Monthly Economic Indicators

THE TREASURY
Kaitohutohu Kaupapa Rawa

April 2013

Executive Summary

- **Business sentiment indicates that the economy continued to grow in the March quarter**
- **Inflationary pressures remain subdued, depressed by a high NZ Dollar (NZD)**
- **Risks re-emerge in the global outlook, but remain lower than in mid to late 2012**

Gains in GDP in the December 2012 quarter will likely be extended in the March 2013 quarter as business surveys reported an increase in activity. Activity and business confidence indicators remain solid across the majority of sectors, while employment conditions also showed signs of improvement. Firms' outlook for activity and profits also rose, leading to a strengthening of investment intentions.

Annual inflation was unchanged in the March 2013 quarter at a subdued 0.9%. A key contributor to this outturn was the elevated NZD which has suppressed tradables inflation. On the other hand, non-tradables inflation remained broadly stable, in large part owing to government charges and tobacco excise increases. Housing-related categories also provided some positive contributions, particularly in Canterbury, where the cost of building a standard new home is growing at a much stronger pace than in the rest of the country. The medium-term outlook is for higher inflation as the Canterbury rebuild continues to gather pace; as a result, the Reserve Bank left the OCR unchanged.

Housing market activity continued to rise as tight supply and robust demand (largely stemming from low interest rates and underinvestment in recent years) contribute to upward pressure on house prices. Strong discounting on the part of retailers, along with the pick-up in the housing market, is also contributing to increased consumer confidence. Robust business and consumer confidence and solid medium-term growth prospects relative to our peers contributed to the NZD TWI hitting a post-float high in April.

Global conditions appeared weaker in April with the Australian labour market softening despite solid household demand. China’s March quarter GDP undercut expectations, while ongoing US government spending cuts were a drag on activity. The euro area slump is spreading to Germany, and the Bank of Japan (BoJ) announced aggressive easing to attain its new 2% inflation target. However, downside risks are lower than in mid to late 2012.

New Zealand Government

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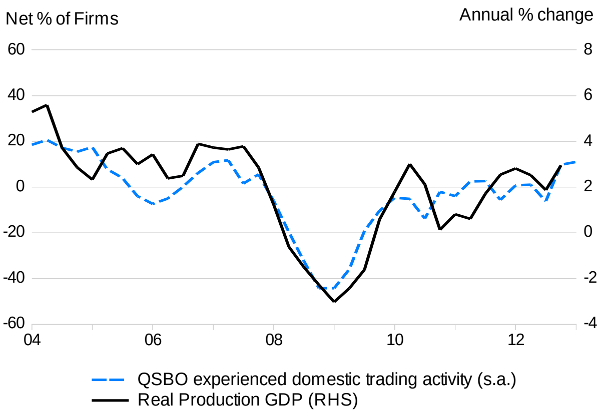
Analysis

Firms reported an increase in activity in the March quarter, indicating that the gains in GDP in the December quarter will be extended in the March quarter. Stronger growth prospects relative to other advanced economies (amongst other factors), contributed to the NZ dollar Trade-Weighted Index (NZD TWI) hitting a post-float high. The surge in dairy commodity prices over the past two months is also likely to have played a part but more recent data indicates that prices may have peaked. The high NZD is contributing to subdued inflation, although the medium-term outlook is for higher inflation, which saw the OCR left unchanged. The low inflation environment, along with firm housing market activity in some parts of the country, contributed to improving consumer sentiment.

Business sentiment remains solid…

The NZIER Quarterly Survey of Business Opinion (QSBO) reported that firms' own activity increased slightly in the March quarter. On a seasonally-adjusted basis, a net 11% of firms experienced an increase in trading activity, up from a net 10% in the December quarter. The relationship between firms' own activity and real GDP indicates that the economy continued to grow in the March 2013 quarter (Figure 1).

Figure 1 – Real GDP and QSBO Survey



Sources: NZIER, Statistics NZ

The outlook for firms' own activity for the June quarter also lifted marginally to a net 23% expecting an expansion from a net 21%, after adjusting for seasonal variation. However, the QSBO does not cover the agricultural sector, so the direct impact of the drought, which is expected to reduce growth in the June quarter, will not be reflected.

