

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 October 2020 edition of the **Melbourne Institute Nowcast of Australian GDP & Dating the Business Cycle** report was released at 11am (AEDT), Friday 30 October 2020.

- GDP growth is projected to be 1.7 per cent in the June quarter, giving a year-ended growth rate of -5.2 per cent. The nowcast reflects the on-going effects of COVID-19 on economic activity and is consistent with a gradual rebound from the record fall in Q2.
- Continued improvement in hours worked and elevated retail spending have contributed positively to this month's GDP growth nowcast for the September quarter. However, the unemployment rate remains high and business credit conditions are weakening, posing risks for growth in Q4.
- The Monthly Activity Index continues to suggest that the recession stemming from the COVID-19 shock is short by Australian standards, with falls in output concentrated in April and May.

For this month's report, Dr Sam Tsiaplias from the Melbourne Institute said: "following the massive contraction observed in Q2, we predict GDP to grow by 1.7 per cent in the September quarter. This is higher than the 1.3 per cent nowcast made last month and is driven by continued improvement in hours worked and elevated retail spending. Our estimates imply a short recession, although we anticipate the period to recovery will be gradual, persisting well into next year. "

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

The report for November 2020 will be released at 11am (AEDT), Friday 27 November 2020.

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