TE TAI ŌHANGA
THE TREASURY

Fortnightly Economic Update

17 February 2023

- **Cyclone Gabrielle and upper North Island flooding has had a major impact on lives and will have a prolonged impact on the New Zealand economy.**
- **Activity and food prices, house prices, and expected inflation reflect an easing of domestic demand.**
- **Strong global activity keeps pressure on central banks to continue hiking rates.**

The devastation caused by Cyclone Gabrielle and the additional loss of life is heart-breaking. The impact is widespread and significant, requiring a National State of Emergency declaration for the third time in New Zealand's history and the first for severe weather. Before this week, the upper North Island flooding and Cyclone Hale in January was considered to become the costliest non-earthquake natural disaster in New Zealand's history. However, Cyclone Gabrielle is vastly different in nature, in its severity and breadth, affecting larger population centres beyond Auckland to rural communities, damaging key infrastructure including severed fibre cables, mobile phone outages, and submerged power sub-stations.

Cyclone Gabrielle caused devastation across six regions, with wind gusts of reaching a maximum of nearly 160kph in some areas, and catastrophic flooding from heavy sudden rain in others. Towns have been submerged and others have been cut off completely due to landslides including the Coromandel peninsula and entire communities on the East Coast. Transpower declared a "grid emergency" after power was lost to Hawke's Bay and Gisborne, with restoration expected to take weeks, affecting approximately 250,000 homes. Telecom infrastructure provider Chorus said two fibre lines were damaged in the eastern part of the North Island, between Taupo and Napier, and another that crosses north of the region. The loss of power and fibre connectivity has resulted in ongoing widespread mobile outages in Northland, Coromandel, and in Hawke's Bay.

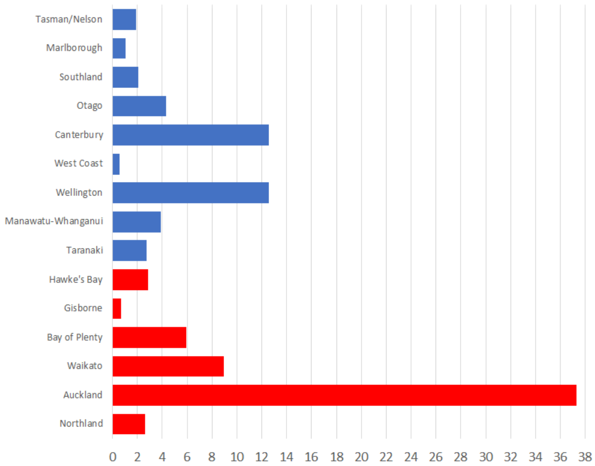
Damage assessment still in the early stages but economic costs will be severe

Before Cyclone Gabrielle, damage assessment was still being conducted in Auckland and the upper North Island from the January floods. As of 16 February, a total of 5,850 homes have been assessed in the Auckland region. Of these 2,280 have been found to be significantly impacted. While it is early to make precise estimates, we expect the biggest economic costs will be damage to homes, businesses, and infrastructure. Regions will spend considerable time and resources on rebuilding and repairing assets and capital stock. To rural communities in particular, the disruption to business operation, loss of tourism, lost crops and agricultural production will be significant.

Horticulture, agriculture sectors vital to regions' economies

Beginning with Cyclone Hale in early January, the Auckland floods a few weeks later, and Cyclone Gabrielle this week, severe weather events this year have affected 58.4% of the estimated resident population of New Zealand. Northland, Auckland, Waikato, the Bay of Plenty, Gisborne, and Hawke's Bay are facing damaged infrastructure, disrupted business operations, and isolation. The affected regions contribute 58% of national GDP with Northland, the Bay of Plenty and Hawke's Bay playing key roles in the agricultural, horticultural, and tourism sectors.

Regional Production GDP as a percent of New Zealand GDP in 2021



Source: Stats NZ

Hawke's Bay makes up 2.8% of New Zealand's production GDP with agriculture, including horticultural production, making up 10.1% of the region's economic activity. Hawke's Bay is an important supplier to the domestic fruit

Prepared by the Treasury and released at https://www.treasury.govt.nz/publications/research-and-commentary/fortnightly-economic-updates

and vegetable market and with large scale crop losses this is likely to exacerbate fruit price inflation. The region accounting for 63% of total apples grown domestically, along with 55% of peaches, 60% of nectarines.

Some of New Zealand’s largest export earners such as kiwifruit, apples, pears, onions, and avocados are grown across the regions and are extremely vulnerable to root rot. Kiwifruit orchards in Gisborne and the Bay of Plenty have been damaged with vines and roots under water from Cyclone Hale.

