

Chart A: Domestic Interest Rates

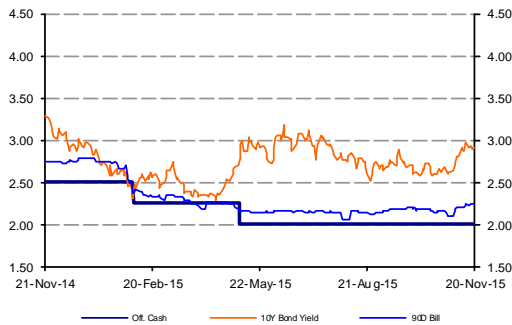


Chart B: Share Price Index

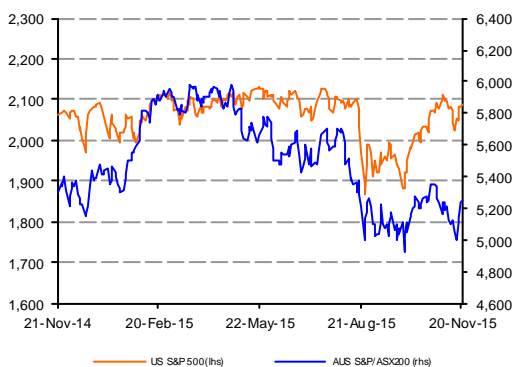


Chart C: Exchange rate

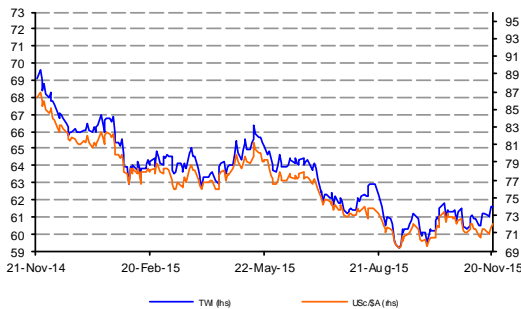
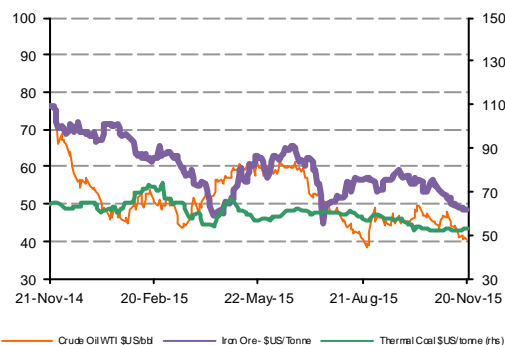


Chart D: Commodity Prices



Domestic Data Releases

NSW economic growth, as measured by **Gross State Product (GSP)**, grew 2.4% in 2014-15, following growth of 2.3% in 2013-14. National GDP rose 2.3%, down from growth of 2.5% in 2013-14. The improvement in NSW from 2013-14 economic growth was driven by strong SFD growth, with export growth remaining detracting from activity. NSW interstate exports negatively contributed to GSP growth.

The number of **new cars** sold in NSW fell by 3.8% in October (nationally down 3.6%) but are 5.7% higher compared to the same time last year (nationally up 4.2%).

The **ANZ Stateometer** for November 2015 continues to show NSW and VIC driving national economic growth, reflecting solid growth in services sector activity.

In the September quarter 2015, **NSW wages and salaries** as measured by the WPI (excluding bonuses), rose 1.0% compared to the previous quarter to be 2.2% higher through the year. Nationally, the WPI rose 0.8% compared to the previous quarter to be 2.3% higher through the year.

The **NSW youth unemployment rate** fell in October 2015 to 12.7%. The national youth unemployment rate declined to 13.4%.

Markets

The ASX200 rose 4.1% compared to last Friday and the US S&P500 was up 3.3%.

	Value	Change on Year	Change on Week
US S&P 500	2,089.2	1.2 %	3.3 %
ASX200	5,256.1	-0.9 %	4.1 %
Australian Dollar (USD)	0.7194	-16.7 %	0.8 %
TWI	61.60	-10.9 %	0.7 %
Oil (USD/bbl)	40.39	-47.2 %	-0.9 %
Gold (USD/oz)	1,081.75	-10.1 %	0.0 %
Thermal Coal (USD/tonne)	53.20	-17.0 %	1.5 %
Australian 10-yr bond	2.91%	-37.2 bps	-5.6 bps
US 10-yr bond	2.26%	-7.0 bps	-6.0 bps
Australian 90-day bill	2.25%	-49.3 bps	1.4 bps

Upcoming Domestic Data Releases (23/11 – 27/11)

