

Deloitte Access Economics

Uncertainty - the new normal

Australia's economic outlook

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26 October 2016

Suffering from **Fed rate hike** anxiety? You're not the only one
The housing market really isn't cooling

What would a **Trump presidency** mean for the rest of the world?

China faces delicate balance between debt and growth: S&P

Can Australia stop interest rates from approaching zero? Only with a big shift in policy

Write-downs keep coming as government struggles with deficit

Housing bust tops China hard landing as biggest threat to the economy: Fitch survey

Brexit: What on Earth happens now?

Government preparing to update **foreign investment** guidelines to appease Chinese investors

Ausgrid lease: Treasurer Scott Morrison blocks sale to Chinese, Hong Kong bidders

Fed Minutes Point to Rate

Hike 'Relatively Soon' IMF report: in the new normal of the post-GFC world, sideways is the new up

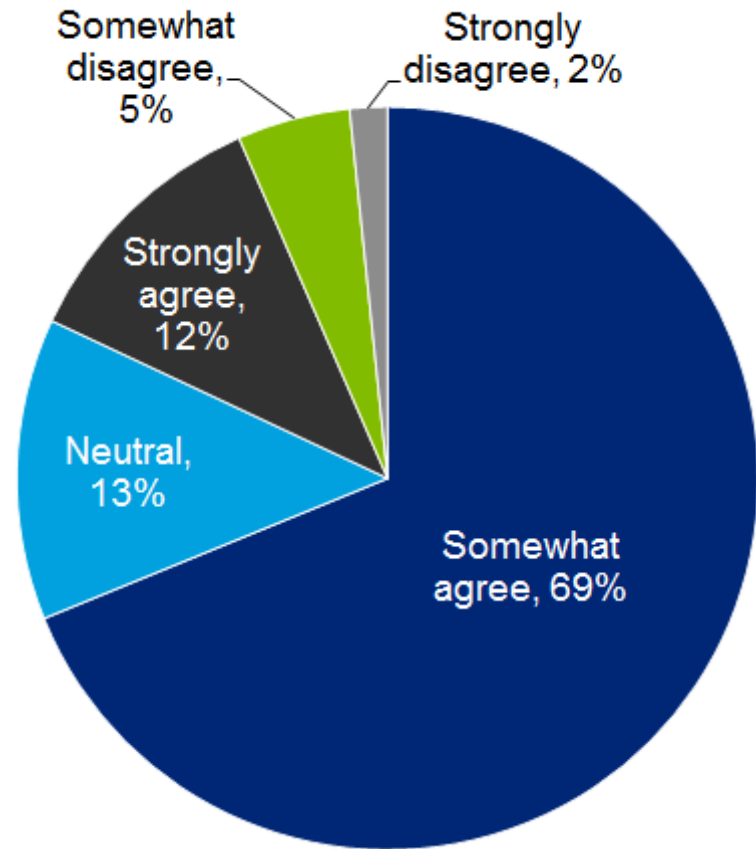
Rogoff warns **'hard landing'** in China poses biggest threat to global economy