The improvement in reported activity over the March quarter was shared more evenly amongst regions compared to the previous survey and held up at positive levels across industry sectors. The building sector in particular continues to lead the way with both experienced and expected new orders at buoyant levels following a surge in the previous quarter. Merchants and service firms reported an easing in activity, suggesting that some of the strength displayed in the December quarter was temporary. Downstream impacts of the drought saw food manufacturing grow strongly as slaughtering was brought forward. Given the strong linkages between local manufacturers and the construction sector, the Canterbury rebuild is likely to underpin overall manufacturing activity over coming years.

The strength observed in the QSBO was echoed in other business surveys with the BNZ-BusinessNZ Performance of Manufacturing Index (PMI) and Performance of Services Index (PSI) posting 53.4 and 55.4 respectively for March (a figure above 50 indicates expansion). Both indexes were supported by consistent levels of expansion in new orders/business which points to a pipeline of activity ahead for service and manufacturing firms. Similarly, the ANZ Business Outlook survey (ANZBO) for April showed a solid net 30% of firms expecting to increase output over the next twelve months, above the long-run average of 26%.

The positive outlook for activity and profits, combined with low interest rates, appears to have flowed through to stronger investment intentions, with the net balance of firms intending to increase investment over the next twelve months rising further in the March QSBO. Investment intentions were also positive in the ANZBO in April as the net percentage of firms expecting to increase their investment in the next twelve months inched up.

… and employment conditions improved…

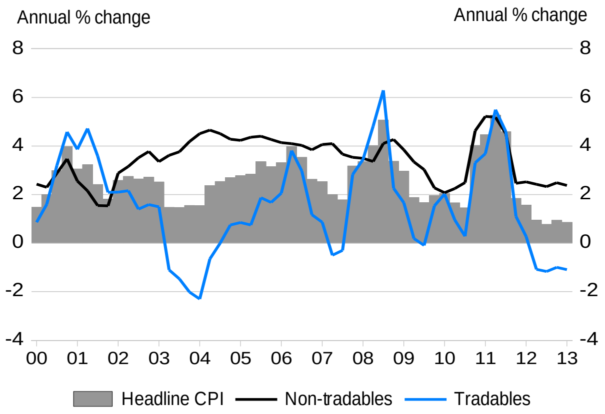
Firms reported employing more staff in the QSBO with a net 4% of firms increasing staff following a net 3% reducing staff numbers in the previous quarter. Based on past relationships, this is consistent with around 2% annual employment growth, although actual employment growth in recent quarters has been persistently weaker than indicators suggest. In saying this, there has been a marked recovery in staffing indicators in both the PMI and PSI over the March quarter and advertised job vacancies have risen. A net 5% of firms in the QSBO intend to increase staff numbers over the next three months, up from a net 3% in the December survey, an encouraging sign but not suggestive of a rapid near-term recovery in employment growth. March quarter Household Labour Force Survey (HLFS) figures will be released on 9 May.

There were other signs from the QSBO of the labour market tightening as well. Firms reporting it had become harder to find skilled labour increased 5% points to a net 25%, with a similar increase for those reporting difficulty finding unskilled labour. However, the QSBO also showed that labour is yet to be a significant constraint on output growth, suggesting that firms are making do with the labour they have until they see a sustained pick-up in activity. As such, price pressures remain subdued but pricing intentions are lifting from a low base.

... but inflation is currently subdued…

The headline CPI rose 0.4% in the March quarter, following a 0.2% fall in the December quarter, leaving annual inflation at 0.9%, just below the RBNZ's target band of 1-3% (Figure 2). Tobacco prices made the largest positive contribution to the quarterly growth in the headline CPI, adding 0.3% points, as a result of excise duty increases. Government charges, which include education fees and prescription charges, added another 0.1% point.

