Global, national and Victorian economic update

OCTOBER 2024

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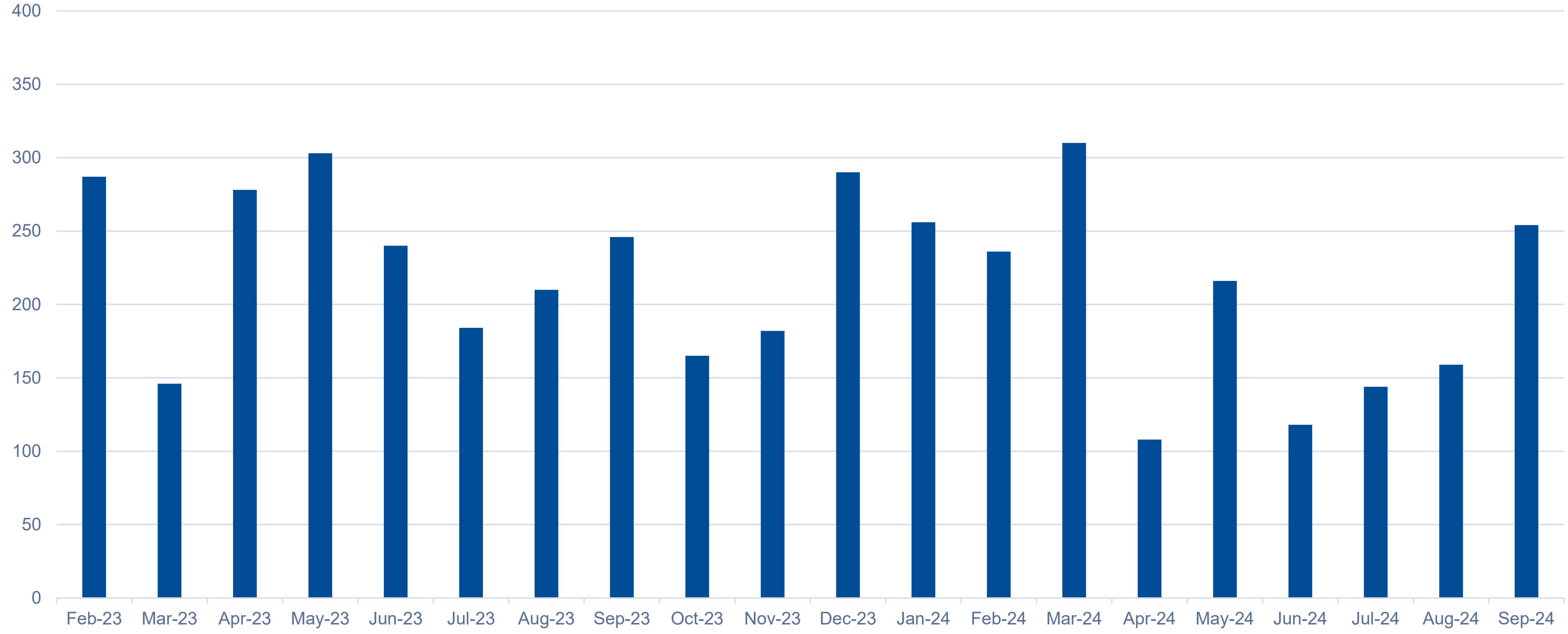
Treasury Corporation of Victoria

Global and national update

Treasury Corporation of Victoria

The Fed has cut rates – but payrolls growth is crazy

Monthly change in nonfarm payrolls ('000)



Source: Bloomberg

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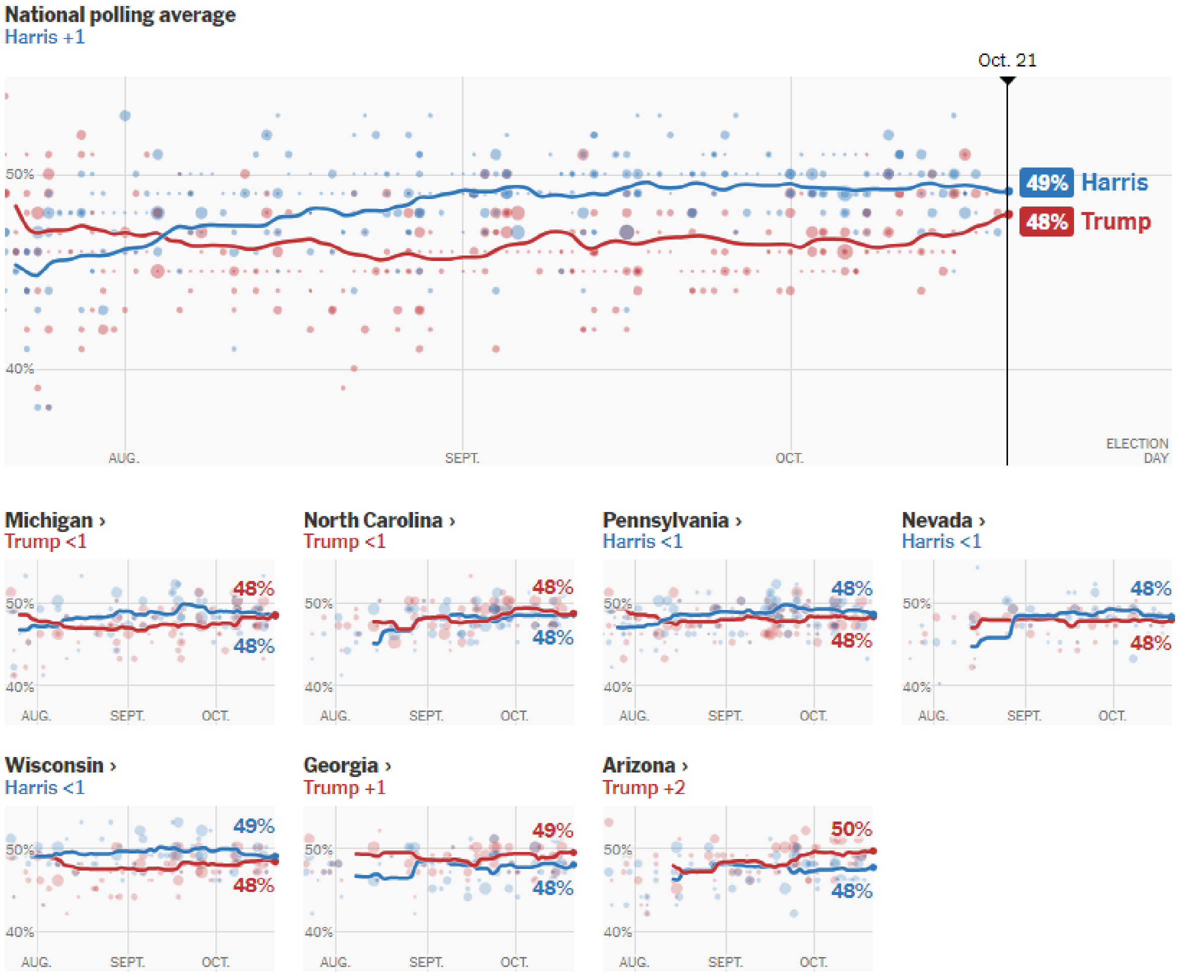
Bond yields don't normally do this!

US 10-year government bond yield

Source: Bloomberg

Beware US election volatility!

Polling shows US swing states the closest they have been in the history of modern polling



Note: Individual poll results are shown as circles for each candidate. Polls with greater weight in the average have larger circles. Source: Averages by The New York Times; polls collected by FiveThirtyEight and The Times.

