Monthly Economic Indicators

THE TREASURY
Kaitohutohu Kaupapa Rawa

September 2014

Executive Summary

- **The economy continued to expand at a solid pace in the June quarter – rising 0.7% – although growth eased from the above-1% pace in the preceding three quarters.**

- **The terms of trade declined from their peak in the March quarter, contributing to a fall in nominal GDP and a reduction in the quarterly goods surplus.**

- **The annual current account deficit narrowed further – to 2.5% of GDP – as the drought-affected quarter in 2013 dropped out of the annual calculation.**

- **International economic developments continue to point to uneven growth across major economies.**

Data released over September showed the economy continued to expand at a solid pace in the June quarter, broadly in line with the Pre-election Economic and Fiscal Update. The outlook for real GDP growth remains solid, albeit at a slower pace than over the past year, but will be supported by strong population growth.

Activity indicators showed some mixed results through September, with business confidence sliding further, but firms' own activity outlook and other details were more encouraging. Analysts noted that pre-election uncertainty may explain some of the divergence between the fall in confidence and own-activity expectations. Housing market activity was also softer in August.

Nominal GDP declined in the June quarter, as the terms of trade fell from their March quarter peak. Further dairy price declines, combined with a marginally softer near-term outlook for inflation, mean the outlook for nominal GDP growth has softened. That said, the currency has depreciated rapidly in the past week with confirmation that the RBNZ intervened in currency markets. It is too early to assess the impact of these recent movements in the exchange rate, but we would expect higher tradable inflation and some support for the tradable sector.

The fall in export receipts also contributed to a decline in the seasonally adjusted quarterly goods surplus, but the annual goods surplus widened as the drought-affected quarter in 2013 dropped out of the annual calculation, driving a narrowing in the annual current account deficit to 2.5% of GDP.

International economic developments continued to point to uneven growth across the major economies. A more entrenched recovery in the US and the UK, led primarily by domestic demand, is expected to lead to monetary tightening in the first half of 2015, while the ECB eased policy to support growth and price stability. A positive US growth outlook and high geopolitical risks led to a stronger USD and contributed to the decline in the NZD.

New Zealand Government

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Solid but easing growth in June quarter

The economy continued to expand at a solid pace in the June quarter – although growth eased from the above-1% pace in the preceding three quarters.

The outlook for real GDP growth remains solid, albeit at a slower pace than over the past year – supported by strong population growth. Activity indicators showed some mixed results through September, with business confidence sliding further but firms' own activity outlook and other details were more encouraging.

The SNA terms of trade declined from their peak in the March quarter, contributing to a fall in nominal GDP and a reduction in the seasonally adjusted quarterly goods surplus in the June quarter. That said, the annual current account deficit narrowed further, as the drought-affected June quarter in 2013 dropped out of the annual calculation. Further commodity price declines, combined with a marginally softer near-term outlook for inflation, mean the outlook for nominal GDP growth has softened for the year ahead.

Business services drive June quarter growth

Headline seasonally adjusted real production GDP rose 0.7% in the June quarter, slowing from the 1% pace in the preceding three quarters. The outturn was close to market expectations and Treasury's Pre-election Economic and Fiscal Update (PREFU) forecast of 0.8%.

All service industries recorded increases in activity in the quarter, more than offsetting contractions in the primary industries and manufacturing. Business services output rose 4.2% and contributed 0.4 percentage points to the quarterly outturn. Wholesale trade, and retail trade and accommodation services grew strongly, up 2.2% and 1.4% respectively, with the latter supported by the close proximity of Easter, ANZAC Day and the school holidays which encouraged households to take extended holidays.

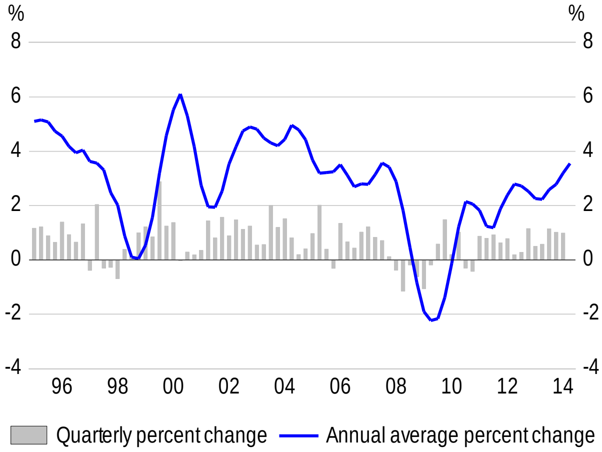
Activity in the construction industry rose 2.3%, following the 12.5% surge in the March quarter and contributed 0.2 percentage points to quarterly growth. The increase was driven by heavy and civil engineering construction – non-residential construction rose 2.5% supported by commercial building – while residential building activity declined 0.2%, largely holding onto the strong gains from the March quarter.

