Monthly Economic Indicators

THE TREASURY
Kaitohutohu Kaupapa Rawa

January 2009

Executive Summary

- **Economic activity contracted in September 2008 for the third consecutive quarter**
- **Key indicators point to further quarterly declines in December 2008 and March 2009**
- **Global growth is expected to deteriorate rapidly over 2009 as the credit crunch hits**
- **Growth appears to be developing in line with the *December Update* downside scenario, at least in the near term**

The economy contracted for the third consecutive quarter in September, highlighting ongoing weakness in external and domestic demand. As a result, annual average growth in production GDP fell from 2.7% in June to 1.7% in September, making this the slowest rate of growth in around nine years. While recovery from drought increased agricultural activity and higher lake levels boosted production of hydro-electricity, declines in other major industries illustrated underlying weakness in the New Zealand economy.

The December *Quarterly Survey of Business Opinion* indicated the weakness in the domestic economy looks set to extend into the December quarter and 2009. General weakness was evident across all major indicators, with business confidence, activity expectations and capacity utilisation falling to historic lows. Businesses also reported laying off more staff in December, while a net one in three firms expect staff numbers to decline in the March quarter, consistent with rising unemployment in 2009.

Both activity and the outlook for the global economy have deteriorated significantly since November's *Monthly Economic Indicators*. While a number of advanced economies are either in or on the brink of recession, the prospects for emerging and developing economies, notably many Asian economies, have also fallen rapidly. A host of fiscal packages have been announced around the world, largely focussing on infrastructure investment and tax cuts, to generate job growth and encourage spending.

The speed with which adverse developments have occurred led the IMF to revise global growth in 2009 down from 2.2% in November 2008 to 0.5% in January 2009. New Zealand's top 20 trading partners are now expected to grow only 0.2% in 2009 according to the latest Consensus Forecasts, lower than assumed in the downside scenario of the *December Update*.

Annual inflation fell from 5.1% in September to 3.4% in December. A significant reduction in the price of fuel was the key contributor to the lower outturn, with average prices falling around 20% in the December quarter. With food price inflation slowing and lower construction costs indicative of a weaker global and domestic economy, the medium-term outlook for inflation has eased considerably.

All indicators suggest the New Zealand economy will remain in recession until at least March 2009. As a result, growth appears to be developing in line with the *December Update* downside scenario, at least in the near term, with recent international developments pointing to further downside risk.

New Zealand Government

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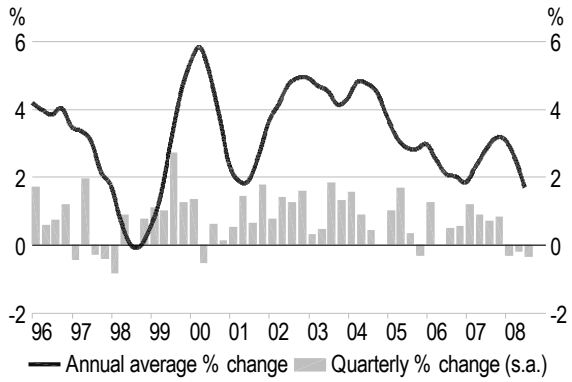
Analysis

GDP contracted in the September quarter…

Production GDP fell for the third successive quarter in September, highlighting ongoing weakness in external and domestic demand. Real production GDP fell 0.4% in the September quarter, weaker than our forecast of zero growth in the *December Update*, as the services sector slowed more than anticipated. In annual average terms, growth fell from 2.7% in June to 1.7% in September – the weakest outturn for headline growth in around nine years (*Figure 1*).

Figure 1 – Real GDP



Source: Statistics NZ

… driven by falling manufacturing activity

Manufacturing activity (excluding primary food manufacturing) made the largest negative contribution to quarterly growth, with declines occurring across nearly all industries. Electricity generation contributed positively to growth as hydro-production recovered from low lake levels the previous quarter, but further falls in construction led to the goods-producing sector as a whole declining. In the primary sector, agricultural production increased as the industry recovered from the effects of last summer's drought, but was offset by falls in mining, as oil extraction slowed. Within the services sector, the transport and communications group made the largest negative contribution to growth, while wholesale and retail trade also fell in the face of weaker domestic demand and softer tourist spending. The services sector as a whole contracted 0.2% in the September quarter following a 0.4% fall in the June quarter - the first consecutive contraction since 1991. Apart from the two industries that grew due to a rebound from the drought, all others shrank, showing underlying weakness in economy (*Table 1*).