Figure 2 – CPI Inflation

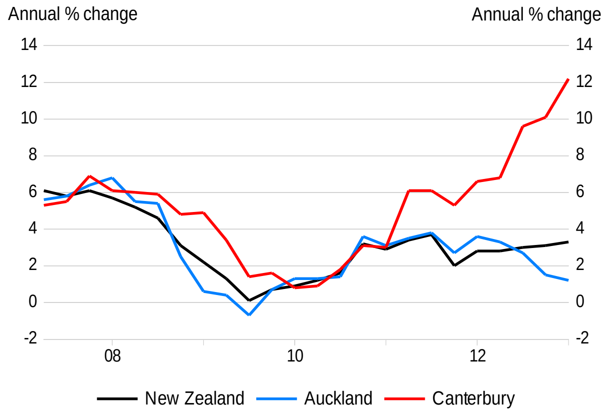


Source: Statistics NZ

Tradables prices continue to depress annual headline inflation, being down 1.1% on a year earlier. This reflects the ongoing pass-through of the high NZD and falls in commodity prices seen last year. On the other hand, non-tradables price inflation remains broadly stable, at an annual rate of 2.4%. Much of the growth in non-tradables prices was driven by government-influenced categories. We estimate that non-tradables inflation excluding tobacco and government charges increased only 1.4% annually. This is consistent with the RBNZ's sectoral measure of annual core inflation (1.5%) that strips out temporary price fluctuations. The core measure of inflation is closer to the mid-point of the target band and therefore not as weak as the headline suggests.

Housing-related categories also provided some positive contributions with the cost of building a standard new home now 3.3% higher than a year ago, driven by a 12.2% rise in Canterbury (Figure 3). Annual headline CPI in the Canterbury region was also much higher than the national rate, reaching 1.6%. This was consistent with the QSBO which reported that capacity constraints on expanding business remain localised to Canterbury and price pressures have yet to spillover into the wider economy.

Figure 3 – CPI – New House Prices



Source: Statistics NZ

… although headline inflation is expected to pick up over the coming year

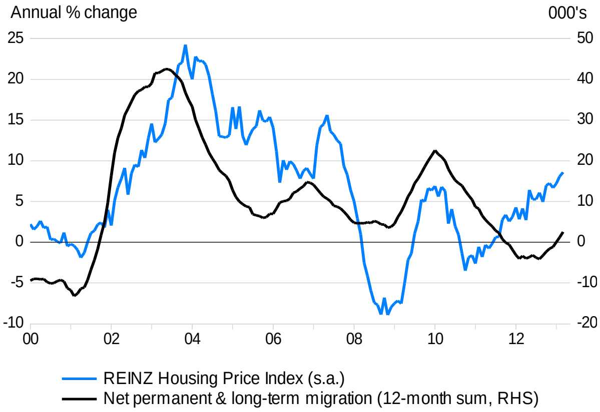
Headline inflation and, to a lesser extent, core inflation are currently weak, partially reflecting the slack that exists in the economy. However, we continue to expect inflation to pick up over the coming year as the impact of the high NZD gradually fades and the Canterbury rebuild reduces spare capacity. The Reserve Bank left the Official Cash Rate (OCR) on hold at 2.50% but expects medium-term inflation to rise towards the mid-point of the target band as growth prospects remain solid and business and consumer confidence continue to be robust. In addition, the likelihood of an intensifying drought has abated, which will reduce the immediate downside risks to growth, although the risk of rapid house price inflation remains.

Housing market lifts further…

According to REINZ, there was an annual increase of 800 house sales in March, an 11% gain, with sales over $600,000 rising substantially. On a seasonally-adjusted basis, house sales rose 3.6% from February, despite Easter falling in March rather than April. The supply of new housing is gradually responding with dwelling consent approvals excluding apartments (which can be volatile) rising 4.5% in the March quarter, following a 10.0% surge in the December quarter. Despite an easing of growth in the March quarter, the trend for consent issuance remains firm and there is plenty of scope in the construction industry to ramp up activity.

The REINZ Median Housing Price Index lifted a strong 1.2% on a seasonally-adjusted basis in March, taking annual growth to 8.6%. The tight supply of listings in the face of robust demand, largely stemming from low interest rates and under-building in recent years, is contributing to the upward pressure on house prices. This is likely being exacerbated by the recent turn-around in permanent and long-term migration where the net inflow rose to 2,500 in the twelve months to March from 1,200 in the twelve months to February, but remains at low levels compared with the long-run average (Figure 4).

