Monthly Economic Indicators

THE TREASURY
Kaitohutohu Kaupapa Rawa

March 2009

Executive Summary

- **The economy is currently weaker than the *December Update* downside scenario**
- **The downturn in the New Zealand economy intensified in the December quarter, with GDP declining 0.9%**
- **The annual current account deficit widened in December, but is expected to narrow in the first half of 2009**
- **Real GDP growth is expected to be low in 2009 as household spending and investment remain weak**

The New Zealand economy contracted by 0.9% in the last quarter of 2008, lower than the Treasury's *December Update* forecasts, including the downside scenario. The decline in real production GDP was due to weak domestic and international economic conditions and was broad-based. The main drivers were weakness in manufacturing, construction, wholesale trade and tourism, partly offset by strong agriculture and primary food production.

The annual current account deficit widened to 8.9% of GDP in December from 8.6% in September. The annual current account deficit is expected to start declining in the first half of 2009 due to a narrowing of the goods deficit (due to lower imports as a result of weak demand and a lower New Zealand dollar) and of the investment income deficit (due to a fall in income on equity investments in New Zealand and lower debt-servicing payments resulting from lower interest rates). The merchandise terms of trade declined 0.9% in the December quarter, although they still remain close to their 34-year highs.

The past month has also seen the release of data that point to further weakness in the March 2009 quarter. According to the *National Bank Business Outlook,* firms' own activity outlook and investment intentions decreased. This is the same theme in this month's special topic on business talks conducted by the Treasury in March. Consumer confidence is also down as deteriorating global conditions, rising unemployment, falling house prices and higher prices of food and imports are making households cautious in their spending.

The global economy continues to weaken as the IMF, OECD, World Bank and Consensus Forecasts all revised down their growth forecasts for 2009. Despite several new monetary and fiscal packages announced this month and some positive news from the US and China, the fundamentals are still weak, although the pace of the deterioration is slower than before.

Due to deteriorating conditions in the international outlook, economic growth is now expected to be lower than Treasury's downside scenario in the *December Update* in both 2009 and 2010 (March years). There is a lot of uncertainty surrounding both domestic and international economic conditions, so there is a wide range of possible outcomes for growth at this time. The Treasury is currently in the process of revising its forecasts for the *Budget Update* in May.

New Zealand Government

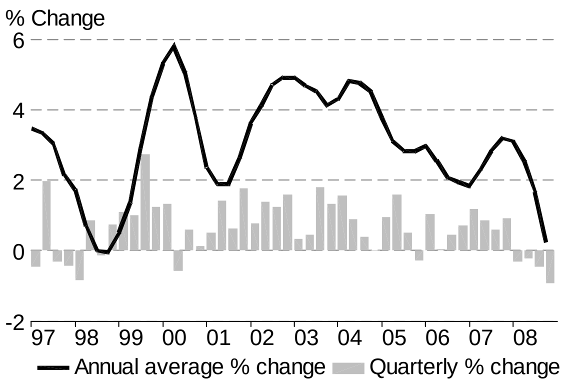
Analysis

The past month has seen the release of data that confirm an intensifying contraction in economic activity, greater than expected in the *December Update* downside scenario.

GDP contracted in the December quarter…

Real production GDP declined 0.9% in the December 2008 quarter, recording its fourth quarterly decrease and the largest fall since 1991 (*Figure 1)*. The decline was broadly in line with the median market expectation of a 1.0% decline. Annual average growth in the year ended December 2008 was 0.2%, compared to 1.7% in the year ended September 2008.

Figure 1 – Real production GDP growth



Source: Statistics NZ

…led by falling manufacturing activity

The decline in GDP was due to a combination of domestic and international factors. The largest negative contribution came from manufacturing activity, subtracting 0.7 percentage points from growth when primary food manufacturing is excluded. The largest declines were recorded in machinery and equipment manufacturing and the production of metal products. This is mainly due to weaker external demand for manufactured goods.

On the domestic front, weakness in the housing market contributed negatively to growth. Construction activity declined 4.4% in the quarter, driven by falls in the construction of residential buildings, partially offset by increasing infrastructure construction.

Primary industry activity and other services were the only sectors to make a positive contribution to growth. Agriculture increased by 4.0%, led by higher dairy production. Dairy production has increased due to the rebound from last year's drought and ongoing conversions to dairy farming.

Services activity was up 0.8% in the quarter, following two quarters of decline. The increase was driven by a rise in finance, insurance and business services, which could reflect increased activity because of the global financial crisis.

Looking ahead, weakness in construction and manufacturing as well as weak business capital expenditure are expected to put downward pressure on the economy. On the positive side, monetary and fiscal stimuli in place, a competitive exchange rate and an improvement in the net inflow of migrants are expected to contribute positively to economic growth.

