

September 2018

Executive Summary

- ▶ **Broad-based GDP growth of 1.0% in the June quarter.**
- ▶ **The annual current account deficit widened to 3.3% in the June quarter.**
- ▶ **Trading partner growth remains solid, but global growth is easing with continuing trade tensions remaining a threat.**

Real GDP grew 1.0% in the June quarter. Growth was broad based with 15 of 16 industries expanding with particular strength in agriculture and hydro-electricity generation. The mining industry contracted in the quarter, owing to an outage at New Zealand's largest gas field. June quarter's strength offset the weaker March quarter taking growth in the year ended June to 2.7%, in line with the Treasury's Budget Economic and Fiscal Update (BEFU) forecast.

Nominal GDP increased 1.5% in the quarter and 5.5% in the year, a little below the BEFU forecast (6.1%). As a consequence, the economy is a little smaller than expected, when measured in today's dollars, which may flow through to lower tax revenue over the year ahead. That said, tax revenue in the year to date has been higher than forecast. The Crown accounts, due to be released on 9 October, will provide an update, which will inform our Half-Year Economic and Fiscal Update.

The annual current account deficit widened from a revised \$8.5 billion (3.0% of GDP) in the March 2018 quarter to \$9.5 billion (3.3%) of GDP in the June quarter and subsequent trade data points to a further widening of the deficit. The trade deficit in the year to August widened to \$4.8 billion from \$4.2 billion at the end of June.

The outlook for September quarter growth remains solid. The Families Package is expected to bolster aggregate consumption in the September quarter. However, weaker consumer sentiment poses a risk to this view and business confidence, which picked up from its August low, remains weak.

While core trading partner growth remains solid, there are signs that global growth is easing. The OECD has downgraded growth projections for 2018 and 2019. Trade tensions between the US and China escalated as both the US and China imposed additional tariffs on imports. While the direct impact on the global economy from these tariffs is thought to be limited, there remain ongoing risks of further escalation, and that the global uncertainty will spill over into the real economy through lower sentiment and reduced investment.

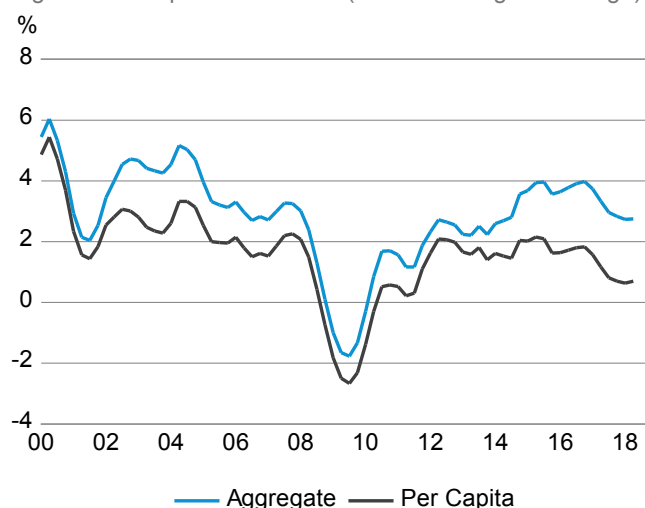
Analysis

GDP expanded strongly in the June quarter, offsetting the weaker March quarter, to leave growth broadly in line with our forecasts. Indicators for the second half of 2018 point to similar growth in the second half of the year to the first half, although there are some risks to this outlook. The current account deficit widened in the year to June, partly on revisions, and merchandise trade data point to further deterioration since then.

Real GDP expanded 1.0% in June...

Real production GDP grew 1.0% in the June quarter. This saw annual average growth (growth in GDP for the whole year to June 2018, relative to GDP for the year to June 2017) stable at 2.7% (Figure 1). The strong June quarter offset the weaker March quarter to leave annual growth in line with Treasury's Budget Economic and Fiscal Update (BEFU) forecast. Real GDP per capita expanded 0.5% in the quarter. As a result, real GDP per capita expanded by 0.7% in the year to June 2018.

Figure 1: Real production GDP (annual average % change)



Source: Stats NZ

Growth was broad based with 15 of 16 industries expanding in the quarter. Agriculture, forestry and fishing was boosted by more favourable weather conditions leading to higher milk production and also growth in sheep and beef farming and horticulture. Forestry also grew strongly, up 7.8% following a large 9.2% decline in March.

Increased hydro-electricity generation, reflecting above average lake levels, saw electricity, gas and water production increased 3.7% in the quarter. All 11 service industries increased in the quarter including strong growth in the wholesale trade, retail trade and information media and telecommunications industries.

The only industry to experience a decline in the quarter was mining. The 20% fall – the largest in three decades – reflected an outage at New Zealand's

largest gas field owing to the discovery of a leaking pipeline. It is likely that there will be some bounce-back in production following repair of the pipeline.

...and nominal GDP increased 1.5%

Real expenditure GDP increased 1.2% in the quarter, driven by growth in private consumption (+1.0%) and exports (+2.4%) offsetting growth in imports (+1.5%). Business investment growth was flat over the first two quarters (-0.2% in June), following strong growth over the end of 2017.

The strong outturn in real GDP and a partial rebound in the terms of trade saw nominal GDP increase 1.5% in the quarter. This follows a weak March quarter (-0.4%) in which softer real growth was exacerbated by a 4.4% fall in the terms of trade. The June quarter saw the terms of trade lift 1.5%.