Source: New York Times

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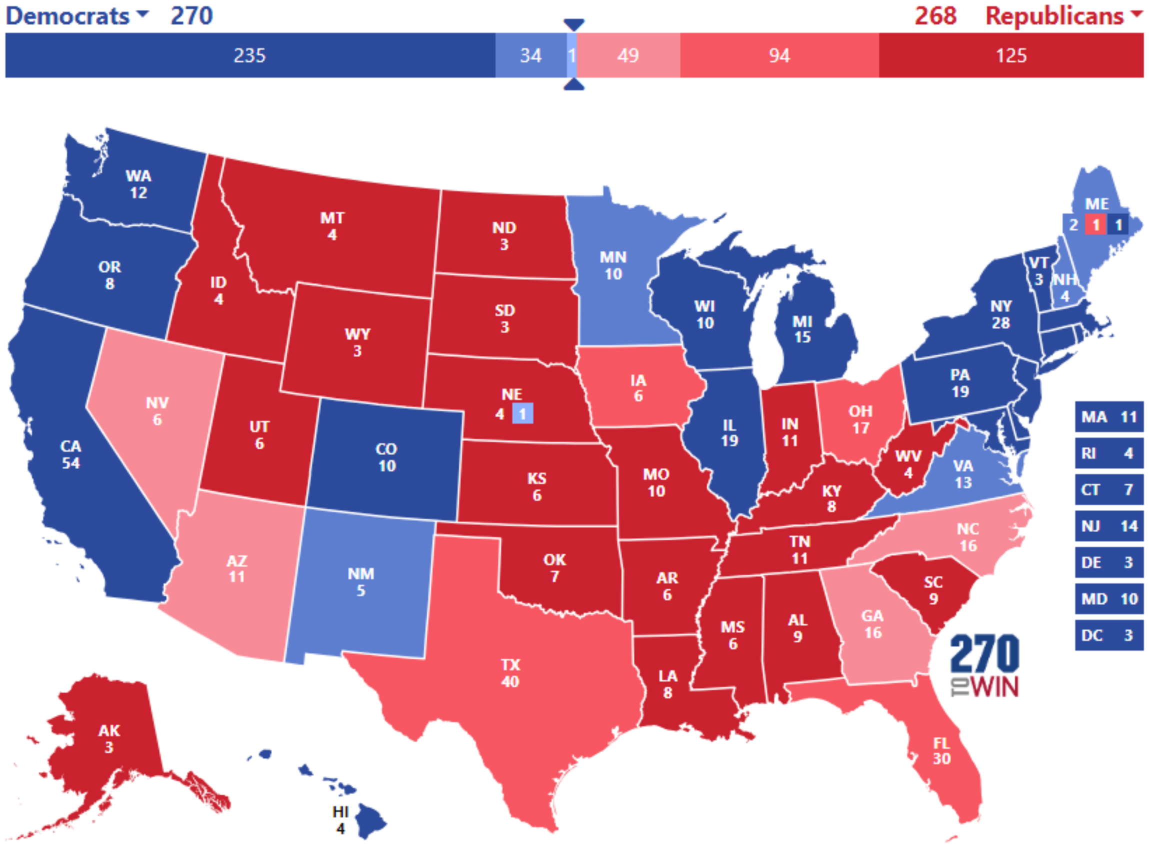
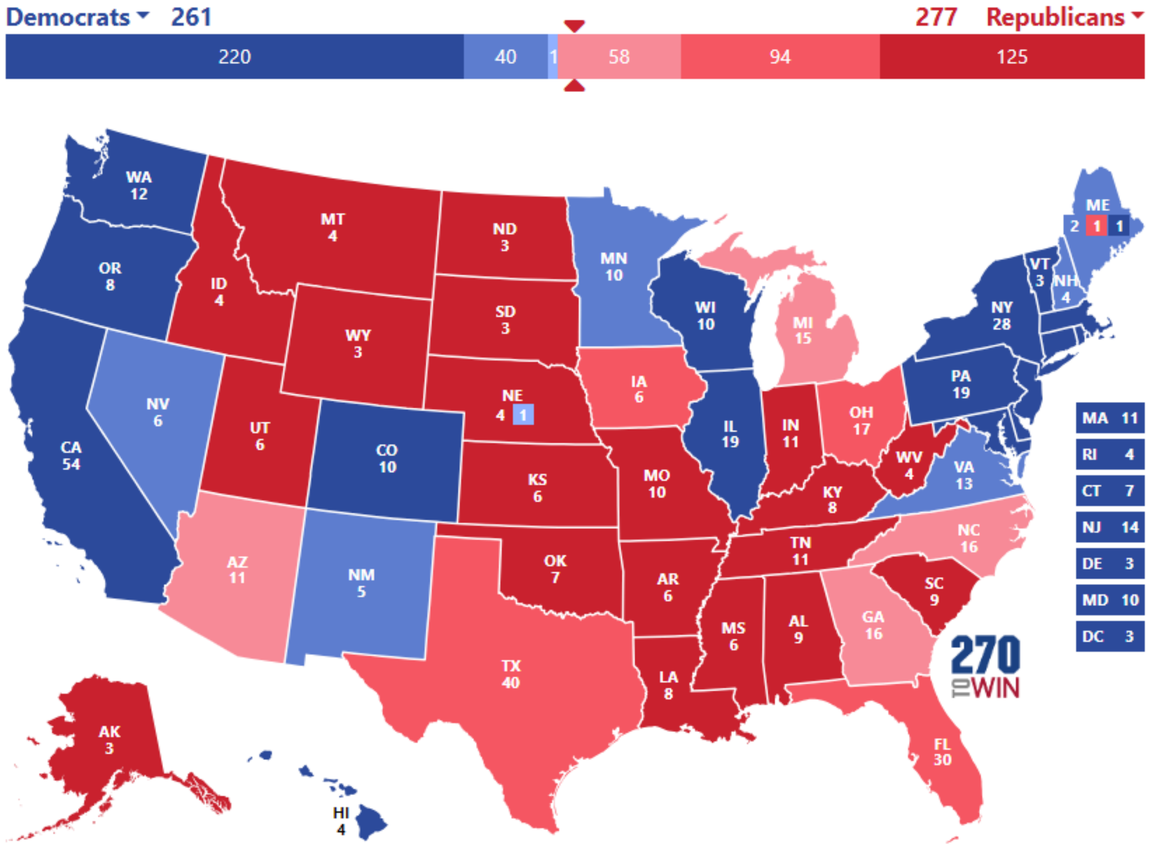
Here's just how close that could get

Harris holds rustbelt, loses sunbelt



Swing states per current NYT polling average



Source: 270 to Win

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Oil resilient to Middle East risks …for now

Brent futures USD/bbl

Source: Bloomberg

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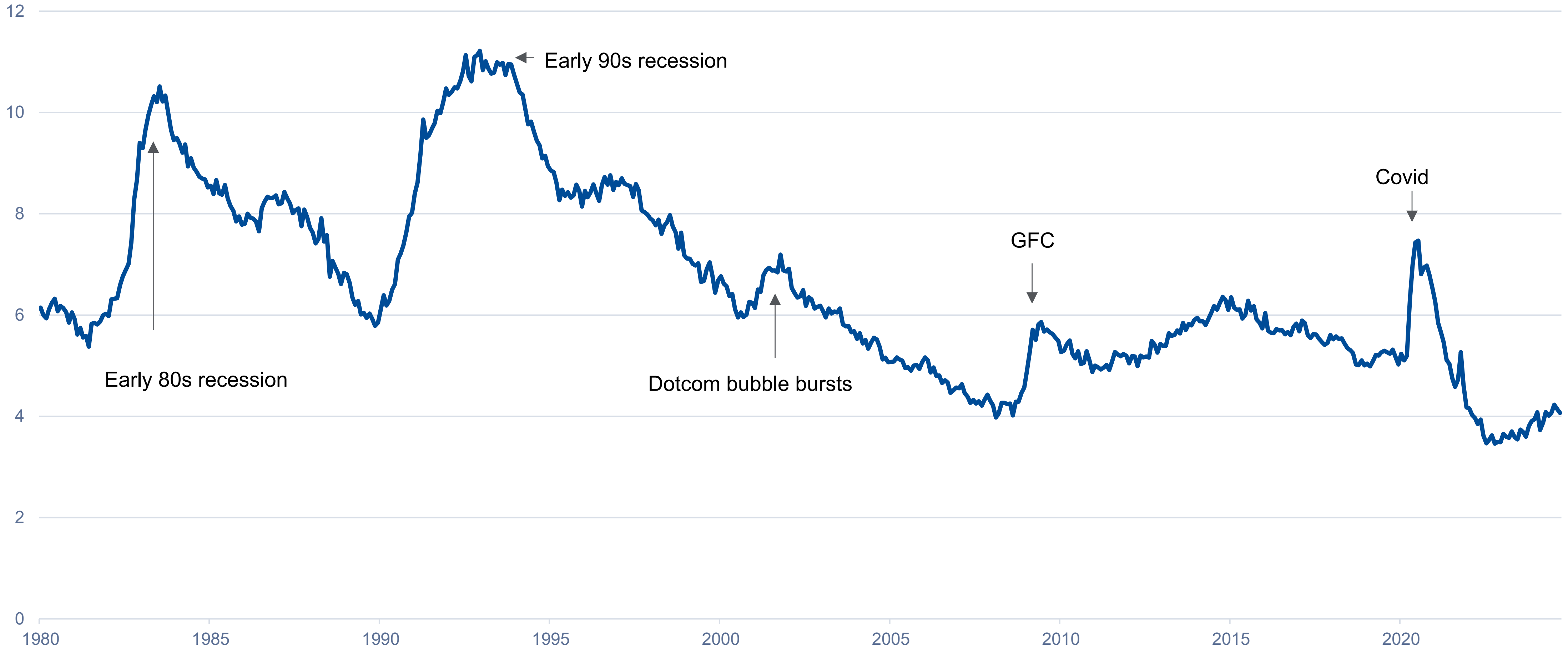
The Chinese economy faces serious challenges