Falling investment drove down real expenditure GDP…

Measured on an expenditure basis, GDP recorded a 0.6% quarterly decrease. The decline in domestic demand was led by a 14.0% decrease in residential investment, recording its fifth consecutive quarterly decline. This reflects the slowdown in the housing market.

Business investment was down 1.8%, following an 8.1% decline in the September quarter. This was driven by decreases in transport equipment and plant and machinery investment. The decline in business investment reflects the uncertain economic conditions and the fall in the value of the New Zealand dollar, leading to increased prices of imported capital equipment.

Despite tax cuts, lower interest rates and petrol prices, household spending remained flat in the December quarter, after three consecutive quarterly declines. Household expenditure on both durables and non-durables decreased, due to consumers being cautious in the face of heightened uncertainty surrounding the economy and deteriorating labour market conditions. In line with weaker demand, total inventories were down $396 million in the quarter, mainly reflecting falls in agriculture and distribution stocks.

…as exports and imports also weaken

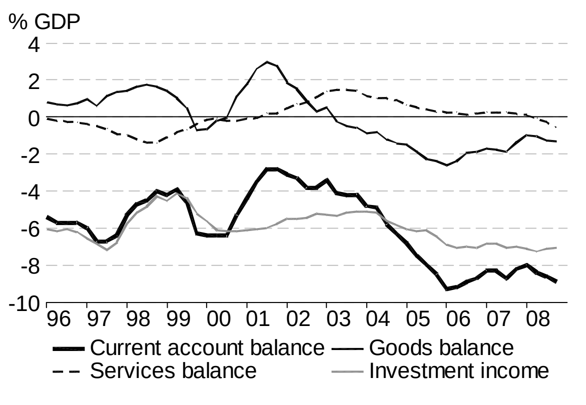
Slowing growth in our trading partners led to weak international demand and export volumes decreased 3.3% in the December quarter. The fall in goods exports was driven by declines in primary agriculture, wood and crude oil, partially offset by increases in manufactured dairy products. The decline in goods export volumes is expected to continue as our trading partner growth decreases, but so far has been much less severe than the drastic declines in exports experienced by many other economies, partly because New Zealand exports are not a big part of the global supply chains in manufacturing. Demand for consumer durables such as cars and electronic goods has fallen steeply as a result of the global downturn. Services exports decreased 6.1%, recording their largest quarterly decline since 1989, and were mainly due to weakness in international tourism.

Import volumes also decreased by 6.1%, reflecting weak domestic demand and higher import prices. The decline in imports was across all categories, with the largest contribution coming from imports of passenger cars, which fell 27.1% in the quarter. In line with the decrease in machinery investment, imports of machinery and plant were down 6.1%. Overall, net exports made a positive contribution to growth, together with government expenditure.

The current account deficit remained high…

The current account deficit was $16.07 billion, or 8.9% of GDP, over the year to December, up from 8.6% in the year to September (*Figure 2).* The net international investment position increased slightly from a net debtor position of $165.2 billion (92.4% of GDP) to $167.7 billion (92.9% of GDP).

Figure 2 – Current account



Source: Statistics NZ

The annual deficit on services, a key driver of the increase in the current account deficit over the past year, increased sharply, due to both a fall in services exports (driven by fewer visitors) and an increase in services imports (driven by higher freight costs). The investment income deficit narrowed in the quarter and the year as income from foreign investment fell (driven by a fall in income on equity investments in New Zealand), partially offset by a fall in New Zealand's income from investment abroad. The slight narrowing in the investment income deficit is driven by the negative impact of the global financial crisis on equity earnings and interest payments and is expected to continue, leading to an adjustment in the current account in the first half of 2009.

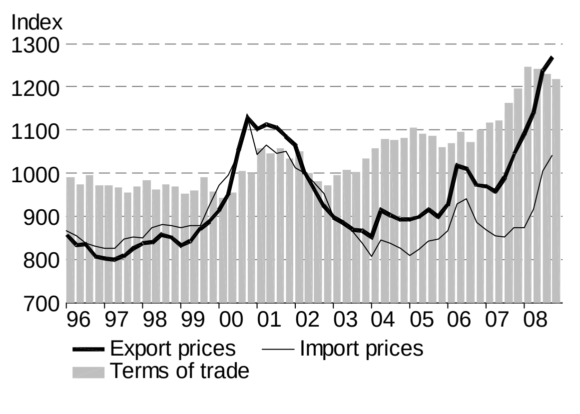
The goods balance narrowed in the quarter due to higher exports and lower imports. The increase in the New Zealand dollar value of exports was mainly due to higher dairy volumes and prices, and higher forestry prices. This was partially offset by an increase in petroleum export prices as a result of the fall in global oil prices in the December quarter. The fall in imports was driven by weaker domestic demand and the 11.8% fall in the New Zealand dollar in the quarter, making imports costlier.