The Bay of Plenty makes up 5.8% of GDP and agriculture contributes about 7.2% to the region’s GDP. The Bay of Plenty grow a significant portion (45%) of avocados which are extremely vulnerable to root rot. Kiwifruit orchards in the region were impacted by the January floods with vines and roots under water for a prolonged period and are also susceptible to disease from contaminated soil. About 60% of the region’s maize crops were estimated to have been lost in the January floods, and there have been reports suggesting Cyclone Gabrielle has wiped out the remainder. The Gisborne region relies heavily on agriculture and horticulture which together with forestry and fishing contribute 20% to the region’s output.

Northland’s GDP was $8.6 billion in 2021 with agriculture, horticulture, forestry, and fishing contributing 11.4%. The region produces 95% of New Zealand’s kumara. The industry had already been struggling with rising diesel and fertiliser costs, lower consumer demand, and labour shortages. There have been reports that this year’s unprecedented rainfall and weather events have decimated much of Northland’s kumara production for the year.

In the short-term resources will be diverted to emergency response and delivery of critical supplies

In the short term after emergency responses and assistance from the Defence Force, there will be reduced economic activity as supply disruptions and infrastructure damage prevent the increased demand for repairs and replacement work. There will be cancelled and lost tourism opportunities to towns still recovering from losses incurred since the pandemic. We expect GDP growth to be weaker in the March 2023 quarter.

Our initial assessment of the January floods was an increase to consumer price inflation around 0.4 percentage points than it would otherwise have been over the first half of 2023. The magnitude and duration of price impacts from Cyclone Gabrielle is still being determined but will further add to inflationary pressure.

There will be higher prices for some goods in the short term such as fruit and vegetables. There is also the risk for price pressures to rise for fuel for at least the next six months. Remote rural communities and other areas are currently facing petrol and diesel shortages. Freight transport will need to take longer routes to bypass road closures which in turn will increase the cost to businesses in fuel and in wages to drivers. In addition to consumer prices, the temporary inflationary impacts will also be reflected in higher producer prices and capital goods.

The experiences of other countries has shown inflationary impacts from flooding events are transitory and largely diminish after six months. Tropical Cyclone Yasi hit North Queensland in 2011 and caused an estimated A$300 million loss in crops and an increased the Fruit Group in the CPI by 41.5% across the March and June 2011 quarters before retreating over the following three quarters. Westpac Australia had predicted a 0.7 percentage point increase in the March 2011 quarter Australian headline CPI which would have led to a 1.6% quarterly rate, slightly higher when compared with the actual outcome of 1.4%. Queensland Treasury estimated the 2022 Queensland floods cost the state's economy up to A$2.5 billion. An earlier estimate of A$1 billion was revised up after a more detailed assessment revealed A$1 billion alone would be needed to repair flood-damaged infrastructure.

Recovery and repair will add to inflationary pressure

We are only beginning to understand the extent of the cyclone damage as communications remain out in large parts of the East Coast and Hawke’s Bay. However, it is already clear that repairing damaged infrastructure and capital could take years. Assessments are still being made as to the size of the rebuilding and recovery task.

The demand associated with the recovery and rebuilding will support economic activity over coming years. This additional demand in an already capacity-constrained economy will add to inflation pressure. Remediation activity will add cost pressure to the construction industry, particularly in the most affected regions. This may result in some other capital projects being delayed. The need to rebuild in a more resilient fashion may add further cost and time to the rebuild. Additional demand in the economy will add to general, nationwide inflation pressure. Consequently, Cyclone Gabrielle could result in the Reserve Bank keeping interest rates higher for longer than otherwise, displacing some activity that otherwise would have taken place.

The biggest economic costs will take the form of lost capital and lost economic opportunity. New Zealand will spend time and resources on repair and remediation work, diverting opportunities and existing plans to improve the capital stock, either by delaying planned investment or via the monetary policy response.

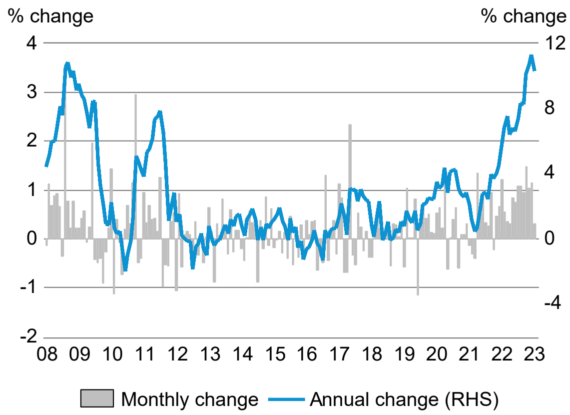
Meanwhile, incoming data points to further easing in demand…

Meanwhile, incoming data points to further easing in demand as higher interest rates bite. This is reflected in a slower pace of food price inflation, lower inflation expectations and ongoing declines in house prices. Internationally, indicators of activity remain strong, suggesting central banks will need to raise rates further to control inflation.