China CPI y/y

Source: Bloomberg

Australian economy sluggish but labour market *much* stronger than expected

Unemployment rate



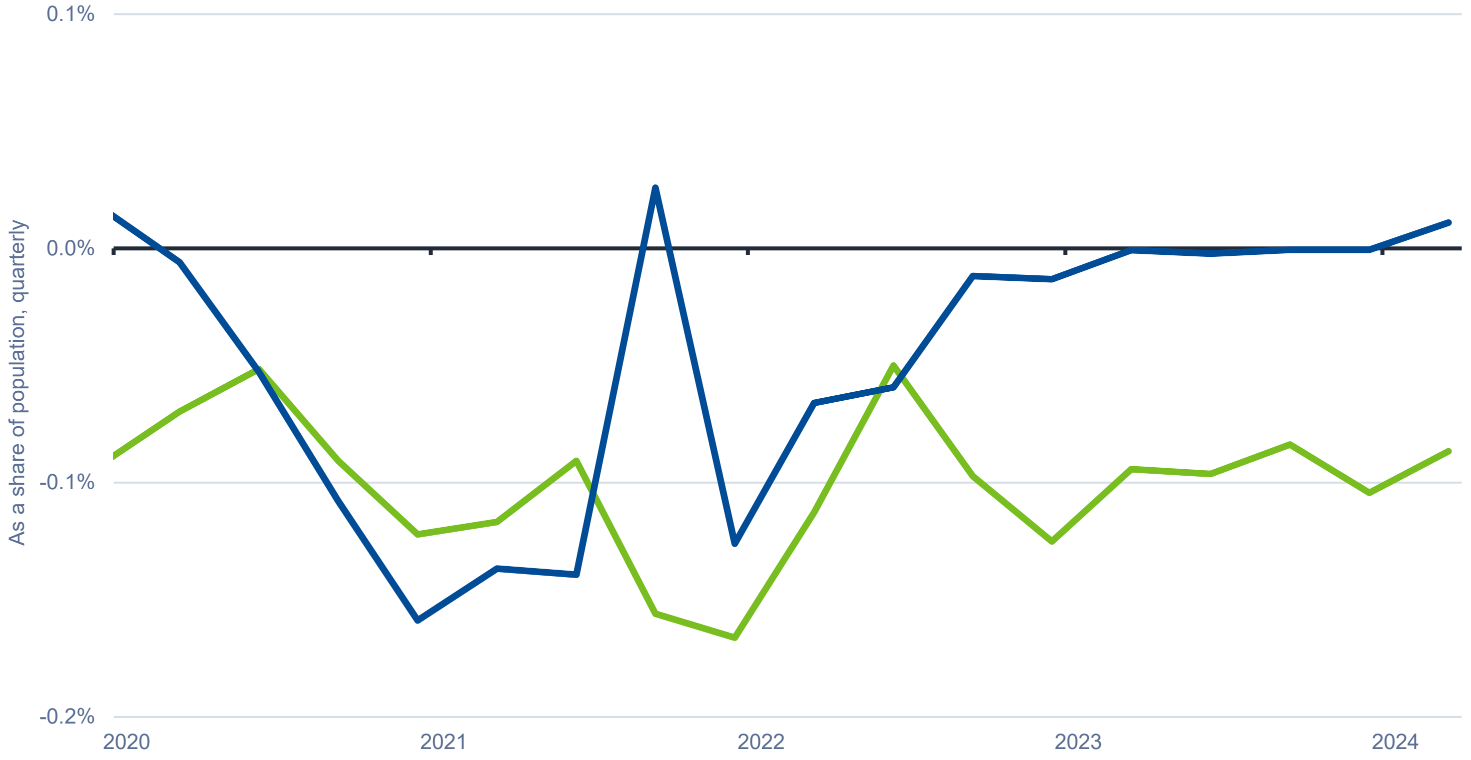
Source: ABS

Victorian update

Treasury Corporation of Victoria

QUIZ TIME

Per capita net interstate migration

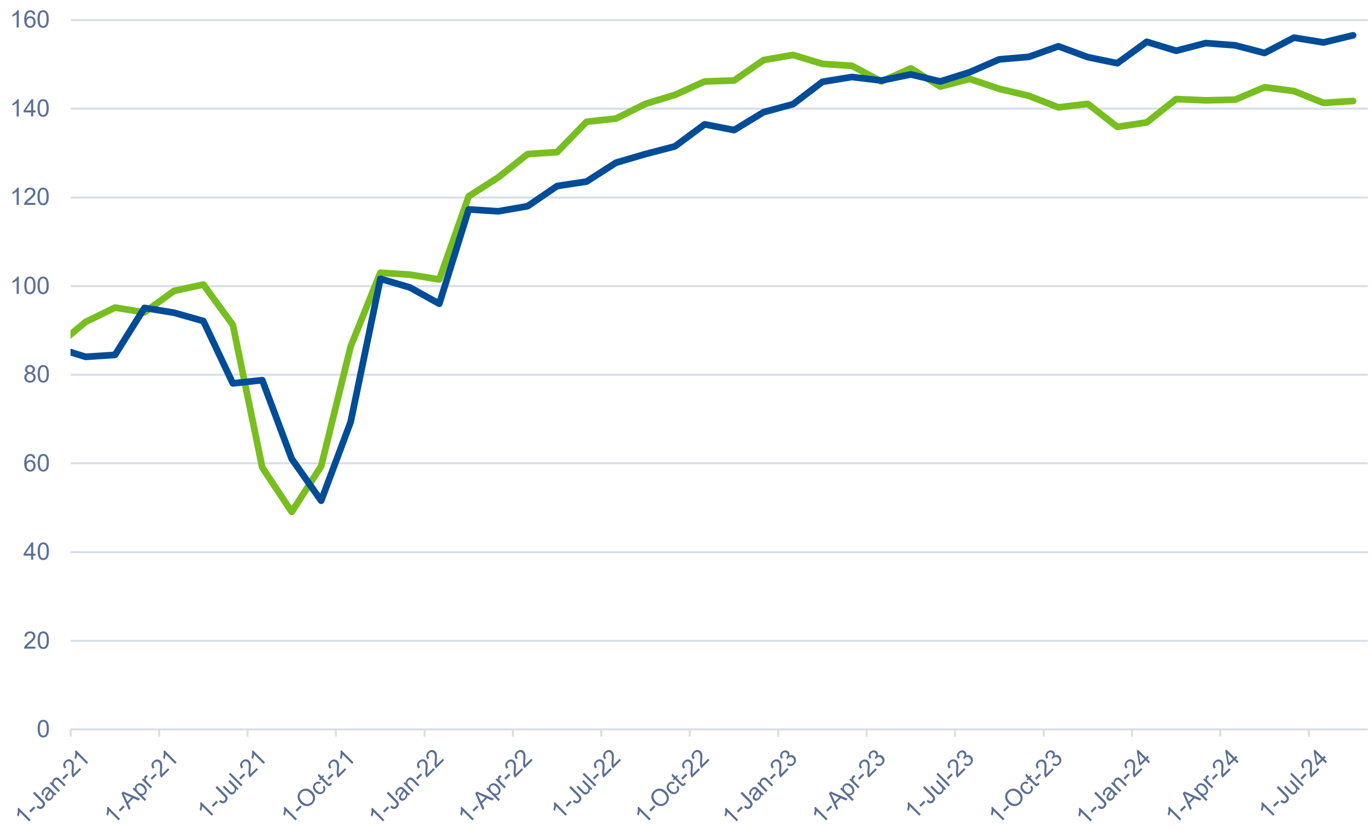


Which line is Victoria and which line is NSW?

Source: ABS, TCV

QUIZ TIME CONTINUES

Café and restaurant spending index (Jan 2020 =100)



Which line is Victoria and which line is NSW?

Source: ABS, TCV

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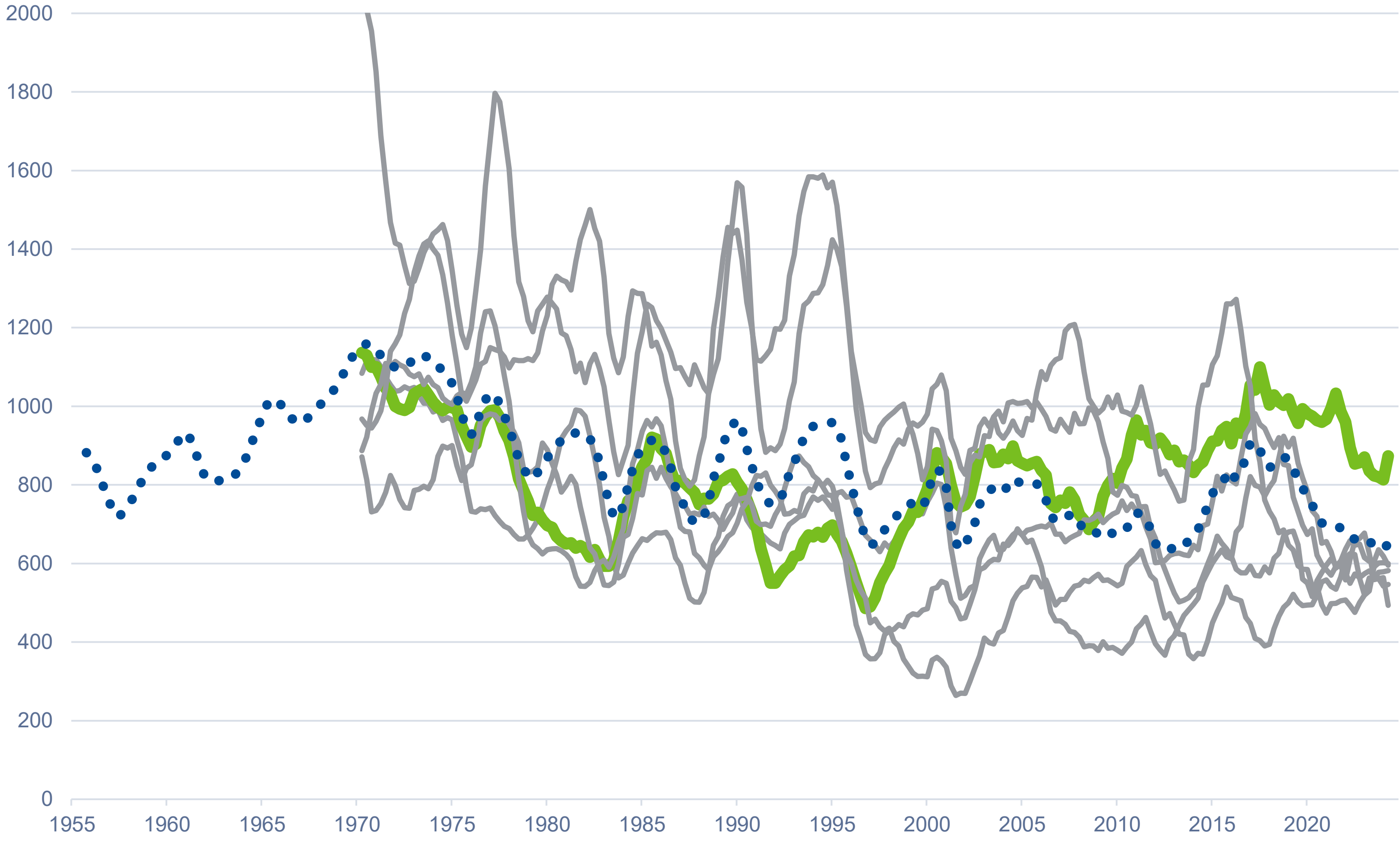
QUIZ TIME KNOWS NO BOUNDS

