

New Zealand Weekly Focus

11 November 2019



This is not personal advice. It does not consider your objectives or circumstances. Please refer to the Important Notice.

Contents

Economic overview	2
FX/rates overview	10
Data event calendar	11
Local data watch	14
Key forecasts	15
Important notice	17

NZ Economics Team

Sharon Zollner
Chief Economist
 Telephone: +64 9 357 4094
Sharon.Zollner@anz.com

Michael Callaghan
Economist
 Telephone: +64 4 382 1975
Michael.Callaghan@anz.com

Natalie Denne
Desktop Publisher
 Telephone: +64 4 802 2217
Natalie.Denne@anz.com

Susan Kilsby
Agriculture Economist
 Telephone: +64 4 382 1992
Susan.Kilsby@anz.com

Sandeep Parekh
FX/Rates Strategist
 Telephone: +64 9 357 4065
Sandeep.Parekh@anz.com

Kyle Uerata
Economic Statistician
 Telephone: +64 4 802 2357
Kyle.Uerata@anz.com

Miles Workman
Senior Economist
 Telephone: +64 4 382 1951
Miles.Workman@anz.com

Contact
research@anz.com

Follow us on Twitter
[@sharon_zollner](https://twitter.com/sharon_zollner)
[@ANZ_Research \(global\)](https://twitter.com/ANZ_Research)

The path of least regrets

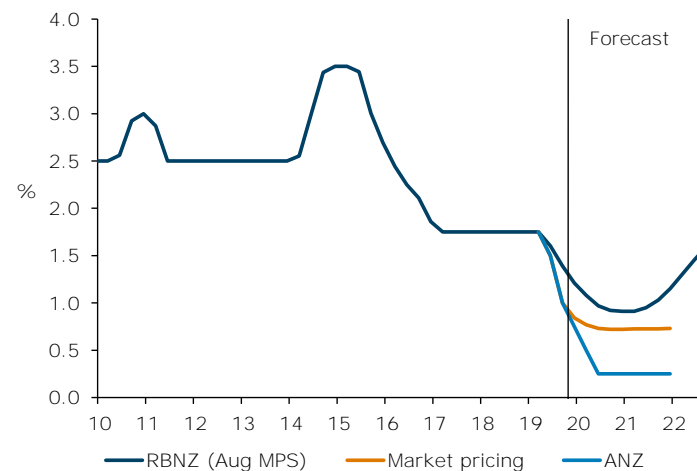
Economic overview

It's not the slam dunk it was, but on balance we think the RBNZ is set to cut the OCR to 0.75% this week. On the positive side, the NZD has fallen, house prices have strengthened, and Q3 CPI inflation was a touch stronger than expected. But dominating that, the outlook for both global and domestic growth has weakened markedly since August, despite the more positive vibe in the past month. And looking ahead, the impact of higher bank capital requirements will need to be added into the forecasts for the February MPS. Putting it all together, the path of least regrets would be a 25bp cut in November, taking the OCR to 0.75%, and leaving the door ajar to more if required. We continue to expect 25bp rate cuts in November, February, and May, taking the OCR to 0.25%.

Chart of the week

Alongside a 25bp rate cut at the November MPS (taking the OCR to 0.75%), a downgrade is due to the RBNZ's August MPS projected OCR track.

OCR forecasts and OIS market pricing



Source: Bloomberg, RBNZ, ANZ Research

The ANZ heatmap

Variable	View	Comment	Risks around our view
GDP	1.9% y/y for 2020 Q1	Growth has slowed. OCR cuts should support a gradual recovery next year.	Neutral
Unemployment rate	4.4% for 2020 Q1	The labour market is "tight", but the weaker economy will push up unemployment. Wage and employment growth to remain modest.	Neutral
OCR	0.50% in March 2020	We expect further cuts in November, February and May next year, bringing the OCR to just 0.25%.	Neutral
CPI	2.0% y/y for 2020 Q1	Below-trend growth will stymie domestic inflation. OCR cuts should support a gradual rise over time.	Neutral



Economic overview

The path of least regrets is a 25bp cut, and to signal a willingness to move even lower from there if conditions warrant.

Things are looking weaker, but it hasn't been one-sided.

We expect a 25bp cut, and the door left ajar to an even lower OCR.

The RBNZ's global growth outlook needs a downgrade.

Summary

It's not the slam dunk it was, but on balance we think the RBNZ is set to cut the OCR to 0.75% this week. On the positive side, the NZD has fallen, house prices have strengthened, and Q3 CPI inflation was a touch stronger than expected. But dominating that, the outlook for both global and domestic growth has weakened markedly since August, despite the more positive vibe in the past month. And looking ahead, the impact of higher bank capital requirements will need to be added into the forecasts for the February MPS. Putting it all together, the path of least regrets would be a 25bp cut in November, taking the OCR to 0.75%, and leaving the door ajar to more if required. We continue to expect 25bp rate cuts in November, February, and May, taking the OCR to 0.25%.

Forthcoming data

ANZ Truckometer – October (Tuesday 12 November, 10:00am).

RBNZ Inflation Expectations Survey – Q4 (Tuesday 12 November, 3:00pm).

Inflation expectations have slipped below the target midpoint but showed signs of stabilisation in the latest ANZBO survey.

Food Price Index – October (Wednesday 13 November, 10:45am). A seasonal decline in fruit and vegetables prices is expected to dominate.

Rental Price Index – October (Wednesday 13 November, 10:45am). Continued increases in rental prices should support a quarterly rise in CPI rents.

RBNZ Monetary Policy Statement – November (Wednesday 13 November, 2:00pm). We expect a 25bp cut in November to take the OCR to 0.75%, with more cuts to come in 2020.

ANZ Monthly Inflation Gauge – October (Thursday 14 November, 1:00pm).

BNZ-BusinessNZ Manufacturing PMI – October (Friday 15 November, 10:30am). An easing trend has been at play here. We're looking for a floor.

What's the view?

The big event of the week is the RBNZ's November Monetary Policy Statement on Wednesday.

The vibe on both the domestic and global front has lifted in the last month, which has seen the market pare back its certainty about a rate cut, appropriately. The NZD has fallen, house prices have been a bit stronger, and there's a higher starting point for CPI inflation. But stepping back, since the August MPS, global growth is looking weaker than the RBNZ expected and leading indicators suggest that near-term growth in New Zealand will continue to disappoint. These developments should dominate the Committee's thinking.

Putting it together, we expect a 25bp cut to take the OCR to 0.75%, and for the Committee to leave the door ajar to an OCR even lower than that. With the OCR already close to the zero lower bound and inflation expectations low (and at risk of falling further), we suspect the RBNZ's 'least regrets' analysis will see them conclude they should err on the side of dovishness.

Global developments

Global growth developments are more negative than the RBNZ had been expecting, but the lower NZD has provided some support and supply-side developments for our major commodities continue to provide a remarkable buffer.

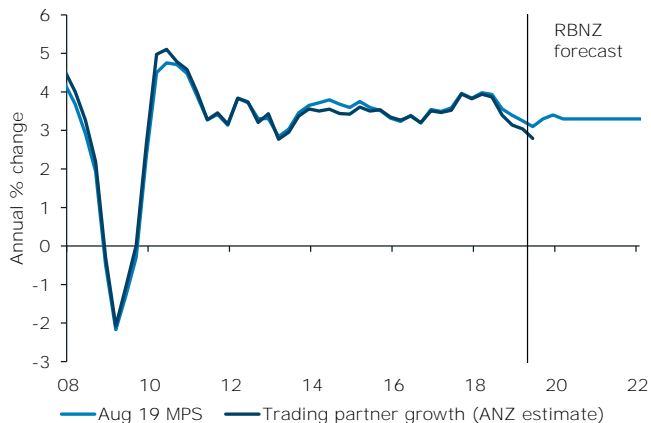
The RBNZ's trading partner growth outlook is due for a downgrade (figure 1), with weak outturns for Q2 and so far in Q3, and timelier indicators suggest that things aren't likely to turn upward any time soon (figure 2). In fact, the IMF sharply cut their global growth



Economic overview

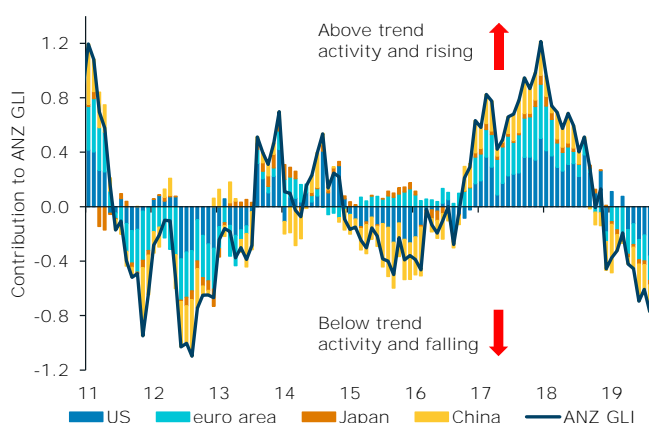
forecasts recently, and now expects global growth in 2019 to be the weakest since the Global Financial Crisis. All else equal, this will see the RBNZ reduce their outlook for commodity prices, export volumes, and/or tradable inflation. **But one thing that hasn't** been equal to the historical experience is the resilience we are seeing in meat and dairy prices. This reflects weak supply rather than strong demand, but we'll take it.

