THE TREASURY
Kaitohutohu Kaupapa Rawa

Monthly Economic Indicators

New Zealand Government

June 2018

Executive Summary

- **GDP grew 0.5% in the December quarter**
- **The annual current account deficit widened to $7.9 billion (2.8% of GDP)**
- **Trade data suggests a rebound in June exports with high commodity prices**
- **Early indicators for June quarter consumption look soft, and business confidence fell further**
- **The OCR stayed at 1.75%**
- **Global growth started strong in 2018 though risk around trade are rising**

Real GDP grew 0.5% in the March quarter, below our forecast in the *Budget Economic and Fiscal Update* (BEFU). Residential investment fell, and private consumption was flat. More positively, other investment and public consumption both rose. The combined effect of a slight fall in export prices and an increase in import prices meant the terms of trade fell by 6.7%, contributing to a fall in nominal GDP of 0.4%.

The annual current account deficit widened from a revised $7.7 billion (2.7% of GDP) to $7.9 billion (2.8% of GDP) in the March quarter. This was a slightly larger deficit than the Treasury was expecting, though in line with the market median pick. Trade data has recovered since the March quarter, both through export volumes and high commodity prices.

Consumption indicators for the June quarter were soft. Consumer confidence and house prices continued to fall in May. This was reflected in weak electronic card spending in both April and May. Net migration has been falling in line with forecast, but is still at historically high levels and should add to aggregate demand in the economy.

Business confidence fell further in June, to post election lows. While exports look set to rebound in the June quarter, the soft business confidence and consumption indicators suggest there is a little less momentum in the economy and poses some downside risk to our BEFU GDP forecast in the near-term.

The first quarter of 2018 saw growth in our trading partners increase with a pick-up in growth from Australia and the US. However, risks around trade continue to escalate with tariffs affecting a range of trade between the US and China, and a growing number of other countries. Higher oil prices continue to place pressure on inflation and in turn on US monetary policy.

Analysis

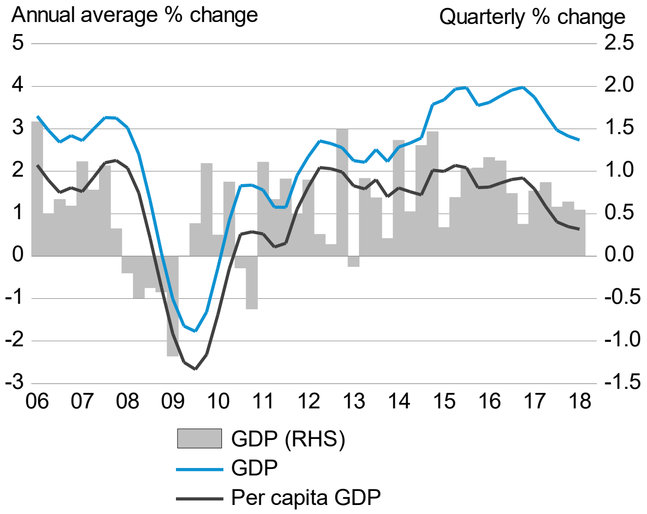
Economic data released in June showed that real GDP expanded 0.5% in the March quarter, led by solid growth in the services industries and some recovery in agriculture, while construction fell. On the expenditure side, private consumption, exports and residential investment were weaker than expected, but other investment and public consumption were stronger.

Indicators for consumption in the June quarter were soft. House prices have fallen for two consecutive months, and electronic cards sales at retail outlets have been weak. Business confidence also declined further. Overseas Merchandise Trade, along with other indicators of agricultural production and prices, suggest we should see a reasonable lift in exports in the June quarter. On balance, there is some downside risk to our BEFU forecast of June GDP.

Real GDP was weaker than expected…

Real production GDP grew 0.5% in the March 2018 quarter, slightly below our BEFU forecast, but in line with the market median. Annual average growth eased to 2.7% (Figure 1). GDP per capita was flat in the quarter, with annual average growth slowing to 0.6%, its weakest rate in seven years.

Figure 1: Real GDP growth (production)



Source: Stats NZ

The services industries led growth, with Business Services and IT-related industries making the largest contributions. Agriculture, forestry and fishing rose 0.8%, but this represented only a partial recovery from large falls in the previous two quarters. The Construction industry fell most in the quarter, down 1.0%, but was still up 1.4% in the year.