Navigating uncertainty

CFO Sentiment

Survey 2016

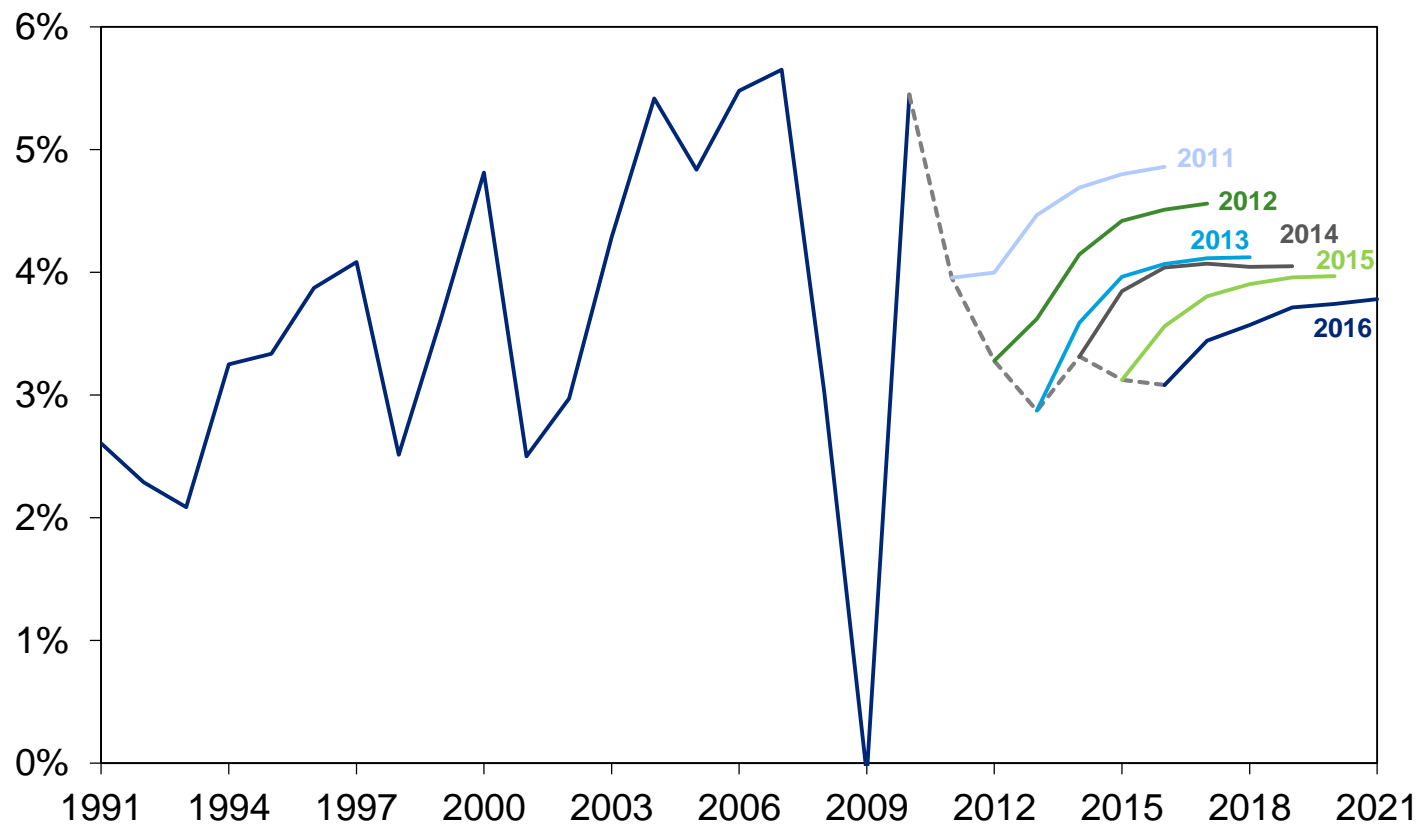
To what extent do you agree that current levels of uncertainty are holding back business investment?



