Monthly Economic Indicators

THE TREASURY
Kaitohutohu Kaupapa Rawa

October 2009

Executive Summary

- **World outlook is stronger but significant challenges remain**
- **New Zealand's economic recovery strengthens in October**
- **Inflationary outlook remains subdued despite a spike in the September quarter**

The outlook for world economic growth was revised up by the IMF in its October *World Economic Outlook* and indicators of economic activity also lifted. Credit conditions continued to ease, making it easier for New Zealand banks to borrow offshore and both commodity and equity prices continued their rise. However, significant challenges remain, which will likely restrain the extent of the recovery over the medium term. This month's *Special Topic* explores further the impact of recent global developments on the New Zealand economy and the challenges that lie ahead.

The recovery in New Zealand growth appears to have strengthened over the September quarter. Surveys show that activity and business and consumer confidence have recovered strongly over the past few months. However, much of this recovery can be attributed to the forward-looking components of the surveys, with many of the current components remaining weak. This dichotomy is to be expected at the trough of the cycle but there is a risk that expectations will fail to be realised so that the recovery is not as strong as the indicators suggest. The Treasury is expecting the economy to grow at an annual rate of around 2% over the second half of 2009.

The pick-up in domestic demand was also evident in recent developments in the household sector. House sales for the September quarter were higher than in the June quarter, so too were the number of building consents, implying residential investment will strengthen in coming months. Retail sales bounced back in August, following falls in June and July, but recent electronic card transactions suggest consumer spending remained subdued in September. Low interest rates and rising net immigration have been supporting demand and, as a result, we expect private consumption to grow modestly in the September quarter.

The annual inflation rate fell from 1.9% in the June quarter to 1.7% in the September quarter despite an unexpected 1.3% rise in consumer prices in the latest quarter. Prices in the tradables sector were 0.1% lower than the same time last year while non-tradables prices rose 3.0%. The surprise was that tradables inflation did not fall further given the recent appreciation of the exchange rate, which reduces the New Zealand dollar price of imports, and the fall in world oil prices from their elevated levels last year. Annual inflation is expected to rise in the December quarter before trending lower over 2010.

Export commodity prices continued to recover, although the stronger exchange rate offset much of the benefit to exporters. The overall value of merchandise exports fell in September, but not by as much as imports, leading to a further narrowing of the trade deficit.

New Zealand Government

Analysis

The global economy continues to gain momentum and domestic indicators continue to show signs of recovery: headline business confidence remains high; activity surveys for manufacturing and services gained ground; tourists from Australia flocked to the ski fields; net immigration strengthened; retail sales rose and the housing market continued to pick up. Overall, the economy has continued to build on the tentative end to the recession suggested by the 0.1% rise in June quarter GDP. The exchange rate, which continued its rise and offset much of the gain from higher commodity prices, remains a major impediment to a greater contribution from exports to the recovery.

Global growth outlook continues to improve

Data over the past month continued to indicate a gradual recovery in conditions in the global economy. Global forecasts have been revised up, with the IMF forecasts showing a modest upward revision for 2009 and a significant upward revision for 2010. World growth in 2010 is now forecast at 3.1%, up from 1.9% in April. Although growth in the major developed economies is forecast to be relatively weak, the rest of the world is forecast to grow at over 4%, with growth significantly higher than this in some countries in Asia, most notably China, where growth of 9% is expected. Overall, growth in New Zealand's major trading partners in 2010 is forecast by the IMF at almost 3%.

The gradual improvement in financial market conditions has led some central banks, including the Reserve Bank of New Zealand (RBNZ), to announce termination dates for arrangements introduced to support markets at the height of the financial crisis a year ago. The RBNZ also released the final version of its prudential liquidity policy for banks, which requires them to meet minimum liquidity standards by April 2010. This policy is not intended to affect current credit conditions as banks were already taking a tighter approach to capital, but it will likely constrain the extent of future credit growth.

The Reserve Bank of Australia became the first G20 economy to begin to withdraw monetary stimulus, raising the monetary policy rate by 25 basis points to 3.25%. The resumption of growth in the global economy, the improvement in financial market conditions and stronger than expected economic performance were seen to have reduced the risk of serious economic contraction. With Australian growth expected to be close to trend over the year ahead, the basis for keeping rates low has now passed and the RBA considered it "prudent to begin gradually lessening the stimulus provided by monetary policy".