The growth outlook for the second half of 2018 is positive...

While June quarter growth was relatively high, the outlook for the September quarter remains positive. Some aspects of June quarter growth, such as the rate of increase in agricultural output and the surge in hydro-electricity generation are unlikely to be sustained (in a growth sense) into the September quarter. However, the extent of the drag from the mining industry is also likely to reverse.

...with steady household consumption growth...

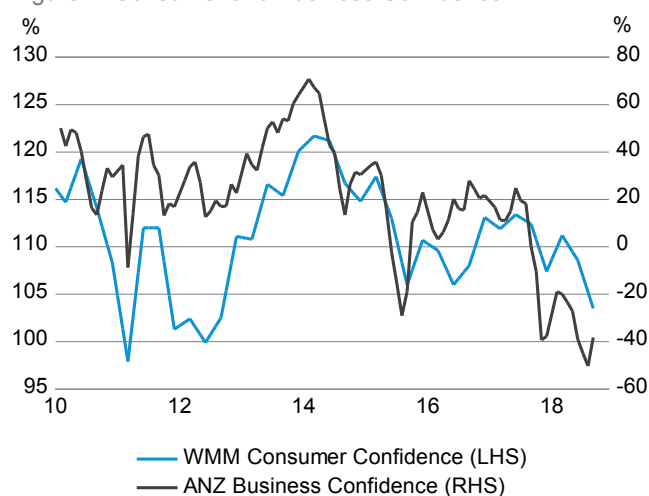
Household consumption growth is likely to remain broadly in line with previous quarters over the past year or so (the flat March quarter looks to be an outlier). Electronic card transactions grew strongly in August, with core retail up 0.7% (s.a) and total up 1.1% (s.a). However, this comes off the back of modest growth in July. A little over a quarter of the increase in total transactions in August came from higher expenditure on fuel, reflecting in part the increase in petrol prices over the past couple of months. It is worth noting that of late, electronic card transactions have been a less reliable indicator of retail trade and consumption.

Set against these factors, the Families Package that took effect from 1 July boosted household incomes, particularly for lower-income households, and high, albeit slowing, population growth continues to bolster aggregate consumption. Overall, we expect household consumption growth of around 0.8% per quarter over the remainder of the year.

However, weaker consumer sentiment could pose a risk to this outlook. The Westpac-McDermott Miller Consumer Confidence index fell 5.1 points in the

September quarter to 103.5, the lowest level in 6 years (Figure 2). This is consistent with recent declines in the ANZ-Roy Morgan Consumer Confidence Index, with the next report published after this report was finalised.

Figure 2: Consumer and Business Confidence



Source: ANZ, Westpac-McDermott Miller

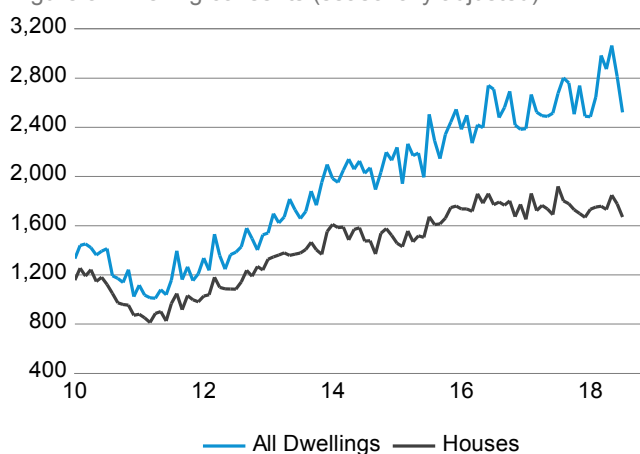
Business confidence in the ANZ Business Outlook picked up from its recent lows, with the headline confidence measure improving by 12 points to -38%. The own activity outlook measure, which has a better correlation with growth, also picked up, lifting from a net 4% of firms expecting their activity to improve to a net 8%. Nonetheless, both the confidence and own activity measures remain below their long run averages.

...a modest recovery in housing construction...

Residential investment increased by 0.5% in the June quarter, largely unwinding the 0.7% contraction in March. Building consents data, which surged between March and May before falling sharply in June and July, suggest that this expansion will continue into the September quarter. Much of the recent surge in building consents has been in multi-unit dwellings, particularly in Auckland (Figure 3). These typically take longer to materialise as actual dwelling construction due to the more complex nature of the projects. This could potentially lead to a slower but steadier pick up in residential investment.

Meanwhile, house price growth remains stable. The REINZ National House Price Index (HPI) rose 0.4% (s.a) in August to be 4.1% higher than a year ago. Annual growth in the HPI has largely hovered around the 4% mark since mid-2017. The composition of growth continues to reflect a catch up by regions outside of Auckland (up 8.0% on a year ago), while the Auckland HPI was little changed (+0.2%).