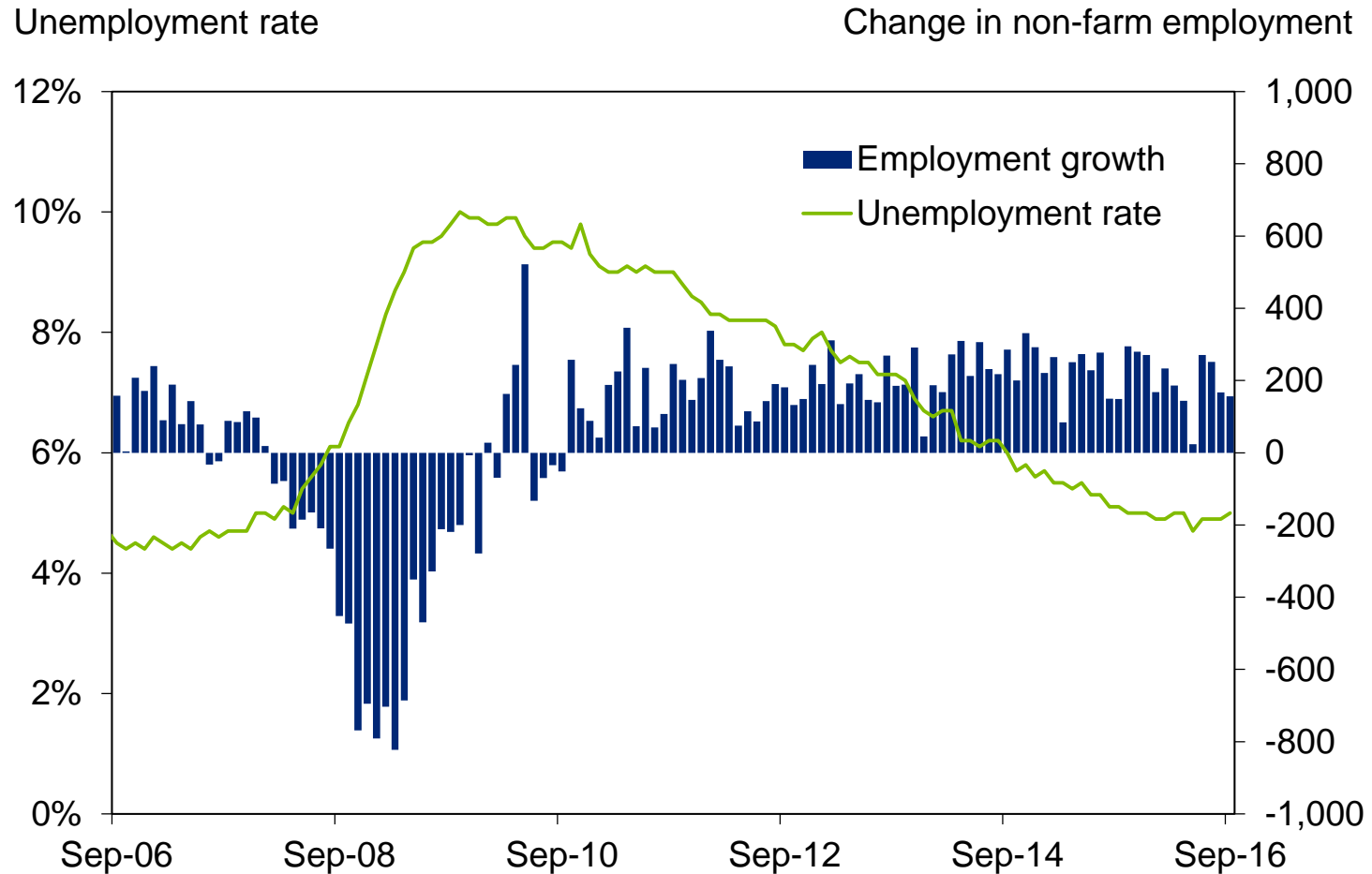
Disappointing global growth

IMF forecasts of global growth

World economic growth (change on year earlier)

