

# Fortnightly Economic Update

4 February 2022

- **Strength in the labour market continued into the December quarter as inflation reached a 30-year high.**
- **The trade deficit widened further as imports continued to climb.**
- **Global growth is slowing as Omicron disrupts activity, but the economic effects are expected to be short-lived.**
- **Our Special Topic draws on international experience to evaluate the potential economic impacts of an Omicron outbreak here. The Treasury's initial assessment is a transitory hit of between 1.5%-2% of GDP across the first quarter.**

Inflation pressures have intensified over the past year as the pandemic has disrupted both demand and supply. In the labour market, international travel restrictions are constraining supply and wage growth has picked up. The Government's proposed path of reopening can be expected to help alleviate some of the labour market pinch points, but the rising risk of a large-scale Omicron outbreak in New Zealand, and the experience from overseas, suggests that disruptions may continue for several more months.

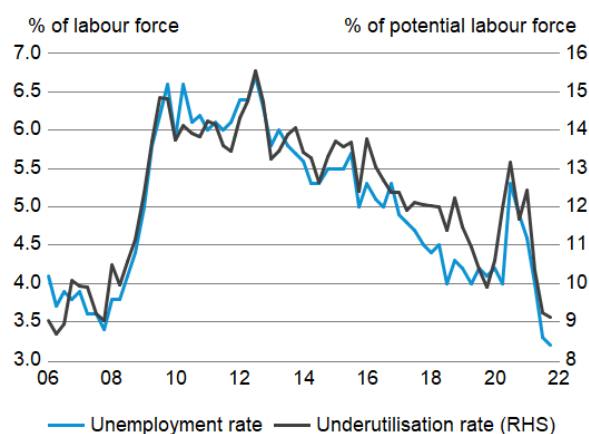
Internationally, COVID-19 supply disruptions continue to weigh on activity. However, the record surge in infections is expected to decline relatively quickly. The IMF's latest World Economic Outlook therefore anticipates that while Omicron will disrupt activity in the first quarter of 2022, this effect will fade over the remainder of the year. Other forces, including a withdrawal of monetary stimulus and China's troubled property sector, will have a greater impact on the outlook.

### **Unemployment rate at record low...**

The broad-based strength in the labour market has continued into the December quarter despite the Delta outbreak and shifting sentiment surrounding Omicron. The unemployment rate dropped to a record-low 3.2% and the underutilisation rate remained at a 9.2% in the December 2021 quarter (Figure 1). Hours worked recovered from September's 6.5% fall, increasing by 7.6% as restrictions were eased.

Employment grew by 0.1% in the quarter, equivalent to 3,000 more people in employment, following a 1.9% rise in September.

**Figure 1: Unemployment and Underutilisation**



Source: Stats NZ

### **... and wage pressures slowly manifest**

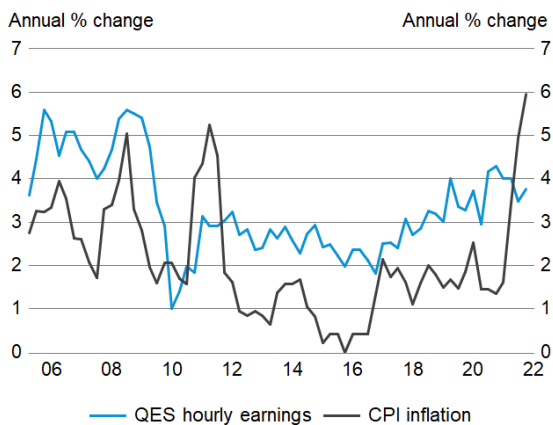
Tightness in the labour market is gradually flowing into wage inflation. The Labour Cost Index, a measure of wage inflation akin to the Consumers Price Index, advanced 0.6% in the quarter to be 2.8% higher than the same quarter a year ago. Meanwhile, average ordinary-time hourly earnings, a measure of labour income, rose 3.8% from a year ago, slightly above the Treasury's forecast, but well below the rate of consumer price inflation (Figure 2).

### **High inflation...**

Annual consumer price inflation increased to a three-decade high of 5.9% in the December quarter, driven by continued strength in demand and elevated cost pressures. Housing was the leading contributor to domestic (non-tradable) inflation while higher fuel costs drove non-tradable inflation.

The CPI outturn was stronger than anticipated in our Half Year Update and, with ongoing pandemic disruptions and further rises in fuel prices, the risk is that inflation is both higher and more persistent than forecast. Together with ongoing tightness in the labour market, this may see annual wage growth rise above our forecast of 4.5% by the end of the year.

**Figure 2: Hourly earnings and CPI inflation**



Source: Stats NZ

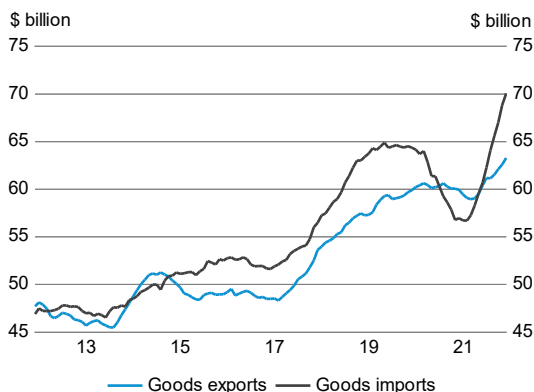
**...and strong labour market are supporting tax revenue**

Core Crown tax revenue was 9.4% (\$3.5bn) higher for the five months ended November 2022 than the same period a year ago, driven by personal and corporate income tax. Outturns for the period were 0.6% higher than forecast, although the disruptions created by the pandemic are creating considerable volatility in revenue.