Primary production contracted 3.1% in the quarter with end-of-season dairy production impacted by dry conditions in some regions. The subsequent decline in downstream dairy processing drove a 0.3% decline in manufacturing output. The BNZ-BusinessNZ PMI remained firmly in expansionary territory in August – with the production indicator increasing to its highest level since July 2013. Slaughter numbers and milk production in the quarter to date indicate a solid bounce-back for manufacturing and primary production in the September quarter.

Mining activity declined 4.6% in the June quarter as the boost from increased oil exploration in the Taranaki and Canterbury basins ended.

In annual terms, the economy continued to grow at an above-trend growth rate with output 3.9% higher in the June quarter than a year ago. Output grew 3.5% higher in the year ended June, increasing from 3.2% in the year ended March (Figure 1).

Figure 1: Real Production GDP growth



Source: Statistics NZ

Real expenditure GDP growth slows…

Seasonally adjusted real expenditure GDP growth slowed to 0.5% in the June quarter, following an upwardly revised 1.4% rise in the March quarter.

The expenditure and production measures of GDP are theoretically the same, but use different data sources, so can differ in practice. The production measure of GDP shows the volume of goods and services produced, while the expenditure measure shows how these were used. The expenditure measure of GDP, and in particular nominal expenditure GDP, is an important driver of Treasury's tax forecasts as it is the only measure of nominal GDP available on a quarterly basis.

The external sector made a large negative contribution with a fall in export volumes (down 2.9%), combined with a rise in import volumes (up 2.9%), together subtracting 1.8 percentage points from growth in the quarter. Six of the ten export categories recorded falls, led by exports of other food, beverages and tobacco (down 11%); exports of meat and dairy products also fell.

Capital goods led the rise in imports – up 11.0% in the quarter and 26.1% in the year ended June. Imports of plant and machinery and transport equipment (including Air New Zealand's Boeing 787 Dreamliner) were both strong and were reflected in increased fixed investment (up 0.4%) and higher inventories which contributed 0.8 percentage points to quarterly growth.

As expected, private consumption expenditure bounced back from the flat March quarter outturn, rising 1.2%. Both services and durables consumption rose 1.4% in the quarter. A decline in tourism expenditure meant a larger share of sales of goods and services in New Zealand were attributed to residents, which boosts private consumption growth but lowers services exports.

Overall, real GDP growth in the June quarter was consistent with activity indicators showing that the pace of growth has slowed. That said, quarterly growth is expected to ease only slightly from the above-1% pace seen over previous quarters and a slight increase in annual average growth is expected for the year ended December 2014.

…and some mixed results in sentiment surveys

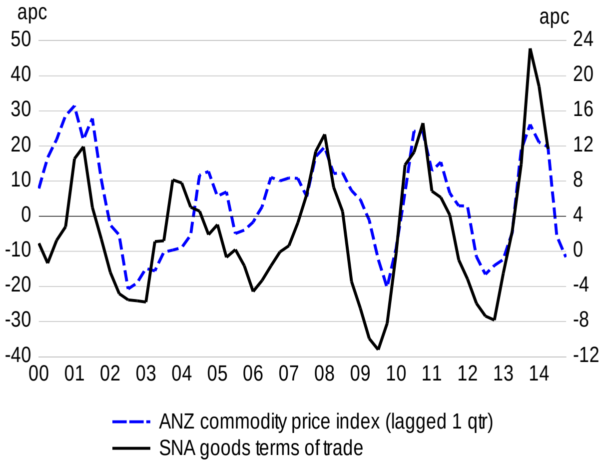
The September ANZ Business Outlook survey saw business confidence ease for the seventh consecutive month to a net 13.4% (24.4% in August) of businesses expecting conditions to improve in the next year – remaining a touch above its historical average. Other details were more encouraging with firms' own activity outlook, investment intentions, exports and hiring intentions all rising in the month. Analysts noted that pre-election uncertainty may explain some of the divergence between the fall in confidence and own-activity expectations.

