TE TAI ŌHANGA
THE TREASURY

Fortnightly Economic Update

15 December 2023

- **Weak activity and strong population growth sees a further fall in GDP per capita**
- **Housing market in holding pattern as rents and house prices ease slightly**
- **Global central banks hold rates steady as data reveals extent of economic slowdowns**

GDP data from Stats NZ revealed an economy that has been weak for much of the past year, with revisions showing GDP fell in three out of the last four quarters. Aside from volatility created among expenditure GDP components by the timing of car purchases, the slowdown was spread across consumption, investment, and net exports, which aligns with recent weakness in tax revenue. More recent data has been mixed. Growth in net migration is easing but population growth continues to support the housing market, which has been treading water for the past three months, and consumer confidence has risen. Meanwhile, markets were buoyed by the US Federal Reserve signalling future cuts, and similar less hawkish tones from the Australia and the EU. This coincided with weak GDP data from Australia, lower demand in China for imports, and a shared pessimism among major economies expecting ongoing contractions within their goods and services sectors.

Population growth masks extent of weakness in real economy

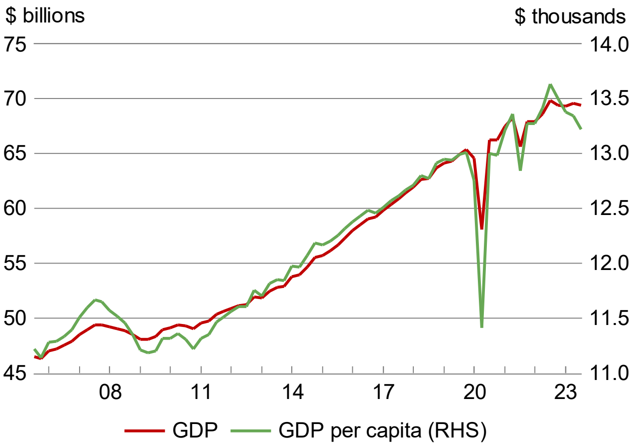
Activity was weaker than forecast in our *Pre-election Update* and by markets last week with GDP contracting 0.3% in the September 2023 quarter (Table 1). In addition, revisions to previous quarters point to an economy that has been in the midst of a slowdown for much of the past year. The unexpected strength in the June quarter (0.9%) was almost halved (0.5%), and the March quarter was revised down from 0.0% to -0.2%. This means the economy did experience a technical recession over the December 2022 (-0.6%) and March 2023 quarters. The combination of data revisions, challenges with post-COVID seasonality, and a subdued economy aligns with the weakening in tax revenue that we have seen recently. The weakness in the economy also highlights an ongoing risk to the tax revenue outlook.

Table 1: Real GDP (production) growth

Real GDP (production)	Quarterly % change	Annual % change
September 2023 outturn	-0.3	-0.6
Forecast (PREFU 2023)	0.4	0.2
Market forecast (median) *	0.2	0.6
Market range *	-0.5 to 0.5	-0.2 to 2.0
Previous quarter (revised)	0.5	1.5

* Bloomberg Poll (n=14, 8 December 2023).

Figure 1: Real GDP and GDP per capita



Source: Stats NZ

On an annual basis GDP was 0.6% lower than September 2022, which was well outside the market range predicting -0.2% to 2.0%. However, strong net migration in the year to September (125,200 people) masks the underlying weakness in the real economy. Annual GDP per capita was 3.0% lower than September 2022 (Figure 1). In fact, real GDP per capita has fallen for four consecutive quarters, and outside of COVID-related changes, the last fall of this magnitude occurred during the 2008 global financial crisis (Figure 1). Further, the combination of falling GDP amid increasing labour supply via higher net migration implies poor productivity growth. While there are signs labour force growth is easing back, there is a downside risk to the medium-term outlook for the economy if this trend continues.

Weakness in quarterly production GDP was isolated primarily to the goods-producing industries including manufacturing (-3.4%), the electricity, gas, and water sector (-2.5%), and in the construction sector (-1.7%). While these declines were expected based on partial data released over the past two weeks, the magnitude of these changes was surprising.

