

- Pandemic disruptions evident as Poutū-te-rangi/March quarter GDP contracts and the current account deficit widens.
- More timely indicators show domestic activity held up in Haratua/May but headwinds are strengthening.
- International central banks tighten further as global inflation continues to rise.
- Our Special Topic discusses the medium-term outlook for dairy exports.

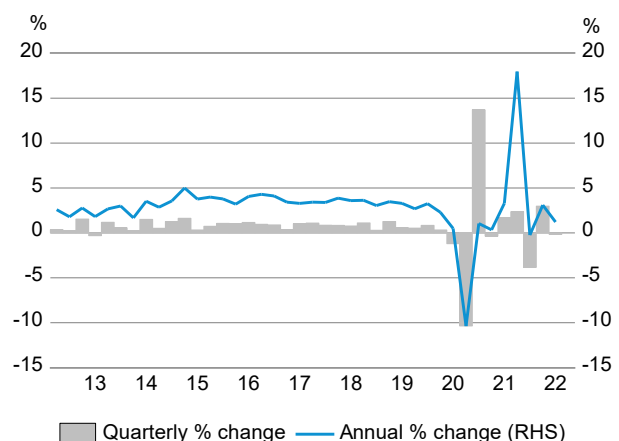
Looking behind the headline decline in GDP, the details showed business and household demand remained strong. Weaker exports drove the contraction in GDP, partly a reflection of poor weather conditions and partly a result of COVID-19 disruptions to production and distribution. These drags should wane in coming quarters and the reopening of borders should support a recovery in tourism. More timely partial indicators of activity point to a rebound in the Pipiri/June quarter, but the outlook has become more challenging. Internationally, central banks have become more resolute in the pursuit of their inflation mandates, leading analysts to downgrade their growth expectations. However, a recovery in China is providing a partial offset.

Activity contracted in the Poutū-te-rangi/March quarter...

Economic activity fell 0.2% in the Poutū-te-rangi/March quarter compared to the previous quarter as poor weather and the pandemic weighed on exports (Figure 1). However, domestic demand remained strong, up 2.6% in the quarter, driven by household consumption. Exports of services (tourism spending) fell dramatically, down 25% in the quarter, reflecting a muted increase in tourist arrivals compared to the usual, pre-pandemic Poutū-te-rangi/March quarter influx. We saw similar seasonal volatility last year reverse out in the Pipiri/June quarter, and we expect the same thing to occur this year, which will support a bounce-back in GDP.

The GDP release provided further confirmation of strong price growth, with the GDP measure of price inflation rising 2.0% in the quarter. Consequently, nominal or current price GDP was broadly as the Treasury expected. Reflecting the strength of nominal GDP, the government's financial statements for the 10-months to Haratua/May showed tax revenue tracking ahead of forecasts and, for the first time, the new measure of net debt at 18% of GDP.

Figure 1: Real GDP (production) growth



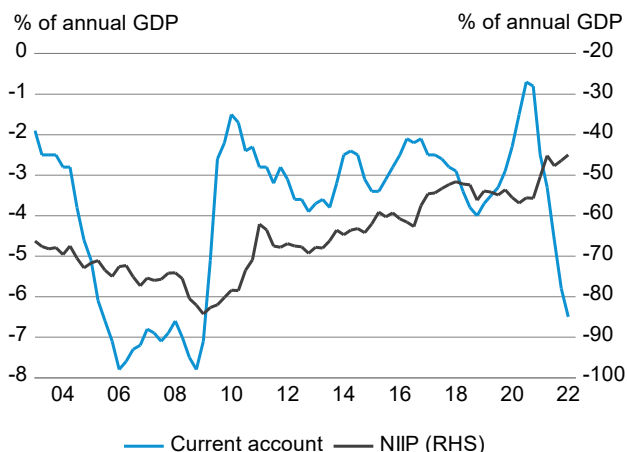
Source: Stats NZ/Tatauranga Aotearoa

...and the current account deficit widened

The current account deficit widened to 6.5% of GDP in the year ended Poutū-te-rangi/March 2022, up from 5.8% of GDP in the year ended Hakihea/December 2021. The larger deficit was driven by the same factors as the contraction in GDP, namely weakness in exports. Despite the wider deficit, Aotearoa's (New Zealand's) net international investment position (NIIP) improved to -45% of GDP, down from -50% of GDP a year ago (Figure 2).

The current account deficit will likely increase further this year, with the trade balance for the 12-months ending Haratua/May widening to a record \$9.5 billion deficit. However, the deficit should begin to narrow as inbound tourism picks up later this year, driving an improvement in the services balance.

Figure 2: Balance of payments

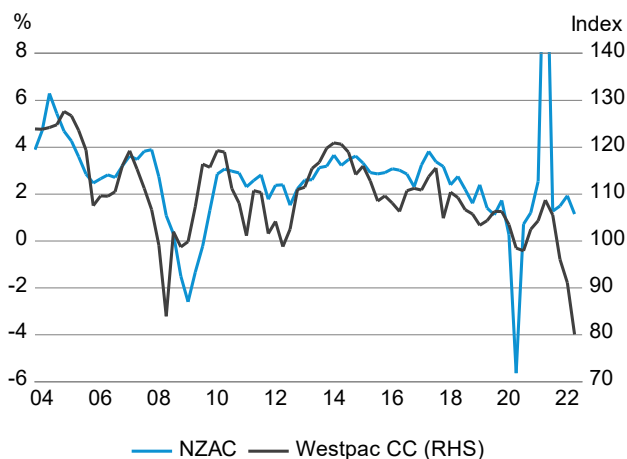


Source: Stats NZ/Tatauranga Aotearoa

Pipiri/June quarter activity is holding up...

