

Annual %
change

Consumer Price Index

Apologies to Sir Edmund Hillary

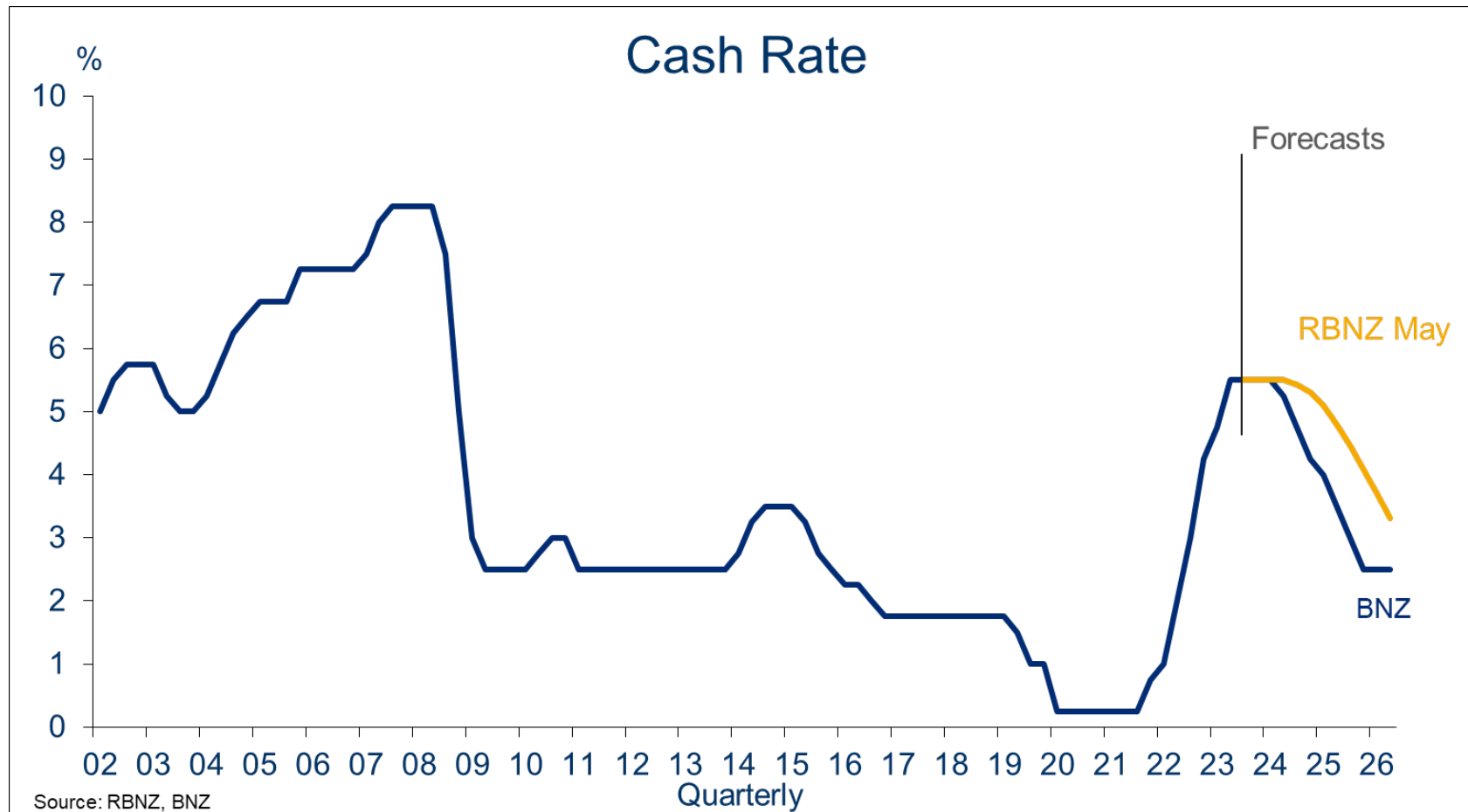
Stephen Toplis

May 2023

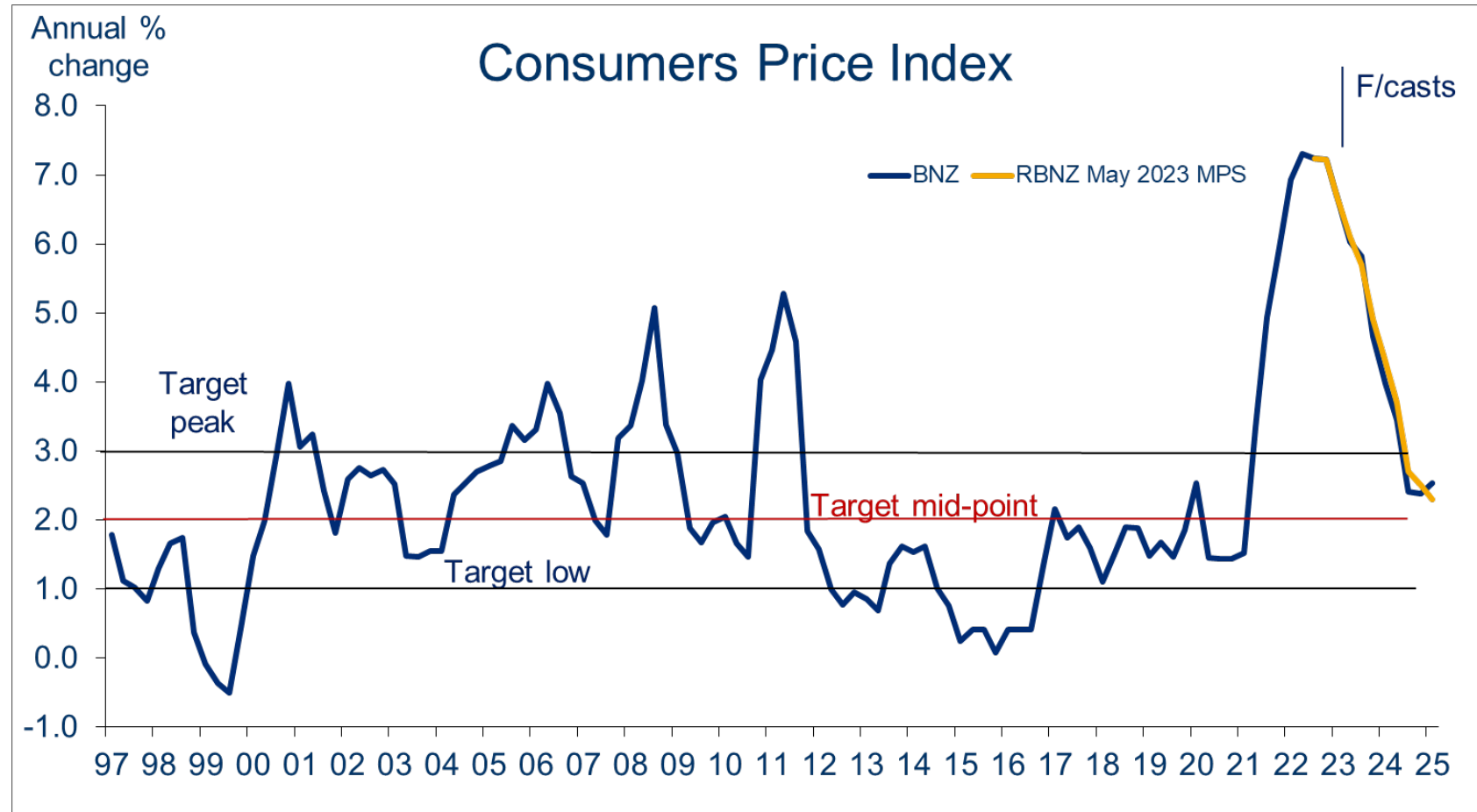


WELL...
WE KNOCKED
THE BASTARD OFF.

