

Traffic volumes and consumer card spending continue to run at substantially lower levels, similar to those seen last week. We expect to see these activity indicators increase under level 3 but still remain lower than normal. Treasury estimates that at Level 3, overall output will be curtailed by about 25%, compared with a 40% reduction relative to normal under Level 4.

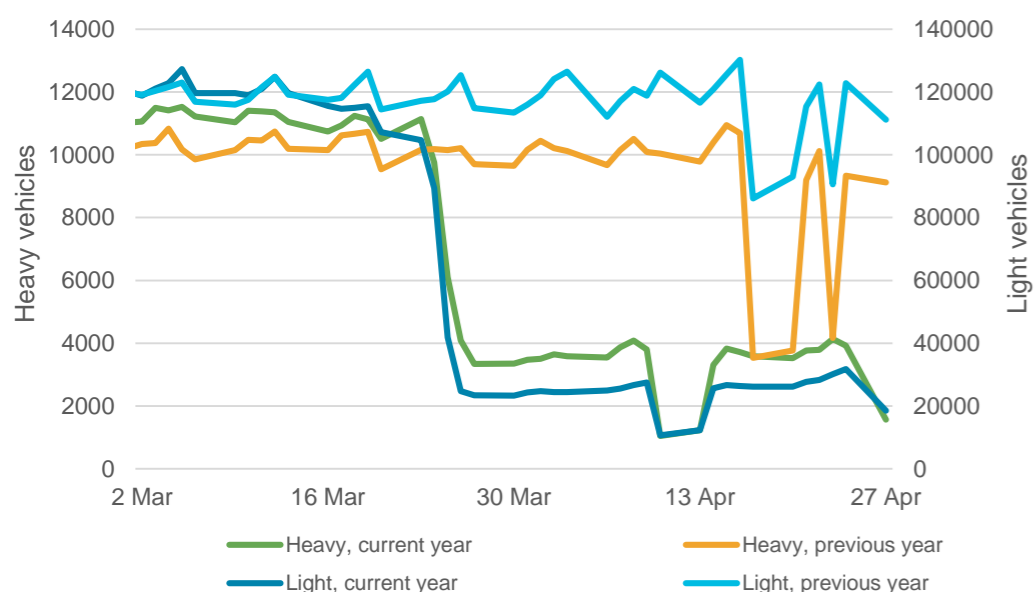
The number of jobseeker recipients has increased sharply by over 35,000 since 20 March, indicating that layoffs are underway. New job ads on Seek fell 29% in March compared to February. A net 54% of firms expect to reduce employment in the next 12 months according to the preliminary ANZ Business Outlook survey for April. This is despite a large number of businesses now receiving the wage subsidy, with over 1.69 million individuals now covered, and over \$10 billion paid out.

Merchandise exports to China and imports from China have increases in the last week, while exports and imports with the rest of the world are below last year's levels. Export intentions have collapsed in the preliminary April ANZ Business Outlook survey with a net 44% of business expecting to export less, a record low.

Domestic Economy

Heavy and light vehicle traffic continue to run 60-80% below levels seen at the same time last year. The additional dips are due to Easter and ANZAC day.

Traffic flows in main centres



The number of Jobseeker benefit recipients increased again. There have been over 35,000 new applications since 20 March.