Figure 1. NZ trading partner growth



Source: Statistics NZ, Haver Analytics, ANZ Research

Figure 2. ANZ global activity lead index



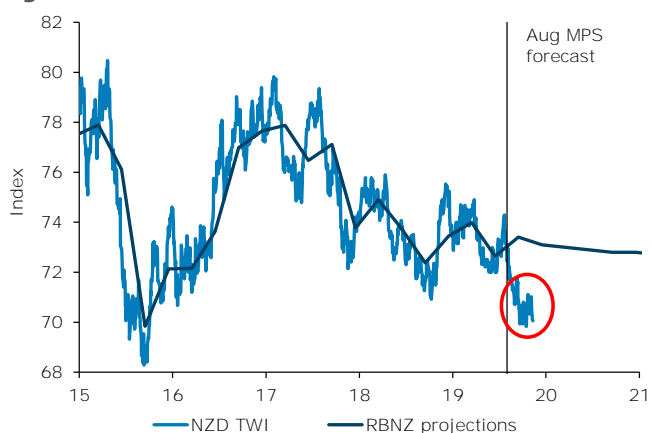
Financial market sentiment can be fickle.

Markets are euphoric that Brexit and trade uncertainty has lessened a touch, with a tentative 'Phase I' US-China trade deal and glimmers of compromise on Brexit. But market sentiment – particularly around politics – is probably not something worth putting too much weight on, given how quickly it can all change. Global uncertainty has continued to weigh on global trade, industrial production, and business investment.

But the NZD is helping out.

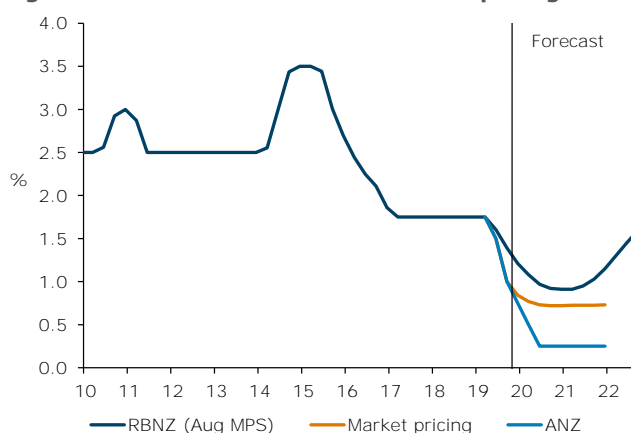
One nice buffer to the weaker global outlook has been that the NZD has been doing its job – the NZD trade weighted index (TWI) is sitting about 4% lower than the RBNZ expected it to be back in August (figure 3). This will help boost imported inflation and exporters' incomes. But this should be partially discounted, because part of the reason the NZD is lower is because a lower OCR is expected from here – the RBNZ had a 0.90% trough in its OCR track, while the market is closer to 0.70% (figure 4). World and domestic interest rates have also bounced a bit from their lows lately – but this appears to be more of a retracement from recent lows than indicating anything fundamental.

Figure 3. NZD TWI and RBNZ forecast



Source: Bloomberg, RBNZ, ANZ Research

Figure 4. OCR forecasts and OIS market pricing



Domestic developments

Domestic developments have also suggested weaker near-term growth than the RBNZ forecast at the August MPS.



Economic overview

The RBNZ's growth forecast is due for a downgrade.

The RBNZ's forecast strong pick-up in GDP growth doesn't look like it is going to occur any time soon, with several leading indicators suggesting downside risk to even our subdued growth forecasts (figures 5 and 6) in the near term. On top of that, QSBO business survey measures of capacity, employment, and pricing all weakened in Q3, which will concern the RBNZ.

It's worth bearing in mind that the RBNZ still requires the economy to run relatively hot (ie annual GDP growth of 3%) to be able to credibly forecast CPI inflation sustainably at the midpoint of the target band. That's a much more daunting target than just aiming to prevent growth falling into a hole.

Figure 5. Annual GDP growth forecasts

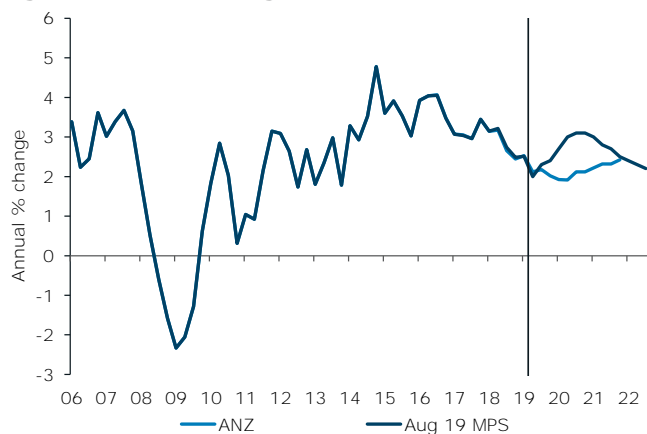
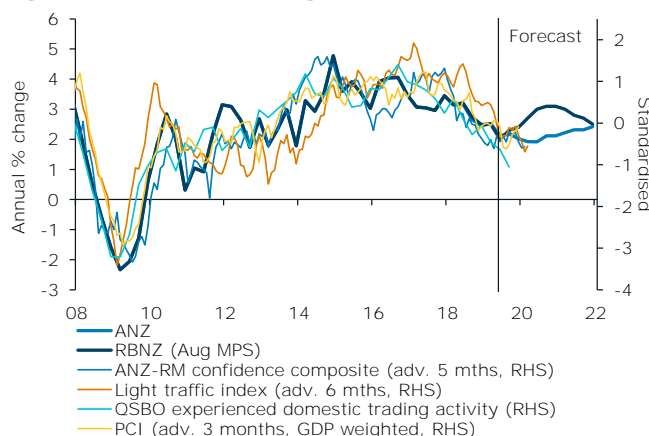


Figure 6. Near-term GDP growth indicators



Source: Statistics NZ, Roy Morgan, BNZ-Business NZ, NZ Transport Agency, NZIER, RBNZ, ANZ Research

The labour market weakened in Q3...

A key release last week was the Q3 labour market statistics, **which didn't offer too much** to get excited about. The unemployment rate rose back to 4.2% in the third quarter, taking us back to where we were at the start of the year.

The details of the release were mixed – employment rose a soft 0.2% in the quarter. But a broader measure of labour market tightness did strengthen; the underutilisation rate ticked down to 10.4% from 11.0% last quarter.

...but there was no smoking gun in the release.

Wage inflation was robust, as expected, but remains relatively subdued outside of minimum wage increases and collective agreements. The tightness we have seen in the labour market has seen underlying wage inflation start to lift, consistent with anecdotes that firms are struggling to find staff. But underlying wage inflation is picking up only gradually – and now the labour market is moving in the wrong direction, albeit from very tight levels.

Inflation moved further from 2% in Q3.

The other key domestic development has been Q3 CPI inflation. Annual inflation moved **further away from the RBNZ's 2% target midpoint** in Q3, ticking back down to 1.5% y/y from 1.7%. But this was a bit stronger than the RBNZ was expecting and the higher starting point may help keep headline inflation closer to 2% over the forecast.

That said, as we discussed in a [previous Weekly](#), the RBNZ should discount this recent strength. Inflation is a lagging indicator and the growth outlook has deteriorated, suggesting that inflation pressures will ease. On top of that, a decent whack of domestic price increases have been driven by factors that the RBNZ **quite rightly "look though"** (eg regulated prices such as road user charges and property rates).

Domestic strength looks transitory.

In fact, while annual non-tradable inflation ticked up to 3.2% in Q3, the RBNZ's measure of 'core' non-tradable inflation remained stubbornly stuck at 2.7% for the sixth quarter in a row (figure 7). Consistent with that, the bulk of core inflation measures moved broadly sideways in Q3, stuck below 2%.

The inflation outlook will remain a key concern for the RBNZ, especially with inflation expectations low and at risk of falling further. **The Reserve Bank's preferred measure of**



Economic overview

Low inflation, expectations remain key concerns.

inflation expectations is due just a day before the MPS is released. As it is the RBNZ's own survey, the Committee will have the results early. It could have a meaningful impact on the OCR decision, as inflation expectations moving away from target (in either direction) denies the RBNZ the luxury of "waiting and seeing" the impact of previous OCR moves.

We expect CPI inflation to continue to fall short of 2% over the next couple of years, averaging 1.7% (figure 8). Non-tradable inflation is set to drop over the next year, as the slowing economy creates greater slack, and recent transitory strength drops out.