Figure 3: Dwelling consents (seasonally adjusted)

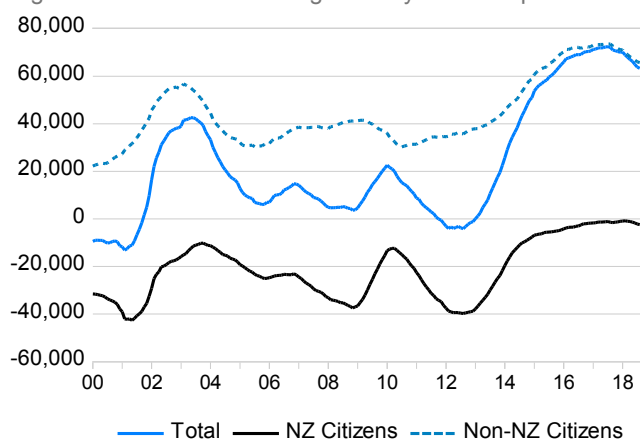


Source: Stats NZ

...and high, albeit slowing, population growth...

Migration-led population growth continues to make a significant contribution to aggregate growth in the economy. The population increased by 1.9% in the year to June, with net permanent and long term (PLT) migration accounting for around 70% of the change. Annual net migration eased a little further in the year to August, falling to 63,300, well off the peak of 72,400 a year ago. We expect net migration to continue to ease, reflecting a continuation of the downward trend in net non-citizen arrivals as well as a pick-up in net New Zealand citizen departures (Figure 4).

Figure 4: Annual net PLT migration by citizenship



Source: Stats NZ

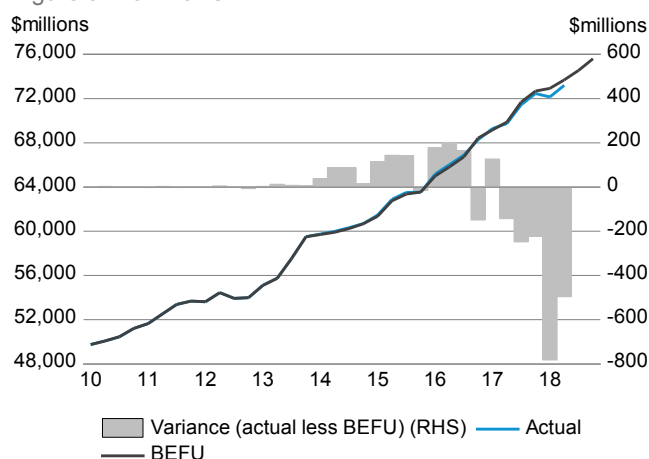
...likely leading to steady economic growth

Averaging March and June quarter growth gives real growth of around 0.8% a quarter, and probably represents a reasonable take on the current pace of growth in New Zealand. The recent GDP data will form the starting basis for the Treasury's Half Year Economic and Fiscal Update (HEYFU) 2018 forecast, due to be published in mid-December. Real activity has proven to be slightly stronger than forecast, while nominal growth has been a little weaker. Should growth continue around current rates over the remainder of 2018, as we expect, it would represent

only a modest softening in the economic outlook compared with the BEFU 2018.

Relative to the BEFU 2018 forecasts, quarterly nominal GDP is around \$500 million (0.7% of GDP) below forecast for the June quarter (Figure 5). The lower than forecast outturns will leave the Treasury with a lower starting point for nominal GDP for HEYFU. Nominal GDP is the key input into the tax revenue forecasts. Balanced against this, monthly tax outturns have been consistently above forecast through to May. The Financial Statements of the Government of New Zealand for the Year Ended 30 June 2018 will be published on 9 October 2018.

Figure 5: Nominal GDP

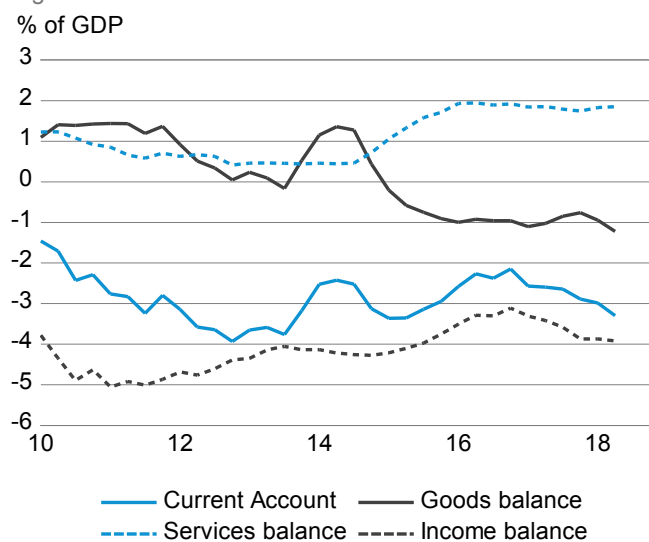


Source: Stats NZ, the Treasury

Current account deficit widens in June...

The annual current account deficit widened from a revised \$8.5 billion (3.0% of GDP) in the March 2018 quarter to \$9.5 billion (3.3% of GDP) in the June quarter (Figure 6). The Net International Investment position was stable at -56.4% of GDP as at June 2018.

Figure 6: Current account balances



Source: Stats NZ

Revisions to balance of payments data are common in the June quarter, as Stats NZ use the latest income data from Inland Revenue to update previous estimates of investment income. Additionally this quarter, new sources for cruise ship passenger expenditure and spending by international students in New Zealand were available. The net effect of these revisions was to widen the annual current account deficit by around 0.2 percentage points in the March 2018 quarter.