The narrowing of the goods deficit is expected to continue. The February merchandise trade balance was a surplus of $489 million, the largest February surplus since 2001. Although merchandise exports were down 6.6%, imports decreased by 14.2%. This indicates that the goods deficit will continue to narrow in the first half of 2009, unless the terms of trade or external demand deteriorate.

…while the terms of trade declined

The merchandise terms of trade declined 0.9% in the December quarter, due to a 3.4% increase in import prices offsetting a 2.4% increase in export prices (*Figure 3)*. The terms of trade in the December quarter were still 1.9% higher than a year ago and remain close to their 34-year high.

Figure 3 – Merchandise terms of trade

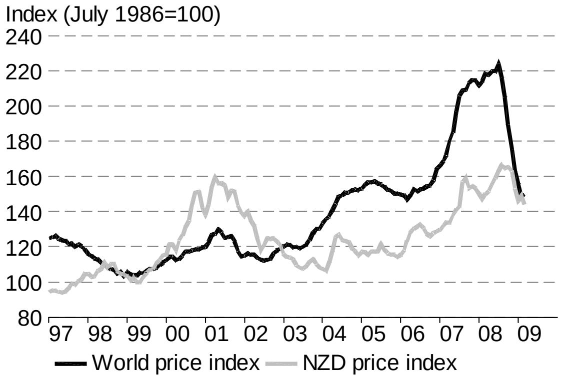


Source: Statistics NZ

The rise in export prices was driven by increases in meat, dairy and forestry prices in New Zealand dollars. Import prices rose despite a 22.4% decrease in prices for petroleum products. Higher capital goods prices, mainly driven by the prices of mechanical machinery, were the main contributors to the increase in import prices. Both import and export prices were heavily influenced by the depreciation of the New Zealand dollar, offsetting lower world commodity prices.

The March ANZ commodity price index reported the world price of our commodity exports increased 1.0% in the month, the first monthly increase since July 2008. This might be a sign of stabilisation in commodity prices. However, prices are still down 31.4% from a year ago (*Figure 4)*. Due to a rise in the value of the exchange rate in March, the New Zealand dollar commodity price index fell 3.4% in the month and 4.0% annually.

Figure 4 – Commodity prices and terms of trade

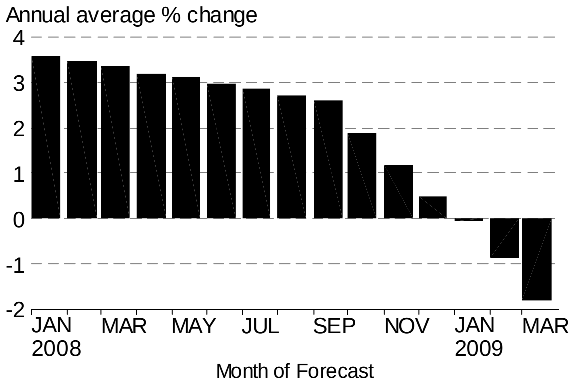


Source: ANZ

Trading partner growth forecasts revised down…

One important factor that will affect the performance of the external sector and the New Zealand economy as a whole in 2009 will be world demand. March *Consensus Forecasts* showed the economic activity of New Zealand's trading partners is forecast to contract by 1.8% in the 2009 calendar year. This is a big revision from the forecasts for trading partner growth in February of -0.9% for 2009 (*Figure 5).*

Figure 5 – Trading partner growth in 2009



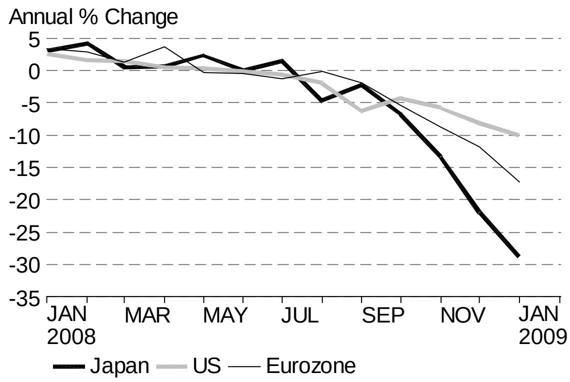
Source: Consensus Forecasts

The IMF have also revised down their forecasts of world growth in 2009 from 0.5% in January to -1.0% to -0.5% in their *World Economic Outlook*. The Organisation for Economic Cooperation and Development (OECD) issued an updated forecast of 2009 GDP dropping by 4.2% in the OECD economies. This is a dramatic deterioration in the outlook for the global economy from last November, when the OECD foresaw a contraction of just 0.4%. The OECD also forecast a deep and damaging decline of 13.2% in 2009 world trade.

