

Job ads hit 12-year high after JobKeeper expiry Brisbane petrol prices spike; Higher inflation

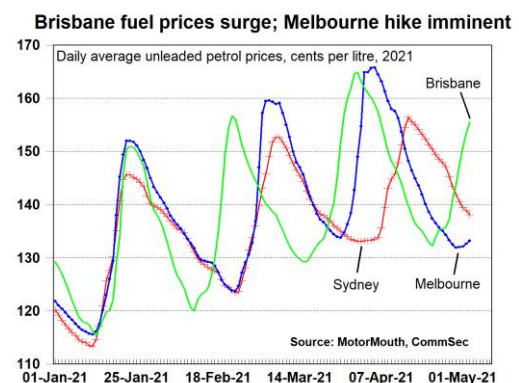
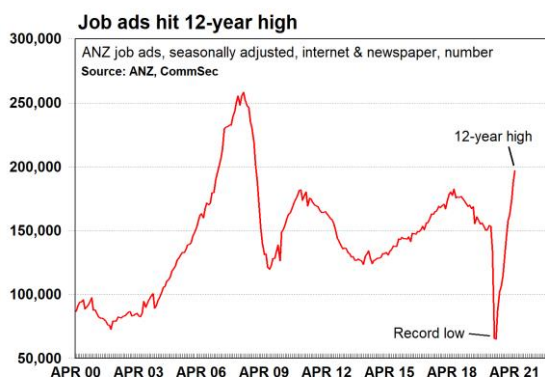
Job ads; Petrol Prices; Inflation gauge; Used vehicle market

- **Job ads:** ANZ job advertisements rose by 4.7 per cent in April to a 12-year high of 196,612 available positions. Ads have lifted for 11 successive months to be up 198.8 per cent from a year ago.
- **Fuel prices:** Last week the national average price of unleaded petrol fell by 1.0 cent a litre to 138.2 cents per litre (c/l), according to the Australian Institute of Petroleum. But Brisbane petrol prices have surged and are now in the expensive phase of the retail fuel cycle with a price hike in Melbourne also imminent.
- **Melbourne Institute inflation gauge:** The headline measure rose by 0.4 per cent in April to be up 2.3 per cent on a year ago – the strongest annual growth rate in 3 years. The trimmed mean gauge - the Reserve Bank's preferred measure – lifted 0.3 per cent to be up by 1.6 per cent on a year ago.
- **Used car prices:** Used vehicle prices fell by 1.3 per cent last week with ex-council vehicle prices down 10.4 per cent. Supply fell by 13.3 per cent in the past week with clearance rates 6.6 per cent lower.

Job ads/vacancies are an important gauge on the direction of consumer spending. The inflation gauge estimates month-to-month price movements for a wide-ranging basket of goods and services. Movements in the petrol price can affect consumer spending, and in turn, prospects for retailers. Used car price data is useful in gauging activity levels in the motor vehicle market.

What does it all mean?

- Looking for a job? Aussie recruiters are the busiest they've been in over 12 years. Encouragingly, ANZ's forward-looking indicator of Aussie labour demand remained strong in April, despite the expiry of the JobKeeper wage subsidy on March 28. In fact, ANZ's measure of job ads lifted for an 11th successive month in April with 196,612 positions on offer to job seekers. And since the depths of the national Covid-19 lockdown a year ago, the number of available jobs have soared by almost 200 per cent!
- Any Queenslanders that hit the road for the Labour Day long weekend would've noticed that petrol prices have jumped. Unleaded pump prices in South-East Queensland have entered the expensive phase of the fuel cycle with the Brisbane average unleaded retail petrol price now at 155.5 cents per litre, around 23 cents a litre higher than the previous cycle bottom on April 22. Drivers should consult their fuel apps and shop around for the best petrol deals with some servos still offering fuel for less than \$1.30, while others are asking almost \$1.70 a litre,



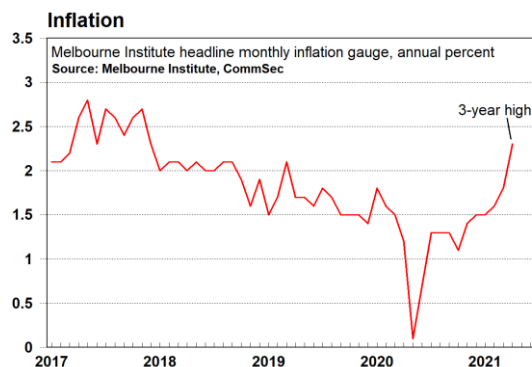
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according to real-time fuel app MotorMouth.