On a seasonally adjusted quarterly basis, the current account deficit narrowed \$0.5 billion in the June quarter, falling from \$3.2 billion to \$2.7 billion. Most of the narrowing came from a smaller goods deficit (\$0.3 billion) and slightly larger services surplus (\$0.1 billion), with the income balance little changed.

The value of goods exports expanded by \$0.7 billion (s.a) in the quarter, with large contributions from dairy, meat and other agricultural products. In large part this reflected a bounce back from a comparatively weak March quarter.

Meanwhile the value of goods imports increased by \$0.4 billion in the June quarter. Part of the increase reflected delayed car shipments from earlier in the year. Fuel imports also remained high, reflecting the Marsden Point refinery being closed for planned maintenance.

...and the trade deficit widens further in August

The rebound in merchandise exports looks to have continued into the September quarter. Although seasonally adjusted exports fell in August (-4.7%), this came off a strong July (+6.3%). Most of the decline in August came from a fall in dairy exports, chiefly on lower volumes, reversing their surge in July. This looks to be a timing effect – averaging across the two months, dairy values and volumes are little changed from their levels through the first half of the year. Looking ahead, dairy export values may face some headwinds in coming months as recent declines in dairy prices start to feed through into export values.

Merchandise imports also contracted in August (-3.4%), following on from a flat July. Much of the monthly decline came from lower fuel imports, which are returning to more “normal” levels. Most other import categories were broadly steady.

Overall, the August monthly movements saw the annual merchandise trade deficit widen to \$4.8 billion in August, up from \$4.2 billion at the end of June. We expect that the annual trade deficit will continue to widen through the remainder of this year, reflecting, in part, weaker dairy prices and higher oil prices.

Inflation pressures pick up

Inflationary pressures are expected to pick up gradually through the remainder of 2018. Petrol prices have increased significantly over the past couple of months, reflecting both higher international oil prices (with Brent reaching a 4-year high of US\$82/barrel in late September) and depreciation of the NZ dollar, particularly against the US dollar. This has seen the cost of oil in NZ dollars approach levels last seen in 2012-2014 (Figure 7), adding to tradables inflation, particularly in the September quarter. We expect that annual headline consumer price inflation will lift to 1.6% in September and edge closer to 2% by the end of the year.

Figure 7: Brent crude oil price

NZD/barrel



Source: Reuters

The RBNZ leaves rates on hold in September

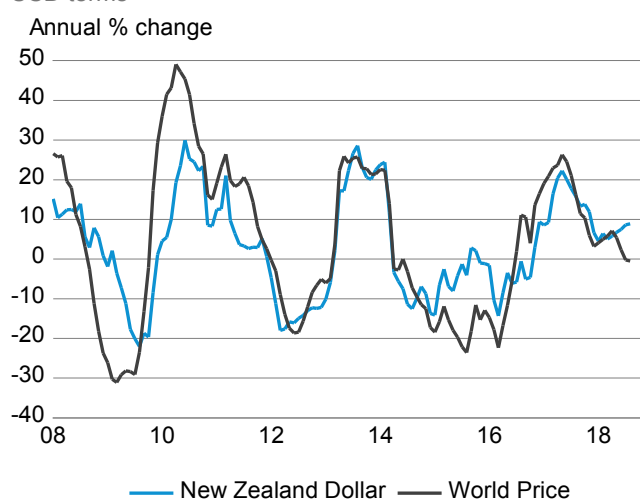
As widely expected, the Reserve Bank left the Official Cash Rate unchanged at 1.75%, reiterating that the next move in the OCR could be “up or down”. Market reaction was fairly muted.

Global commodity prices continue easing

The Global Dairy Trade (GDT) index has continued its downward track, falling for the fourth consecutive month, down 3.2% in the September month and down 13.7% on September 2017.

The broader ANZ World Commodity Price Index eased, falling 1.1% in August. Falling commodity prices will soften nominal exports, although their impact in New Zealand Dollar terms has been offset by a weaker currency (Figure 8). Oil prices have risen 3% over the month, which will feed through to higher import prices.

Figure 8: ANZ Commodity Price Index in NZD terms and USD terms



Source: Haver Analytics

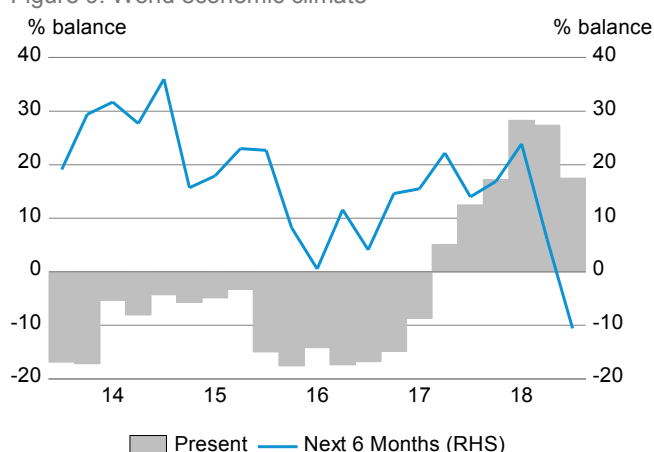
Global growth prospects ease...