**Goods imports show no sign of slowing...**

Goods import and export values showed continued strength in December. Strong import values over the course of 2021 resulted in an annual goods trade deficit of \$6.8 billion, the largest since 2006 (Figure 3).

**Figure 3: Annual trade values**



Source: Stats NZ

Imports may continue to be supported in the near term as the Omicron outbreak escalates in New Zealand, with consumers choosing to substitute spending on goods for in-person services spending. Goods export values were also strong in 2021, supported by record-high prices, with the annual value increasing \$3.3 billion to \$63.3 billion.

**...and commodity price strength continues**

Prices for New Zealand's goods exports have continued to rise in 2022. The ANZ Commodity Price Index posted a new record high in January and dairy prices continued to rise at the *GlobalDairyTrade* auction this week, with the whole milk powder index up 5.8%.

Prices for meat and dairy are expected to remain elevated in the near term as global supply remains tight, though horticulture and forestry exporters will likely be challenged by rising costs, scarce labour and slowing demand from China.

**Omicron drag on global growth expected to be temporary...**

Incoming data confirm strong growth over the final three months of 2021, but also a sharp loss of momentum in early 2022 as the spread of the Omicron variant disrupts supply and weighs on demand. However, these disruptions are expected to be short-lived.

**...but inflation may be more persistent**

The IMF's latest forecasts anticipate the drag on global growth will fade in the second quarter and that other developments, including more persistent inflation and an earlier withdrawal of monetary stimulus, will have a greater impact on the outlook. In China, pandemic restrictions are expected to have a more prolonged impact, while the pull-back in the property sector also weighs on growth. Overall, the IMF's forecasts show growth easing from 5.9% in 2021 to 4.4% in 2022 and 3.8% in 2023. The inflation projections for 2022 have been revised up as supply-demand imbalances prove more persistent. A rotation of demand from goods to services and tighter monetary policy contribute to lower inflation in 2023.

### **Solid global growth at the end of 2021...**

Before the Omicron resurgence, the fading pandemic drag on production and easing health restrictions helped lift global growth at the end of 2021.

In the US, GDP rose 1.7% in the three months ending December compared to the previous three months, much higher than the previous quarter's 0.6% growth rate. Several Asian economies also posted significant gains in the final quarter including China, Korea, Taiwan and the Philippines.

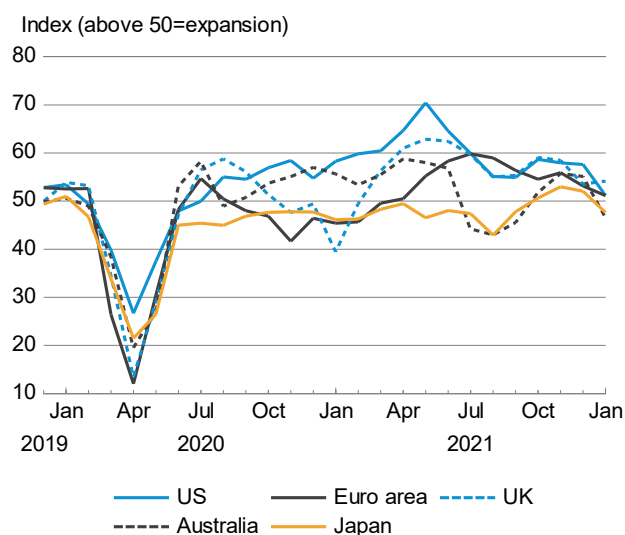
Growth was mixed across the euro area economies as the recovery continued in France, Spain and Italy but German GDP fell 0.7%. Overall, euro area growth slowed to 0.3% in the final quarter, down significantly on the previous quarter's 2.3% gain, but enough to return area-wide GDP to its pre-pandemic level. Euro area output for the year expanded 5.2%, the fastest since 1971. The area's labour market also continued to tighten, with the unemployment rate dipping to 7.0% in December, the lowest since records began in 1999. Meanwhile, initial estimates of euro area inflation came in at 5.1% in January, also a post-1999 record high, as energy prices surged.

### **...is being interrupted**

But the spread of Omicron has slowed the pace of growth in early 2022. January's purchasing managers indexes (PMI) show a decline in developed economy services sentiment, particularly in Australia, the US and Japan (Figure 4). Smaller declines in the euro area and the UK point to lesser Omicron impacts there. Manufacturing PMIs also fell in the US and Australia but edged up in the euro area and Japan. Anecdotes of supply side issues persisted, albeit with some modest improvements in supplier delivery times in the UK and euro area, including reports that staff absences due to illness or isolation requirements was constraining activity.

China's composite PMI fell 1.2 points to 51 in January, as both manufacturing, and non-manufacturing industries components fell. Analysts noted that the softer survey reflected both seasonal effects from the lunar new year and the recent COVID-19 outbreak.

**Figure 4: Advanced economy services PMIs**



Source: Haver

### **More central banks are moving to withdraw stimulus...**

The Bank of England hiked its policy rate 25 basis points to 0.50% and announced that it would begin to reduce the size of its bond holdings – quantitative tightening – accumulated through the period of quantitative easing. Financial market pricing indicates the policy rate will rise to 1.5% by the end of the year.