Cash rates have peaked



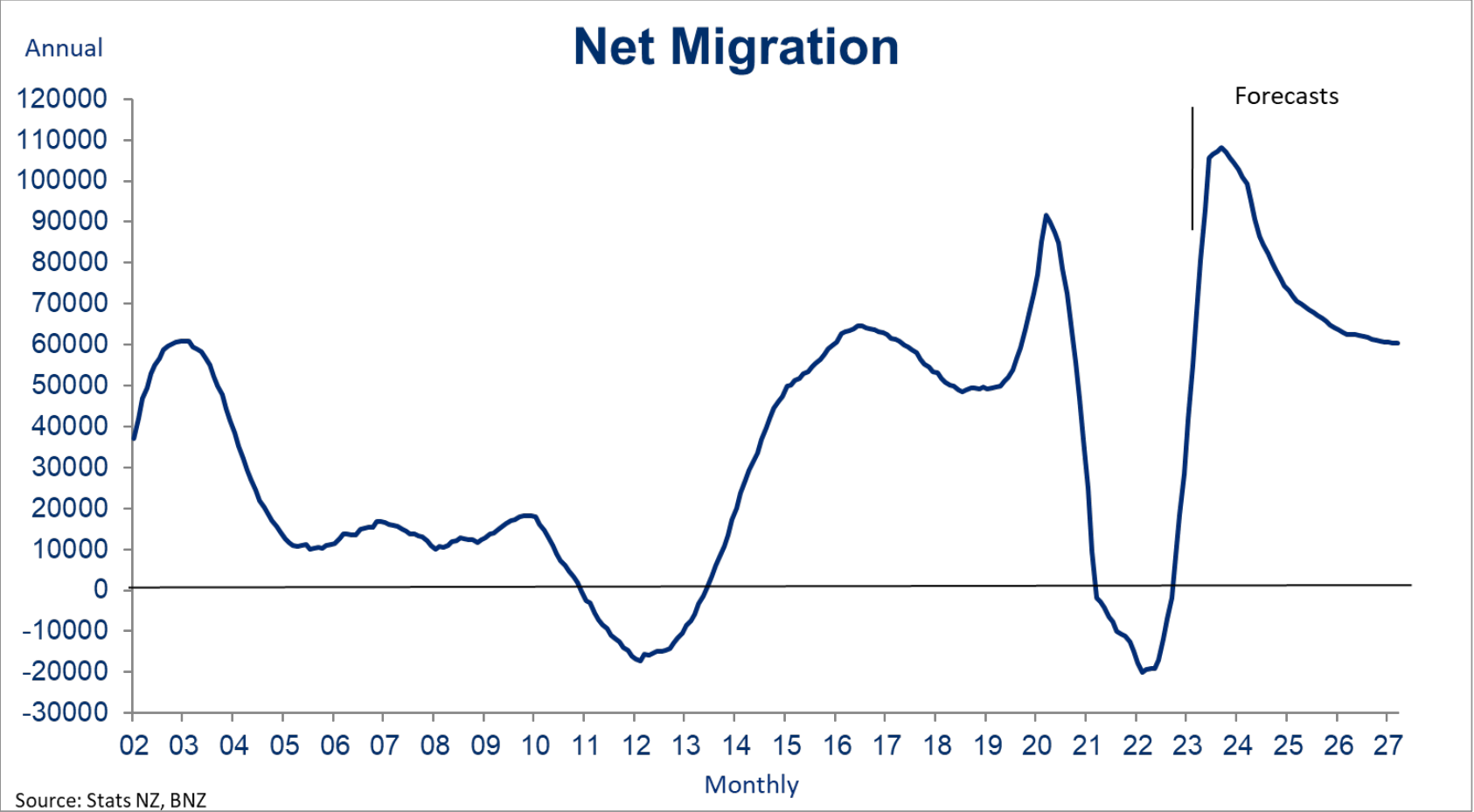
Inflation is falling



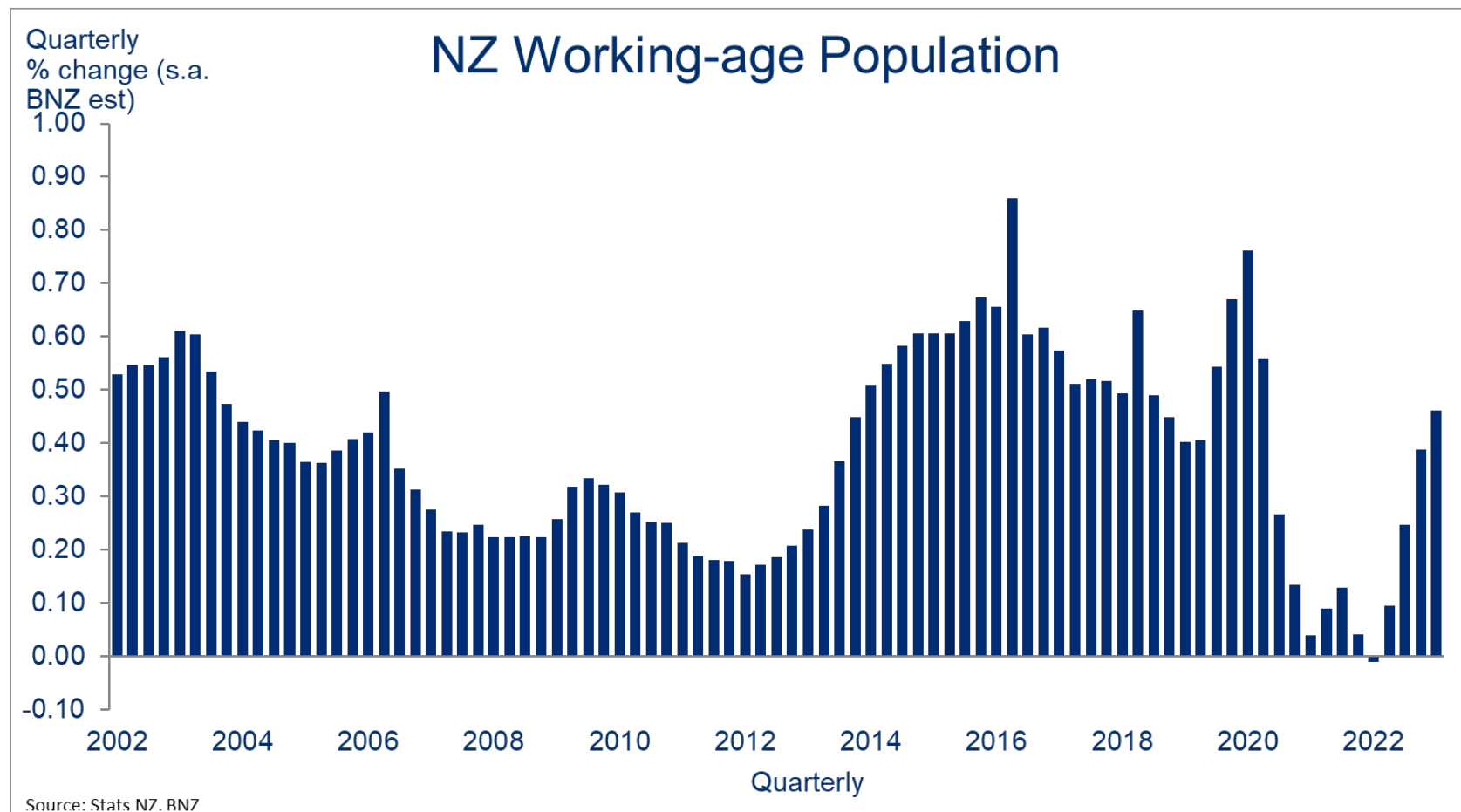
Labour market easing

- Migration goes ballistic
- So labour supply spikes
- Easier to find staff
- Allowing employment growth
- Diminishing wage pressure