Real expenditure GDP grew 0.3% in the quarter, which was expected based on latest indicators, but well below the BEFU forecast.

Imports grew strongly, up 1.2%. However, this was not a response to higher demand, with private consumption flat in the quarter. Instead, strong imports appeared to drive higher inventory levels, which were the largest quarterly contributor to growth.

The population grew 0.6% in the March quarter, and while annual net migration has come off its peak, it was still the main driver. With strong population growth and flat private consumption, private consumption per capita fell 0.6%, the largest decline since the global financial crisis (GFC). Nominal consumption growth per capita, with the exception of one quarter during the GFC, was the weakest in 25 years.

The weakness in consumption may represent a degree of data volatility and follows solid growth throughout 2017. The weakness also appears inconsistent with growing tightness in the labour market and recent strength in wage data. Consumer confidence through March had also recovered to be near previous highs – although it has eased more recently.

Exports fell slightly, and consistent with the fall in construction, residential investment dipped 0.2%. On a more positive note, there was stronger than expected growth in other investment and public consumption.

… with prices also softer than expected

Nominal GDP fell by 0.4% in the quarter. The deflators for all main components of GDP were weaker than forecast, with the exception of imports (higher import prices also act to lower GDP). The small fall (-0.1%) in the consumption deflator was somewhat surprising given the 0.5% increase in the CPI in the quarter.

With export prices weaker and import prices stronger, the SNA goods terms of trade fell by 6.7%. This follows solid gains over much of 2017 but represents the largest single quarterly decline in the current history of GDP data (which go back to 1987).

Tax revenue is only tracking slightly below forecast. GST has come in slightly under, reflecting weaker consumption and residential investment, but source deductions (such as PAYE) have provided an offset.

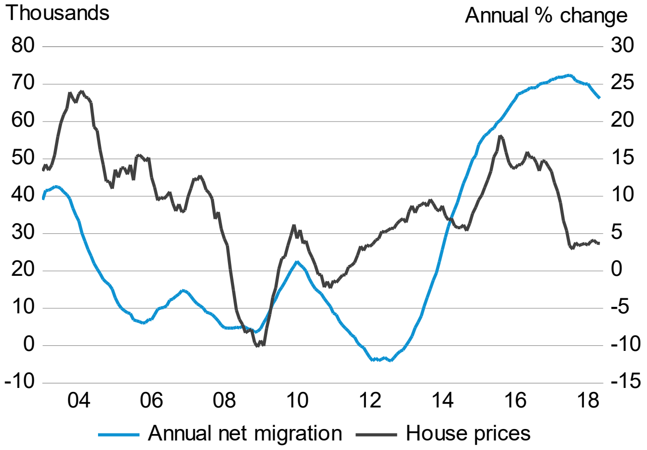
Net migration falling and a cooling housing market…

Annual net permanent and long-term (PLT) migration increased slightly in the May month, but fell 1.2% on an annual basis to 66,243 (Figure 2). Net migration is tracking in line with our BEFU forecast and we expect it to continue falling.

In May, the REINZ house price index (HPI) for New Zealand dipped 0.2% (sa), and was up 3.7% from a year ago (Figure 2). The Auckland HPI was down 0.7% from a year ago. House sales fell in the month and in the three months to May were 2.3% lower than the previous three months. Weak house sales will weigh on growth in residential investment (they are an indicator of transfer costs, which make up around 10% of residential investment). The May outturn suggests that the pick up seen towards the end of 2017 and into the start of 2018 was temporary.

While there is a link between population growth and house prices, the impact of high net migration on house prices has been diminishing for some time. Annual net PLT migration peaked in July 2017 at 72,402. By that time, annual house price inflation had been falling for a year and was down to 3.4%, and Auckland house prices were actually falling.

Figure 2: New Zealand net PLT migration and house prices



Source: REINZ, Stats NZ

Net migration remains at historically high levels and should continue boosting aggregate demand in the economy. However, we do not expect it to add further upward pressure to house prices. We expect the housing market to continue cooling, influenced by government policies, like loss ring-fencing, foreign buyer restrictions, and bright line extensions.