Also indicating weakness across both domestic demand and the external sector was the fall of the major components of expenditure GDP with the exception of

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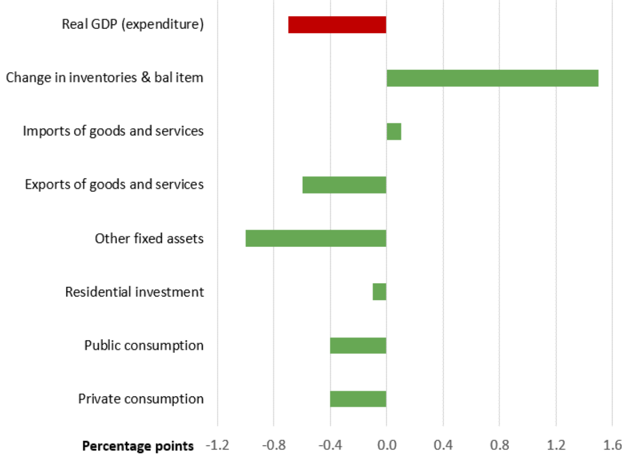
inventories, which contributed 1.5 percentage points to the quarterly outturn of -0.7% (Figure 2).

Figure 2: Quarterly component contributions to real GDP (expenditure) growth



Source: Stats NZ

Volatility within GDP components largely due to timing of motor vehicle spending

Private consumption fell 0.6% due to a 3.2% decline in durables. Given its interest-rate sensitivity, durables had been surprisingly strong in the June quarter (1.7%) but this was largely due to spending on motor vehicles, incentivised by the clean car rebates. As expected, the strength in June quarter personal consumption and also business investment in motor vehicles was unwound in the September quarter. Consumer spending on vehicles fell 24.6% in the quarter after increasing 28.3% in the June quarter. Business investment in motor vehicles fell 40% in the quarter after increasing 34% in June.

The record car sales seen in the June month indicated by partial data (and mentioned in the previous Fortnightly Update) contributed to lower GDP inventory levels in the June quarter. In the September quarter imports of passenger motor vehicles grew 10.4% and imports of transport equipment grew 9.1%. This has contributed to the build-up in overall inventories in the September quarter. More broadly the outlook for domestic demand looks subdued with both consumption goods imports down 2.2% and capital goods imports down 1.6%. Weak global demand and export prices led to lower goods exports, which offset gains from services exports (up 8.8%) generated from the boost to tourism from hosting the FIFA World Cup.

Declining monthly residential dwelling consents foreshadowed the fall in residential investment (-1.1%), although the rate of this decline is easing. This may be due to the recent stabilisation in house prices, steady volumes of house sales and demand for rental and real estate services that experienced growth of 1.0% in the quarter. However, the contraction within the previously strong non-residential construction sector was unexpected, with investment in non-residential building down 7.3% in the quarter.

Housing market in holding pattern…

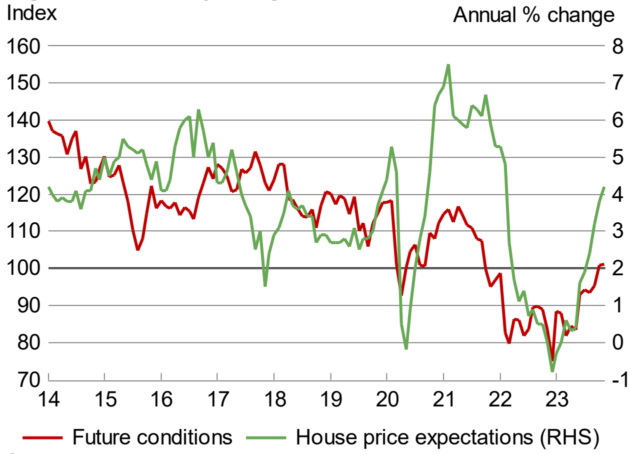
Housing market activity continues to be dependent on the opposing forces of higher interest rates and higher net migration. Reserve Bank data released last week showed an 18 basis point increase in the fixed residential mortgage rate to 5.47%, while the floating rate stayed at 6.8%. The weighted average of the two rates continues to increase from 5.4% to 5.6%. With one-third of mortgage holders on fixed rates due to roll-over to interest rates that are double what they were in late 2021, household budgets will continue to face pressure.

After a migration led pick up early in 2023, house prices inflation has stalled in recent months. The Real Estate Institute of New Zealand (REINZ) house price index increased 0.2% in November on a seasonally adjusted basis (up 0.8% on an actual basis), following small declines in the previous two months. Similarly house sales grew by 0.4% in the month and the median days to sell increased on a seasonally adjusted basis from 40 to 43 in November, still well down on the 54 days in February this year.