For the household sector, consumer confidence eased further in the September quarter. The Westpac-McDermott Miller consumer confidence index dipped four points to 116.7, and the ANZ-Roy Morgan index (quarterly average) dipped two points to 128.6, but both remained elevated.

Terms of trade fall from March quarter peak…

The SNA goods terms of trade declined 3.0% in the June quarter (Figure 2) driving a 2.1% decline in the total SNA terms of trade. A 5.0% drop in goods export prices – reflecting the impact of the decline in dairy and forestry prices on merchandise exports – was partially offset by a drop in goods import prices.

Figure 2: Commodity prices and terms of trade



Source: Statistics NZ, ANZ

The fall in the terms of trade contributed to a 0.7% contraction in nominal GDP, significantly weaker than our PREFU forecast of a 0.5% rise. However, nominal GDP was 7.8% higher in the year to June 2014 than in the previous June year.

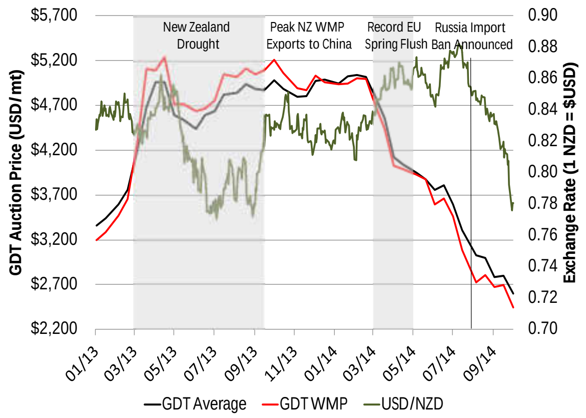
The weaker outturn, combined with historical revisions, resulted in nominal GDP in the June year being $2.1 billion lower than forecast in the PREFU. Approximately two-thirds of this reflected revisions to historical data, and with provisional tax revenue already available for the 2014 fiscal year at the time of PREFU this 'base effect' has limited implications for tax forecasts for the current year but helps to explain the weakness in tax revenue against Budget forecasts.

…and commodity prices continue to slide…

The ANZ world commodity price index eased further in August – its sixth consecutive decline – down 3.3% in the month and 11.9% since its peak in February. The monthly fall was driven by an 11.8% decline in dairy prices, which was partially offset by a 4.1% increase in meat, skins and wool prices. September's GlobalDairyTrade auctions also point to a further softening in dairy prices, with the average winning price down 7.4% across the September month from August (Figure 3). The GDT price index fell a further 7.3% at the overnight auction on the 2 October.

The PREFU identified dairy prices as a key risk to the economic outlook and these further falls, combined with a slightly softer near-term outlook for inflation, point to further softness in nominal GDP growth in the year ahead.

Figure 3: Dairy prices and exchange rate



Source: GlobalDairyTrade, Haver

That said, the currency has depreciated rapidly in the past week with confirmation that the RBNZ intervened in currency markets by selling $521 million NZD in August. This followed a statement from the Reserve Bank Governor on "Why the exchange rate is unsustainable and unjustified" which backed up the policy assessment from the September MPS that noted the exchange rate had not adjusted to materially lower commodity prices.

Combined with a strengthening USD as a result of a stronger US economy and more risk-off global sentiment, the Bank's releases saw the NZD decline 3.4% against the USD to 0.7796 and the TWI decline 2.6% to 76.2 in the past week. It is too early to assess the impact of these recent movements, and it partly depends on where the currency moves from here, but we would expect higher tradable inflation and some support for the tradable sector of the economy.

The Reserve Bank had indicated in its Monetary Policy Statement earlier in the month that it would "undertake a period of monitoring and assessment" before considering further increases in its policy rate in the light of recent economic developments and uncertainties. Market commentators do not expect an increase in the cash rate before March 2015.

