AUSTRALIA & NEW ZEALAND WEEKLY.

Week beginning 19 September 2022

Editorial: An overview of key market dynamics.

RBA: Minutes September Board meeting. Deputy Governor speaking.

Australia: Westpac-MI Leading Index. Public holiday on Thursday.

NZ: Q3 Westpac-MM Consumer Confidence, GlobalDairyTrade auction, trade balance.

UK: BoE policy decision.

US: FOMC policy decision, Fed Chair Powell speaking, housing updates, leading index.

Global: S&P Global PMIs.

Key economic & financial forecasts.

INFORMATION CONTAINED IN THIS REPORT
CURRENT AS AT 16 SEPTEMBER 2022.

WESTPAC INSTITUTIONAL BANK

An overview of key market dynamics

This week we released our September Market Outlook.

In the document we have significantly revised down our forecast for the AUD/USD by year's end from USD0.73 to USD0.69.

However, we maintain our upbeat view for AUD in 2023 expecting a six cent recovery to USD0.75 by end 2023. The bulk of that recovery is expected in the second half of 2023.

The basis of our positive outlook for AUD in 2022 had been around our expectation that the sharp slowdown we are now observing in the US economy would weigh on the US dollar. We had also expected that markets would respond to an improving outlook for the Chinese economy in the second half of 2022, providing a positive confidence base for the Australian dollar.

With Australia's commodity price index currently above those levels when the AUD was previously trading above parity with the USD, we also anticipated some tailwind from our extraordinary trade performance in 2022.

Clearly these factors are going to be outweighed by a much more aggressive US FOMC than had been our expectation (with the fed funds rate now likely to peak materially higher than we previously anticipated); as well as ongoing setbacks with the zero-Covid policy in China and its parlous property market (although there is encouraging evidence that the Chinese authorities are now addressing the issue).

Because Australia's outperformance on commodity prices is centred on fossil fuels, markets are heavily discounting our trade performance, in particular questioning whether the current terms of trade surge will be followed by the style of mining investment boom that we saw during the early 2010's.

Over the course of the remainder of 2022, we expect extreme volatility in the AUD/USD around that USD0.69 track as the supercharged USD is challenged and the efforts from the Chinese authorities to revitalise the Chinese economy continue apace.

But the dominant headwind for a risk currency like the AUD will be ongoing uncertainty in 2022 – uncertainty about the level and timing of the peak in central bank interest rates (especially the FOMC), and uncertainty about the global inflation profile.

As we move through 2023, inflation will peak; central banks will go on hold and those uncertainties will ease. Despite the developed economies slowing materially, markets will be looking towards the next easing cycles which we anticipate for 2024 in both US and Australia.

We envisage similar developments in debt markets where bond rates will fall in response to clarity around inflation and central banks' holding the line.

This scenario does depend heavily on the demand related sources of inflation easing in line with the rebalancing of supply shocks which is already well underway.

Central banks understand that demand (with the clear exception of China) needs to be flattened in 2023 to squeeze the inflationary animal spirits out of the system. If businesses, who are now finding that the scope to raise prices and lift wages is building, expect this flexibility to continue then prospects for an orderly wind back in inflation in 2023 will disappear.

Central banks need to do enough in 2022 to ensure that flat outcome for demand in 2023.

In that regard we have recently lifted our forecast for the peak in the federal funds rate to 4.125% from 3.375% and confirm our forecast of a peak in the RBA cash rate of 3.35% which has been somewhat higher than most analysts.

In the September Market Outlook, we lowered our growth forecast for the US economy in 2023 to 0.6% and confirmed our forecast for growth in Australia in 2023 of 1%.

In the case of Australia, arguably, we can be more confident about the 1% growth view than the 3.35% cash rate peak. If it turns out that the RBA is convinced that a higher terminal cash rate will be required to achieve that desired slowdown in demand, then I expect it will eventually move in that direction.