… but consumers upbeat about future house prices

Meanwhile, expectations of house price growth seem to be having a positive impact on consumer sentiment on future conditions. While the ANZ-Roy Morgan consumer confidence survey showed improvement in the overall index and sentiment regarding consumers' current conditions, it was the index measuring sentiment about consumers' future conditions that managed to stay above 100 for the second consecutive month (Figure 3).

Figure 3: ANZ-Roy Morgan Consumer Confidence



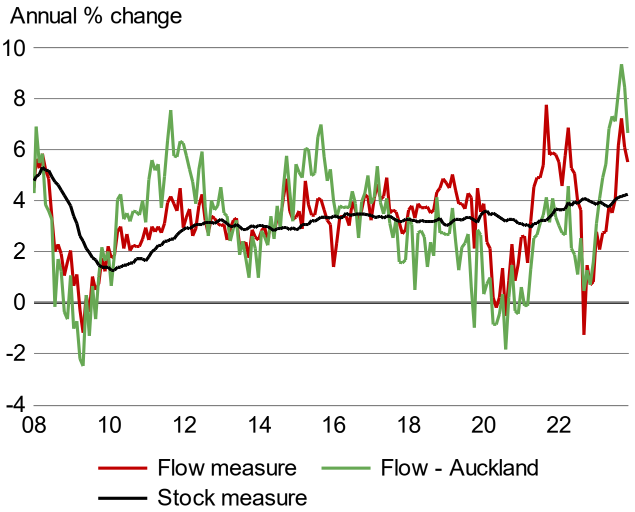
Source: Haver

While there was moderate improvement in most indicators, including plans to buy large items, house price expectations for the next two years have increased from 0.6% annual growth in the March survey, to 4.2% in November. However, consistent with the latest Reserve Bank Household Expectations Survey and the ANZ Business Outlook, expectations of consumer price inflation have retreated albeit at a slow rate in recent months. In November consumers' expectations of prices over the next two years increased further from 4.5% to 4.6%. This is despite recent indicators pointing to downward pressure of inflation, including petrol.

Consumer prices ease in response to weaker demand…

The second release of Stats NZ's new monthly consumer price index for selected components revealed downside risks to inflation for the December 2023 quarter. In November rents eased increasing just 0.3% compared with October, despite high net migration. However, on an annual basis the stock measure of rents, which includes new and existing tenancies was 4.3% higher than November 2022, and is currently at a 15-year high. While the flow measure which includes only new tenancies is more volatile, it gives an indication of the level of demand for rentals during the month. The flow measure fell 0.2% nationally and fell 0.8% in Auckland. Annual rental inflation for new tenancies in Auckland reached a record high in September of 9.4%, the highest in the series 17-year history, coinciding with a peak in annual net migration. It has since fallen back to 6.7%, and 5.5% at the national level.

Figure 4: Annual inflation in rents for new and existing tenancies



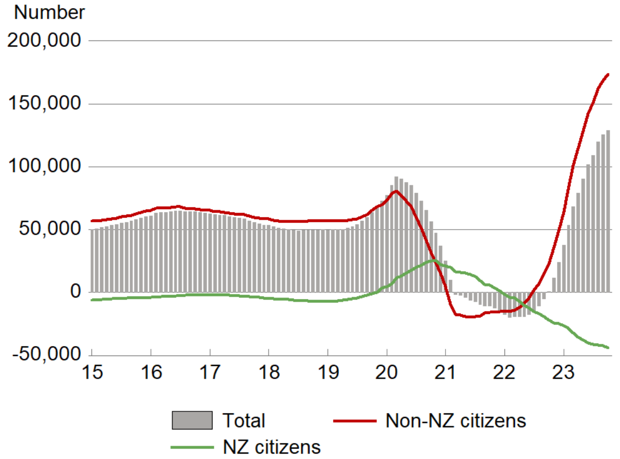
Source: Stats NZ

Food prices (which account for 19% of the CPI) continue to come off recent highs, falling 0.2% in November after a 0.9% fall in October. Other interesting movements were a fall in petrol (-2.7%) and diesel (-2.4%). International air fares continued to ease back (-3.8%) as did overseas accommodation prepaid in New Zealand (-5.2%). Directly signalling it's the most wonderful time for a beer, alcoholic beverages increased just 0.3% after a 1.7% increase. Domestically however, air fares increased 3.6% and domestic accommodation services were up 6.2% in the month.