There are some indications that the solid global growth observed in the first half of 2018 may be easing, with the latest OECD Interim Economic Outlook revising down real GDP growth projections for 2018 and 2019 across most countries in their panel.¹

The world growth outlook for 2018 and 2019 were revised down from the May outlook to 3.7% in both years (down 0.1 and 0.2 percentage points respectively), with emerging-market economies prospects in particular deteriorating.

Business sentiment and investment intentions have deteriorated (Figure 9) on the back of increased uncertainty about the possible impacts of ongoing trade tensions.

Figure 9: World economic climate



Source: Haver Analytics

¹ The full report is available here: <https://oecdscope.blog/2018/09/20/high-uncertainty-is-weighing-on-global-growth/>

Core trading partner growth remains solid however, with Australia recording a solid June 2018 GDP annual outturn of 3.4% growth. Overall, trading partner growth over the first half of 2018 at 4.1% was the strongest since 2012 (Table 1).

Table 1: Annual trading partner growth (TPG) remains solid

	2018q1	2018q2
Total TPG growth	4.1	4.1
Australia	3.2	3.4
US	2.6	2.9
Japan	1.1	1.3
Euro area	2.4	2.1
UK	1.2	1.3
Canada	2.3	1.9
Total adv. economies	2.5	2.6
China	6.8	6.7
Korea	2.8	2.8
Singapore	4.5	4.0
Taiwan	3.2	2.9
Malaysia	5.4	4.5
Indonesia	5.1	5.3
Thailand	4.9	4.6
Hong Kong	4.6	3.5
Philippines	6.7	5.9
India	7.7	8.2
Total Asia	5.9	5.6

Sources: Haver

...with ongoing concern around trade restrictions

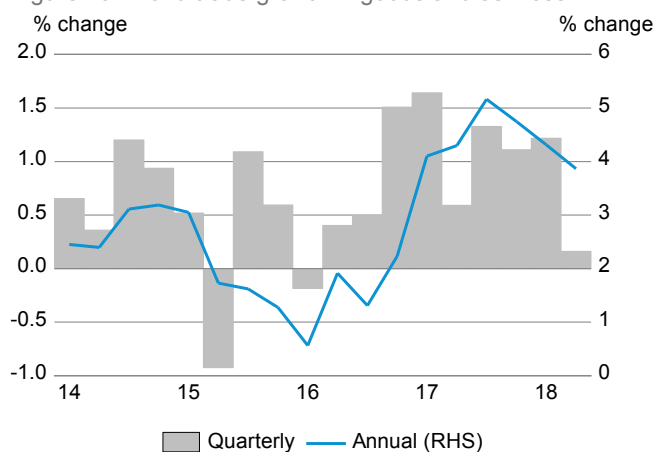
Trade tensions between the US and China escalated, with the US imposing tariffs on an additional \$US200 billion of imports in September, starting at a rate of 10%, and increasing to 25% on 1 January 2019. China responded with 5-10% higher tariffs on around \$USD60 billion of US imports.

Most estimates of the direct effect of these trade tensions is small, with a recent Standard & Poors report estimating that the escalation of the US-China trade dispute could shave approximately 1pp off US GDP and 0.6pp off China's GDP by 2020/21.

The main risk for New Zealand lies in the potential downstream impacts on global supply chains that might in turn affect global demand and further soften commodity prices and investor sentiment.

Global trade growth, which has fallen from around 5% in 2017 to around 3% in the first half of 2018, in part reflecting these concerns, may slow further (Figure 10).

Figure 10: World trade growth in goods and services

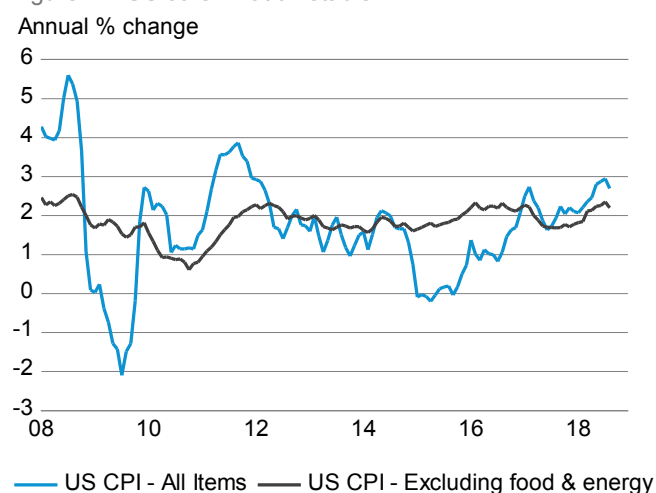


Source: OECD

Price pressures remain relatively muted

While higher energy prices are driving headline inflation in the US, core inflation remains relatively stable at around 2% (Figure 11).

Figure 11: US core inflation stable

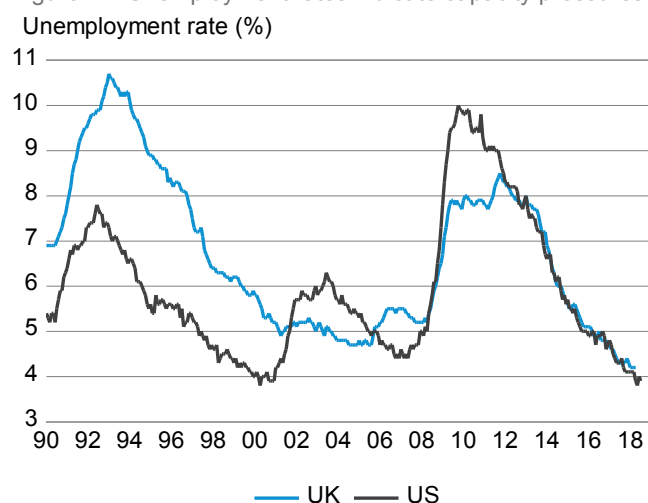


Source: Haver Analytics

Prices are likely to come under pressure in the near term however, as higher energy prices start to feed through and capacity pressures begin to emerge.