Figure 7. Non-tradable inflation and core

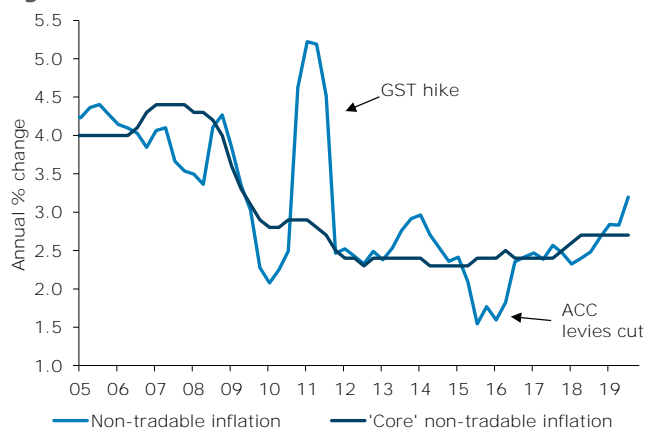
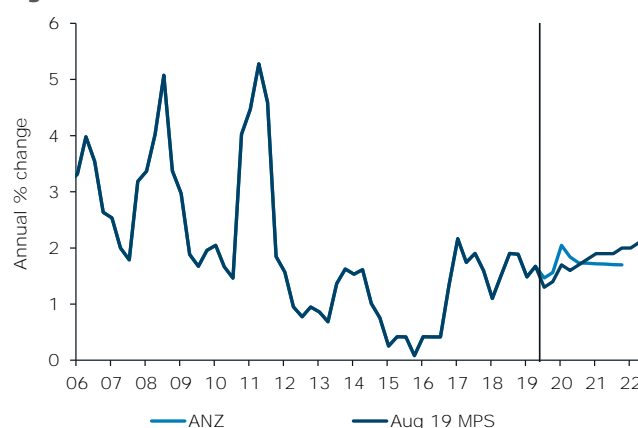


Figure 8. Headline inflation forecasts

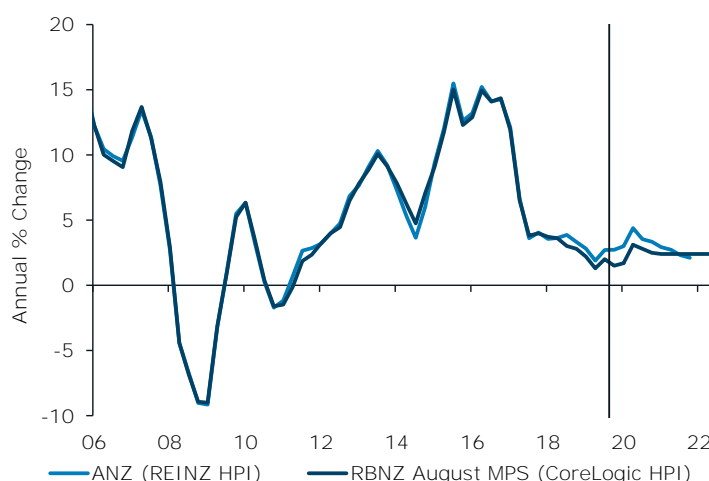


Source: Statistics NZ, RBNZ, ANZ Research

The housing market is showing signs of life.

One positive for the near-term outlook is that house price inflation outturns have been slightly stronger than expected, although nationwide sales volumes still remain subdued. In the June OCR Review, the effect of weaker house prices fully offset higher fiscal spending, so this could be an important channel for the RBNZ, via the flow through to consumption growth. But a wide range of outcomes for the housing market is plausible from here as lower interest rates go head to head with tax and other policy changes – and uncertain net migration to boot. **It's hard to know what the RBNZ will predict.**

Figure 9. House price inflation



Source: CoreLogic, REINZ, RBNZ, ANZ Research

But other sectors are feeling a credit squeeze.

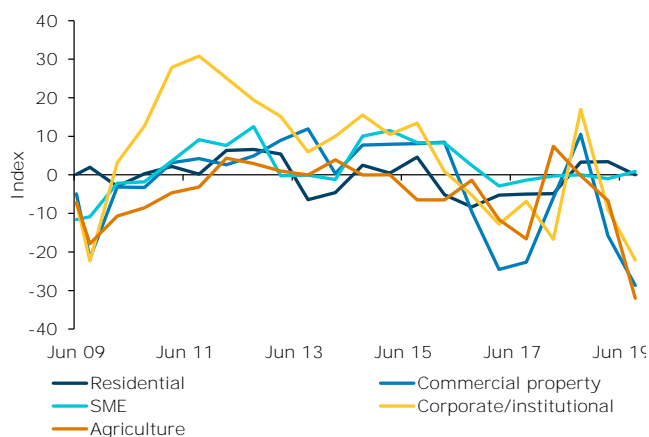
But, while there are some tentative signs that the housing market is stirring, other sectors are feeling a crunch on the financing side. **The Reserve Bank's** recent 6-monthly credit conditions survey of banks was very illuminating about the current state of credit demand and availability. Loan demand, while certainly weaker, has not fallen sharply. But credit availability for all but house-buyers and SMEs certainly has (figure 10).



Economic overview

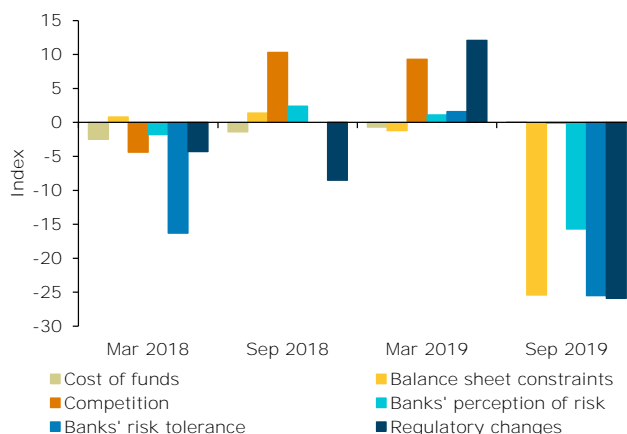
In terms of what is driving the reduction in credit availability, banks report pretty much a perfect storm (figure 11). The tightening in credit availability implies a sharp tightening in financial conditions that the Committee will not be able to ignore. This data may not directly enter the RBNZ's models, but it certainly deserves a place in their deliberations. With such a short data history, it's difficult to estimate its significance, but we think it's actually pretty important. Anecdotes suggest that constrained availability of credit is reducing investment to some extent – and a pick-up in business investment in response to lower interest rates is a big part of the RBNZ's forecasts.

Figure 10. Credit availability: observed change last 6 months



Source: RBNZ, ANZ Research

Figure 11. Factors affecting credit availability



Bank capital proposals are an additional complication...

...which will require a lower OCR.

Forward guidance will be key.

The RBNZ won't want to undo the work they've done easing monetary conditions.

An additional complication is the proposed change to bank capital requirements, with details due to be announced in the first week of December. The Committee will be thinking about the impact of bank capital requirements that they'll need to add into their forecasts when they meet again for the February MPS.

The RBNZ has suggested that the initial proposals would raise interest rates by 20-40bp (we think it could be more). This would need to be offset with a lower OCR, to the extent possible. Not all upfront, of course, and the transition period for accumulating the required capital is yet to be determined, as is the level, and the type. But the reported tightening in credit conditions already occurring due to 'regulatory changes' in the chart above suggests that it would be too simplistic to assume that a long transition period means that the impacts of the higher capital policy will be negligible over the forecast period relevant for monetary policy decision-making.

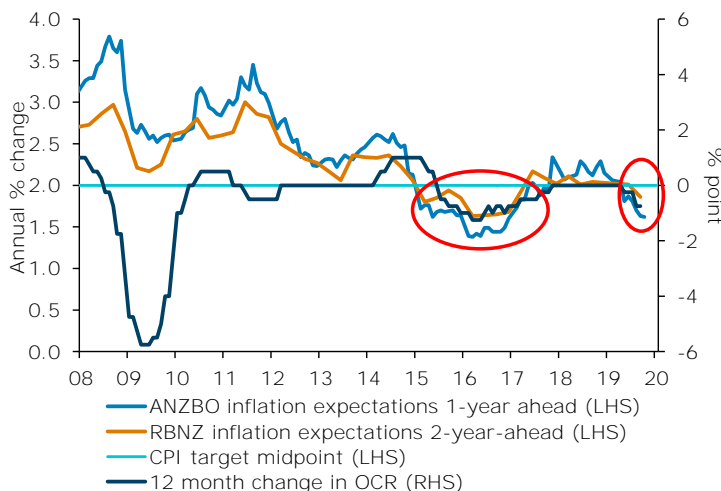
Getting tactical

Putting it all together, we expect that the RBNZ will leave the door ajar to an OCR below 0.75%, with the rate track dipping a smidgen below that and some equivalent words about standing ready to respond to events as they evolve. There's no need to signal further cuts are likely, but slamming the door shut would risk an unhelpfully hawkish market reaction and tightening in financial conditions – which would be particularly unhelpful when the RBNZ's next scheduled OCR decision isn't until February 2020.

The RBNZ will have learnt some lessons from the "one and done" rate cut back in December 2015. Back then, they cut the OCR 25bp but noted that they "expect to achieve [inflation at target] at current interest rate settings". The market interpreted those mild words as a door slam and the NZD jumped more than a cent. And as it happened, over the course of the next year, the RBNZ cut a further 75bp as the global outlook weakened further and inflation expectations slipped (figure 12). And those cuts did the job.