The aftermath of Covid has created unusual circumstances for calibrating that link between monetary policy and growth/inflation:

- Policy was forced to move so far away from neutral during Covid and the required rapid move back to neutral means that "treacherous lags" have built up in the system complicating the calibrating of the impact of policy on demand (e.g. banks have only passed on the first 75 basis points of the 225 basis points of rate hikes so far).
- The household sector has accumulated around $275 billion in "excess" savings during the pandemic raising the risk that activity will be more resistant to policy tightening than in other cycles.
- Due to the collapse in net migration during Covid and the pent-up demand following the reopening, labour markets are uncharacteristically tight at this stage of the tightening cycle.

We expect the best policy is to slow the pace of tightening back to 25 basis point increments to allow time for an assessment of these various forces but, given that the objective is to "short circuit" these inflationary animal spirits, the risk is that a slowdown will lead to a questioning of the commitment of the RBA to complete the job.

We saw a "flavour" of those dynamics in the September Consumer Sentiment survey, where Sentiment rebounded by 3.9% to 84.4 and House Price Expectations lifted by a surprising 3.6%.

We put the overall lift in Sentiment down to a natural floor for the Index given that the 80 level (it reached 81.2 in August) had only been sustainably breached during the deep recession of the early 1990's while the lift in House Price Expectations looks to be unsustainable.

But the real message is that the RBA has significantly more work to do.

We expect rate hikes at the next four meetings out to February next year, with tough associated language moving more into line with the themes from the Fed Chair Powell at Jackson Hole than the more conciliatory approach currently being taken by the RBA Governor.

That approach might risk even higher interest rates if those inflationary animal spirits are not tamed as soon as possible.

Bill Evans, Chief Economist

Past performance is not a reliable indicator of future performance. The forecasts given above are predictive in character. Whilst every effort has been taken to ensure that the assumptions on which the forecasts are based are reasonable, the forecasts may be affected by incorrect assumptions or by known or unknown risks and uncertainties. The results ultimately achieved may differ substantially from these forecasts.

THE WEEK THAT WAS

This week, Australian data provided a constructive view on the economic outlook. Global financial markets meanwhile were jolted by the US' strong August CPI report.

Beginning first with consumer sentiment, the Westpac-MI survey reported a bounce in confidence, the headline index gaining 3.9%. Coming at a time of high uncertainty around the cost of living, the domestic rate outlook and global growth, this is a pleasing result. Though, at 84.4, the index remains near historic lows typically only seen during recessions and major economic disturbances. Arguably, the key difference between now and these other periods is that the Australian labour market is extremely tight, with the unemployment rate at 50-year lows. Nominal wage growth is also strengthening, which is perhaps, in part, why 'family finance expectations for the year ahead' rose 5% in September even as 'family finances versus a year ago' declined 5% to a 10-year low. Notably, 'time to buy a major household item' is still 34% below average and our quarterly 'wisest place for savings' questions point to intense risk aversion.

Chief Economist Bill Evans provided a full discussion of the implications of the latest sentiment readings for the economy in a video update mid-week. The outlook for the housing market heading into spring was also a key theme of our latest Market Outlook in Conversation podcast.

According to NAB's latest business survey, Australian firms are drawing strength and optimism from current circumstances, with conditions up 1pt to +20 and confidence up 2pts to +10 in August – both well above average reads. Importantly, the momentum in business conditions looks to be broad based by state and industry. Views on utilisation also continue to point towards labour and capital being at full capacity. Thankfully for inflation, upstream cost pressures moderated somewhat in August, although they remain at very elevated levels, having reached a record high in July.

Despite still being impacted by COVID-19 absences, August's employment print indicates the labour market remains in robust health. At 33.5k, job growth in the month was able to offset much of the decline observed in July (-40.9k). And a solid increase in participation led to the up-tick in the unemployment rate to 3.5%. A stronger result would have arguably been possible had illness not affected hours and the number of workers available. These impediments should subside in coming months, giving room for further gains before 2022's rate hikes slow the economy and consequently labour demand into 2023.

The August overseas arrivals and departures release meanwhile marked two key developments: a 'normalisation' of overseas travel towards typical seasonal trends; and hints that momentum in visa arrivals is beginning to build. On the latter, the lack of net positive visa arrivals has been a key contributor to labour market tightness. It is therefore promising to see the 'temporary work' group of visa arrivals post a solid net gain of 10.3k in August. With more resources dedicated to reducing visa processing backlogs, the return of foreign labour should, in time, go some way towards alleviating Australia's labour supply constraints.