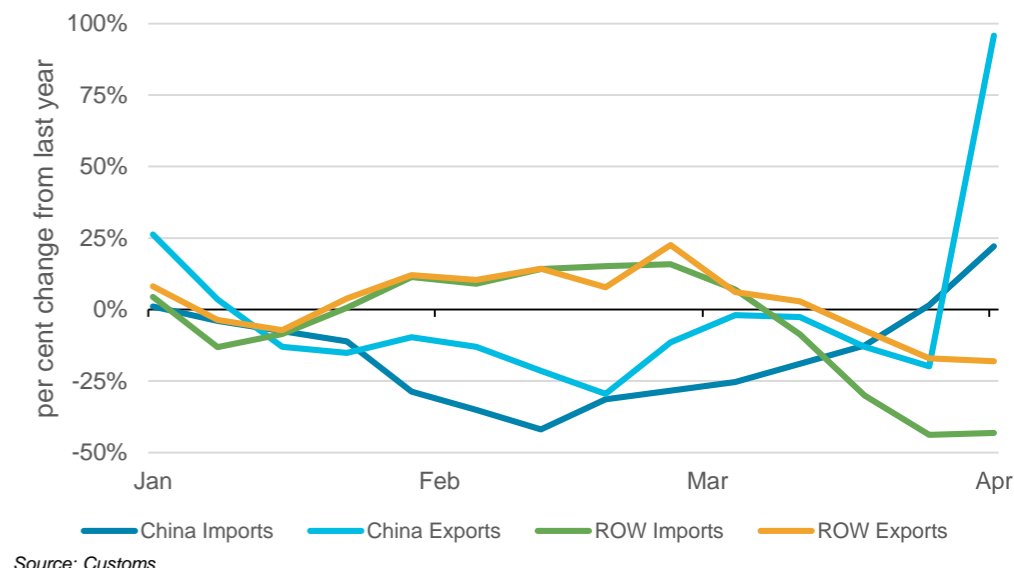
Jobseeker Support: Total recipients



NZ merchandise exports to China and imports from China have increased in the past week, while exports and imports with the rest of the world are below last year's levels.

Weekly NZ Export and Imports

Rolling 3 week average, compared to last year



Consumer spending remains weak.

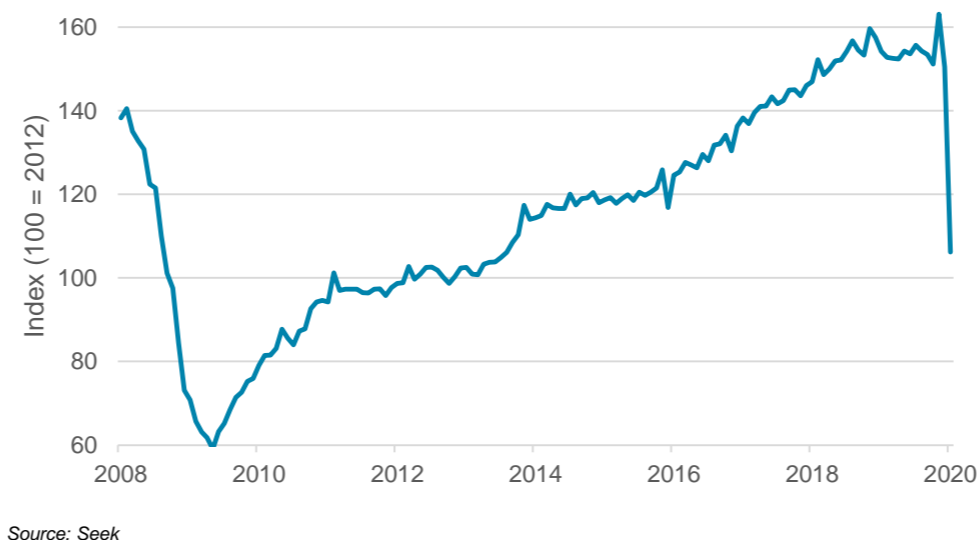
Total Transaction Values

(7 Day rolling average)



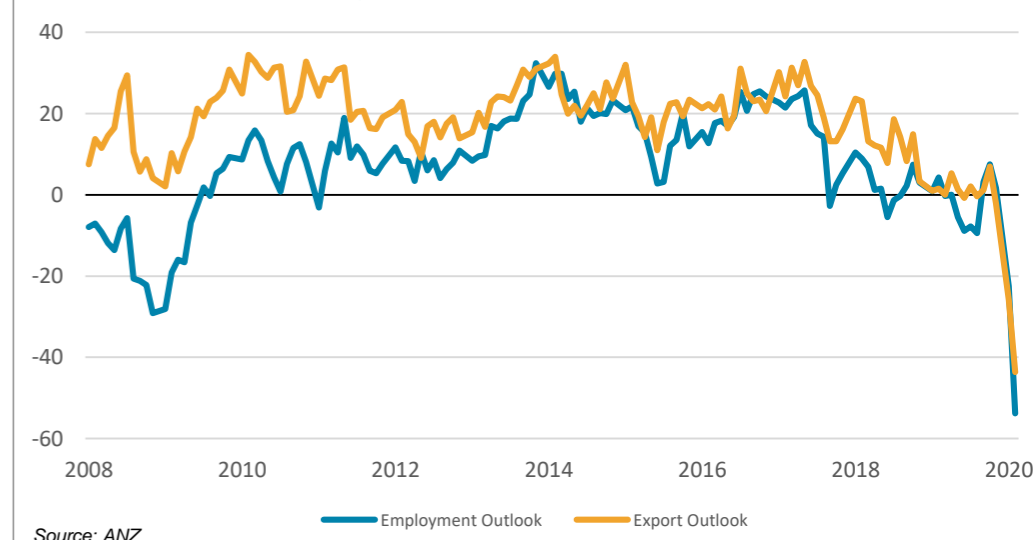
New job adverts on Seek are showing severe decline. Engineering, Science and Technology, and Sales have experienced the largest declines.