Figure 12. Inflation expectations and the OCR



Source: RBNZ, ANZ Research

Essentially, the RBNZ will want to avoid undoing the work they've done easing financial conditions in New Zealand over the past year. And in any case, there's little to be gained from definitively calling an end to the cutting cycle. Market pricing is very benign, not pricing in much of anything beyond one more cut. So why not just leave all your options open?

The RBNZ has limited ability to control the OCR over the medium- to long-term.

Of course, if the RBNZ gets it wrong, it'll become clear in time, in growth and inflation outcomes. The [Federal Reserve Bank of San Francisco estimates](#) that central bank policy explains less than half of the variation in interest rates. The rest of the time, the central bank is catching up to trends dictated by productivity growth, demography, and other factors outside of its control. And low productivity growth, aging demographics, and the downward trend in global interest rates all point towards a lower OCR in time.

The path of least regrets

The new Monetary Policy Committee has relied heavily on 'least regrets' analysis in recent rounds to justify their pre-emptive and aggressive rate cuts. And in hindsight, with economic momentum continuing to slip, they'll judge that as having been the right thing to do.

The path of least regrets is to lean towards dovishness.

Table 1 (over) shows the key scenarios the Committee will be thinking about heading into the November MPS. Given the inherent difficulties in forecasting, it's likely that the RBNZ (and us, and everyone else) will be wrong – about the growth outlook or inflationary pressures, or both. So what's the least worst mistake to make? Overall the RBNZ would probably prefer to be in the "be dovish, but more stimulus is not needed" corner of table 1 than the "be hawkish, but more stimulus is needed" one. With inflation more at risk of undershooting than overshooting, that's the path of least regrets. And that's a message that the Governor emphasised following the August MPS:

Better to do too much too soon.

"Too much too soon in a world of low and declining global inflation expectations seems like a small risk. Too little too late seems like a much larger risk. That was the tactical discussion that we had around the Monetary Policy Committee"

-Governor Orr, Canterbury Employers' Chamber of Commerce, 9 August 2019

Especially when inflation expectations are low.

The OCR is already close to the zero lower bound and inflation expectations are under par, so a burst of higher inflation to which the RBNZ will be able to respond isn't the most worrying scenario. This is what has been driving a lot of the Committee's thinking, and aggressive action, in recent quarters. We assume that will remain the case.



Table 1. Least regrets analysis

	More stimulus is needed	More stimulus is not needed
Be dovish	<ul style="list-style-type: none"> No regrets 	<ul style="list-style-type: none"> Inflation may rise above 2% and employment may rise above its maximum sustainable level. Financial stability risks may rise with the economy running unsustainably hot. Interest rates can be raised later on – there’s no ‘upper bound’, and a bump in inflation expectations wouldn’t be unwelcome to cement the move away from the lower bound for the OCR. Least regrets
Be hawkish	<ul style="list-style-type: none"> Inflation continues to track below 2% and employment dips below its maximum sustainable level. The RBNZ will need to cut later on by more than what would have initially been needed, and with the OCR close to zero this increases the risk that QE and negative rates are needed. Inflation expectations will be at risk of slipping further, risking credibility and raising real interest rates. Most regrets 	<ul style="list-style-type: none"> No regrets

Source: ANZ Research

That said, there are other complications to consider.

- Anecdotally, the aggressive 50bp cut appears to have had a negative effect on confidence, at least temporarily.
- The closer the OCR gets to zero, the more households and firms might worry that **monetary policy will be ineffective when it’s really needed, to escape recession.**
- And the trade-offs in the table above assume that a lower OCR will cause inflation to hit 2% sustainably and keep employment near its maximum sustainable level, but **it’s reasonable to ask if cuts even from here** will be effective in adding net stimulus to the economy as pass-through to borrowing rates diminishes, credit availability is negatively impacted, and the impact on saving rates starts to tend towards people concluding they need to save more to reach their retirement saving goals.

The RBNZ will leave the door ajar to further cuts but stop short of overtly signalling them.

The RBNZ won’t want to unwind their good work.

We continue to expect an OCR of 0.25% next year.

Conclusion

Overall, data developments don’t suggest that the RBNZ need to be extremely dovish at this November MPS, but they’ll be wary – not wanting to undo the work they’ve done in the past year easing monetary conditions – and cognisant that the February MPS is a long time away.

Some of the positive domestic developments since the August MPS have been influenced by the RBNZ’s previous pre-emptive rate cuts, and the Committee will be pleased to see how that stimulus is flowing through. For example, rate cuts have seen the NZD weaken and lower mortgage rates have supported stronger housing activity. This is encouraging, but shouldn’t be interpreted as a ‘positive surprise’. And the dominant factor that is likely to weigh on Committee members’ minds is the weak domestic growth outlook and what that implies for the inflation outlook – particularly when inflation expectations are already looking precariously low.

The Committee has already shown a preference for delivering stimulus up front, rather than holding off and risking falling behind economic developments. We assume they’ll stick to that strategy.



Economic overview

The week ahead

The big event of the week is the RBNZ Monetary Policy Statement, out at 2pm on Wednesday, and followed by a 3pm press conference.

Ahead of the RBNZ, we'll get some key inflation updates, with the RBNZ Inflation Expectations Survey for Q4 due on Tuesday. This data is very important to the Bank, particularly at the moment – the slippage in inflation expectations was identified as a driver of the decision to deliver a 50bp cut in August. The food and rental price indices for October, due Wednesday, will provide an initial insight into Q4 inflation. This will be followed by our ANZ Monthly Inflation Gauge for October on Thursday.

On the activity side, the ANZ Truckometer for October is due on Tuesday and the BNZ-BusinessNZ Manufacturing PMI for October is out on Friday. An easing trend has been **at play in the manufacturing PMI lately. We're looking for a floor.**

Local data

ANZ Commodity Price Index – October. The ANZ World Commodity Price Index lifted 1.2% in October, with gains recorded in the majority of sectors. The index is currently 7.2% higher than it was a year ago, with dairy and meat being the main growth drivers. In local currency terms the index lifted 1.5% m/m, bolstered by a slightly softer New Zealand dollar.

GlobalDairyTrade auction. The dairy auction outperformed expectations, with the GDT Price Index lifting 3.7%. Futures prices have steadily lifted since the previous GDT event held three weeks ago. Milk powder was strongly sought after, with WMP up 3.6% to USD3254/MT, which will support the price farmers are paid for their milk.

Labour Market Statistics – Q3. The unemployment rate rose to 4.2% in the September quarter, from 3.9%. Employment was up a soft 0.2% q/q, with annual growth falling to 0.9% y/y from 1.4%. Private sector wages lifted 0.6% q/q, resulting in a tick-up in annual growth to 2.3% y/y. Public sector wages surged on the back of collective agreements.

What you may have missed

Please [contact us](#) if you would like to be added to the distribution list for any of these publications. Otherwise click on the links below to view reports.

- [Q3 Labour Market: There and back again](#)
- [RBNZ MPS Preview: Sub-one](#)
- [ANZ Commodity Price Index: Beefed-up demand](#)



FX / rates overview

USD retains strength whilst RBA holds the dial.

Final OCR decision for 2019.

Twisted and rising.

USD reigns supreme. Meanwhile the NZD finishes last.

Summary

A mild pullback in risk sentiment saw markets return some of their gains from prior weeks as **US-China trade headlines dominated moves**. The **RBA's neutral Statement** helped the AUD firm whilst NZ employment data failed to materially shift RBNZ rate cut expectations. Meanwhile, the improving US data pulse helped the USD firm.

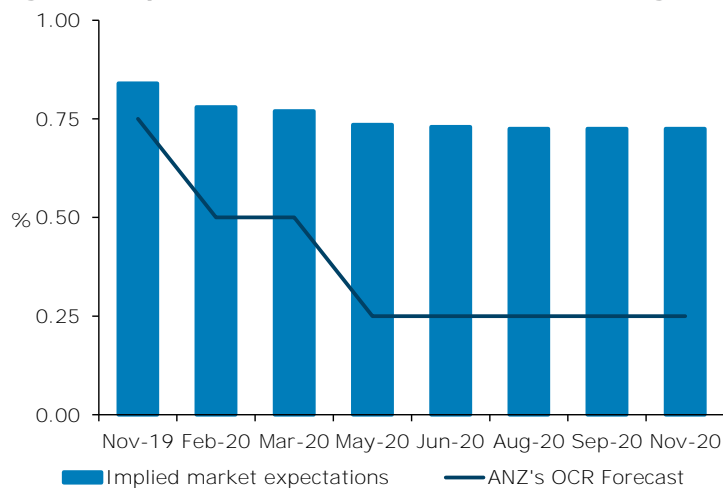
Key events this week

RBNZ November MPS (Wednesday 13 November, 2:00pm). The market is tilted in favour of a 25bp cut, in line with our expectations. But the RBNZ's forward guidance will be important and will dictate moves in the aftermath of the decision.

Rates

The NZ curve twisted around the 3-year tenor last week. Short-end yields saw modest gains following the release of NZ's Q3 labour data that left the calculus around the RBNZ decision unchanged. In the meantime, long-dated yields continued to climb, with offshore moves with the modest pullback in sentiment not enough to unwind the week's losses. At present, the market is pricing in a 64% chance of a 25bp cut at this week's RBNZ meeting. That seems fair.

