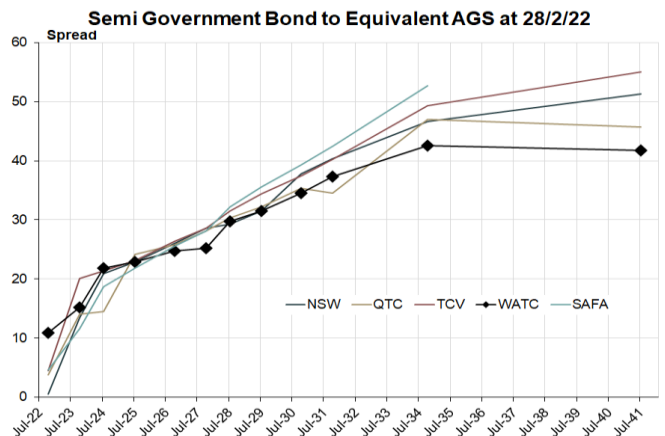
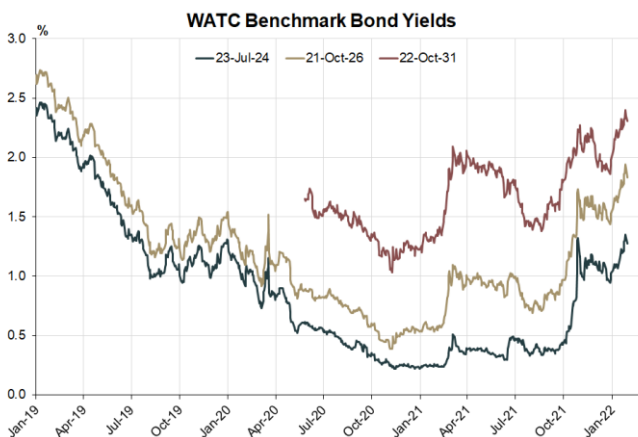
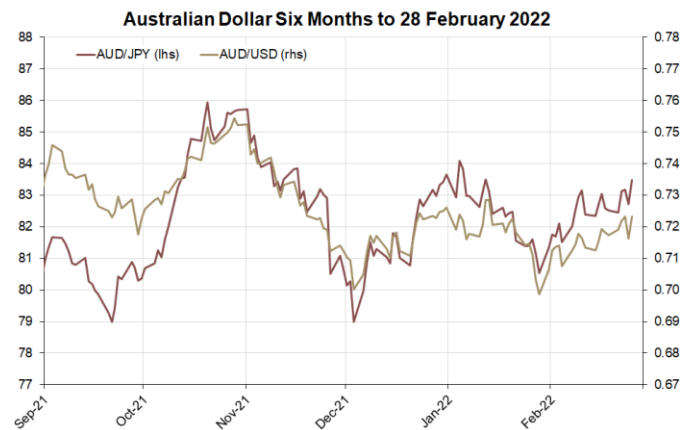
\*As at end of the month. Figures in brackets represent the monthly change.

### MARKET SUMMARY

- The RBA Board kept its cash rate target unchanged at 0.10% at its February meeting and continues to say that it will not raise the cash rate target until it is comfortable that Australian inflation is sustainably within the 2% to 3% target band.
- Commonwealth and WATC yields picked up in February, particularly at the long end of the yield curve. The move reflected higher inflation expectations, as Aussie inflation has climbed above the RBA's target band and remains elevated abroad. Yields fell back toward the end of the month as a Russian invasion of Ukraine became increasingly likely.
- The Australian dollar had a positive month, with the currency boosted by rising commodity prices as a result of the Ukraine crisis. The appreciation of the Aussie saw the currency close February at over a six-week high against the both the Japanese yen and the US dollar.
- The Australian equity market gained in February, with the ASX 200 climbing 1.1% during the month to claw back a small portion of its January decline. The rise was in contrast to the Japanese, US and European markets that all lost further ground during the month.

WATC Benchmark Bond Yields		
Maturity	Yield 28/02/2022	Spread to AGS 28/02/2022
16 October 2023	1.00 (↓6 pt)	+15 pt (↑2 pt)
23 July 2024	1.50 (↑5 pt)	+22 pt (↓5 pt)
23 July 2025	1.83 (↑22 pt)	+23 pt (↓2 pt)
21 October 2026	2.08 (↑22 pt)	+25 pt (↑2 pt)
21 October 2027	2.22 (↑25 pt)	+25 pt (↑1 pt)
20 July 2028	2.31 (↑27 pt)	+30 pt (0 pt)
24 July 2029	2.39 (↑27 pt)	+31 pt (0 pt)
22 October 2030	2.50 (↑26 pt)	+35 pt (↑1 pt)
22 October 2031	2.56 (↑26 pt)	+37 pt (0 pt)
24 October 2034	2.72 (↑25 pt)	+43 pt (0 pt)
23 July 2041	3.00 (↑24 pt)	+42 pt (↑2 pt)

\*Spreads are to nearest Commonwealth Bond.



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