…as major economies record declines in industrial production

Most of the major economies as well as countries in Asia recorded large declines in industrial production and exports in January and February. Eurozone industrial production fell 3.5% in January, recording its fifth and steepest monthly decline. United States dropped for the fourth consecutive month in February, although the pace was slower at -1.4% (*Figure 6)*.

Figure 6 – G3 Industrial production



Source: Datastream

In Asia, the effects of the crisis are apparent in the collapse of exports. In Japan, exports dropped at a record rate of 49.4% in the year to February. The large drop in exports contributed to a 10% fall in industrial production in January, following a 9.8% decline in December. Industrial production in South Korea and Taiwan were also down by 25.6% and 43.1% respectively in the year to January.

There have been several positive data releases this month. In China, January and February industrial production increased 3.8% from a year ago. In the US, retail sales excluding cars and trucks, consumer purchases, housing starts and the number of building consents all increased in February. However, this positive news contrasts with data released this week showing consumer confidence is near record lows and business confidence is also down. This exemplifies the uncertainty surrounding the recovery from the global recession.

Central banks respond with unconventional methods…

As policy rates reach close to zero in many major economies, central banks resorted to alternative expansionary approaches such as quantitative easing, i.e., increasing the quantity of money rather than controlling the price of money.

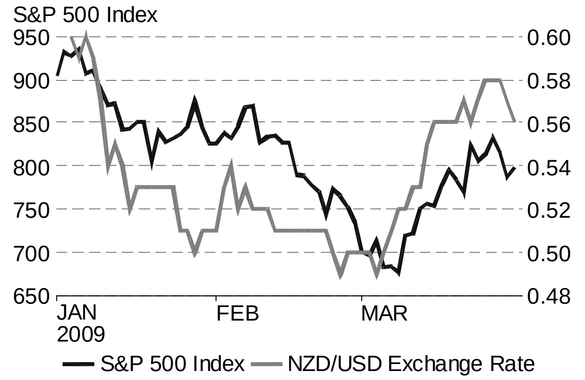
The Bank of England, Bank of Japan and the US Federal Reserve Board have been using central bank funds to purchase private assets, government bonds and long-term securities in an effort to promote economic recovery and stabilise financial markets. The Swiss National Bank has chosen to intervene in foreign exchange markets to bring the value of the currency down as well as decreasing their policy rate.

In New Zealand, where policy rates are high relative to the major economies, the Reserve Bank cut the official cash rate 50 basis points to 3.0% in early March and announced in April that the cash rate will stay relatively low for an extended period.

…and more fiscal packages are announced in the US

The details of the US Public Private Partnership Investment Programme to remove toxic assets from bank balance sheets were announced, and were received well by markets. Together with the credit easing by the US Federal Reserve Board, this plan resulted in improved US equity markets. The S&P 500 index rose 18% during March, recording its biggest monthly increase since 2003 (*Figure 7)*.

Figure 7 – The NZD/USD and S&P 500 Index



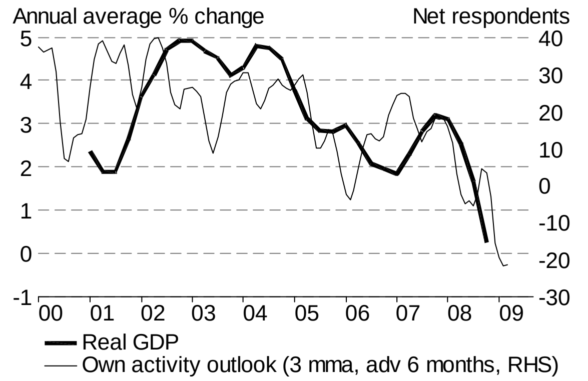
Source: RBNZ, Datastream

These developments in the US resulted in weakness of the US dollar and the New Zealand dollar appreciated to USD58 cents. The recent appreciation of the New Zealand dollar, which resulted from external developments, puts at risk the process of the rebalancing and deleveraging of the New Zealand economy.

Firms continue to be pessimistic…

In this environment of uncertainty in the domestic and international economy, both firms and households continue to be pessimistic and cautious. Firms' expectations of their activity in the coming year continue to be weak. A net 21% of firms in the March National Bank Business Outlook (NBBO) expect their activity to fall in the next twelve months (*Figure 8)*. Business confidence became more negative, falling to a net 39% of firms expecting conditions to deteriorate. This month's special topic provides further insights from business talks conducted by the Treasury.