Figure 4 – House Prices and Net Migration



Sources: REINZ, Statistics NZ

For the March quarter, annual house price inflation in Auckland and Canterbury was 13% and 10% respectively, well ahead of the 4% growth in other parts of the country. The skewed trend towards the two hot spots is unsurprising given current housing shortages and the concentration of positive net international migration. However in Auckland, unlike Canterbury, rents (as measured by the CPI) are not growing at a significantly faster pace than the national average. This possibly reflects a catch-up in the demand for home ownership, facilitated by low borrowing rates and therefore reducing the pressure on the rental market.

The annual growth in housing credit, as measured by the RBNZ, continued to increase, rising to 4.6% in March. Compared to the previous cycle, credit growth is currently subdued relative to the total value of house sales, although the divergence is narrowing. While low interest rates have increased the amount that home buyers are prepared to borrow, it has also given households more scope to make principal payments on home loans ahead of schedule, providing an offset to credit growth. Other potential offsets include banks requiring higher deposits following the crisis which has raised the equity share of new home buyers (although requirements have been relaxed recently) and insurance payouts relating to the Canterbury earthquakes which have temporarily reduced outstanding mortgage balances.

... while consumer confidence is on the up

An upward trend in consumer confidence continues to emerge with the ANZ-Roy Morgan Consumer Confidence Index lifting 2.2 points in April to 121.2 after adjusting for seasonal variation. It is now viewed as a good time to buy major household items, partially owing to stronger discounting, which was reflected in the CPI. The high NZD is having an impact with price declines recorded for household appliances, furniture, and audio visual equipment. Rising property values in parts of the country may mean that households are now feeling wealthier, which could lead to higher consumer spending funded by housing equity withdrawal.

Merchandise trade balance improves...

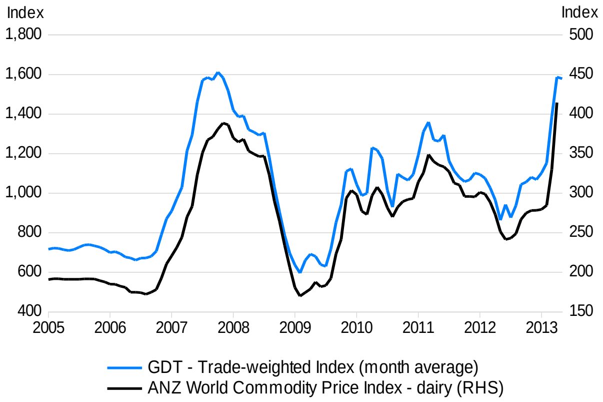
For the March quarter as a whole, the trade balance improved by $111m which saw the annual trade deficit narrow to $525m. This was driven by a 0.8% rise in the seasonally-adjusted value of exports while the corresponding value of imports declined 0.2%.

The quarterly rise in export values was driven by dairy products, although the expected flow-through of higher dairy commodity prices seen late last year did not eventuate, with dairy export prices broadly flat in the quarter. The volume of meat exports surged in the March quarter, rising 26% on an annual basis, the strongest rise since 2003. This was largely driven by the drought as the slaughter of stock was brought forward. Import values also held up more than expected, largely owing to the volatile mineral fuel imports category. There was also continued strength in capital imports with the elevated NZD playing a part. As the Canterbury rebuild picks up, growing imports of materials and capital used in the rebuild will contribute to a widening trade deficit.

... while dairy prices consolidate

Following the double-digit, supply-driven price gains seen at the GlobalDairyTrade (GDT) auctions over March and April, average dairy prices eased 7.3% at the first auction in May. Dairy prices in early May were still up a significant 77% on the corresponding auction a year ago as immediate supply concerns about the drought now appear fully priced in. The recent strong gains in GDT dairy prices were reflected in the ANZ World Commodity Price Index which rose 12.6% in April, the largest monthly rise on record (Figure 5). The temporary boost to global dairy prices is unlikely to fully offset the decline in milk volumes and the net impact on farm incomes is expected to be negative. This is because the bulk of annual dairy production appears to have been sold earlier in the season at lower prices, and the recent high auction prices are only being achieved for low volumes at the tail-end of the season.