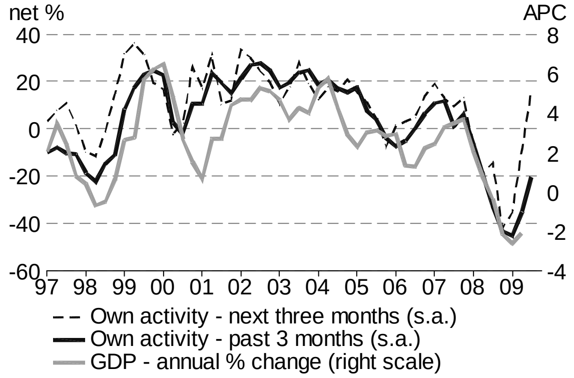
Further coverage of recent world developments is provided in our Special Topic below.

Business confidence recovers to decade high

In New Zealand measures of business confidence continued their recovery. General business confidence rose 40 percentage points (ppts) to a net 27% of respondents expecting business conditions to improve in September's *Quarterly Survey of Business Opinion* (QSBO). Firms' own trading activity expectations also rose sharply to a net 17% expecting increased activity in the December quarter. Intentions for investment, employment and profits all continued their rise towards positive territory.

In contrast to these forward looking indicators, firms' experience of activity, employment and investment in the September quarter all remained deeply negative. This has created a divergence between the survey's measures of activity experienced and expectations that are the widest on record for a number of measures. The implication is that September quarter GDP is likely to be a little stronger than in June, with the December quarter stronger again, but not as strong as implied by expectations of the next three months in the QSBO (Figure 1).

Figure 1 – Real GDP and Own Activity Outlook



Source: NZIER, Statistics NZ

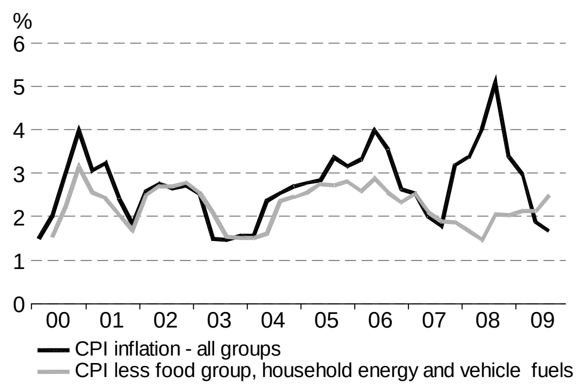
The *National Bank Business Outlook* improved significantly in September so it was no surprise to see a slight pull-back in October. The measure of firms' own activity outlook, which provides the best indicator of GDP, slipped just 1 point to a net 31% expecting higher activity over the year ahead, and consistent with annual growth strengthening into next year.

In other survey data, the BNZ Capital-Business NZ Performance of Manufacturing Index (PMI) rose to 51.7 (seasonally adjusted), which indicates expansion of the sector. Of the five sub-indices only finished stocks was showing decline. The Performance of Services Index (PSI) increased 1.9 points from August to 53.2, the highest level since February 2008, but the recovery is patchy with only two of the five sub-indices that make up the PSI displaying expansion – activity/sales and new orders/business. Overall, both manufacturing and services look to be performing better than in the June quarter.

Inflation higher than expected

The Consumers Price Index (CPI) rose 1.3% in the September quarter to be 1.7% higher than a year ago, compared with market expectations of an annual rate of 1.2%. Most of the surprise occurred in the tradables sector (ie goods and services subject to international competition) where prices did not decline to the extent expected. International airfares (up 11%), vegetables (up 14%) and petrol prices (up 2%) were the main contributors to a flat tradables inflation outturn. In comparison, non-tradables inflation rose 1% in the quarter on seasonal increases in local government rates, vehicle relicensing fees and alcohol excises. Measures of underlying or core inflation, which focus on the relatively stable components of the CPI, such as the CPI excluding food, household energy and vehicle fuels, remained well contained (Figure 2).