Figure 8 – Activity outlook and economic growth



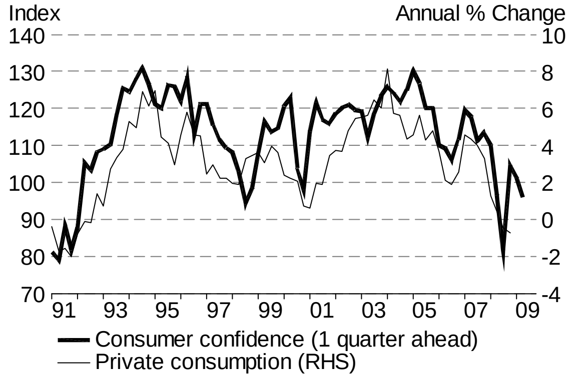
Source: Statistics NZ, National Bank

Low investment was one of the key drivers of the fall in December 2008 GDP, and investment intentions by firms continue to be low, with a net 19% expecting to reduce investment over the coming year. In terms of employment intentions, a net 28% of firms expect fewer staff over the year compared to 29% in the previous survey. A weakening labour market and higher unemployment will affect household spending.

…and consumer confidence falls

Weakness in consumer spending in the December 2008 quarter is likely to continue in the March quarter as the Westpac Consumer Confidence Index fell from 101.3 to 96.0 in the March quarter. This is an indication that private consumption will be low in 2009 (*Figure 9*).

Figure 9– Consumer confidence and spending



Source: Westpac McDermott Miller, Statistics NZ

Confidence is higher than the 81.7 recorded in June 2008, when consumers were pressured with a combination of high interest rates and petrol prices. However, deteriorating global conditions, rising unemployment, falling house prices and the increasing price of imports due to the depreciation of the New Zealand dollar are making households cautious, especially about the near-term outlook.

Household spending expected to remain low in the March quarter…

Despite lower interest rates, lower petrol prices and tax cuts, low consumer confidence is an important factor for household spending behaviour.

This is reflected in the weak January retail sales, which fell 1.1% in the month and 3.7% annually. This fall was dominated by decreases in vehicle-related industries, with an 11.0% decline in motor vehicle retailing. However, core retail sales, excluding vehicle-related industries, rose 0.3% in the month. The largest increases were in supermarket and grocery sales, which were up 1.7%. Increases in food prices account for some of the strength in supermarket sales. The relatively flat retail sales suggest that volumes are contracting, after accounting for the increase in prices.

Electronic card transactions in February increased by 0.5% in total retail, while core retail fell 0.4%. Furthermore, monthly household credit growth remained low, at 0.2% in February.

The housing sector remains weak…

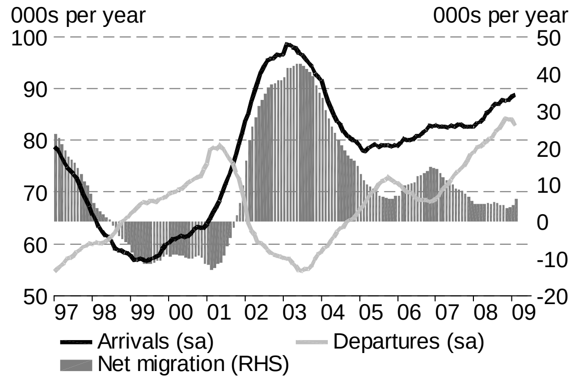
Another factor that affects household balance sheets has been the housing sector, which continues to be weak. According to the Real Estate Institute of New Zealand, house sales recorded a 31% monthly increase in February (seasonally adjusted), but sales are still 17.7% lower than a year ago. The days to sell increased 6 days to a seasonally adjusted 54 days. According to the Quotable Value measure, house prices decreased 8.9% from a year ago in the three months to February (-8.3% in January).

A slowing housing market points to further weakness in residential investment. The number of residential building consents in February increased 12.0%. Excluding apartments, the number of consents increased only 0.3% in the month, and remains at a low level. The apartment consents rose to their highest level since last September.

…but net migration is on the rise

One factor that may be positive for the housing market is the net gain of permanent and long-term (PLT) migrants. The net gain of 1,670 in February 2009 (seasonally adjusted) was up from a net migrant inflow of 740 in January (*Figure 10)*. This is driven by higher arrivals as well as fewer departures.

Figure 10 – Net PLT migration



Source: Statistics NZ

Looking ahead

Developments in the global economy will continue to be critical for New Zealand, especially through their effects on access to credit, the value of the New Zealand dollar and the demand for exports. On the domestic front, key pieces of data to be released next month include NZIER's Quarterly Survey of Business Opinion and the March quarter CPI.