… and easing inflation in January…

Consistent with the easing in consumer prices in the December quarter, food price inflation slowed in January, increasing 0.3% after a 1.2% increase in December on a seasonally adjusted basis. This saw the annual rate ease from its 30-year high of 11.3% in December to 10.8% (Figure 1). Grocery, and restaurant meals and ready-to-eat foods, which each account for over a quarter of the index, led the annual increase, up 11.0% and 8.3% respectively.

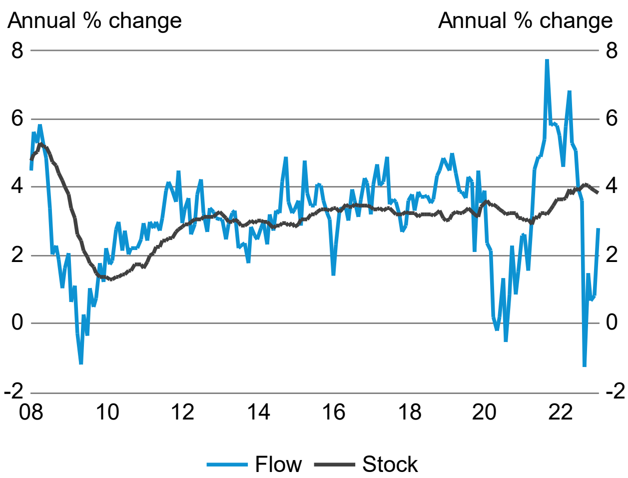
Figure 1: Food Price Index



Source: Stats NZ

Rental prices for new tenancies are showing signs of an upward trend, with the flow measure of Stats NZ's Rental Price Index increasing 2.8% in January compared with the same time last year (Figure 2). The stock measure, which includes changes in rents for those currently in tenancies, eased slightly but remains at an elevated annual rate of 3.8%.

Figure 2: Rental Price Index

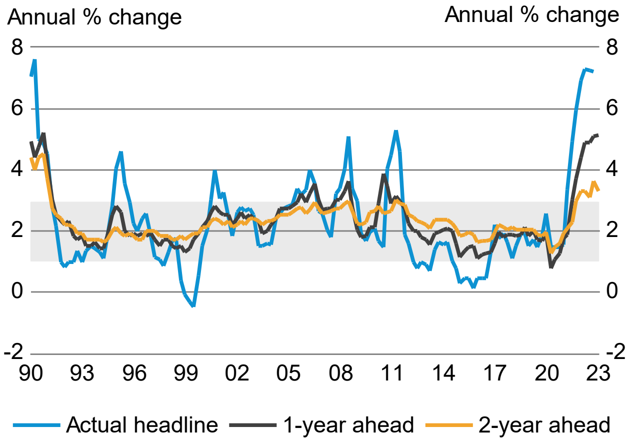


Source: Stats NZ

… and inflation expectations stabilised…

The Reserve Bank's Survey of Expectations showed a stabilisation in inflation expectations following the release of CPI data on 25 January. One-year ahead inflation expectations remained stable at 5.1%, while two-year ahead expectations dropped from 3.6% to 3.3% (Figure 3). However, expectations for the OCR continue to inch towards the Bank's November forecast peak of 5.5%. The mean estimate for the OCR one year ahead was 5.0%, up from 4.67% in last quarter's survey, and close to market expectations in general. Unemployment is expected to reach 4.2% in March 2024 and 4.6% the following year, up from the current rate of 3.4%. House prices are expected to drop 6.3% over the next 12 months before increasing.

Figure 3: Actual and Expected CPI Inflation



Source: Stats NZ, RBNZ

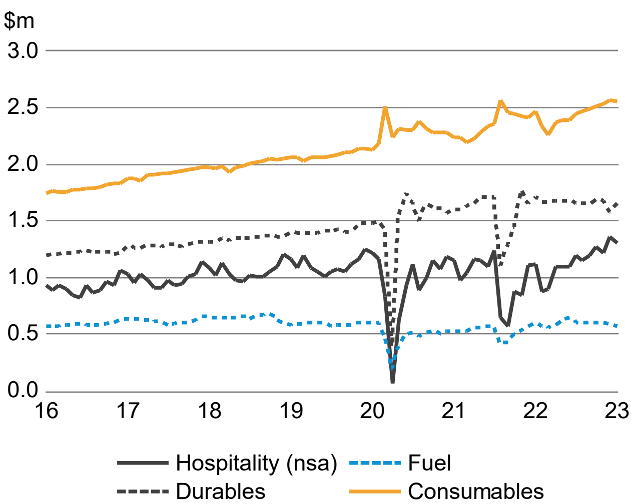
House prices continue to fall

The Real Estate Institute's (REINZ) house price index declined for the 14th consecutive month, falling 0.7% in January to be 13.9% lower than the same month last year. This is the smallest monthly decline since May last year but it is too soon to tell if this smaller decline signals a potential stabilisation in prices. We expect house prices to continue easing as the lagged impact of past monetary policy tightening flows through the economy and into higher mortgage outgoings and the labour market weakens.