Table 1 – Contributions to Quarterly Growth

Contribution to Quarterly Production GDP Growth	Jun-08 qtr	Sep-08 qtr
Agriculture and Primary Food	0.1	0.2
Fishing, Forestry and Mining	0.0	-0.2
Manufacturing (ex-primary food)	0.1	-0.3
Electricity, Gas and Water	0.0	0.1
Construction	-0.2	-0.1
Wholesale and Retail Trade	-0.3	-0.2
Other Services	0.0	0.0
Unallocated/balancing item	0.1	0.0
Production GDP	**-0.2**	**-0.4**

Source: Statistics NZ, Treasury

Falling investment drove down real expenditure GDP…

Investment levels dropped significantly in the quarter, driving a 0.7% fall in expenditure GDP. Residential investment fell 7.7%, the fourth consecutive quarterly decline, while business investment decreased 8.6% following an increase of 4.0% in the June quarter. While part of the decline can be explained by the purchase of large one-off items in the previous quarter, the magnitude suggests businesses are rapidly pulling back on investment given uncertainty around the effect global developments will have on the New Zealand economy.

Household spending remained weak in September with real private consumption falling 0.1% as demand for services continued its downward trend. Demand from abroad was also weak with total export volumes falling 3.1% in the quarter. Slowing growth in key export destinations limited demand for goods exports, particularly primary products, and led to a build-up in stocks. Exports of travel services were down 6.3% in the September quarter, highlighting the sensitivity of luxury goods such as tourism to the global economic downturn.

Import volumes fell 7.6% in the September quarter with imports of capital goods down 25.6%. As with investment in capital goods, part of the decline reflected weakness from New Zealand businesses (in addition to the reversal of large one-off items in June). Consumption goods imports fell (down 4.1%) as retailers struggled to clear merchandise stock, while intermediate goods imports were down 2.9%. The high price of international travel, in addition to decreases in services relating to oil

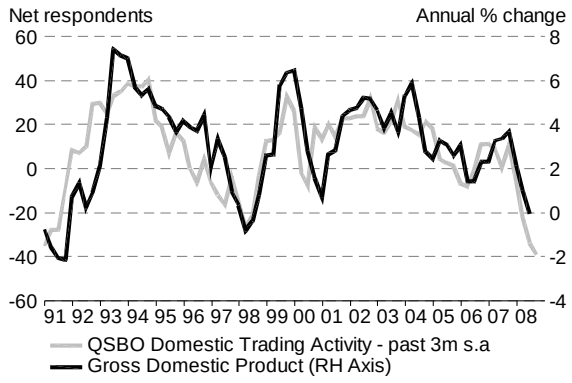
exploration and production, led to services imports contracting 7.3% in the September quarter.

Record low business confidence and activity indicators point to further weakness…

The weakening economy over the first three quarters of 2008 looks to have extended into the December quarter and into 2009, as indicated by the latest *Quarterly Survey of Business Opinion* (QSBO).

In seasonally adjusted terms, a net 44% of firms reported a drop in trading activity in the December quarter, the weakest result since records began in 1970. Also indicative of the weakening economy (and easing resource pressures) was a large fall in capacity utilisation, which at 88.8% is the lowest reported rate for almost a decade. A variety of other indicators were consistent with lower production in the fourth quarter and, as *Figure 2* below suggests, it is probable the economy contracted again in that quarter.

Figure 2– Real GDP and Own Activity Experienced



Source: NZIER, Statistics NZ

Forward-looking indicators in the QSBO point to additional weakness in 2009. After adjusting for seasonal effects, a net 77% of firms expected the general business situation to deteriorate in the next three months – also a record for the series. Firms' activity expectations were likewise at a record low, with a net 43% of firms expecting trading activity to weaken further in the next three months, implying a weak outlook in the near term.