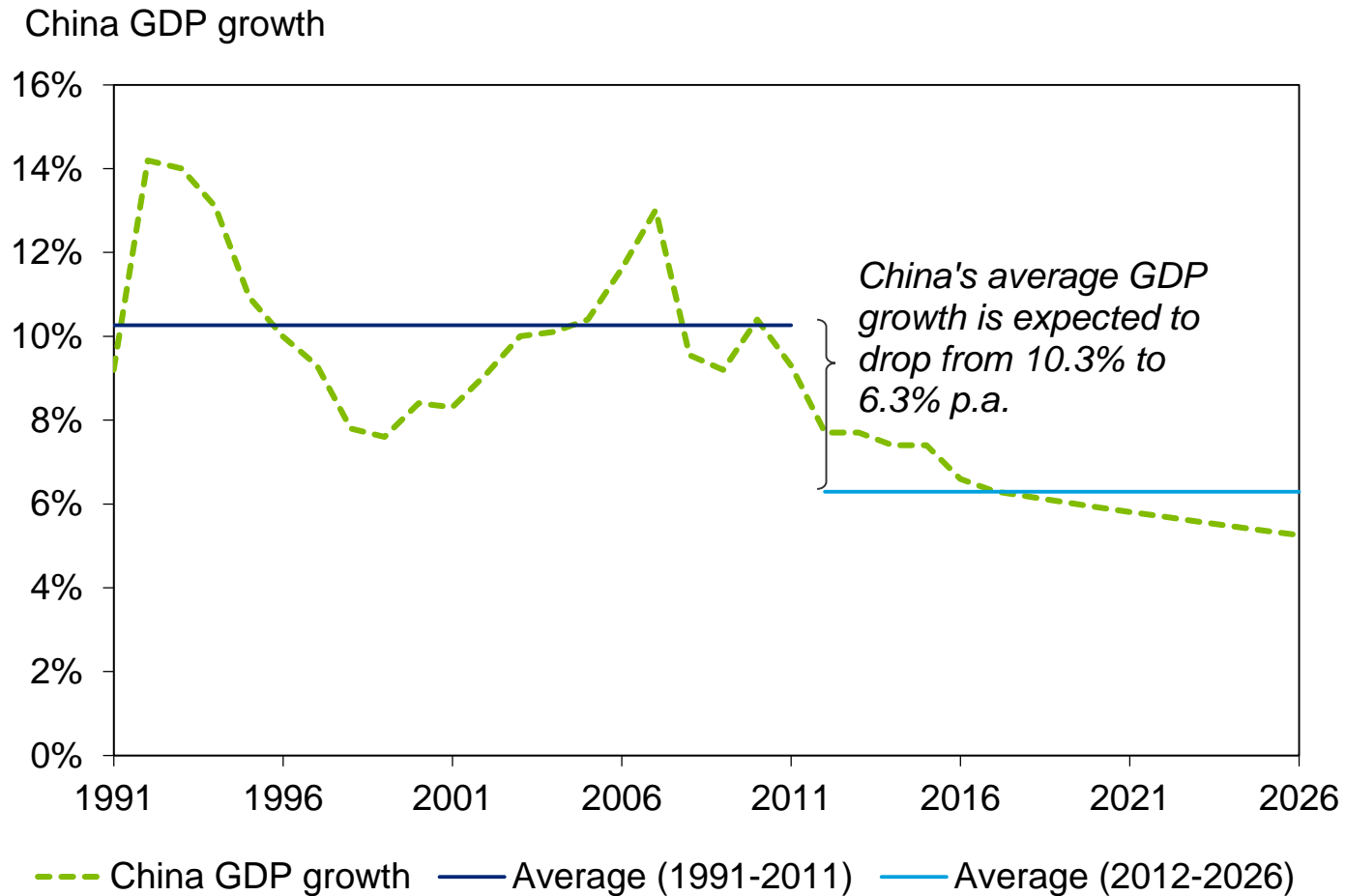


Fed signals rate hike for December



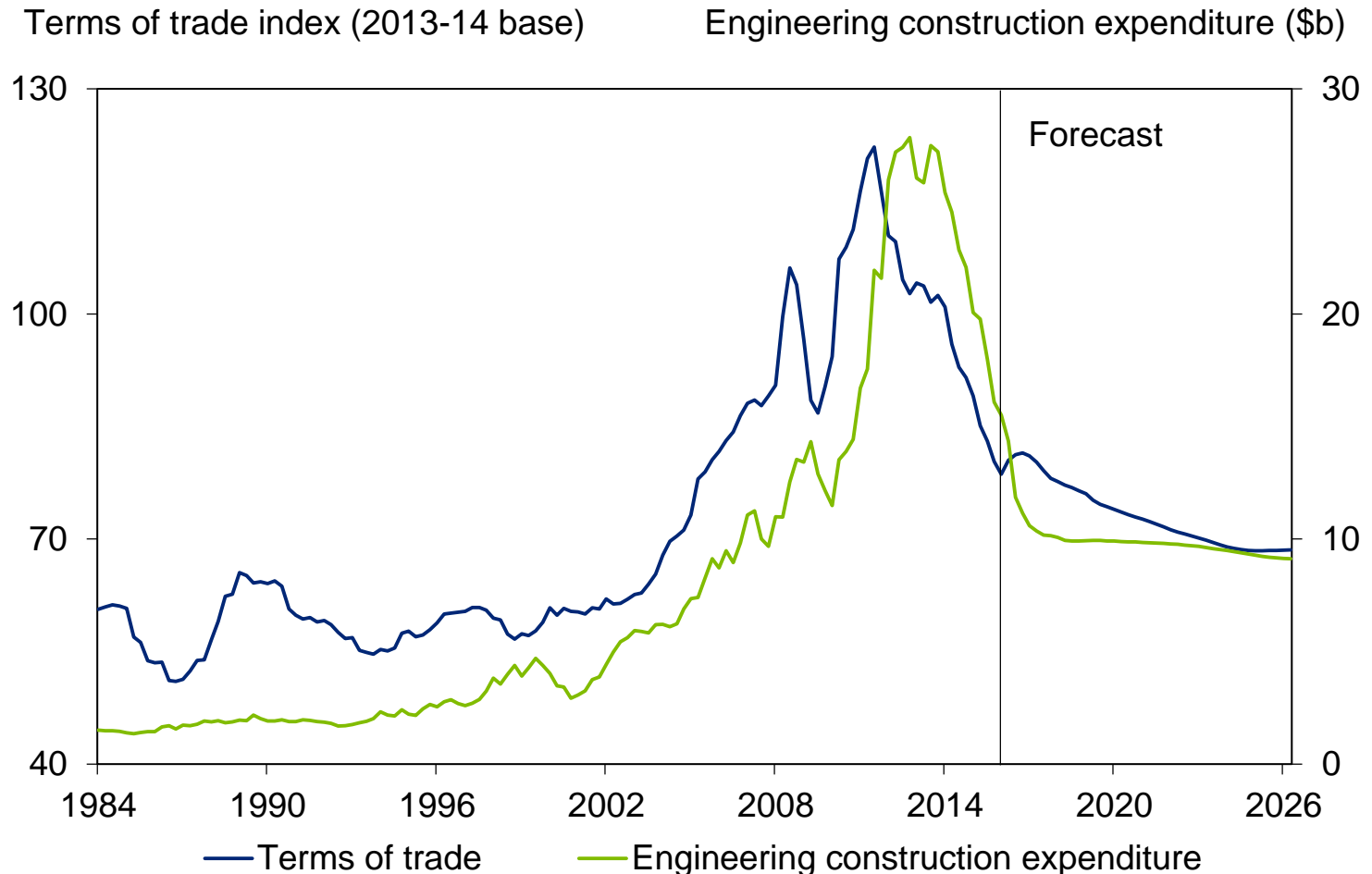