New Job Adverts



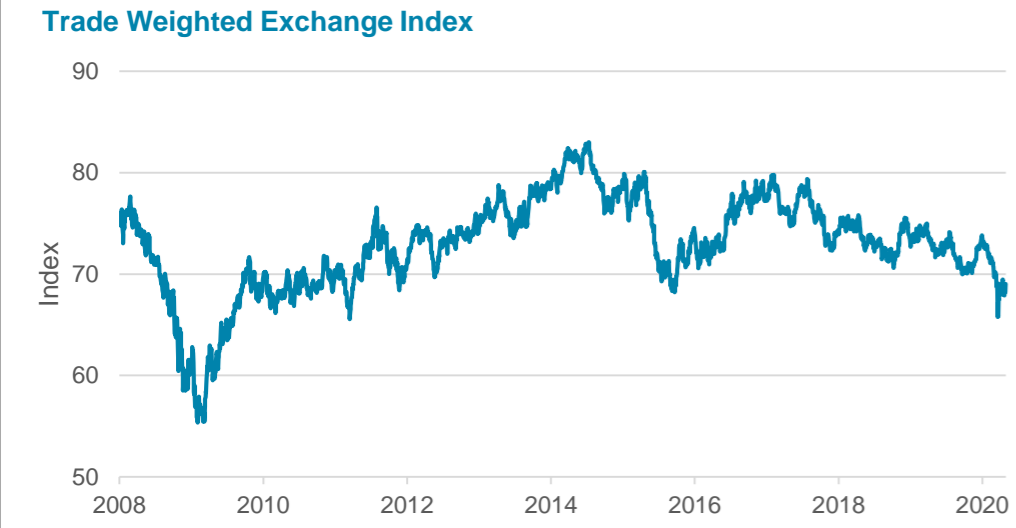
Export and employment intentions have collapsed in preliminary April ANZ business outlook survey, with a net 54% of firms expecting to reduce employment, and a net 44% of firms expecting to export less.