Figure 2 – CPI Inflation



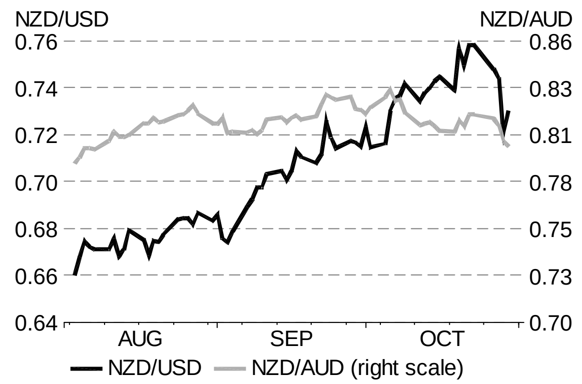
Source: Statistics NZ

We expect annual inflation to pick up in coming quarters as the weak quarter last December drops out of the calculation, although quarterly rate rises should slow to around 0.3%.

Monetary policy stimulus remains in place

With inflation expected to track comfortably within the Reserve Bank's target range over the medium-term, the Reserve Bank stated that it saw no urgency to begin withdrawing monetary policy stimulus and left the Official Cash Rate (OCR) unchanged at 2.5%. The Reserve Bank's October review confirmed that the OCR was likely to remain at the current level until the second half of 2010. Financial market traders, who had been anticipating more support for a rate rise as early as January 2010, responded through lower yields on short-term interest rates. The currency, which had been rising for most of the month, began falling in the final week and fell further following the OCR announcement (Figure 3).

Figure 3 – Exchange Rates



Source: RBNZ

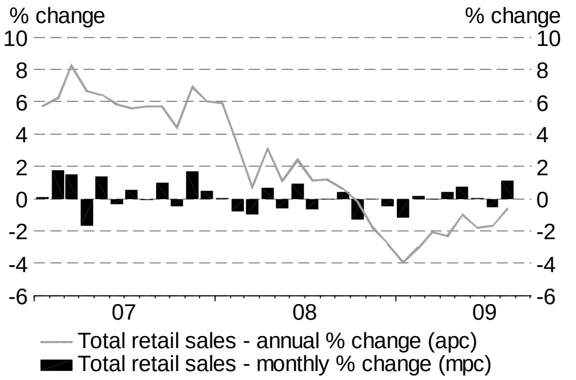
Spending growth picks up…

Increases in food and fuel prices were reflected in a 1.1% jump in August retail sales, which followed a 0.5% decline in July. Fuel sales rose by 1.9% in August, but were offset by a 1.4% decline in vehicle retailing. This latter component has been very weak since the start of the year, but with vehicle registrations having picked up over the September quarter, it should make an increased contribution to retail sales and private consumption over the September and December quarters. Excluding the vehicle related categories, core retail sales increased 1.2% in the month led by a 6.4% rise in sales of clothing and softgoods (Figure 4). Consistent with the effects of a rising housing market, there were solid increases in sales of household durables such as hardware (up 7.2%), furniture and floor coverings (up 3.1%) and department stores (up 2.4%).

Electronic card transactions in September rose in both total (0.4%) and core retail stores (0.4%)

while total domestic credit card billings also rose. These modest rises indicate that retail sales over the quarter may have been flat once we remove price increase. Retail sales data for the September month and quarter will be released in mid-October.

Figure 4 – Retail Sales



Source: Statistics NZ

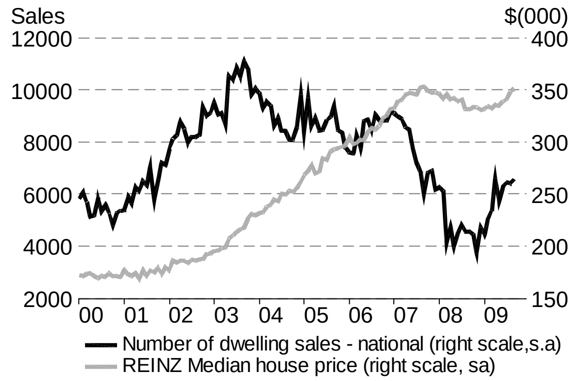
Other indicators also suggest that consumer spending is likely to remain flat. October's ANZ-Roy Morgan Consumer Confidence survey lifted to a 22-month high, but the details revealed a wide divergence between expectations of the future and current experience. The current conditions index rose but remained below 100, indicating pessimists outweighed optimists. In contrast, the future conditions index rose to almost 150, its highest level since the survey began in 2004. Overall, private consumption in the third quarter looks likely to expand, but at a slower rate than in the June quarter when it rose by 0.4%, supported by tax cuts.