Activity appears to have held up in Haratua/May according to the New Zealand Activity Index (NZAC) – a composite measure of eight indicators, including the BusinessNZ manufacturing and services sentiment indexes and electronic card spending (Figure 3). Haratua/May indexes for both the manufacturing and services surveys showed activity increased in the month, with particularly strong gains in the hospitality industry. Meanwhile, card spending rose 1.4% in Haratua/May following a 7.3% rise in Paenga-whāwhā/April.

Figure 3: NZAC and Consumer Confidence



Source: Stats NZ/Tatauranga Aotearoa, Westpac

...but headwinds are rising

Consumer confidence weakened further according to the Westpac McDermott Miller Consumer Confidence survey. In the three months ended Pipiri/June, confidence fell to a record low 78.7 (the survey began in 1988). The ANZ Roy-Morgan consumer confidence survey tells a similar story.

Falling house price are a key contributor to this weakness, and the latest REINZ data showed house prices fell 0.7% in Haratua/May compared with the previous month. This was the sixth consecutive monthly fall and prices are now about 6% below their Whiringa-ā-rangi/November peak. House sales, a useful leading indicator of prices, also

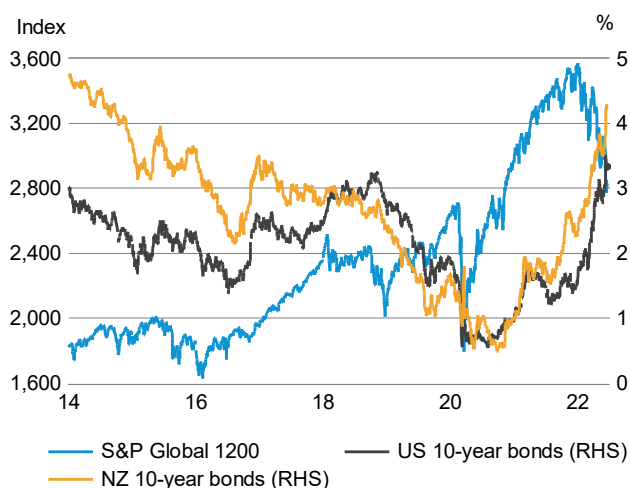
continued easing and are now at pre-pandemic levels. Market commentators expect prices to eventually fall around 10%-15% from their peak.

High inflation is also weighing on confidence and Haratua/May's rent and food price indexes showed inflation remains high. Compared with the same month a year ago, rental prices were up 3.8% and food prices were up 6.8%.

International central banks tighten further

The strength of inflation continues to surprise market participants and central banks across the ao (globe). Consequently, central banks' intentions have shifted from seeking to return policy to a neutral stance to now seeking to arrive at a restrictive stance by the end of the year. Over the past two weeks these developments have generated significant fallout in global financial markets, with stocks sharply lower and bond yields sharply higher (Figure 4). In Europe, investor fears that higher yields could cause another eurozone debt crisis led the European Central Bank (ECB) to announce measures to support eurozone sovereign bonds.

Figure 4: Global bonds and equities



Source: Haver

On 15 Pipiri/June, the US Federal Open Market Committee (FOMC) raised its Federal Funds rate target range by 75bps to 1.5-1.75%. Explaining the unusually large move, Chairman Powell said, "the labour market is extremely tight, and inflation is much too high". According to the "dot plot" of individual members expectations, the benchmark rate will rise to 3.4% by the end of the year, much higher than 1.9% expected in Poutū-te-rangi/March. Their forecasts also show an intention to meaningfully raise the unemployment rate. The FOMC decision followed Haratua/May's consumer price inflation reading of 8.6% and sharply higher survey measures of long-term inflation.

The Bank of England and the Swiss National Bank also raised rates, the latter for the first time in 15 years. UK inflation reached 9.1% in Haratua/May. The European Central Bank (ECB) is expected to begin raising rates in Hōngongoi/July.

These moves spilled into the NZ rates market, alongside recent central bank communications and estimates from some analysts that inflation will exceed 7% in the Pipiri/June quarter. This saw NZ 10-year bonds rise as high as 4.25%, the highest since 2014. Meanwhile, 2-year interest rate swaps, a key driver of mortgage rates, rose to around 4.5%, up from 4.0% two weeks ago.

In contrast to the rates action in the US and Europe, Japan's central bank decided to continue with its accommodative policy stance, although financial markets are speculating on a change in stance. The People's Bank of China also kept its policy interest rates steady, as domestic inflation remains subdued owing to soft income growth.

Fears of lower demand also saw commodity prices fall, led by energy and metals. Prices for the latter are now below their end-2021 levels but supply risks continue to provide support for the former. The US and allies are discussing means to enhance and strengthen existing sanctions on Russian oil, some of which is being taken by China. Meanwhile, reduced gas flows to Europe from Russia are driving governments to introduce alternative energy supplies, including coal-fired electricity generation.