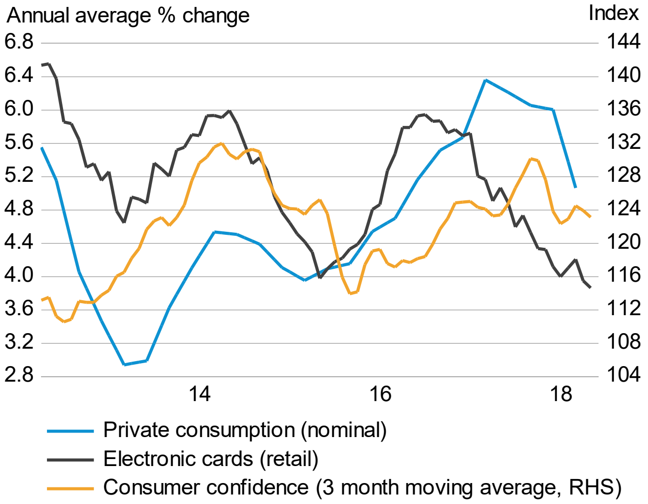
…contribute to a softer outlook for consumption

Consumer confidence and spending tend to be correlated with house price growth. It is known as the wealth effect that people spend more as their house prices increase. Consumer confidence and house prices appeared to be recovering at the start of the year, after a dip following the election. However, consumer confidence has started to fall again in recent months, in line with the softer housing market.

The ANZ- Roy Morgan Consumer Confidence index was 128 in March, but eased to 121 in April and May. The Westpac McDermott Miller Consumer Confidence Index fell 2.6 points to 108.6 in the June quarter. Despite the falls, both indexes are still close to their long-run average.

Weaker house prices and consumer confidence appear to be translating to lower household spending. Electronic card spending at retail industries rose 0.4% (sa) in May, but this followed a large fall in April. Average spending over the past two months was 1.1% lower than the average over the first three months of the year.

Figure 3: Consumption and indicators



Source: ANZ, Stats NZ

Electronic card spending has been a less reliable indicator of private consumption in the past two years, and June data are still to be released. At BEFU, we expected private consumption growth to ease over the forecast. However, this might occur faster than expected, based on electronic card data thus far, as well as a weaker housing market and softer confidence.

The introduction of the Families Package should help to strengthen private consumption. However, most of the impact will not show up in GDP data until the September quarter.

Current account deficit widens in March…

The annual current account deficit widened from a revised $7.7 billion (2.7% of GDP) in December, to $7.9 billion (2.8% GDP) in the March quarter. This was a slightly larger deficit than the Treasury was expecting, though in line with the market median pick.

The increase was driven by a widening goods deficit. Goods exports fell by $0.8 billion (sa) from the December quarter, with weakness in both meat and dairy. Goods imports rose $0.4 billion. The annual primary and secondary income deficit also increased.

The services surplus increased, but less than expected, with services exports (largely tourism) increasing by just $0.1 billion compared to expectations of a $0.3 billion rise.

…and the international investment position improves

New Zealand's net international liability position improved to $156.1 billion (54.5% of GDP) from a revised $156.9 billion (55.4% of GDP); with the value of overseas assets held by New Zealanders increasing, while the value of New Zealand assets held by non-New Zealanders fell.

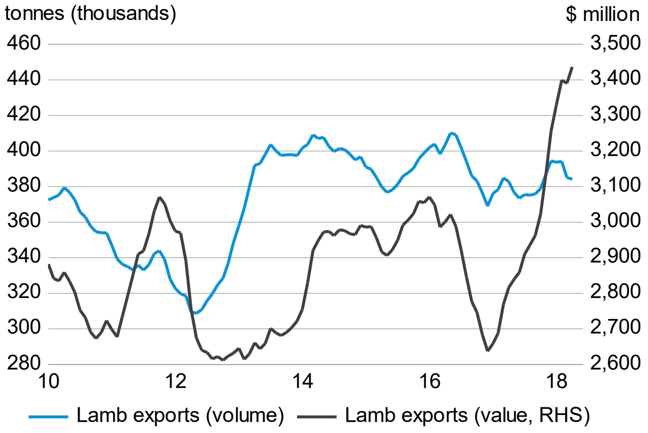
The main driver of the improved position was a fall in the NZ exchange rate and depreciation of NZX-listed companies (which are partly foreign-owned). The combined effect of these two factors reduced the value of New Zealand assets held by non-New Zealanders.