Firms' Export and Employment Intentions

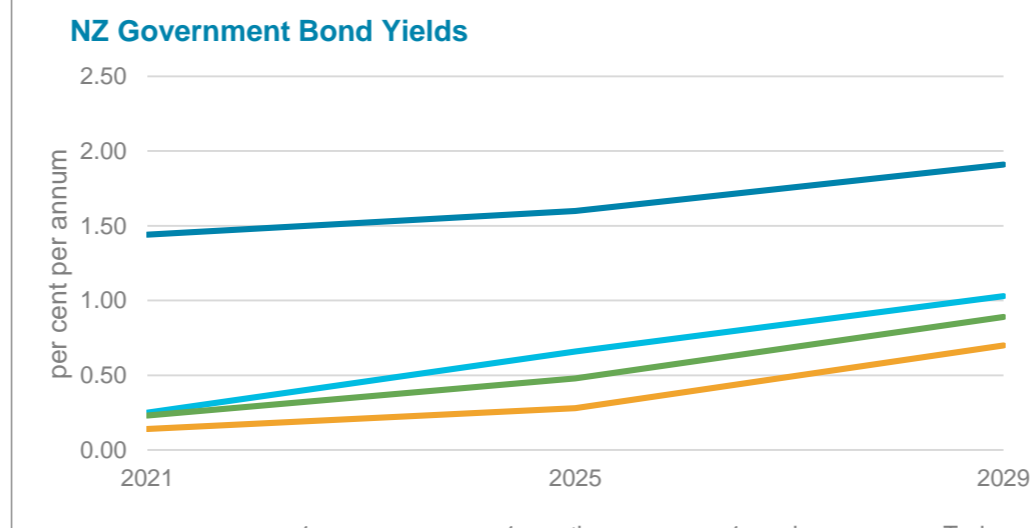


Financial Conditions and Commodity Export Markets

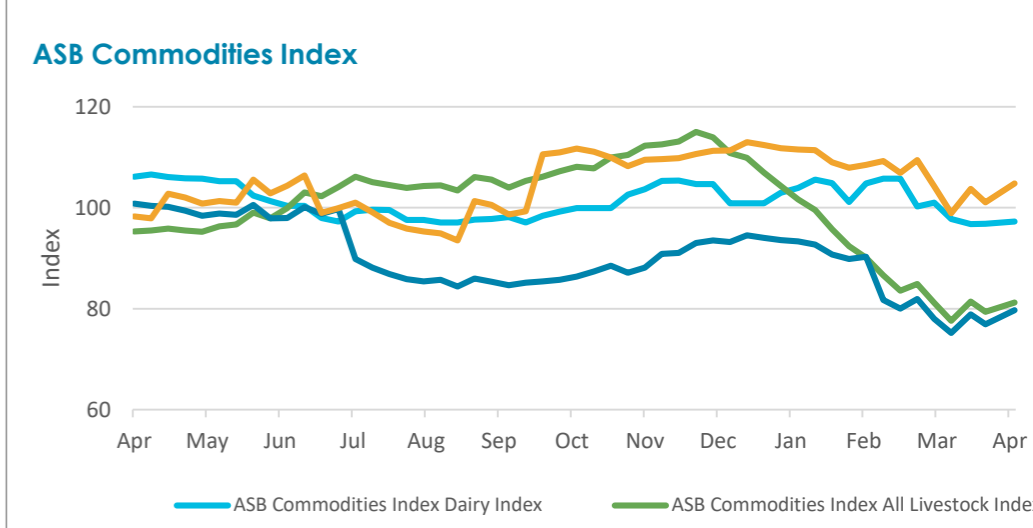
The New Zealand TWI has remained relatively stable over the past week, reflecting broadly stable risk sentiment across global markets.



NZ bond yields have fallen slightly in the past week, and are significantly lower than a month ago, reflecting ongoing monetary easing operations.

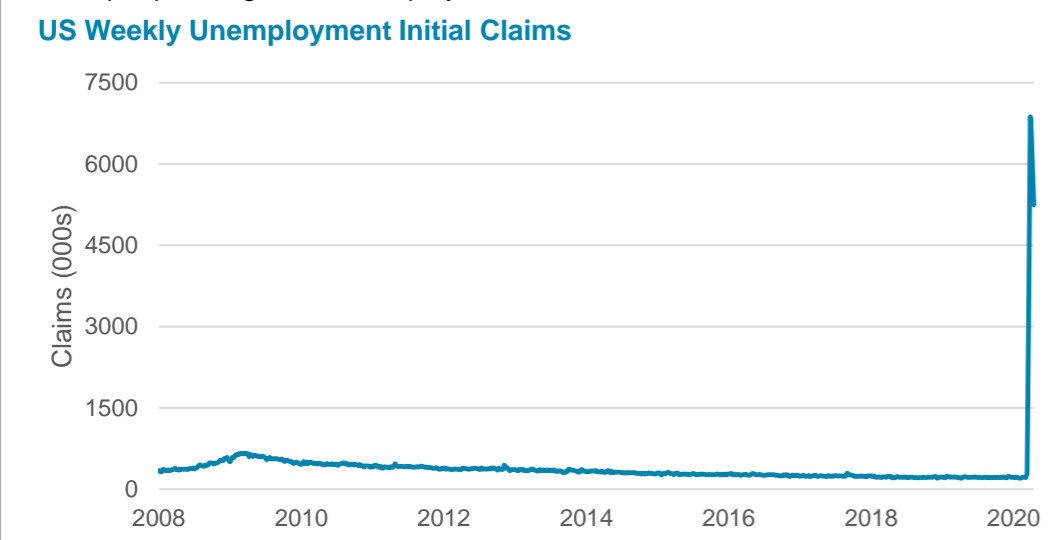


NZD commodity export prices have weakened relative to recent months' levels.