Activity lifts in China

Activity in China appears to be recovering from widespread lockdowns. Measures of industrial production and capital investment showed signs of improvement in Haratua/May as supply chain disruptions eased, although consumption and property-related indicators remained weak. Commentators believe that it could take time for domestic demand to return to more normal levels as COVID-19 risks linger and consumer sentiment remains soft. A range of pro-growth policies have been introduced in recent weeks, but more may be needed to spur growth.

Australian labour market tightens further

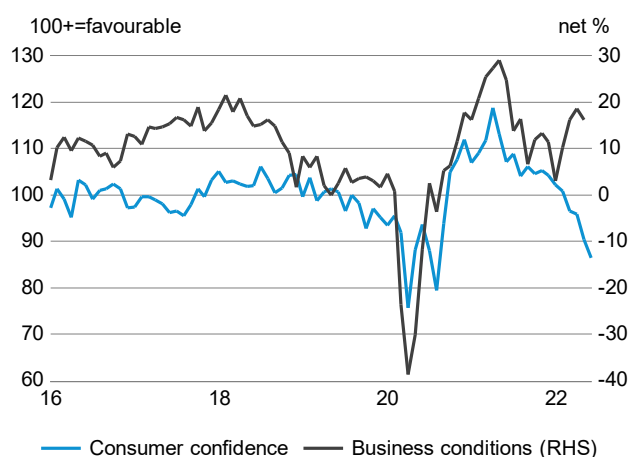
Strong employment growth in Haratua/May, up 0.5% from Paenga-whāwhā/April, saw the employment to population ratio rise to a record high 64.1%. Labour force participation was also at a record high 66.7% of the working-age population. The unemployment rate was stable at 3.9% and underemployment fell to 5.7%, the lowest since 1991. Meanwhile, Australia's Fair Work Commission granted a \$40 per week or 5.2% increase in the Minimum Wage, and also increased award wages by at least 4.6%. Around one-quarter of workers are affected, mostly by the latter increase. Some analysts now expect faster wage inflation and a more vigorous response from the central bank.

Minutes from the Reserve Bank of Australia's (RBA) early Pipiri/June meeting and a speech by the Governor reiterated that the RBA will continue to raise rates to bring supply and demand back into line. Governor Lowe noted that inflation is now expected to rise to around 7% this year.

Business confidence and conditions both eased in Haratua/May, but conditions remain strong, according to the NAB monthly survey (Figure 5). NAB analysts observed that the survey showed the economy had continued its momentum into the Pipiri/June quarter and that most business were in a strong position, although headwinds from global growth and higher interest rates were yet to have a significant impact the Australian economy.

In contrast, Australian consumer sentiment is nearing the record lows of earlier major economic disruptions including Covid; GFC; and 80s and 90s recessions, according to the Westpac's Consumer Sentiment Index (Figure 5). Inflation is the key drag although interest rates; the domestic economy; and international conditions are also key factors.

Figure 5: Australian business conditions and consumer sentiment



Source: Haver

In the housing market, national dwelling prices peaked in Paenga-whāwhā and posted a small decline in Haratua/May. At the capital city level, the data has been mixed. House prices in Sydney and Melbourne have been falling for a few months now while prices in other parts of the country are still rising.

Australia's energy markets have been in turmoil with the regulator, Australian Energy Market Operator, suspending the National Electricity Market (NEM). However, market conditions appear to be improving and a staged return of the NEM is expected before the weekend.

Coming Up:

Date	Release
30 June	ANZ Business Outlook
1 July	Building consents (May), ANZ consumer confidence
5 July	Government financial statements (May), ANZ commodity price index

Special Topic: Medium-term outlook for dairy exports

Summary

Dairy production has flattened in recent years and future growth will be limited by emissions-reduction targets.

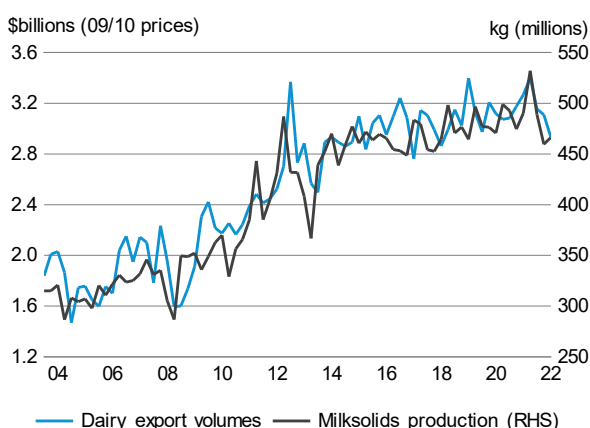
- Continued growth in export volumes could be supported by a shift towards higher-value dairy products.
- Steady global demand and global supply constraints will support dairy prices, but room for increase limited.
- Weaker dairy export revenue growth is expected moving forward, with implications for national income.

Dairy exports have grown strongly...

Dairy exports contributed \$18.6 billion to the New Zealand economy in 2021, representing 5.3% of nominal GDP and 23% of total export values. From the mid-2000s to 2013 growth in dairy export volumes was a key driver of total goods exports growth, as the signing of the NZ-China Free Trade Agreement (FTA) opened up a significant market for dairy products. The increase in demand was met with an increased national herd, higher milk production and higher dairy export volumes (Figure 1). However, growth in milk production has slowed since 2015, with dairy cattle numbers declining as environmental regulations have been tightened.

Looking forward, milk production is expected to remain flat. Consequently, continued growth in export revenue will need to be achieved by adding more value to the milk produced or through higher prices.