Trade data show a positive outlook for June exports…

On a seasonally adjusted basis, trade data for May showed a small fall in exports but a larger fall in imports, narrowing the trade deficit from $455 million to $248 million.

Meat export volumes remained strong in May following a large rise in April, boosted by lamb export volumes. Lamb prices have also been increasing strongly, taking the value of annual lamb exports to a record high of over $3.4 billion (Figure 4). Slaughter statistics also recovered from weakness in the March quarter.

Figure 4: Annual lamb exports



Source: REINZ, Stats NZ

Dairy export volumes rose in April, and despite a drop in volumes in May, a lift in prices meant export values remained high. Milk production finished the season strongly with good volumes in April and May.

Petroleum imports eased in May, following several months of very high imports. Oil companies had been building up stocks to cover the period that the Marsden Point refinery is closed. Capital goods imports continued to be strong, suggesting investment growth has continued into the June quarter (other investment rose 0.6% in March).

The ANZ commodity price index showed solid growth through April and May and is now at a record high. The index averaged 215 through the March quarter, and was 233.8 in May.

Overall, the trade balance and net exports are likely to improve in the June quarter, following the weakness experienced in March. High commodity prices and the signal on agricultural production suggest some bounce back from March weakness.

…but business confidence declines further

The ANZ Business Confidence Index appeared to be recovering earlier in the year but is now back to post election lows. June business confidence showed a net 39% of businesses pessimistic about the year ahead. The own activity index, which is a better indicator of GDP growth, also fell in June. While the own activity index still shows a net 9% of firms optimistic about their own outlook, this was the lowest result since the election and consistent with other weaker data.

Outlook for GDP

While the March result was weaker than expected, we still expect some pick-up in growth. This reflects that we have only seen a partial recovery in agriculture-related industries from the adverse weather conditions late last year. Trade data so far supports a recovery in exports in the June quarter, but this recovery is partly dependent on the impact of Mycoplasma bovis.

At BEFU, we were expecting average growth in residential investment to be flat over the first half of 2018. While March was weaker than expected, we may see more construction activity occur in June; especially, given longer lags in construction associated with an increasing share of apartments rather than standalone houses. Recent consents outturns have also been slightly stronger than expected.

While indicators for exports look positive for the June quarter, the soft consumption indicators and fall in business own activity outlook suggest there is less momentum in the economy, and pose some downside risk to our near-term GDP outlook.

The OCR remains at 1.75%

As expected, the Reserve Bank held the official cash rate at 1.75% in June, and said monetary policy needed to be stimulatory for "some time".

Global GDP growth remains strong…

Real GDP growth among our major trading partners began the year strongly, rising 4.1% from the same quarter a year ago, its fastest pace since 2010, and well above its 20-year average growth rate (Table 1). Overall, outturns are a little stronger than expected at the time of our Budget forecasts.

In advanced economies, Australia (more detail below) and the US led the lift in trading partner growth, while growth in the euro area and Japan slowed (Table 1). Final GDP data for the US and euro area showed annual growth of 2.8% and 2.5% respectively. For the US, this was the eighth consecutive quarter in which annual growth rates have lifted. In the euro area, slower growth partly reflects some temporary weather related factors. However, business sentiment has also cooled, which some commentators attribute to rising trade uncertainty and other political events threatening stability in some large economies. Euro area data for the June quarter so far suggests that growth is likely to remain around current rates. In Asia, continued strength in China and a pick-up in growth from Singapore helped support a lift in total Asia growth.

Table 1: World GDP (APC)

	2017q4	2018q1
Total adv. economies	**2.4**	**2.6**
Australia	2.4	3.1
US	2.6	2.8
Japan	2.0	1.1
Euro area	2.8	2.5
UK	1.4	1.2
Canada	3.0	2.3
Total Asia	**5.6**	**5.8**
China	6.8	6.8
Korea	2.8	2.8
Singapore	3.6	4.4
Taiwan	3.4	3.1
Malaysia	6.0	5.4
Indonesia	5.2	5.1
Thailand	4.0	4.8
Hong Kong	3.3	4.7
Philippines	6.6	6.8
India	7.1	7.7
Total TPG growth	**3.9**	**4.1**

Source: Haver

…but trade risks are rising

However, risks to global growth continue to grow. In particular, trade tensions between the US and China have escalated somewhat, and a number of additional countries have begun to retaliate to initial tariffs by the US.