… leading to stronger domestic demand

Other economic factors are also supporting a rise in domestic demand. These other factors include higher net permanent and long-term migration inflows and low interest rates, both of which are supporting a pick-up in the housing market. Permanent and long-term net migration to New Zealand stood at 1800 in September, which increased the twelve month total to 17,000 - the highest annual total since 2004. The average monthly inflow has been around 2000 since February this year, indicating that annual inflows will rise to around 25,000 in coming months. The strength of migrant inflows is increasing demand for housing while the fall in departures may be constraining the supply of houses for sale.

According to the REINZ stratified house price index house prices rose 1.7% (seasonally adjusted) in September to be up 4.3% in the September quarter and 5.3% higher than the same time last year. The supply of listings increased in the month but remained below its average. House prices in Auckland appear to be leading the upswing with a 5.2% increase in the September quarter coming on the back of a 17% increase in sales. The REINZ median house price rose 0.7% to $351,000, just $2000 below its peak in September 2007 (Figure 5). Until listings increase further, demand is expected to drive prices higher, reversing all of the losses of the past two years by year end.

Figure 5 – Housing market



Source: REINZ

The number of residential building consents issued continued to recover, with a 3.3% rise in September. Excluding the volatile apartment series, the seasonally adjusted number of consents rose 2.8% in the September month and 17% in the September quarter. However, the overall level of consents remains low - the 13,616 consents issued in the year to September 2009 was 35% down on the previous year. The value of non-residential consents for the year ended September was unchanged from the September 2008 year, although values in the September 2009 month sank to their lowest levels since September 2007.

… contributing to the recovery

The growth in housing market activity is affecting economic growth in part by raising private consumption. As house prices rise, we expect to see higher growth in spending as households feel wealthier and choose to purchase discretionary items. In addition, a direct effect of a rising housing market is increased sales of household durables such as home furnishings.

Rising commodity prices and tourism are also helping…

The ANZ Commodity Price Index rose 6.8% in September, the largest monthly gain in 22 years, led by a 17% rise in dairy prices. The gains were spread over eight of the 13 commodities in the index, with skins, sawn timber and wool also experiencing large gains. In New Zealand dollars, the Index rose a more modest 2.4% as the rise in the exchange rate offset much of the impact of rising world prices. Fonterra's whole milk powder auction saw prices up 5.7% from the previous auction and 65% from three months ago.

Good skiing conditions along with a resilient Australian economy and a large marketing campaign saw short-term visitor arrivals from Australia rise by 16% in the September quarter compared to a year ago. New Zealand's attractiveness as a holiday destination was aided by cheaper airfares on direct flights into Queenstown. Other visitor numbers have however been weak, but overall visitor numbers were still 9% higher in the September month compared with September 2008, and 3% higher compared with the same quarter a year ago.

…but trade flows are weakening

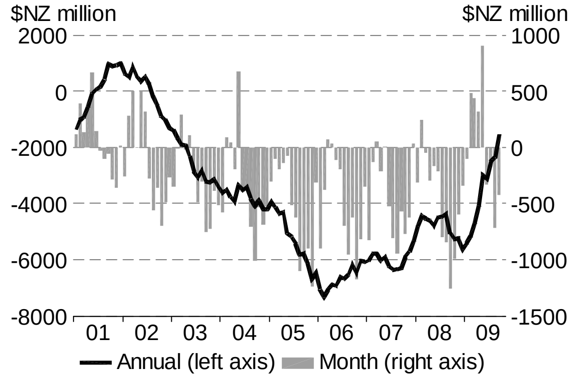
In the first half of the year export volumes grew due to some one-off impacts from a rundown in dairy stocks and a rise in meat exports. In the absence of these one-offs, export volumes in the second half of the year are expected to fall.

Merchandise trade data for September showed that export and import values were down sharply from a year ago both for the September month and quarter. Export values of $2.8 billion in the September month were 11% lower than a year ago, led by a fall in diary prices. Compared to a year ago, exports to the US and Japan were particularly weak, while exports to China were up 16%, led by increases in logs and dairy. Export values for the September quarter fell 7% to $9.4 billion, the third consecutive quarterly fall.

Import values of $3.3 billion in the September month were 27% lower than a year earlier, with falls across most categories. Quarterly values were down 8.1% from the June quarter, partly a reflection of the impact of imports of aircraft in the June quarter.