Unemployment rates in the US and the UK are now below their pre-GFC lows (Figure 12), with the US unemployment rate currently sitting at 3.9%.

Figure 12: Unemployment rates indicate capacity pressures



Source: Haver Analytics

US interest rates likely to rise further

The US Federal Reserve increased the policy interest rate 0.25pp to 2.00%-2.25% at its September policy meeting in response to rising inflation and strong jobs data, following holding of the rate constant in August.

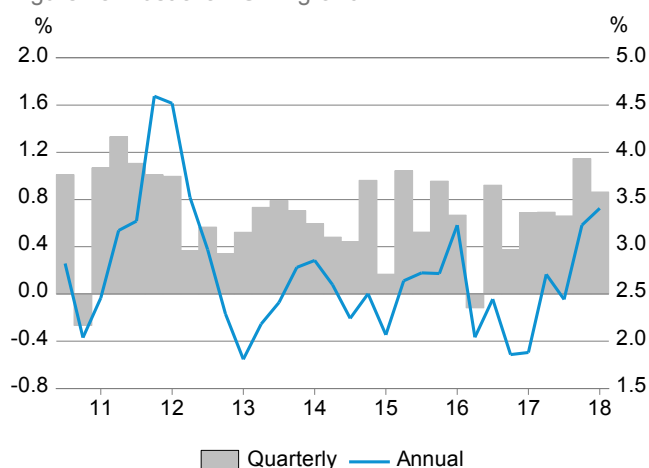
Average hourly earnings in the US rose 2.9% in the year to August. US wage growth has been trending higher over the past 5 years, lending support to the Fed's view that a tightening labour market will eventually lead to higher wage and price inflation.

Federal Reserve projections show the federal funds rate may increase four more times by the end of 2019 to around 3.0%.

Australian outlook remains positive...

Australian economic growth has gained momentum, growing 3.4% in the June 2018 year, on the back of strong household spending (up 0.7% over the quarter). Wage growth was however stable, and most of the increase in household spending was financed at the expense of savings, with the household saving ratio (savings as a percentage of household disposable income) falling to 1.0%, its lowest level since before the GFC.

Figure 13: Australian GDP growth



Source: Haver Analytics

The Australian economy added 44,000 jobs in August (sa), well above market expectations, on the back of the labour force participation rate increasing slightly (to 65.7%) and unemployment remaining stable at 5.3%. The underutilisation rate fell to 13.4%, suggesting a tighter labour market, although with the unemployment rate remaining above most estimates of full employment, with pressure on wages muted in the near term.

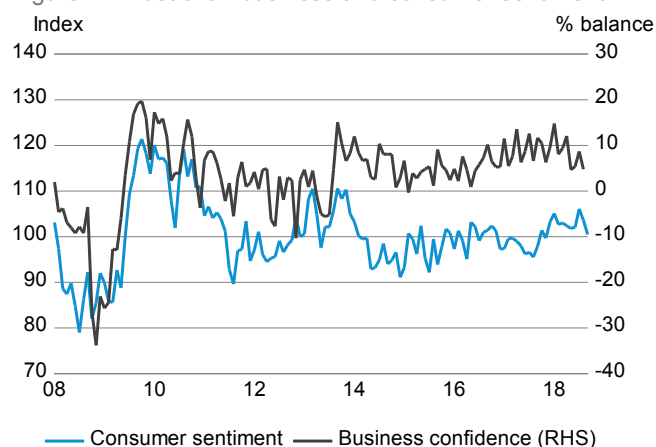
...improving the fiscal balance...

This strong GDP outturn helped print a final 2017/18 Federal budget deficit outcome of \$10 billion, better than the \$18 billion expected in May, and is the lowest deficit recorded since the GFC. Receipts benefitted from the stronger than expected economy, with bulk commodity prices helping lift mining sector profits, and stronger than expected jobs growth adding to the tax take.

...although sentiment weakens

Notwithstanding these positive outturns, ongoing political uncertainty combined with global concerns around the possible impacts of US-China trade sanctions appears to be weighing on Australian sentiment (Figure 14). Consumer sentiment eased in September, with the Westpac-Melbourne Institute consumer sentiment index falling 3pp to 100.5, following a similar fall in August. Business confidence was also down 5pp from +9 in July to +5 in August.