Over in New Zealand, as anticipated by Westpac, Q2 GDP was strong, gaining 1.7% as the service sector benefitted from the return of international tourists. The result also confirms that the 0.2% decline of Q1 was due to temporary factors, particularly disruptions related to the omicron wave of COVID-19 which have now largely passed. The Q2 result supports our expectation that the RBNZ will continue to hike into year end to a peak cash rate of 4.0%. This is necessary to bring demand and supply into line and mitigate inflation risks.

Turning then to the US. August's strong core CPI print got all the headlines this week, but the dataflow was decidedly mixed overall.

Against an expectation of a 0.3% gain for the month, August's 0.6% rise for the core CPI was a shock to markets, particularly as they had prepared for a downside surprise. With the recent hawkish rhetoric of FOMC members still fresh in their minds, market participants bid the US dollar aggressively straight after the release, while bonds and equities sold off in an equally volatile fashion. Westpac and the market now expect at least 175bps of hikes into year-end by the FOMC, taking the fed funds rate to a peak of 4.125% (Westpac) or above (market).

Westpac sees the flow of decisions as most likely being a 75bp hike in September followed by a 50bp increase at both the November and December meetings. The market however is pricing a greater risk of an accelerated delivery during September and November, with 150bps priced for those two meetings, as well as the need for additional tightening in late-2022 or early 2023, with around 215bps priced by March 2023.

Arguably, the FOMC sees a need to act with such vigour to keep real yields along the yield curve materially above zero – currently 5-10 year real yields are around 1.0%. To do so, nominal yields need to be kept around current levels into year end, and the anticipated 2023 decline managed to a pace proportional to the fall in medium-term inflation expectations. Maintaining real yields around 1.0% well into 2023 should give the FOMC comfort that the remaining risks related to inflation will pass.

Our concern however is that the hit to output from the fight against inflation will endure. Currently we see an output gap circa 3.0% of GDP by end-2023, likely increasing to 3.5% come end-2024 given rate cuts are only expected to commence in 2024 once inflation has abated. If this forecast eventuates, it will prove a material negative for US productivity, profitability and income into the medium-term as well as a material hindrance to the US' emission reduction ambition to 2030 and beyond – as discussed in our September Market Outlook.

Notably, the activity data released this week has highlighted that the risks to US growth lay to the downside. Control group retail sales were much weaker than expected in August (0.0% against 0.5% consensus) and the July growth rate was halved to 0.4%. Industrial production also contracted 0.2% in August (0.0% consensus), while recent readings from the regional federal reserve surveys point to increasingly fragile conditions and growing uncertainty over the outlook.

As a result, the latest estimate of Q3 GDP from the Atlanta Fed's GDPnow nowcast is just 0.5% annualised, less than a quarter of the decline in activity experienced over H1 2022. At the turn of the year and through 2023, financial markets are likely to increasingly factor in these risks for the US, particularly FX markets given the US dollar's historically-elevated starting level.

Week ahead & data wrap

Recession avoided, but here comes 'the big switch'

The New Zealand economy bounced 1.7% higher over the June quarter. That was very close to our forecast of 1.6% and was substantially ahead of the median market forecast of a 1% rise.

This result means that the economy has well and truly made up for the 0.2% drop in the previous quarter. Indeed, looking through the quarterly ups and downs over the first half of this year, the economy has grown at a respectable annualised pace of 2.9%.

With that in mind, there wasn't much danger of the economy dipping into recession this year. Our assessment at the time was that the March quarter drop was due to two temporary factors: disruptions to activity during the peak of the Omicron wave, and the absence of the uplift in tourist spending that we'd normally see at that time of year.

As we expected, both of those effects were reversed out in the June quarter. Covid cases eased off after peaking in March, with the country moving from the 'red' to the 'orange' traffic light setting, and worker absences becoming less of a constraint on production.