- Average unleaded retail petrol prices are hovering around 133 cents a litre today in Melbourne. But motorists should fill up now, as a price hike is imminent after prices bottomed at 131.9 cents a litre last Thursday.
- Drivers in Sydney are enjoying cheaper unleaded pump prices with the retail discounting cycle a fortnight old. Fuel prices are gradually declining and are expected to bottom at an average price of around 133 cents a litre by the beginning of next week. Motorists should take advantage of lower fuel prices this week and fill up their tanks with a price hike possible next week. Petrol is selling close to wholesale price at some retail outlets currently.



What do you need to know?

Job advertisements – April

- **ANZ job advertisements** rose by 4.7 per cent in April to a 12-year high of 196,612 available positions. Ads have lifted for 11 successive months to be up 198.8 per cent from a year ago. Vacancies are also 27.8 per cent above pre-pandemic levels in January 2020.

Weekly petrol prices

- Last week **the national average price of unleaded petrol** fell by 1.0 cent a litre to 138.2 cents per litre (c/l) according to the Australian Institute of Petroleum. Metropolitan prices fell by 1.6 cents to 138.7 c/l but regional prices were up by 0.1 cent to 137.3 c/l.
- **Average unleaded petrol prices across states and territories over the past week were:** Sydney (-8.1 cents to 142.4 c/l), Melbourne (-5.2 cents to 132.7 c/l), Brisbane (+10.2 cents to 144.3 c/l), Adelaide (-1.0 cent to 131.9 c/l), Perth (+0.3 cents at 139.3 c/l), Darwin (flat at 139.8 c/l), Canberra (flat at 140.1 c/l) and Hobart (+0.2 cents to 143.6 c/l).
- **The smoothed gross retail margin (2-month rolling average)** for unleaded petrol fell from 16.33 cents per litre to 15.46 cents a litre (24-month average: 15.84 cents a litre).
- The **national average diesel petrol price** was steady at 134.6 cents a litre over the past week. The **metropolitan** price was unchanged at 133.2 cents a litre but the **regional** price was up 0.1 cent a litre to 135.8 cents a litre.
- **Last week**, the national average unleaded Terminal Gate Price (TGP) was down by 0.3 cents to 125.7 cents a litre. And the **terminal gate diesel price** fell by 0.1 cent to 120.7 cents a litre.
- **Today**, the average unleaded TGP stands at 125.3 cents a litre, down 1.3 cents over the week. And the **terminal gate diesel price** is down 0.3 cents from a week ago to 120.7 cents a litre.
- **MotorMouth** records the following average retail prices for **unleaded fuel** in capital cities today: Sydney 138.1c/l; Melbourne 133.2c/l; Brisbane 155.5c/l; Adelaide 147.8c/l; Perth 128.8c/l; Hobart 143.9c/l; Darwin 139.8c/l; and Canberra 140.1c/l.
- **Last week the key Singapore gasoline price** rose by US\$2.90 or 3.9 per cent to near 16-month highs at US\$76.90 a barrel. In Australian dollar terms, the Singapore gasoline price lifted by \$3.20 or 3.3 per cent to a 14-month high of \$98.89 a barrel or 62.20 cents a litre.

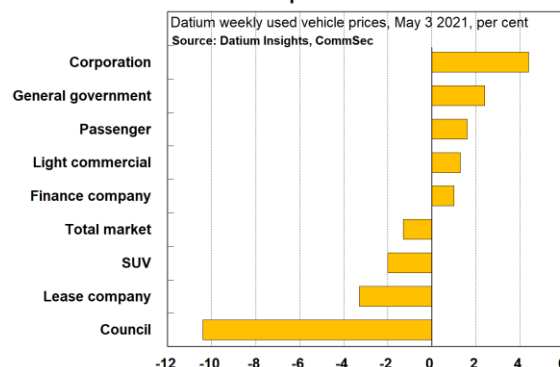
Inflation gauge – April

- **Melbourne Institute’s headline inflation measure** rose by 0.4 per cent in April to be up 2.3 per cent on a year ago – the strongest annual growth rate in 3 years. The **trimmed mean gauge** - the Reserve Bank’s preferred core measure - rose by 0.3 per cent to be up by 1.6 per cent on a year ago.