Figure 1. Expectations ahead of the final RBNZ meeting for 2019.



Source: Bloomberg, ANZ Research

FX

USD outpaced all but one of its G-10 peers last week, supported by better-than-expected data flow. The NZD was the worst G-10 performer.

NZD/USD: NZD struggled against a rising USD while domestic data offered little direction. The currency waxed and waned in line with market odds on a cut being delivered this week. Focus will remain on the RBNZ meeting this week.

NZD/AUD: The RBA's decision to hold policy whilst offering neutral guidance helped buoy the AUD. Despite weakening against the USD, the currency was the second-best performer last week, with focus now turning to AU labour market data.

NZD/EUR: Euro lagged, similar to the NZD, which left this pair largely unchanged week-on-week. Euro area employment will be the focus for the currency this week.

NZD/GBP: As Brexit optimism fades and markets await the 12 December election, the GBP struggled to hold on gains amidst a softer data pulse. Expect election expectations to remain the primary driver for the GBP.

NZD/JPY: JPY remained at the mercy of risk appetite. It couldn't capitalise on a pullback in sentiment as it was met by a USD firming on optimistic data.



Data calendar

Date	Country	Data/event	Mkt.	Last	NZ time
11-Nov	JN	BoP Current Account Balance - Sep	¥1710.0B	¥2157.7B	12:50
	JN	BoP Current Account Adjusted - Sep	¥1664.0B	¥1720.3B	12:50
	JN	Trade Balance BoP Basis - Sep	¥51.3B	¥50.9B	12:50
	GE	Wholesale Price Index YoY - Oct	--	-1.9%	20:00
	GE	Wholesale Price Index MoM - Oct	--	-0.4%	20:00
	UK	Monthly GDP (MoM) - Sep	-0.1%	-0.1%	22:30
	UK	GDP QoQ - Q3 P	0.4%	-0.2%	22:30
	UK	GDP YoY - Q3 P	1.1%	1.3%	22:30
	UK	Exports QoQ - Q3 P	2.9%	-6.6%	22:30
	UK	Imports QoQ - Q3 P	2.0%	-13.0%	22:30
	UK	Total Business Investment QoQ - Q3 P	-0.5%	-0.4%	22:30
	UK	Total Business Investment YoY - Q3 P	-1.1%	-1.4%	22:30
	UK	Index of Services MoM - Sep	0.1%	0.0%	22:30
	UK	Index of Services 3M/3M - Sep	0.4%	0.4%	22:30
	UK	Industrial Production MoM - Sep	-0.1%	-0.6%	22:30
	UK	Industrial Production YoY - Sep	-1.2%	-1.8%	22:30
	UK	Manufacturing Production MoM - Sep	-0.2%	-0.7%	22:30
	UK	Manufacturing Production YoY - Sep	-1.6%	-1.7%	22:30
	UK	Visible Trade Balance GBP/Mn - Sep	-£10100M	-£9806M	22:30
	UK	Trade Balance Non EU GBP/Mn - Sep	-£2500M	-£2206M	22:30
	UK	Trade Balance GBP/Mn - Sep	-£2000M	-£1546M	22:30
	UK	Construction Output MoM - Sep	-0.5%	0.2%	22:30
	UK	Construction Output YoY - Sep	0.8%	2.4%	22:30
	NZ	REINZ House Sales YoY - Oct	--	3.3%	11-15 Nov
	CH	New Yuan Loans CNY - Oct	800.0B	1691.0B	11-15 Nov
	CH	Money Supply M0 YoY - Oct	4.0%	4.0%	11-15 Nov
	CH	Money Supply M1 YoY - Oct	3.8%	3.4%	11-15 Nov
	CH	Money Supply M2 YoY - Oct	8.4%	8.4%	11-15 Nov
12-Nov	NZ	ANZ Truckometer Heavy MoM - Oct	--	2.4%	10:00
	NZ	Net Migration SA - Sep	--	3530	10:45
	AU	ANZ-RM Consumer Confidence Index - 10-Nov	--	113.5	11:30
	AU	NAB Business Conditions - Oct	--	2	13:30
	AU	NAB Business Confidence - Oct	--	0	13:30
	NZ	2Yr Inflation Expectation - 4Q	--	1.86%	15:00
	UK	Claimant Count Rate - Oct	--	3.3%	22:30
	UK	Jobless Claims Change - Oct	--	21.1k	22:30
	UK	Average Weekly Earnings 3M/YoY - Sep	3.8%	3.8%	22:30
	UK	Weekly Earnings ex Bonus 3M/YoY - Sep	3.8%	3.8%	22:30
	UK	ILO Unemployment Rate 3Mths - Sep	3.9%	3.9%	22:30
	UK	Employment Change 3M/3M - Sep	-102k	-56k	22:30
	GE	ZEW Survey Current Situation - Nov	-22.0	-25.3	23:00
	GE	ZEW Survey Expectations - Nov	-13.0	-22.8	23:00
	EC	ZEW Survey Expectations - Nov	--	-23.5	23:00
13-Nov	US	NFIB Small Business Optimism - Oct	102.0	101.8	00:00
	NZ	Food Prices MoM - Oct	--	0.0%	10:45
	AU	Westpac Consumer Conf Index - Nov	--	92.8	12:30
	AU	Westpac Consumer Conf SA MoM - Nov	--	-5.5%	12:30
	JN	PPI MoM - Oct	1.2%	0.0%	12:50

Continued on following page



Data calendar

Date	Country	Data/event	Mkt.	Last	NZ time
13-Nov	JN	PPI YoY - Oct	-0.2%	-1.1%	12:50
	AU	Wage Price Index QoQ - Q3	0.5%	0.6%	13:30
	AU	Wage Price Index YoY - Q3	2.2%	2.3%	13:30
	NZ	RBNZ Official Cash Rate - Nov	0.75%	1.00%	14:00
	GE	CPI MoM - Oct F	0.1%	0.1%	20:00
	GE	CPI YoY - Oct F	1.1%	1.1%	20:00
	GE	CPI EU Harmonized MoM - Oct F	0.1%	0.1%	20:00
	GE	CPI EU Harmonized YoY - Oct F	0.9%	0.9%	20:00
	UK	CPI MoM - Oct	-0.1%	0.1%	22:30
	UK	CPI YoY - Oct	1.6%	1.7%	22:30
	UK	CPI Core YoY - Oct	1.7%	1.7%	22:30
	UK	RPI MoM - Oct	-0.1%	-0.2%	22:30
	UK	RPI YoY - Oct	2.2%	2.4%	22:30
	UK	PPI Input NSA MoM - Oct	-1.1%	-0.8%	22:30
	UK	PPI Input NSA YoY - Oct	-4.7%	-2.8%	22:30
	UK	PPI Output NSA MoM - Oct	0.0%	-0.1%	22:30
	UK	PPI Output NSA YoY - Oct	0.9%	1.2%	22:30
	UK	PPI Output Core NSA MoM - Oct	0.1%	-0.1%	22:30
	UK	PPI Output Core NSA YoY - Oct	1.5%	1.7%	22:30
	UK	House Price Index YoY - Sep	1.1%	1.3%	22:30
EC	Industrial Production SA MoM - Sep	-0.2%	0.4%	23:00	
EC	Industrial Production WDA YoY - Sep	-2.3%	-2.8%	23:00	
14-Nov	US	MBA Mortgage Applications - 8-Nov	--	-0.1%	01:00
	US	CPI MoM - Oct	0.3%	0.0%	02:30
	US	CPI YoY - Oct	1.7%	1.7%	02:30
	US	CPI Ex Food and Energy MoM - Oct	0.2%	0.1%	02:30
	US	CPI Ex Food and Energy YoY - Oct	2.4%	2.4%	02:30
	US	Monthly Budget Statement - Oct	-\$130.0B	\$82.8B	08:00
	JN	GDP SA QoQ - Q3 P	0.2%	0.3%	12:50
	JN	GDP Annualized SA QoQ - Q3 P	0.9%	1.3%	12:50
	JN	GDP Nominal SA QoQ - Q3 P	0.3%	0.3%	12:50
	JN	GDP Deflator YoY - Q3 P	0.5%	0.4%	12:50
	UK	ANZ Monthly Inflation Gauge - Oct	--	0.3%	13:00
	UK	RICS House Price Balance - Oct	-3%	-2%	13:01
	AU	Employment Change - Oct	16.0k	14.7k	13:30
	AU	Unemployment Rate - Oct	5.2%	5.2%	13:30
	AU	Full Time Employment Change - Oct	--	26.2k	13:30
	AU	Part Time Employment Change - Oct	--	-11.4k	13:30
	AU	Participation Rate - Oct	66.1%	66.1%	13:30
	CH	Fixed Assets Ex Rural YTD YoY - Oct	5.4%	5.4%	15:00
	CH	Industrial Production YoY - Oct	5.4%	5.8%	15:00
	CH	Industrial Production YTD YoY - Oct	5.6%	5.6%	15:00
	CH	Retail Sales YoY - Oct	7.8%	7.8%	15:00
	CH	Retail Sales YTD YoY - Oct	8.1%	8.2%	15:00
	GE	GDP SA QoQ - Q3 P	-0.1%	-0.1%	20:00
	GE	GDP NSA YoY - Q3 P	0.8%	0.0%	20:00
	GE	GDP WDA YoY - Q3 P	0.4%	0.4%	20:00
	UK	Retail Sales Ex Auto Fuel YoY - Oct	3.4%	3.0%	22:30

