



ECONOMIC INDICATORS

Edition 1



*“If we boost productivity,
we can improve economic growth.”*

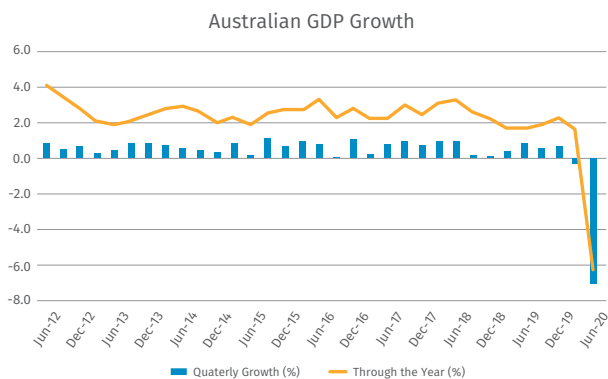
Tony Abbott
Former Australian Prime Minister

TRACKING CURRENT TRENDS

The performance of investment markets has a direct link to the state of the economy both here in Australia and globally. You get a pretty good idea of where things are at within the economic cycle by looking at current trends across key economic indicators. There are many economic indicators that could be looked at however we feel the following six are most relevant right now.

Australian Economic Indicators

Gross Domestic Product (GDP)



- As at June 2020, Australia technically went into recession recording 2 quarters of negative growth (Quarter Ending Mar 2020: -0.3%, Quarter Ending June 2020: -7.0%).
- Annual GDP Growth to June 2020: -6.3%

Source: Australian Bureau of Statistics, undefined June 2020

Consumer Price Index (CPI)



- The Consumer Price Index (CPI) fell 1.9% in June quarter.
- Over the twelve months to the June 2020 quarter the CPI fell 0.3%.

Source: Reserve Bank of Australian, Updated 29 July 2020

Unemployment Rate %



- Over the year to August 2020, full-time employment decreased by 234,200 people and part-time employment decreased by 104,100 people.
- The part-time share of employment over the past 12 months, remained at 31.7%.

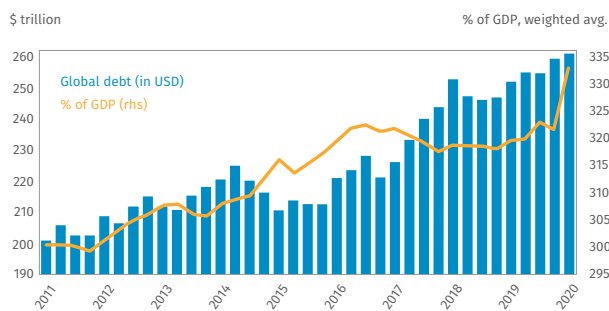
Source: Australian Bureau of Statistics, Released 17 September 2020

Global Economic Indicators

On a global level, debt continues to rise within western world nations. With case numbers of COVID-19 continually rising and uncertainty around when a vaccine will become available, the sustainability of current approaches taken by Governments, in managing the situation, perhaps needs to be questioned more intently.

Global Debt

Chart 1: Global debt topped \$258 trillion in Q1 2020



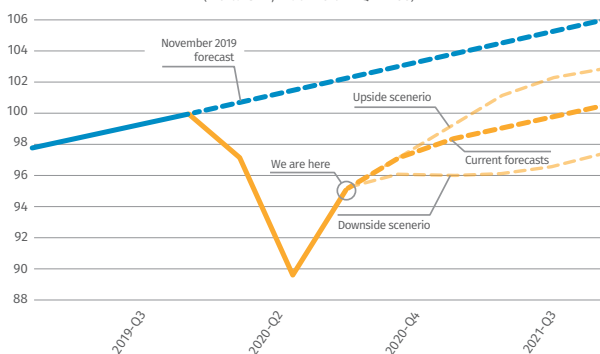
Source: IIF, BIS, IMF, National sources

- Global debt soared to a record high 331% of GDP (\$258 trillion) in Q1 2020;
- Debt is funding the gap in activity and questions arise whether it is sustainable;
- China and India are experiencing positive GDP.

Source: Institute of International Finance, 16 July 2020

Global GDP

OECD Economic Outlook September 2020
(World GDP, Index 2019 = 100)

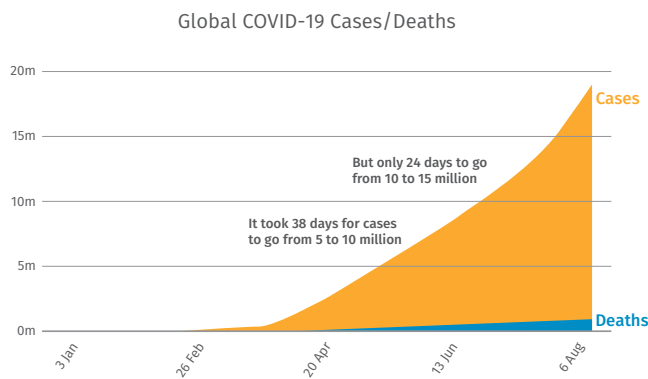


Source: OECD (2020), "OECD Economic Outlook, Interim Report September 2020", OECD Economic Outlook: Statistics and Projections (database)

- The Global recovery is uncertain and it depends on whether COVID has a phase 2 of infections

Source: Reserve Bank of Australian, Updated 29 July 2020

COVID-19 Global Case Numbers



- The rate of cases continues to rise and a vaccination remains uncertain.
- A second wave of cases is being seen which may impact recovery.

Source: John Hopkins University, national health agencies, data to 6 August 2020

CONTACT AXIS

As super specialists, we have a keen awareness of key economic indicators and have been assisting individuals with growing and protecting their super for over 25 years.

Give us a call on **1800 111 299** or email super@axisfg.com.au

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