Global growth dragged down by China

No hard landing in our base case



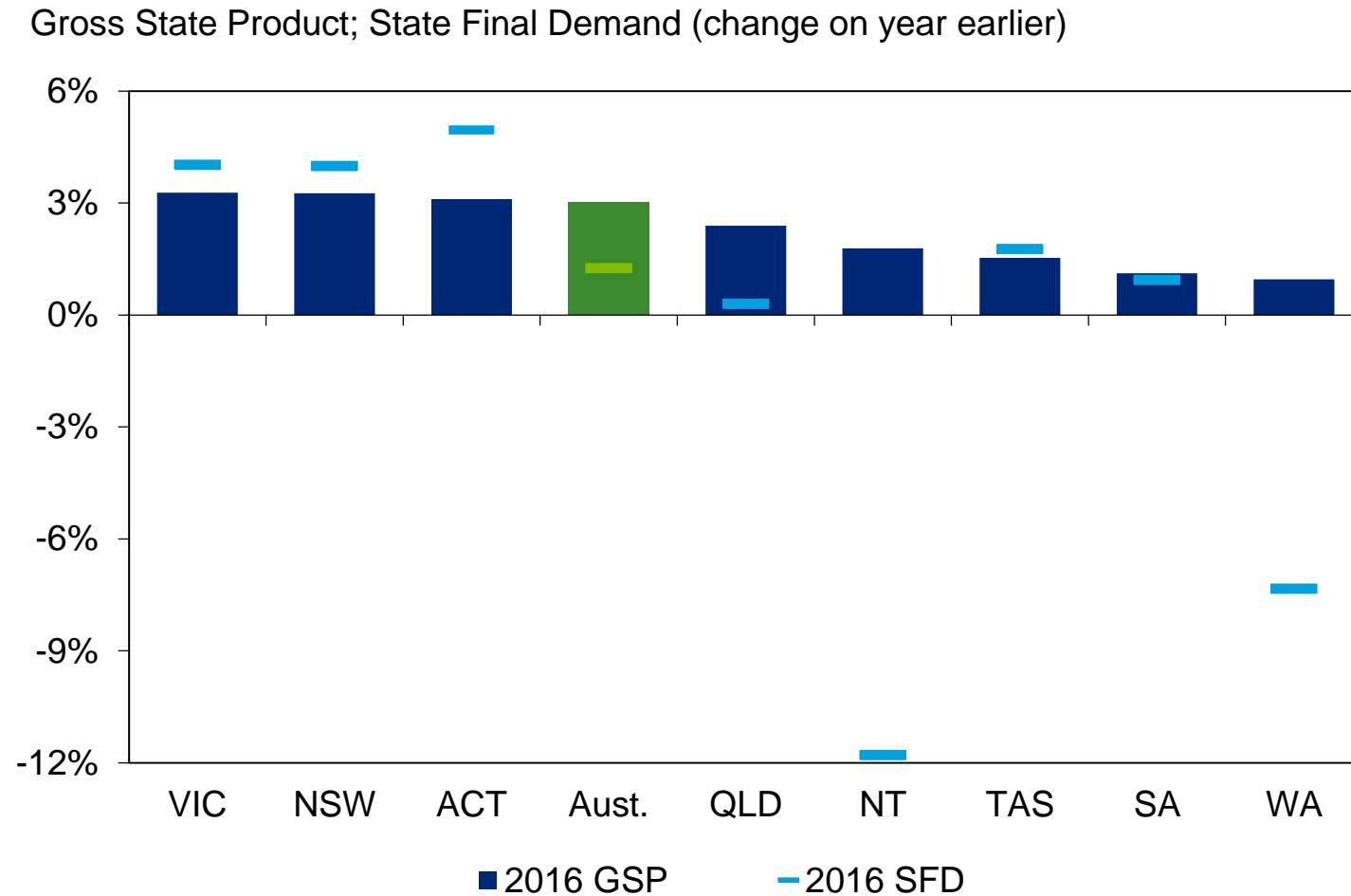
What does it mean for Australia?