Figure 5 – Dairy Commodity Prices



Sources: ANZ, GlobalDairyTrade

The elevated NZD partially offset the temporary strength in commodity prices for New Zealand's exports, with the New Zealand dollar denominated ANZ Commodity Price Index rising 10.2% in April. Robust growth prospects compared to advanced-country peers, along with quantitative easing in Japan, helped the NZD TWI to hit a post-float high of 78.9 in early April. Meanwhile, 10-year government bond yields fell to a record low of 3.16% as both real and nominal yields remain attractive and investors look to diversify their portfolios.

Risks re-emerge in the global outlook

April's data pointed to slower global activity and downside risks became more apparent. Australian household demand appeared solid, but the labour market is softening. China's March quarter GDP undercut expectation, while US government spending cuts were a drag on activity. The euro area slump is spreading to Germany, and the Bank of Japan (BoJ) announced aggressive easing to attain its new 2% inflation target. However, risks are still lower than in mid to late 2012.

Australian consumer demand picks up, but labour market outlook softens

Australian household demand rose. February retail sales were higher than expected, while January sales were revised up and consumption goods imports were 12% higher than a year ago. Altogether, the evidence suggests reduced caution among Australian consumers at present.

However, employment fell 36,000 in March after a strong February (+74,000), and the unemployment rate edged 0.2% points higher to 5.6%. While the weakness was partly a retraction from the February strength, the unemployment rate has been trending higher since 2011, which indicates underlying softness in the labour market.

The mining investment peak expected in mid-2013 and the apparent lack of pick-up in other investment or other components of GDP are likely to be drags on future growth. This may reinforce the labour market softness, especially as mining production is less labour-intensive than the investment phase. This concern, together with falling commodity prices, was reflected in the broad decline in sentiment indicators and the AiG manufacturing PMI, which plunged 7.7 points to 36.7 in April.

Chinese recovery slows; asset risks mount...

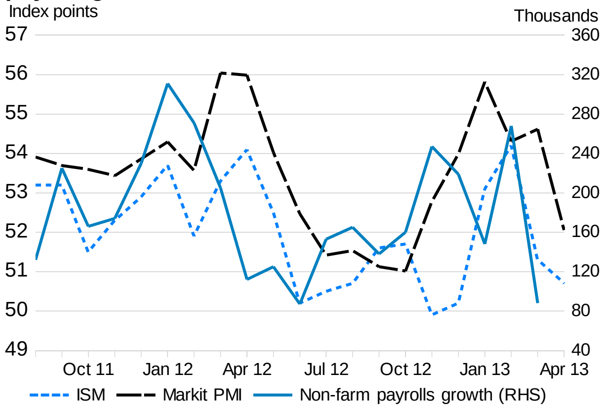
China's annual GDP growth in the March 2013 quarter was a weaker-than-expected 7.7%, indicating a slower recovery from the 2012 slowdown. Both the HSBC manufacturing PMI and the official PMI fell in April. Meanwhile, inflation (excluding property) eased in the March quarter. These movements suggest that activity is constrained by weakness in demand, owing to the bird-flu virus, policies dampening the housing market, and a more cautious global outlook.

Concerns rose over Chinese asset price risks. Fitch downgraded China's local currency debt, partly owing to excessive expansion of credit and risks surrounding the informal banking sector. Moreover, property prices have accelerated, despite government efforts at dampening the housing market, fuelling fears of a housing bubble.

...as fiscal spending cuts drag down US data...

The US economy grew by 0.6% in the 2013 March quarter, below the expectation of 0.75%. Growth was constrained by a 1.0% fall in government consumption, owing largely to the sequester spending cuts. Private consumption grew strongly by 0.8%, despite real disposable income falling by 1.3% in the quarter because of the payroll tax hike, which was reflected in a much-reduced saving rate. Figure 6 shows that the PMIs continued to decline in April, consistent with a reduction in demand owing to fiscal consolidation. Other industrial surveys, such as the Dallas Fed manufacturing index and the Kansas Fed index, also fell.