Figure 1: Dairy export volumes and milk production

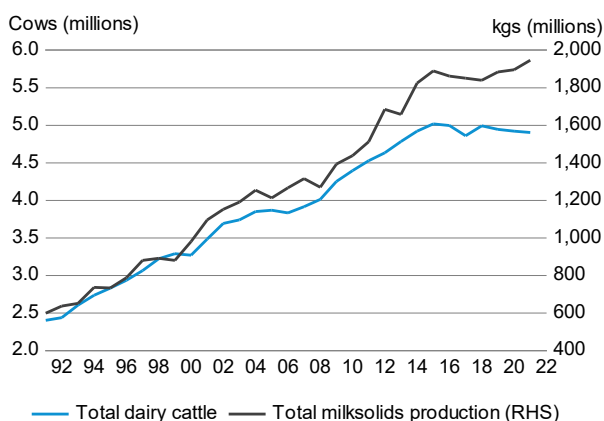


Source: StatsNZ/Tatauranga Aotearoa

...but milk production is flattening...

Dairy production growth has slowed in recent years as tightening environmental regulations have significantly reduced the number of land conversions to dairy farming (Figure 2). Freshwater policies and the impending pricing of agricultural emissions have seen investment in production capacity decline, with a shift in focus to improving efficiency, with respect to both input use and greenhouse gas (GHG) emissions.

Figure 2: Annual milk production and cattle numbers



Source: Dairy NZ, LIC

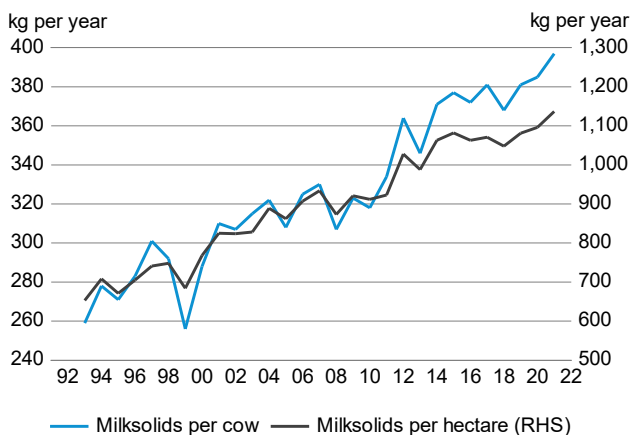
...as environmental regulations tighten

Agricultural GHG emissions are to be added to the Emissions Trading Scheme (ETS) from 2025, with an initial 95% free allocation, unless an alternative to the ETS is agreed. He Waka Eke Noa, a partnership between government, the primary sector and iwi, has recommended to the Government that emissions be priced at the farm level with separate prices for methane and longer-lived gases. Modelling by the group estimates that the pricing of emissions will reduce dairy production by between 0.7% and 1.4% by 2030, compared to 2017 levels. However, the group cautions that if emissions prices rise by more than assumed, or if regulations lead to a significant transition in land use away from dairy, the impact on production could be more significant.

Productivity is increasing

While cattle numbers decline and land availability becomes constrained, productivity is expected to continue to increase. Trend productivity, measured as average milksolids per cow, is increasing by approximately 1.3% per year. Similarly, the trend average milk solids per effective hectare is increasing at a rate of about 1.5% (Figure 3). While productivity improvements are expected to continue in the coming years, there is likely to be a shift in focus from achieving greater output per unit of input towards achieving fewer emissions per unit of output.

Figure 3: On-farm productivity



Source: Dairy NZ, LIC

Aotearoa has an advantage in powders...

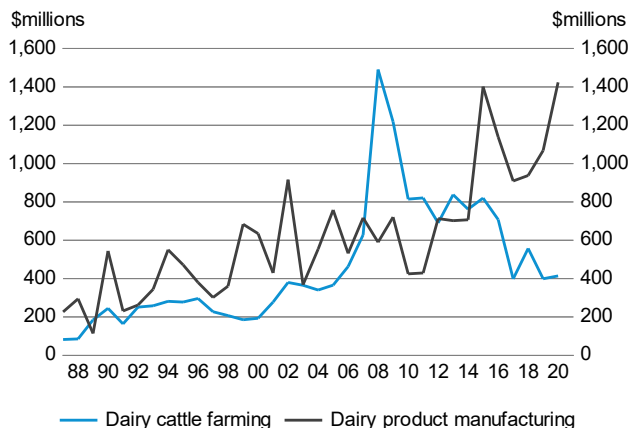
Whole milk powder made up 41% of total dairy revenue in the year to Poutū-te-rangi/March 2022. The dairy industry has signalled an intention to improve the value of products, with investment in new product development and ambitions to reduce the share of dairy that is exported as a bulk ingredient for further product manufacturing overseas. Aotearoa/New Zealand lacks the comparative advantage to onshore this product manufacturing, however, due to relatively higher capital and labour input costs compared to key markets in Asia.

The seasonality of Aotearoa/New Zealand's pasture-based production and our distance from export markets lend themselves to the production of long-life milk powders. Due to the seasonality of production, average capacity utilisation in New Zealand's dairy processing industry is considerably lower than other major exporters. Low plant capacity utilisation reduces the viability of some dairy product manufacturing, but powder manufacturing is suitable as it can better capture economies of scale. During the period of production expansion, investment in powder processing was necessary to process peak milk flows, but with production slowing, more capital will be available for investment in product-value transition. Significant changes in the product mix are however seen as unlikely, given New Zealand's comparative advantage in the production of powders, although this does not preclude further growth in value-add.

