

## Australia

- Australia's Gross Domestic Product (GDP) growth expanded from 3.2% in 1Q2018 to 3.4% in 2Q2018 amid higher net exports.
- Export growth eased to 15.9% in September from 17.3% in August due to slower commodity and non-commodity exports. Meanwhile, import growth moderated to 9.2% from 11.9% over the same period. The trade surplus widened to A\$3.0 billion in September from A\$2.3 billion in August.
- The Performance of Manufacturing Index, as compiled by the Australian Industry Group (AIG), eased to 58.3 points in October from 59.0 points in September due to slower new orders. A reading above 50 points indicates that manufacturing activities are expanding.
- The inflation rate eased to 1.9% in 3Q2018 from 2.1% in 2Q2018 amid moderating housing costs.
- Looking forward, Australia's GDP growth is projected to increase from 2.2% in 2017 to 2.9% in 2018 amid robust domestic demand.

### Australia's Selected Economic Indicators

	2016	2017	2018F*	2019F*
Real GDP Growth (%)	2.6	2.2	3.2	2.8
Inflation (%)	1.3	1.9	2.1	2.2
Cash rate (%)	1.50	1.50	1.50	1.75

\*Bloomberg consensus forecast