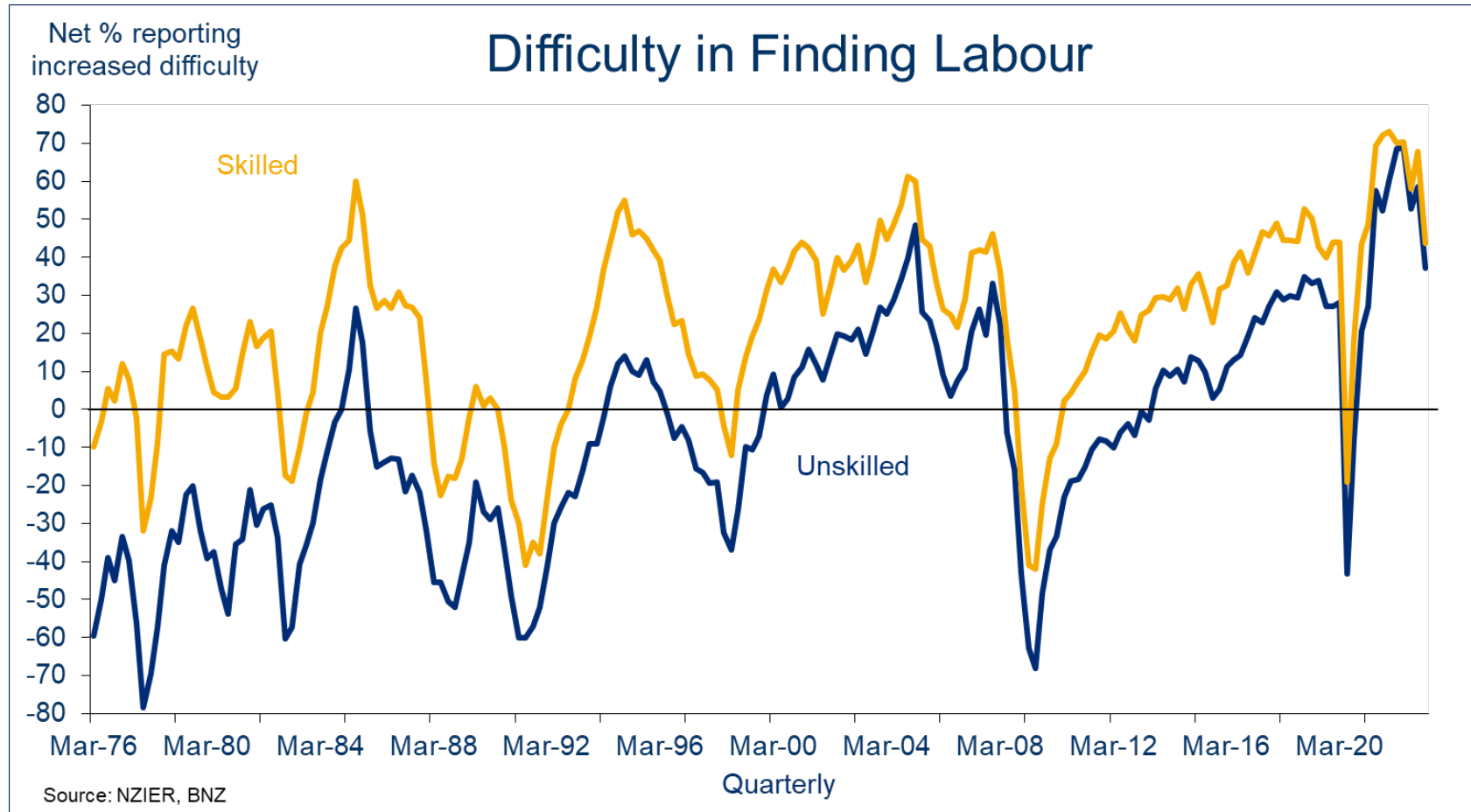
Migration goes ballistic



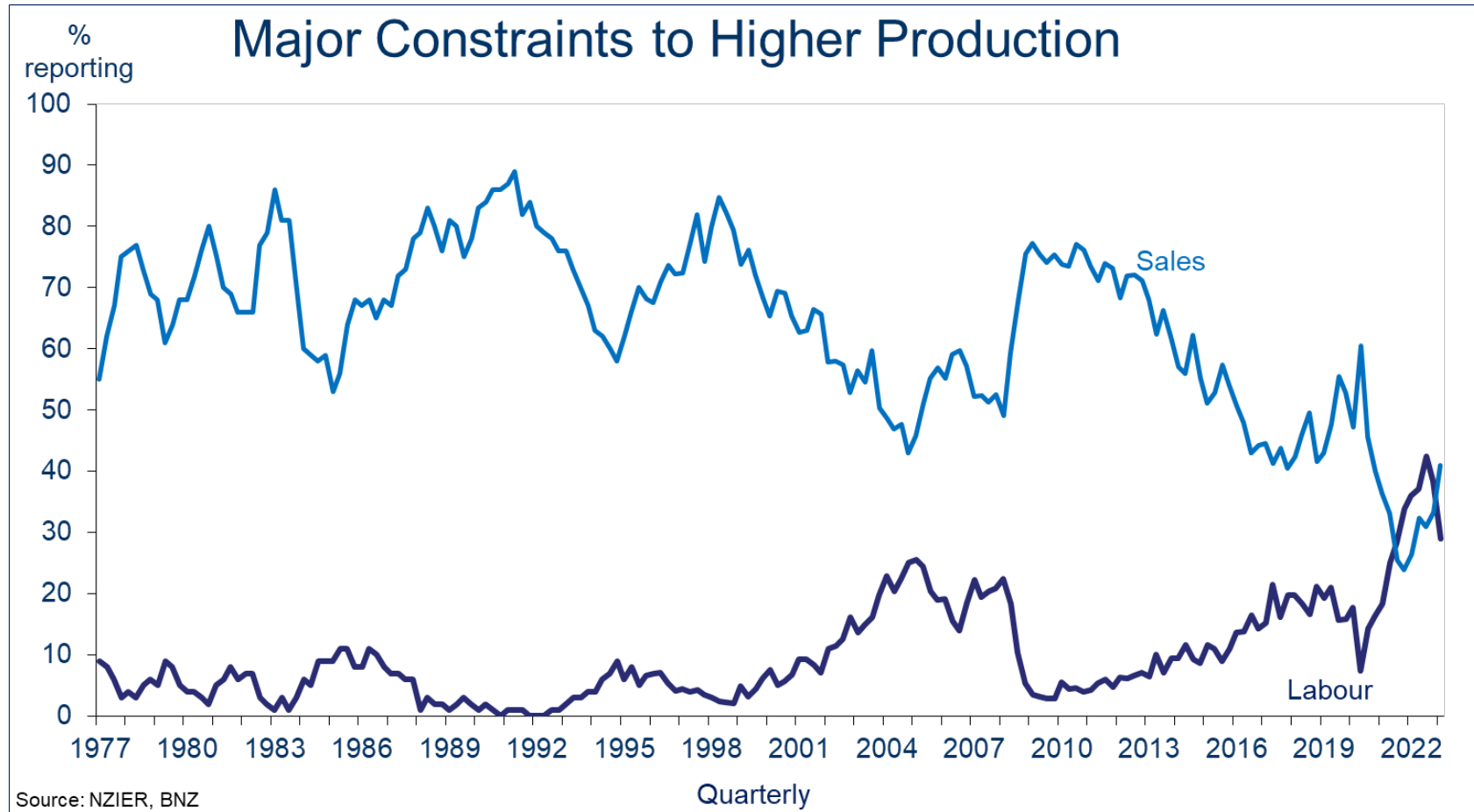
Labour supply spikes



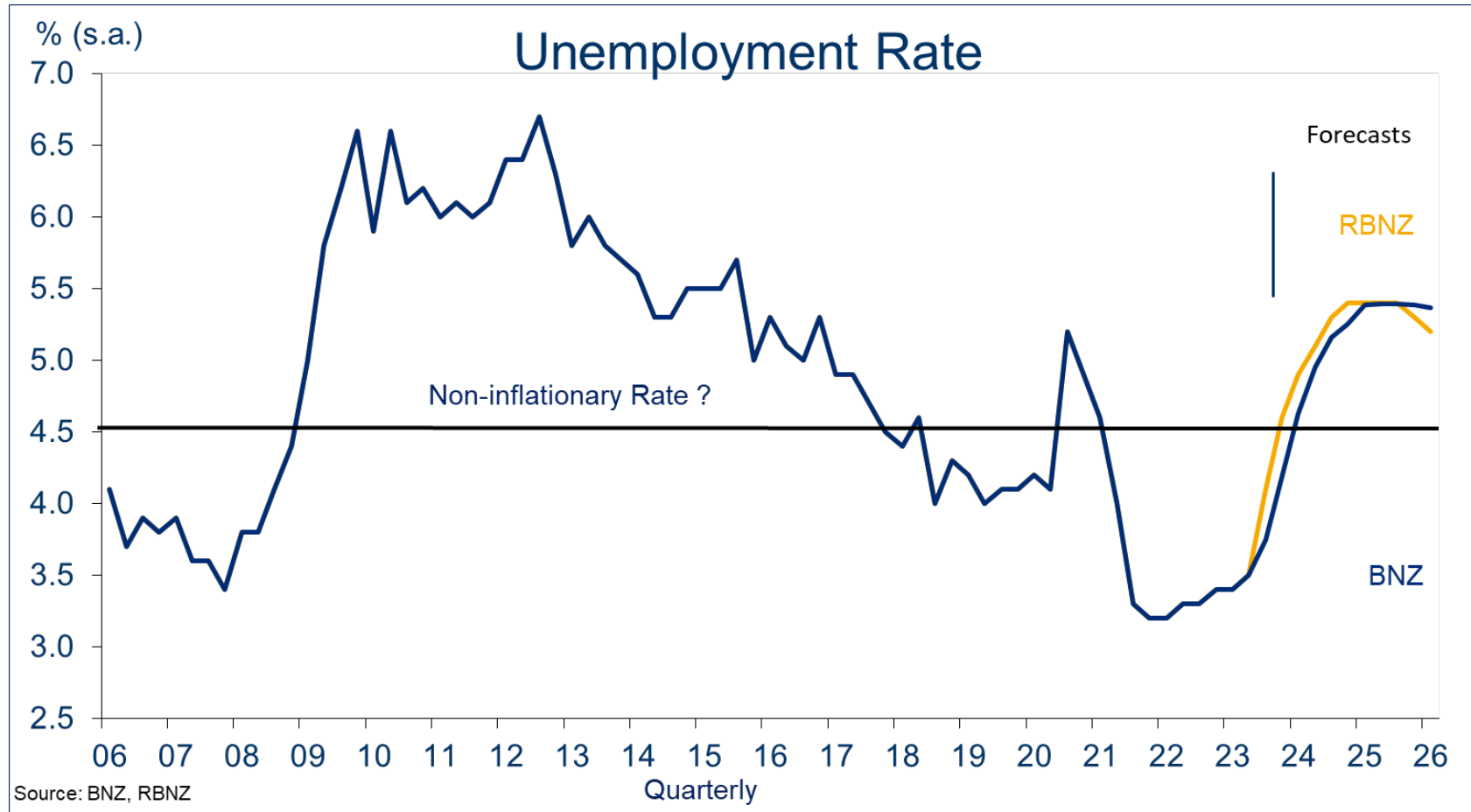