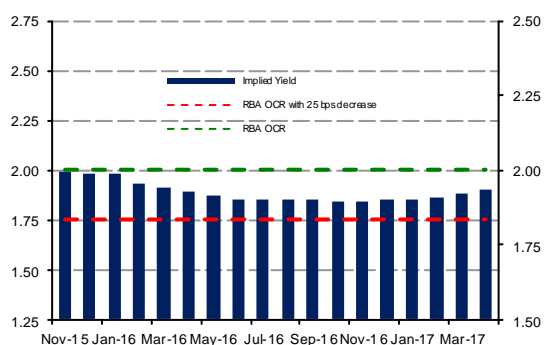
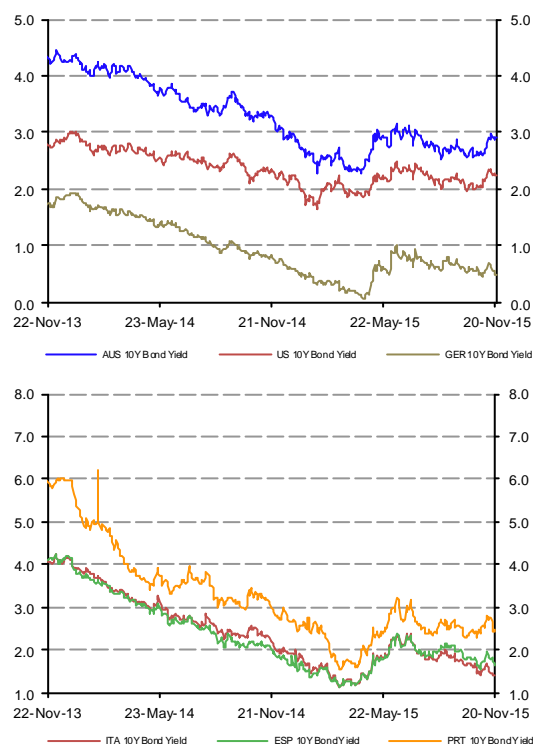
- The **ABS** will release data on construction work done in the September quarter 2015. The private new capital expenditure survey is released for the September quarter 2015.
- The **Department of Employment** releases its internet vacancies index for October

Market Interest Rate Expectations

Current market expectations, as shown by the implied yield curve on ASX 30 day interbank cash rate futures (Chart E) indicate an expectation that the RBA will lower rates to 1.75% in mid 2016.

According to the ASX target rate tracker, as of 24 November, there is a 6% expectation that the RBA will lower the cash rate to 1.75% at its policy meeting on 1 December 2015.

International Bond Yield Spreads

Chart E: Interest Rate Expectations**Chart F & G: International Bond Yields**

10-yr bond yield	Yield	Change on Year	Change on Week	Spread on 10-yr US bond week end	Spread on 10-yr US bond year ago
Australian (AUS)	2.91%	-37.2 bps	-5.6 bps	64.9 bps	95.1 bps
United States (US)	2.26%	-7.0 bps	-6.0 bps	-	-
Germany (GER)	0.49%	-30.8 bps	-12.5 bps	-176.8 bps	-153.0 bps
Italy (ITA)	1.39%	-80.1 bps	-7.5 bps	-86.6 bps	-13.5 bps
Portugal (PRT)	2.47%	-52.1 bps	-27.9 bps	21.1 bps	66.2 bps
Spain (ESP)	1.63%	-38.3 bps	-17.5 bps	-62.8 bps	-31.5 bps

Key International Data Releases

US: Following a fall in September, **consumer prices**, as measured by the CPI, grew 0.2% in October compared to the previous month. Exceeding market expectations, year-on-year consumer prices also grew by 0.2%. **Industrial production** grew 0.3% through the year to October 2015, with mining and utilities output both contracting. **Housing starts** fell 11% to an annual rate of 1.06m units, the lowest rate since March.

UK: **Consumer prices**, as measured by the CPI, rose 0.1% in October compared to the previous month. Through the year, CPI fell 0.1% through the year to October. **Retail sales** rose 3.8% in October compared to the same period last year, following a 6.2% rise through the year to September.

Japan: **Economic output**, as measured by GDP, fell 0.8% in the September quarter 2015, following a fall in the June quarter. The **Bank of Japan** decided to maintain its quantitative easing program at an annual rate of 80 trillion yen. Imports and exports both fell in October, resulting in a **trade surplus** of 111.5b yen from a 114.5b yen deficit in September.

Upcoming Key International Data Releases (23/11 – 27/11)

- **US:** Existing home sales for October, September quarter GDP (2nd estimate), Consumer Sentiment for November
- **UK:** September quarter GDP (2nd estimate)
- **Japan:** CPI for October, Unemployment Rate for October
- **EU:** Consumer Sentiment, Business Confidence for November