… with job losses expected in the near term

The current weak environment and negative trading outlook fed through to soft investment and employment indicators in the survey. In terms of investment, a net 39% of businesses reported plans to decrease investment in plant and machinery over the next 12 months – the highest in over thirty years. Employment indicators also point to weakness, with a net 21% of firms having reduced staff over the December quarter and a net third of firms expecting staff numbers to decline over the next three months. The December quarter Household Labour Force Survey, released in early February, is expected to confirm an increase in the unemployment rate.

The vast majority of responses were received following the 150 point cut to the Official Cash Rate (OCR) in December, indicating positive sentiment from the record cut was outweighed by the deteriorating outlook for the global economy.

The global economy deteriorated sharply...

Economic and corporate data were weak in the past two months, pointing to a deepening global economic slowdown. The UK was the latest major economy to enter recession. More notable was the significant slowdown in emerging and developing economies with activity in Singapore and South Korea contracting sharply.

Weak economic activity saw unprecedented falls in global production with a virtual free-fall in evidence across many countries in December. However, the contraction was sharpest among emerging Asian economies. Trade volumes are also contracting sharply. Export volumes dropped in the last quarter in the US, Japan, Europe and a large number of developing countries.

...which triggered new policy responses

Faced with a rapidly deteriorating outlook, new and significant fiscal packages were announced by many governments around the world. The US, the UK, Germany, Australia, Japan and some emerging countries are expanding their initial stimulus packages to boost employment through a ramp-up of infrastructure expenditure. As credit markets remain a constraint on business, many governments also launched facilities to directly buy corporate shares or offered funds to help banks lend more.

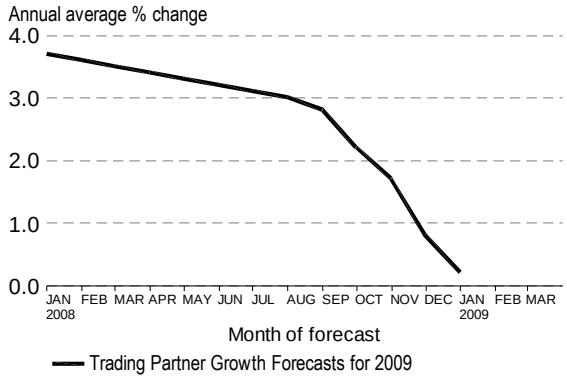
Subsiding inflation pressures allow extra discretion for central banks. Policy interest rates were cut to near zero in the US and Japan and to record lows in the UK and the Euro-zone. Monetary easing is now truly global with emerging countries moving to ease their policy stance and improve liquidity.

Forecasts are significantly lower....

The global economy is deteriorating more quickly than leading economists predicted only weeks ago. *January Consensus Forecasts* saw expected GDP growth of New Zealand's trading

partners revised to 0.2% in 2009. This represents a downward revision of 0.6 and 1.5 percentage points from the December and November forecasts, respectively, and is below our *December Update* downside scenario assumption of 0.4% growth (*Figure 3*).

Figure 3 - Evolution of Consensus Forecasts



Source: Consensus Forecasts, Treasury

In another unusual move, the IMF published a *January Update* in which global growth was revised down to 0.5% in 2009, markedly lower than the 2.2% forecast in the *November Update*. While the revision is across the board, the outlook for emerging economies was revised most markedly.

... leading to a further downward revision to the outlook for the New Zealand economy

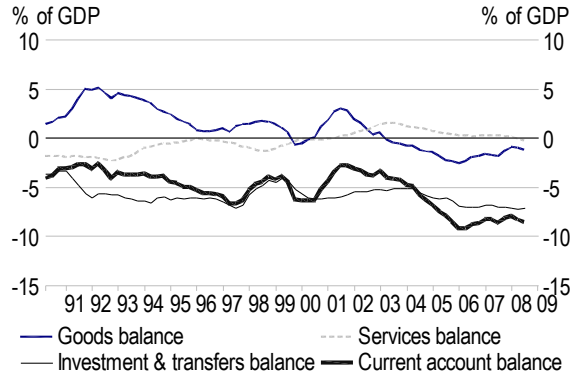
The marked deterioration in trading partner growth, in addition to weaker-than-expected forward-looking indicators, have led us to revise our economic forecasts lower. While the downside scenario in the *December Update* incorporated a significant deterioration in trading partner growth, the outlook has edged even lower, meaning growth could be weaker than in the downside scenario.