Staffing difficulties reduce



Labour no longer the number one problem



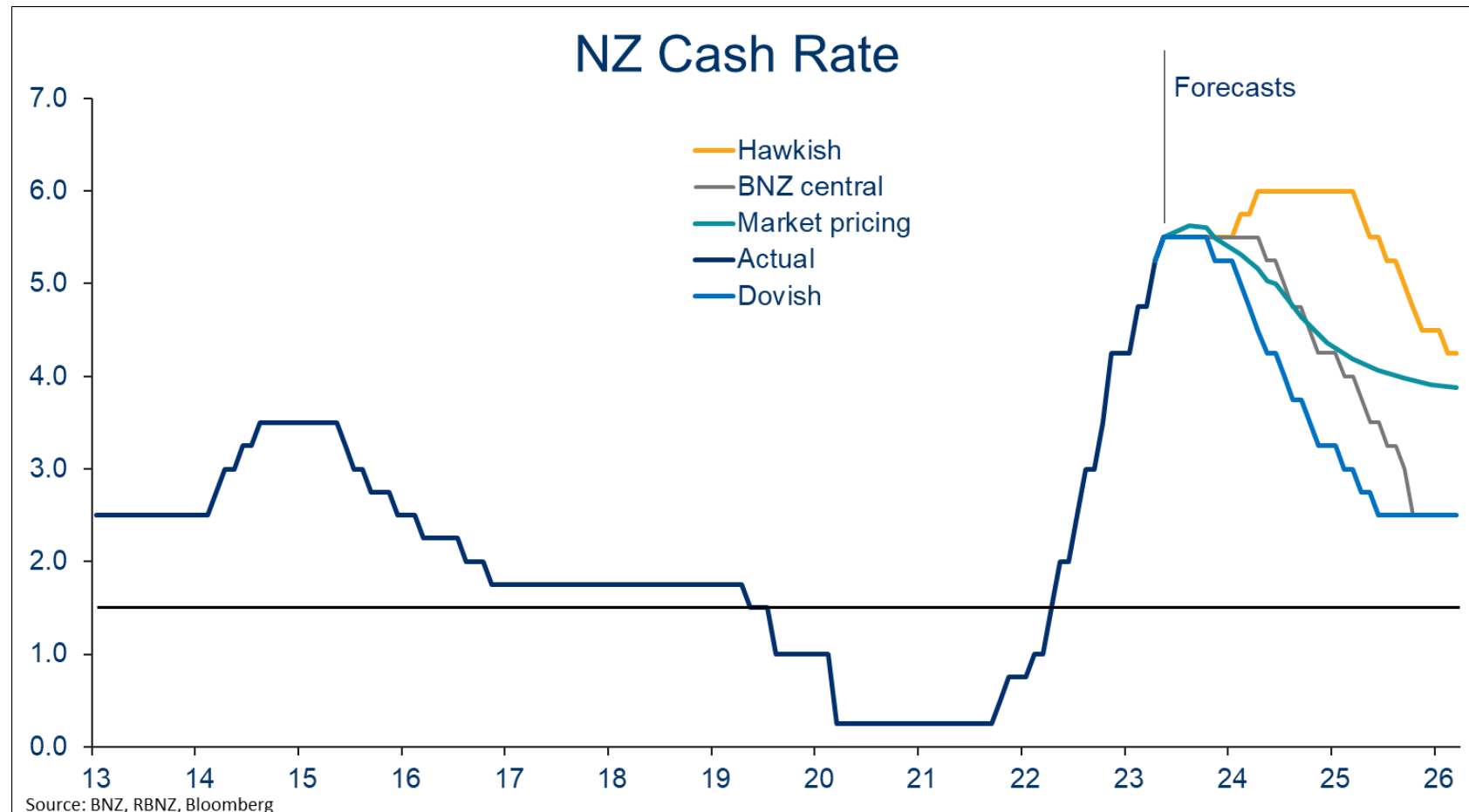
The unemployment rate rises