Special Topic: Business Talks

Treasury talks with businesses in March[1] highlighted weakness in the economy, with falling company profits and a high degree of uncertainty. In general, firms are responding to the weak conditions by cutting costs, reducing investment and generally being more conservative in their business decisions. Overall, the talks supported our view that economic growth in the near term will be weaker than the downside scenario in the *December Update*. It must be noted, however, that the sample included mainly larger firms.

Construction and retailing weak …

Weakness in construction, especially residential, is expected to persist in the near term as lending criteria remain tight and investor confidence remains low. Infrastructure works are providing some offset to the decline and are expected to absorb some of the lay-offs in the sector. Retailing as a whole is down considerably on last year, although there has been support recently from consumers purchasing discounted goods, taking advantage of lower prices before the impact of the weaker exchange rate is reflected in higher prices for imported goods.

… but primary sector remains resilient

Apart from declining construction in our major markets adversely affecting forestry, the primary sector appears fairly resilient so far to the adverse global economic conditions. Dairy production has increased, reflecting recovery from last summer's drought and a high rate of farm conversions, while prices for dairy products are showing tentative signs of stabilising. Demand abroad for sheepmeat and beef remains steady as household behaviour changes in response to the global financial crisis. More UK consumers are choosing to eat lamb at home, while more American consumers are switching to the beef supplied by New Zealand farmers.

There were some positives…

While activity is down overall, it is not all "doom and gloom". A feature of the talks was the lower exchange rate providing exporters a much needed buffer against falling global demand as currency hedges unwind. Additional positives were some firms reporting steady sales in niche markets and others benefitting from supplying goods and services that have increased in demand, for example New Zealand beef and infrastructure investment both at home and abroad.

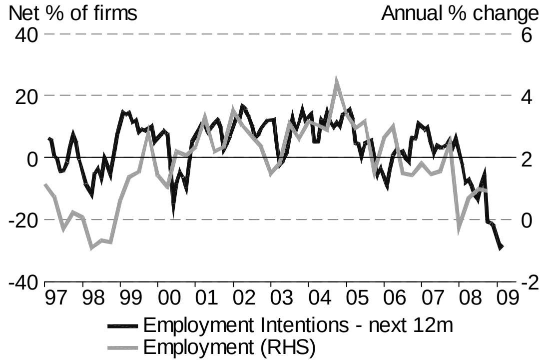
... and credit generally not a constraint

On the whole, access to credit has not been restricted. However, tax practitioners' comments and some small and medium-sized enterprises noted increased difficulty accessing short-term funding for working capital at a reasonable price. However, borrowing costs have decreased for most as lower benchmark rates have more than offset higher spreads on bank lending and higher facility fees.

The labour market is weaker…

The majority of firms have reduced staff numbers in recent months and expect to make further reductions over the coming year (*Figure 11*). Expectations of wage and salary rises have been reduced dramatically in recent months, with the majority of pay increases expected to be between zero and the rate of consumer price inflation in the coming year. Inflation expectations have tumbled, confirming wage rises will be minimal in the near term. With a weaker labour market and fewer people departing for overseas, firms noted it is considerably easier to find both skilled and unskilled labour.

Figure 11 – Employment



Source: Statistics NZ, National Bank

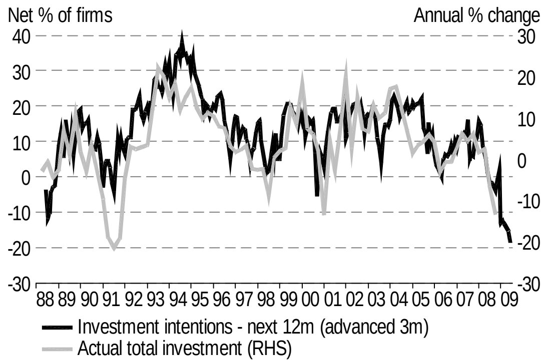
… and investment intentions, profits lower

Planned investment has plummeted nearly across the board, with businesses citing declining profits, increased uncertainty and the higher cost of imported capital as limiting factors (*Figure 12*). Businesses intend to extend the life of capital stock as long as possible, with investment for some firms barely keeping up with the

[1] Over the first half of March, Treasury contacted thirty-three firms and eight tax practitioners in Auckland, Wellington and Christchurch.

depreciation of capital. A number of businesses undertook substantial investment over the past two years when the cost of imported capital was lower, allowing them to enjoy productivity gains currently. Tax practitioners pointed to lower profits for their clients in the 2008/09 year and anticipated further weakness in the 2009/10 year.

Figure 12 – Investment



Source: Statistics NZ, National Bank

The business talks supported our view that the economy is weaker in the near term than in our downside scenario in the December Update. Economic growth in the December quarter 2008 was softer than estimated in the downside scenario and looks likely to remain softer in the near term, despite the downside scenario incorporating no quarterly growth in the March 2010 year.