The current account deficit widened further…

An increase in the deficit on goods and services in the balance of payments from a year ago offset a moderate narrowing of the investment income deficit, leading to the annual current account deficit widening to $15.5 billion or 8.6% of GDP in September 2008, up from 8.4% of GDP in June (*Figure 4*).

Higher oil prices and a lower exchange rate boosted goods imports values, while a drop-off in demand for primary products and the after-effects of the drought limited growth in export values, leading to a widening of the annual goods deficit. With spending on international travel being largely discretionary, it was not surprising to see both imports and exports of travel services falling solidly in the quarter. Services exports, however, fell by more than services imports as the economies of key source countries (such as the US, UK and Germany) slowed more rapidly than our economy.

Figure 4 - Current Account



Source: Statistics NZ

Difficult business conditions led to lower profits accruing to overseas investors in New Zealand companies, providing some offset to the fall in the goods and services balance. The net international investment position increased from a net debt of $158 billion in the June quarter (89% of GDP) to $166 billion (92% of GDP) in the September quarter. This was the highest net debt figure recorded in both nominal terms and as a percentage of GDP, resulting from New Zealand's dependence on foreign capital to fund the current account deficit.

December quarter merchandise trade data point to a further widening of the current account deficit in that quarter. However, we expect the deficit to narrow from around mid-2009 as the sharp run-up in oil prices during the middle of last year begins to drop out of the annual calculation.

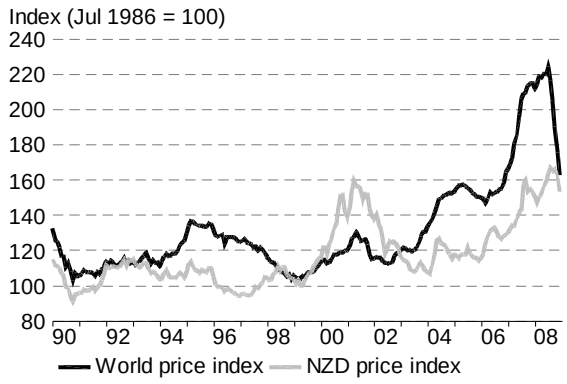
… while the terms of trade declined

Prices for oil and oil-related products rose 11.1% in the September quarter, increasing the price of imported goods more than the price of exported goods and lowering the merchandise terms of trade. The 2.3% quarterly fall in the terms of trade follows a slight fall in June, which was preceded by six successive quarterly increases as dairy prices rose rapidly. While the terms of trade remain 4.4% up on an annual basis, prices for most of New Zealand's main commodities have continued weakening since September.

The ANZ Commodity Price Index (in world prices) fell for the fifth straight month in December, with

dairy prices again leading the fall. Prices decreased across all but one of the commodities monitored, making the 7.4% decline the broadest monthly fall since the series began in 1986. For the December quarter as a whole, the ANZ commodity basket fell 18.1% - the steepest quarterly decline in the series, reflecting the impact that falling demand is having on commodity prices. However, the lower exchange rate is providing a buffer for exporters against lower world prices (*Figure 5*).

Figure 5 – ANZ Commodity Price Index



Source: ANZ

While prices for New Zealand's export commodities declined in the December quarter, the price of oil fell even more dramatically. As a result, we anticipate a boost to the terms of trade in the December quarter. Falling global demand for dairy products led Fonterra to lower its forecast payout for the current season in late January from $6.00 to $5.10 per kilogram of milk solids. Continued falls in export dairy prices will lead to further decline in the terms of trade in 2009.

Inflation fell significantly in the December quarter…

The large decline in oil prices resulted in significantly lower fuel prices in the quarter. Petrol and diesel prices were down around 20% on the previous quarter, driving the 0.5% quarterly decline in the Consumers Price Index (CPI) and slashing annual inflation from 5.1% to 3.4%.