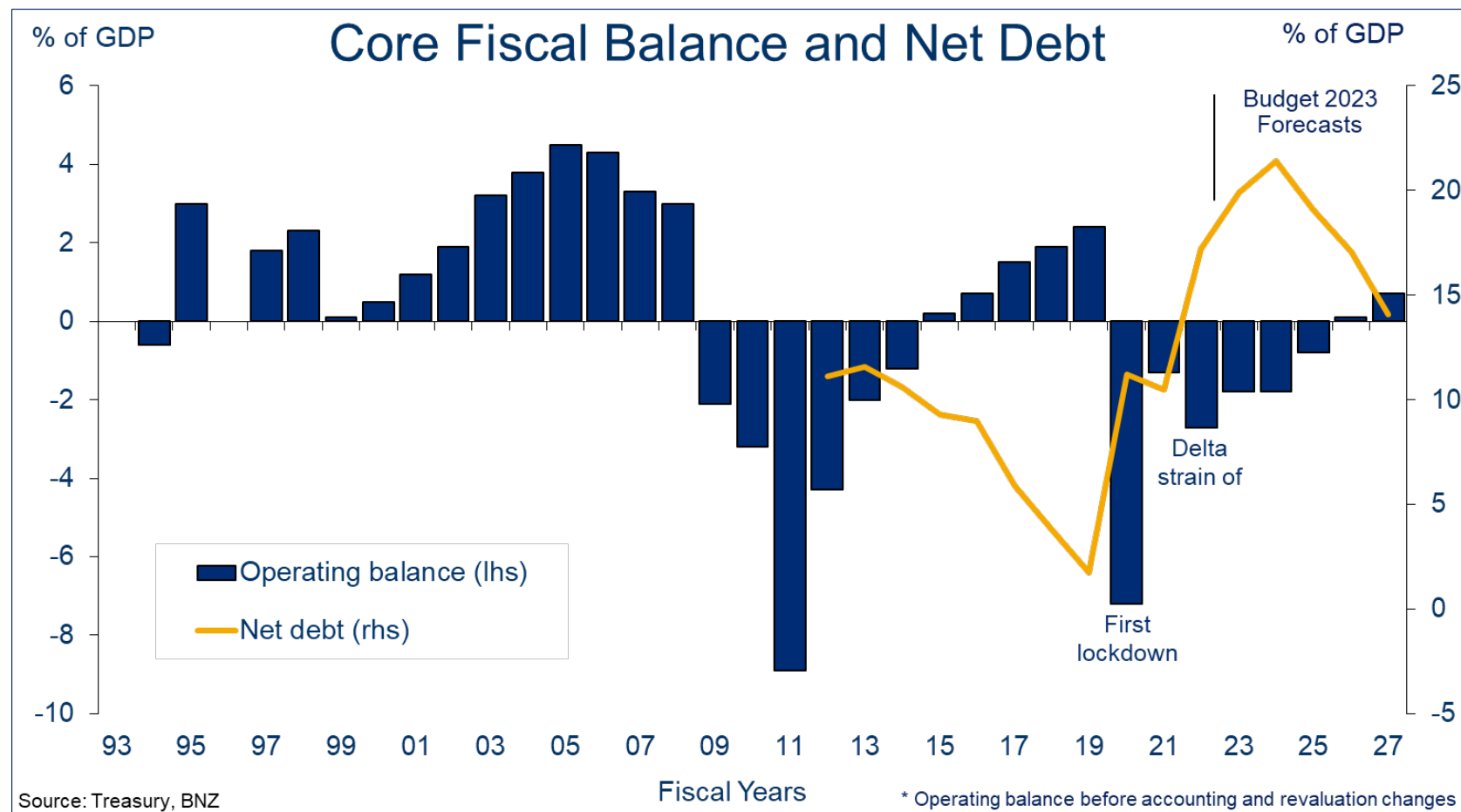
Still sticking points

- Wage growth lags employment
- Core inflation problematic
- Inflation expectations too high

