

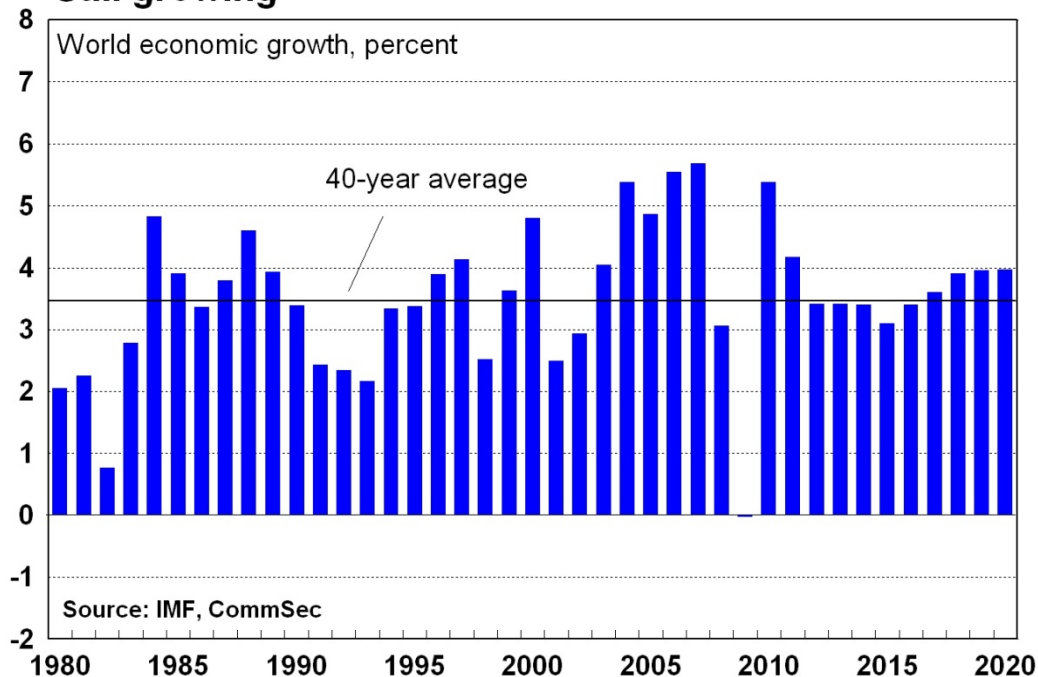
# Global Economy: OK

## Drivers of world economy Contribution to growth 2016 (pct points)

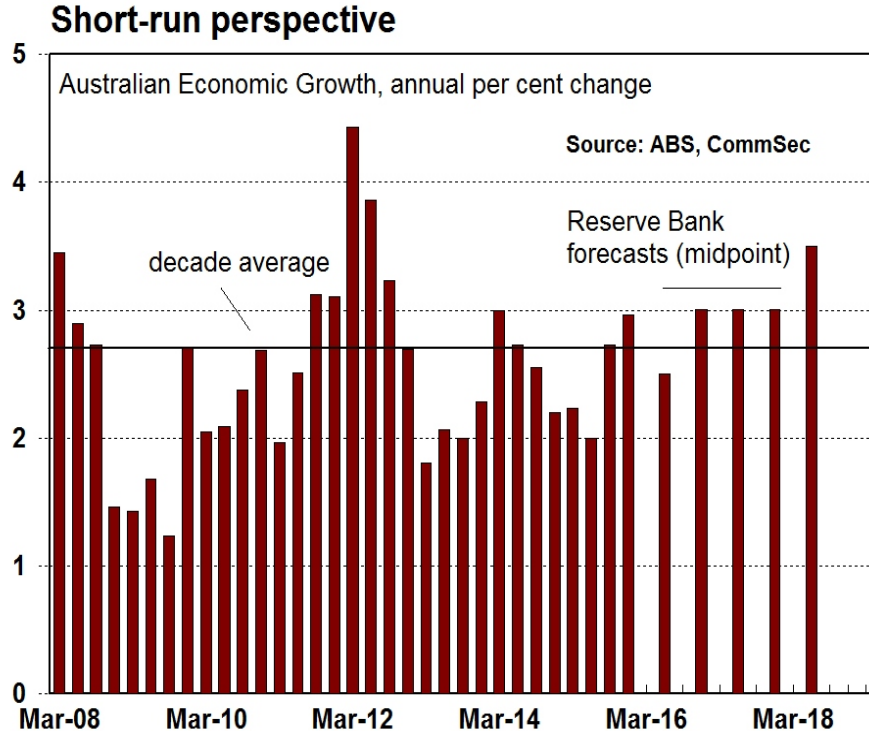
China	1.02
United States	0.64
India	0.24
United Kingdom	0.09
Germany	0.08
Korea	0.06
Indonesia	0.06
Japan	0.06
Australia	0.05
Spain	0.05
France	0.04
Mexico	0.04
Canada	0.04
Italy	0.03
Philippines	0.03
Turkey	0.03
Nigeria	0.03
<i>Other countries</i>	<i>0.84</i>
<b>WORLD</b>	<b>3.4</b>

