

ANZ NZ Truckometer

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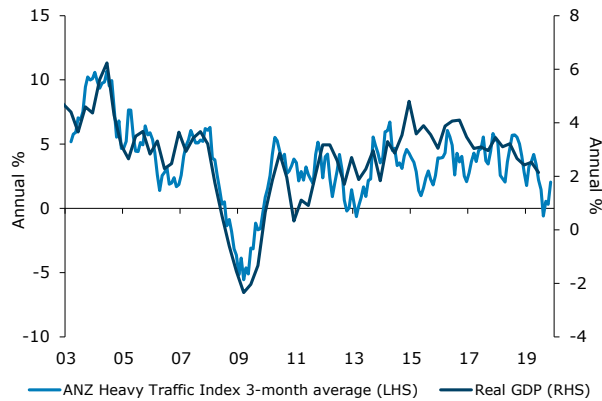
Edging up

Summary

- In November, the Light Traffic Index rose 1.2% m/m, busting out of its recent plateau. The Heavy Traffic fell 1.5% m/m, but this follows two strong monthly increases.
- Annual growth in both indexes is lifting off low levels. It suggests annual GDP growth is going to continue to be unimpressive for a while yet. But things are looking better in a momentum sense.

The two ANZ Truckometer indexes reflect economic activity. The Light Traffic Index gives an indication of where GDP growth will be in six months' time, while the Heavy Traffic Index is real-time. They both agree that the economy is has lost considerable momentum, but the data has improved in the past few months, consistent with the lift in 'soft' data such as our ANZ Business Outlook survey and the PMI.

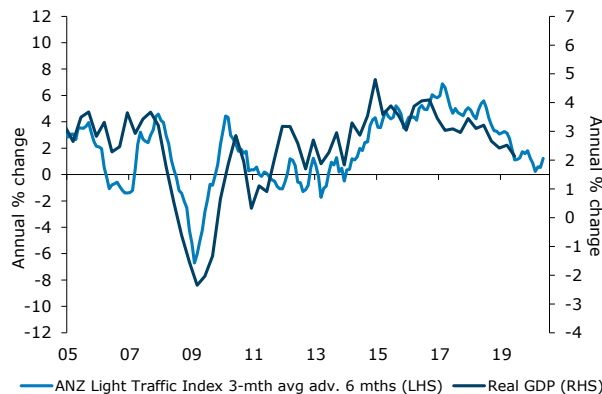
Figure 1. ANZ Heavy Traffic Index and annual GDP growth



Source: ANZ Research, Statistics NZ

Given the volatility in the indexes it is certainly too soon to say that they have definitively turned the corner. But that said, the recent lift in annual growth in the two indexes is supportive of our view that annual GDP growth is set to bottom out around the current level of 2%.

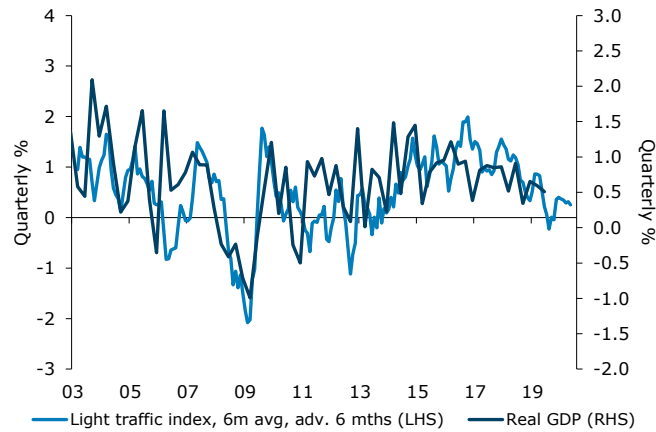
Figure 2. ANZ Light Traffic Index and annual GDP growth



Source: ANZ Research, Statistics NZ

To extract a signal for quarterly growth one has to smooth the traffic data quite a bit, which means turning points can take a while to show up. Current growth in the 6-month average of the Light Traffic Index is hardly inspiring, but it is at least suggesting positive GDP growth outturns, albeit modest ones, over the next six months (figure 3).

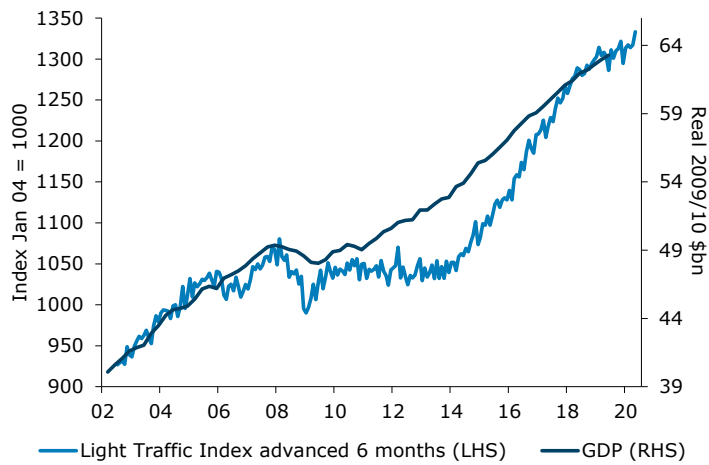
Figure 3. ANZ Light Traffic Index (adv. 6 months) and quarterly GDP growth



Source: ANZ, NZ Transport Agency

And those looking for a cheerier picture can note that the level of light traffic has busted out of the flattish plateau it has been in for some time (figure 4), though spikes in both directions aren't uncommon.

Figure 4. ANZ Light Traffic Index (adv. 6 months) and GDP



Source: ANZ, NZ Transport Agency

All up, it's a case of green shoots rather than a strong growth signal, but it's a start.