…leading Fonterra to downgrade its farm gate milk price forecast

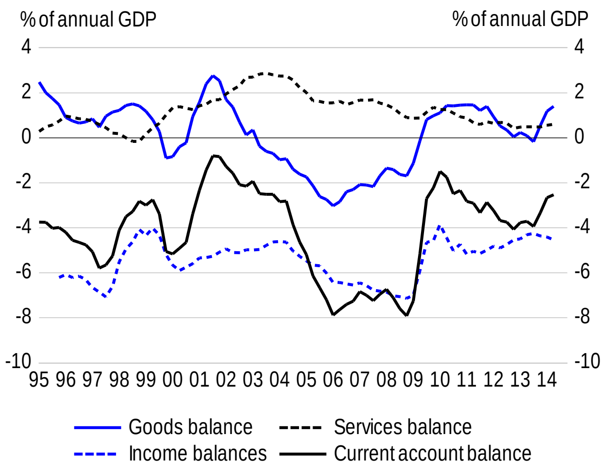
Reflecting the falls in dairy prices, Fonterra downgraded its farm gate milk price forecast for the current season at its year-end results announcement from $6.00 per kilogram of milk solids (kgMS) to $5.30/kgMS, but increased the forecast dividend to 25-35 cents per share. This represents a $5.55-5.65/kgMS payout for a fully share-backed farmer – a 34% fall from the 2013/14 season payout of $8.50. Fonterra noted high global milk production, the impact of Russia's trade ban and high Chinese inventory as the main drivers leading to the downward revision.

On currently forecast volumes, and assuming other dairy processors revise their payout figures in line with Fonterra's, this represents around a $5 billion decline in dairy farm revenue from the 2013/14 season. Fonterra also emphasised the downside risks to this forecast, which assumes a significant recovery in whole milk powder prices later in the season. Given Fonterra's payout structure smoothes payments across the season, we can expect this to impact farm income more significantly in the December quarter of 2014.

Annual current account deficit narrows…

The decline in the terms of trade, as well as lower export volumes in the June quarter, resulted in a sharp narrowing in the seasonally adjusted quarterly goods surplus from $1.6 billion to $300 million. However, the annual goods surplus strengthened to $3.2 billion (1.4% of GDP) from $2.7 billion as the drought-affected June quarter of 2013 dropped out of the annual calculation.

Figure 4: Current account components



Source: Statistics NZ

As a result, the annual current account deficit narrowed in the June quarter to 2.5% of GDP from

2.7% of GDP in the March quarter (Figure 4). The outturn was in-line with Treasury and market expectations, with little effect on the headline figures from the introduction of the updated international standard (Balance of Payments Manual 6). Under this new standard the income balance is now known as the primary income balance, while the transfers balance is renamed the secondary income balance.

The annual services surplus widened to $1.4 billion, from $1.3 billion but remained steady as a percent of GDP at 0.6%. Total services exports have been supported by travel services exports in the past year. This reflects strong growth in visitor arrivals and higher per visitor average spend with a greater proportion of arrivals from North America, Europe and China who tend to have relatively higher average spends.

The annual primary and secondary income deficit widened to $10.4 billion (4.3% of GDP) from $10 billion (4.2% of GDP), reflecting higher company profit outflows – in line with strong profit announcements recently.

Looking forward, the annual goods balance is expected to begin deteriorating from the September quarter as commodity price declines continue to flow through to export receipts with their usual lags. We expect the quarterly goods balance to move into deficit in the September quarter with the annual current account deficit widening slightly, before exhibiting a more marked widening in the December quarter.

…and net international liability position improves

New Zealand's net international liability position declined to 65.3% of GDP ($149.7 billion) at the end of the June quarter from a revised 66.9% of GDP ($151.0 billion) at the end of March. As a share of GDP, the net liability position was its lowest since the December 2001 quarter.

The reduction from the March quarter was largely driven by a $2.5 billion increase in New Zealand's international equity assets, partially offset by a $1.1 billion increase in debt. The former reflects better performing global equity markets.

Near-record net migration in August…

The seasonally adjusted net inflow of permanent and long-term migrants was at near-record levels in August at 4,700. This took annual net migration to 43,500 – the highest ever annual net inflow, surpassing the previous record set in May 2003. The surge in net migration has primarily been driven by trans-Tasman migration flows, particularly fewer departures. That said, the annual turn-around is increasingly being driven by increased arrivals from other countries such as India, China and Britain. This channel now accounts for around 25% of the turn-around with around 60% of that attributable to student visas. This bodes well for growth in education services exports in the year ahead, which accounted for around 15% ($2.4 billion) of total services exports in the June 2014 year.