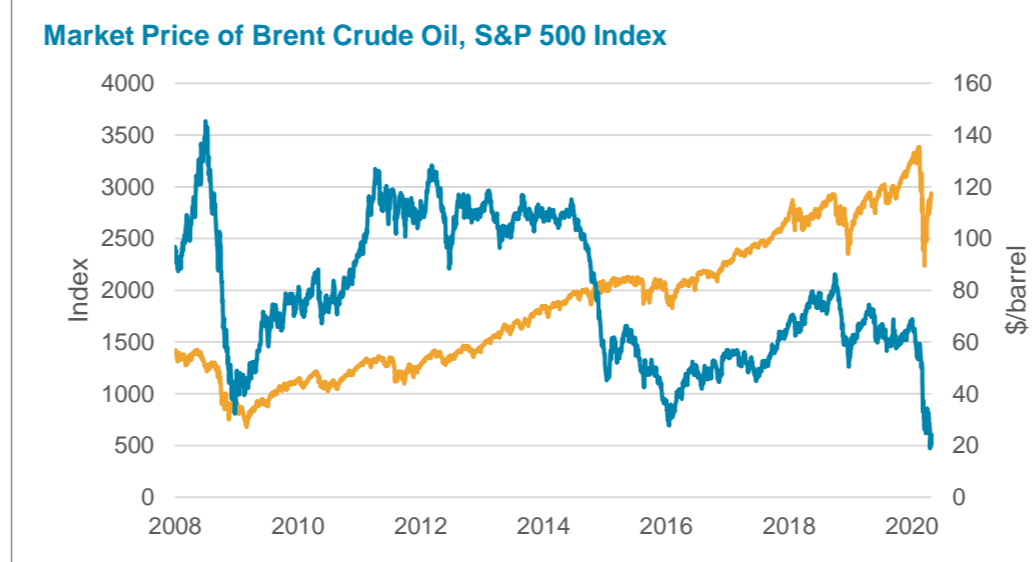


International Developments

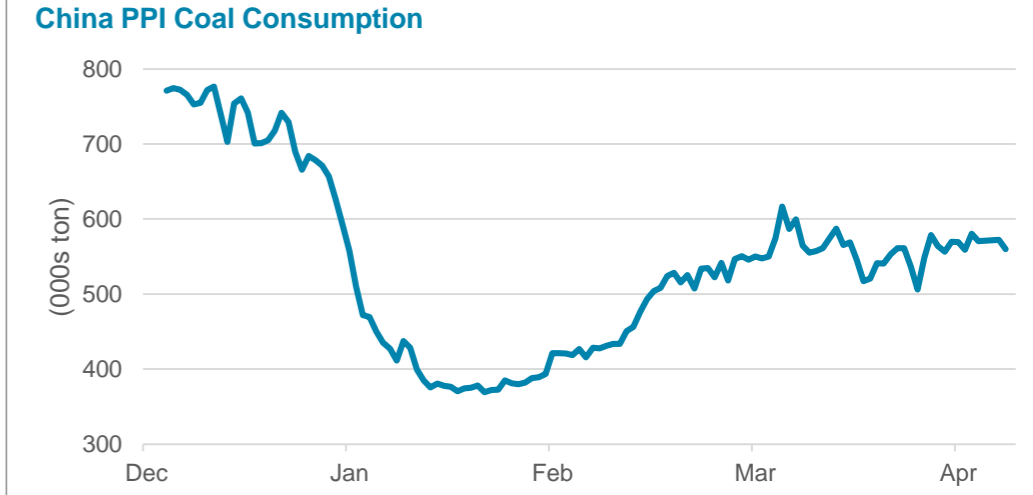
US unemployment claims have seen an unprecedented surge with over 26 million people filing initial unemployment claims in the last month.