On 15 June, the US administration announced 25% tariffs on $50 billion worth of imports from China with the first $34 billion (mainly machinery, parts and electronic machinery) effective on 6 July and the rest (mainly electric integrated circuits) to be reviewed and finalized in the next 1-2 months. China responded proportionally, imposing tariffs on imports from the US to be effective on the same date. The targeted goods included soybeans, automobiles, energy, and chemical products.

Further retaliations have been threatened by both the US and China. The value of US goods China can impose tariffs on is limited by the USD$133 billion of goods it imports each year from the US, compared with USD$522 billion of Chinese exports to the US. Although this trade imbalance implies China has relatively less scope to retaliate via other tariffs, there is a significant US business presence in China that could be subjected to trade restrictions. For example, a recent research piece by Deutsche Bank notes that General Motors sold more cars in China than in the US last year, and that there are more than twice as many active iphones in China than in the US. However, because these goods were made in China, they do not show up as exports from the US. Deutsche Bank estimate non-export US business sales to be over USD$220 billion.

China's currency is controlled via a daily central parity rate which establishes a band at which the yuan, also called the renminbi, is allowed to trade against the USD. Controlling the currency also means China can control the value of its exports. The central parity rate has been steadily depreciating, with the yuan falling 3.0% against the US dollar between 14 June and 27 June.

Meanwhile, other countries have also begun implementing counter tariffs to the US's initial tariffs on steel and aluminium. The EU has imposed 25% tariffs on €2.8bn worth of American goods. The targeted goods include, steel, motorbikes, and oranges. India retaliated with reciprocal tariffs on $240 million worth of goods, including chickpeas, walnuts, almonds and lentils. The US has proposed, additional tariffs on EU cars, though the detail on this not been confirmed.

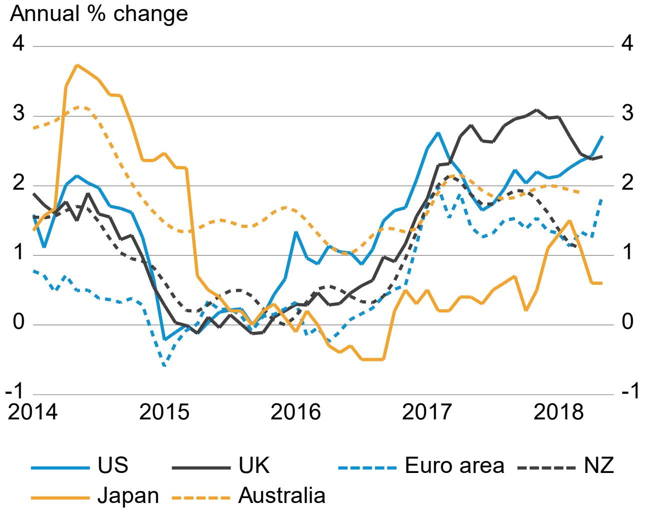
The recent developments in international trade protectionism are fuelling fears of a global trade war, which would slow global growth. At this stage, most analysts expect ongoing tensions to persist but in light of the large downsides to all sides from ongoing escalation, believe a full blown trade war will be avoided.

Higher oil prices begin to feed through to higher inflation in some economies

Oil prices have generally remained around USD$67 a barrel (WTI) in June. Prices declined a little at the end of May but subsequently increased when OPEC failed to increase production as much some analysts had anticipated. Higher oil prices are also beginning to feed into higher global inflation. US inflation rose 0.4% in May, leading to an annual increase of 2.8%, the second highest reading since 2012 (Figure 5). Core inflation also lifted to 2.2%, from 2.1% in April. Canada and the euro area also had the highest annual inflation in some time at 2.3% and 1.9% respectively.

Locally, rising oil prices contributed to a record fall in the SNA goods terms of trade in the March quarter. Alongside this, the NZD has recently depreciated against the USD putting additional pressure on all tradeables price. Together, this has led petrol prices to rise around 5% in the June quarter, providing some offset to the weak food prices in the April and May months. Overall, our forecast at Budget of 0.5% CPI inflation in the June quarter still looks reasonable.