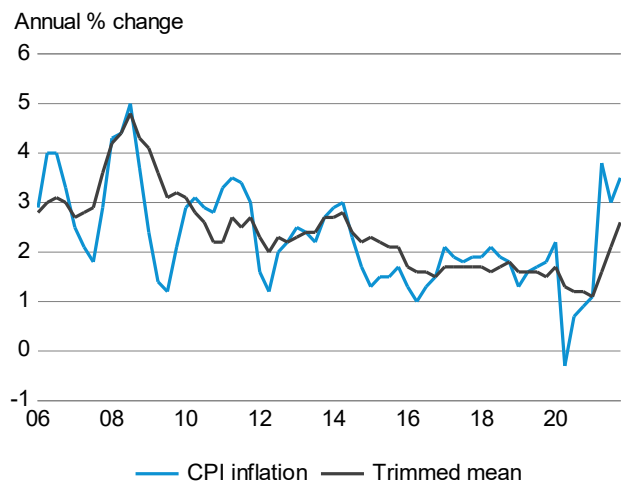
Meanwhile, the ECB changed its tone from late last year of rate hikes in 2022 being very unlikely to acknowledging that inflation was getting closer to its target. The ECB confirmed that it would end its pandemic bond buying programme in March, although a separate bond buying programme will continue. The ECB has stated that it would raise rates after this programme ceases, which some sources consider may occur in the September 2022 quarter.

In the US, the Federal Reserve's January meeting strengthened expectations of a tightening cycle beginning in March. Financial markets are currently pricing in five rate hikes (1.25 percentage points) this year, with some analysts anticipating further rises to a peak of 2.5%-2.75% by the end of 2024. Expectations of higher interest rates have helped to support the USD, which has gained about 2% against the NZD since the start of the year.

**...but Australia prepared to be patient**

In Australia, data continued to surprise to the upside, this time it was CPI inflation that surprised, with the headline rate rising 1.3% in the December quarter, and core inflation (trimmed mean) up to 1.0%, both well above central bank and market expectations. The annual headline rate rose 3.5%, while the trimmed mean measure of core inflation rose 2.6%, above the mid-point of the 2%-3% target range for the first time since 2014 (Figure 4).

**Figure 5: Australian inflation**



Source: Haver

The Reserve Bank of Australia (RBA) responded by keeping its policy rate at 0.10% but announced its bond purchase programme would end on 10 February, in line with market expectations. However, the RBA disappointed growing expectations that rates could rise as early as May, noting that while inflation had picked up, it was too early to conclude “that it is sustainably within the target band”. This conclusion partly reflects uncertainty around how quickly supply-side disruptions might be resolved but also the prolonged run of low inflation.

The RBA now projects core inflation to rise to around 3¼% this year before declining to 2¾% over 2023 as supply side issues are resolved and consumer spending returns to more usual patterns.

The RBA noted that the Omicron outbreak had caused hours worked to decline significantly in January, but that high numbers of job vacancies pointed to further gains in employment in the coming months. It is forecasting the unemployment rate to drop below 4% by the end of the year and be around 3.75% by the end of 2023.

**Commodity price rises continue**

Commodity prices have continued to rise, spurred on by strong demand and supply-side constraints in oil and metals markets. Brent oil prices surged 17.4% in January to over USD\$90 per barrel on rising tension between Russia, one of the world’s largest oil producers, and the Ukraine.

Food prices have also surged. The United Nations FAO Food Price index was 1.1% higher in January 2022 than December 2021 and 19.5% higher than January 2021.

**Coming Up:**

Date	Release
11 Feb	Electronic card transactions
14 Feb	Food prices, rental prices
17 Feb	Tax outturns, Dec 21

# Special Topic: Omicron Outbreak

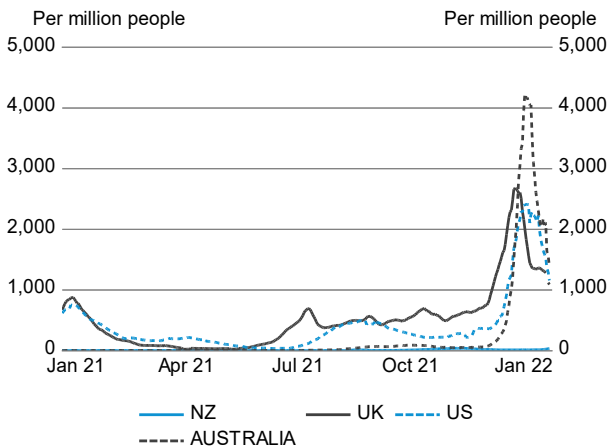
**The Treasury’s initial assessment of the economic impacts of an Omicron outbreak is a transitory hit of between 1.5%-2% of GDP across the first quarter, reducing growth accordingly.**

We assume a future outbreak will continue to be managed through the COVID Protection Framework (CPF), and economic activity will be additionally constrained by labour supply disruption from COVID-related illness or self-isolation requirements. Our analysis draws on international experience to date, which suggests a short and sharp period of disruption to activity, when the Omicron outbreak peaks. Following the peak, activity appears to rebound quickly suggesting a transitory hit. We assume the initial impact in the first quarter will be offset by a recovery over the remainder of the year.