… as net migration slows in October

Monthly net migration continued to slow in October (9,320 people) which is well down from its peak in March this year (14,650). On an annual basis net migration remains at record levels since the series began over 20 years ago. This month's release also saw upwards revisions for the previous four months, with an additional 6,000 people having been added to the previously published estimates, signalling a migration boom larger than previously understood. Before this month's revisions, annual migration was thought to be 118,800 in September and instead it is 128,900 for the October year. This will put more pressure on demand and interest rates in the short term and means a larger population and economy in the medium term. The implications of this should lead to a boost to government revenue, but will also increase expenditure, therefore making the fiscal implication of net migration uncertain.

Figure 5: Annual net migration by citizenship



Source: Stats NZ

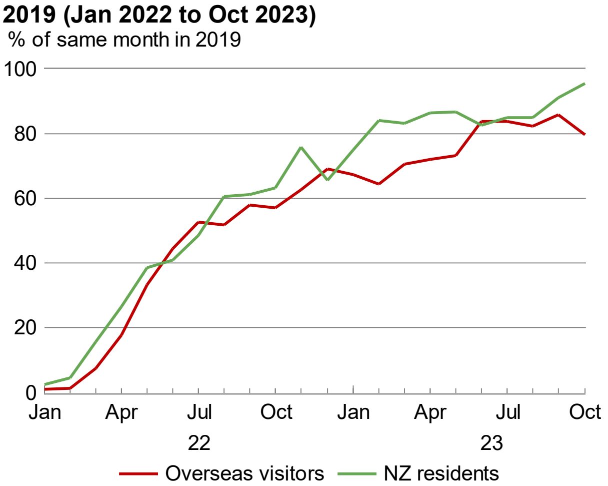
While trends in immigration are starting to normalise since borders fully reopened earlier this year, the net gain of over 128,000 people is equivalent to about the population of Dunedin. Stats NZ estimate New Zealand's total population grew by a record rate (since the series began 1991) of 2.5% in the September 2023 quarter compared with September 2022 to reach 5.25 million people. Population growth supports household consumption. In fact, electronic card spending rebounded in November on a seasonally adjusted basis. Card spending was up 0.8% having fallen the previous two months. Spending in the retail sector (which accounts for about 70% of total card spending) was up 1.6% with all major subcategories increasing. Excluding motor vehicles and fuel, spending was up 2.2%, mostly concentrated within apparel and hospitality.

Tourism still to reach pre-COVID levels…

Short-term arrivals of overseas visitors has plateaued in recent months. In October there were 252,800 visitors to New Zealand, down from 274,800 in September on a seasonally adjusted basis. Arrivals are well down on the 364,700 visitors in December 2022, and currently sit at about 80% of October 2019 levels (Figure 6). Visitors from China – New Zealand's second largest source of tourism pre-COVID – still lag those from other countries. In the year to October, there were 119,400 Chinese visitors, well behind visitors from the US (310,200), the UK (172,900). In the year to October 2019 there were 409,400 visitors from China.

But wait – there's myrrh - in contrast, the number of New Zealand residents arriving continue to approach pre-COVID levels (95% of October 2019). Of the 311,400 residents returning to New Zealand in October, about 5,600 were from France, similar to the number of residents (5,700) that departed for France the last time they hosted the Rugby World Cup in September 2007.

Figure 6: Arrivals as a proportion of the same month in 2019 (Jan 2022 to Oct 2023)



Source: Stats NZ

...leading to an unchanged current account deficit of 7.6% of GDP

The annual current account deficit was 7.6% of GDP in the September quarter. The current account deficit was expected to narrow slightly, but a combination of weaker goods exports, higher goods and services imports, and lower GDP than forecast meant that it remained unchanged from last quarter. The continued recovery in services exports, supported by increased air capacity and a boost to tourism due to the FIFA Women's World Cup provided an offset. As expected higher global interest rates led to a widening of the primary income deficit as the cost of funding New Zealand's debt position weighs on the external sector.