More importantly, the phased reopening of the border since the end of February meant a strong lift in visitor numbers during what normally would have been the seasonal lull. The numbers themselves are still subdued – visitor numbers over the June quarter were around 20% of pre-Covid levels. But going from nothing to something can have a big impact on rates of growth.

That was evident in the spectacular quarterly gains recorded in some sectors. Accommodation and dining out was up by 30%, transport up 20%, and arts and recreational services up 20%. Administrative services, a group that includes travel agencies and tour operators, saw a 4.7% rise.

Even with the strong overall result, it's important to note that there are parts of the economy that are in decline. Retail sales were down 3.7%, mining shrank by another 8%, construction saw a surprising 2.4% fall, and non-food manufacturing (excluding petroleum) fell by 1.3%.

The net effect is that the economy is undergoing 'the big switch'. This switch is occurring as both New Zealand and the world move beyond the pandemic and the associated Covid restrictions. We note that technically it's 'the 'big switch back', as households unwind the surge in goods spending over the pandemic and redirect spending back to services. That said, pent-up demand may mean that spending on services like travel continues to surge over the next couple of years before the normal spending patterns resume.

As a result, we expect the spending switch to play out at speed. For example, Australians and offshore New Zealanders were the first to arrive on our shores and thus dominated tourist arrivals over the June quarter. Over the remainder of the year and particularly heading into summer, we expect arrivals from further afield to join the party. For example, Air New Zealand recently announced its new flagship route of Auckland to New York, with the route scheduled to open this weekend.

On the local front, the abolishment of the 'traffic light' system of Covid restrictions this week will give the service industry a further boost. Accordingly, the hospitality and entertainment industries are likely to see an ongoing surge in growth, after what has been a very long time between drinks so to speak.

However, over coming years, there may still be a spanner in the works. Given the industry is generally more labour intensive, labour shortages are likely to temper growth in some areas and/or lead to a surge in wages over and above the lift being seen in the rest of the economy. The sector will be competing with other sectors that are also short-handed, in order to secure the necessary staff to support the industry's recovery to pre-Covid levels.

On the flipside, we expect domestic demand and in turn household spending and residential investment to continue to cool over the remainder of 2022 and beyond. On this front, the latest housing data reaffirmed that the housing market continues to cool, with prices falling a further 1.4% over August. Nationwide prices have now fallen 9% from the peak back in November. Auckland (down 14%) and Wellington (down 17%) continue to lead the market lower.

With today's result very much in line with the RBNZ's forecast of a 1.8% rise, there are no obvious implications for the interest rate outlook. The heart of the issue is that the RBNZ is aware the economy is running above its non-inflationary potential. Higher interest rates will work to close that gap over time, but the challenge is in managing that process. Doing too little means that inflation could become stubbornly persistent; too much could mean an unnecessary period of weak activity and high unemployment. We agree with the RBNZ that lifting the Official Cash Rate to 4% and holding it there would give the best chance of striking that balance.

Nathan Penny, Senior Agri Economist

Round-up of local data released over the last week

Date	Release	Previous	Actual	Westpac f/c
Mon 12	Jul net migration	–389	–376	–
	Aug REINZ house sales %yr	–35.1%	–18.3%	–
	Aug REINZ house prices %yr	–2.9%	–5.8%	–
Tue 13	Aug food price index	2.1%	1.1%	0.0%
Wed 14	Q2 current account balance (% of GDP)	–6.8%	–7.7%	–7.5%
Thu 15	Q2 GDP	–0.2%	1.7%	1.6%
Fri 16	Aug manufacturing PMI	53.5	54.9	–

Aus Aug Westpac-MI Leading Index

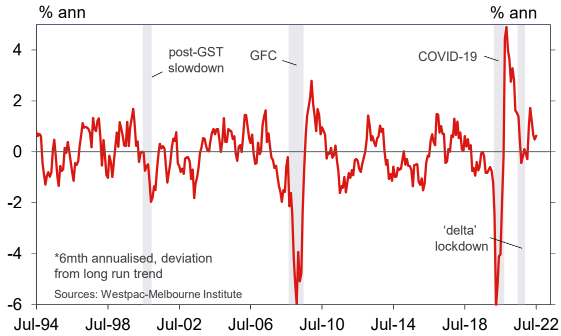
Sep 21, Last: 0.63%

The six-month annualised growth rate lifted slightly to 0.63% in July, remaining at an above trend pace heading into the second half of 2022.