The information gained from business talks forms an important input to our economic and fiscal forecasts for the upcoming Budget, to be released on 28 May.

Monthly Economic Indicators is a regular report prepared by the Macroeconomic Forecasting and Analysis section of the Treasury.

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New Zealand Key Economic Data

3 April 2009

Quarterly Indicators

		2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4	2009Q1
Gross Domestic Product (GDP)								
Real production GDP	qtr % chg[1]	0.6	0.9	-0.3	-0.2	-0.5	-0.9	...
	ann ave % chg	2.8	3.2	3.1	2.5	1.7	0.2	...
Real private consumption	qtr % chg[1]	0.6	0.5	-0.5	-0.2	-0.1	0.0	...
	ann ave % chg	3.9	4.0	3.2	2.3	1.2	0.1	...
Real public consumption	qtr % chg[1]	1.8	0.2	1.5	0.4	0.7	1.7	...
	ann ave % chg	3.9	3.9	4.3	4.3	3.9	4.0	...
Real residential investment	qtr % chg[1]	0.1	-1.8	-5.1	-8.0	-8.1	-14.0	...
	ann ave % chg	4.2	5.1	4.3	-2.0	-9.7	-18.6	...
Real non-residential investment	qtr % chg[1]	0.8	3.3	-0.2	4.4	-8.1	-1.8	...
	ann ave % chg	3.2	4.9	4.2	3.0	1.8	-0.6	...
Export volumes	qtr % chg[1]	0.2	4.6	-2.3	-0.3	-3.1	-3.3	...
	ann ave % chg	2.4	3.8	2.9	2.6	2.3	-1.8	...
Import volumes	qtr % chg[1]	1.0	4.2	0.9	3.3	-6.7	-6.1	...
	ann ave % chg	5.3	8.6	9.6	10.1	8.1	2.5	...
Nominal GDP - expenditure basis	ann ave % chg	7.0	7.3	7.4	6.0	4.6	3.0	...
Real GDP per capita	ann ave % chg	1.7	2.1	2.1	1.5	0.7	-0.7	...
Real Gross National Disposable Income	ann ave % chg	3.3	4.7	5.1	4.8	4.6	2.1	...
External Trade								
Current account balance (annual)	NZ$ millions	-14892	-14372	-14211	-14982	-15528	-16073	...
	% of GDP	-8.7	-8.2	-8.0	-8.4	-8.6	-8.9	...
Investment income balance (annual)	NZ$ millions	-12796	-12837	-13388	-13861	-13672	-13582	...
Merchandise terms of trade	qtr % chg	3.7	2.9	4.2	-0.4	-1	-0.9	...
	ann % chg	8.4	8.8	11.6	10.7	5.8	1.8	...
Prices								
CPI inflation	qtr % chg	0.5	1.2	0.7	1.6	1.5	-0.5	...
	ann % chg	1.8	3.2	3.4	4.0	5.1	3.4	...
Tradable inflation	ann % chg	-0.3	2.8	3.4	4.8	6.3	2.3	...
Non-tradable inflation	ann % chg	3.7	3.5	3.5	3.4	4.1	4.3	...
GDP deflator	ann % chg	3.2	5.9	6.2	3.7	2.3	2.6	...
Consumption deflator	ann % chg	1.2	2.0	2.5	3.2	4.0	3.7	...
Labour Market								
Employment (HLFS)	qtr % chg[1]	-0.1	1.0	-1.3	1.2	0.1	0.9	...
	ann % chg[1]	1.6	2.5	-0.2	0.7	1.0	0.9	...
Unemployment rate	%[1]	3.5	3.4	3.7	3.9	4.2	4.6	...
Participation rate	%[1]	68.3	68.7	67.7	68.6	68.7	69.3	...
LCI salary & wage rates - total (adjusted)[6]	qtr % chg	1.0	1.0	0.8	0.7	1.2	0.7	...
	ann % chg	3.1	3.3	3.4	3.5	3.6	3.3	...
LCI salary & wage rates - total (unadjusted)[6]	qtr % chg	1.7	1.4	1.2	1.1	1.5	1.5	...
	ann % chg	4.8	5.0	5.4	5.5	5.3	5.4	...
QES average hourly earnings - total[6]	qtr % chg	1.3	1.0	1.5	1.4	1.5	0.9	...
	ann % chg	4.0	4.2	4.6	5.3	5.5	5.4	...
Labour productivity[7]	ann ave % chg	2.1	2.7	3.2	2.6	1.7	0.7	...
Confidence Indicators/Surveys								
WMM - consumer confidence[3]	Index	114	110	97	82	105	101	96
QSBO - general business situation[4]	net %	-27.3	-26.4	-64.1	-63.7	-19.3	-64.4	...
QSBO - own activity outlook[4]	net %	15.4	13.9	-9.7	-22.9	-8.3	-40.9	...