The current account deficit has fallen from its peak of 8.8% reached in the December 2022 quarter and is forecast to continue narrowing. However, this improvement is expected to be slow. The outlook for goods exports remains soft, with weak demand from China and potential disruption to export volumes from the El Niño weather pattern. Meanwhile, while weak economic activity should drag on import demand, goods imports have been more resilient than expected, and border crossing data suggests demand for services imports remains strong. Perhaps signalling a need to branch out - any further improvement in New Zealand's current account deficit is reliant on the continued recovery in services exports such as international tourism, but the recent travel data suggests the pace of this recovery has been slowing.

Global rates on hold as central banks balance inflation with employment objectives

The US Federal Reserve Bank surprised markets by not only announcing an end to their tightening cycle but adding a projection for 75 basis points of cuts in 2024. In tree-mendous news Federal Open Market Committee (FOMC) point to their perceived success in bringing headline CPI inflation down from 10% in 2022 to 3%, and core CPI down from 6.5% to 3%. At their December meeting the FOMC do forecast the unemployment rate to stay at around 4.6% and to decline to 4.5% in 2025. Their opinion that full employment is balanced with their optimistic view on the underlying strength of the economy due to the full impact of interest rate hikes still expected to flow through the economy.

Upon New Zealand markets opening news of the FOMC statement led to a pricing in three cuts to New Zealand's Official Cash Rate by February 2025 with a 40% chance of the first cut as early as May. Following the GDP release later in the morning, this moved to 100% probability. Similarly, the New Zealand dollar was stronger against the US dollar on opening in the morning, before falling slightly after the GDP release. It recovered shortly after, reaching its highest rate in five months, and with markets now pricing in a chance of a rate cut in February rather than a hike.

Global GDP weakens in response to higher interest rates

With the exception of the US, most advanced countries are experiencing a levelling out in GDP growth as higher interest rates impact real activity, with some, including New Zealand contracting in the September quarter (Table 2).

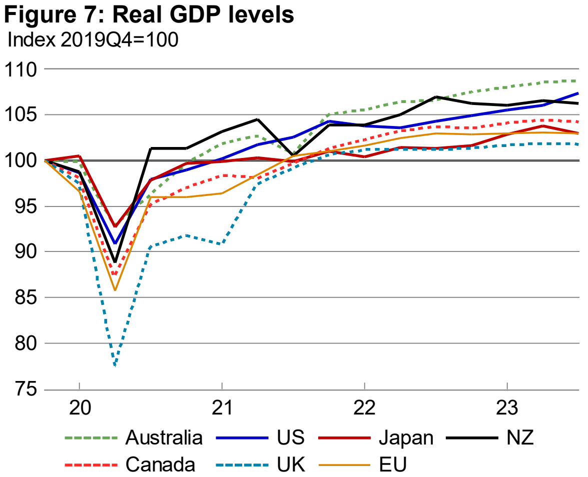
Table 2: Real GDP growth in September 2023

Country	% change
US	1.3
Australia	0.2
UK	0.0
EU	-0.1
Canada	-0.3
New Zealand	-0.3
Japan	-0.7

Source: Haver

US GDP has been out-performing most advanced economies in recent quarters, growing 1.3% in the September 2023 quarter compared with June (Table 2). However, relative to pre-COVID levels real GDP in Australia, the US, and New Zealand appear to have recovered to a slighter greater extent than the EU and UK (Figure 7).

Figure 7: Real GDP levels



Source: Haver

Australian GDP came in weaker than expected up 0.2% in the September quarter, the day after the Reserve Bank of Australia (RBA) decided to hold the cash rate at 4.35% at its last meeting of the year. The RBA maintained a hawkish stance after increasing the cash rate 25 basis points in November and remain cautious on upside risks for services-based inflation and a relatively tight labour market. Similar to New Zealand, consumer price inflation has been easing mostly within the goods sector, but overall the RBA is concerned about a relatively tight labour market and inflation that is not falling fast enough.

While avoiding a contraction, the components of Australian GDP points to a slowing economy with growth in the September quarter due to temporary effects rather than underlying strength. Weakness in household consumption was offset by growth in public sector spending, business investment and a build-up in inventories. However, GDP growth over the past few quarters points to a general slowdown, as incremental increases in the cash rate by the RBA flow through the economy, reinforcing their announcement the previous day. In addition to higher interest rates, Australian households are facing the impact of a prolonged period of higher prices and rapid growth in tax payments. Annual growth in income tax payments is about twice the compensation of employees, however tax cuts enacted in mid-2019 by the previous government are due to take effect from 1 July 2024.