...and a value transition can be achieved...

Continued reliance on milk powder production does not restrict opportunities for increasing the value-add of dairy exports, with new product development, improved efficiency of processing and increased sustainability key opportunities for improvement. There has been a substitution from on-farm investment to investment in dairy-product manufacturing following the slowdown in milk production growth (Figure 4). This suggests a shift away from the reliance on production expansion to drive growth and an increasing focus on value-add.

Figure 4: Gross fixed capital formation



Source: StatsNZ/Tatauranga Aotearoa

Sustainability investment and the resultant emissions reduction may see Aotearoa/New Zealand products command a price premium as consumers and firm preferences for 'green' products increase. This is, however, less likely to be the case in developing countries, where New Zealand's exports are concentrated, as consumers are more price sensitive. Increasing the sustainability of manufacturing will also improve the future profitability of the sector as the price of carbon rises.

Global supply will be constrained...

Aotearoa/New Zealand, the US and EU together supply about two thirds of global dairy exports. The OECD-FAO Agricultural Outlook for the coming decade highlights that global export supply will be constrained moving forward, with production in major exporting countries growing at a slower pace. Cattle numbers are expected to remain flat in the US but decline in the EU, with production growth relying on increasing yields per cow. Growth in yields in the US and EU will outpace growth in NZ, owing to the greater prevalence of feed-based farming systems in those regions. New Zealand's pasture-based farming system is more dependent on land availability, which will be constrained moving forward as environmental regulations tighten.

...and demand will continue to grow...

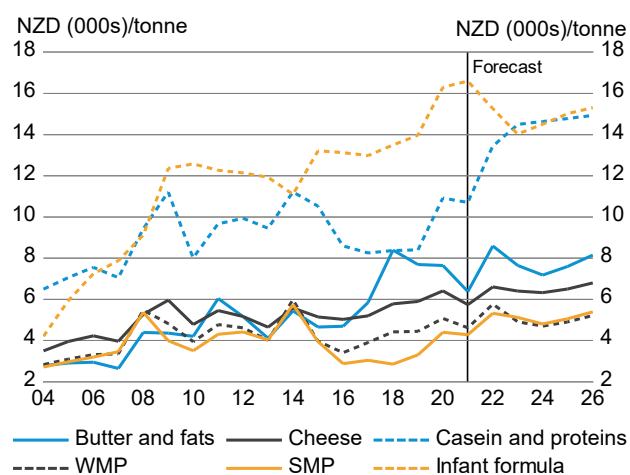
China has driven global demand for dairy imports over the past 15 years and far outweighs other markets. China's domestic dairy industry is improving in its competitiveness to imported products, as consumer confidence in domestic products improves. As a result, while dairy consumption in China will continue to grow, growth in imports is expected to slow. Other emerging markets present opportunities, where land is heavily constrained and the capacity for domestic industry is limited. As income and population growth continue in these markets, the gap between domestic consumption and production will widen, increasing demand for imports.

In developed countries, where per-capita dairy consumption far exceeds developing countries, demand is expected to decline marginally as consumer preferences change. New Zealand's dairy exports are concentrated in emerging markets and less exposed to changes in developed markets, although this may produce more competition from other exporters.

Higher prices may partly offset flat production...

Overall, strong demand against constrained supply is likely to keep prices high (Figure 5). However, prices have already reached record levels in the wake of the Russian invasion of Ukraine. While a commodity price boom would generally be followed by a bust as supply responds, the outlook for a significant supply response is limited in the current environment. High prices currently present risks to demand, however, particularly from emerging markets where consumers are more price sensitive. Prices for most dairy products are therefore expected to remain supported around current levels but are unlikely to rise much further.

Figure 5: Forecast dairy prices



Source: Manatū Ahu Matua/MPI, Tatauranga Aotearoa/SNZ

...but dairy export revenue growth will be weaker...

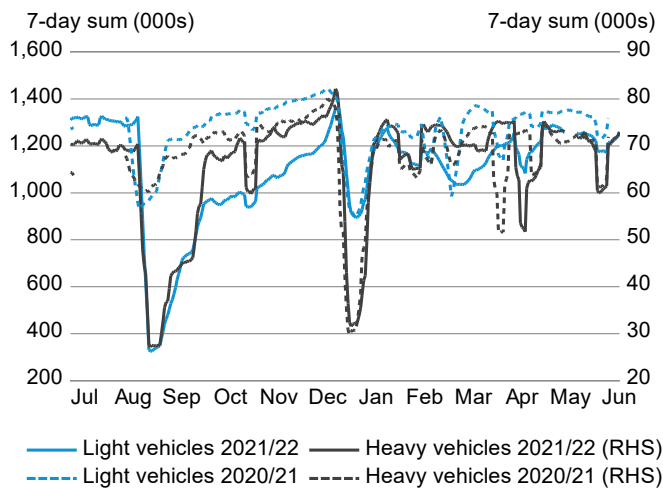
On balance, we expect that dairy export volume growth will slow in the medium term as production flattens, with reductions in cattle numbers offset by productivity growth. However, there is upside risk to this if the industry is effective in its ambitions to improve product value. The industry continues to invest in product improvements, although sustainability will absorb a significant proportion of investment. While we don't expect significant changes in the product mix through a shift away from milk powders, there are opportunities for New Zealand's relatively less emissions intensive production to command a higher price for its products.

