

GOOD NEWS FOR THE LUCKY COUNTRY

DESPITE THE PESSIMISM OF SOME, IT IS NOW OVER 25 YEARS SINCE OUR LAST RECESSION AND THE G.F.C. IS NOW A FADING MEMORY FOR MOST OF US AND UNLIKE MOST OF THE WORLD, AUSTRALIA HAS AVOIDED THE SEVEN YEAR ECONOMIC CYCLE.

Some question whether our high level of performance relative to the rest of the world can continue with the end of the mining investment boom.

Late last year commentator Alan Kohler said "It will be almost impossible for Australia to have a recession for at least 5 years, probably 10. Australia's mining investment boom, which involved two years of \$24 billion per quarter of capital expenditure for resources exports, is well and truly over, but it will definitely result in net export contributing at least 2% per annum to real GDP growth for 15-20 years"

Treasury are predicting we will grow at 3% whilst most major banks agree with this, HSBC's Paul Bloxham tips 3.4% and ANZ's Richard Yetsenga tips 3.3%.

Other good stats

- The NAB business conditions index surged from +5.7 points to +11.4 points in December, a 6-month high.
- The business confidence index rose from +5.5 points to +5.7 points.
- The index of trading conditions in the NAB survey rose from +9.8 points to +20 points (a 9-year high); profitability rose from +5.7 points to +14.3 points (a two-year high). That looks like great news!
- Australia posted a record trade surplus of \$3,511 million in December, up from the \$2,040 million surplus in November.
- **The CoreLogic Home Value Index of capital city home prices rose by 0.7% in January and was up 10.7% over the year.**

- STEVE TAYLOR

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Mark (Fitter)



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