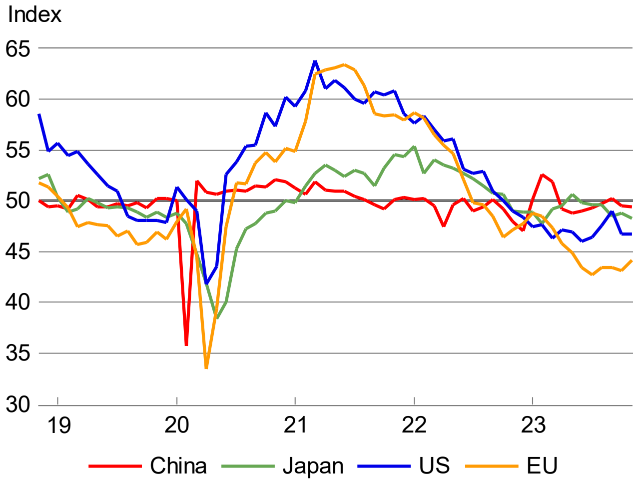
The European Central Bank (ECB) held interest rates steady on 14 December for the second meeting in a row. While the decision was widely expected, markets focused on hints of when the first rate cut would be. The ECB's statement was slightly less cautious than previously, from saying inflation was "expected to remain too high for too long" to now expecting inflation to "decline gradually over the course of next year." This is perhaps in recognition that EU GDP has been relatively flat for much of the year and fell 0.1% in the September quarter. However, the ECB cautioned that rates will remain restrictive for as long as necessary as domestic price inflation from higher labour costs maintain pressure. On the same day, the Bank of England kept its cash rate at 5.25% in line with expectations. A small number of committee members voted for a 25 basis point hike citing persistent inflation. As mentioned in the previous *Fortnightly Economic Update*, the UK has annual core inflation running over 6%, well above Australia, the EU, Japan, US, and New Zealand in the September quarter. The Bank of England Governor Bailey acknowledged "there is still some way to go" to bring inflation back to target.

Chinese exports jump as manufacturers cut prices

Looking forward, the November releases of sentiment surveys within the manufacturing and services sectors point to ongoing contraction. While the US has seen improvements in consumer confidence in the University of Michigan Survey of Consumers which jumped 13% in December unwinding the declines of the previous four months, domestic production appears to be less optimistic (Figure 8).

While historically less volatile, China appears to be middling between expansion and contraction. However, data released over the past two weeks point to an improvement in exports which grew for the first time in six months, up 0.5% in the November year after a large decline in the October year (-6.4%). Chinese manufacturers have been cutting prices and there is currently deflation in the wider economy with consumer prices falling for the second consecutive month in November (-0.5%) compared with October. Producer prices are 3% lower compared with November 2022, following a 2.6% decline in the October year. This is despite ongoing efforts by the central bank to keep monetary policy accommodative and new bank loans increasing US$40.7 billion in November after contracting US$4.8 billion in October in an attempt to address a property crisis and high unemployment (5.0%). Consumer demand remains weak and was reflected in a 0.6% fall in imports in the November year.

Figure 8: Composite Purchasing Managers' Indexes (<50=contraction; >50=expansion)



Source: Haver

Coming up:

Date	Release
18 Dec	Westpac McDermott consumer confidence (Q4)
19 Dec	Merchandise trade (Nov)
19 Dec	ANZ Business Outlook (Dec)
20 Dec	Half-year Economic and Fiscal Update
20 Dec	ANZ consumer confidence (Dec)
26 Dec	North Pole exports seasonally adjusted (25 Dec)