Per capita dwelling completions



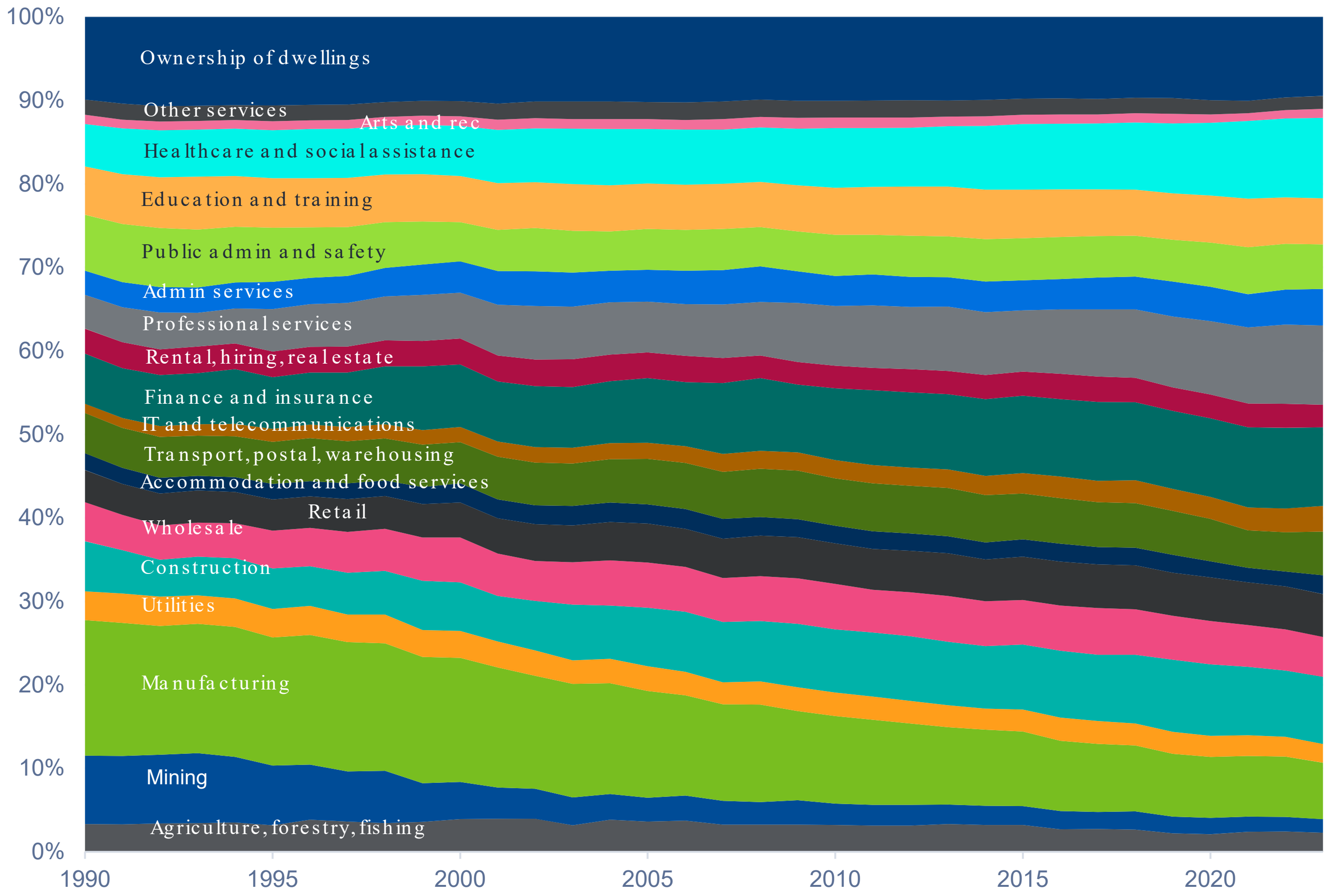
Source: ABS, TCV, excludes ACT and NT

Which state is the green line?

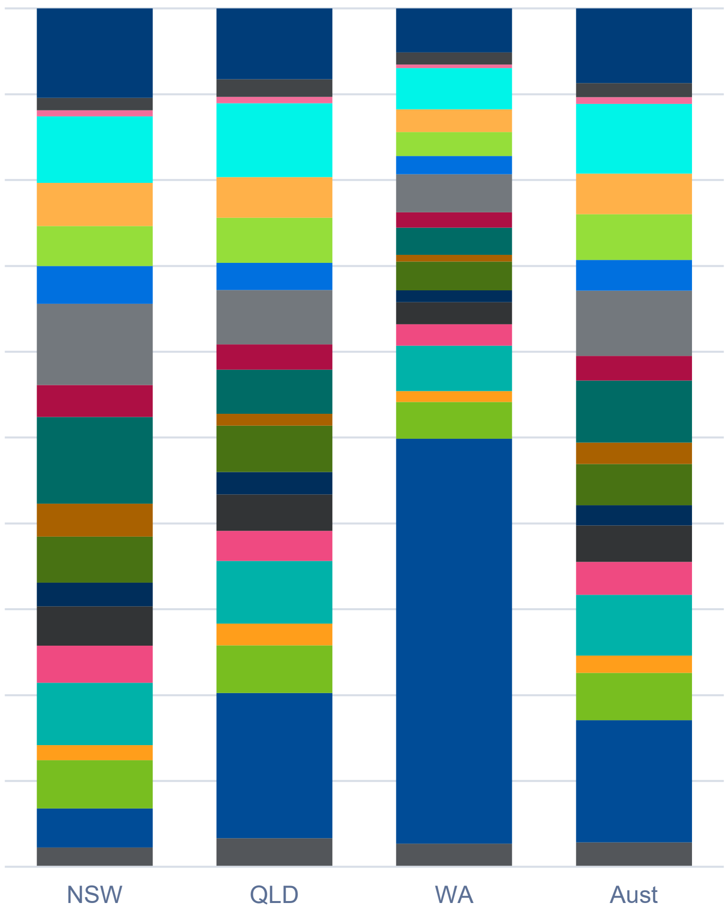
(hint: the dotted blue line is the national average)

Victoria is a modern, diversified, service-driven economy, with little reliance on mining

Victoria over time



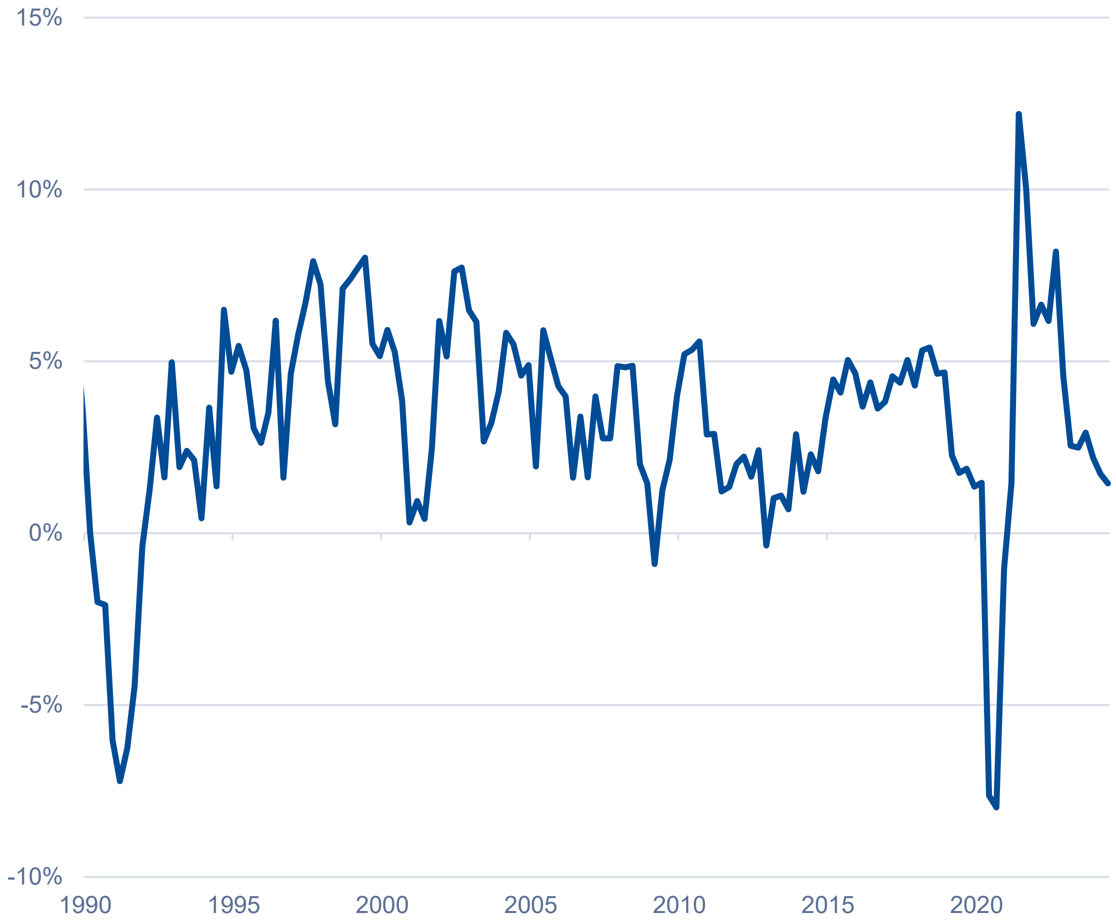
Interstate comparison



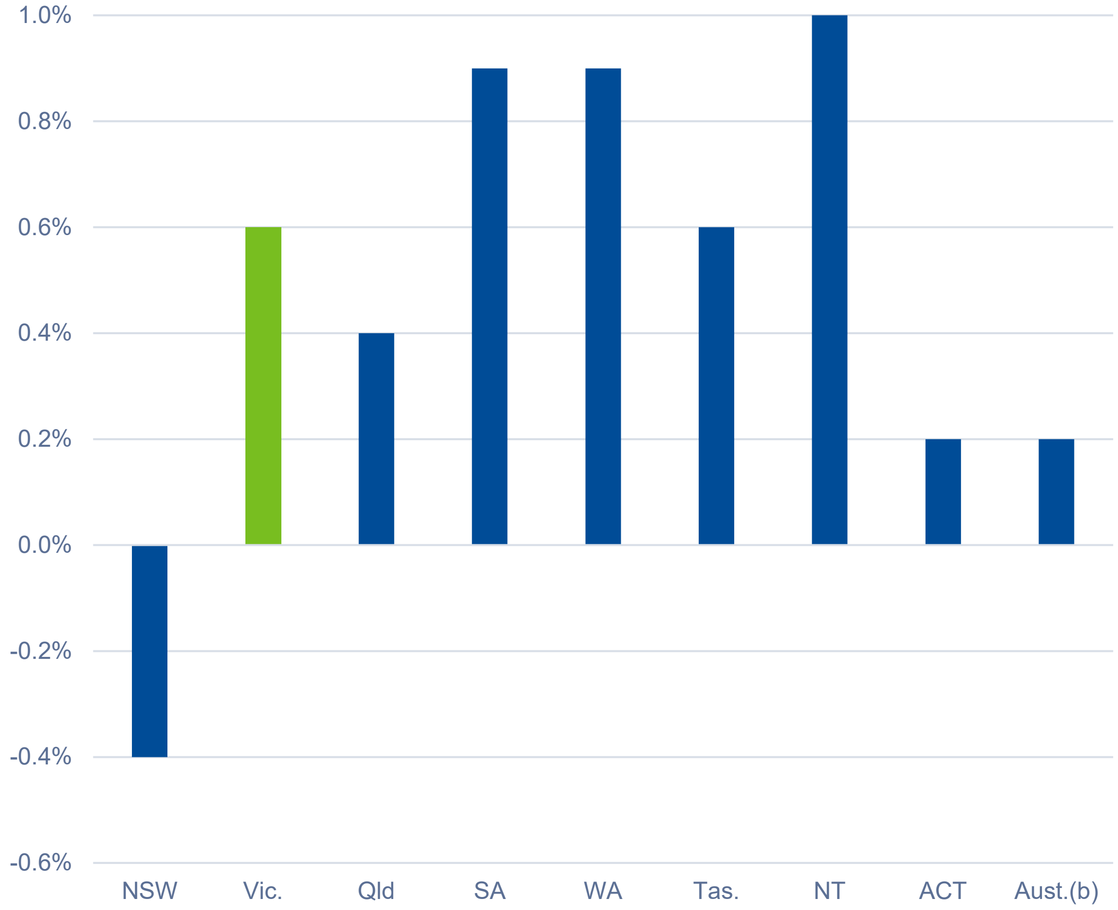
Source: ABS industry gross value added, interstate data is for 2022-23