Activity indicators stabilise in January following recent declines

Retail spending in January was up 3.3% in January, driven by a recovery in durables (Figure 4). However, annual growth slowed to 2.7%, well below annual inflation, pointing to an ongoing pull-back in activity.

Figure 4: Electronic Card Spending

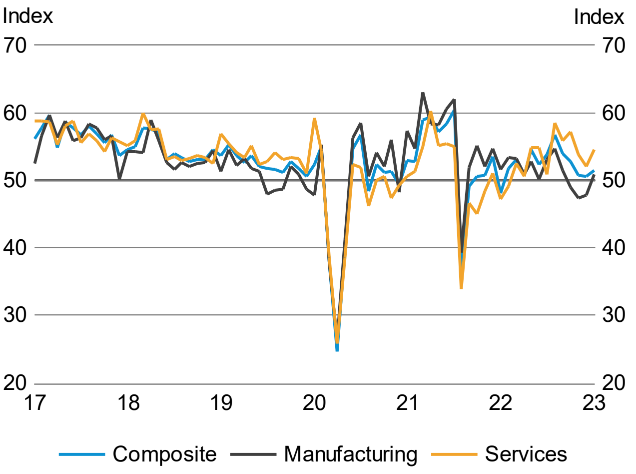


Source: Stats NZ

Consumables spending, which accounts for 29% of total card spending, dipped in the month, having increased for nine consecutive months. Hospitality spending fell in the month, but was 16.7% higher than in January last year, reflecting a recovery in tourism. Fuel spending continued to trend down, falling 2.5% after a 4.3% fall in December, in line with lower petrol prices.

The BNZ-Business NZ Performance of Manufacturing Index (PMI) returned to expansion (above 50) for the first time in four months, rising three points in January to 50.8 (Figure 5). The improvement signals stabilisation in the sector rather than outright recovery, as gains in production were partially offset with a contraction in new orders for the fifth consecutive month. The services index (PSI) rose back to its October 2022 level, resulting in the composite index (PCI) rising to 51.5, having flattened out in recent months.

Figure 5: BNZ-Business NZ Performance Indexes



Source: Haver

Border crossings continue to recover

Migrant arrivals continued to rise strongly in December, and, over the 12-months to December, were 95% of their pre-COVID average. Outflows also increased, but annual net migration inflows reached 15,800 in the year ended December, well above the Treasury's HYEFU forecasts. While these inflows will help alleviate skills shortages in the labour market, they will also add to demand and potentially to inflation.

Meanwhile, overseas visitor arrivals rose to 360,000 in the month of December or 68% of their pre-pandemic level. The rapid recovery in visitor arrivals is supporting domestic demand, although with significant disruption to travel reported due to recent weather events, there are risks that the recovery will lose some momentum in the short-term.

Export prices soften, but China reopening should provide a boost

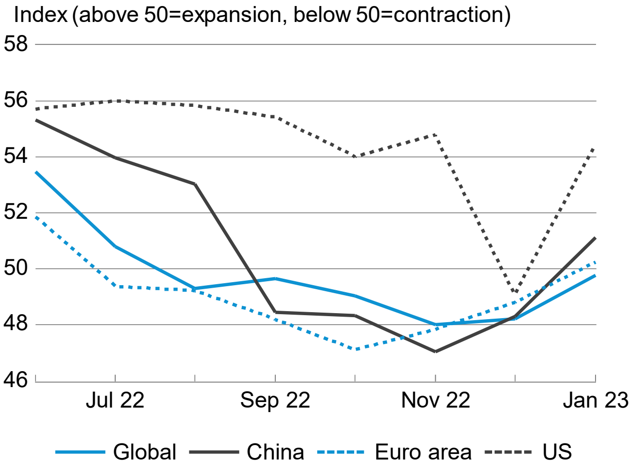
The ANZ World Commodity Price Index fell 1.0% in January, driven by lower dairy and horticulture prices, to be down 20% from its peak in March 2022. Looking forward, export prices should be supported by China's reopening, which was likely a factor in the *GlobalDairyTrade* Index bouncing 3.2% at the 7 February auction.

