



Media Release

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 November 2020 edition of the **Melbourne Institute Nowcast of Australian GDP & Dating the Business Cycle** report was released at 11am (AEDT), Friday 27 November 2020.

- GDP growth is projected to be 2.0 per cent in the September quarter, giving a year-ended growth rate of -4.8 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 housing activity, coupled with high levels of retail spending have contributed positively to this month's GDP growth nowcast for the September quarter.
- However, the number of unemployed remains high and business credit conditions are extremely weak, posing risks for growth going forward. The unemployment rate is also well above estimates of the Non-Accelerating Inflation Rate of Unemployment (NAIRU), indicating that considerable slack exists in the labour market.

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 2.0 per cent in the September quarter. This is higher than the 1.7 and 1.3 per cent nowcasts made in the previous two months and is driven by continued improvement in hours worked and housing activity, coupled with high levels of retail spending. Nevertheless, there are significant downside risks going forward associated with continued weakness in business investment and an elevated unemployment rate."

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

The report for December 2020 will be released at 11am (AEDT), Thursday 24 December 2020.

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