Victoria's economy growing faster than the national average

Real annual SFD growth - Victoria



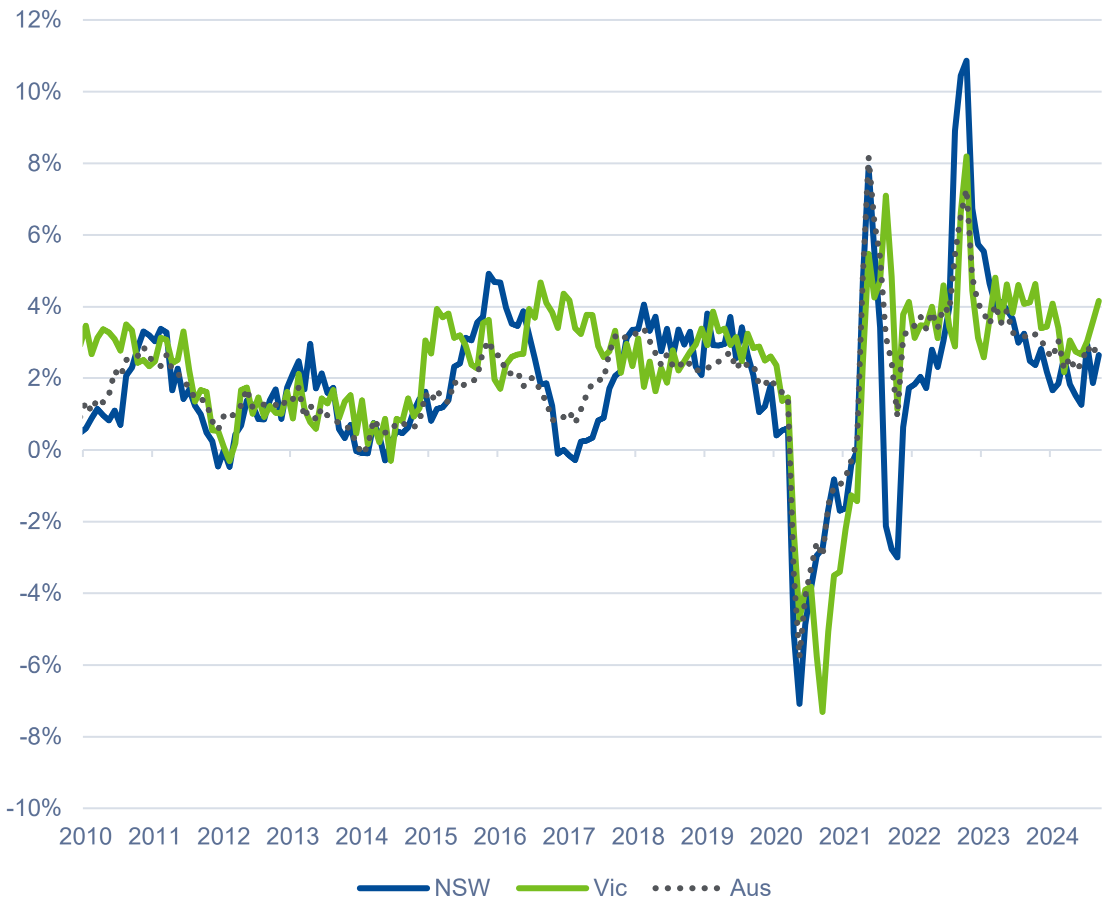
Quarterly SFD growth by state – Q2 2024



Source: ABS, TCV

Victorian employment growing quickly, unemployment a little higher on record workforce participation

Employment growth y/y



Unemployment rate

Source: ABS, TCV

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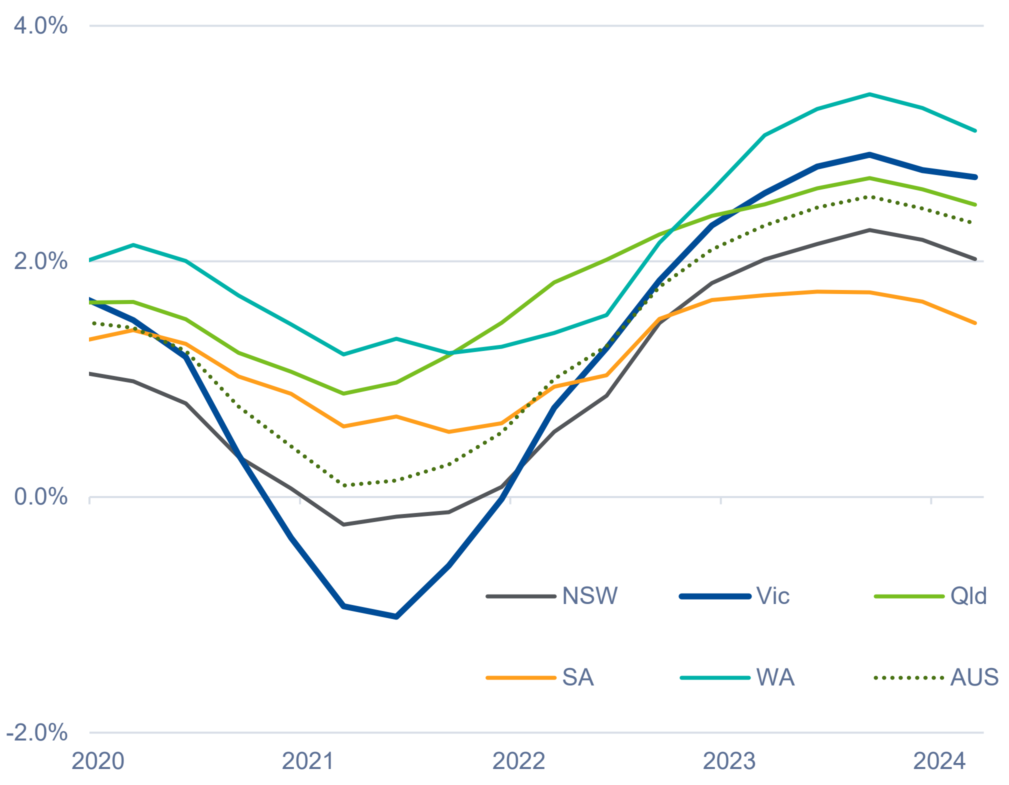
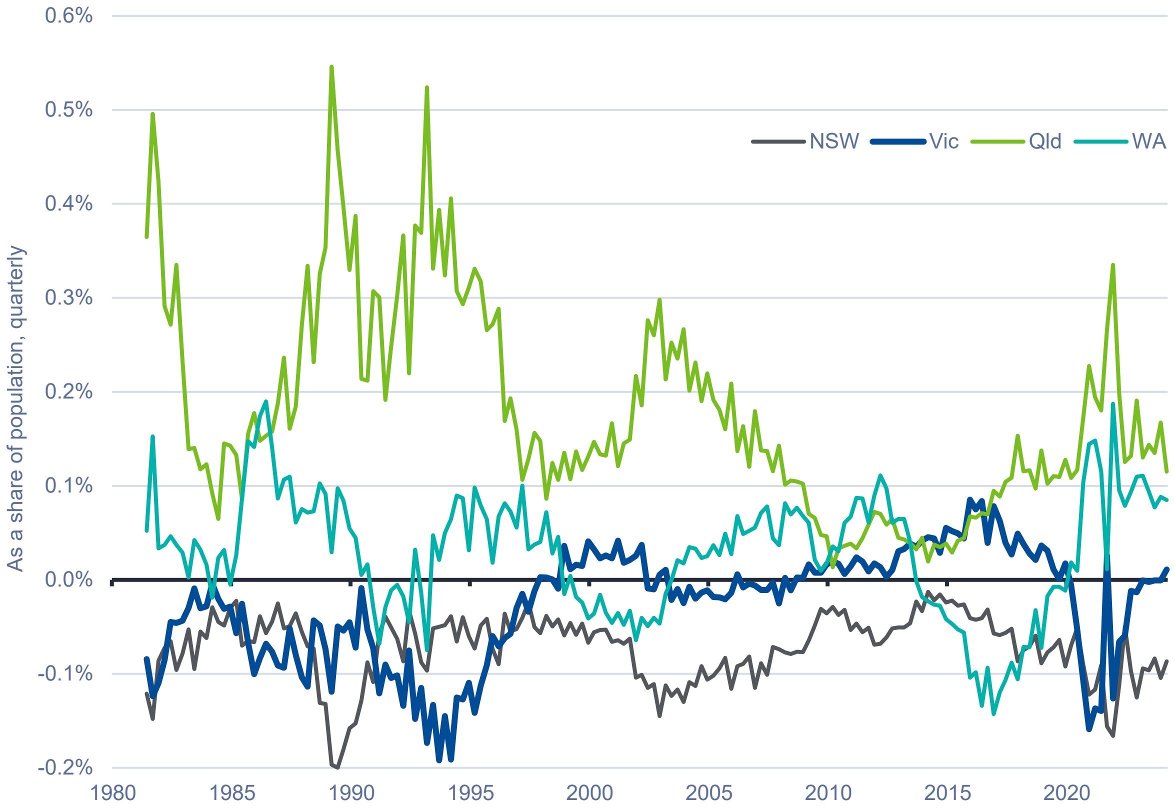
Victoria's population is growing rapidly