The mining boom is moving into production

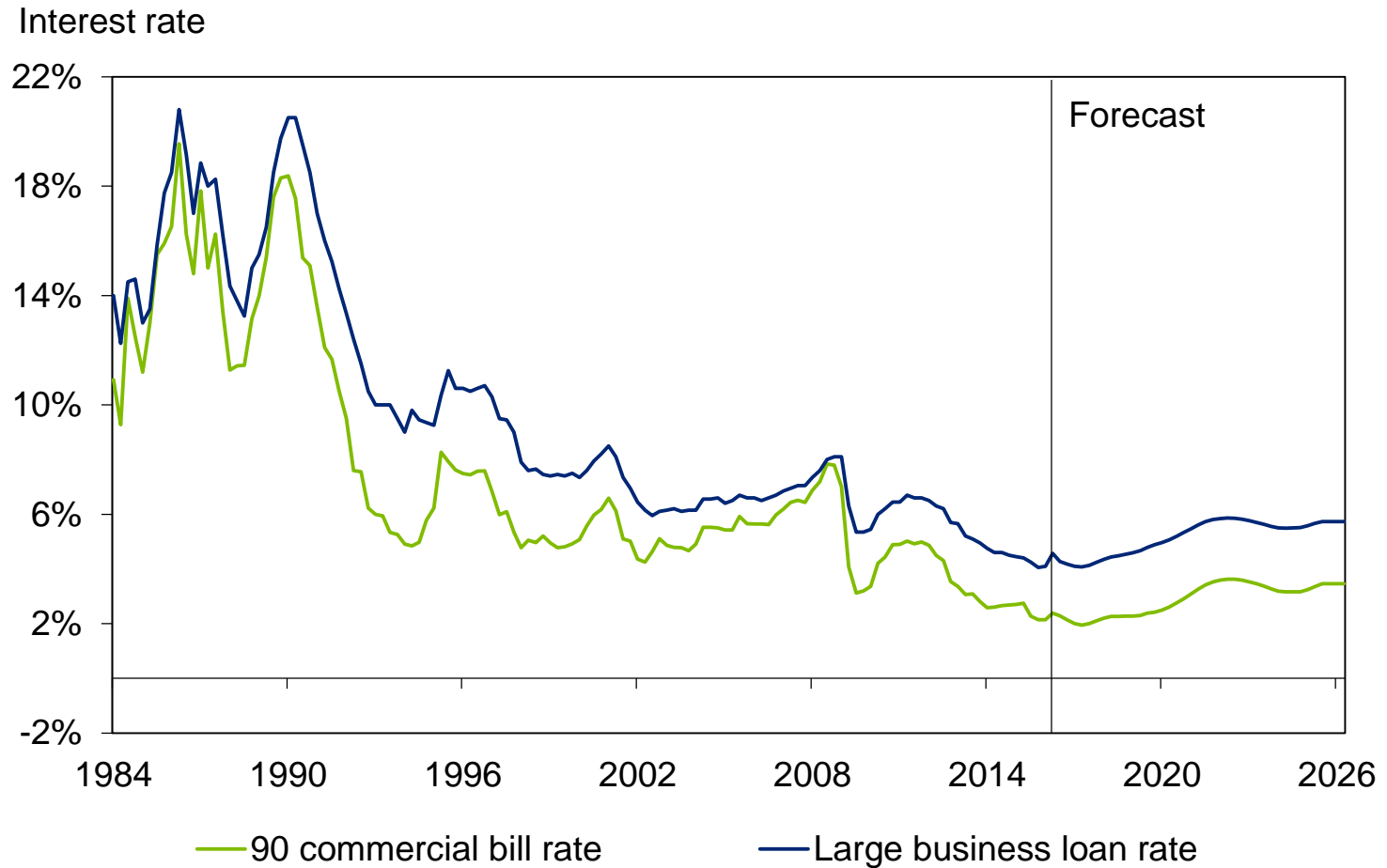


Varying impacts across States

Strong output yet weak demand

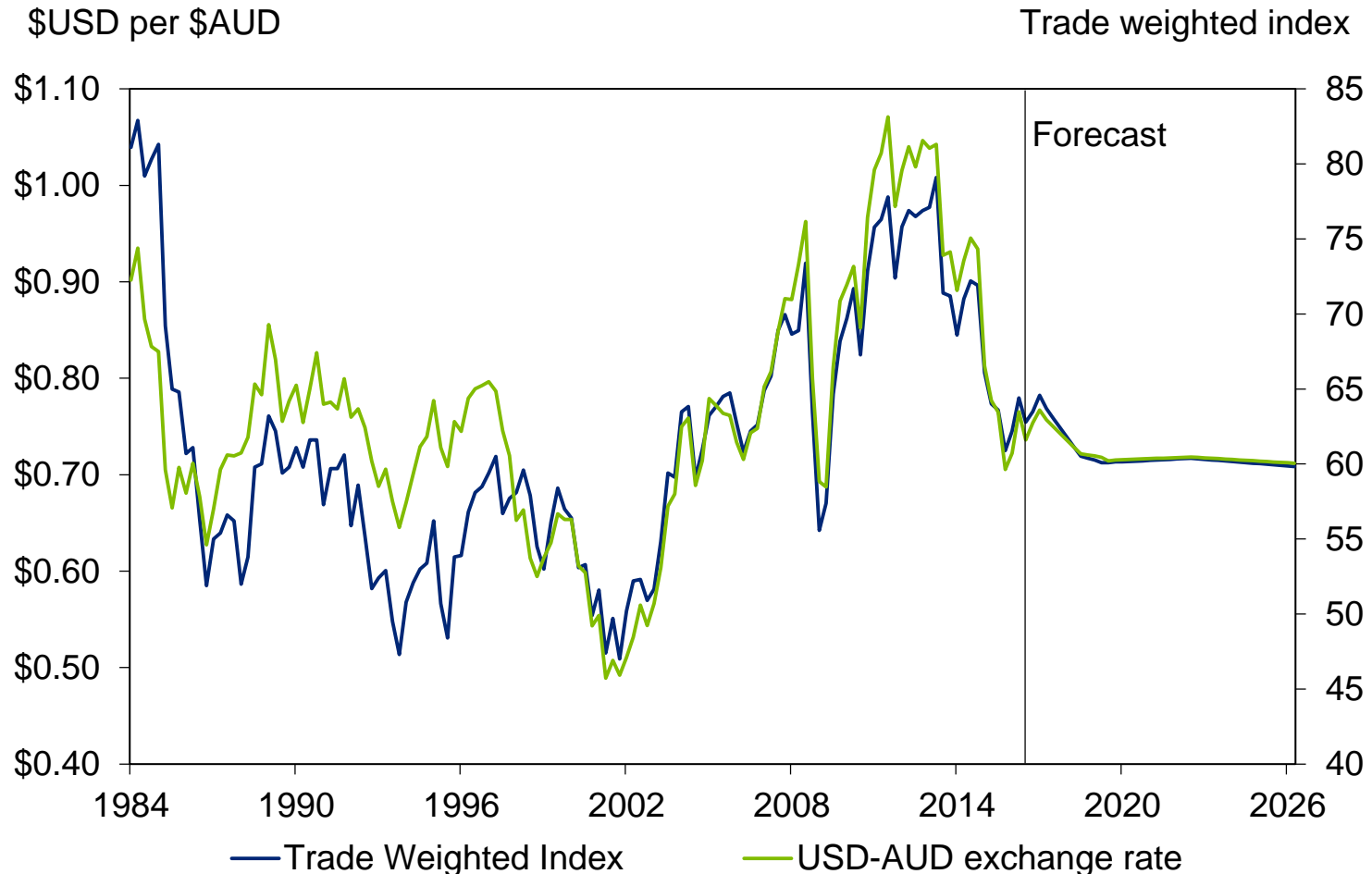