Figure 5: World CPI



Source: Haver

Solid economic data in Australia…

In Australia, March quarter GDP lifted 1.0% bringing annual growth to 3.1% from 2.4% in December. The outcome was slightly above market expectations, helped by revisions to prior quarters that were positive on balance.

Real household consumption expenditure rose 0.3%, following strong growth in previous quarters, to be up 5.6% from the same quarter a year ago. Even though real consumption growth was soft, nominal household spending (0.9%) outstripped household income growth (0.7%) and the household savings rate declined 0.2 percentage points to a new decade low of 2.1%.

Public consumption, net exports and inventories also made positive contributions to growth. The long-awaited expansion in LNG output capacity underpinned a rise in net export. Most expect a further lift in June quarter exports, before its contribution fades and becomes growth neutral into year end. Private business and residential investment posted gains in the quarter, but public investment contracted and, on net, investment delivered just 0.1 percentage point to growth.

The outlook is for growth to remain around 3.0% over the year, in part due to the ramp up in LNG exports and investment in public infrastructure. However, the household sector is facing significant headwinds – weak wage growth, easing house prices and high debt levels – which will continue to restrain growth.

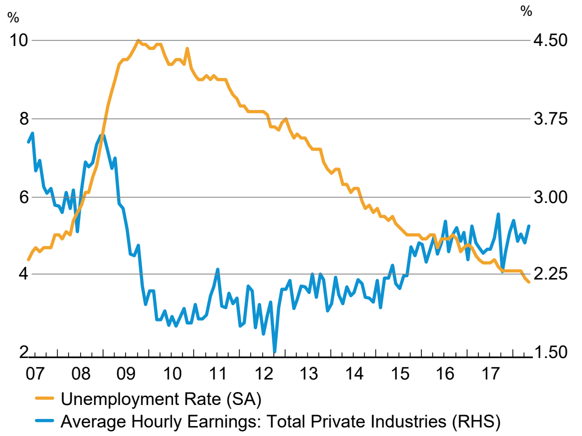
Despite higher GDP growth, a shift in monetary policy is unlikely in the near future with wage growth remaining subdued. Recent labour market data show employment growth has slowed from a rapid rate over the past year. The unemployment rate has fallen to 5.4%, though this was driven by a decline in the participation rate, suggesting slack in the labour market is unlikely to have declined significantly. A pick-up in wage growth is therefore unlikely.

…and in US, putting pressure on monetary policy

Along with strong CPI inflation, the US is facing tight labour market conditions with unemployment declining to 3.8% in May, equal to the lows seen in April 2000 and 1969 (Figure 6). Employment growth remained solid at 1.7% in the year to May. Tightness in the labour market is being reflected in wages with average hourly earnings growth rising 2.7% from a year ago, and labour earnings up 5.0% from a year ago. In a further sign of labour market tightness, the JOLTS labour market report showed the number of available workers per job opening to be the lowest since 1970.

A tightening labour market, along with rising CPI, and solid GDP growth, continues to place upward pressure on monetary policy. The Federal reserve raised rates in June from 1.25%-1.50% to 1.50%-1.75%, in line with expectations. The Committee's economic projections were also upgraded. An additional two interest rate hikes are now the median number expected by the committee, in line with our own forecasts at Budget.

Figure 6: US unemployment and wages.



Source: Haver

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New Zealand Key Economic Data