The August read will include some notable negatives in the monthly updates, dwelling approvals plunging 17% and the yield gap closing sharply as the RBA's rapid rate rises lift the short end. Most other components recorded slight positives.

Timing is also of note, the headline measure is based on a six month annualised growth rate that is now cycling out of the strong post-delta (and post-omicron) rebounds that were still giving strong boosts in the first few months of the year (hours worked for example soared 9% in Feb). Some big commodity price gains at the start of the year are also dropping out. As such, a dip to a negative, below trend reading is possible.

Westpac-MI Leading Index



NZ GlobalDairyTrade auction, whole milk powder prices

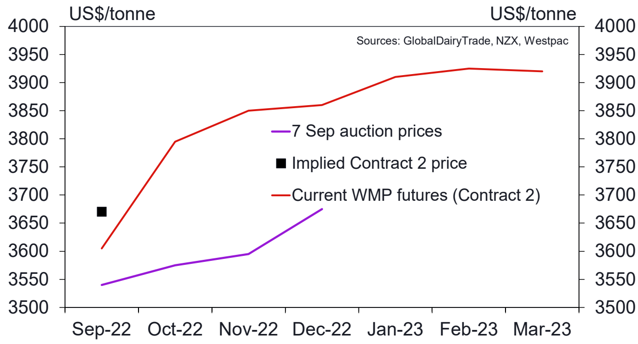
Sep 21, Last: +5.1%, WBC: +4%

We expect whole milk powder prices (WMP) to lift by around 4% at the upcoming auction. This follows a 5.1% price jump at the previous auction.

Our pick is slightly lower than the circa 5% lift that the futures market is pointing to.

We expect global dairy prices to firm over this and coming auctions on the back of very weak global dairy supply and recovering Chinese demand.

Whole milk powder prices



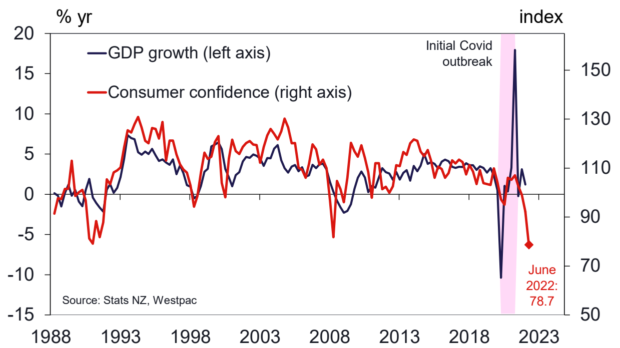
NZ Q3 Westpac McDermott Miller Consumer Confidence

Sep 22, Last: 78.7

Consumer confidence plummeted in the June quarter, falling to its lowest levels since we began surveying consumers back in 1988. Confidence has only come close to these sorts of lows twice before - first during the recession in the early-1990s, and then again during the Global Financial Crisis in 2008/09. Households reported increasing concerns about their financial position as consumer prices and mortgage interest costs pushed higher. There was also growing pessimism around the outlook for economic conditions more broadly.

Our latest survey was conducted in the first half of September. Recent months have seen households continuing to grapple with increases in the cost of living and higher interest rates. However, we have also seen the labour market remaining firm, sharp falls in petrol prices, and an easing in Covid restrictions.

Consumer confidence and economic growth



US Sep FOMC meeting

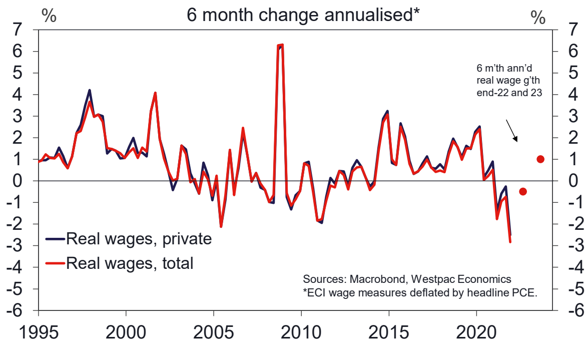
Sep 20-21, fed funds rate,
Last: 2.375%, Mkt f/c: 3.125%, WBC 3.125%

Following this week's strong August core CPI and given recent hawkish rhetoric from FOMC members, a 75bp hike at the September meeting seems a done deal. Indeed, the market is pricing some chance of a 100bp increase.