Monthly Indicators

		2008M 9	2008M10	2008M11	2008M12	2009M 1	2009M 2	2009M 3
External Sector								
Merchandise trade - exports	mth % chg[1]	-14.0	13.7	-3.0	-1.2	-0.8	-2.7	...
	ann % chg[1]	8.1	13.2	9.5	3.7	2.7	-6.2	...
Merchandise trade - imports	mth % chg[1]	3.7	-1.8	-6.0	6.9	-15.4	-5.1	...
	ann % chg[1]	26.8	15.2	7.4	14.9	-3.3	-13.8	...
Merchandise trade balance (12 month total)	NZ$ million	-5048	-5269	-5234	-5614	-5408	-5161	...
Visitor arrivals	number[1]	194910	194720	196520	210410	194800	200430	...
Visitor departures	number[1]	193170	195370	200100	202390	202670	199860	...
Housing								
Dwelling consents - residential	mth % chg[1]	8.2	-19.5	3.6	-7.0	-13.1	11.7	...
	ann % chg[1]	-28.4	-42.8	-39.7	-41.4	-51.7	-40.0	...
House sales - dwellings	mth % chg[1]	2.2	-3.5	-14.3	23.1	-6.2	8.3	...
	ann % chg[1]	-23.8	-34.9	-45.3	-23.5	-28.7	-17.8	...
REINZ - median dwelling price	mth % chg	-0.1	0.3	-0.1	-0.8	0.3	0.9	...
	ann % chg	-6.1	-4.4	-4.1	-4.8	-4.3	-2.1	...
Private Consumption								
Core retail sales	mth % chg[1]	-0.4	1.0	0.1	-0.7	0.3	...	...
	ann % chg[1]	1.0	3.0	2.3	1.0	1.4	...	...
Total retail sales	mth % chg[1]	0.3	-1.3	0.0	-0.7	-1.1	...	...
	ann % chg[1]	0.6	-0.2	-1.7	-2.8	-4.0	...	...
New car registrations	mth % chg[1]	9.8	-0.3	-19.9	12.8	-13.6	-15.4	...
	ann % chg	-15.6	-19.9	-34.4	-23.7	-36.5	-44.6	...
Electronic card transactions - total retail	mth % chg[1]	-0.2	0.8	-2.6	-0.5	-0.6	0.7	...
	ann % chg	4.0	6.6	0.2	0.1	1.2	-3.5	...
Migration								
Permanent & long-term arrivals	number[1]	7050	7390	7050	7030	7410	7550	...
Permanent & long-term departures	number[1]	7090	7380	7360	6750	6670	5880	...
Net PLT migration (12 month total)	number	4403	4329	3569	3814	4538	6160	...
Commodity Prices								
Brent oil price	US$/Barrel	98.76	71.96	52.71	40.51	43.17	42.91	46.58
WTI oil price	US$/Barrel	104.44	76.28	56.97	40.64	41.63	39.08	47.98
ANZ NZ commodity price index	mth % chg	-1.1	0.4	-1.5	-6.1	-4.3	1.9	-3.4
	ann % chg	3.3	7.9	5.4	-0.1	-2.6	1.5	-4.0
ANZ world commodity price index	mth % chg	-5.1	-7.6	-7.4	-7.4	-4.3	-4.6	1.0
	ann % chg	-2.1	-11.1	-18.3	-24.3	-26.5	-30.7	-31.4
Financial Markets								
NZD/USD	$[2]	0.6748	0.6137	0.5651	0.5569	0.5526	0.5151	0.5308
NZD/AUD	$[2]	0.8224	0.8809	0.8600	0.8320	0.8154	0.7938	0.7979
Trade weighted index (TWI)	June 1979 = 100[2]	63.82	60.74	57.41	55.11	54.86	52.31	53.84
Official cash rate (OCR)	%	7.50	6.50	6.50	5.00	3.50	3.50	3.00
90 day bank bill rate	%[2]	7.95	7.43	6.25	5.23	4.38	3.40	3.24
10 year govt bond rate	%[2]	5.82	5.86	5.73	4.88	4.49	4.53	4.77
Confidence Indicators/Surveys								
National Bank - business confidence	net %	1.6	-42.3	-43.0	-35.0	-36.8	-41.2	-39.3
National Bank - activity outlook	net %	16.7	-11.4	-14.1	-21.5	-23.2	-20.1	-21.2
One News[5] - consumer confidence	net %	23	-5	5	0.3	-4.3	-9	...

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