...with implications for national income

Constrained global supply and increasing global demand are expected to keep prices high, supporting export revenue and the terms of trade. Despite the support of higher prices, dairy export revenue growth is expected to slow, weighing on Aotearoa/New Zealand's trade balance and the current account. While dairy exports will remain a significant contributor to the economy, if weaker growth is not offset by gains from other exports, the trade balance will deteriorate. This will have implications for the current account and for growth in national income. Declining growth in national income would cause a depreciation in the exchange rate and have implications for domestic consumption. In the longer-term, imports would have to fall to stabilise the current account and Aotearoa/New Zealand's external debt.

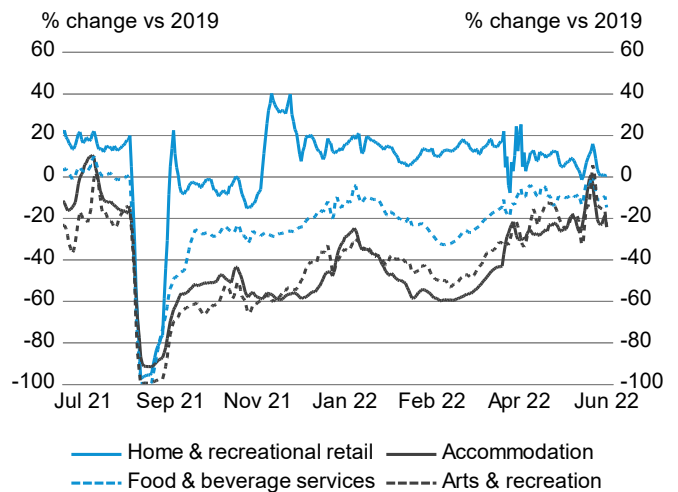
High-Frequency Indicators

Traffic and Freight Movement



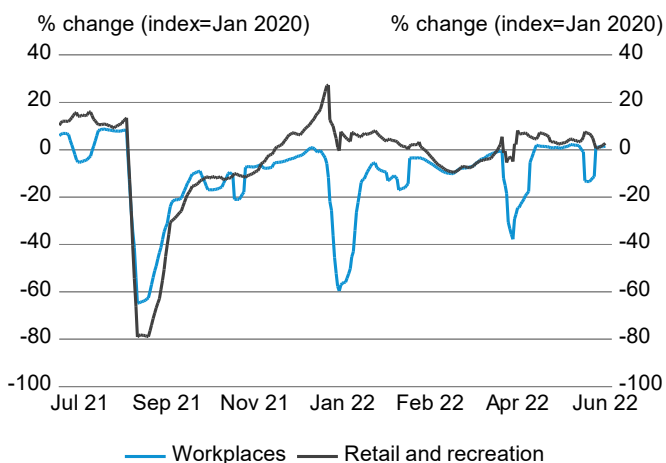
Source: Waka Kotahi NZ Transport Agency

Card Spending



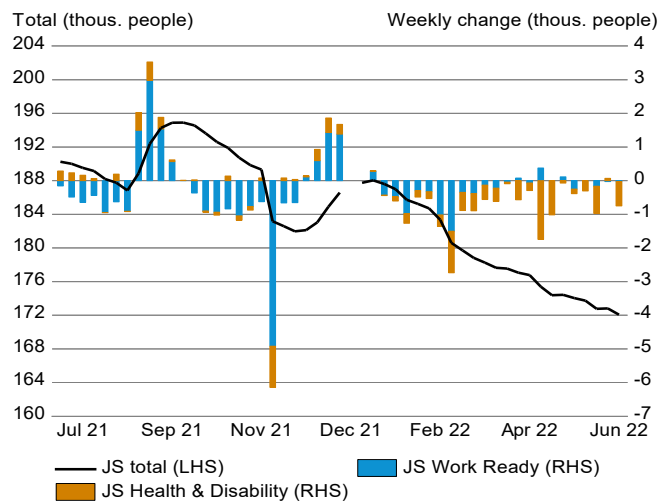
Source: Marketview data via MBIE

People Movements at Selected Locations



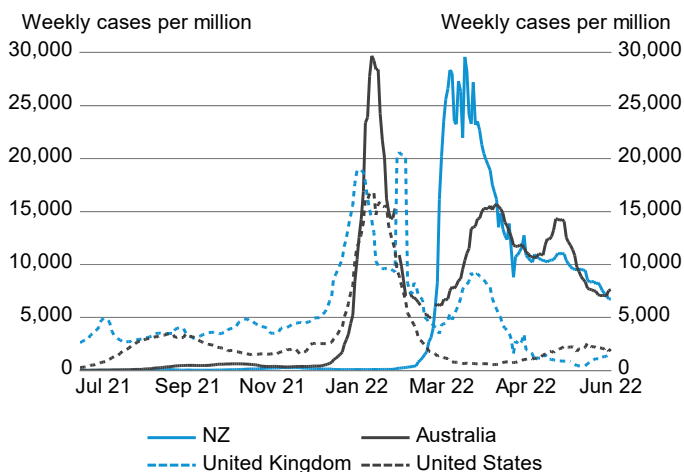
Source: Google/Haver

Jobseeker (JS) and Income Support Receipts



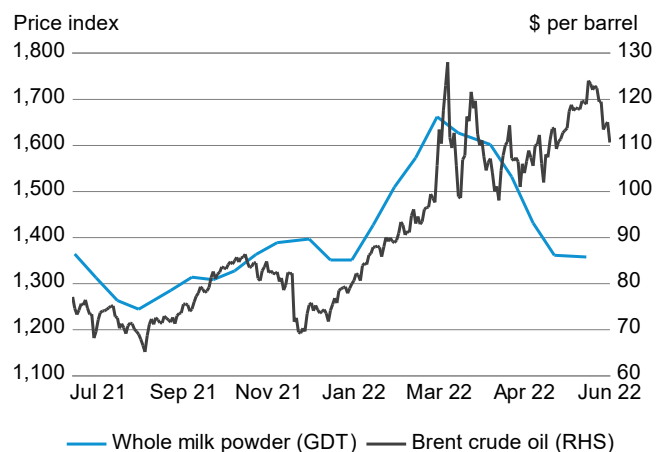
Source: MSD

COVID-19 Cases Per Million People



Source: John Hopkins University/Haver

World Commodity Prices



Source: Haver

Tables

Quarterly Indicators		2020Q4	2021Q1	2021Q2	2021Q3	2021Q4	2022Q1
Real Production GDP (1)	qpc	-0.4	1.7	2.4	-3.8	3.0	-0.2
	aapc	-2.1	-1.4	5.2	4.9	5.6	5.1
Current account balance (annual)	%GDP	-0.8	-2.5	-3.3	-4.6	-5.8	-6.5
Merchandise terms of trade	apc	-1.6	-0.9	-0.1	5.2	2.8	3.3
CPI inflation	qpc	0.5	0.8	1.3	2.2	1.4	1.8
	apc	1.4	1.5	3.3	4.9	5.9	6.9
Employment (HLFS) (1)	qpc	0.5	0.7	0.9	1.8	0.0	0.1
Unemployment rate (1)	%	4.9	4.6	4.0	3.3	3.2	3.2
Participation rate (1)	%	70.2	70.4	70.5	71.2	71.1	70.9
LCI salary & wage rates - total (2)	apc	1.6	1.6	2.1	2.4	2.6	3.0
QES average hourly earnings - total (2)	apc	4.3	4.0	4.0	3.5	3.8	4.8
Core retail sales volume	apc	4.4	5.3	30.0	-3.2	5.1	3.2