Population growth by state (y/y)



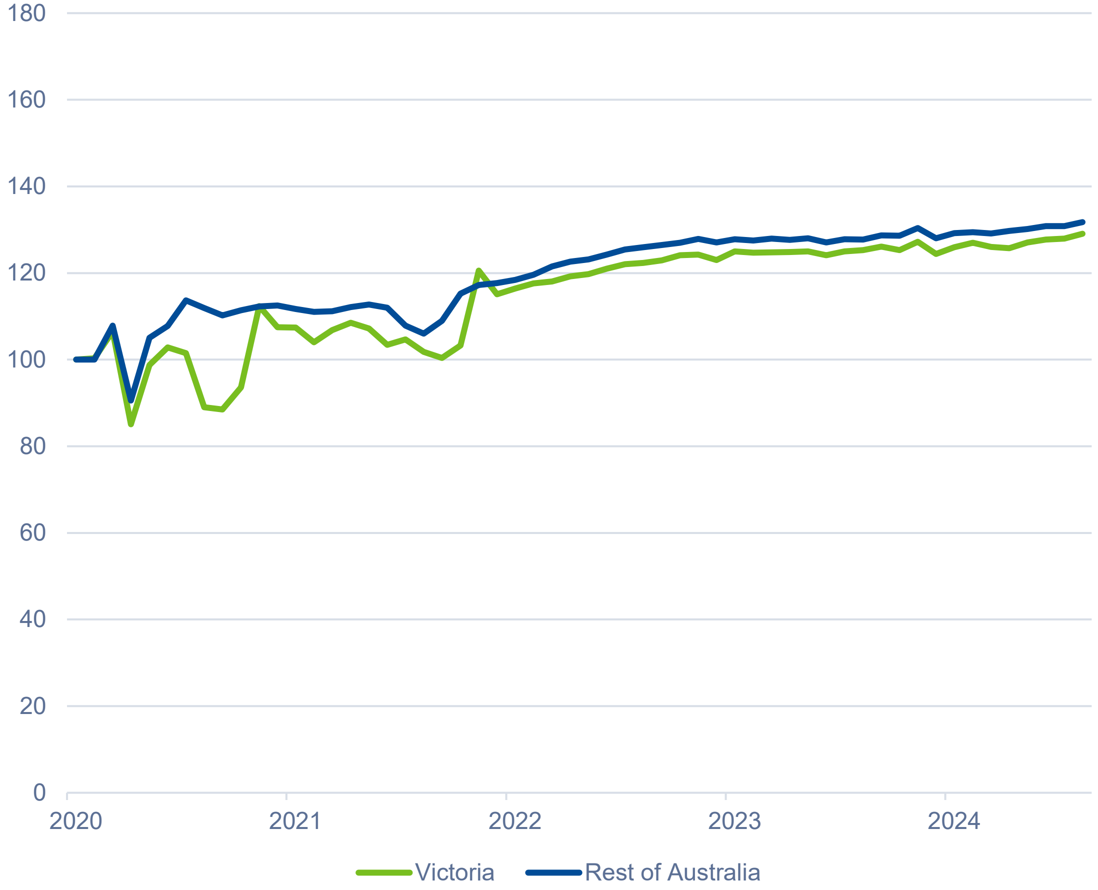
Population-adjusted net interstate migration



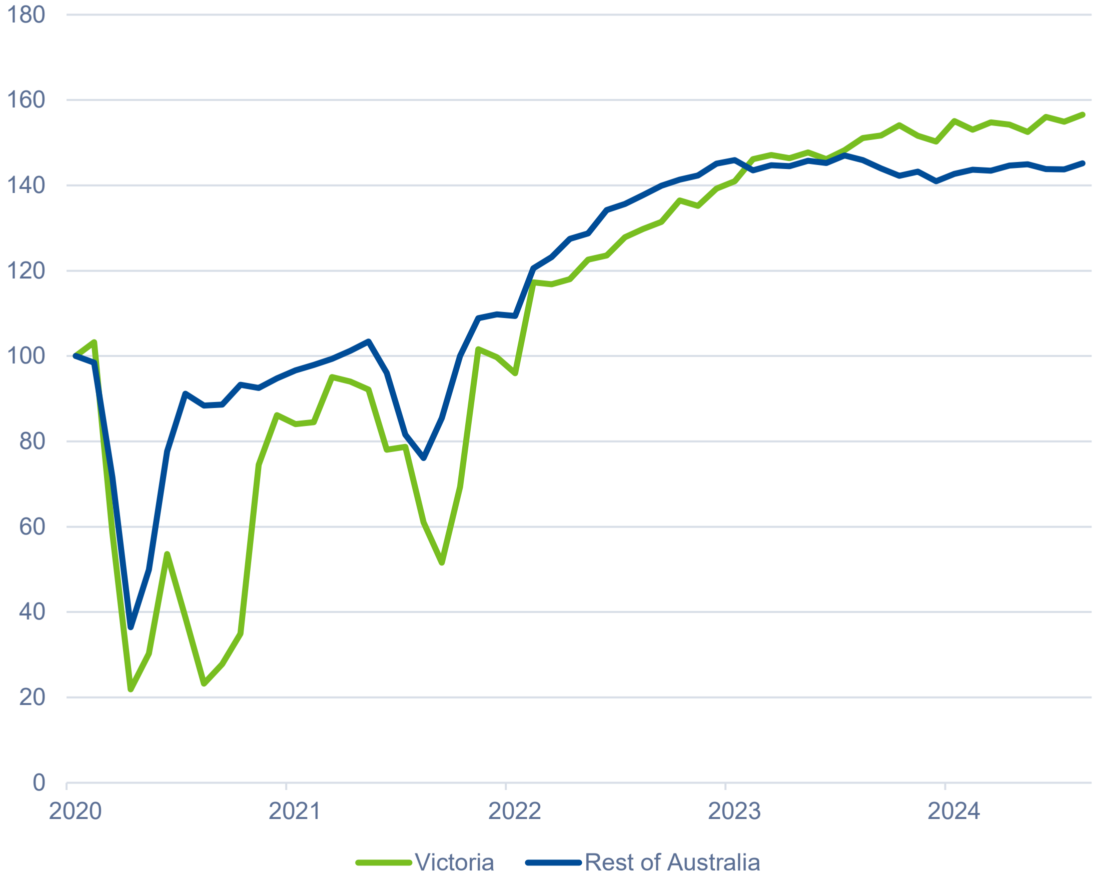
Source: ABS, TCV

Hospo outperforming in Victoria

Index of total retail spending since Jan 2020



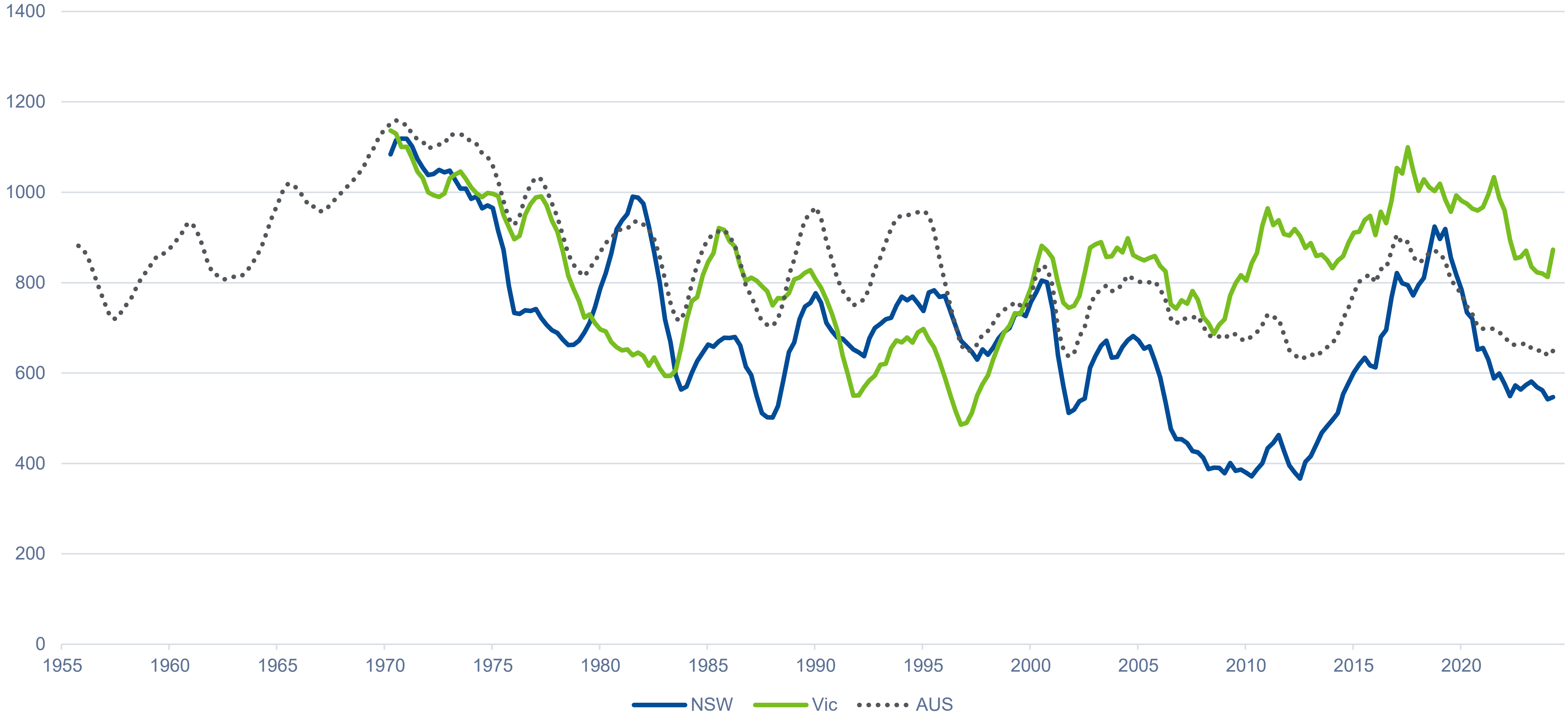
Index of café and restaurant spending since Jan 2020