Strong activity data keeps pressure on global central banks to tighten

In recent weeks, central banks in developed economies continued to raise policy rates and recognised the need for further hikes to tame inflation. They also signalled that with rates now in restrictive territory and signs of easing inflation, the tightening cycle may soon end, but a decision to pause would be dependent on data consistent with easing inflation.

Incoming data shows activity remains strong, suggesting that this pause may be further off than previously thought expected. January's PMIs showed global manufacturing and services sentiment continued to recover from their November lows, while US jobs data pointed to continued expansion (Figure 6). In China, real-time indicators show a substantial recovery in activity, aligning with the PMI and other measures.

Figure 6: Global composite PMIs



Source: Haver

Strong US activity increases risk of higher interest rates

Inflation pressures continued to moderate in the US, but they remained firm. January's CPI release showed annual headline and core inflation (ex food and energy) eased modestly to 6.4% and 5.6% respectively, in line with market expectations. The headline measure rose 0.5% in the month while the core was up 0.4%. Within the details, shelter costs (mostly rents), accounted for over half the monthly increase, while energy inflation made its first positive contribution in two months. Core goods inflation rose a modest 0.1% in the month.

Adding to concerns that high levels of inflation will persist in 2023, producer prices accelerated in January. PPI inflation rose 0.7% in the month, against expectations of a 0.4% increase, as energy costs surged. The core measure, excluding energy and food, rose 0.5% in the month (vs 0.3% expected), the largest increase since July.

Meanwhile, concerns that the US economy might slide into recession in the March quarter were alleviated by a very large gain in January's payrolls report. The 517k rise was more than twice the markets expectation and was accompanied by a reversal in average weekly hours worked, which had trended lower over the December quarter. Providing further evidence of a tightening labour market, the unemployment rate dipped to 3.4% — a 53-year low, while the participation rate ticked up to 62.4%.

Adding to the positive tone, January's ISM services PMI rebounded sharply from December's slide into contractionary territory, while January retail sales rose 3.0%, the largest monthly increase in nearly two years.

Canada's employment report for January was also strong, and the unemployment rate nudged down to 5.0%. The recent "pause" guidance by the Bank of Canada was data dependent and the strong report increased the chance of another 25bps hike in coming months.

Recession risks recede in Europe…

The European Commission's (EC) latest economic forecasts show an improved outlook for the euro area. The EC now expects the economy will avoid a contraction in 2023 and GDP will expand 0.9% this year, up from 0.3% in November. Inflation is forecast to subside to 5.6% this year, down from 6.4% previously, reflecting substantial fiscal support measures, improved gas supply, and easing input-cost pressures for firms. Earlier, preliminary estimates of fourth quarter GDP growth reported an increase 0.2% compared to the previous quarter.

The UK narrowly avoided a second consecutive quarterly contraction (a common recession metric) with a flat GDP outturn in the December quarter. Business investment and household spending provided support, the latter partly reflecting government subsidies to offset high energy costs. However, with subsidies likely to be slashed by 85% by March given the mounting fiscal cost, pressure on consumers will intensify.

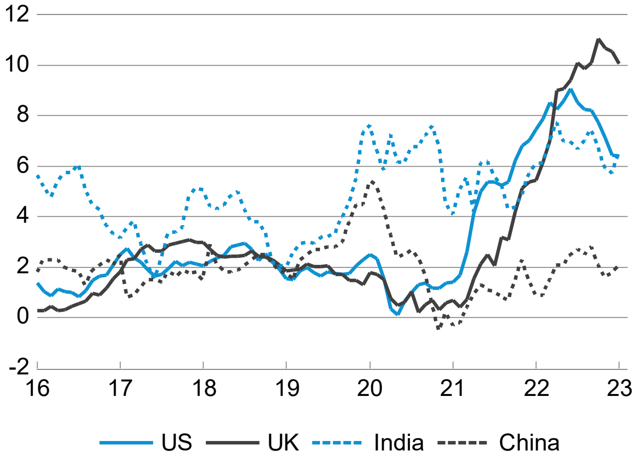
Continued strength in employment (up 0.2% in Q4) and stronger-than-expected wage growth (annual non-bonus weekly earnings up 6.7% in Q4) suggest that the drag on spending may be less than previously thought. In addition, CPI inflation in January slowed more quickly than analysts expected with the headline down to 10.1%, and services inflation slowing to 6.0% (Figure 7). Analysts expect the BoE to deliver a 25-basis point hike at its March meeting.

Inflation picks up in Asia…

China's annual CPI inflation edged up to 2.1%, showing evidence of a consumption recovery as COVID-19 control measures were unwound (Figure 7). But annual PPI deflation widened to -0.8%, primarily led by softening domestic coal prices. Meanwhile, January's new loan growth and aggregate financing figures were strong, boosted by the government's encouragement to front-load credit extension, but lending to households remained weak.

