



Media Release

In 2020, the Melbourne Institute will be releasing a monthly nowcast of Australian GDP and a monthly index used to date the business cycle.

The Melbourne Institute Nowcast of Australian GDP and the Monthly Index used to date the business cycle use monthly information regarding labour market conditions, housing and business lending, retail sales, housing approvals, consumer expectations, trade conditions and commodity prices in order to gauge current economic conditions. We note that the nowcast and the dating methodology are currently in the experimental stage.

The August 2020 edition of the **Melbourne Institute Nowcast of Australian GDP & Dating the Business Cycle** report was released at 11am (AEST), Friday 28 August 2020.

- GDP growth projected to be -3.0 per cent in the June quarter, giving a year-ended growth rate of -2.3 per cent. The nowcast reflects the sharp downturn associated with COVID-19 on Q2 GDP growth.
- Weakness in labour market conditions, non-food retail sales and trade were the primary contributors to the negative June-quarter nowcast. Although hours worked has improved, its value remains below that observed at the same time last year. The annual growth rate of the number of unemployed also continues to increase.
- Relatively strong business and housing credit during Q2 have mitigated the size of the fall in Q2.
- Economic activity is deemed to have peaked in February. The Australian economy continues to be in a recession.

For this month's report Dr Sam Tsiaplias from the Melbourne Institute said: "although economic conditions remain bleak, some parts of the economy have been fairly resilient. Hours worked has improved, and business lending is better than expected. For this reason, our nowcast for Q2 is on the optimistic end of the forecast spectrum. That said, we believe the Australian economy has been in recession since February. "

Click [here](#) to download the full report.

The report for September 2020 will be released at 11am (AEST), Friday 25 September 2020.

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