

# New Zealand Weekly Focus

16 December 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	9
Data event calendar	10
Local data watch	13
Key forecasts	14
Important notice	16

## NZ Economics Team

**Sharon Zollner**  
**Chief Economist**  
 Telephone: +64 9 357 4094  
[Sharon.Zollner@anz.com](mailto:Sharon.Zollner@anz.com)

**Michael Callaghan, CFA**  
**Economist**  
 Telephone: +64 4 382 1975  
[Michael.Callaghan@anz.com](mailto:Michael.Callaghan@anz.com)

**Natalie Denne**  
**Desktop Publisher**  
 Telephone: +64 4 802 2217  
[Natalie.Denne@anz.com](mailto:Natalie.Denne@anz.com)

**Susan Kilsby**  
**Agriculture Economist**  
 Telephone: +64 4 382 1992  
[Susan.Kilsby@anz.com](mailto:Susan.Kilsby@anz.com)

**Sandeep Parekh**  
**FX/Rates Strategist**  
 Telephone: +64 9 357 4065  
[Sandeep.Parekh@anz.com](mailto:Sandeep.Parekh@anz.com)

**Kyle Uerata**  
**Economic Statistician**  
 Telephone: +64 4 802 2357  
[Kyle.Uerata@anz.com](mailto:Kyle.Uerata@anz.com)

**Miles Workman**  
**Senior Economist**  
 Telephone: +64 4 382 1951  
[Miles.Workman@anz.com](mailto:Miles.Workman@anz.com)

Contact  
[research@anz.com](mailto:research@anz.com)

Follow us on Twitter  
 @sharon\_zollner  
 @ANZ\_Research (global)



## Looking forward and back

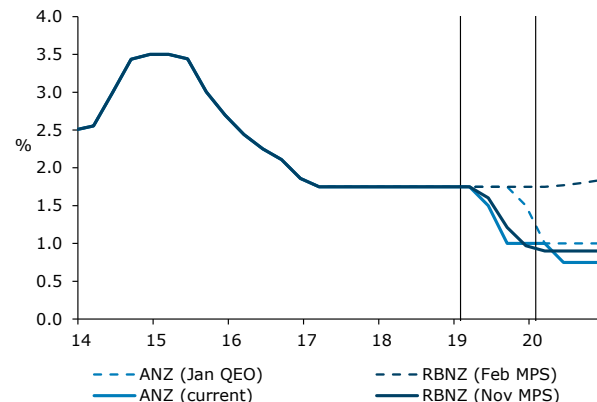
### Economic overview

With the holiday period almost upon us, we reflect on the year that has been and the outlook for the year ahead. The economy slowed largely as we expected this year, with Q3 GDP this week expected to show 2.3% y/y growth. But a gentle turning point may be around the corner, with leading indicators looking a bit brighter. And the Half-Year Update last week promised additional infrastructure spending, but this won't ramp up meaningfully until 2022 and beyond – too late to support near-term growth and inflation pressures. Monetary policy has done the heavy lifting this year – the RBNZ delivered 75bp of OCR cuts, a bit more rapidly than we expected. But we think there's still more work for the RBNZ to do to support employment and lift inflation expectations. We expect one further rate cut, taking the OCR to 0.75%, in May next year.

### Chart of the week

The RBNZ cut the OCR a bit faster than we expected in 2019. But we think there's still a bit more work for the RBNZ to do in 2020 to support employment and inflation expectations.

### Official cash rate forecasts



Source: RBNZ, ANZ Research

### The ANZ heatmap

Variable	View	Comment	Risks around our view
GDP	2.3% y/y for 2021 Q1	Growth has slowed but OCR cuts should support a gradual recovery next year.	Neutral 
Unemployment rate	4.5% for 2021 Q1	The labour market is "tight", but the weaker economy will push up unemployment slowly. Wage and employment growth to remain modest.	Neutral 
OCR	0.75% in March 2021	We expect a further cut in May next year, taking the OCR to 0.75%.	Down 
CPI	1.7% y/y for 2021 Q1	Below-trend growth will stymie domestic inflation. OCR cuts should support a gradual rise over time.	Neutral 



## Economic overview

*'Tis the season to look back at how the year has gone, and look forward to what is coming.*

### Summary

With the holiday period almost upon us, we reflect on the year that has been and the outlook for the year ahead. The economy slowed largely as we expected this year, with Q3 GDP this week expected to show 2.3% y/y growth. But a gentle turning point may be around the corner, with leading indicators looking a bit brighter. And the Half-Year Update last week promised additional infrastructure spending, but this won't ramp up meaningfully until 2022 and beyond – too late to support near-term growth and inflation pressures. Monetary policy has done the heavy lifting this year – the RBNZ delivered 75bp of OCR cuts, a bit more rapidly than we expected. But we think there's still more work for the RBNZ to do to support employment and lift inflation expectations. We expect one further rate cut, taking the OCR to 0.75%, in May next year.