In India, headline CPI accelerated from 5.7% in December to 6.5% in January, well above market and central bank expectations (Figure 7). Last week, the central bank Governor indicated that its latest 25 bps hike gave it "elbow room to weigh all incoming data and forecasts to determine appropriate actions and policy stance", leading analysts to expect it was the last hike in the cycle.

Figure 7: CPI inflation



Source: Haver

…and GDP mostly increased in Q4

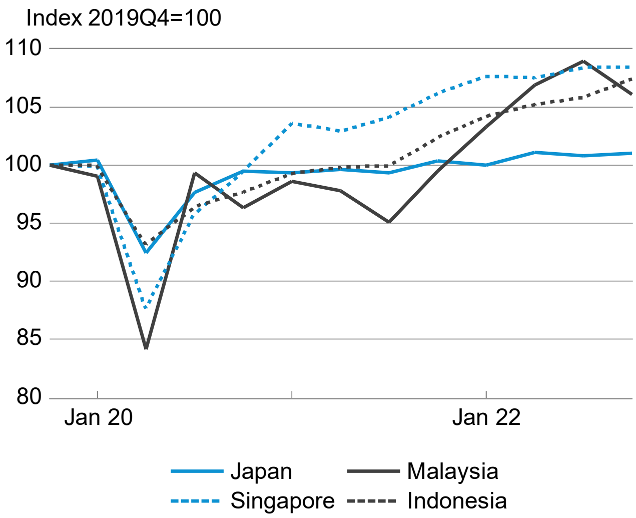
In Japan, GDP rose 0.2% in December compared to the previous quarter and 1.0% compared to the previous year (Figure 8). In the quarterly details, a large fall in inventories partially offset a solid rise in domestic demand, led by household spending on services following the relaxation of COVID-19 restrictions. Demand is expected to remain firm in the short-term as increasing wages and easing inflation add to real incomes, but may weaken thereafter as slower global demand weighs on exports. Separately, Japan's Prime Minister surprised analysts by nominating an academic, Kazuo Ueda, to the role of Bank of Japan Governor, adding to speculation about the Bank's policy stance over the year ahead. A House of Representatives hearing is scheduled for 24 February.

Indonesia's real GDP rose 1.3% compared to the prior quarter keeping annual average growth steady at 5.5% (Figure 8). Net exports drove the quarterly rise, largely reflecting sharply lower imports. Domestic demand growth was modest, with private consumption only partially rebounding from the effects of energy price rises in Q3 and construction spending remaining subdued. The outlook is for slightly weaker growth over 2023 as the impacts of high inflation, monetary tightening and slower global growth are partly offset by China's recovery.

Singapore's GDP rose 0.1% in the quarter, led by private consumption (Figure 8). Growth in 2022 slowed to 3.6% compared to the previous year, which was revised up sharply to 8.9% from 7.6% earlier. Growth in 2023 is expected to slow as global demand weakens and the boost from COVID-19 reopening fades. Singapore's budget provided some cost of living support to households but the overall fiscal stance was contractionary as the government looks to return the budget to surplus. The government forecast 2023 GDP growth of 0.5%-2.5%.

Malaysia's GDP contracted 2.4% from the previous quarter, led by a fall in household spending as fiscal support was withdrawn and private sector wage growth eased (Figure 8). Despite the Q4 fall, annual average GDP growth rose 8.7%, the fastest pace in two decades, as the economy reopened. GDP growth is expected to slow to 4.0% in 2023 due to a weakening world economy.

Figure 8: GDP growth



Source: Haver

Australian labour market eases as RBA hikes

The Reserve Bank of Australia (RBA) raised the cash rate by 25bps to 3.35% at its first meeting of 2023 and stated that "further increases in interest rates will be needed in the months ahead". Analysts noted that the December quarter CPI release, which showed higher than expected underlying inflation of 6.9%, had increased the likelihood of that RBA would lift the cash rate a further 75bps in coming months, taking the cash rate to a peak of 4.1%.

The impact of past policy tightening was evident in January's unemployment rate, which rose two-tenths to 3.7%, alongside weaker employment. The outlook is for the unemployment rate to trend higher this year as GDP growth slows. RBA forecasts released following the rate decision show unemployment at 3.8% and 4.5% in December 2023 and mid-2025 respectively. Annual GDP growth is forecast to be around 1.5% in 2023 and 2024, while inflation reaches the 3% upper bound of the RBA's inflation target range in mid-2025.