Continued on following page



Data calendar

Date	Country	Data/event	Mkt.	Last	NZ time
14-Nov	UK	Retail Sales Ex Auto Fuel MoM - Oct	0.2%	0.2%	22:30
	UK	Retail Sales Inc Auto Fuel MoM - Oct	0.2%	0.0%	22:30
	UK	Retail Sales Inc Auto Fuel YoY - Oct	3.7%	3.1%	22:30
	EC	Employment QoQ - Q3 P	--	0.2%	23:00
	EC	Employment YoY - Q3 P	--	1.2%	23:00
	EC	GDP SA QoQ - Q3 P	0.2%	0.2%	23:00
	EC	GDP SA YoY - Q3 P	1.1%	1.1%	23:00
	US	Mortgage Delinquencies - Q3	--	4.5%	14-16 Nov
	US	MBA Mortgage Foreclosures - Q3	--	0.9%	14-16 Nov
15-Nov	US	PPI Final Demand MoM - Oct	0.3%	-0.3%	02:30
	US	PPI Final Demand YoY - Oct	0.9%	1.4%	02:30
	US	PPI Ex Food and Energy MoM - Oct	0.2%	-0.3%	02:30
	US	PPI Ex Food and Energy YoY - Oct	1.5%	2.0%	02:30
	US	Initial Jobless Claims - 9-Nov	215k	211k	02:30
	US	Continuing Claims - 2-Nov	1685k	1689k	02:30
	NZ	BusinessNZ Manufacturing PMI - Oct	--	48.4	10:30
	EC	Trade Balance SA - Sep	€18.7B	€20.3B	23:00
	EC	Trade Balance NSA - Sep	--	€14.7B	23:00
	EC	CPI MoM - Oct F	0.2%	0.2%	23:00
	EC	CPI YoY - Oct F	0.7%	0.7%	23:00
	EC	CPI Core YoY - Oct F	1.1%	1.1%	23:00
	16-Nov	US	Empire Manufacturing - Nov	5.9	4.0
US		Import Price Index MoM - Oct	-0.2%	0.2%	02:30
US		Import Price Index YoY - Oct	-1.9%	-1.6%	02:30
US		Export Price Index MoM - Oct	-0.1%	-0.2%	02:30
US		Export Price Index YoY - Oct	--	-1.6%	02:30
US		Retail Sales Advance MoM - Oct	0.2%	-0.3%	02:30
US		Retail Sales Ex Auto MoM - Oct	0.4%	-0.1%	02:30
US		Retail Sales Ex Auto and Gas - Oct	0.3%	0.0%	02:30
US		Retail Sales Control Group - Oct	0.3%	0.0%	02:30
US		Industrial Production MoM - Oct	-0.4%	-0.4%	03:15
US		Capacity Utilization - Oct	77.0%	77.5%	03:15
US		Business Inventories - Sep	0.1%	0.0%	04:00

Key: AU: Australia, EC: Eurozone, GE: Germany, JN: Japan, NZ: New Zealand, UK: United Kingdom, US: United States, CH: China.

Source: Dow Jones, Reuters, Bloomberg, ANZ Bank New Zealand Limited. All \$ values in local currency.

Note: All surveys are preliminary and subject to change



Local data watch

Domestic growth momentum has decelerated and global risks are heightened. As headwinds persist, we expect a lower OCR will be required to support growth, inflation and employment. The resilience of domestic data, the trend in inflation and global developments will all bear watching closely.

Date	Data/event	Economic signal	Comment
Tue 12 Nov (10:00am)	ANZ Truckometer – October	--	--
Tue 12 Nov (3:00pm)	RBNZ Inflation Expectations Survey – Q4	Risk	Inflation expectations have been slipping lately – and our ANZBO survey suggests further downside risk.
Wed 13 Nov (10:45am)	Food Price Index – October	Small dip	A seasonal decline in food prices from fruit and vegetables is expected.
Wed 13 Nov (10:45am)	Rental Price Index – October	Small rise	Continued increases in rental prices should support a quarterly rise in CPI rents.
Wed 13 Nov (2:00pm)	RBNZ Monetary Policy Statement – November	Cut	Time to cut. We expect a 25bp cut in November to take the OCR to 0.75%, with more cuts to come in 2020.
Thu 14 Nov (1:00pm)	ANZ Monthly Inflation Gauge – October	--	--
Fri 15 Nov (10:30am)	BNZ-BusinessNZ Manufacturing PMI – October	Watching	An easing trend has been at play here. We're looking for a floor.
Mon 18 Nov (10:30am)	Performance Services Index – September	Watching	An easing trend has been in play here too, but recent prints have remained robust.
Wed 20 Nov (early am)	GlobalDairyTrade auction	Improving	Prices are expected to slowly lift as the season progresses.
Tue 26 Nov (10:45am)	Retail Sales – Q3	Bright spot	A robust household sector is one of the bright spots in this increasingly uncertain environment. Don't fail us now.
Wed 27 Nov (9:00am)	Financial Stability Report – November	Mixed message	The FSR will likely conclude the financial system remains resilient, but also contain a plug for the value of bank capital requirements. A small loosening in the LVR restrictions is likely.
Wed 27 Nov (10:45am)	Overseas Merchandise Trade – October	Steady	Export volumes start to lift as dairy production season peaks and meat returns lift, while forestry exports remain subdued.
Thu 28 Nov (1:00pm)	ANZ Business November – October	--	--
Fri 29 Nov (10:00am)	ANZ Roy Morgan Consumer Confidence – November	--	--
Thu 29 Nov (10:45am)	Building Consents – October	Wary	Consents have held at a high level recently, but we see downside risk looming.
Mon 2 Dec (10:45am)	Terms of Trade Index – Q3	Increasing	Terms of trade are expected to benefit from strong commodity prices relative to the price of imported goods.
Wed 4 Dec (early am)	GlobalDairyTrade auction	Improving	Prices are expected to slowly lift as the season progresses and offer volumes ease back.
Wed 4 Dec (1:00pm)	ANZ Commodity Price Index – November	--	--
Thu 5 Dec (10:45am)	Work Put In Place – Q3	Small rise	Consent issuance points to a rise in both residential and non-residential work put in place for Q3.
Mon 9 Dec (10:45am)	Economic Survey of Manufacturing – Q3	Soft	A manufacturing PMI below 50 over Q3 suggest the ESM will remain soft, and that's after Q2's 2.7% contraction.
Tue 10 Dec (10:00am)	ANZ Truckometer – November	--	--
On balance		Data watch	Domestic and global data has softened and we expect a lower OCR with inflation pressures fading.



Key forecasts and rates

	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21
GDP (% qoq)	0.5	0.4	0.5	0.5	0.5	0.6	0.5	0.6	0.6
GDP (% yoy)	2.1	2.2	2.0	1.9	1.9	2.1	2.1	2.2	2.3
CPI (% qoq)	0.6	0.7	0.2	0.6	0.3	0.5	0.2	0.6	0.4
CPI (% yoy)	1.7	1.5	1.6	2.0	1.8	1.7	1.7	1.7	1.7
LCI Wages (% qoq)	0.8	0.6	0.6	0.4	0.8	0.6	0.6	0.4	0.8
LCI Wages (% yoy)	2.2	2.3	2.3	2.4	2.3	2.3	2.3	2.3	2.4
Employment (% qoq)	0.6	0.2	0.3	0.3	0.3	0.3	0.3	0.4	0.4
Employment (% yoy)	1.4	0.9	1.1	1.4	1.2	1.3	1.3	1.4	1.4
Unemployment Rate (% sa)	3.9	4.2	4.3	4.4	4.4	4.5	4.5	4.5	4.5
Current Account (% GDP)	-3.4	-3.4	-3.4	-3.5	-3.7	-3.8	-3.9	-4.0	-4.0
Terms of Trade (% qoq)	1.6	0.4	-0.1	0.3	0.0	0.0	0.1	0.1	0.1
Terms of Trade (% yoy)	-0.8	-0.3	2.9	2.2	0.6	0.2	0.4	0.1	0.3