## International evidence suggests the Omicron wave has a short and sharp peak...

Case numbers have declined quickly in the UK, US and Australia over last two weeks. Following from record high cases numbers through early January this suggests that the Omicron wave has a short and sharp peak. In the UK, this decline is now slowing, as it nears what may be a post-peak steady state. In Australia, the experience has been similar with a very short, sharp peak in new cases. The reduction in case numbers has started to slow, with cases appearing to flatten out at about 50k cases per day, approximately half of the peak. Cases in the US continue to decline from their peak. While the peak is reached swiftly, it is still unclear what happens post-peak and cases could stabilise at a high level.

**Figure 1: Daily cases (7-day moving average)**

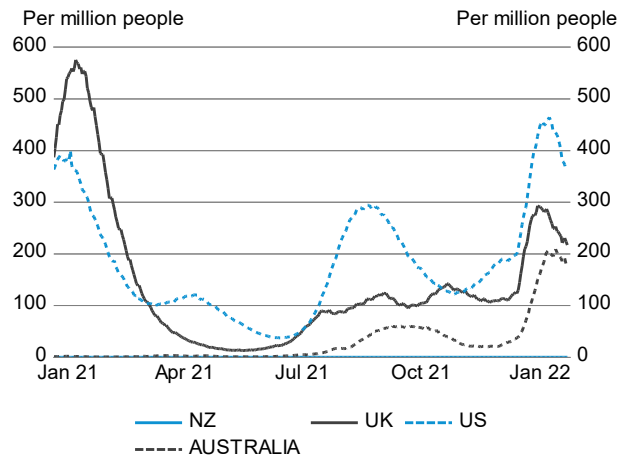


Source: Our World in Data

**...while evidence continues to suggest Omicron infections are less severe.**

Hospitalisations in the UK appear to have peaked and remain well below levels of the previous winter’s Delta outbreak. Hospitalisations in the US have reached new records; however, they appear to have peaked. The Omicron outbreak had placed significant pressure on healthcare systems across the US. The widespread nature of the outbreak is putting critical staffing pressures on the health system, as healthcare workers were required to isolate. Hospitalisations in Australia also appear to have peaked at about 200 hospitalisations per million. Differences in hospitalisations likely reflect differences in vaccine coverage.

**Figure 2: Total Hospital patients with COVID-19**

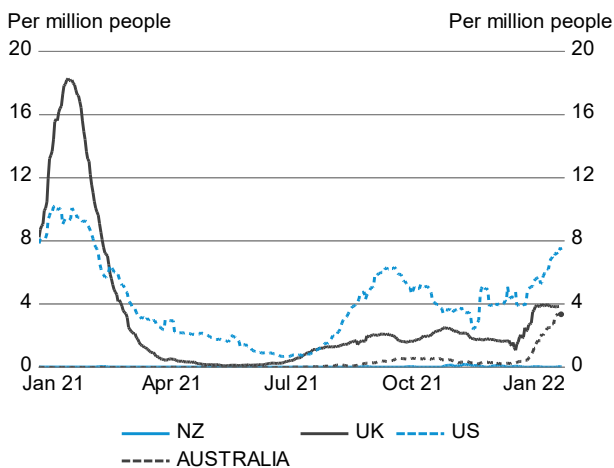


Source: Our World in Data

During 2021, most major economies saw a reduction in fatality rates as vaccinations were rolled out across populations. Despite the significant increases in case numbers and increased pressure on health systems during the Omicron wave, average daily fatalities remain below the previous pandemic highs. The US has seen the largest increase in fatalities during the Omicron outbreak, which may reflect its lower vaccination rates. While evidence suggests Omicron is milder than previous variants, its increased transmissibility continues to present significant health risk.



**Figure 3: Daily Fatalities (7-day moving average)**



Source: Our World in Data

**Australia’s experience suggests that Omicron will produce a short period of severe disruption, at peak...**

The Omicron outbreak peaked in Australia in early- to mid-January. With approximately 1 in 10 workers absent due to COVID-related illness and self-isolation requirements, and absences concentrated in certain industries, particularly transport, the peak in cases resulted in a period of severe supply disruption. Testing and isolation requirements on critical workers were eased in response. While supply chain disruption continues to persist, the reduction in cases and those isolating is alleviating some pressures.

Australia’s Omicron wave appears to have peaked, and while cases remain elevated, consumer confidence is improving. Initial spending data from Australia suggests consumer spending was affected in early January, during the peak of the outbreak. This was concentrated in hospitality and retail, though the fall was partially offset by a shift to online spending. The data also suggest broad growth over the past few weeks, as case numbers decline, and mobility data also suggests an increase in activity.

While data through January is highly volatile, due to seasonal swings, it suggests a broadly similar experience to the UK. This may suggest that consumers are quick to adjust living with widespread COVID-19. While New Zealand has not experienced a widespread outbreak previously, international experience suggest consumers will quickly adjust to a living-with-COVID framework.

**...and the experience in the US has been similar...**

Widespread absenteeism in the US is constraining output in factories, disrupting flight schedules and ports and closing stores. The impacts of Omicron are likely to be felt most in the already tight labour market. However, the impacts are expected to be temporary and will only stall the economic recovery, with the economy predicted to return to its trend in the near term. Analysts are expecting a hit to growth in Q1 followed by a rebound in Q2, with the forecast growth for the year remaining largely unchanged.