### Forthcoming data

**ANZ Business Outlook – December (Tuesday 17 December, 1:00pm).**

**GlobalDairyTrade auction (Wednesday 18 December, early am).** Prices are expected to soften again by about 0.5% as offer volumes increase relative to forecast.

**Balance of Payments – Q3 (Wednesday 18 December, 10:45am).** The current account should remain contained in Q3 owing to elevated export prices and low global interest rates.

**Gross Domestic Product – Q3 (Thursday 19 December, 10:45am).** We've pencilled in quarterly growth of 0.5%, which, absent revisions, would see annual growth tick up to 2.3% – a technical bounce as opposed to a turning point in momentum.

**Overseas Merchandise trade – November (Thursday 19 December, 10:45am).** The trade deficit is expected to ease back to near \$700 in November with imports forecast to be slightly weaker than the previous month while exports benefit from the seasonal lift in dairy volumes and stronger dairy and meat prices.

**ANZ Roy Morgan Consumer Confidence – December (Friday 20 December, 10:00am).**

### What's the view?

With the holiday period almost upon us, we reflect on the year that has been and the outlook for the year ahead.

Back [at the start of the year, we were expecting](#) that the slowdown in growth momentum had further to run as the drivers of growth faded and headwinds built. And that the outlook was inconsistent with inflation pressures sustainably holding up around the RBNZ's target midpoint. That meant the case for a little extra monetary stimulus would become evident in time. Back then, one of the tailwinds for the economy was the fiscal impulse (reflecting increased spending as part of the Government's 100-day plan and higher operating and capital spending in Budget 2018). But while fiscal policy was expected to be expansionary, the impulse was neither large nor expected to last long. Keeping net core Crown debt on a 20% of GDP trajectory into the 2022 fiscal year saw to that.

Fast-forward to the big event of last week – the Treasury's Half-Year Economic and Fiscal Update and the Government's Budget Policy Statement – and the Government has declared 'mission accomplished' on its 20% debt target. Now, the Government will make tax and spending decisions subject to maintaining net debt within a 15%-25% of GDP range. This has allowed the Government to announce an [extra \\$12 billion in infrastructure spending](#) over the next few years while still leaving a sizeable buffer for new spending announcements come Budget 2020 (should the Government feel that way inclined, as governments tend to do as elections approach). The Treasury's updated forecasts show net debt peaking at 21.5% of GDP in the year to June 2022.

*We had expected growth to slow this year.*

*Fiscal policy failed to deliver in 2019...*

*...but now promises to spend up from here.*



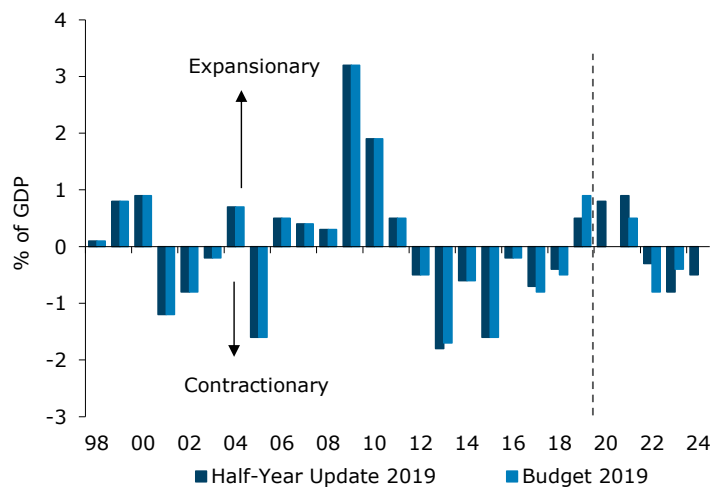
## Economic overview

*But this isn't a game changer for near-term growth.*

At face value, the additional infrastructure spend suggests fiscal policy will be more supportive for growth over the medium term. However, in terms of the near-term GDP outlook this isn't a game changer. Infrastructure spending takes time to plan and implement, delays are common, and capacity pressures in the sector suggest the Government will struggle to get stuff done as quickly as they hope.

The RBNZ might take comfort in the medium-term growth implications, but if they put too much emphasis on the Treasury's fiscal impulse forecast (which is stronger over the next three years, figure 1), they could be setting themselves up for disappointment. The fiscal impulse is often revised lower owing to spending delays that push the fiscal bump into subsequent fiscal years. And while the impulse doesn't represent the full impact on aggregate demand, it does suggest that the bump to GDP will follow a similar pattern.