With imports falling faster than exports, the trade deficit in the twelve months to September narrowed to $1.5 billion from almost $6 billion at the end of 2008 (Figure 6). With export values expected to pick up and imports likely to remain weak, a trade surplus may emerge in early 2010.

Figure 6 – Merchandise Trade



Source: Statistics NZ

Coming in November

Releases in November include labour market data and September retail sales.

Special Topic: World economic outlook

The outlook for the world economy has changed significantly since we prepared the *Budget Update* earlier in the year. With the incipient recovery in the world economy since then, the economic outlook for our trading partners has been revised up substantially. However, subsequent growth is expected to be relatively constrained.

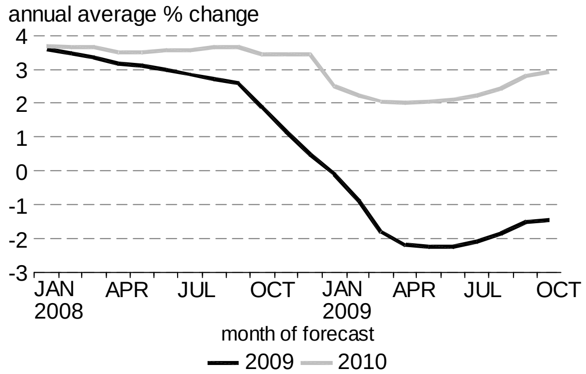
March quarter represented low point …

The global financial crisis impacted the level of output in the major advanced economies via the cost and availability of credit, falls in business and consumer confidence, and a loss of wealth as the value of houses and financial assets declined. Demand for consumer durables (e.g. cars, appliances and electronic goods) was particularly affected and businesses cut back production even more sharply in order to reduce stocks. These developments led to sharp falls in economic activity in the December 2008 and March 2009 quarters in most of our major trading partners.

… and was reflected in forecasts at the time

As the crisis impacted on output, forecasts for the world economy were revised down progressively. In their April *World Economic Outlook* (*WEO*), the IMF expected global output to contract 1.3% in 2009 and grow only 1.9% in 2010. Consensus forecasts for New Zealand's top 12 trading partners stood at -2.2% in 2009 and +2.0% in 2010 in March 2009 when we finalised the *Budget* forecasts (Figure 7). Anticipating further downward revisions, we assumed a contraction of 2.5% in 2009 and growth of only 1.0% in 2010.

Figure 7 – Evolution of Consensus forecasts



Source: Consensus Economics

Recovery commenced in the June quarter …

The world economy began to recover in the June quarter as the massive government and central bank interventions stabilised financial institutions and markets, stimulated final demand and restored confidence to businesses and consumers. Rapid re-stocking of previously depleted inventories, especially in Asia, also contributed to the recovery. There was increasing talk of "green shoots" as Purchasing Managers' Indices in the major economies firstly stopped declining and then recovered to 50, indicating an expansion in output.

… as credit conditions eased and China grew

One of the major factors in the resumption of growth in the major economies was the restoration of more normal conditions in financial markets. Credit spreads (the gap between inter-bank interest rates and expected policy rates, a measure of risk and uncertainty) have declined to pre-crisis levels in the US. While credit conditions have eased significantly internationally, they remain tighter than normal. The easing in global credit conditions has made it easier for New Zealand banks to borrow offshore, but conditions remain tighter than normal for local firms.

Another significant factor in the recovery in world output, especially for New Zealand and Australia, was the continuation of strong growth in China. A large fiscal stimulus and associated credit expansion were directed at infrastructure investment, especially railways and rebuilding following the 2008 earthquake, but also included support for consumption with subsidies for household goods and cars. The surge in investment spending resulted in strong import demand for commodities, including logs from New Zealand. The 8.9% growth in the Chinese economy in the year to September 2009 also led to a recovery in emerging Asian economies and supported growth in Australia, our major trading partner. The Indian economy also grew strongly, with annual growth of 6.1% in June 2009.