Figure 14: Australian business and consumer sentiment

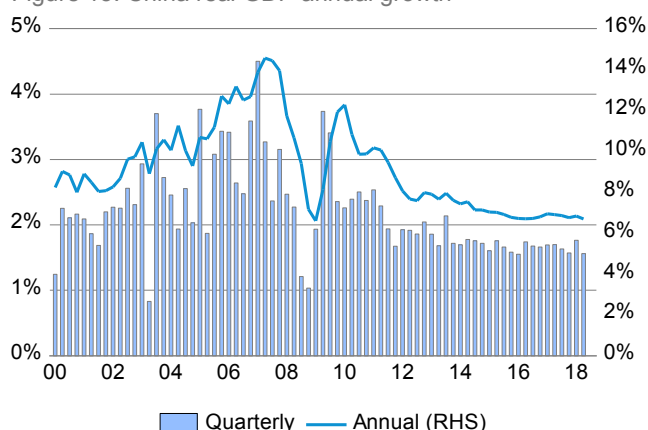


Source: Haver Analytics

Growth in China easing

China's GDP growth is likely to ease gradually in coming quarters (Figure 15), with August activity indicators pointing to fixed asset investment growth falling 0.2pp to 5.3% year-on-year growth, largely due to a slowdown in government spending.

Figure 15: China real GDP annual growth



Source: Haver Analytics

In response, the Chinese government has recently announced policies aimed at supporting infrastructure investment growth as well as boosting domestic demand.

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

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New Zealand Key Economic Data

Quarterly Indicators

		2016Q4	2017Q1	2017Q2	2017Q3	2017Q4	2018Q1	2018Q2
Gross Domestic Product (GDP)								
Real production GDP	qtr % chg ¹	0.4	0.8	0.8	0.6	0.6	0.5	1.0
	ann ave % chg	4.0	3.7	3.3	3.0	2.8	2.7	2.7
Real private consumption	qtr % chg ¹	0.8	1.1	1.0	0.9	1.0	0.0	1.0
	ann ave % chg	4.8	5.1	4.9	4.5	4.4	3.8	3.5
Real public consumption	qtr % chg ¹	1.1	1.1	1.0	2.6	-0.0	0.8	2.2
	ann ave % chg	1.6	1.9	2.9	4.0	4.5	4.8	5.2
Real residential investment	qtr % chg ¹	0.1	-1.1	-0.8	2.9	0.4	-0.7	0.5
	ann ave % chg	11.8	9.5	5.0	2.5	0.7	0.5	1.8
Real non-residential investment	qtr % chg ¹	0.4	0.9	1.4	0.9	4.0	0.3	-0.2
	ann ave % chg	4.1	3.9	3.8	4.1	4.7	5.4	5.7
Export volumes	qtr % chg ¹	-2.5	0.8	3.0	0.9	0.0	-0.0	2.4
	ann ave % chg	2.1	1.3	0.2	0.3	1.8	3.0	3.6
Import volumes	qtr % chg ¹	1.1	1.6	0.9	2.3	3.7	1.1	1.5
	ann ave % chg	3.4	5.1	6.1	6.3	7.0	7.2	7.9
Nominal GDP - expenditure basis	ann ave % chg	6.0	6.1	6.2	6.6	6.2	5.7	5.5
Real GDP per capita	ann ave % chg	1.8	1.6	1.2	0.8	0.7	0.6	0.7
Real Gross National Disposable Income	ann ave % chg	5.0	4.5	4.3	4.2	3.4	3.4	3.1
External Trade								
Current account balance (annual)	NZ\$ millions	-5722	-6947	-7117	-7370	-8180	-8540	-9536
	% of GDP	-2.1	-2.6	-2.6	-2.6	-2.9	-3.0	-3.3
Income balance (annual)	NZ\$ millions	-7690	-8409	-8582	-9218	-10221	-10343	-10708
Merchandise terms of trade	qtr % chg	5.8	3.9	1.1	1.3	1.4	-2.0	0.6
	ann % chg	6.7	6.5	9.7	12.6	7.9	1.8	1.4
Prices								
CPI inflation	qtr % chg	0.4	1.0	0.0	0.5	0.1	0.5	0.4
	ann % chg	1.3	2.2	1.7	1.9	1.6	1.1	1.5
Tradable inflation	ann % chg	-0.1	1.6	0.9	1.0	0.5	-0.4	0.1
Non-tradable inflation	ann % chg	2.4	2.5	2.4	2.6	2.5	2.3	2.5
GDP deflator	ann % chg	4.1	3.8	3.0	3.6	3.2	1.3	1.9
Consumption deflator	ann % chg	0.7	1.6	1.3	1.6	1.5	0.7	1.2
Labour Market								
Employment (HLFS)	qtr % chg ¹	0.9	1.1	-0.1	2.2	0.4	0.6	0.5
	ann % chg ¹	5.8	5.7	3.1	4.1	3.7	3.1	3.7
Unemployment rate	% ¹	5.3	4.9	4.8	4.6	4.5	4.4	4.5
Participation rate	% ¹	70.5	70.6	70.1	71.1	70.9	70.8	70.9
LCI salary and wages - total (adjusted) ⁵	qtr % chg	0.4	0.4	0.4	0.6	0.4	0.3	0.5
	ann % chg	1.6	1.6	1.7	1.8	1.8	1.8	1.9
QES average hourly earnings – total ⁵	qtr % chg	-0.1	0.5	0.6	1.2	0.8	0.9	0.1
	ann % chg	1.3	1.5	1.6	2.2	3.1	3.5	3.0
Labour productivity ⁶	ann ave % chg	-1.3	-2.7	-1.7	-1.5	-0.7	-0.3	-1.5
Retail Sales								
Core retail sales volume	qtr % chg ¹	1.4	1.5	1.7	0.6	1.7	0.6	1.4
	ann % chg	4.9	4.9	5.2	5.2	5.6	4.6	4.5
Total retail sales volume	qtr % chg ¹	1.4	1.6	1.6	0.3	1.3	0.3	1.1
	ann % chg	4.8	5.4	5.8	4.6	5.4	2.8	3.1
Confidence Indicators/Surveys								
WMM - consumer confidence ³	Index	113	112	113	112	107	111	109
QSBO - general business situation ⁴	net %	28.3	17.1	17.8	5.2	-11.8	-10.7	-20.0
QSBO - own activity outlook ⁴	net %	27.0	20.6	18.4	35.2	18.7	10.9	6.9