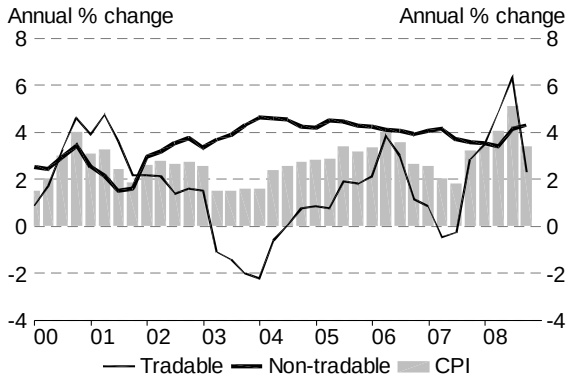
… with transport and food recording large price movements

As expected, the transport group showed the largest price declines in the quarter, due to falling fuel prices, more than offsetting rises in international airfares and vehicle prices as the exchange rate fell. Food prices increased in the quarter (up 1.5%), mainly due to higher prices for meat, poultry, breads and cereals, reflecting the previous run-up in commodity prices. On an annual basis, food prices increased 9.4% in the December year, accounting for around half of the increase in the annual CPI. We expect food price inflation to ease in the near term as falling commodity prices begin to be reflected in lower food prices.

Tradables inflation slowed…

Sharp falls in oil prices more than offset the inflationary effects of the lower exchange rate, with tradable prices falling 2.1% in the quarter, bringing annual tradables inflation to 2.3% in December. Excluding petrol and diesel prices, tradables inflation would have been 0.9% in the quarter as the lower exchange rate increased prices for some consumption goods, such as motor vehicles and apparel. Some goods, such as household appliances, were discounted in the quarter, highlighting the intention of some retailers to shift stock quickly. Further falls in the exchange rate are set to provide some pressure on tradables inflation in the medium term, offset by weak domestic demand (*Figure 6*).

Figure 6 – Tradables and Non-tradables Inflation



Source: Statistics NZ

…and non-tradables inflation looks set to ease

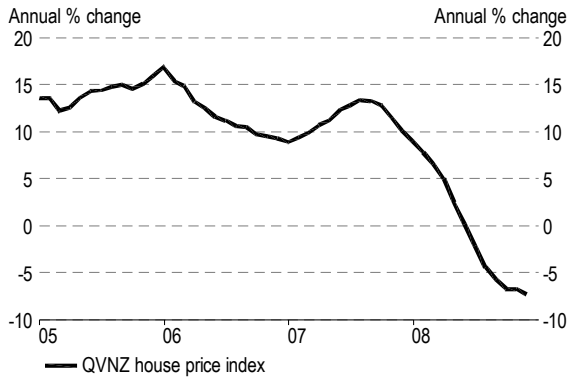
For the year to December 2008, significant upward contributions from electricity, housing rents, purchase of new housing, and local authority rates and payments lifted non-tradables inflation to 4.3%. However, the slump in residential investment has begun forcing builders to lower prices in order to generate demand, with the latest quarterly outturn for the purchase of new housing costs falling for the first time in a decade (-0.2%). Weaker construction costs, coupled with domestic weakness, are key factors in non-tradables inflation subsiding in the near term.

The QSBO supported this view, with firms reporting lower pricing intentions. We now anticipate annual inflation moving back within the Reserve Bank's 1-3% medium-term target range in the March quarter and approaching the bottom of the range by the end of the year.

House prices continue to fall

House price falls to date have largely been a function of high effective mortgage interest rates, easing net migration and declining investor confidence due to the slowing economy. The Real Estate Institute of New Zealand reported the national median house price fell 2.7% in the December month, taking the total fall in 2008 to 4.8%. Quotable Value New Zealand (QVNZ) painted a more pessimistic picture, with their quality-adjusted measure of average house prices falling 7.4% in the December quarter from a year ago (*Figure 7*). Weakness remains in the construction sector, with the number of new dwellings including apartments falling 41% in the year to December 2008.