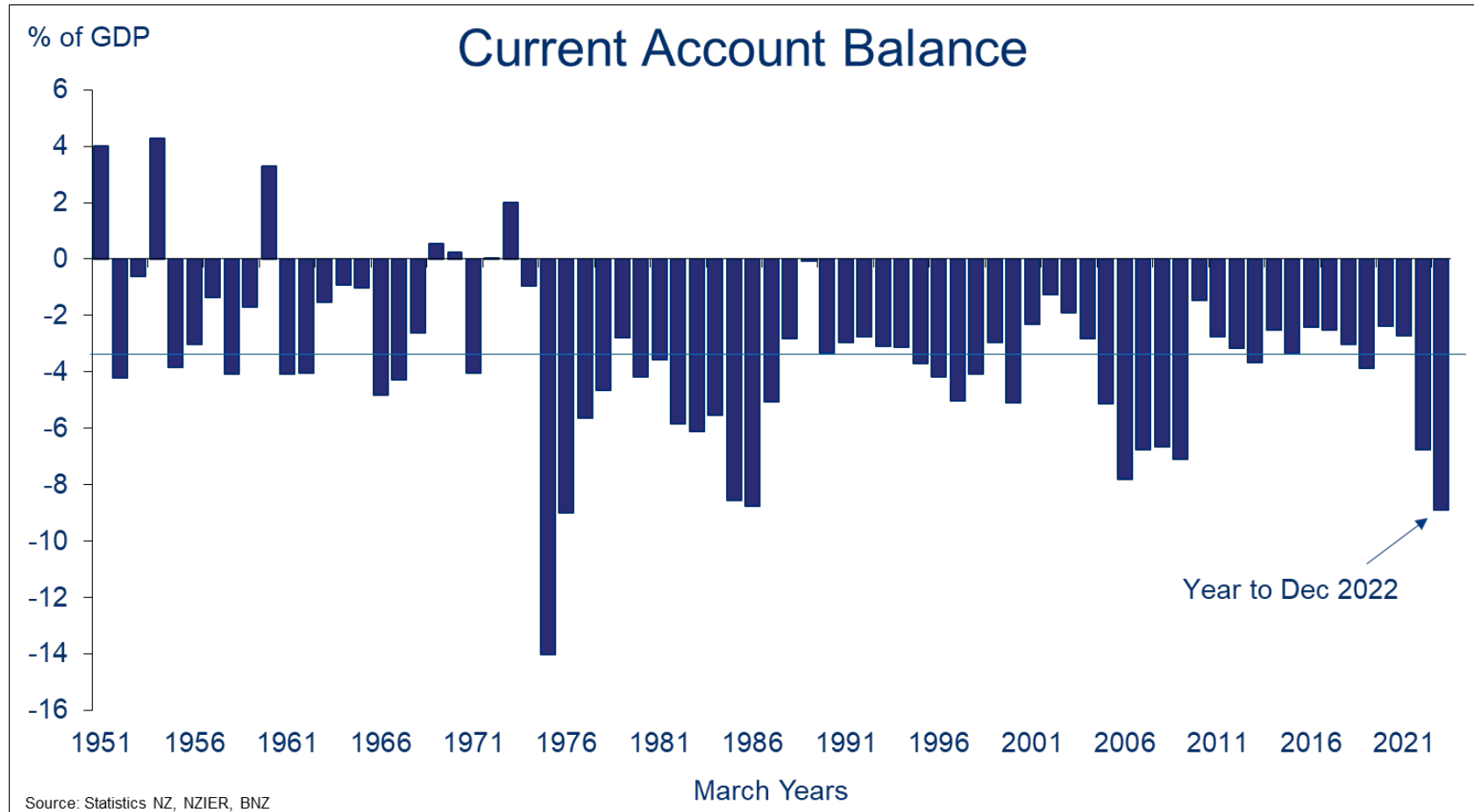
A number of scenarios



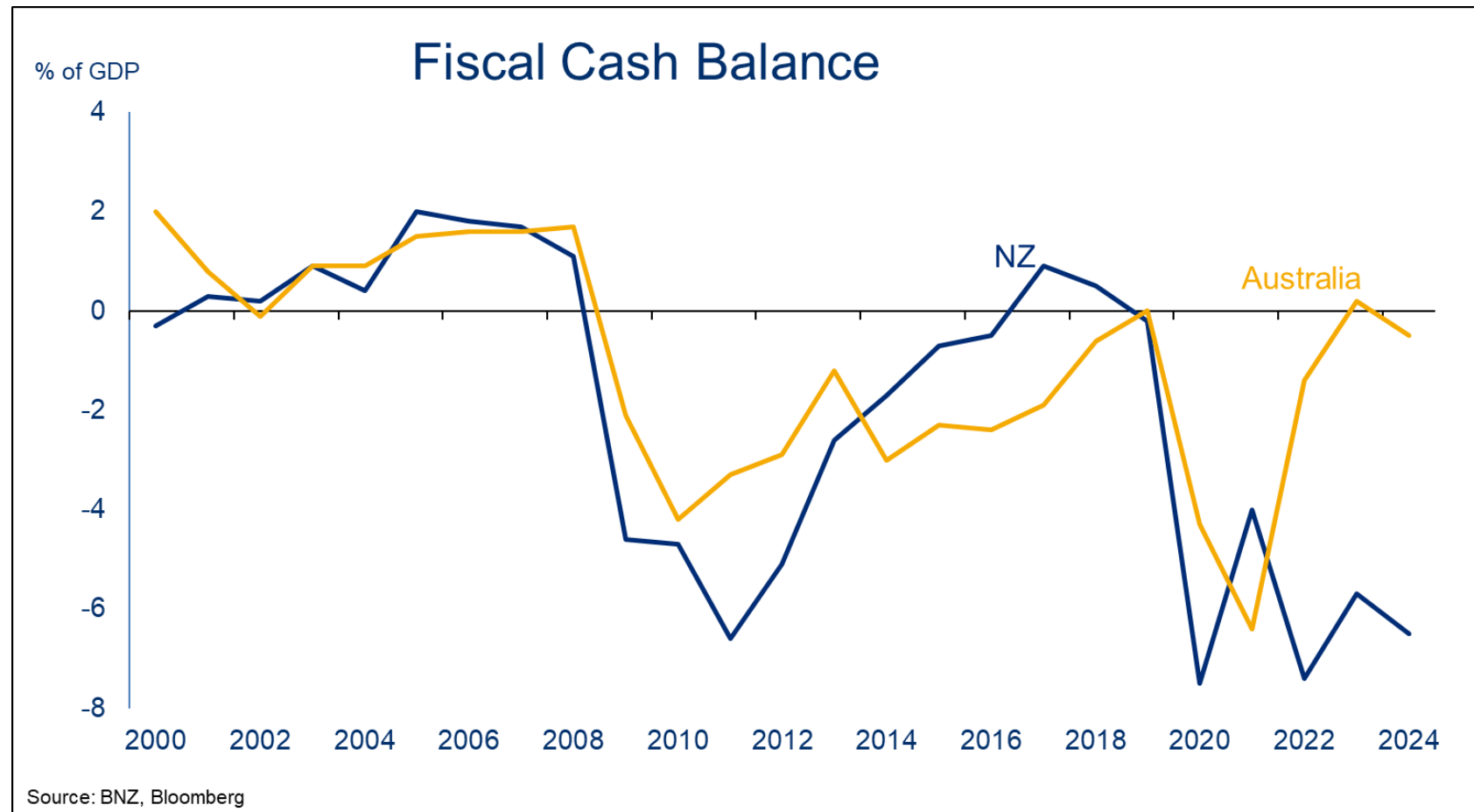
Fiscal deficit a concern