Source: IMF, CommSec

### Still growing



# Australia: *In good shape*



## Stocktake

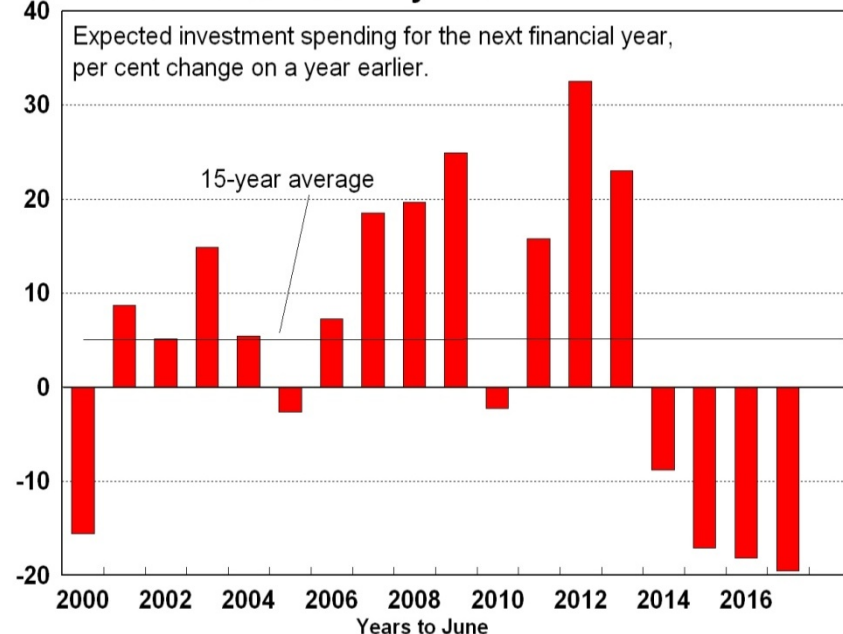
- World-leading growth
- Jobless rate 26-month low
- Record car sales
- Record dwelling starts
- Record tourist arrivals
- Above-normal spending