Initial employment data for January from ADP shows private payrolls fell by 301,000 in January, the most since April 2020. The data provides a mid-month snapshot and some of the decline reflects businesses temporarily closing amid staff shortages. If workers were not paid across the reference pay period (the height of the outbreak in the US), this will be reflected as a lost job in the survey. Therefore, the numbers highlight the potential impacts of Omicron on the labour market. With the Bureau of Labour Statistics due to release their January jobs report today, analysts are expecting the smallest jobs gain in a year, though forecasts range from a 400,000 decline to a 250,000 gain. These labour market impacts are expected to be a temporary, offset by a rebound in the coming months.

**The Treasury has undertaken an initial assessment of the potential impacts of an Omicron outbreak on New Zealand.**

We use an infection path similar to Australia’s, adjusting for New Zealand’s population to analyse the impact at peak transmission, and across the quarter. We make additional adjustments to reflect New Zealand’s more stringent current restrictions and relatively greater preparedness for an Omicron outbreak.

Given the uncertainty surrounding the potential spread, and corresponding policy responses, we have made several assumptions that impact our results. We work on the assumption that a potential Omicron outbreak is managed through the CPF. With the whole country at the red setting, economic activity will continue to be constrained by approximately \$290m per week, in line with the assumptions detailed in December's Half Year Economic and Fiscal Update. These impacts are concentrated in the arts and recreational services, food and beverage services and the accommodation sectors.

**An Omicron outbreak poses and additional constrain on labour market and economic activity.**

In addition to the CPF constraints, we anticipate that an Omicron outbreak will result in additional impacts in the labour market. Specifically, international experience points to a sharp decline in hours worked during the peak transmission phase, as people self-isolate due to infection or as close contacts. We estimate these additional labour market impacts purely in terms of a fall in hours worked.

**We make several assumptions in our analysis...**

We assume an isolation period of 10 days for positive cases, and 7 days for close contacts, in line with the Government's Omicron plan for phase two and three, which will cover the vast bulk of the time when an outbreak is taking place. With an average NZ household size of 2.7 people, we assume that for every one positive case, there are 1.7 close contacts. In line with the proportion of the population employed, we can expect that 55.8% of cases and contacts are employed and that employed cases and contacts are in proportion to industry shares of employment.

We use HLFS data from Stats NZ to estimate the proportion of employees in each industry able to work from home. While some employees can work from home, some will be too unwell to work, some with milder symptoms will work reduced hours, while those asymptomatic/not infected will work their normal hours. Reflecting this, we assume a utilisation rate of 0.6 for those in isolation with the potential to work from home.

To calculate our economic impacts, we use a sensitivity of GDP to hours worked of 0.6. This assumption reflects historical data, while capturing changes in productivity and elasticity in the labour supply from unaffected workers, who increase their hours worked to offset absences from colleagues.

**Our additional economic impacts are highlighted below:**

Average cases per day	Peak number in isolation	Fall in hours worked peak (%)	Weekly impact to GDP (%)	Weekly impact to GDP (\$ m)
500	9,450	0.1	0.1	7
3,000	65700	1	0.6	40
20,000	438,000	6.9	4	270

Note: Our results are highly sensitive to our assumptions

**...and our results are highly sensitive to our assumptions...**

The estimated economic impacts will be higher if:

- an increase in the self-isolation period results in more hours lost, assuming no change to infection rates;
- a reduced ability of the workforce to adapt to working from home increases the number of hours lost;
- an increased severity of the illness prevents more employees from working in isolation;
- a higher ratio of close contacts to positive cases detected increased the number of hours lost;
- a concentration of cases in a critical industry causes further supply chain disruption; or
- confidence and spending are significantly impacted.

***International experience to date suggests additional risks of wider supply chain disruption.***

There is additional risk that a dramatic fall in labour supply at a high peak case volume produces additional supply chain disruption, which may constrain economic activity more broadly. During the peak of recent outbreaks in the UK, US and Australia, labour supply shortages caused severe disruption to the logistics industries causing congestion at ports and disrupting flight schedules. While this may produce a period of severe disruption, we anticipate the impacts on the economy to be transitory.

New Zealand has not experienced an outbreak of the scale that Omicron may produce, and therefore there is additional risk that consumer behaviour may change, leading to a fall in confidence and demand as we adjust to living with COVID-19. The New Zealand economy is entering the outbreak in a strong position, however, and has been resilient to previous outbreaks of the virus.

***On balance, we expect an aggregate quarterly impact of an Omicron outbreak to be about 1.5%-2% of GDP.***

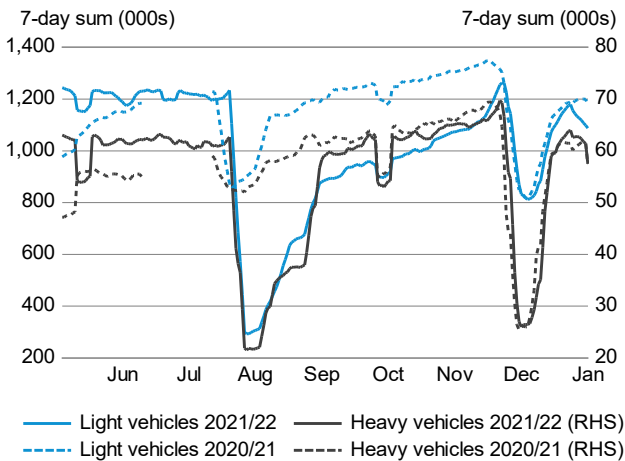
Based on infection paths in comparative countries, and adjusting for New Zealand's population, we anticipate a potential hit to hours worked across the

quarter of 2%-2.5%. Including the ongoing CPF constraints, an aggregate impact on GDP of 1.5%-2% might be expected in the first quarter, compared to a scenario without the Omicron outbreak. We assume that this impact will be transitory, partially offset by stronger growth in the following quarters. We continue to assess the impacts of Omicron and update our analysis as more information comes to light.