…but housing market activity soft in August

Despite strong inflows of migrants over the past year, housing market activity softened in August. Seasonally adjusted house sales volumes fell 4.9% in the month, reversing July's 4.7% rise and ending the string of gains since April. The REINZ house price index rose 0.2% in the month, with annual house price inflation easing further to 4.8% from 5.9% previously, reflecting the decline in sales activity earlier in the year.

Seasonally adjusted new dwelling consents (excluding apartments) were also soft in August, down 1.6%, after the 2.3% decline in July, posing some downside risk to residential investment growth. This partly reflects a moderation in consent issuance in Canterbury and softer sales activity earlier in the year. We expect the housing market to stabilise and consent growth to pick-up again over the next few quarters.

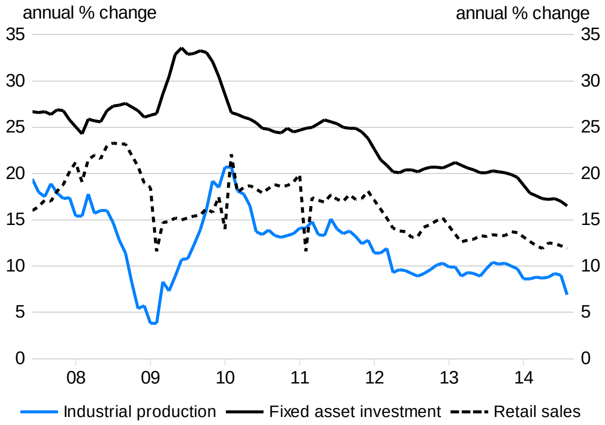
Uneven global growth amidst high risks

International economic developments continue to reinforce an uneven outlook for global growth across the major economies. A more entrenched recovery in the US and UK is expected to lead to monetary policy tightening, while weak demand and inflation in the euro area led to further monetary easing by the European Central Bank (ECB). The USD appreciated strongly in the month, owing to the positive US growth outlook as well as heightened geopolitical risks, which contributed to large declines in the NZD and the AUD.

Chinese activity slows in September quarter...

Activity in China weakened over the September quarter. Growth in industrial production (IP) fell to a post-GFC low of 6.9% on a year ago in August, from 9.1% in July, and growth in nominal retail sales and fixed asset investment also continued to slow (Figure 5). Lower Chinese demand led to a 12% fall in iron ore prices in the month, to under US$80/tonne. Broad-based fiscal stimulus is unlikely, as the government indicated that it is comfortable with the current pace of growth and is focused on a wider range of economic objectives, including price stability and employment. However, authorities introduced some targeted monetary stimulus, including the provision of short-term liquidity for selected banks, to support the housing market and growth. Still, growth may fall short of the 7.5% target this year.

Figure 5: Chinese economic activity



Sources: Haver, China National Bureau of Statistics

...and Australian growth fell in June quarter...

Growth in the Australian economy was soft at 0.5% in the June quarter, although still solid compared with many advanced economies. Investment growth continued to be weak and exports declined, attributed to lower Chinese demand. The value of mineral ore exports fell 14% in the June quarter from an increase in the previous quarter, and was up only 2% on a year ago, while changes in inventories contributed to growth as export goods were stockpiled. Meanwhile, earlier declines in consumer confidence affected household consumption growth. All told, economic activity showed little rebalancing into the non-mining sectors and mining exports in the quarter.

...while activity and price stability remain fragile in some major advanced economies...

Demand and price stability are fragile in the euro area and Japan. In the euro area, retail sales volumes fell 0.4% in July and were up just 0.8% on a year ago, as a weak labour market weighed on incomes, with the unemployment rate remaining at 11.5% in August. IP rebounded 1.0% in July after falling for two months, but the decline in PMIs in August and September shows slower expansion in business activity. Reflecting weak demand, inflation fell to a post-GFC low of 0.3% in September. In Japan, demand remains weak after the sales tax rise in April. Retail sales values grew just 0.9% from a year ago in August, IP was down 2.9% on a year ago, and the PMIs showed limited recovery in activity. While headline inflation was strong (3.3%), inflation excluding the effect of higher taxes has fallen.

...but recovery in the US and UK is sustained...

