

Record iron ore prices drive trade surplus

Preliminary international trade; Weekly payroll jobs & wages

- **Preliminary merchandise trade:** In original terms, the value of exports of goods rose by 15 per cent in March while the value of imports also rose by 15 per cent. The trade surplus remains significant at \$8.496 billion.
- **Survey of payrolls & wages:** The Bureau of Statistics (ABS) reported that national payroll jobs were 1.0 per cent above levels at the start of the pandemic (since Australia recorded its 100th confirmed case of Covid-19 on March 14, 2020). And wages were up 2 per cent over the period.

The trade data is instructive on income flows in the economy and consumer and business activity and has implications for the currency. The payroll and wage data helps government with decisions on assistance measures for households and businesses.

What does it all mean?

- Record iron ore shipments drove exports in March together with higher copper shipments. And gold and petroleum shipments drove the sharp lift in imports. Highlighting the strong economic times, the trade surplus continues to hover near \$8.5 billion. The surplus should remain lofty with both iron ore and copper prices sitting at record highs. It's rare to have so much good news on the economy all at the one time.
- Latest data confirms that both payrolls and wages are higher now than mid-March 2020 when the pandemic began (since Australia recorded its 100th confirmed case of Covid-19 on March 14, 2020).

What do you need to know?

Preliminary international trade – March

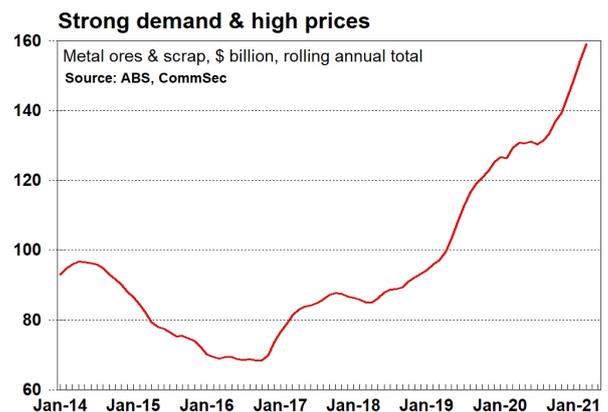
- According to the Bureau of Statistics (ABS), in original terms, the value of exports of goods rose by 15 per cent in March while the value of imports also rose by 15 per cent. The trade surplus remains significant at \$8.496 billion.
- Rural exports rose 24 per cent in the month to be up 11 per cent on the year. And non-rural exports rose 15 per cent to be up 2 per cent on the year. Exports to China rose 17 per cent in March. And notably road vehicle imports hit record highs in March.
- The ABS noted that iron ore accounts for 39 per cent of March exports and the record \$14 billion of shipments were up \$2.5 billion from February.
- Details of the latest trade figures are here:

<https://www.abs.gov.au/statistics/economy/international-trade/international-merchandise-trade-preliminary-australia/mar-21>

<https://www.abs.gov.au/media-centre/media-releases/australia-achieves-record-month-iron-ore-exports>

Weekly payrolls and wages – Week ending April 10

- Influenced by the Easter holiday period, the Bureau of Statistics (ABS) reported that **national payroll jobs** fell by 1.8 per cent over the fortnight to April 10 with wages down by 3.1 per cent.
- Over the year payroll jobs were up by 10.2 per cent with



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wages up 9.1 per cent.

- Compared with the start of the pandemic (March 14 2020 used as the reference point) payroll jobs are up 1 per cent and wages up 2 per cent.
- In terms of payroll jobs, the biggest gain was by Northern Territory (up 4.6 per cent) from Western Australia (up 3.6 per cent). Smallest gains were by NSW (up 0.4 per cent) and Victoria (up 0.5 per cent).
- Payroll jobs for females rose 0.8 per cent but male payrolls fell 1.1 per cent. Payroll jobs achieved by those 60-69 years rose by 5.5 per cent with jobs for 70 years plus also up 5.5 per cent. Jobs for those 20-29 year olds fell by 1.1 per cent.
- Across sectors since March 14, 2020, jobs in Public Administration and Safety rose 11 per cent while Accommodation and food services fell by 11.2 per cent.
- Details of the latest weekly survey of payrolls and wages are here:

<https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/weekly-payroll-jobs-and-wages-australia/week-ending-10-april-2021>

<https://www.abs.gov.au/media-centre/media-releases/seasonal-fall-payroll-jobs-april>

What is the importance of the economic data?

- The monthly **International Trade in Goods and Services** release from the Bureau of Statistics provides estimates on exports and imports of physical goods (such as coal, beef and computers) and services (such as travel receipts). The balance of goods and services (BOGS) is a narrower description of Australia's external position than the current account estimates. The import data is a useful gauge of consumer and business spending while exports reflect global demand as well as domestic influences such as drought.
- The ABS data **Weekly payroll jobs and wages** "provides indicative information on the economic impact of the COVID-19 coronavirus on employees, including changes in employee jobs, changes in total wages, and changes in average weekly wages per job."

What are the implications for investors?

- The good economic news keeps flowing. Rising exports and imports and gains in jobs are happening at a time of low inflation. So low interest rates will remain for some time.
- The record imports of road vehicles achieved in March is positive for both used and new car dealers and sellers of auto parts and services.

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