To us, at this point in the cycle and with real term interest rates around +1.0%, a 100bp increase is unnecessary and potentially risky. Also note that an additional 100bps of hikes is forecast for the remainder of the year; and the market sees the risk of more.

Critical to assessing the outlook for policy beyond September will be the FOMC's updated forecasts for inflation, growth and the fed funds rate in 2023 and 2024. We see big risks for growth into the medium-term; but if the FOMC are more sanguine, market pricing could turn more hawkish.

Inflation needs to be curtailed; but g'th at risk



For the week ahead

		Last	Market median	Westpac forecast	Risk/Comment
Mon 19					
Aus	RBA Head of Domestic Markets	–	–	–	Kearns, speaking at AFR Property Summit at 8:10am.
NZ	Aug BusinessNZ PSI	51.2	–	–	Interest rate hikes have been weighing on demand.
UK	Sep Rightmove house prices	-1.3%	–	–	More declines to come as policy tightening continues.
US	Sep NAHB housing market index	49	48	–	Elevated costs, lack of labour and affordability all biting.
Tue 20					
Aus	RBA minutes	–	–	–	Is it time for the pace of rate hikes to moderate from here?
Jpn	Aug CPI %yr	2.6%	2.9%	–	Prices pressures gradually building; BoJ unconcerned.
US	Aug housing starts	-9.6%	1.0%	–	Demand being hit hard by financial conditions...
	Aug building permits	-0.6%	-3.8%	–	... while input constraints continue to limit supply.
Wed 21					
Aus	Aug Westpac–MI Leading Index	0.63%	–	–	Six-month growth rate looks set to weaken.
	RBA Deputy Governor	–	–	–	Bullock, speaking to Bloomberg at 12:00pm.
NZ	GlobalDairyTrade auction (WMP)	5.1%	–	4.0%	Dairy prices to continue rebound on very tight global supply.
US	Aug existing home sales	-5.9%	-2.3%	–	Persistent weakness likely as tightening continues.
	FOMC policy decision, midpoint	2.375%	3.125%	3.125%	75bp hike locked in after core inflation upside surprise.
Thu 22					
Aus	Public holiday	–	–	–	National Day of Mourning for Her Majesty The Queen.
NZ	Q3 Westpac–MM Consumer Confidence	78.7	–	–	The squeeze on household finances is continuing.
	Aug trade balance $mn	-1092	–	-2400	Trade deficit widening as agri exports decline seasonally.
Eur	Sep consumer confidence	-24.9	-24.6	–	Confidence has collapsed to a historical low.
UK	BoE policy decision	1.75%	2.25%	2.50%	We lean towards a 75bps move, but a close call 75-vs-50bps.
US	Initial jobless claims	213k	–	–	Likely to remain at low levels for time being.
	Aug leading index	-0.4%	0.0%	–	Growth outlook clearly deteriorating.
	Sep Kansas City Fed index	3	–	–	Regional surveys mixed; outlook fragile.
Fri 23					
Eur	Sep S&P Global manufacturing PMI	49.6	49.1	–	A broad-based weakening in demand is becoming...
	Sep S&P Global services PMI	49.8	49.2	–	... an increasingly prominent risk for Europe.
UK	Sep S&P Global manufacturing PMI	47.3	–	–	The UK is in a similar position as both mfg...
	Sep S&P Global services PMI	50.9	–	–	... and services have been hit hard by inflation...
	Sep GfK consumer sentiment	-44	–	–	... and growing pessimism among consumers.
US	Sep S&P Global manufacturing PMI	51.5	51.3	–	S&P PMIs point to much weaker conditions than ISMs...
	Sep S&P Global services PMI	44.6	45.0	–	... potentially implying larger effect on small/mid sized firms.
	Fed Chair Powell	–	–	–	To give opening remarks at Fed Listens event.