**Figure 1. Fiscal impulse**



Source: The Treasury, ANZ Research

But while the RBNZ might not get the fiscal lift as quickly as would be ideal in terms of shoring up inflation pressures and expectations, the economy could sure do with a bigger infrastructure pipeline. Years of under-investment in key infrastructure alongside strong migration-induced population growth has resulted in a national infrastructure deficit that is limiting the economy's ability to grow.

*The economy is in need of more infrastructure investment.*

Of course, an extra \$1 today isn't going to buy the Government as much road, rail, or hospital as it would have 5 or 10 years ago. Costs have gone up. Adjusted for this, the Government's plans are still expected to bring a meaningful lift in real capital investment per additional person (figure 2) – even if it does turn out to come later than expected.

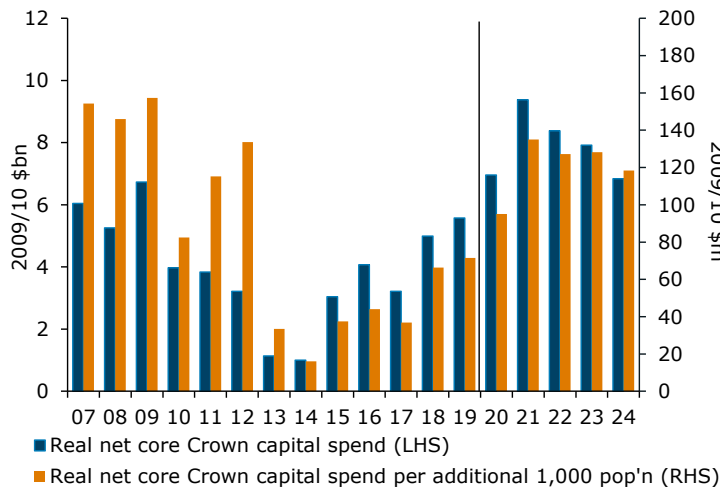
Key spending announcements include:

- \$6.8 billion for new transport projects, with a significant portion for roads and rail, and details are to be announced at a later date;
- \$400 million for school maintenance (announced prior to the Half-Year Update) over the next 2 years;
- \$300 million for regional investment opportunities;
- \$300 million for District Health Board asset renewal;
- \$200 million for public estate decarbonisation; and
- an extra \$4 billion has been added to the multi-year capital envelope (to be allocated at a later date).



## Economic overview

**Figure 2. Core Crown capital spending**



Source: Stats NZ, the Treasury, ANZ Research

*Higher spending didn't boost bond issuance by much...*

The promise of \$12 billion in additional infrastructure spending did not eventuate in a materially larger government bond issuance programme. Debt Management's bond issuance guidance has been lifted by \$2 billion over the next four years to June 2023, which, with \$6 billion pencilled in for the additional (2024) forecast year, brings total issuance over the next five years to \$42 billion. The discrepancy between additional bonds on issue and the amount the Government plans to lift spending by is explained by a stronger cash starting point, slightly higher Treasury bill issuance, a lower interest rate assumption (meaning more cash in the door for a given face value of bond issued), and lower financial assets (ie Debt Management's Budget Update guidance already had some slack built in).

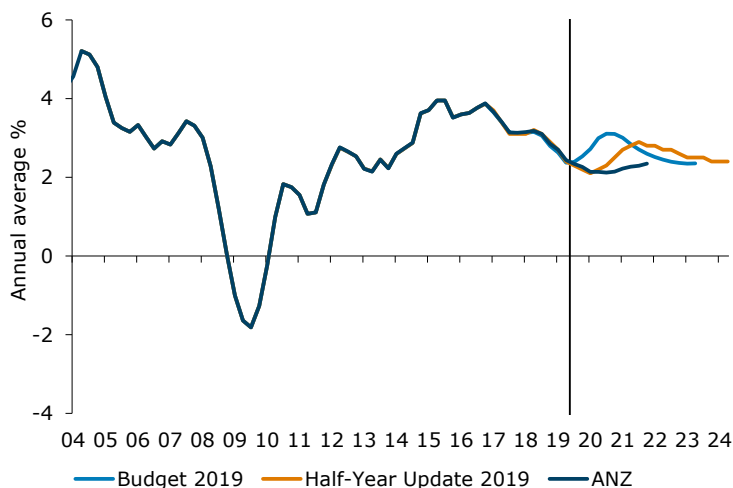
*...but we see further upside.*

However, we still see upside to bond issuance further out – owing either to increased government spending, a weaker economy, or both.