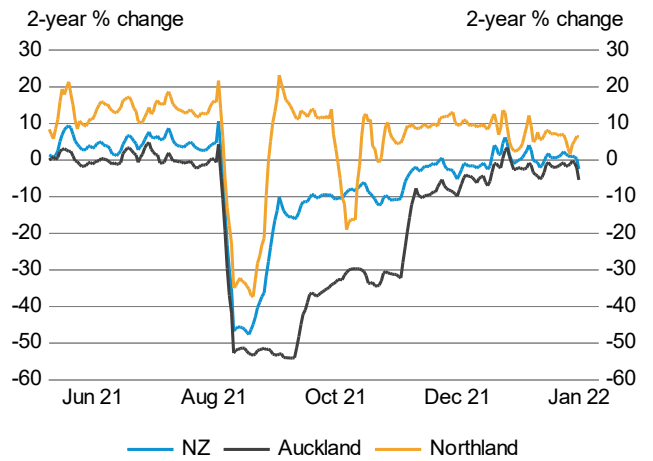
# High-Frequency Indicators<sup>1</sup>

## Traffic and Freight Movement



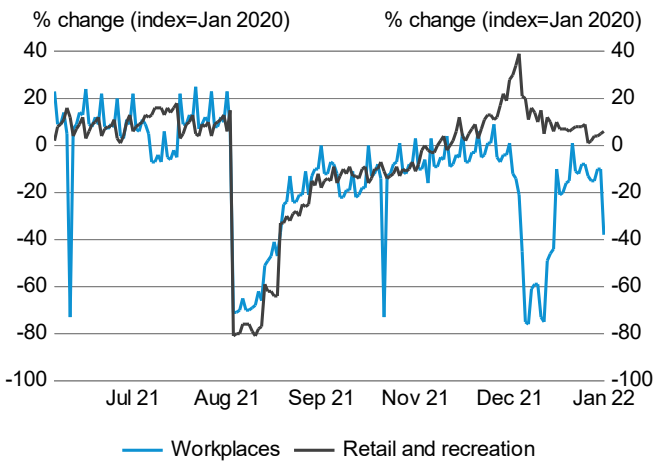
Source: Waka Kotahi NZ Transport Agency

## Card Spending



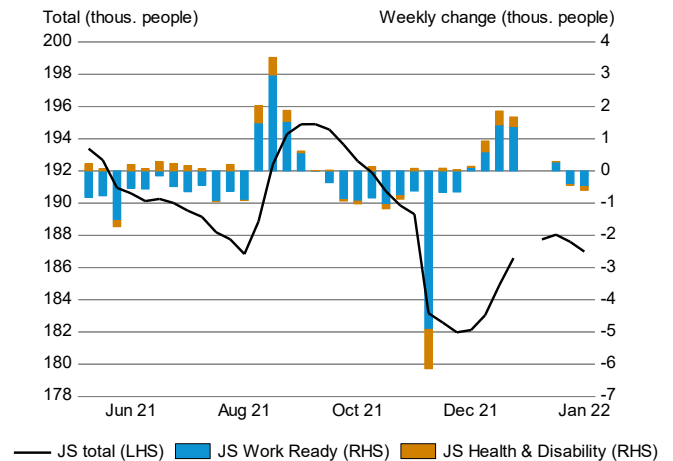
Source: Marketview data via MBIE

## People Movements at Selected Locations



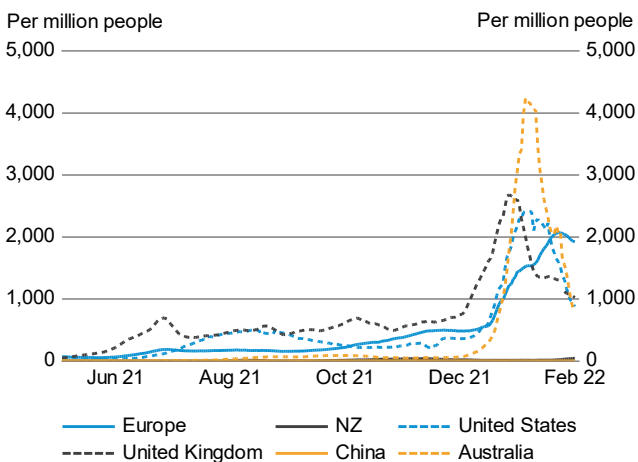
Source: Google/Haver

## Jobseeker (JS) and Income Support Recipients



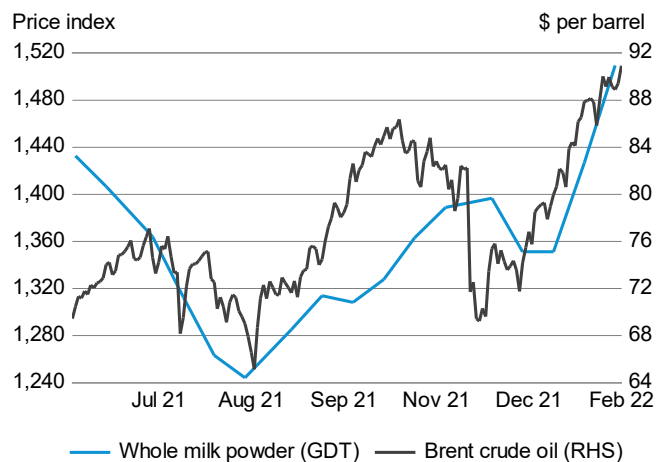
Source: MSD

## COVID-19 Cases Per Million People



Source: Johns Hopkins University/Haver

## World Commodity Prices



Source: Haver

<sup>1</sup> Additional high frequency indicators are available on the Stats NZ COVID-19 data portal: <https://www.stats.govt.nz/experimental/covid-19-data-portal>

Quarterly Indicators		2020Q3	2020Q4	2021Q1	2021Q2	2021Q3	2021Q4
Real Production GDP (1)	qpc	13.9	-0.4	1.5	2.4	-3.7	...
	aapc	-1.5	-1.9	-1.3	5.3	4.9	...
Current account balance (annual)	%GDP	-0.7	-0.8	-2.5	-3.3	-4.6	...
Merchandise terms of trade	apc	-0.3	-1.6	-0.9	-0.1	5.6	...
CPI inflation	qpc	0.7	0.5	0.8	1.3	2.2	1.4
	apc	1.4	1.4	1.5	3.3	4.9	5.9
Employment (HLFS) (1)	qpc	-0.7	0.6	0.7	1.0	1.9	0.1
Unemployment rate (1)	%	5.3	4.9	4.6	4.0	3.3	3.2
Participation rate (1)	%	70.1	70.2	70.4	70.5	71.2	71.1
LCI salary & wage rates - total (2)	apc	1.8	1.6	1.6	2.1	2.4	2.6
QES average hourly earnings - total (2)	apc	4.2	4.3	4.0	4.0	3.5	3.8
Core retail sales volume	apc	7.6	4.4	5.4	30.2	-3.2	...
Total retail sales volume	apc	8.1	4.7	6.6	33.3	-5.2	...
WMM - consumer confidence (3)	Index	95.1	106.0	105.2	107.1	102.7	99.1
QSBO - general business situation (1,4)	net%	-38.8	-12.1	-7.0	6.7	-11.1	-34.4
QSBO - own activity outlook (1,4)	net%	0.8	10.8	6.9	26.6	8.7	8.3