Monthly Indicators

		2018M02	2018M03	2018M04	2018M05	2018M06	2018M07	2018M08
External Sector								
Merchandise trade - exports	nth % chg ¹	2.7	-2.9	5.7	-1.1	2.1	6.3	-4.7
	ann % chg	10.7	4.5	5.5	9.0	4.0	15.7	9.9
Merchandise trade - imports	nth % chg ¹	-5.1	6.4	0.4	-4.4	9.8	0.2	-3.4
	ann % chg	4.9	14.3	14.5	6.3	16.3	22.4	13.9
Merchandise trade balance (12 month total)	NZ\$ million	-3056	-3468	-3815	-3678	-4217	-4504	-4814
Visitor arrivals	number ¹	323610	318400	314450	322300	311300	313530	322360
Visitor departures	number ¹	319450	326910	320610	315390	316660	306350	314250
Housing								
Dwelling consents - dwellings	nth % chg ¹	6.4	12.8	-3.8	6.7	-8.2	-10.4	...
	ann % chg	-0.2	5.3	29.6	21.9	9.1	-0.4	...
House sales - dwellings	nth % chg ¹	0.5	-3.3	1.6	-0.5	-5.7	-1.3	1.3
	ann % chg	4.3	-7.6	9.7	5.3	1.3	4.6	3.1
Reinz - house price index	nth % chg	0.6	0.4	-0.2	-0.2	0.0	0.3	0.4
Private Consumption								
Electronic card transactions - total retail	nth % chg ¹	-0.3	1.7	-2.3	0.8	0.8	0.2	1.0
	ann % chg	4.0	6.7	1.4	4.2	4.9	3.8	6.3
New car registrations	nth % chg ¹	-8.3	-4.3	-0.4	13.3	-6.2	2.0	...
	ann % chg	-4.2	-11.9	-9.0	-0.6	-4.9	-0.7	...
Migration								
Permanent & long-term arrivals	number ¹	10160	10800	10510	10780	10610	10610	10790
Permanent and long-term departures	number ¹	5290	5450	5610	5700	5750	5860	5780
Net PLT migration (12 month total)	number	68943	67984	67038	66243	64995	63779	63288
Commodity prices								
Brent oil price	US\$/Barrel	65.32	66.02	72.11	76.98	74.40	74.25	72.44
WTI oil price	US\$/Barrel	62.21	62.76	66.26	69.99	67.33	70.97	67.99
ANZ NZ commodity price index	nth % chg	2.4	2.1	1.2	5.0	-1.0	-1.1	0.4
	ann % chg	6.4	5.1	5.8	6.8	7.5	8.6	8.9
ANZ world commodity price index	nth % chg	2.8	1.2	1.0	1.5	-0.9	-3.3	-1.1
	ann % chg	5.0	5.8	7.1	5.4	2.3	-0.2	-0.5
Financial markets								
NZD/USD	\$ ²	0.7312	0.7257	0.7258	0.6953	0.6941	0.6788	0.6671
NZD/AUD	\$ ²	0.9277	0.9343	0.9432	0.9239	0.9265	0.9168	0.9100
	June 1979 =							
Trade weighted index (TWI)	100 ²	75.09	74.72	74.88	73.01	73.50	72.96	72.32
Official cash rate (OCR)	%	1.75	1.75	1.75	1.75	1.75	1.75	1.75
90 day bank bill rate	% ²	1.91	1.93	2.01	2.02	2.01	1.94	1.91
10 year govt bond rate	% ²	2.97	2.89	2.83	2.78	2.90	2.81	2.64
NZD/USD	\$ ²	0.7312	0.7257	0.7258	0.6953	0.6941	0.6788	0.6671
NZD/AUD	\$ ²	0.9277	0.9343	0.9432	0.9239	0.9265	0.9168	0.9100
Confidence Indicators/Surveys								
ANZ - business confidence	net%	-19.0	-20.0	-23.4	-27.2	-39.0	-44.9	-50.3
ANZ - activity outlook	net%	20.4	21.8	17.8	13.6	9.4	3.8	3.8
ANZ-Roy Morgan - consumer confidence	net%	127.7	128.0	120.5	121.0	120.0	118.4	117.6
Performance of Manufacturing Index	Index	53.4	53.1	59.1	54.3	52.7	51.2	52.0
Performance of Services Index	Index	55.2	58.7	55.7	56.9	52.8	54.9	53.2

1 Seasonally adjusted

2 Average (11am)

3 Westpac McDermott Miler

4 Quarterly Survey of Business Opinion

5 Ordinary time

6 Production GDP divided by HLFS hours worked

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