Total retail sales volume	apc	4.7	6.6	33.1	-5.1	4.4	2.3
WMM - consumer confidence (3)	Index	106.0	105.2	107.1	102.7	99.1	92.1
QSBO - general business situation (1,4)	net%	-12.5	-6.3	6.9	-11.6	-35.0	-32.6
QSBO - own activity outlook (1,4)	net%	10.5	7.3	26.6	8.6	8.0	8.3

Monthly Indicators		Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22
Merchandise trade balance (12 month)	NZ\$m	-7,304.9	-7765.4	-8685.1	-9329.1	-9286.7	-9520.8
Dwelling consents - residential	apc	10.1	-6.3	34.1	25.7	-6.9	...
House sales - dwellings	apc	-25.8	-26.4	-30.9	-31.9	-33.2	-28.4
REINZ - house price index	apc	22.5	19.7	14.2	9.0	6.3	3.7
Estimated net migration (12 month total)	people	-10,538.0	-11288.0	-11530.0	-9447.0	-8668.0	...
ANZ NZ commodity price index	apc	27.8	26.5	29.2	20.9	17.5	18.5
ANZ world commodity price index	apc	23.5	19.7	20.4	18.0	13.2	7.8
ANZBO - business confidence	net%	-23.2	...	-51.8	-41.9	-42.0	-55.6
ANZBO - activity outlook	net%	11.8	...	-2.2	3.3	8.0	-4.7
ANZ-Roy Morgan - consumer confidence	net%	98.3	97.7	81.7	77.9	84.4	82.3
NZAC	apc	1.9	2.7	1.8	1.7	...	...

Daily Indicators		Thu 16/6/22	Fri 17/6/22	Mon 20/6/22	Tue 21/6/22	Wed 22/6/22	Thu 23/6/22
NZ exchange and interest rates (5)							
NZD/USD	\$	0.6284	0.6344	0.6308	0.6340	0.6295	...
NZD/AUD	\$	0.8967	0.9027	0.9102	0.9089	0.9070	...
Trade weighted index (TWI)	index	70.75	71.28	71.21	71.34	71.10	...
Official cash rate (OCR)	%	2.00	2.00	2.00	2.00	2.00	...
90 day bank bill rate	%	2.76	2.80	2.79	2.80	2.80	...
10 year govt bond rate	%	4.16	4.23	4.26	4.22	4.22	...
Share markets (6)							
Dow Jones	index	29,927	29889	...	30530	30483	...
S&P 500	index	3,667	3675	...	3765	3760	...
VIX volatility index	index	33.0	31.1	...	30.2	29.0	...
AU all ords	index	6,784	6663	6609	6701	6682	...
NZX 50	index	10,647	10589	10588	10702	10679	...
US interest rates							
3 month OIS	%	1.58	1.58	1.58	1.58	...	...
3 month Libor	%	2.06	2.10	2.12	2.15	...	...
10 year govt bond rate	%	3.28	3.25	...	3.31	3.16	...
Commodity prices (6)							
WTI oil	US\$/barrel	117.59	109.56	...	110.65	106.19	...
Gold	US\$/ounce	1,826.50	1841.55	1836.50	1840.25	...	...
CRB Futures	index	624.30	617.50	...	614.47	...	...

