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BUSINESS ESSENTIALS[®]

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*the
extras*



Managing Director
Nick Schildberger

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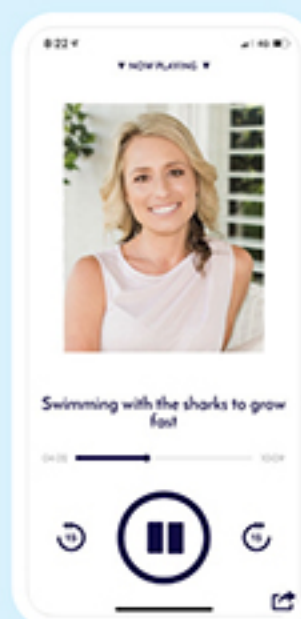
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Professor Neville Norman's economic forecast for 2022

Economic forecast data for Australia Calendar Year 2022, end on start, or year average, through 2022

Data	2022 Most-likely Outcomes – “MLOs”	Variants/Twists: (eg CoVid or RBA rate shifts)
Economic Growth – average annual growth in ‘real’ GDP-Australia	5.5% (recovery from the CoVid-caused slump in 2021)	<i>CoVid largely</i> goes: 6.8% [business-damaging CoVid restrictions fully off, confidence up]; CoVid snaps back, with closures/restrictions: 3.5%.
Inflation – average annual growth in Consumer Prices	3.2% and rising [assumes early RBA action by mid-year, 2022]	Little affected by either CoVid (more restrictions means less inflation) or RBA (rate rise slightly cools CPI inflationary trends).
Share price growth – e.g. S&P All-Ordinaries Indices	7.5% further rise, based on our core assumptions for CoVid and Bank rate moves.	Will rise less with a measured rate rise (1-2%); will plunge with panic sharp Bank rate rise (like 10% drop!)
Foreign Exchange Rates - \$us/\$au - averages	76c US average in 2022 – counteracting pulls.	Drop to the mid-60s, if the US Fed bumps rates up and Australia does NOT.
Interest Rates (small-business borrowers, also RBA “cash rates”)	Up to 6.5% (SB) 1.25% (RBA) by December 2022: this will do the job without too much business damage.	Stay at 0.1% if RBA stands concretely with its no-rate lift to 2024 promise; higher than the MLO if Bank leaves the rise too long and panics – a sad outcome.
House Prices annual growth Syd/Melb	6% Sydney; 3.5% Melbourne – assumes the BE creep-up rate scenario for the RBA.	11% Sydney, 8% Melbourne if rates locked for the year – which is why they have to move. If the Bank panic-rises rates: pick any negative number!
Next Federal Election Date	Latest possible and most credible: May 2022: avoiding Easter in mid-April.	Could be March if the Opposition boo-boos and opens a huge chance for the present Government. Budget likely to be August, or later. Alternative twist: March/before election, as they did in 2019.
CoVid Names	Omicron will be the last Greek letter used for CoVid variants.	Hopefully, won't get Kappa, Lambda and Omega in 2022.

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