Figure 6: US manufacturing PMIs and non-farm payroll growth



Source: Haver

Payroll growth slowed in March (Figure 6). Non-farm payrolls grew 88,000 in March, versus an expected 200,000 and down from February's 268,000. April's ADP payrolls growth of 119,000 was even weaker than its already-subdued March reading, pointing to a soft April non-farm payroll outturn. Given the continued weakness in April, the softer data reflected both a retraction from the February strength and sequester impacts.

The Federal Reserve held its policy-rate band at 0-0.25% in its May statement, and implied that it will consider the recent soft data in its future decisions. While the latest statement maintained the asset purchase programme at its current size, either a decrease or an increase is possible in the future depending on the outlook.

...while euro area peripheral weakness spreads to the core

German data, which for the past months have largely avoided the general euro area weakness, softened significantly. The German manufacturing and services PMIs both fell in April, with both indices now in contractionary territory. Sentiment indicators and retail sales also declined. German activity is likely constrained by subdued demand in the euro area.

The subdued euro area demand is reflected in the soft retail sales and import data. The relatively high trade surplus despite the output weakness illustrates the reliance on external demand.

Positively, industrial production grew 0.4% in February, giving hope for a smaller-than-expected March quarter GDP contraction. The formation of a coalition government in Italy has brought some stability in financial markets and the UK has avoided a triple-dip recession, with its March quarter GDP growth estimated at 0.3%.

The European Central Bank (ECB) cut its policy rate from 0.75% to a new low of 0.5% on 2 May in response to low inflation and the weak economic outlook. Euro area annual CPI inflation was 1.2% in April and the unemployment rate was 12.1% in March. ECB President Draghi did not rule out further rate cuts and even negative deposit rates.

Aggressive BoJ easing elicits market reaction

The BoJ's new governor Kuroda announced aggressive monetary easing in a bid to achieve his newly-set 2% inflation target. Measures included doubling the monetary base by the end of 2014, and heavily expanding the size and extending the maturity of asset purchases.

Markets responded positively to the announcement. The Nikkei rose 12.3% over April, while the USD/JPY cross-rate edged close to 100, a low for the yen not seen since 2008. These trends are likely to continue, as the BoJ's agenda was largely supported at the recent G20/IMF meeting.

Japanese data improved last month. The Markit manufacturing PMI rose 1.9 points to 50.4 in March, entering expansionary territory, and the services PMI rose 3.9 points to 54.0. The eco-watcher's consumer survey is at an all-time high.

Softness reappears in the Korean economy

Korean data weakened, after some recent improvements. Industrial production fell 2.6% in March, contracting for the third consecutive month. Services activities, having risen 1.8% in February, fell 1.0% in March. These weaker signals contradicted the relatively strong Markit manufacturing PMI, which surged 4.9 points in March to 54.5, after an eight-month period in contractionary territory.

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

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New Zealand Key Economic Data

