

August 2009

Australian economy

Economic indicators released in July were mixed. According to the Australian Bureau of Statistics (ABS), the unemployment rate reached 5.8% in June. The total number employed decreased by 21,400, with full time employment decreasing by 21,900.

The Retail Sales figures fell 1.4% in June, seasonally adjusted. June Building Approvals figures, seasonally adjusted, showed total dwelling unit approvals rose 9.3%, following a fall last month. Private sector housing approvals also rose 4.9% for the month.

Global economy

The Organisation for Economic Co-operation and Development (OECD) composite leading indicators (CLIs) for June (released in July) 2009 point to stronger signs of improvement in the economic outlook of OECD economies compared with last month's release. This is typified by stronger recovery signals in Italy and France and clearer signals of troughs in Canada, Germany, the United Kingdom and the United States. In Japan tentative signs of improvement have also emerged. – Source OECD

Equity Markets

Signs the global economy is avoiding a deep recession continued to buoy global equity markets with the MSCI World Index Ex-Aust (AUD) returning 7.3% in July. China was a standout performer, up 11%. The Euro 100 Index was up 9.2% for the month; however, it is still down 20.3% year to date.

Australian Dollar (AUD)

The Australian Dollar (AUD) appreciated slightly during July, rising 3.6% against the US dollar and finishing the month at US\$0.8356. This is the highest since September 2008. The AUD was also up against the Japanese Yen, 1.8%, the Euro, 2.0%, and against the British Pound, 2.1%.

July market performance

Equity Markets – Price Indices		At Close 31/7/09	% Change 1 Month	% Change 12 Months
	Index			
Australia	All Ordinaries	4249.55	7.6%	-15.9%
Japan	Nikkei	10356.83	4.0%	-22.6%
Hong Kong	Hang Seng	20573.33	11.9%	-9.5%
UK	FTSE 100	4608.36	8.5%	-14.8%
Germany	DAX	5332.14	10.9%	-17.7%
US	Dow Jones	9171.61	8.6%	-19.4%
EMU*	Euro 100	1988.41	9.2%	-20.3%
World**	MSCI - Ex Aus	749.51	7.3%	-21.7%

Property – Price Index		At Close 31/7/09	% Change 1 Month	% Change 12 Months
	Index			
Listed Trusts	ASX A-REITS	767.02	2.4%	-42.8%

Interest Rates		At Close 31/7/09	% Change 1 Month	% Change 12 Months
Aust 90 day Bank Bills		3.20%	0.0%	-4.6%
Australian 10 year Bonds		5.71%	0.1%	-0.5%
US 90 day T Bill		0.18%	0.0%	-1.5%
US 10 year Bonds		3.48%	-0.1%	-0.5%

Currency		At Close 31/7/09	% Change 1 Month	% Change 12 Months
US dollar	A\$/US\$	0.8356	3.6%	-11.3%
British pound	A\$/STG	0.5000	2.1%	5.3%
Euro	A\$/euro	0.5862	2.0%	-2.9%
Japanese yen	A\$/yen	79.11	1.8%	-22.2%
Trade-weighted Index		65.70	1.5%	-9.0%

* Top 100 European stocks trading on the FTSE

** Source : www.msci.com

Source : Iress Market Technology

Past performance is not a reliable indicator of future performance.

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