Strong domestic demand is driving the recoveries in the US and UK economies. In the US, the ISM PMIs showed strong growth in activity in August, contributing to the ongoing labour market recovery; non-farm payrolls rose 207,000 a month in the three months to August and the unemployment rate eased to 6.1% in the month. Better job prospects boosted consumer confidence, supporting household income and spending. The housing market has stabilised since early 2014, with a recovery in home sales and construction, although housing demand and house price growth are unlikely to pick up further as mortgage rates are expected to gradually increase.

The UK's cyclical upswing also continued: the 3-month average of the unemployment rate fell 0.1% points to a post-GFC low of 6.2% in July, leading to solid growth in retail spending, and house price growth remained strong despite some easing. However, inflation fell to 1.5% in August, owing to ongoing low wage growth and a strong pound.

...pointing to monetary policy divergence...

As activity strengthened, the Bank of England (BoE) and the US Federal Reserve (Fed) are on track to tighten monetary policy in 2015. The Fed reduced its asset purchase programme by $10 billion to $15 billion in October and expected to end the programme then. The market expects the Fed to begin to raise its policy rate in June 2015; an earlier rate rise appears unlikely, partly as inflation in August at 1.7% was below the Fed's 2% target. US bond yields rose and the USD appreciated following Fed announcements during the month. The BoE indicated that its policy rate is likely to be increased soon, with markets pricing in the first rate rise in February 2015. Expectations of monetary tightening in the US and UK contributed to volatility in equity prices.

Meanwhile, the ECB eased monetary policy at its September meeting, cutting both its policy rate and the deposit rate for commercial banks, and announced the purchase of private sector assets. The ECB indicated that QE remains an option to support price stability, growth and the financial markets. Euro area peripheral government bond yields fell and the Stoxx600 surged early in the month on the ECB policy changes.

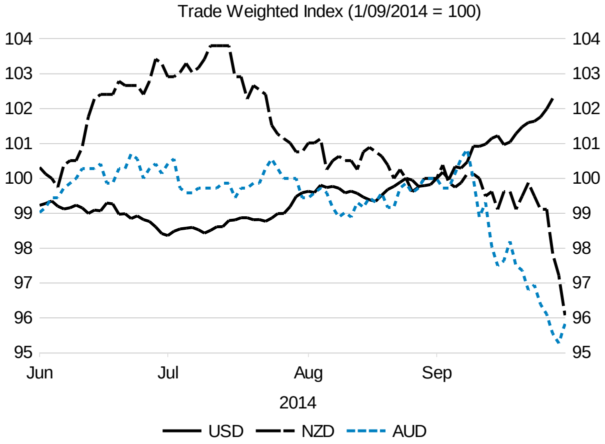
...which together with high geopolitical risks...

Geopolitical risks continued to be high, as Iraqi government forces and US warplanes engaged the Islamic State rebels in the Middle East, and Ukraine's civil conflict remained unresolved, with a fragile ceasefire. US equity prices ended the month slightly lower, while the Stoxx600 declined later in the month. Higher demand for safe-haven assets contributed to a stronger USD and lower US bond yields, and to a fall in hard commodity prices in the month, with oil prices lower (but volatile) despite tensions in many oil-producing regions. In other developments, UK markets were affected by polls showing higher Scottish support for independence from the UK ahead of a referendum; the pound depreciated and government bond yields rose, but these moves were reversed as Scotland voted to stay in the UK.

...have led to ongoing rebalancing in the NZD

The appreciation in the USD, owing to expectations of higher US yields over time and increased safe-haven demand, contributed in part to depreciation in the NZD in September, combined with the release of a statement and data by the RBNZ (see page 4 above). The NZD fell by more than most major currencies against the USD (Figure 6) . The AUD also fell in TWI terms, led by a 6% fall against the USD, driven by lower hard commodity prices and weak Chinese data. The Australasian currencies may decline further as expectations of monetary policy tightening in the US are cemented.