3 May 2013

Quarterly Indicators

		2011Q3	2011Q4	2012Q1	2012Q2	2012Q3	2012Q4	2013Q1
Gross Domestic Product (GDP)								
Real production GDP	qtr % chg[1]	0.8	0.4	1.0	0.2	0.2	1.5	...
	ann ave % chg	0.8	1.4	1.9	2.4	2.4	2.5	...
Real private consumption	qtr % chg[1]	1.2	0.3	0.6	0.2	0.0	1.5	...
	ann ave % chg	1.7	2.0	2.5	2.6	2.2	2.1	...
Real public consumption	qtr % chg[1]	0.3	0.4	-1.2	1.1	0.1	-0.7	...
	ann ave % chg	2.0	2.0	1.8	1.5	1.0	0.3	...
Real residential investment	qtr % chg[1]	1.1	4.3	1.3	5.5	5.6	2.0	...
	ann ave % chg	-11.5	-11.2	-10.7	-2.7	5.7	10.9	...
Real non-residential investment	qtr % chg[1]	2.7	-0.1	3.7	3.1	-4.1	2.2	...
	ann ave % chg	9.7	7.5	6.0	5.9	4.7	5.4	...
Export volumes	qtr % chg[1]	0.3	4.1	-2.4	-1.2	4.2	0.9	...
	ann ave % chg	1.8	2.7	2.6	2.4	3.1	2.1	...
Import volumes	qtr % chg[1]	1.7	-2.4	4.2	-3.7	2.1	-2.0	...
	ann ave % chg	10.6	6.6	6.1	3.6	1.3	1.4	...
Nominal GDP - expenditure basis	ann ave % chg	4.8	3.9	3.8	4.1	3.0	2.3	...
Real GDP per capita	ann ave % chg	-0.3	0.4	1.0	1.6	1.7	1.8	...
Real Gross National Disposable Income	ann ave % chg	2.3	1.8	2.2	1.3	1.3	1.0	...
External Trade								
Current account balance (annual)	NZ$ millions	-8,826	-8,268	-9,033	-10,087	-9,861	-10,509	...
	% of GDP	-4.4	-4.0	-4.4	-4.8	-4.7	-5.0	...
Investment income balance (annual)	NZ$ millions	-10,595	-10,750	-10,443	-10,899	-10,226	-9,791	...
Merchandise terms of trade	qtr % chg	-0.6	-1.5	-2.3	-2.5	-3.2	-1.4	...
	ann % chg	3.4	1.0	-2.1	-6.7	-9.2	-9.1	...
Prices								
CPI inflation	qtr % chg	0.4	-0.3	0.5	0.3	0.3	-0.2	0.4
	ann % chg	4.6	1.8	1.6	1.0	0.8	0.9	0.9
Tradable inflation	ann % chg	4.6	1.1	0.3	-1.1	-1.2	-1.0	-1.1
Non-tradable inflation	ann % chg	4.5	2.5	2.5	2.4	2.3	2.5	2.4
GDP deflator	ann % chg	2.9	0.4	-0.2	1.9	-1.4	-2.7	...
Consumption deflator	ann % chg	3.2	1.6	1.3	1.2	1.0	0.9	...
Labour Market								
Employment (HLFS)	qtr % chg[1]	0.1	0.4	0.2	-0.1	-0.4	-1.0	...
	ann % chg[1]	1.1	1.6	0.9	0.6	0.0	-1.3	...
Unemployment rate	%[1]	6.5	6.4	6.7	6.8	7.3	6.9	...
Participation rate	%[1]	68.3	68.4	68.7	68.4	68.4	67.2	...
LCI salary & wage rates - total (adjusted)[5]	qtr % chg	0.6	0.6	0.4	0.5	0.5	0.5	...
	ann % chg	2.0	2.0	2.0	2.0	1.9	1.8	...
QES average hourly earnings - total[5]	qtr % chg	1.2	0.1	1.4	0.1	1.1	-0.1	...
	ann % chg	3.2	2.8	3.8	2.9	2.8	2.6	...
Labour productivity[6]	ann ave % chg	-1.1	0.0	0.7	1.7	2.8	3.3	...
Retail Sales								
Core retail sales volume	qtr % chg[1]	1.8	2.0	-0.5	0.7	0.0	1.5	...
	ann % chg	3.2	6.4	4.2	4.1	1.7	2	...
Total retail sales volume	qtr % chg[1]	1.8	1.5	0.1	1.2	-0.2	2.1	...
	ann % chg	2.8	5.7	4.2	4.7	2.2	3.3	...
Confidence Indicators/Surveys								
WMM - consumer confidence[3]	Index	112	101	102	100	103	111	111
QSBO - general business situation[4]	net %	24.6	0.1	13.0	-4.1	8.0	19.8	23.0
QSBO - own activity outlook[4]	net %	30.0	9.9	16.9	8.1	17.7	18.7	18.1