Tables

Quarterly Indicators		2022Q2	2022Q3	2022Q4	2023Q1	2023Q2	2023Q3
Real Production GDP (1)	qpc	1.1	1.8	-0.6	-0.2	0.5	-0.3
	aapc	0.7	2.5	2.4	2.8	3.0	1.3
Current account balance (annual)	%GDP	-7.9	-8.3	-8.8	-8.2	-7.6	-7.6
Merchandise terms of trade	apc	-2.2	-6.4	-4.2	-6.2	-3.6	-0.3
CPI inflation	qpc	1.7	2.2	1.4	1.2	1.1	1.8
	apc	7.3	7.2	7.2	6.7	6.0	5.6
Employment (HLFS) (1)	qpc	-0.2	1.4	0.6	1.0	1.0	-0.2
Unemployment rate (1)	%	3.3	3.2	3.4	3.4	3.6	3.9
Participation rate (1)	%	70.9	71.6	71.8	72.1	72.4	72.0
LCI salary & wage rates - total (2)	apc	3.4	3.7	4.1	4.3	4.3	4.2
QES average hourly earnings - total (2)	apc	6.4	7.4	7.2	7.6	6.9	6.7
Core retail sales volume	apc	-1.8	5.0	-3.6	-4.0	-5.1	-3.1
Total retail sales volume	apc	-3.7	4.9	-4.0	-4.1	-3.5	-3.4
WMM - consumer confidence (3)	Index	78.7	87.6	...	...	...	...
QSBO - general business situation (1,4)	net%	-62.9	-41.9	-74.8	-63.4	-60.3	-52.7
QSBO - own activity outlook (1,4)	net%	-13.8	-16.7	-33.5	-7.7	-16.6	-14.2

Monthly Indicators		Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23
Merchandise trade balance (12 month)	NZ$m	-16,115.6	-15874.6	-15506.8	-15411.7	-14804.8	...
Dwelling consents - residential	apc	-15.7	-25.4	-30.3	-37.0	-14.2	...
House sales - dwellings	apc	19.2	5.0	13.4	13.7	6.6	12.2
REINZ - house price index	apc	-8.8	-6.8	-4.6	-3.2	-2.4	-0.2
Estimated net migration (12 month total)	people	101,519.0	108933.0	119651.0	125222.0	128919.0	...
ANZ NZ commodity price index	apc	-11.0	-13.8	-9.2	-11.1	-8.7	-2.1
ANZ world commodity price index	apc	-14.3	-14.7	-14.3	-12.5	-6.9	-4.3
ANZBO - business confidence	net%	-18.0	-13.1	-3.7	1.5	23.4	30.8
ANZBO - activity outlook	net%	2.7	0.8	11.2	10.9	23.1	26.3
ANZ-Roy Morgan - consumer confidence	net%	85.5	83.7	85.0	86.4	88.1	91.9
NZAC	apc	...	...	...	...	...	...

Daily Indicators		Thu 7/12/23	Fri 8/12/23	Mon 11/12/23	Tue 12/12/23	Wed 13/12/23	Thu 14/12/23
NZ exchange and interest rates (5)							
NZD/USD	$	0.6142	0.6168	0.6124	0.6129	0.6133	0.6215
NZD/AUD	$	0.9371	0.9341	0.9316	0.9327	0.9349	0.9280
Trade weighted index (TWI)	index	71.66	71.67	71.37	71.52	71.57	71.98
Official cash rate (OCR)	%	5.50	5.50	5.50	5.50	5.50	5.50
90 day bank bill rate	%	5.63	5.63	5.63	5.63	5.63	5.63
10 year govt bond rate	%	4.87	4.89	4.95	4.92	4.90	4.70
Share markets (6)							
Dow Jones	index	36,117	36248	36405	36578	37090	37248
S&P 500	index	4,586	4604	4622	4644	4707	4720
VIX volatility index	index	13.1	12.4	12.6	12.1	12.2	12.5
AU all ords	index	7,385	7406	7410	7446	7469	7599
NZX 50	index	11,497	11496	11449	11383	11476	11553
US interest rates							
3 month OIS	%	5.33	5.33	5.33	5.33	5.33	...
3 month Libor	%	5.63	5.63	5.64	5.65	5.65	...
10 year govt bond rate	%	4.14	4.23	4.23	4.20	4.04	3.92
Commodity prices (6)							
WTI oil	US$/barrel	69.34	70.87	70.95	68.27	69.47	...
Gold	US$/ounce	2,026.90	2008.10	1986.65	1980.85	1982.50	2046.10
CRB Futures	index	523.93	523.48	521.24	515.65	513.35	...