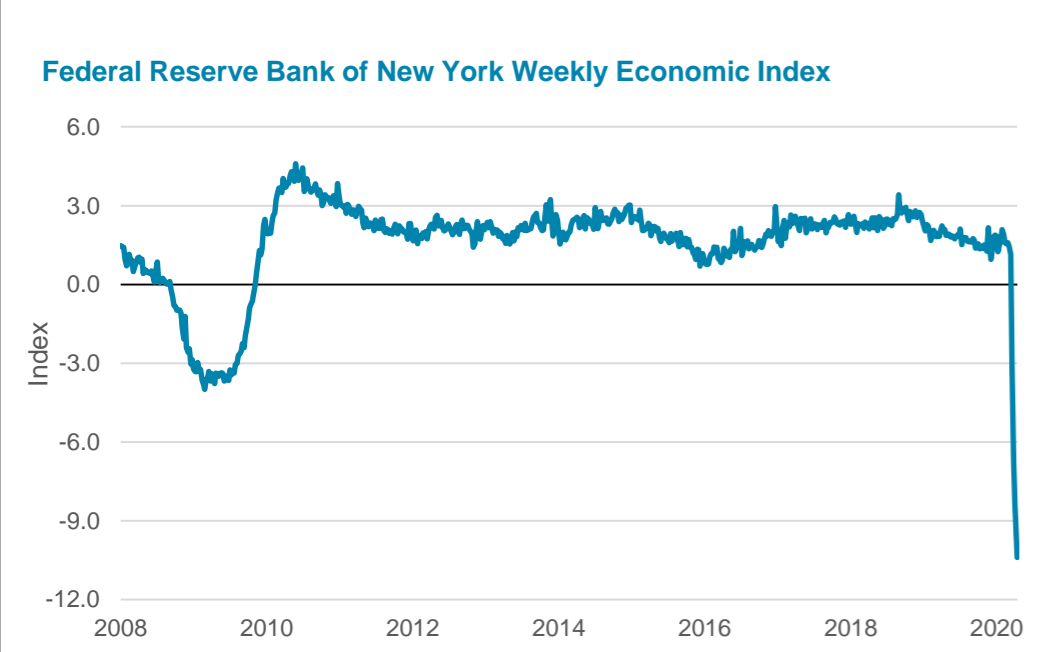
The global business outlook and demand for oil remain weak.



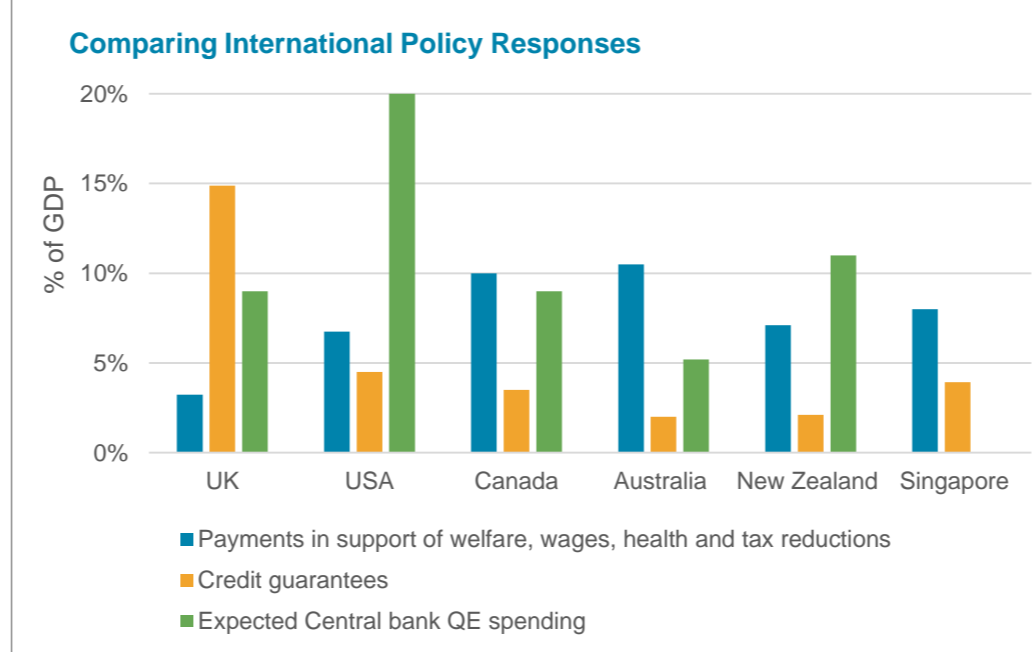
Coal consumption and passenger transport numbers in China are increasing very gradually, providing early signs of a slow recovery in China's domestic activity, but both indicators remain well below last year's levels



The US Weekly Economic Index continues falling sharply. The Weekly Economic Index is a composite of activity data.



Other developed countries' fiscal and monetary policy responses are of similar scale to New Zealand's.



China Passenger transport volume