Figure 7 – Average House Prices



Source: QVNZ, Treasury

We expect house prices to continue to ease through the first half of 2009 as lower mortgage interest rates are more than offset by tighter lending criteria, further investor uncertainty, low net migration in late 2008, and a weaker outlook for the labour market. The extent of house price declines is broadly in line with the main scenario in the *December Update*, namely a 13% fall in the year to March 2009 and a slight fall in the year to March 2010, with only a modest recovery expected over the medium term.

Retail sales hold up in November…

With food prices bouncing back strongly in November, supermarket and grocery store sales (which account for around a fifth of total retail sales) rose a solid 2.6% in the month. Combined with a rebound in motor vehicle sales, these positive factors were enough to offset plummeting automotive fuel sales (down 7.9% as the price of fuel fell 16% in the month) and a large fall in accommodation spending (as international visitor numbers continued to fall). Excluding the automotive components of the series, core retailing increased 0.3% in November, after rising 0.8% in October.

… but further weakness is expected

Electronic card transactions for core retailing (up 0.2%) suggest retailing activity was relatively subdued in the December month. However, monthly credit card transactions have been a more reliable indicator in recent times and suggest December month retail sales were very weak.

With retail volumes likely to be flat-to-negative in the quarter, services consumption will be important for determining the direction of change in private consumption, with the possibility that the quarterly outturn is lower than the 0.4% growth forecast in the *December Update*.

The New Zealand dollar has been volatile

While the NZD/USD exchange rate remains at a similar level at the end of January as at the end of November, there have been sharp swings between these dates. In mid-January, the New Zealand dollar fell sharply, from around US 58 cents to less than US 55 cents, following the weak QSBO report and Standard and Poor's downgrade of New Zealand's foreign currency outlook from stable to negative.

The Official Cash Rate was reduced further…

On 29 January, the Reserve Bank cut the Official Cash Rate (OCR) by 150 basis points to 3.5%, noting the rapidly deteriorating outlook for trading partner growth as a key source for further weakness in the New Zealand economy. The Bank's statement noted the weaker outlook for inflation and that further cuts in the OCR would be smaller than those seen recently.

… and economic conditions will continue to be challenging

The general theme emerging from activity indicators in the past two months was of a rapidly weakening economy. September quarter GDP and the QSBO both point to ongoing weakness in the New Zealand economy. In addition, the outlook for the world economy has deteriorated since we completed our *December Update*

forecasts. We now expect the economy contracted in the December quarter. While the October 1 tax cuts and lower fuel prices provided some cushioning for consumer spending, investment and export volumes are likely to have declined further. The economy is expected to continue weakening in 2009 with a further fall in real GDP predicted for the March quarter. As a result, growth appears to be developing in line with the *December Update* downside scenario, at least in the near term, with recent international developments pointing to further downside risk.

Monthly Economic Indicators is a regular report prepared by the Forecasting and Monitoring team of the Treasury.

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New Zealand Key Economic Data