# Investment: *Mixed signals*

## Investment - Off the summit



## Weakest outlook in 25 years

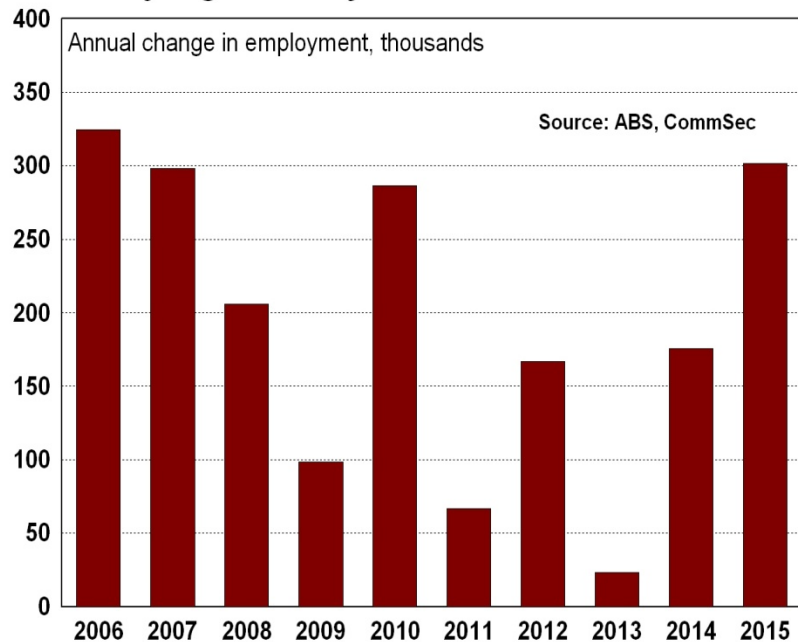


Source: ABS, CommSec

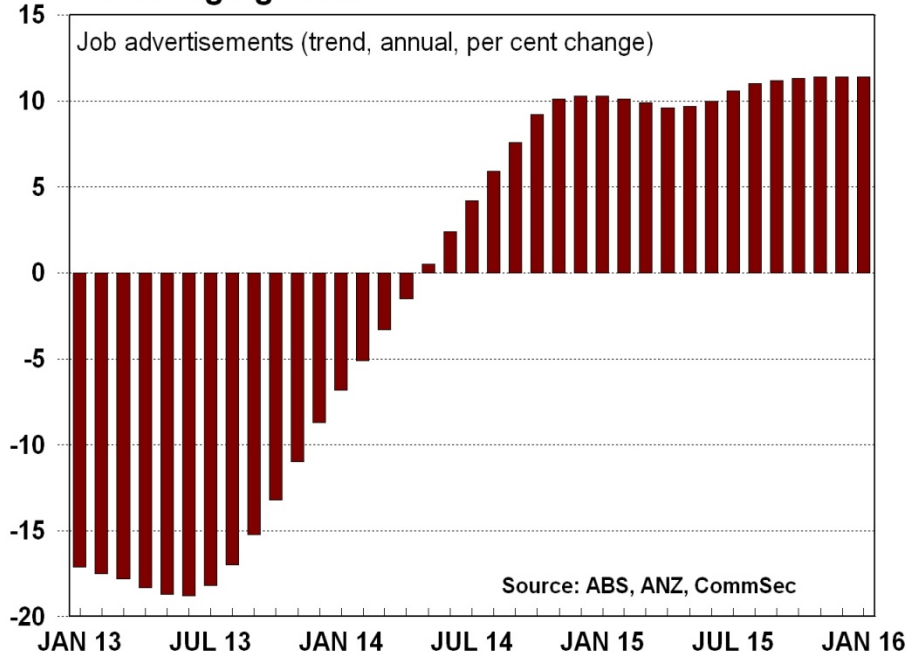
Expected

# Job market improves

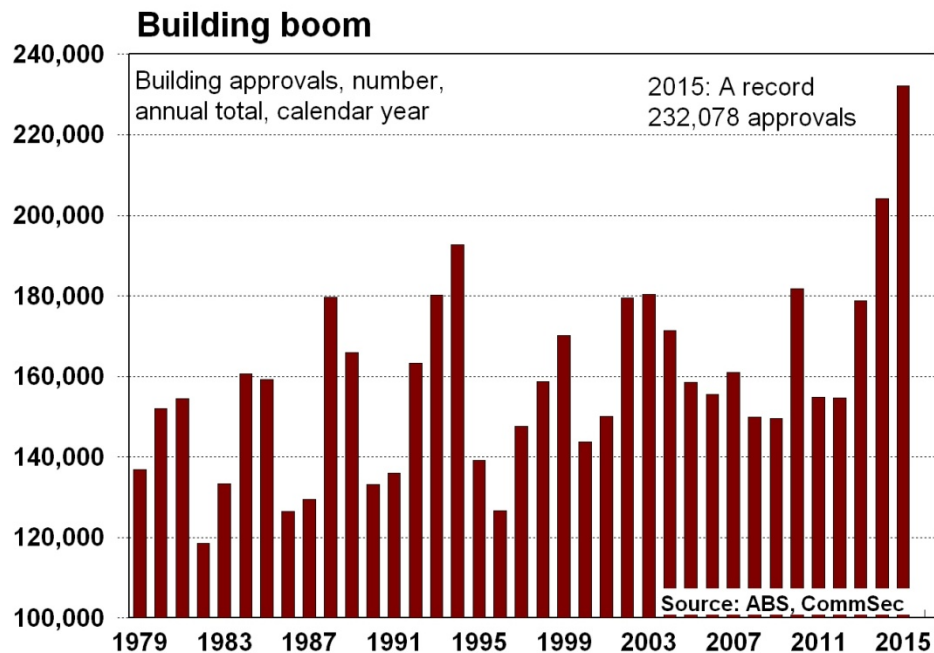
## Best job gains in 9 years



## Encouraging trend



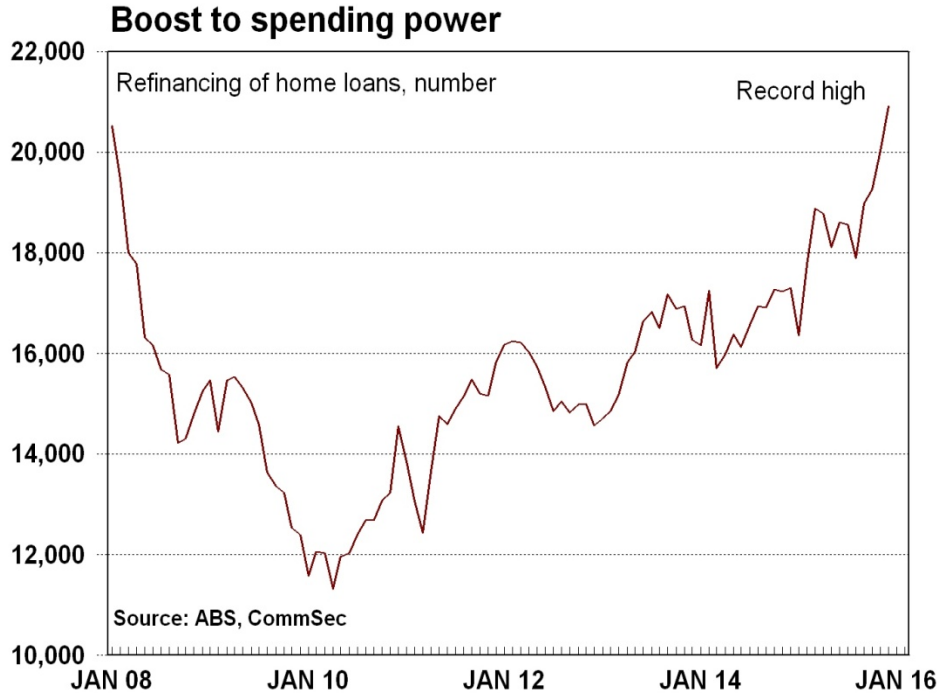
# Housing: *leads the way*



## Stocktake

- More homes
- Apartments dominate
- Slower population
- Softer home prices
- Watch vacancies

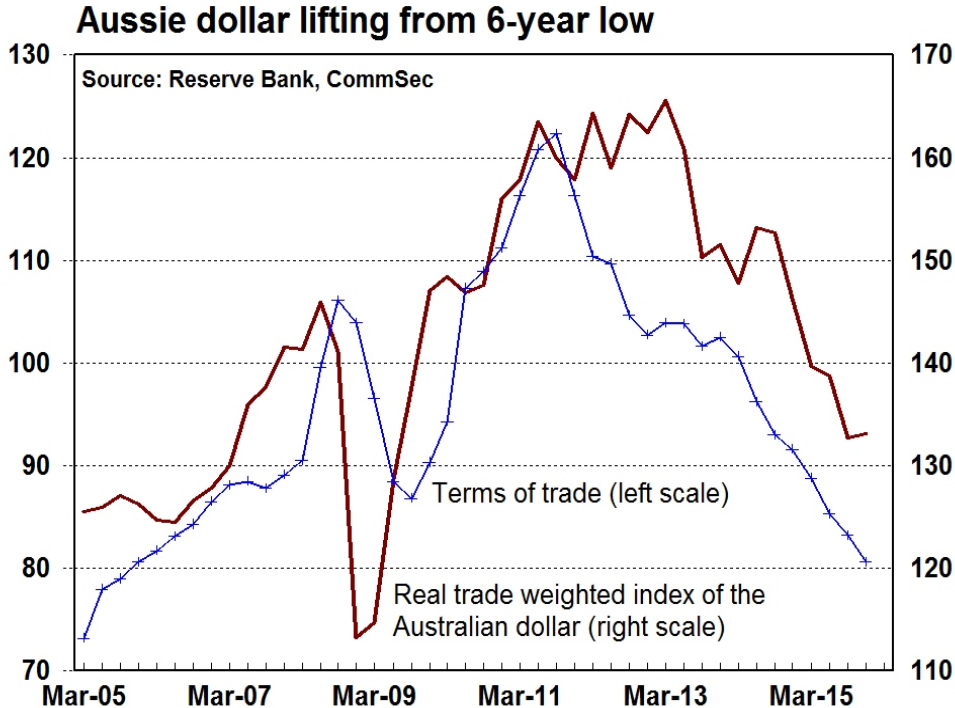
# Australian Interest Rates



## Stocktake

- 'Easing bias'
- But good economy
- Low inflation
- Volatility watch
- Jobless rate in focus

# Aussie Dollar: *Marking time*



## Stocktake

- US rates to rise...slowly
- Aussie rate cut?
- China doubts
- Commodity prices ease
- Firmer Aussie economy
- Tourism lifts

# Outlook

## FORECASTS

	<b>2015</b>	<b>2016</b>
Economic Growth	3.00%	2.75-3.25%
Underlying inflation	2.00%	2.20-2.75%
Unemployment	5.80%	5.50-6.00%
	<b><i>mid 2016</i></b>	<b><i>end 2016</i></b>
Cash rate	1.75-2.00%	1.75-2.00%
Sharemarket (All Ords)	5,200-5,400	5,500-5,700
Australian dollar	US64-72c	US68-75c





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