Weekly used vehicle market – May 3

- Datium Insights have reported the following results for the week to May 3:
 - *“Prices were down last week (-1.3 per cent) with ex-council vehicles falling (-10.4 per cent) after the prior week’s increase*
 - *Supply was down (-13.3 per cent), continuing its volatility*
 - *Clearance rates were also down (-6.6 per cent)*

Used vehicle prices



- Prices for the top 15 traded vehicles were mixed with the Holden Colorado (+3 per cent) and Hyundai i30 (+2.1 per cent) seeing the largest increases
- Stock still remains considerably low.”

What is the importance of the economic data?

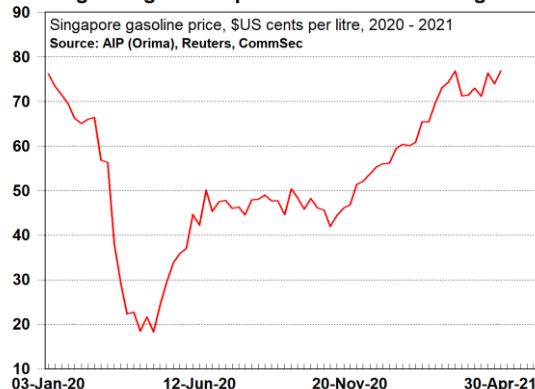
- The monthly **ANZ Job Advertisements** release is a leading employment indicator. Employers only seek additional staff if business activity is strong, and more importantly, if they expect that conditions will remain favourable in coming months. It takes around 5-6 months for the new staff to be added to the payrolls. But a fall in job advertisements would have an immediate impact on monthly employment estimates.
- **Weekly petrol prices** data are compiled by ORIMA Research on behalf of the Australian Institute of Petroleum (AIP). National average retail prices are calculated as the weighted average of each State/Territory metropolitan and non-metropolitan retail petrol prices, with the weights based on the number of registered petrol vehicles in each of these regions. AIP data for retail petrol prices is based on available market data supplied by MotorMouth.
- Melbourne Institute developed a **monthly inflation indicator** to give markets and policy makers a more regular update on inflation trends. Based on the ABS methodology for calculating the quarterly consumer price index, the Melbourne Institute Monthly Inflation Gauge estimates month-to-month price movements for a wide-ranging basket of goods and services across the main capital cities of Australia.
- Data analytics firm, **Datium Insights**, provides a weekly report on the used vehicle market. **Datium Insights and Moody's Analytics** also issue a monthly reading on used vehicle prices. The data assists in gauging the strength of a key component of consumer spending and provides insights on the Autos and components sector of the sharemarket.

What are the implications for investors?

- The Reserve Bank meets tomorrow with no change in policy settings expected. But a potential preview of Friday's economic growth (GDP) and inflation forecasts are in the offing (forecasts are contained in the Statement of Monetary Policy). Commonwealth Bank (CBA) Group economists expect the Reserve Bank Board to revise up its June 2021 headline Consumer Price Index (CPI) annual growth forecast from 3 per cent to 3.5 per cent. Already the annual growth rate of the Melbourne Institute's headline monthly inflation gauge has hit a 3-year high of 2.3 per cent in April. That said, the Board's preferred measure of inflation – the trimmed mean CPI – remains subdued with the annual Melbourne Institute core CPI gauge printing at 1.6 per cent in the month.
- With annual core inflation and wage growth near record lows in the March quarter, Reserve Bank policymakers have room to pursue their goal of “full employment.” Given the formidable challenge of lifting annual wage growth to 3 per cent, the unemployment rate will need to fall well below 5 per cent – and likely closer to 4 per cent – to trigger a lift in worker's pay.
- Leading indicators of the job market are broadly at the highest levels in 12 years. CBA Group economists estimate that the unemployment rate will fall to 5 per cent by year end, but expect the Reserve Bank to forecast a more conservative jobless rate of 5.5 per cent (previous forecast, 6 per cent) in its Statement of Monetary Policy.
- While the key measure of spare capacity in the labour market – underemployment – hit 7-year lows in March, further progress is needed to get Aussies working more hours. But the continued closure of Australia's international borders should reduce the supply of available skilled workers, likely driving down unemployment and underemployment, while sparking pay rises as competition for workers intensifies.
- In a sign of the buoyancy in the talent marketplace, human resources technology company Hiremii is scheduled to list on the Aussie sharemarket this week. The Hiremii platform offers recruitment, time sheeting, learning and payroll services using artificial intelligence.

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Regional gasoline prices near 16-month high



Petrol prices ease last week before price hikes