Source: ABS, TCV

Victoria's building industry continues to outpace other states

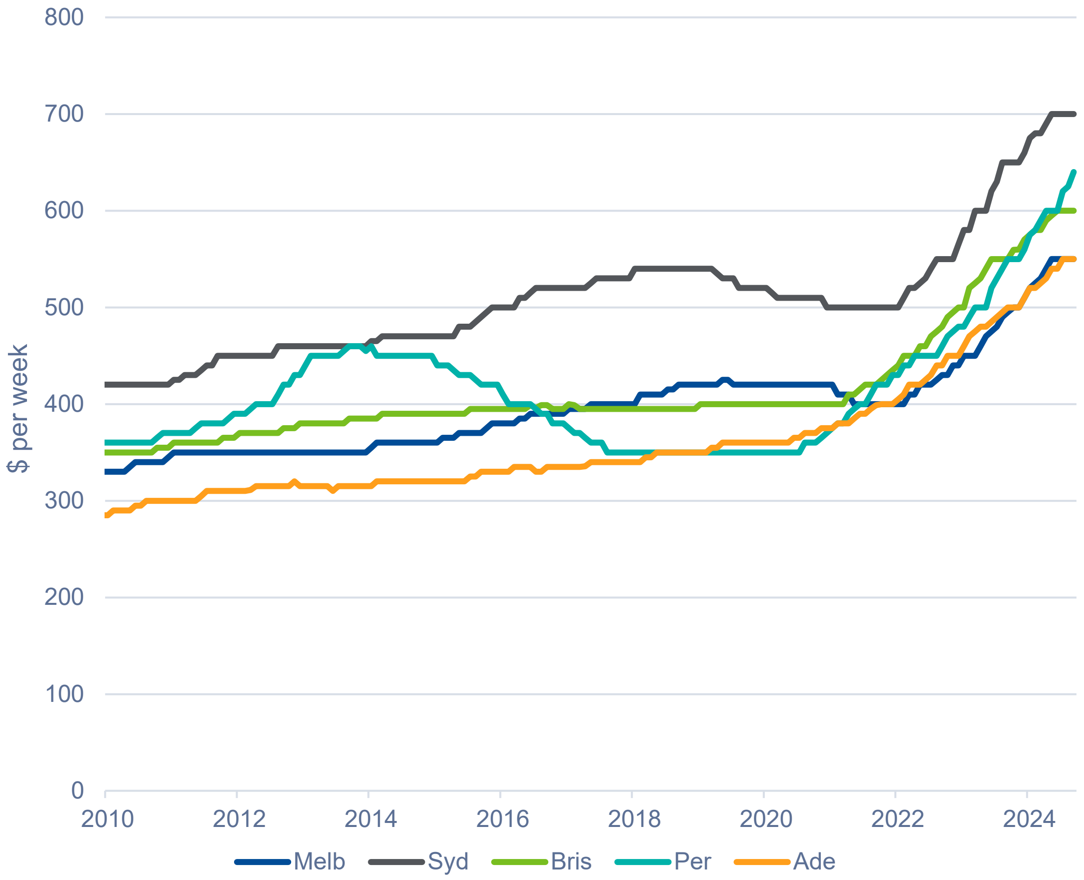
Dwelling completions per 100k residents – rolling 12m sum



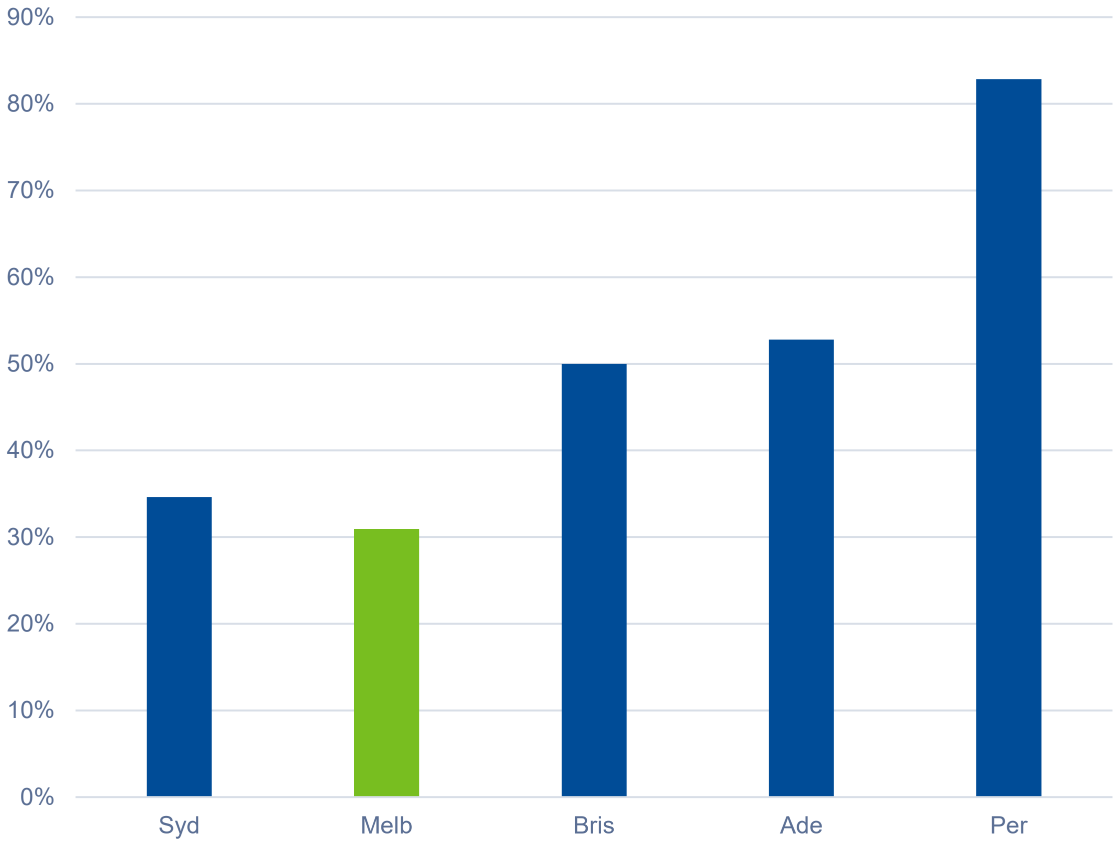
Source: ABS, TCV

Housing affordability has taken a hit in Australia, but Victoria leads on affordability