Figure 6: Movements in USD, NZD and AUD



Sources: Federal Reserve, RBNZ, RBA

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

2 October 2014

Quarterly Indicators

		2013Q1	2013Q2	2013Q3	2013Q4	2014Q1	2014Q2	2014Q3
Gross Domestic Product (GDP)								
Real production GDP	qtr % chg[1]	0.5	0.6	1.1	1.0	1.0	0.7	...
	ann ave % chg	2.3	2.2	2.6	2.8	3.2	3.5	...
Real private consumption	qtr % chg[1]	0.9	0.9	0.5	1.2	0.1	1.2	...
	ann ave % chg	2.6	2.6	3.1	3.3	3.4	3.3	...
Real public consumption	qtr % chg[1]	-0.3	0.3	1.9	-0.3	1.4	0.5	...
	ann ave % chg	-1.0	-0.5	0.3	0.9	1.7	2.6	...
Real residential investment	qtr % chg[1]	5.7	1.0	6.3	1.0	11.1	-0.2	...
	ann ave % chg	19.3	17.9	17.5	17.3	17.0	18.1	...
Real non-residential investment	qtr % chg[1]	1.9	5.7	1.4	0.6	-1.4	2.5	...
	ann ave % chg	3.7	3.9	5.5	7.2	8.4	7.2	...
Export volumes	qtr % chg[1]	0.8	-3.2	-0.9	4.0	2.8	-2.9	...
	ann ave % chg	3.0	3.1	1.4	1.3	0.4	0.9	...
Import volumes	qtr % chg[1]	2.0	2.2	4.0	0.2	1.8	2.9	...
	ann ave % chg	1.3	2.5	4.6	6.3	8.0	8.8	...
Nominal GDP - expenditure basis	ann ave % chg	2.1	1.6	2.8	5.2	6.7	7.8	...
Real GDP per capita	ann ave % chg	1.7	1.6	1.9	2.0	2.2	2.4	...
Real Gross National Disposable Income	ann ave % chg	0.9	2.0	3.3	5.4	7.2	7.8	...
External Trade								
Current account balance (annual)	NZ$ millions	-7,967	-7,894	-8,476	-7,350	-6,005	-5,798	...
	% of GDP	-3.8	-3.7	-3.9	-3.3	-2.7	-2.5	...
Investment income balance (annual)	NZ$ millions	-8,923	-8,501	-8,507	-9,026	-9,337	-9,820	...
Merchandise terms of trade	qtr % chg	4.2	4.6	7.5	2.5	1.8	0.4	...
	ann % chg	-2.8	4.3	15.8	20.2	17.3	12.5	...
Prices								
CPI inflation	qtr % chg	0.4	0.2	0.9	0.1	0.3	0.3	...
	ann % chg	0.9	0.7	1.4	1.6	1.5	1.6	...
Tradable inflation	ann % chg	-1.1	-1.6	-0.5	-0.3	-0.6	0.1	...
Non-tradable inflation	ann % chg	2.4	2.5	2.8	2.9	3.0	2.7	...
GDP deflator	ann % chg	0.1	-0.1	3.2	7.2	6.1	3.2	...
Consumption deflator	ann % chg	0.5	0.1	0.6	0.9	0.9	1.1	...
Labour Market								
Employment (HLFS)	qtr % chg[1]	0.2	0.5	1.2	1.1	0.9	0.4	...
	ann % chg[1]	0.4	0.8	2.4	3.0	3.8	3.7	...
Unemployment rate	%[1]	6.2	6.4	6.1	6.0	5.9	5.6	...
Participation rate	%[1]	67.9	68.1	68.6	68.9	69.2	68.9	...
LCI salary & wage rates - total (adjusted)[5]	qtr % chg	0.4	0.4	0.4	0.5	0.3	0.5	...
	ann % chg	1.8	1.7	1.6	1.6	1.5	1.6	...
QES average hourly earnings - total[5]	qtr % chg	0.8	0.2	1.6	0.2	0.5	0.2	...
	ann % chg	2.1	2.1	2.6	2.9	2.5	2.5	...
Labour productivity[6]	ann ave % chg	2.3	1.6	0.6	-0.3	-0.3	-0.3	...
Retail Sales								
Core retail sales volume	qtr % chg[1]	0.9	1.9	-0.1	0.9	1.0	1.2	...
	ann % chg	2.5	4.4	4.3	3.7	3.6	3	...
Total retail sales volume	qtr % chg[1]	0.8	1.4	0.3	1.3	0.8	1.2	...
	ann % chg	3.5	4.2	4.7	3.9	3.8	3.6	...
Confidence Indicators/Surveys								
WMM - consumer confidence[3]	Index	111	117	115	120	122	121	117
QSBO - general business situation[4]	net %	22.8	35.9	37.8	52.8	51.7	31.7	...
QSBO - own activity outlook[4]	net %	7.5	9.9	12.7	17.8	24.3	14.9	...