Coming Up:

Date	Release
22 Feb	RBNZ Monetary Policy Statement
22 Feb	Merchandise Trade (Jan)
27 Feb	Retail Sales (Q4)
28 Feb	ANZ Business Outlook (Feb)
1 Mar	Building Permits (Feb)
2 Mar	Terms of Trade (Q4)

Tables

Quarterly Indicators		2021Q3	2021Q4	2022Q1	2022Q2	2022Q3	2022Q4
Real Production GDP (1)	qpc	-3.9	2.9	-0.4	1.9	2.0	...
	aapc	5.4	6.1	5.2	1.1	2.7	...
Current account balance (annual)	%GDP	-4.7	-6.0	-6.8	-7.7	-7.9	...
Merchandise terms of trade	apc	5.2	2.8	3.3	-2.2	-5.9	...
CPI inflation	qpc	2.2	1.4	1.8	1.7	2.2	1.4
	apc	4.9	5.9	6.9	7.3	7.2	7.2
Employment (HLFS) (1)	qpc	1.5	0.0	-0.0	-0.1	1.3	0.1
Unemployment rate (1)	%	3.3	3.2	3.2	3.3	3.3	3.4
Participation rate (1)	%	71.1	71.0	70.9	70.9	71.7	71.7
LCI salary & wage rates - total (2)	apc	2.4	2.6	3.0	3.4	3.7	4.1
QES average hourly earnings - total (2)	apc	3.5	3.8	4.8	6.4	7.4	7.2
Core retail sales volume	apc	-3.2	5.1	3.2	-1.8	5.0	...
Total retail sales volume	apc	-5.1	4.4	2.3	-3.7	4.9	...
WMM - consumer confidence (3)	Index	102.7	99.1	92.1	78.7	87.6	...
QSBO - general business situation (1,4)	net%	-11.6	-32.4	-35.4	-64.7	-42.6	-72.9
QSBO - own activity outlook (1,4)	net%	7.1	10.3	8.3	-15.8	-17.6	-32.9

Monthly Indicators		Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23
Merchandise trade balance (12 month)	NZ$m	-12,504.1	-12857.6	-13884.4	-14978.5	-14463.6	...
Dwelling consents - residential	apc	0.9	1.7	-11.9	-0.9	-16.3	...
House sales - dwellings	apc	-15.6	-6.7	-30.5	-33.8	-36.6	-27.0
REINZ - house price index	apc	-5.7	-8.0	-10.9	-13.7	-13.9	-13.9
Estimated net migration (12 month total)	people	-10,602.0	-6383.0	-2353.0	6743.0	15787.0	...
ANZ NZ commodity price index	apc	10.3	14.5	12.8	-0.5	-7.1	-9.9
ANZ world commodity price index	apc	2.4	0.2	-5.2	-11.5	-11.4	-13.1
ANZBO - business confidence	net%	-47.8	-36.7	-42.7	-57.1	-70.2	-52.0
ANZBO - activity outlook	net%	-4.0	-1.8	-2.5	-13.7	-25.6	-15.8
ANZ-Roy Morgan - consumer confidence	net%	85.4	85.4	85.4	80.7	73.8	83.4
NZAC	apc	6.8	5.2	...	...	...	...

Daily Indicators		Fri 10/2/23	Mon 13/2/23	Tue 14/2/23	Wed 15/2/23	Thu 16/2/23	Fri 17/2/23
NZ exchange and interest rates (5)							
NZD/USD	$	0.6327	0.6306	0.6364	0.6330	0.6260	...
NZD/AUD	$	0.9114	0.9126	0.9135	0.9072	0.9109	...
Trade weighted index (TWI)	index	71.17	71.14	71.74	71.34	71.03	...
Official cash rate (OCR)	%	4.25	4.25	4.25	4.25	4.25	...
90 day bank bill rate	%	5.00	5.07	5.10	5.06	5.04	...
10 year govt bond rate	%	4.20	4.24	4.28	4.33	4.33	...
Share markets (6)							
Dow Jones	index	33,869	34246	34089	34128	33697	...
S&P 500	index	4,090	4137	4136	4148	4090	...
VIX volatility index	index	20.5	20.3	18.9	18.2	20.2	...
AU all ords	index	7,631	7615	7629	7559	7621	...
NZX 50	index	12,179	12075	12074	12083	12158	...
US interest rates							
3 month OIS	%	4.58	4.58	4.58	4.58	...	...
3 month Libor	%	4.87	4.86	4.87	4.88	...	...
10 year govt bond rate	%	3.74	3.72	3.77	3.81	3.86	...
Commodity prices (6)							
WTI oil	US$/barrel	79.74	80.14	79.08	78.59	78.49	...
Gold	US$/ounce	1,859.70	1856.05	1863.70	1831.20	1828.95	...
CRB Futures	index	553.72	555.86	554.40	552.34	...	...