Indicators of economic activity lifted …

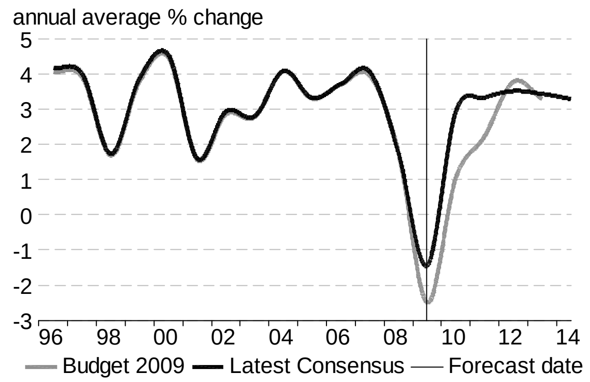
Indicators of economic activity have also turned around since the March quarter. Share markets troughed in the March quarter as the Dow Jones index briefly fell below 7000, down more than 40% from its peak in mid-2008. It has since risen more than 50% from that low to 10,000 in mid-October. Similarly, commodity prices troughed in late 2008 – early 2009; oil prices fell below US$40 per barrel in late 2008 and again in January – February 2009, but climbed to year-ago levels of above US$80 per barrel in mid-October. There was a pull-back in these prices in late October.

The average world price of New Zealand's commodity exports fell 34% from July 2008 to a low in February 2009; it has since recovered 20% but remains well below its previous peak. The rise in commodity prices, combined with a positive interest rate differential, a more positive economic outlook and increased investor risk appetite, has led to increased demand for the New Zealand dollar which had fallen from US 80 cents a year before to below US 50 cents in March 2009; it has since appreciated to US 76 cents in mid-October but eased in the final week of the month.

… and world growth forecasts were revised up

As the global economy has begun to recover, the outlook has also been revised up. The IMF upgraded their forecasts for world growth in their October *WEO* to -1.1% in 2009 and 3.1% in 2010. Consensus forecasts have also been revised up from their low point earlier in the year, with the average for our top 12 trading partners (weighted by export shares) rising to -1.3% for 2009 and 2.9% in 2010, almost 1 and 2 percentage points higher than our *Budget* forecasts (Figure 8).

Figure 8 – Trading partner growth forecasts



Source: Consensus Economics, Treasury

But growth will be relatively constrained

Despite the significant shift in the outlook for the world economy since we prepared the *Budget Update* and the relatively quick recovery, growth further out is likely to be lower than in the previous period of expansion, for a number of reasons.

- **Deleveraging:** households, firms and governments all need to reduce their debt and rebuild their balance sheets, leading to lower consumption and investment growth.

- **Housing and labour markets** will take time to adjust following the downturn, limiting consumption; house prices may have further to fall in some countries and unemployment will continue to increase until at least mid-2010.

- **Monetary and fiscal stimulus** must be withdrawn at some point, but not yet, with a negative impulse to growth.

- **Credit growth** is likely to be lower as monetary policy is tightened and policies are introduced aimed at restricting credit growth and avoiding a recurrence of the financial crisis.

- **Macro-economic balance**, both within and between economies, has not yet been achieved. The rebalancing between the US and China is expected to lead to lower growth overall as they become less dependent on the US consumer.

- **Financial crises** tend to depress the path of output in the medium term as a result of the impact of the crisis on employment, investment and overall productivity of labour and capital, according to the IMF.[1]

If we adopted the latest Consensus forecasts for our trading partner growth, output in those economies would be 4% higher in 2011 than assumed in the *Budget*, but still below previously forecast levels. This would have a positive impact on the demand for New Zealand's export goods and services, partly offset by the higher NZ dollar.

[1] http://www.imf.org/external/pubs/ft/weo/2009/02/pdf/c4.pdf

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New Zealand Key Economic Data