(1) Seasonally adjusted
(2) Ordinary time, all sectors
(3) Westpac McDermott Miller

(4) Quarterly Survey of Business Opinion
(5) Reserve Bank (11am)
(6) Daily close

Data in italic font are provisional
... Not available

Country	Indicator		Nov 21	Dec 21	2021Q4	Jan 22	Feb 22	Mar 22	2022Q1	Apr 22	May 22	Jun 22
United States	GDP (1)	qpc			1.7				-0.4			
	Industrial production (1)	mpc	0.7	-0.2		0.8	1.0	0.5		1.4	0.2	...
	CPI	apc	6.8	7.0		7.5	7.9	8.5		8.3	8.6	...
	Unemployment rate (1)	%	4.2	3.9		4.0	3.8	3.6		3.6	3.6	...
	Employment change (1)	000s	647.0	588.0		504.0	714.0	398.0		436.0	390.0	...
	Retail sales value	apc	18.6	16.8		13.7	17.7	7.1		7.8	8.1	...
	House prices (2)	apc	18.3	18.5		19.0	20.3	21.2		...	...	...
	PMI manufacturing (1)	index	60.6	58.8		57.6	58.6	57.1		55.4	56.1	...
	Consumer confidence (1)(3)	index	111.9	115.2		111.1	105.7	107.6		108.6	106.4	...
Japan	GDP (1)	qpc			1.0				-0.1			
	Industrial production (1)	mpc	5.0	0.2		-2.4	2.0	0.3		-1.5	...	...
	CPI	apc	0.6	0.8		0.5	0.9	1.2		2.5	...	...
	Unemployment rate (1)	%	2.8	2.7		2.8	2.7	2.6		2.5	...	...
	Retail sales value	apc	1.9	1.2		1.1	-0.9	0.7		3.1	...	...
	PMI manufacturing (1)	index	54.5	54.3		55.4	52.7	54.1		53.5	53.3	...
	Consumer confidence (1)(4)	index	39.2	38.8		36.6	35.1	32.5		32.0	33.1	...
Euro area	GDP (1)	qpc			0.2				0.6			
	Industrial production (1)	mpc	2.5	1.6		-0.8	0.5	-1.4		0.4	...	...
	CPI	apc	4.9	5.0		5.1	5.9	7.4		7.4	8.1	...
	Unemployment rate (1)	%	7.1	7.0		6.9	6.8	6.8		6.8	...	...
	Retail sales volume	apc	8.5	2.3		8.5	5.2	1.6		3.9	...	...
	PMI manufacturing (1)	index	58.4	58.0		58.7	58.2	56.5		55.5	54.6	...
	Consumer confidence (5)	index	-8.2	-9.3		-9.7	-9.5	-21.5		-22.0	-21.1	-23.6
United Kingdom	GDP (1)	qpc			1.3				0.8			
	Industrial production (1)	mpc	1.0	0.3		0.9	-0.3	-0.2		-0.6	...	...
	CPI	apc	4.6	4.8		4.9	5.5	6.2		7.8	7.9	...
	Unemployment rate (1)	%	4.1	4.0		4.0	3.8	3.7		3.8	...	...
	Retail sales volume	apc	3.7	-1.4		9.9	7.4	1.3		-4.9	...	...
	House prices (6)	apc	10.0	10.4		11.2	12.6	14.3		12.1	11.2	...
	PMI manufacturing (1)	index	58.1	57.9		57.3	58.0	55.2		55.8	54.6	...
	Consumer confidence (1)(5)	net %	-14.0	-15.0		-19.0	-26.0	-31.0		-38.0	-40.0	...
Australia	GDP (1)	qpc			3.6				0.8			
	CPI	apc			3.5				5.1			
	Unemployment rate (1)	%	4.6	4.2		4.2	4.0	3.9		3.9	3.9	...
	Retail sales value	apc	6.2	5.0		5.8	9.1	8.2		11.1	...	...
	House Prices (7)	apc			27.5				...			
	PMI manufacturing (1)	index	54.8	48.4		48.4	53.2	55.7		58.5	52.4	...
	Consumer confidence (8)	index	105.3	104.3		102.2	100.8	96.6		95.8	90.4	86.4
China	GDP	apc			4.0				4.8			
	Industrial production	apc	3.8	4.3		7.5	7.5	5.0		-2.9	0.7	...
	CPI	apc	2.3	1.5		0.9	0.9	1.5		2.1	2.1	...
	PMI manufacturing (1)	index	50.1	50.3		50.1	50.2	49.5		47.4	49.6	...
South Korea	GDP (1)	qpc			1.3				0.6			
	Industrial production (1)	mpc	1.6	3.4		0.4	0.3	1.1		-3.3	...	...
	CPI	apc	3.8	3.7		3.6	3.7	4.1		4.8	5.4	...

(1) Seasonally adjusted

(2) Case-Shiller Home Price Index 20 city

(3) The Conference Board Consumer Confidence Index

(4) Cabinet Office Japan

(5) European Commission

(6) Nationwide House Price Index

(7) Australian Bureau of Statistics

(8) Melbourne/Westpac Consumer Sentiment Index