(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		May 23	Jun 23	2023Q2	Jul 23	Aug 23	Sep 23	2023Q3	Oct 23	Nov 23	Dec 23
United States	GDP (1)	qpc			**0.5**				**1.3**			
	Industrial production (1)	mpc	-0.2	-0.6		0.9	0.0	0.1		-0.6	...	...
	CPI	apc	4.0	3.0		3.2	3.7	3.7		3.2	3.1	...
	Unemployment rate (1)	%	3.7	3.6		3.5	3.8	3.8		3.9	3.7	...
	Employment change (1)	000s	281.0	105.0		236.0	165.0	262.0		150.0	199.0	...
	Retail sales value	apc	2.1	1.5		2.8	2.8	4.0		2.2	4.1	...
	House prices (2)	apc	-1.7	-1.2		0.2	2.1	3.9		...	...	...
	PMI manufacturing (1)	index	46.9	46.0		46.4	47.6	49.0		46.7	46.7	...
	Consumer confidence (1)(3)	index	102.5	110.1		114.0	108.7	104.3		99.1	102.0	...
Japan	GDP (1)	qpc			**0.9**				**-0.7**			
	Industrial production (1)	mpc	-2.2	2.4		-1.8	-0.7	0.5		1.3	...	...
	CPI	apc	3.2	3.2		3.2	3.1	3.0		3.3	...	...
	Unemployment rate (1)	%	2.6	2.5		2.7	2.7	2.6		2.5	...	...
	Retail sales value	apc	5.8	5.6		6.9	7.0	6.2		4.2	...	...
	PMI manufacturing (1)	index	50.6	49.8		49.6	49.6	48.5		48.7	48.3	...
	Consumer confidence (1)(4)	index	36.2	36.8		37.1	36.1	35.6		35.9	35.8	...
Euro area	GDP (1)	qpc			**0.1**				**-0.1**			
	Industrial production (1)	mpc	0.1	-0.1		-1.3	0.6	-1.0		-0.7	...	...
	CPI	apc	6.1	5.5		5.3	5.2	4.3		2.9	...	...
	Unemployment rate (1)	%	6.5	6.5		6.6	6.5	6.5		6.5	...	...
	Retail sales volume	apc	-2.1	-0.8		-0.8	-1.8	-2.9		-1.2	...	...
	PMI manufacturing (1)	index	44.8	43.4		42.7	43.5	43.4		43.1	44.2	...
	Consumer confidence (5)	index	-17.4	-16.1		-15.1	-16.0	-17.7		-17.8	-16.9	...
United Kingdom	GDP (1)	qpc			**0.2**				**-0.0**			
	Industrial production (1)	mpc	-0.5	2.5		-1.1	-0.5	0.1		-0.8	...	...
	CPI	apc	7.9	7.3		6.4	6.3	6.3		4.7	...	...
	Unemployment rate (1)	%	4.0	4.2		4.3	...	...		...	...	...
	Retail sales volume	apc	-2.6	-2.0		-3.3	-1.4	-1.2		-2.7	...	...
	House prices (6)	apc	-3.4	-3.5		-3.8	-5.3	-5.3		-3.3	-2.0	...
	PMI manufacturing (1)	index	47.1	46.5		45.3	43.0	44.3		44.8	47.2	...
	Consumer confidence (1)(5)	net %	-27.0	-24.0		-30.0	-25.0	-21.0		-30.0	-24.0	-22.0
Australia	GDP (1)	qpc			**0.4**				**0.2**			
	CPI	apc			**6.0**				**5.4**			
	Unemployment rate (1)	%	3.6	3.5		3.7	3.7	3.6		3.8	3.9	...
	Retail sales value	apc	4.3	3.0		1.4	2.0	2.1		1.3	...	...
	House Prices (7)	apc			**...**				**...**			
	PMI manufacturing (1)	index	-5.1	-19.8		-25.6	-19.8	-12.8		-20.9	-25.3	...
	Consumer confidence (8)	index	79.0	79.2		81.3	81.0	79.7		82.0	79.9	82.1
China	GDP	apc			**6.3**				**4.9**			
	Industrial production	apc	3.5	4.4		3.7	4.5	4.5		4.6	...	...
	CPI	apc	0.2	0.0		-0.3	0.1	0.0		-0.2	-0.5	...
	PMI manufacturing (1)	index	48.8	49.0		49.3	49.7	50.2		49.5	49.4	...
South Korea	GDP (1)	qpc			**0.6**				**0.6**			
	Industrial production (1)	mpc	3.1	-1.6		-2.0	5.2	1.7		-3.5	...	...
	CPI	apc	3.3	2.7		2.3	3.4	3.7		3.8	3.3	...

(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