Quarterly Indicators

		2016Q3	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4	2018Q1
Gross Domestic Product (GDP)								
Real production GDP	qtr % chg[1]	0.7	0.4	0.8	0.9	0.6	0.6	0.5
	ann ave % chg	3.9	4.0	3.7	3.3	3.0	2.8	2.7
Real private consumption	qtr % chg[1]	1.4	0.8	1.2	0.8	0.9	1.2	0.0
	ann ave % chg	4.9	5.1	5.5	5.2	4.6	4.4	3.8
Real public consumption	qtr % chg[1]	1.0	1.1	1.1	1.1	2.7	-0.1	0.5
	ann ave % chg	1.2	1.6	1.9	3.0	4.2	4.6	4.9
Real residential investment	qtr % chg[1]	-0.5	0.2	-1.2	-0.8	2.9	0.5	-0.2
	ann ave % chg	11.7	11.8	9.5	5.0	2.5	0.7	0.6
Real non-residential investment	qtr % chg[1]	1.4	0.5	1.1	1.0	1.1	3.9	0.6
	ann ave % chg	2.9	4.1	3.9	3.9	4.3	4.8	5.5
Export volumes	qtr % chg[1]	-1.1	-2.2	0.7	4.5	0.6	-0.3	-0.1
	ann ave % chg	3.0	1.6	0.7	0.0	0.5	2.3	3.9
Import volumes	qtr % chg[1]	2.0	1.1	1.5	0.5	2.6	3.7	1.2
	ann ave % chg	1.8	3.4	5.1	6.0	6.2	6.7	7.0
Nominal GDP - expenditure basis	ann ave % chg	5.2	6.0	6.1	6.4	6.8	6.5	6.0
Real GDP per capita	ann ave % chg	1.8	1.8	1.6	1.2	0.8	0.7	0.6
Real Gross National Disposable Income	ann ave % chg	4.4	5.3	4.8	4.5	4.4	3.5	3.4
External Trade								
Current account balance (annual)	NZ$ millions	-6,577	-5,985	-7,156	-7,145	-7,013	-7,697	-7,910
	% of GDP	-2.5	-2.2	-2.6	-2.6	-2.5	-2.7	-3
Investment income balance (annual)	NZ$ millions	-7,611	-7,133	-7,700	-7,952	-8,471	-9,430	-9,525
Merchandise terms of trade	qtr % chg	-1.2	5.8	3.9	1.1	1.3	1.4	-1.8
	ann % chg	-1.2	6.7	6.5	9.7	12.6	7.9	2.0
Prices								
CPI inflation	qtr % chg	0.3	0.4	1.0	0.0	0.5	0.1	0.5
	ann % chg	0.4	1.3	2.2	1.7	1.9	1.6	1.1
Tradable inflation	ann % chg	-2.1	-0.1	1.6	0.9	1.0	0.5	-0.4
Non-tradable inflation	ann % chg	2.4	2.4	2.5	2.4	2.6	2.5	2.3
GDP deflator	ann % chg	1.5	4.2	3.8	2.9	3.6	3.1	1.3
Consumption deflator	ann % chg	0.2	0.8	1.6	1.3	1.5	1.5	0.6
Labour Market								
Employment (HLFS)	qtr % chg[1]	1.1	0.9	1.1	-0.1	2.2	0.4	0.6
	ann % chg[1]	6.1	5.8	5.7	3.1	4.2	3.7	3.1
Unemployment rate	%[1]	4.9	5.3	4.9	4.8	4.6	4.5	4.4
Participation rate	%[1]	70.1	70.5	70.6	70.1	71.1	70.9	70.8
LCI salary & wage rates - total (adjusted)[5]	qtr % chg	0.5	0.4	0.4	0.4	0.6	0.4	0.3
	ann % chg	1.7	1.6	1.6	1.7	1.8	1.8	1.8
QES average hourly earnings - total[5]	qtr % chg	0.5	-0.1	0.5	0.6	1.2	0.8	0.9
	ann % chg	1.7	1.3	1.5	1.6	2.2	3.1	3.5
Labour productivity[6]	ann ave % chg	-0.3	-1.3	-2.7	-1.7	-1.5	-0.7	-0.3
Retail Sales								
Core retail sales volume	qtr % chg[1]	0.4	1.4	1.4	1.9	0.5	1.8	0.6
	ann % chg	5.3	4.9	4.9	5.2	5.2	5.6	4.8
Total retail sales volume	qtr % chg[1]	1.0	1.4	1.5	1.8	0.3	1.4	0.1
	ann % chg	5.3	4.8	5.4	5.8	4.6	5.4	3
Confidence Indicators/Surveys								
WMM - consumer confidence[3]	Index	108	113	112	113	112	107	111
QSBO - general business situation[4]	net %	25.7	28.3	17.1	17.8	5.2	-11.8	-10.7
QSBO - own activity outlook[4]	net %	39.2	27.0	20.6	18.4	35.2	18.7	10.9