Forecasts

Interest rate forecasts

Australia	Latest (16 Sep)	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24
Cash	2.35	3.10	3.35	3.35	3.35	3.35	3.10	2.85
90 Day BBSW	2.80	3.55	3.55	3.55	3.55	3.38	3.13	2.88
3 Year Swap	3.81	3.50	3.30	3.20	3.00	2.90	2.85	2.85
3 Year Bond	3.42	3.25	3.10	3.00	2.80	2.70	2.65	2.65
10 Year Bond	3.73	3.70	3.50	3.40	3.20	3.00	2.80	2.65
10 Year Spread to US (bps)	28	30	30	30	30	30	30	25
US								
Fed Funds	2.375	4.125	4.125	4.125	4.125	4.125	3.875	3.375
US 10 Year Bond	3.45	3.40	3.20	3.10	2.90	2.70	2.50	2.40
New Zealand								
Cash	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
90 day bill	3.65	4.10	4.10	4.10	4.10	4.10	4.10	3.80
2 year swap	4.34	4.10	4.00	3.80	3.60	3.40	3.20	2.95
10 Year Bond	4.01	4.00	3.80	3.70	3.60	3.45	3.30	3.20
10 Year spread to US	56	60	60	60	70	75	80	80

Exchange rate forecasts

Australia	Latest (16 Sep)	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24
AUD/USD	0.6708	0.69	0.70	0.71	0.73	0.75	0.77	0.78
NZD/USD	0.5969	0.62	0.63	0.64	0.66	0.68	0.70	0.70
USD/JPY	143.37	140	138	136	134	132	130	128
EUR/USD	0.9997	1.02	1.04	1.07	1.10	1.12	1.14	1.15
GBP/USD	1.1462	1.17	1.19	1.21	1.23	1.25	1.26	1.27
USD/CNY	7.0128	6.80	6.70	6.50	6.40	6.30	6.20	6.15
AUD/NZD	1.1239	1.11	1.11	1.11	1.11	1.11	1.11	1.11

Australian economic growth forecasts

	2021	2022				2023		Calendar years			
% change	Q4	Q1	Q2	Q3f	Q4f	Q1f	Q2f	2020	2021	2022f	2023f
GDP % qtr	3.9	0.7	0.9	1.1	0.6	0.3	0.2	–	–	–	–
%yr end	4.5	3.3	3.6	6.7	3.4	3.0	2.2	-0.7	4.5	3.4	1.0
Unemployment rate %	4.7	4.1	3.8	3.4	3.1	3.1	3.4	6.8	4.7	3.1	4.2
CPI % qtr	1.3	2.1	1.8	1.0	2.5	1.0	0.7	–	–	–	
Annual change	3.5	5.1	6.1	6.3	7.6	6.4	5.2	0.9	3.5	7.6	3.1
CPI trimmed mean %qtr	1.0	1.5	1.5	1.5	1.2	0.8	0.7	–	–	–	
%yr end	2.6	3.7	4.9	5.5	5.8	5.0	4.2	1.2	2.6	5.8	3.0

New Zealand economic growth forecasts

	2021	2022				2023		Calendar years			
% change	Q4	Q1	Q2	Q3f	Q4f	Q1f	Q2f	2020	2021	2022f	2023f
GDP % qtr	3.0	-0.2	1.7	0.4	0.6	0.6	0.5	–	–	–	–
Annual avg change	5.5	4.9	1.0	2.4	2.2	2.8	3.2	-2.1	5.5	2.2	2.2
Unemployment rate %	3.2	3.2	3.3	3.3	3.4	3.5	3.6	4.9	3.2	3.4	3.8
CPI % qtr	1.4	1.8	1.7	1.6	0.3	1.0	0.8	–	–	–	–
Annual change	5.9	6.9	7.3	6.6	5.3	4.6	3.6	1.4	5.9	5.3	3.6

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