02 November 2009

Quarterly Indicators

		2008Q1	2008Q2	2008Q3	2008Q4	2009Q1	2009Q2	2009Q3
Gross Domestic Product (GDP)								
Real production GDP	qtr % chg[1]	-0.3	-0.4	-0.5	-1.0	-0.8	0.1	...
	ann ave % chg	3.1	2.5	1.5	0.0	-1.1	-1.8	...
Real private consumption	qtr % chg[1]	-0.4	-0.5	0.0	-0.2	-1.2	0.4	...
	ann ave % chg	3.2	2.2	1.0	-0.1	-0.8	-1.1	...
Real public consumption	qtr % chg[1]	1.5	0.7	0.0	1.6	0.3	-1.0	...
	ann ave % chg	4.2	4.4	3.8	3.8	3.3	2.3	...
Real residential investment	qtr % chg[1]	-4.3	-9.5	-6.8	-14.5	0.2	-2.6	...
	ann ave % chg	4.3	-2.0	-9.7	-18.6	-23.4	-24.9	...
Real non-residential investment	qtr % chg[1]	-1.2	5.5	-8.7	-1.1	-6.9	1.3	...
	ann ave % chg	4.1	4.3	3.0	0.0	-3.1	-8.2	...
Export volumes	qtr % chg[1]	-2.2	-0.7	-2.4	-3.2	0.6	4.7	...
	ann ave % chg	3.1	2.9	2.6	-1.3	-3.3	-3.9	...
Import volumes	qtr % chg[1]	1.7	1.2	-5.6	-6.7	-8.3	-3.8	...
	ann ave % chg	10.0	10.1	7.9	2.0	-4.7	-12.3	...
Nominal GDP - expenditure basis	ann ave % chg	7.1	5.7	4.3	2.5	1.1	0.7	...
Real GDP per capita	ann ave % chg	2.1	1.5	0.6	-0.9	-2.0	-2.8	...
Real Gross National Disposable Income	ann ave % chg	5.0	4.7	4.2	1.5	-0.7	-1.3	...
External Trade								
Current account balance (annual)	NZ$ millions	-14128	-14795	-15436	-15968	-14568	-10614	...
	% of GDP	-7.9	-8.3	-8.6	-8.9	-8.1	-5.9	...
Investment income balance (annual)	NZ$ millions	-13343	-13732	-13728	-13721	-13035	-11027	...
Merchandise terms of trade	qtr % chg	4.2	-0.4	-1.0	-1.0	-2.7	-8.9	...
	ann % chg	11.6	10.7	5.8	1.8	-5.0	-13.1	...
Prices								
CPI inflation	qtr % chg	0.7	1.6	1.5	-0.5	0.3	0.6	1.3
	ann % chg	3.4	4.0	5.1	3.4	3.0	1.9	1.7
Tradable inflation	ann % chg	3.4	4.8	6.3	2.3	1.7	0.2	-0.1
Non-tradable inflation	ann % chg	3.5	3.4	4.1	4.3	3.8	3.3	3.0
GDP deflator	ann % chg	6.1	3.9	2.2	2.4	2.4	2.0	...
Consumption deflator	ann % chg	2.5	3.3	4.1	3.9	3.8	3.1	...
Labour Market								
Employment (HLFS)	qtr % chg[1]	-1.2	1.2	0.1	0.8	-1.4	-0.5	...
	ann % chg[1]	-0.3	0.8	1.0	1.0	0.8	-0.9	...
Unemployment rate	%[1]	3.8	4.0	4.3	4.7	5.0	6.0	...
Participation rate	%[1]	67.7	68.5	68.6	69.1	68.3	68.4	...
LCI salary & wage rates - total (adjusted)[5]	qtr % chg	0.8	0.8	1.2	0.7	0.6	0.3	...
	ann % chg	3.4	3.6	3.9	3.6	3.4	2.9	...
LCI salary & wage rates - total (unadjusted)[5]	qtr % chg	1.2	1.2	1.7	1.4	0.8	0.6	...
	ann % chg	5.3	5.4	5.6	5.6	5.2	4.6	...
QES average hourly earnings - total[5]	qtr % chg	1.5	1.4	1.5	0.9	1.4	0.7	...
	ann % chg	4.6	5.3	5.5	5.4	5.3	4.5	...
Labour productivity[6]	ann ave % chg	3.1	2.4	1.5	0.4	-1.5	-1.0	...
Confidence Indicators/Surveys								
WMM - consumer confidence[3]	Index	97	82	105	101	96	106	120
QSBO - general business situation[4]	net %	-64.1	-63.7	-19.3	-64.4	-64.6	-24.8	35.6
QSBO - own activity outlook[4]	net %	-9.7	-22.9	-8.3	-40.9	-38.7	-13.1	23.0