Monthly Indicators

		2017M11	2017M12	2018M01	2018M02	2018M03	2018M04	2018M05
External Sector								
Merchandise trade - exports	mth % chg[1]	-0.7	15.6	-16.4	2.5	-3.4	6.0	-0.3
	ann % chg[1]	19.1	24.7	8.6	10.7	4.4	5.3	10.4
Merchandise trade - imports	mth % chg[1]	4.7	-4.7	0.8	-5.1	5.7	0.8	-4.3
	ann % chg[1]	27.0	10.8	18.6	4.9	14.3	14.5	5.7
Merchandise trade balance (12 month total)	NZ$ million	-3466	-2850	-3286	-3056	-3476	-3830	-3598
Visitor arrivals	number[1]	323,580	313,920	314,110	323,940	319,200	315,870	324,250
Visitor departures	number[1]	322,420	324,500	314,740	319,400	326,960	321,120	316,200
Housing								
Dwelling consents - residential	mth % chg[1]	9.7	-9.1	0.3	6.3	13.0	-3.7	...
	ann % chg[1]	8.6	-1.6	9.4	-0.2	5.3	29.6	...
House sales - dwellings	mth % chg[1]	8.5	-1.0	4.7	0.4	-3.5	1.4	-2.5
	ann % chg[1]	-6.1	-6.9	5.5	4.3	-7.6	9.1	1.3
REINZ - house price index	mth % chg	0.7	0.6	0.4	0.6	0.4	-0.2	-0.2
	ann % chg	3.5	3.7	3.5	3.9	4.1	3.7	3.7
Private Consumption								
Electronic card transactions - total retail	mth % chg[1]	1.2	0.4	1.4	-0.5	1.5	-2.2	0.4
	ann % chg	5.0	3.8	4.1	4.0	6.7	1.4	4.2
New car registrations	mth % chg[1]	5.2	-8.5	2.8	-8.6	-4.0	0.1	12.1
	ann % chg	12.1	4.7	6.2	-4.2	-11.9	-9.0	-0.6
Migration								
Permanent & long-term arrivals	number[1]	10,860	10,970	11,440	10,190	10,810	10,510	10,780
Permanent & long-term departures	number[1]	5,180	5,280	5,220	5,280	5,440	5,590	5,690
Net PLT migration (12 month total)	number	70,354	70,016	70,147	68,943	67,984	67,038	66,243
Commodity Prices								
Brent oil price	US$/Barrel	62.71	64.37	69.08	65.32	66.02	72.11	*76.98*
WTI oil price	US$/Barrel	56.66	57.93	63.66	62.21	62.76	66.26	*69.99*
ANZ NZ commodity price index	mth % chg	1.4	-2.8	-3.0	2.4	2.1	1.2	5.0
	ann % chg	11.9	6.7	4.5	6.4	5.1	5.8	6.8
ANZ world commodity price index	mth % chg	-0.9	-1.9	0.7	2.8	1.2	1.0	1.5
	ann % chg	6.0	3.2	4.1	5.0	5.8	7.1	5.4
Financial Markets								
NZD/USD	$[2]	0.6888	0.6953	0.7255	0.7312	0.7257	0.7258	*0.6953*
NZD/AUD	$[2]	0.9034	0.9110	0.9123	0.9277	0.9343	0.9432	*0.9239*
Trade weighted index (TWI)	June 1979 = 100[2]	73.11	73.48	74.90	75.09	74.72	74.88	*73.01*
Official cash rate (OCR)	%	1.75	1.75	1.75	1.75	1.75	1.75	1.75
90 day bank bill rate	%[2]	1.92	1.88	1.88	1.91	1.93	2.01	*2.02*
10 year govt bond rate	%[2]	2.85	2.76	2.88	2.97	2.89	2.83	*2.78*
Confidence Indicators/Surveys								
ANZ - business confidence	net %	-39.3	-37.8	...	-19.0	-20.0	-23.4	-27.2
ANZ - activity outlook	net %	6.5	15.6	...	20.4	21.8	17.8	13.6
ANZ-Roy Morgan - consumer confidence	net %	123.7	121.8	126.9	127.7	128.0	120.5	121.0
Performance of Manufacturing Index	Index	57.4	51.0	55.1	53.4	53.1	59.1	54.5
Performance of Services Index	Index	56.5	55.9	55.9	55.1	58.6	56.4	57.3

[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