Monthly Indicators		Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21
Merchandise trade balance (12 month)	NZ\$m	-1,088.4	-2922.0	-4064.7	-4895.7	-6232.9	-6784.4
Dwelling consents - residential	apc	24.2	42.3	24.4	10.5	20.8	...
House sales - dwellings	apc	-9.1	-23.6	-36.0	-18.5	-15.9	-29.4
REINZ - house price index	apc	30.4	30.7	29.8	29.7	27.0	23.2
Estimated net migration (12 month total)	people	-2,466.0	-4,219.0	-4,409.0	-4,442.0	-4,021.0	...
ANZ NZ commodity price index	apc	16.9	15.4	17.4	16.5	22.9	27.8
ANZ world commodity price index	apc	22.2	21.5	23.6	23.8	26.1	23.5
ANZBO - business confidence	net%	-3.8	-14.2	-7.2	-13.4	-16.4	-23.2
ANZBO - activity outlook	net%	26.3	19.2	18.2	21.7	15.0	11.8
ANZ-Roy Morgan - consumer confidence	net%	113.1	109.6	104.5	98.0	96.6	98.3
NZAC	apc	4.7	-0.6	0.0	0.6	1.8	1.9

Daily Indicators		Fri 28/1/22	Mon 31/1/22	Tue 1/2/22	Wed 2/2/22	Thu 3/2/22	Fri 4/2/22
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<b>NZ exchange and interest rates (5)</b>							
NZD/USD	\$	0.6576	0.6546	0.6570	0.6648	0.6619	...
NZD/AUD	\$	0.9345	0.9355	0.9298	0.9309	0.9296	...
Trade weighted index (TWI)	index	71.0	70.7	70.8	71.4	71.1	...
Official cash rate (OCR)	%	0.75	0.75	0.75	0.75	0.75	...
90 day bank bill rate	%	1.10	1.10	1.15	1.17	1.14	...
10 year govt bond rate	%	2.63	2.60	2.59	2.58	2.55	...

<b>Share markets (6)</b>							
Dow Jones	index	34,725	35,132	35,405	35,629	35,111	...
S&P 500	index	4,432	4,516	4,547	4,589	4,477	...
VIX volatility index	index	27.7	24.8	22.0	22.1	24.4	...
AU all ords	index	7,266	7,268	7,313	7,400	7,375	...
NZX 50	index	11,852	11,889	12,059	12,290	12,335	...

<b>US interest rates</b>							
3 month OIS	%	0.08	0.08	0.08	0.08	...	...
3 month Libor	%	0.32	0.31	0.30	0.31	...	...
10 year govt bond rate	%	1.78	1.79	1.81	1.78	1.82	...