30 January 2009

Quarterly Indicators

		2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4
Gross Domestic Product (GDP)								
Real production GDP	qtr % chg[1]	0.9	0.7	0.8	-0.3	-0.2	-0.4	...
	ann ave % chg	2.3	2.8	3.1	3.1	2.5	1.7	...
Real private consumption	qtr % chg[1]	0.4	0.6	0.5	-0.4	-0.2	-0.1	...
	ann ave % chg	3.3	3.8	4.0	3.2	2.3	1.1	...
Real public consumption	qtr % chg[1]	1.3	1.7	0.4	1.4	0.2	1.0	...
	ann ave % chg	3.9	3.9	3.9	4.3	4.3	4.0	...
Real residential investment	qtr % chg[1]	4.7	0.4	-2.0	-5.2	-8.2	-7.8	...
	ann ave % chg	2.2	4.2	5.1	4.3	-2.0	-9.7	...
Real non-residential investment	qtr % chg[1]	-1.5	1.0	3.8	-0.6	4.0	-8.6	...
	ann ave % chg	2.2	3.2	4.9	4.2	4.5	3.1	...
Export volumes	qtr % chg[1]	-0.6	0.2	4.1	-1.9	-0.3	-3.1	...
	ann ave % chg	3.5	2.4	3.8	2.9	2.7	2.4	...
Import volumes	qtr % chg[1]	2.7	0.9	3.7	1.1	3.8	-7.6	...
	ann ave % chg	1.7	5.3	8.6	9.6	9.7	7.5	...
Nominal GDP - expenditure basis	ann ave % chg	6.6	7.0	7.3	7.4	6.1	4.7	...
Real GDP per capita	ann ave % chg	1.1	1.6	2.0	2.1	1.5	0.7	...
Real Gross National Disposable Income	ann ave % chg	2.8	3.3	4.7	5.0	4.7	4.4	...
External Trade								
Current account balance (annual)	NZ$ millions	-14096	-14892	-14372	-14211	-14982	-15509	...
	% of GDP	-8.3	-8.7	-8.2	-8.0	-8.4	-8.6	...
Investment income balance (annual)	NZ$ millions	-12135	-12796	-12837	-13388	-13861	-13663	...
Merchandise terms of trade	qtr % chg	0.4	3.7	2.9	4.2	-0.4	-2.3	...
	ann % chg	2.3	8.4	8.8	11.6	10.7	4.4	...
Prices								
CPI inflation	qtr % chg	1.0	0.5	1.2	0.7	1.6	1.5	-0.5
	ann % chg	2.0	1.8	3.2	3.4	4.0	5.1	3.4
Tradable inflation	ann % chg	-0.5	-0.3	2.8	3.4	4.8	6.3	2.3
Non-tradable inflation	ann % chg	4.1	3.7	3.5	3.5	3.4	4.1	4.3
GDP deflator	ann % chg	4.1	3.2	5.8	6.1	3.7	1.6	...
Consumption deflator	ann % chg	1.3	1.2	1.9	2.5	3.3	4.1	...
Labour Market								
Employment (HLFS)	qtr % chg[1]	0.3	-0.2	0.9	-1.3	1.3	0.1	...
	ann % chg[1]	1.5	1.5	2.5	-0.2	0.7	1.0	...
Unemployment rate	%[1]	3.6	3.5	3.4	3.7	3.9	4.2	...
Participation rate	%[1]	68.7	68.3	68.6	67.7	68.6	68.7	...
LCI salary & wage rates - total (adjusted)[6]	qtr % chg	0.6	1.0	1.0	0.8	0.7	1.2	...
	ann % chg	3.1	3.1	3.3	3.4	3.5	3.6	...
LCI salary & wage rates - total (unadjusted)[6]	qtr % chg	1.0	1.7	1.4	1.2	1.1	1.5	...
	ann % chg	4.6	4.8	5.0	5.4	5.5	5.3	...
QES average hourly earnings - total[6]	qtr % chg	0.8	1.3	1.0	1.5	1.4	1.5	...
	ann % chg	4.3	4.0	4.2	4.6	5.3	5.5	...
Labour productivity[7]	ann ave % chg	1.5	2.0	2.6	3.2	2.6	1.7	...
Confidence Indicators/Surveys								
WMM - consumer confidence[3]	Index	111	114	110	97	82	105	101
QSBO - general business situation[4]	net %	-36.6	-27.3	-26.4	-64.1	-63.7	-19.3	-64.4
QSBO - own activity outlook[4]	net %	8.8	15.4	13.9	-9.7	-22.9	-8.3	-40.9