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19
Retail ECT (% mom)	2.1	0.7	-0.2	0.3	-0.3	0.0	0.0	1.2	0.4	-0.6
Retail ECT (% yoy)	3.5	3.4	0.7	4.5	3.2	1.1	1.6	2.8	0.3	1.6
Car Registrations (% mom)	4.3	1.3	-3.0	2.0	-1.5	-2.7	4.4	0.8	6.5	-6.3
Car Registrations (% yoy)	-12.1	-3.9	-2.9	-0.5	-12.6	-11.0	-5.4	-5.2	4.7	-6.6
Building Consents (% mom)	13.1	1.8	-7.0	-7.3	14.7	-3.9	-1.1	0.9	7.2	--
Building Consents (% yoy)	31.9	28.0	2.8	-3.2	8.1	9.9	18.6	12.5	23.7	--
REINZ House Price Index (% yoy)	2.8	2.9	2.4	1.4	1.7	1.7	1.5	2.9	3.5	--
Household Lending Growth (% mom)	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.5	--
Household Lending Growth (% yoy)	5.9	5.9	5.9	5.9	6.0	5.9	5.9	6.0	6.2	--
ANZ Roy Morgan Consumer Conf.	121.7	120.8	121.8	123.2	119.3	122.6	116.4	118.2	113.9	118.4
ANZ Business Confidence	..	-30.9	-38.0	-37.5	-32.0	-38.1	-44.3	-52.3	-53.5	-42.4
ANZ Own Activity Outlook	..	10.5	6.3	7.1	8.5	8.0	5.0	-0.5	-1.8	-3.5
Trade Balance (\$m)	-935	-94	825	361	175	330	-706	-1628	-1242	--
Trade Bal (\$m ann)	-6433	-6715	-5739	-5578	-5602	-4987	-5490	-5551	-5213	--
ANZ World Comm. Price Index (% mom)	2.0	2.8	4.1	2.6	0.0	-3.9	-1.4	0.3	0.0	1.2
ANZ World Comm. Price Index (% yoy)	-2.2	-2.2	0.6	2.2	0.7	-2.4	-0.5	0.9	3.4	7.2
Net Migration (sa)	4900	4650	3630	3700	3820	3740	4620	3550	--	--
Net Migration (ann)	54320	55499	55242	55064	54538	54274	54954	53809	--	--
ANZ Heavy Traffic Index (% mom)	4.9	0.1	-2.2	3.8	0.6	-4.7	3.8	-4.2	2.4	--
ANZ Light Traffic Index (% mom)	2.0	-0.8	0.7	0.2	0.7	-2.1	1.4	0.3	-0.3	--
ANZ Monthly Inflation Gauge (% mom)	1.0	0.0	0.0	0.1	0.1	0.3	0.5	0.3	0.3	--

Figures in bold are forecasts. mom: Month-on-Month; qoq: Quarter-on-Quarter; yoy: Year-on-Year



Key forecasts and rates

FX rates	Actual			Forecast (end month)					
	Aug-19	Sep-19	Today	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
NZD/USD	0.633	0.626	0.634	0.62	0.59	0.61	0.61	0.63	0.63
NZD/AUD	0.940	0.927	0.924	0.93	0.91	0.92	0.90	0.91	0.90
NZD/EUR	0.576	0.574	0.575	0.56	0.56	0.58	0.58	0.58	0.57
NZD/JPY	67.25	67.68	69.21	67.0	62.0	64.1	64.1	66.2	66.2
NZD/GBP	0.521	0.509	0.495	0.48	0.45	0.46	0.45	0.46	0.47
NZ\$ TWI	68.7	68.2	70.06	67.3	64.8	66.9	66.4	67.8	67.3
Interest rates	Aug-19	Sep-19	Today	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
NZ OCR	1.00	1.00	1.00	0.75	0.50	0.25	0.25	0.25	0.25
NZ 90 day bill	1.19	1.15	1.15	0.89	0.64	0.48	0.48	0.48	0.48
NZ 10-yr bond	1.06	1.09	1.38	1.35	1.35	1.35	1.45	1.55	1.55
US Fed funds	2.25	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75
US 3-mth	2.14	2.10	1.90	2.15	1.90	1.90	1.90	1.90	1.90
AU Cash Rate	1.00	1.00	0.75	0.75	0.50	0.25	0.25	0.25	0.25
AU 3-mth	0.97	0.95	0.93	0.95	0.70	0.45	0.45	0.45	0.45

	8-Oct	4-Nov	5-Nov	6-Nov	7-Nov	8-Nov
Official Cash Rate	1.00	1.00	1.00	1.00	1.00	1.00
90 day bank bill	1.04	1.13	1.14	1.14	1.13	1.15
NZGB 05/21	0.70	0.88	0.89	0.88	0.84	0.88
NZGB 04/23	0.69	0.92	0.94	0.93	0.89	0.93
NZGB 04/27	0.89	1.19	1.21	1.22	1.19	1.24
NZGB 04/33	1.20	1.53	1.56	1.55	1.50	1.59
2 year swap	0.82	1.06	1.07	1.05	1.03	1.06
5 year swap	0.84	1.15	1.18	1.18	1.14	1.19
RBNZ TWI	70.41	71.03	70.69	70.27	70.25	70.33
NZD/USD	0.6318	0.6437	0.6416	0.6380	0.6381	0.6328
NZD/AUD	0.9371	0.9317	0.9275	0.9247	0.9237	0.9224
NZD/JPY	67.57	69.81	69.84	69.56	69.67	69.14
NZD/GBP	0.5170	0.4984	0.4971	0.4951	0.4960	0.4955
NZD/EUR	0.5750	0.5766	0.5769	0.5754	0.5755	0.5745
AUD/USD	0.6742	0.6908	0.6918	0.6900	0.6908	0.6863
EUR/USD	1.0987	1.1163	1.1122	1.1090	1.1089	1.1018
USD/JPY	106.95	108.45	108.84	109.03	109.18	109.26
GBP/USD	1.2220	1.2916	1.2907	1.2888	1.2865	1.2774
Oil (US\$/bbl)	52.63	56.54	57.23	56.35	57.15	57.24
Gold (US\$/oz)	1502.44	1510.60	1504.07	1486.09	1482.26	1459.00
NZX 50	11016	10802	10842	10759	10795	10877
Baltic Dry Freight Index	1801	1675	1656	1533	1428	1378
NZX WMP Futures (US\$/t)	3095	3150	3155	3240	3240	3240



Important notice

This document is intended for ANZ's Institutional, Markets and Private Banking clients. It should not be forwarded, copied or distributed. The information in this document is general in nature, and does not constitute personal financial product advice or take into account your objectives, financial situation or needs.

This document may be restricted by law in certain jurisdictions. Persons who receive this document must inform themselves about and observe all relevant restrictions.

Disclaimer for all jurisdictions: This document is prepared and distributed in your country/region by either: Australia and New Zealand Banking Group Limited (ABN11 005 357 522) (**ANZ**); or its relevant subsidiary or branch (each, an **Affiliate**), as appropriate or as set out below.

This document is distributed on the basis that it is only for the information of the specified recipient or permitted user of the relevant website (**recipients**).

This document is solely for informational purposes and nothing contained within is intended to be an invitation, solicitation or offer by ANZ to sell, or buy, receive or provide any product or service, or to participate in a particular trading strategy.

Distribution of this document to you is only as may be permissible by the laws of your jurisdiction, and is not directed to or intended for distribution or use by recipients resident or located in jurisdictions where its use or distribution would be contrary to those laws or regulations, or in jurisdictions where ANZ would be subject to additional licensing or registration requirements. Further, the products and services mentioned in this document may not be available in all countries.

ANZ in no way provides any financial, legal, taxation or investment advice to you in connection with any product or service discussed in this document. Before making any investment decision, recipients should seek independent financial, legal, tax and other relevant advice having regard to their particular circumstances.

Whilst care has been taken in the preparation of this document and the information contained within is believed to be accurate, ANZ does not represent or warrant the accuracy or completeness of the information. Further, ANZ does not accept any responsibility to inform you of any matter that subsequently comes to its notice, which may affect the accuracy of the information in this document.

Preparation of this document and the opinions expressed in it may involve material elements of subjective judgement and analysis. Unless specifically stated otherwise: they are current on the date of this document and are subject to change without notice; and, all price information is indicative only. Any opinions expressed in this document are subject to change at any time without notice.

ANZ does not guarantee the performance of any product mentioned in this document. All investments entail a risk and may result in both profits and losses. Past performance is not necessarily an indicator of future performance. The products and services described in this document may not be suitable for all investors, and transacting in these products or services may be considered risky.

ANZ expressly disclaims any responsibility and shall not be liable for any loss, damage, claim, liability, proceedings, cost or expense (Liability) arising directly or indirectly and whether in tort (including negligence), contract, equity or otherwise out of or in connection with this document to the extent permissible under relevant law. Please note, the contents of this document have not been reviewed by any regulatory body or authority in any jurisdiction.

ANZ and its Affiliates may have an interest in the subject matter of this document. They may receive fees from customers for dealing in the products or services described in this document, and their staff and introducers of business may share in such fees or remuneration that may be influenced by total sales, at all times received and/or apportioned in accordance with local regulatory requirements. Further, they or their customers may have or have had interests or long or short positions in the products or services described in this document, and may at any time make purchases and/or sales in them as principal or agent, as well as act (or have acted) as a market maker in such products. This document is published in accordance with ANZ's policies on conflicts of interest and ANZ maintains appropriate information barriers to control the flow of information between businesses within it and its Affiliates.

Your ANZ point of contact can assist with any questions about this document including for further information on these disclosures of interest.

Country/region specific information: Unless stated otherwise, this document is distributed by Australia and New Zealand Banking Group Limited (**ANZ**).

Australia. ANZ holds an Australian Financial Services licence no. 234527. For a copy of ANZ's Financial Services Guide please or request from your ANZ point of contact.