Monthly Indicators

		2012M10	2012M11	2012M12	2013M01	2013M02	2013M03	2013M04
External Sector								
Merchandise trade - exports	mth % chg[1]	-8.1	7.4	-6.6	1.5	3.3	-0.7	...
	ann % chg[1]	-10.9	-2.1	-4.2	-10.2	7.9	5.1	...
Merchandise trade - imports	mth % chg[1]	-14.9	13.8	6.5	-15.1	16.2	0.8	...
	ann % chg[1]	1.6	-1.6	-10.4	-6.3	1.6	-7.9	...
Merchandise trade balance (12 month total)	NZ$ million	-1379	-1389	-1155	-1287	-1057	-525	...
Visitor arrivals	number[1]	208,790	215,250	219,570	214,470	224,420	226,650	...
Visitor departures	number[1]	215,070	212,850	219,040	218,150	220,870	229,660	...
Housing								
Dwelling consents - residential	mth % chg[1]	-1.8	-5.2	10.1	-0.9	4.4	-9.1	...
	ann % chg[1]	32.4	19.8	22.5	19.5	28.1	-5.4	...
House sales - dwellings	mth % chg[1]	19.3	-0.8	-6.9	10.7	-4.0	-0.4	...
	ann % chg[1]	32.6	24.1	8.2	21.1	7.5	10.9	...
REINZ - house price index	mth % chg	1.5	1.4	-0.6	-1.0	1.6	2.4	...
	ann % chg	6.9	7.3	6.7	7.2	8.1	8.6	...
Private Consumption								
Electronic card transactions - total retail	mth % chg[1]	0.5	0.6	0.3	0.3	0.7	-0.5	...
	ann % chg	3.2	6.2	3.6	5.8	2.5	4.2	...
New car registrations	mth % chg[1]	9.3	-3.4	0.0	3.2	0.9	-0.4	...
	ann % chg	21.4	8.4	3.0	6.5	9.4	11.2	...
Migration								
Permanent & long-term arrivals	number[1]	7,370	7,350	7,340	7,080	7,180	7,670	...
Permanent & long-term departures	number[1]	7,020	6,760	7,480	6,660	6,460	6,460	...
Net PLT migration (12 month total)	number	-2,319	-1,567	-1,165	12	1,195	2,542	...
Commodity Prices								
Brent oil price	US$/Barrel	111.92	109.41	109.56	113.02	116.19	108.49	102.53
WTI oil price	US$/Barrel	89.57	86.66	88.25	94.69	95.32	93.05	92.07
ANZ NZ commodity price index	mth % chg	1.2	0.9	-0.1	-0.5	0.4	8.7	10.0
	ann % chg	-12.4	-12.6	-12.3	-10.2	-5.9	2.4	17.4
ANZ world commodity price index	mth % chg	1.4	0.9	1.0	0.3	1.1	7.4	12.6
	ann % chg	-8.6	-6.7	-5.2	-6.1	-4.9	3.9	22.5
Financial Markets								
NZD/USD	$[2]	0.8198	0.8192	0.8318	0.8375	0.8389	0.8279	0.8473
NZD/AUD	$[2]	0.7967	0.7875	0.7943	0.797	0.8136	0.8013	0.8158
Trade weighted index (TWI)	June 1979 = 100[2]	73.12	73.38	74.33	75.27	76.26	76.15	78.05
Official cash rate (OCR)	%	2.50	2.50	2.50	2.50	2.50	2.50	2.50
90 day bank bill rate	% [2]	2.65	2.64	2.65	2.66	2.66	2.64	2.65
10 year govt bond rate	% [2]	3.51	3.47	3.56	3.56	3.81	3.72	3.34
Confidence Indicators/Surveys								
ANZ - business confidence	net %	17.2	26.4	22.7	...	39.4	34.6	32.3
ANZ - activity outlook	net %	25.5	31.6	31.4	...	37.6	32.4	30.3
ANZ-Roy Morgan - consumer confidence	net %	110.5	114.1	114.7	118.3	121.0	115.0	119.2
Performance of Manufacturing Index	Index	49.1	53.6	56.8	49.7	51.1	53.8	53.5
Performance of Services Index	Index	51.8	57.7	57.5	52.2	50.5	57.0	56.3

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 Ordinary time
6 Production GDP divided by HLFS hours worked

Sources: Statistics New Zealand, Reserve Bank of New Zealand, NZIER, ANZ, Haver, Westpac McDermott Miller, ANZ-Roy Morgan, REINZ, BNZ-Business NZ