Monthly Indicators

		2008M 6	2008M 7	2008M 8	2008M 9	2008M10	2008M11	2008M12
External Sector								
Merchandise trade - exports	mth % chg[1]	16.2	-0.9	8.8	-14.0	14.1	-2.8	-0.8
	ann % chg[1]	32.0	30.2	34.7	8.1	13.2	9.6	4.1
Merchandise trade - imports	mth % chg[1]	0.6	2.4	0.8	4.1	-1.4	-5.3	7.0
	ann % chg[1]	17.4	22.0	22.8	26.9	15.4	7.5	15.5
Merchandise trade balance (12 month total)	NZ$ million	-4478	-4468	-4369	-5048	-5269	-5230	-5615
Visitor arrivals	number[1]	204320	208520	206810	194310	195630	197180	...
Visitor departures	number[1]	209210	204230	205680	193860	196230	199160	...
Housing								
Dwelling consents - residential	mth % chg[1]	-12.6	-1.8	-6.8	8.4	-19.2	4.0	-5.9
	ann % chg[1]	-46.0	-34.4	-43.1	-28.3	-43.1	-39.5	-41
House sales - dwellings	mth % chg[1]	15.8	7.3	-8.0	2.0	-3.9	-15.8	28.1
	ann % chg[1]	-42.3	-32.5	-33.6	-23.8	-34.9	-45.5	-23.3
REINZ - median dwelling price	mth % chg	-1.0	0.3	-2.1	-0.1	0.3	-0.1	-0.9
	ann % chg	-2.2	-1.5	-5.6	-6.1	-4.3	-4.1	-4.7
Private Consumption								
Core retail sales	mth % chg[1]	0.1	0.0	0.8	-0.4	0.8	0.3	...
	ann % chg[1]	2.1	1.7	1.9	1.1	2.9	2.3	...
Total retail sales	mth % chg[1]	0.9	-0.7	0.3	0.4	-1.3	0.0	...
	ann % chg[1]	2.4	1.1	1.2	0.7	-0.2	-1.7	...
New car registrations	mth % chg[1]	1.3	-7.2	-3.5	11.3	-0.7	-20.0	14.0
	ann % chg	-15.9	-27.1	-30.5	-15.6	-19.9	-34.4	-23.7
Electronic card transactions - total retail	mth % chg[1]	-0.8	1.4	0.9	-0.2	0.8	-2.6	-0.5
	ann % chg	2.6	7.3	5.9	4.0	6.6	0.2	0.1
Migration								
Permanent & long-term arrivals	number[1]	7560	7630	7800	7100	7420	7040	...
Permanent & long-term departures	number[1]	7100	6850	7440	7120	7440	7630	...
Net PLT migration (12 month total)	number	4732	5201	4938	4403	4329	3569	...
Commodity Prices								
Brent oil price	US$/Barrel	132.76	133.59	113.80	98.76	71.96	52.71	40.5
WTI oil price	US$/Barrel	133.93	133.96	116.70	104.44	76.28	56.97	40.8
ANZ NZ commodity price index	mth % chg	2.1	2.8	2.0	-1.1	0.7	-1.7	-6.1
	ann % chg	12.5	14.4	6.1	3.3	8.2	5.4	-0.1
ANZ world commodity price index	mth % chg	0.0	1.8	-3.4	-5.1	-7.4	-7.6	-7.4
	ann % chg	11.6	8.7	3.5	-2.1	-10.9	-18.3	-24.3
Financial Markets								
NZD/USD	$[2]	0.7607	0.7553	0.7102	0.6748	0.6137	0.5651	0.5569
NZD/AUD	$[2]	0.7997	0.7848	0.8031	0.8224	0.8809	0.8600	0.8320
Trade weighted index (TWI)	June 1979 = 100[2]	68.11	67.18	65.52	63.82	60.74	57.41	55.11
Official cash rate (OCR)	%	8.25	8.00	8.00	7.50	6.50	6.50	5.00
90 day bank bill rate	%[2]	8.68	8.46	8.2	7.95	7.43	6.25	5.23
10 year govt bond rate	%[2]	6.42	6.18	6.13	5.82	5.86	5.73	4.88
Confidence Indicators/Surveys								
National Bank - business confidence	net %	-38.7	-43.2	-20.5	1.6	-42.3	-43.0	-35.0
National Bank - activity outlook	net %	-4.0	-8.2	4.7	16.7	-11.4	-14.1	-21.5
One News[5] - consumer confidence	net %	-25	-27	6	23	-5	5	...

qtr % chg	quarterly percent change
mth % chg	monthly percent change
ann % chg	annual percent change
ann ave % chg	annual average percent change

1	Seasonally adjusted
2	Average (11am)
3	Westpac McDermott Miller
4	Quarterly Survey of Business Opinion
5	One News Colmar Brunton
6	Ordinary time
7	Production GDP divided by HLFS hours worked

Sources: Statistics New Zealand, Reserve Bank of New Zealand, National Bank of New Zealand, NZIER, ANZ, Datastream, Westpac McDermott Miller, One News Colmar Brunton