Monthly Indicators

		2009M 4	2009M 5	2009M 6	2009M 7	2009M 8	2009M 9	2009M10
External Sector								
Merchandise trade - exports	mth % chg[1]	-4.0	-0.9	-1.0	0.5	-6.9	-1.9	...
	ann % chg[1]	-4.8	6.1	-9.7	-7.2	-22.9	-10.9	...
Merchandise trade - imports	mth % chg[1]	-12.0	-4.9	18.6	-13.9	-0.6	-3.1	...
	ann % chg[1]	-19.7	-21.7	-6.2	-20.9	-21.5	-26.6	...
Merchandise trade balance (12 month total)	NZ$ million	-4070	-2994	-3110	-2490	-2361	-1533	...
Visitor arrivals	number[1]	204980	204870	197080	205300	204320	211990	...
Visitor departures	number[1]	202580	208020	202000	206680	205090	209780	...
Housing								
Dwelling consents - residential	mth % chg[1]	11.8	2.8	-9.1	4.0	1.7	3.4	...
	ann % chg[1]	-56.5	-23.5	-23.8	-16.7	-8.9	-12.7	...
House sales - dwellings	mth % chg[1]	22.8	-13.0	9.8	2.4	-0.7	2.7	...
	ann % chg[1]	39.7	43.9	40.1	33.6	40.4	43.9	...
REINZ - house price index	mth % chg	0.2	2.3	-1.1	1.0	1.2	1.9	...
	ann % chg	-5.1	-2.1	-1.3	0.9	2.6	5.3	...
Private Consumption								
Core retail sales	mth % chg[1]	-0.1	1.6	-0.4	-0.6	1.2	...	...
	ann % chg[1]	2.0	3.5	2.3	1.9	2.8	...	...
Total retail sales	mth % chg[1]	0.4	0.7	0.0	-0.5	1.1	...	...
	ann % chg[1]	-2.3	-1.0	-1.8	-1.7	-0.6	...	...
New car registrations	mth % chg[1]	-0.8	-3.2	6.2	7.2	-3.5	7.0	...
	ann % chg	-41.0	-33.3	-29.6	-16.4	-18.3	-16.8	...
Electronic card transactions - total retail	mth % chg[1]	0.2	0.6	-1.0	0.8	0.3	0.7	...
	ann % chg	1.2	-0.5	0.3	0.2	-1.3	0.6	...
Migration								
Permanent & long-term arrivals	number[1]	7480	7510	6830	7630	6760	6800	...
Permanent & long-term departures	number[1]	5400	4900	5140	5150	5150	5000	...
Net PLT migration (12 month total)	number	9176	11202	12515	14488	15642	17043	...
Commodity Prices								
Brent oil price	US$/Barrel	50.52	57.50	68.58	64.90	72.59	67.51	*72.62*
WTI oil price	US$/Barrel	49.91	59.26	69.67	64.21	71.06	69.40	*75.56*
ANZ NZ commodity price index	mth % chg	-2.7	-1.4	-5.0	0.1	-0.5	2.4	...
	ann % chg	-7.6	-11.2	-17.3	-19.5	-21.4	-18.6	...
ANZ world commodity price index	mth % chg	2.6	2.8	0.2	1.0	4.4	6.8	...
	ann % chg	-29.4	-28.1	-27.9	-28.5	-22.7	-13.0	...
Financial Markets								
NZD/USD	$[2]	0.5709	0.5989	0.6374	0.6437	0.6754	0.7024	*0.7386*
NZD/AUD	$[2]	0.8006	0.7855	0.7953	0.8011	0.8089	0.8166	*0.8165*
Trade weighted index (TWI)	June 1979 = 100[2]	56.87	57.95	60.32	60.59	62.85	64.32	*66.51*
Official cash rate (OCR)	%	2.50	2.50	2.50	2.50	2.50	2.50	*2.50*
90 day bank bill rate	%[2]	3.12	2.82	2.78	2.79	2.76	2.77	*2.79*
10 year govt bond rate	%[2]	5.24	5.59	5.97	5.75	5.82	5.63	*5.66*
Confidence Indicators/Surveys								
National Bank - business confidence	net %	-14.5	1.9	5.5	18.7	34.2	49.1	48.2
National Bank - activity outlook	net %	-3.8	3.8	8.3	12.6	26.0	32.2	30.5
ANZ-Roy Morgan - consumer confidence	net %	104.6	105.8	103.4	107.8	112.3	120	125.9

qtr % chg — quarterly percent change
mth % chg — monthly percent change
ann % chg — annual percent change
ann ave % chg — annual average percent change
Data in italics are provisional

1 Seasonally adjusted
2 Average (11am)
3 Westpac McDermott Miller
4 Quarterly Survey of Business Opinion
5 Ordinary time
6 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, ANZ-Roy Morgan