Funding costs to remain low



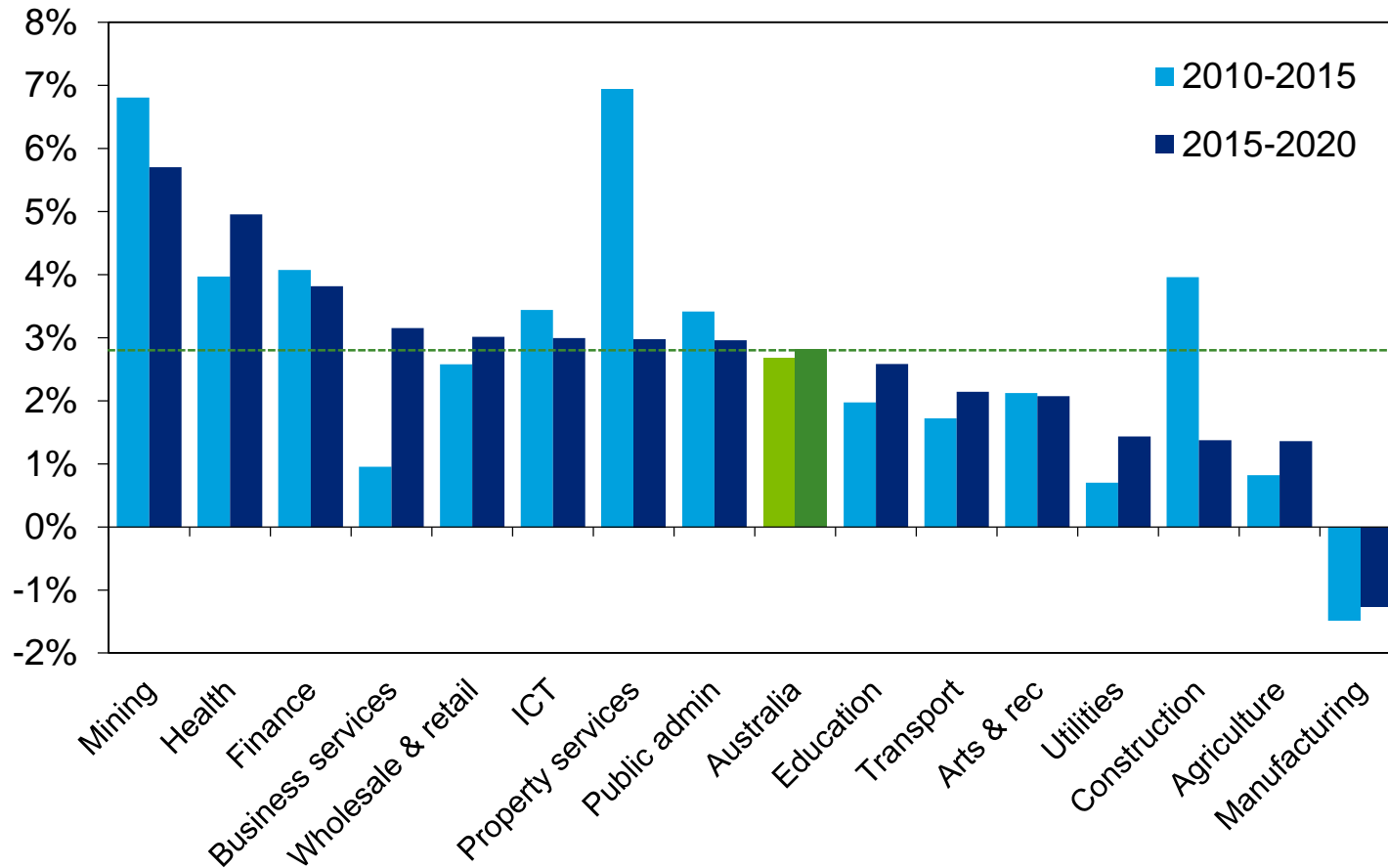
Exchange rate expected to fall

Australian products will be more competitive in the short run



Divergent fortunes across sectors

Compound annual growth rate



Divergent fortunes across sectors

Regional sectors have a better 5 years ahead

Compound annual growth rate