Tables and charts

After adjusting for seasonality, traffic flows lifted on 3 of the 11 roads in the Heavy Traffic Index in November, and on 7 of the 10 roads in the Light Traffic Index.

	Light Traffic Index			Heavy Traffic Index		
	Index Jan 04 = 1000	Monthly % chg	Annual % chg, 3m avg	Index Jan 04 = 1000	Monthly % chg	Annual % chg, 3m avg
Nov-18	1304	-0.3	1.9	1540	-2.1	4.1
Dec-18	1286	-1.3	1.1	1482	-3.8	2.8
Jan-19	1311	1.9	1.2	1554	4.8	1.8
Feb-19	1301	-0.8	1.3	1554	0.1	3.3
Mar-19	1310	0.7	1.7	1521	-2.1	3.7
Apr-19	1313	0.2	1.6	1577	3.7	4.2
May-19	1322	0.7	1.8	1589	0.8	3.4
Jun-19	1295	-2.1	1.2	1514	-4.7	2.2
Jul-19	1313	1.4	0.9	1572	3.8	1.5
Aug-19	1317	0.3	0.2	1506	-4.2	-0.6
Sep-19	1314	-0.3	0.6	1551	3.0	0.6
Oct-19	1317	0.3	0.5	1605	3.4	0.3
Nov-19	1333	1.2	1.2	1580	-1.5	2.1

Figure 5. ANZ Heavy Traffic Index and GDP

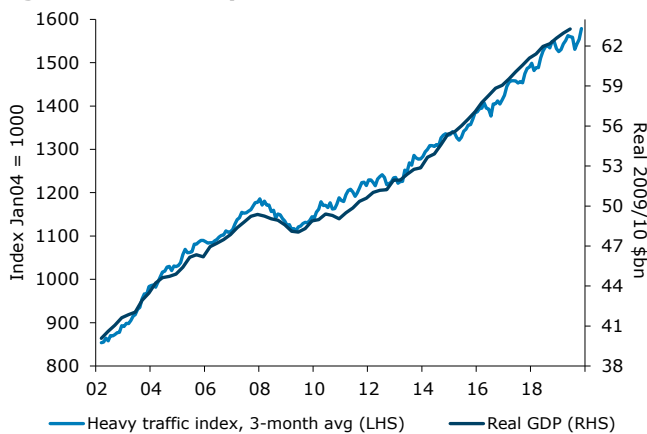


Figure 6. ANZ Light Traffic Index and GDP

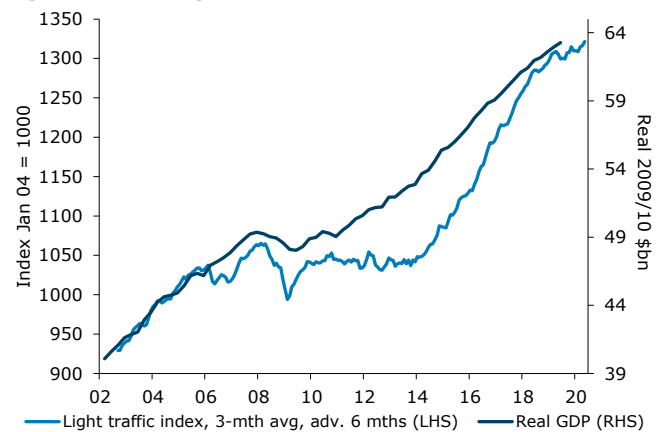


Figure 7. ANZ Heavy Traffic Index: raw vs. seas. adj.

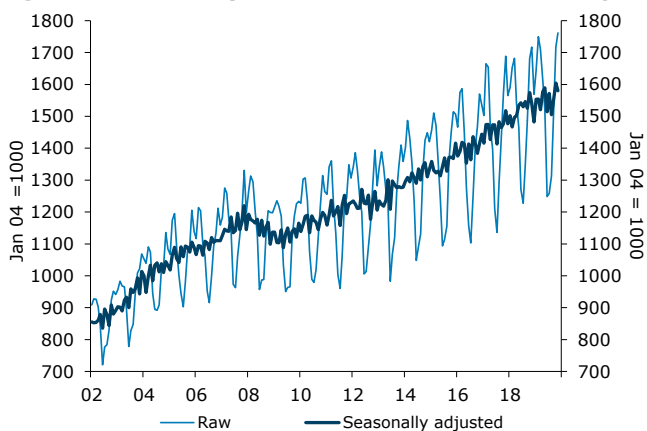
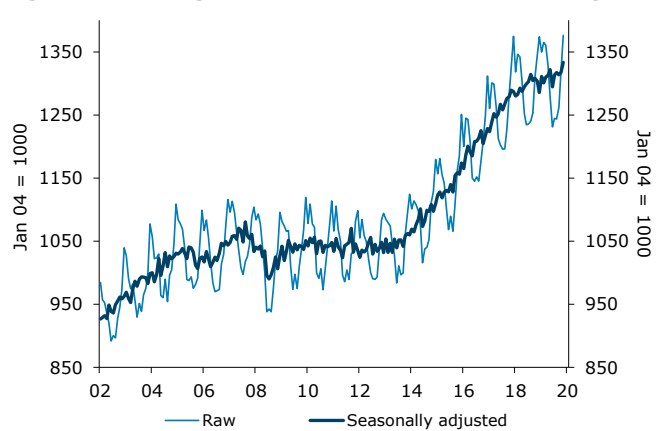


Figure 8. ANZ Light Traffic Index: raw vs. seas. adj.



Source: ANZ, NZ Transport Agency

Technical notes on the ANZ Truckometer were included in the initial release on 10 April 2012 and are available on the ANZ website or on request. The indexes' data history (subject to revision) is also available.



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