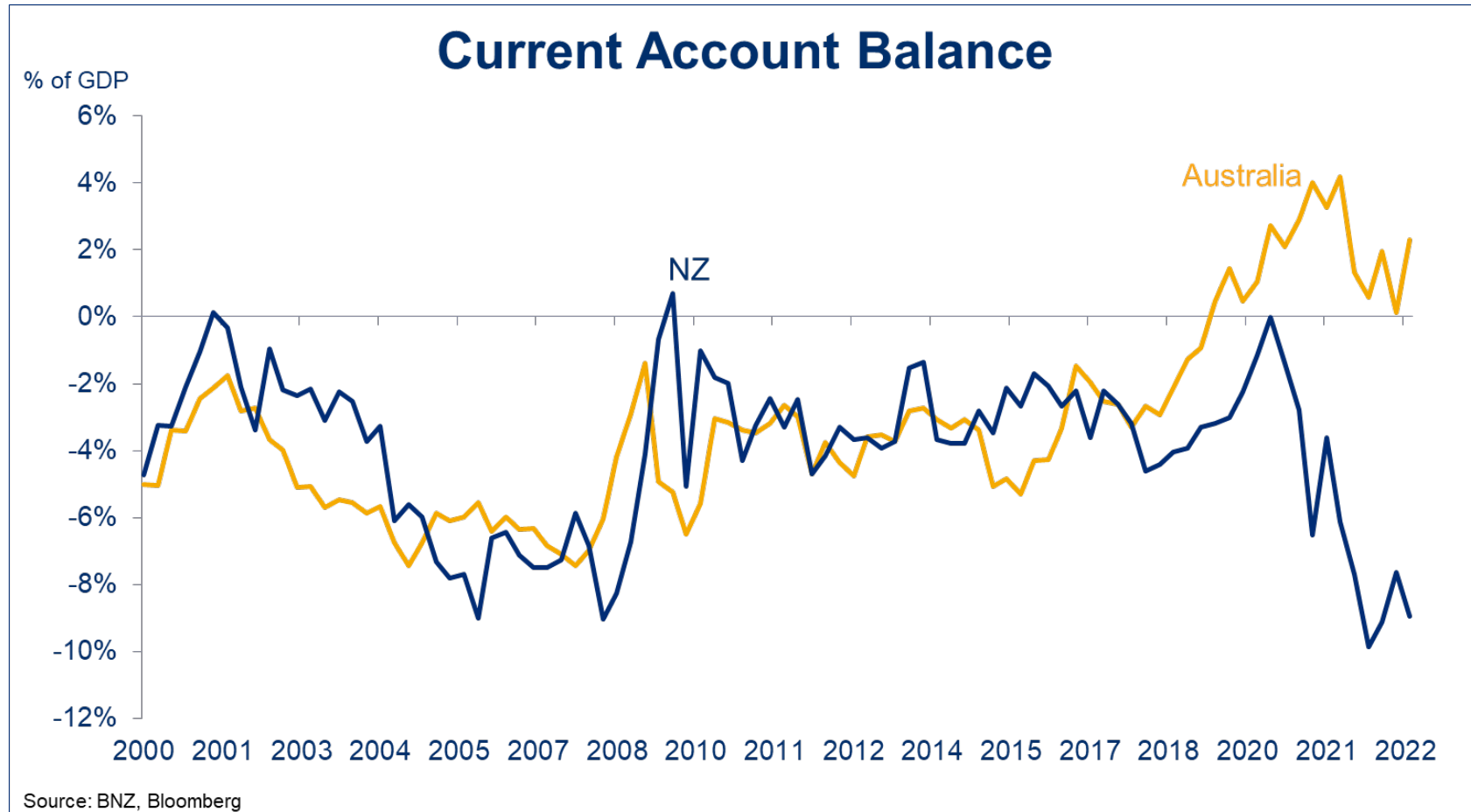
Twin deficits a worry



So different to Aussie



So different to Aussie



Losing Our Edge