<b>Commodity prices (6)</b>							
WTI oil	US\$/barrel	87.67	89.16	88.22	88.26	90.27	...
Gold	US\$/ounce	1,788.15	1,795.25	1,799.85	1,803.65	...	...
CRB Futures	index	584.00	582.94	585.42	589.22	...	...

(1) Seasonally adjusted (4) Quarterly Survey of Business Opinion (Data in italic font are provisional)  
(2) Ordinary time, all sectors (5) Reserve Bank (11am) ... Not available  
(3) Westpac McDermott Miller (6) Daily close

(1) Seasonally adjusted (5) European Commission  
(2) Case-Shiller Home Price Index 20 city (6) Nationwide House Price Index  
(3) The Conference Board Consumer Confidence Index (7) Australian Bureau of Statistics  
(4) Cabinet Office Japan (8) Melbourne/Westpac Consumer Sentiment Index

Country	Indicator		2021Q2	Jul 21	Aug 21	Sep 21	2021Q3	Oct 21	Nov 21	Dec 21	2021Q4	Jan 22
<b>United States</b> [9.6%] share of total goods exports]	GDP (1)	qpc	1.6				0.6				1.7	
	Industrial production (1)	mpc		0.7	-0.2	-1.0		1.2	0.7	-0.1		...
	CPI	apc		5.4	5.3	5.4		6.2	6.8	7.0		...
	Unemployment rate (1)	%		5.4	5.2	4.7		4.6	4.2	3.9		...
	Employment change (1)	000s		1091.0	483.0	379.0		648.0	249.0	199.0		...
	Retail sales value	apc		15.3	15.7	14.2		16.2	18.2	16.9		...
	House prices (2)	apc		20.0	19.7	19.1		18.5	18.3	...		...
PMI manufacturing (1)	index		59.9	59.7	60.5		60.8	60.6	58.8		57.6	
Consumer confidence (1)(3)	index		125.1	115.2	109.8		111.6	111.9	115.2		113.8	
<b>Japan</b> [6.1%]	GDP (1)	qpc	0.5				-0.9				...	
	Industrial production (1)	mpc		-1.5	-3.6	-5.4		1.8	7.0	-1.0		...
	CPI	apc		-0.4	-0.5	0.2		0.1	0.6	0.8		...
	Unemployment rate (1)	%		2.8	2.8	2.8		2.7	2.8	2.7		...
	Retail sales value	apc		2.4	-3.2	-0.5		0.9	1.9	1.4		...
	PMI manufacturing (1)	index		53.0	52.7	51.5		53.2	54.5	54.3		55.4
	Consumer confidence (1)(4)	index		37.5	36.6	38.0		39.2	39.2	38.8		36.6
<b>Euro area</b> [5.5%]	GDP (1)	qpc	2.2				2.3				0.3	
	Industrial production (1)	mpc		0.8	-1.7	-0.9		-1.3	2.3	...		...
	CPI	apc		2.2	3.0	3.4		4.1	4.9	5.0		...
	Unemployment rate (1)	%		7.7	7.5	7.4		7.3	7.1	7.0		...
	Retail sales volume	apc		3.4	1.4	2.8		1.7	7.8	...		...
	PMI manufacturing (1)	index		62.8	61.4	58.6		58.3	58.4	58.0		58.7
	Consumer confidence (5)	index		-4.4	-5.3	-4.0		-4.9	-6.8	-8.4		-8.5
<b>United Kingdom</b> [2.7%]	GDP (1)	qpc	5.4				1.1				...	
	Industrial production (1)	mpc		0.3	0.7	-0.7		-0.4	0.9	...		...
	CPI	apc		2.1	3.0	2.9		3.8	4.6	4.8		...
	Unemployment rate (1)	%		4.6	4.5	4.3		4.2	4.1	...		...
	Retail sales volume	apc		1.8	0.3	-1.0		-1.5	4.2	-0.9		...
	House prices (6)	apc		10.5	11.0	10.0		9.9	10.0	10.4		11.2
	PMI manufacturing (1)	index		60.4	60.3	57.1		57.8	58.1	57.9		57.3
Consumer confidence (1)(5)	net %		-7.0	-8.0	-13.0		-17.0	-14.0	-15.0		-19.0	
<b>Australia</b> [15.8%]	GDP (1)	qpc	0.7				-1.9				...	
	CPI	apc	3.8				3.0				3.5	
	Unemployment rate (1)	%		4.6	4.5	4.6		5.2	4.6	4.2		...
	Retail sales value	apc		-2.9	-0.7	1.9		4.6	6.2	5.2		...
	House Prices (7)	apc	19.8				25.4				...	
	PMI manufacturing (1)	index		60.8	51.6	51.2		50.4	54.8	48.4		48.4
Consumer confidence (8)	index		108.8	104.1	106.2		104.6	105.3	104.3		102.2	
<b>China</b> [24.3%]	GDP	apc	7.9				4.9				4.0	
	Industrial production	apc		6.4	5.3	3.1		3.5	3.8	4.3		...
	CPI	apc		1.0	0.8	0.7		1.5	2.3	1.5		...
	PMI manufacturing (1)	index		50.4	50.1	49.6		49.2	50.1	50.3		50.1
<b>South Korea</b> [3.0%]	GDP (1)	qpc	0.8				0.3				1.1	
	Industrial production (1)	mpc		0.2	-0.5	-1.1		-2.9	5.3	4.3		...
	CPI	apc		2.6	2.6	2.4		3.2	3.8	3.7		3.6

(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