Median asking rent by city



Asking rent change since January 2020



Source: Corelogic , Macrobond

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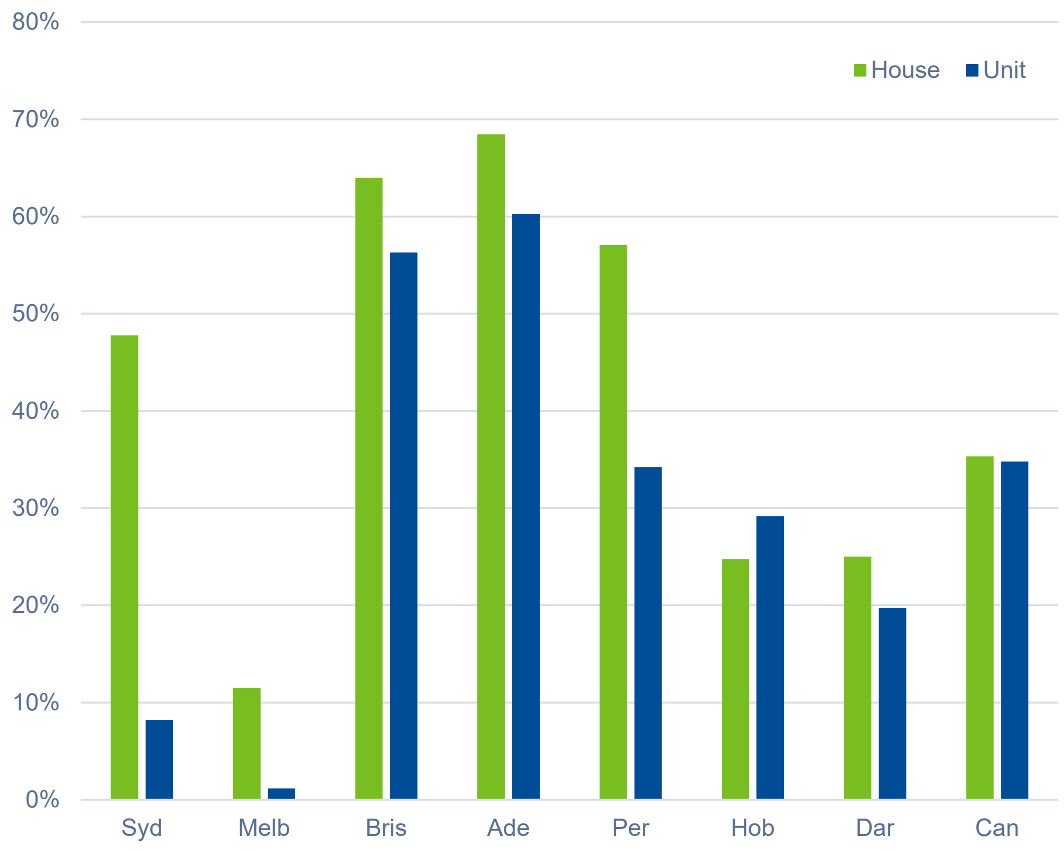
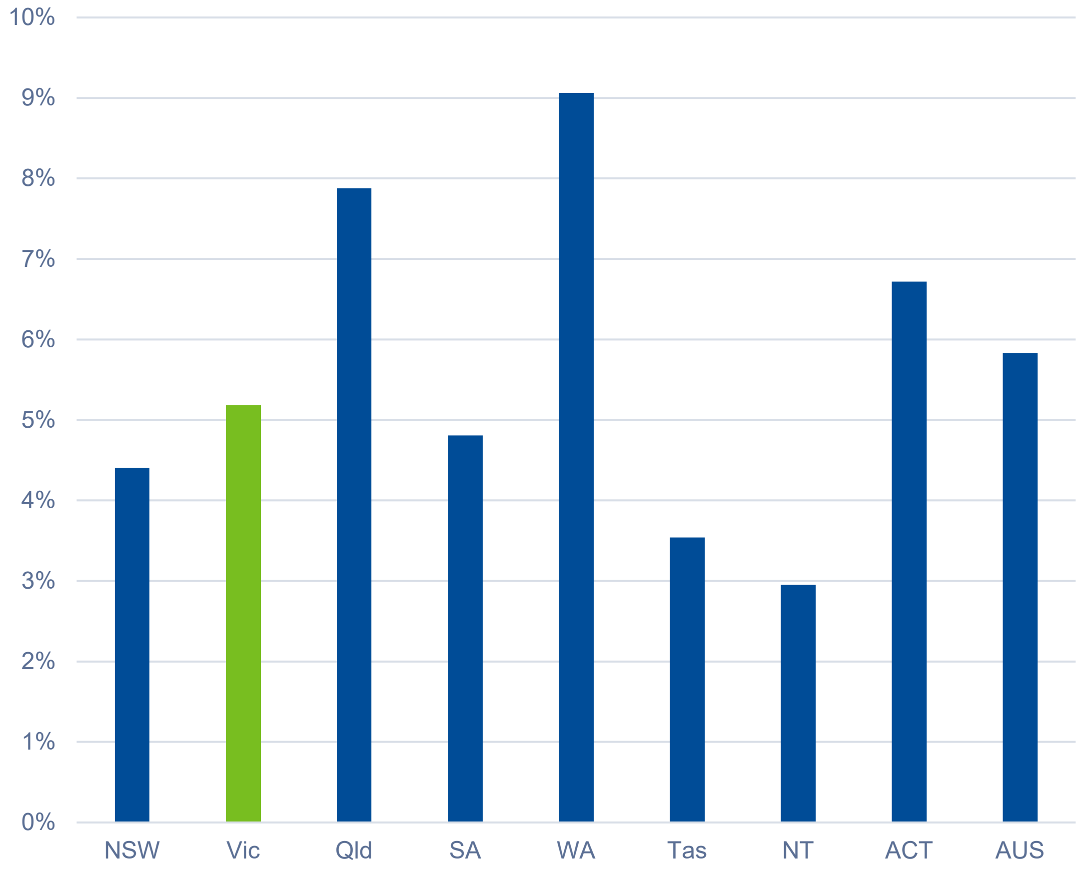
Victorian housing is becoming relatively cheaper compared to other states

House price change since Q1 2020



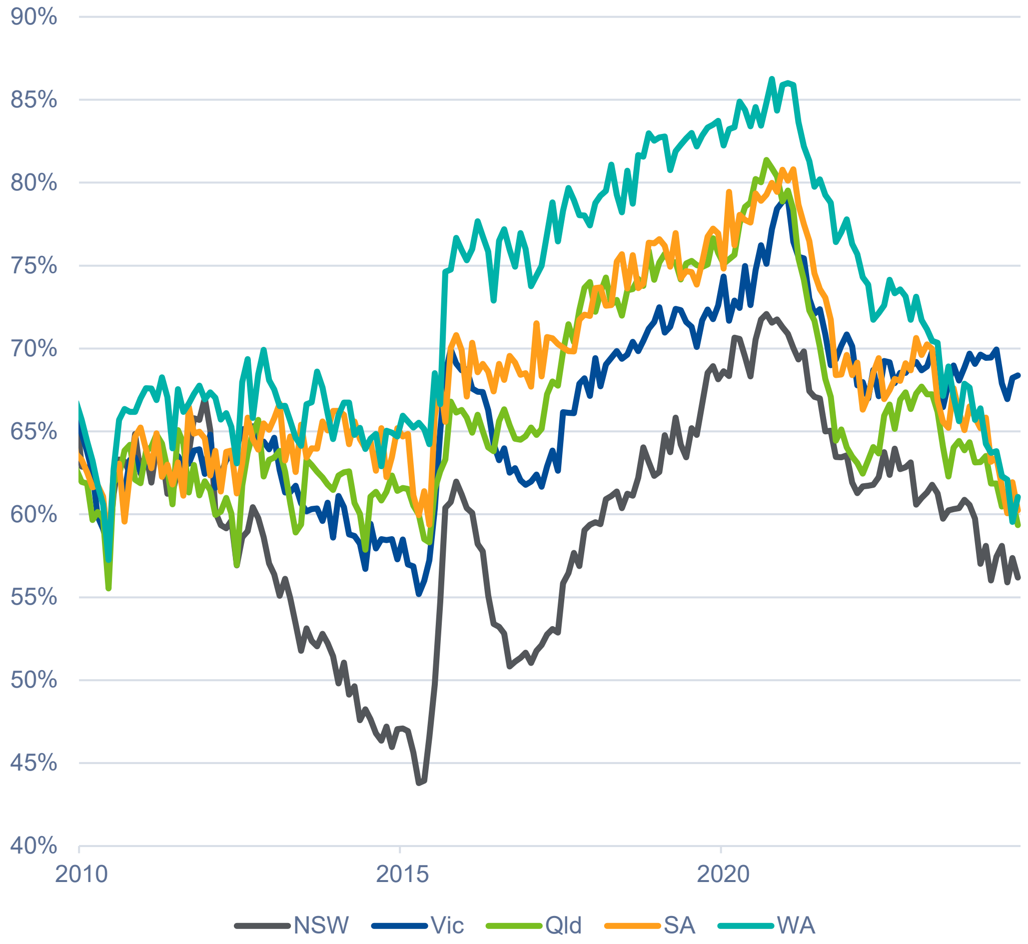
Population change since Q1 2020



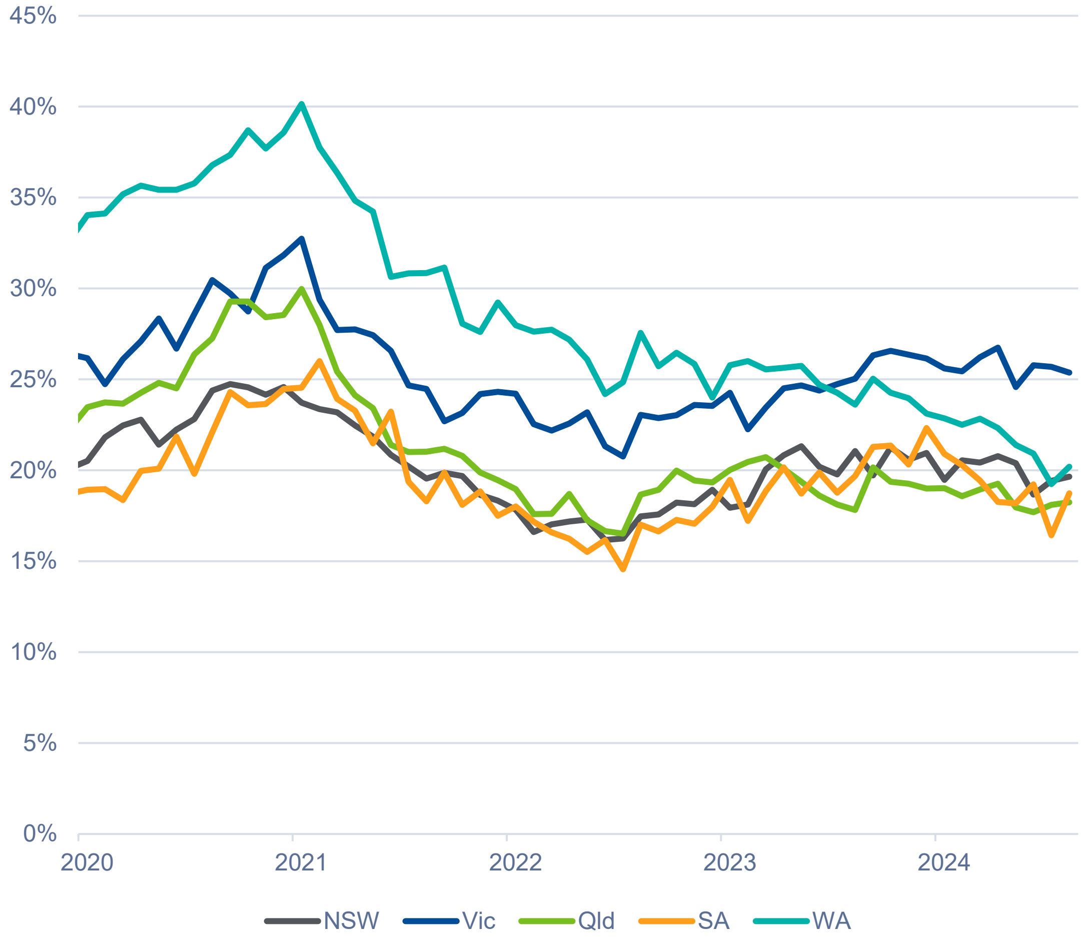
Source: ABS, TCV. Note income data is for 2020 -21– the most recent data available

And owner-occupiers and first home buyers doing better here too

Owner-occupier share of new lending



First home buyer share of new lending



Source: ABS, TCV

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Now for some challenges and risks

Business survey data has been a little weaker

International student market threatened by Commonwealth govt migration changes

Climate risks will make agriculture more volatile and increase pressure on public services

Energy sector transition is a major challenge nationwide

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