Brazil, Brunei, India, Japan, Kuwait, Malaysia, Switzerland, Taiwan. This document is distributed in each of these jurisdictions by ANZ on a cross-border basis.

Cambodia. This document is distributed in Cambodia by ANZ Royal Bank (Cambodia) Limited (**ANZ Royal Bank**). The recipient acknowledges that although ANZ Royal Bank is a subsidiary of ANZ, it is a separate entity to ANZ and the obligations of ANZ Royal Bank do not constitute deposits or other liabilities of ANZ and ANZ is not required to meet the obligations of ANZ Royal Bank.

European Economic Area (EEA): United Kingdom. ANZ is authorised in the United Kingdom by the Prudential Regulation Authority (**PRA**) and is subject to regulation by the Financial Conduct Authority (**FCA**) and limited regulation by the PRA. Details about the extent of our regulation by the PRA are available from us on request. This document is distributed in the United Kingdom by Australia and New Zealand Banking Group Limited ANZ solely for the information of persons who would come within the FCA definition of "eligible counterparty" or "professional client". It is not intended for and must not be distributed to any person who would come within the FCA definition of "retail client". Nothing here excludes or restricts any duty or liability to a customer which ANZ may have under the UK Financial Services and Markets Act 2000 or under the regulatory system as defined in the Rules of the Prudential Regulation Authority (**PRA**) and the FCA. ANZ is authorised in the United Kingdom by the PRA and is subject to regulation by the FCA and limited regulation by the PRA. Details about the extent of our regulation by the PRA are available from us on request.

Fiji. For Fiji regulatory purposes, this document and any views and recommendations are not to be deemed as investment advice. Fiji investors must seek licensed professional advice should they wish to make any investment in relation to this document.

Hong Kong. This publication is issued or distributed in Hong Kong by the Hong Kong branch of ANZ, which is registered at the Hong Kong Monetary Authority to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities. The contents of this publication have not been reviewed by any regulatory authority in Hong Kong.

India. If this document is received in India, only you (the specified recipient) may print it provided that before doing so, you specify on it your name and place of printing.

Myanmar. This publication is intended to be general and part of ANZ's customer service and marketing activities when implementing its functions as a licensed bank. This publication is not Securities Investment Advice (as that term is defined in the Myanmar Securities Transaction Law 2013).



Important notice

New Zealand. This document is intended to be of a general nature, does not take into account your financial situation or goals, and is not a personalised adviser service under the Financial Advisers Act 2008 (**FAA**).

Oman. ANZ neither has a registered business presence nor a representative office in Oman and does not undertake banking business or provide financial services in Oman. Consequently ANZ is not regulated by either the Central Bank of Oman or **Oman's** Capital Market Authority. The information contained in this document is for discussion purposes only and neither constitutes an offer of securities in Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Law of Oman (Royal Decree 80/98), nor does it constitute an offer to sell, or the solicitation of any offer to buy non-Omani securities in Oman as contemplated by Article 139 of the Executive Regulations to the Capital Market Law (issued vide CMA Decision 1/2009). ANZ does not solicit business in Oman and the only circumstances in which ANZ sends information or material describing financial products or financial services to recipients in Oman, is where such information or material has been requested from ANZ and the recipient understands, acknowledges and agrees that this document has not been approved by the CBO, the CMA or any other regulatory body or authority in Oman. ANZ does not market, offer, sell or distribute any financial or investment products or services in Oman and no subscription to any securities, products or financial services may or will be consummated within Oman. Nothing contained in this document is intended to constitute Omani investment, legal, tax, accounting or other professional advice.

People's Republic of China (PRC). This document may be distributed by either ANZ or Australia and New Zealand Bank (China) Company Limited (**ANZ China**). Recipients must comply with all applicable laws and regulations of PRC, including any prohibitions on speculative transactions and CNY/CNH arbitrage trading. If this document is distributed by ANZ or an Affiliate (other than ANZ China), the following statement and the text below is applicable: No action has been taken by ANZ or any affiliate which would permit a public offering of any products or services of such an entity or distribution or re-distribution of this document in the PRC. Accordingly, the products and services of such entities are not being offered or sold within the PRC by means of this document or any other document. This document may not be distributed, re-distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations. If and when the material accompanying this document relates to the products and/or services of ANZ China, the following statement and the text below is applicable: This document is distributed by ANZ China in the Mainland of the PRC.

Qatar. This document has not been, and will not be:

- lodged or registered with, or reviewed or approved by, the Qatar Central Bank (**QCB**), the Qatar Financial Centre (**QFC**) Authority, QFC Regulatory Authority or any other authority in the State of Qatar (**Qatar**); or
- authorised or licensed for distribution in Qatar,

and the information contained in this document does not, and is not intended to, constitute a public offer or other invitation in respect of securities in Qatar or the QFC. The financial products or services described in this document have not been, and will not be:

- registered with the QCB, QFC Authority, QFC Regulatory Authority or any other governmental authority in Qatar; or
- authorised or licensed for offering, marketing, issue or sale, directly or indirectly, in Qatar.

Accordingly, the financial products or services described in this document are not being, offered, issued or sold in Qatar, and this document is not being, and will not be, distributed in Qatar. The offering, marketing, issue and sale of the financial products or services described in this document and distribution of this document is being made in, and is subject to the laws, regulations and rules of, jurisdictions outside of Qatar and the QFC. Recipients of this document must abide by this restriction and not distribute this document in breach of this restriction. This document is being sent/issued to a limited number of institutional and/or sophisticated investors (i) upon their request and confirmation that they understand the statements above; and (ii) on the condition that it will not be provided to any person other than the original recipient, and is not for general circulation and may not be reproduced or used for any other purpose.

Singapore. This document is distributed in Singapore by the Singapore branch of ANZ solely for the information of "**accredited investors**", "**expert investors**" or (as the case may be) "**institutional investors**" (each term as defined in the Securities and Futures Act Cap. 289 of Singapore). ANZ is licensed in Singapore under the Banking Act Cap. 19 of Singapore and is exempted from holding a financial adviser's licence under Section 23(1)(a) of the Financial Advisers Act Cap. 100 of Singapore.

United Arab Emirates (UAE). This document is distributed in the UAE or the Dubai International Financial Centre (**DIFC**) (as applicable) by ANZ. This document does not, and is not intended to constitute: (a) an offer of securities anywhere in the UAE; (b) the carrying on or engagement in banking, financial and/or investment consultation business in the UAE under the rules and regulations made by the Central Bank of the UAE, the Emirates Securities and Commodities Authority or the UAE Ministry of Economy; (c) an offer of securities within the meaning of the Dubai International Financial Centre Markets Law (DIFCML) No. 12 of 2004; and (d) a financial promotion, as defined under the DIFCML No. 1 of 200. ANZ DIFC Branch is regulated by the Dubai Financial Services Authority (**DFSA**) ANZ DIFC Branch is regulated by the Dubai Financial Services Authority (**DFSA**). The financial products or services described in this document are only available to persons who qualify as "**Professional Clients**" or "**Market Counterparty**" in accordance with the provisions of the DFSA rules. In addition, ANZ has a representative office (**ANZ Representative Office**) in Abu Dhabi regulated by the Central Bank of the UAE. The ANZ Representative Office is not permitted by the Central Bank of the UAE to provide any banking services to clients in the UAE.

United States. Except where this is a FX-related document, this document is distributed in the United States by ANZ Securities, Inc. (**ANZ SI**) which is a member of the Financial Regulatory Authority (**FINRA**) (www.finra.org) and registered with the SEC. **ANZSI's** address is 277 Park Avenue, 31st Floor, New York, NY 10172, USA (Tel: +1 212 801 9160 Fax: +1 212 801 9163). ANZSI accepts responsibility for its content. Information on any securities referred to in this document may be obtained from ANZSI upon request. This document or material is intended for institutional use only – not retail. If you are an institutional customer wishing to effect transactions in any securities referred to in this document you must contact ANZSI, not its affiliates. ANZSI is authorised as a broker-dealer only for institutional customers, not for US Persons (as "**US person**" is defined in Regulation S under the US Securities Act of 1933, as amended) who are individuals. If you have registered to use this website or have otherwise received this document and are a US Person who is an individual: to avoid loss, you should cease to use this website by unsubscribing or should notify the sender and you should not act on the contents of this document in any way. Non-U.S. analysts: Non-U.S. analysts may not be associated persons of ANZSI and therefore may not be subject to FINRA Rule 2242 restrictions on communications with the subject company, public appearances and trading securities held by the analysts. Where this is an FX-related document, it is distributed in the United States by ANZ's New York Branch, which is also located at 277 Park Avenue, 31st Floor, New York, NY 10172, USA (Tel: +1 212 801 916 0 Fax: +1 212 801 9163).

Vietnam. This document is distributed in Vietnam by ANZ or ANZ Bank (Vietnam) Limited, a subsidiary of ANZ.

This document has been prepared by ANZ Bank New Zealand Limited, Level 26, 23-29 Albert Street, Auckland 1010, New Zealand, Ph 64-9-357 4094, e-mail nzeconomics@anz.com, <http://www.anz.co.nz>