Monthly Indicators

		2014M03	2014M04	2014M05	2014M06	2014M07	2014M08	2014M09
External Sector								
Merchandise trade - exports	mth % chg[1]	4.3	-5.4	2.6	-0.1	-1.8	-2.8	...
	ann % chg[1]	14.2	11.8	12.2	4.3	-3.7	6.9	...
Merchandise trade - imports	mth % chg[1]	0.1	-7.7	0.2	-0.9	-9.3	15.2	...
	ann % chg[1]	12.3	4.4	6.8	8.3	-4.4	-11.8	...
Merchandise trade balance (12 month total)	NZ$ million	798	1095	1320	1191	1254	2018	...
Visitor arrivals	number[1]	233,430	237,490	238,160	237,320	235,860	228,840	...
Visitor departures	number[1]	240,740	236,310	246,890	246,240	238,690	239,200	...
Housing								
Dwelling consents - residential	mth % chg[1]	8.3	3.0	-4.6	5.3	-1.7	0.0	...
	ann % chg[1]	35.5	18.6	7.8	30.1	20.5	15.7	...
House sales - dwellings	mth % chg[1]	-1.7	-6.8	2.3	0.2	4.7	-4.9	...
	ann % chg[1]	-10.0	-20.2	-14.8	-6.3	-13.0	-16.3	...
REINZ - house price index	mth % chg	1.7	0.2	-0.9	0.1	0.2	0.2	...
	ann % chg	9.2	8.5	6.5	6.3	5.9	4.8	...
Private Consumption								
Electronic card transactions - total retail	mth % chg[1]	0.0	0.2	1.4	0.1	0.1	0.5	...
	ann % chg	5.1	5.7	7.6	4.0	5.1	4.1	...
New car registrations	mth % chg[1]	3.3	-0.4	3.5	3.1	1.6	-1.0	...
	ann % chg	26.8	17.5	21.7	25.2	16.6	18.7	...
Migration								
Permanent & long-term arrivals	number[1]	8,780	8,780	9,110	9,200	9,320	9,490	...
Permanent & long-term departures	number[1]	4,890	4,680	5,100	4,920	4,750	4,780	...
Net PLT migration (12 month total)	number	31,914	34,366	36,397	38,338	41,043	43,483	...
Commodity Prices								
Brent oil price	US$/Barrel	107.49	107.78	109.48	111.84	106.81	101.78	*97.40*
WTI oil price	US$/Barrel	100.80	102.07	102.11	105.79	103.59	96.54	*93.03*
ANZ NZ commodity price index	mth % chg	-2.7	-4.7	-2.1	-1.0	-3.4	-0.4	...
	ann % chg	11.7	-3.4	-6.0	-7.8	-11.5	-12.5	...
ANZ world commodity price index	mth % chg	-0.1	-3.7	-2.2	-0.9	-2.4	-3.3	...
	ann % chg	14.0	-2.5	-3.1	-0.3	-3.3	-7.2	...
Financial Markets								
NZD/USD	$[2]	0.8517	0.862	0.861	0.8621	0.8697	0.8435	0.8167
NZD/AUD	$[2]	0.9395	0.9254	0.9255	0.9204	0.9259	0.9065	0.9001
Trade weighted index (TWI)	June 1979 = 100[2]	79.70	80.21	80.10	80.33	80.93	79.23	78.36
Official cash rate (OCR)	%	2.75	3.00	3.00	3.25	3.50	3.50	3.50
90 day bank bill rate	%[2]	3.05	3.24	3.38	3.52	3.67	3.69	3.71
10 year govt bond rate	%[2]	4.58	4.55	4.30	4.42	4.37	4.20	4.20
Confidence Indicators/Surveys								
ANZ - business confidence	net %	67.3	64.8	53.5	42.8	39.7	24.4	13.4
ANZ - activity outlook	net %	58.2	52.5	51.0	45.8	45.1	36.6	37.0
ANZ-Roy Morgan - consumer confidence	net %	132.0	133.5	127.6	131.9	132.7	125.5	127.7
Performance of Manufacturing Index	Index	58.7	54.1	52.8	53.7	53.5	56.5	...
Performance of Services Index	Index	58.1	58.4	54.2	55.2	58.4	57.9	...

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 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