



O'CONNELLS OBM PTY LTD
ACCOUNTING • BUSINESS ADVISING • CONSULTING

O'CONNELLS OBM HOUSE, LEVEL 6/26 WHARF ST

GPO Box 5242 BRISBANE Q 4001

E TEAM@OCONNELLSOBM.COM.AU

WWW.OCONNELLSOBM.COM.AU

T 07 3233 6400

ACN 102 818 342

NEWSLETTER

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ECONOMIC BRIEFING BY BILL EVANS -- WESTPAC CHIEF ECONOMIST

Yesterday we attended a briefing by Bill Evans, chief economist of Westpac.

For a profile on Bill see this Web address www.growthsummit.com.au/speakers/billevans

This is our summary of some of the relevant things he said:

1. He believes interest rates have probably peaked but will take quite a while to go down.
2. He believes the US currency will weaken -the Australian currency may get to \$.95 against the US currency but he does not expect it to go higher.
3. He expects Brisbane house prices to show very low increase rates for the next two years.
4. In terms of buying investment property in Brisbane -- he thinks buying in about one year would be a good time.
5. Prime office property will be strong -- the vacancy rates are very tight.
6. Secondary office property and retail property could be weak.
7. We will have a slowdown in the economy in Australia and we need it to control inflation etc -- but he strongly believes we will not have a recession.
8. Equities/Share market: he would not buy shares yet -- he believes there will be a period of volatility and better buying opportunities will be later.
9. Australian equities are likely to turn strongly once the US economy bottoms and a very good indicator of that will be when some of the US banks are able to reverse some of their write-downs -- and that will signal a definite turning point. He believes that is quite a long way off and he believes there is more financial drama to come out in the US.

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What is "OBM"? Open Book Management

The success of OBM is evident. Because OBM gets team members to feel, think and act like business owners, everybody is working towards improving the efficiency and effectiveness of the business – and therefore the financial results.

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