(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		Jul 22	Aug 22	Sep 22	2022Q3	Oct 22	Nov 22	Dec 22	2022Q4	Jan 23	Feb 23
United States	GDP (1)	qpc				**0.8**				**0.7**		
	Industrial production (1)	mpc	0.5	-0.1	0.2		0.0	-0.6	-1.0		0.0	...
	CPI	apc	8.5	8.3	8.2		7.7	7.1	6.5		6.4	...
	Unemployment rate (1)	%	3.5	3.7	3.5		3.7	3.6	3.5		3.4	...
	Employment change (1)	000s	568.0	352.0	350.0		324.0	290.0	260.0		517.0	...
	Retail sales value	apc	10.0	9.7	8.4		8.0	5.9	5.9		6.4	...
	House prices (2)	apc	16.0	13.0	10.4		8.6	6.8	...		...	...
	PMI manufacturing (1)	index	52.7	52.9	51.0		50.0	49.0	48.4		47.4	...
	Consumer confidence (1)(3)	index	95.3	103.6	107.8		102.2	101.4	109.0		107.1	...
Japan	GDP (1)	qpc				**-0.3**				**0.2**		
	Industrial production (1)	mpc	0.8	3.4	-1.7		-3.2	0.2	0.3		...	...
	CPI	apc	2.6	3.0	3.0		3.8	3.8	4.0		...	...
	Unemployment rate (1)	%	2.6	2.5	2.6		2.6	2.5	2.5		...	...
	Retail sales value	apc	2.4	4.1	4.8		4.4	2.5	3.8		...	...
	PMI manufacturing (1)	index	52.1	51.5	50.8		50.7	49.0	48.9		48.9	...
	Consumer confidence (1)(4)	index	30.1	32.0	31.2		30.8	29.6	30.9		31.0	...
Euro area	GDP (1)	qpc				**0.3**				**0.1**		
	Industrial production (1)	mpc	-2.8	2.1	0.8		-2.0	1.4	-1.1		...	...
	CPI	apc	8.9	9.1	9.9		10.6	10.1	9.2		...	...
	Unemployment rate (1)	%	6.6	6.7	6.7		6.6	6.6	6.6		...	...
	Retail sales volume	apc	-0.7	-1.3	0.1		-2.6	-2.5	-2.8		...	...
	PMI manufacturing (1)	index	49.8	49.6	48.4		46.4	47.1	47.8		48.8	...
	Consumer confidence (5)	index	-27.2	-25.0	-28.7		-27.5	-23.8	-22.1		-20.9	...
United Kingdom	GDP (1)	qpc				**-0.2**				**0.0**		
	Industrial production (1)	mpc	-0.7	-1.5	-0.1		0.2	0.1	0.3		...	...
	CPI	apc	8.8	8.6	8.8		9.6	9.3	9.2		8.8	...
	Unemployment rate (1)	%	3.6	3.5	3.6		3.7	3.7	3.7		...	...
	Retail sales volume	apc	-3.4	-5.4	-6.6		-5.5	-5.7	-5.8		...	...
	House prices (6)	apc	11.0	10.0	9.5		7.2	4.4	2.8		1.1	...
	PMI manufacturing (1)	index	52.1	47.3	48.4		46.2	46.5	45.3		47.0	...
	Consumer confidence (1)(5)	net %	-41.0	-44.0	-49.0		-47.0	-44.0	-42.0		-45.0	...
Australia	GDP (1)	qpc				**0.6**				**...**		
	CPI	apc				**7.3**				**7.8**		
	Unemployment rate (1)	%	3.5	3.5	3.6		3.4	3.5	3.5		3.7	...
	Retail sales value	apc	15.8	19.4	18.6		12.0	7.7	7.9		...	...
	House Prices (7)	apc				**...**				**...**		
	PMI manufacturing (1)	index	4.6	-3.9	0.2		2.2	-7.1	-17.1		-17.1	...
	Consumer confidence (8)	index	83.8	81.2	84.4		83.7	78.0	80.3		84.3	78.5
China	GDP	apc				**3.9**				**2.9**		
	Industrial production	apc	3.8	4.2	6.3		5.0	2.2	1.3		...	...
	CPI	apc	2.7	2.5	2.8		2.1	1.6	1.8		2.1	...
	PMI manufacturing (1)	index	49.0	49.4	50.1		49.2	48.0	47.0		50.1	...
South Korea	GDP (1)	qpc				**0.3**				**-0.4**		
	Industrial production (1)	mpc	-1.3	-1.4	-2.0		-3.4	0.6	-2.9		...	...
	CPI	apc	6.3	5.7	5.6		5.7	5.0	5.0		5.2	...

(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