Turning to the economic outlook, the Treasury downgraded their near-term economic outlook meaningfully from the Budget Update, but their forecasts still show a pretty optimistic pick-up in growth to just under 3% by 2021 (figure 3). The Treasury assumes that the easing in monetary policy over the past year and further fiscal support that has been announced will help drive a pick-up in growth and lead to a gradual rise in inflationary pressures.

*Treasury's growth outlook still looks optimistic.*

**Figure 3. Real GDP forecasts**



Source: The Treasury, ANZ Research



## Economic overview

*Q4 GDP is expected to bounce to 2.3% y/y.*

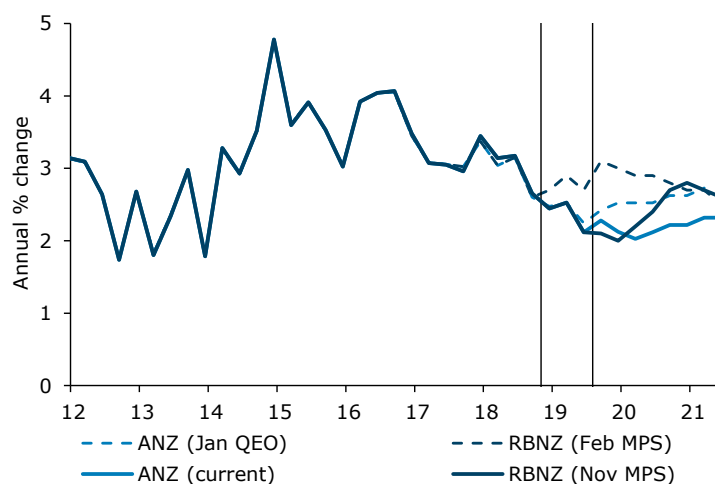
*The slowdown in growth this year has evolved largely as we expected.*

Compared to our own economic outlook, Treasury's forecasts still appear a little optimistic, even with some extra fiscal stimulus. In the near term, we [expect Q3 GDP on Thursday](#) will show that the economy expanded 0.5% q/q in Q3, which, absent revisions, would see annual growth lift 0.2%pts from 2.1% in Q2 to 2.3% y/y. But we see this as a technical bounce rather than a turning point in momentum.

In the quarter, goods production is expected to lift, reflecting modest growth in core manufacturing (excluding meat and dairy) and construction. Primary industries are expected to contract, weighed down by weaker forestry volumes following previous inventory build-up in China (with more weakness in the pipeline for Q4). Growth across the services industries is expected to be robust, as retail sales volumes growth of 1.6% q/q shows households are continuing to spend, which typically bodes well across a number of services industries.

Overall, the economy has been softening for a while, slowing from around 4% y/y growth in 2016, and the continued slowdown in 2019 has evolved largely as we expected at the start of the year (figure 4). Looking forward, we think the recent slowdown in economic momentum is finding a floor. Annual growth is looking set to bottom out in the second half of 2020, at around 2%, before gradually lifting as previous monetary stimulus and solid income growth provides support.

**Figure 4. GDP growth forecasts**



Source: Statistics NZ, RBNZ, ANZ Research

*Inflation continues to fall short, and expectations have dropped.*

*Weak tradable inflation was offset by transitory strength in non-tradables.*

Amidst the slowdown in growth this year, CPI inflation has continued to fall short of the 2% midpoint of the RBNZ's inflation target band (figure 5). And more concerning, persistently low headline inflation has meant that surveyed inflation expectations have dropped below 2% across the 1-5 year horizon.

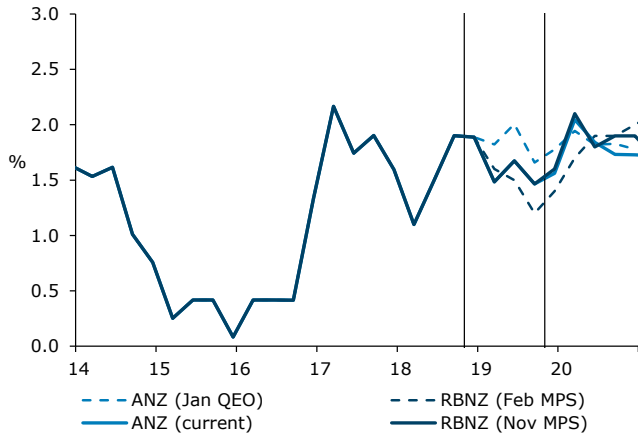
Weaker tradable inflation has provided a downward surprise this year, remaining stubbornly subdued despite the weaker NZD. Soft import prices and weak petrol price inflation weighed on tradable inflation over the year, dragging down headline inflation.

On the other hand, we have seen more strength in domestic inflation than we expected (figure 6), with annual non-tradable inflation lifting strongly to 3.2% in Q3. But our [Monthly Inflation Gauge](#) suggests that inflationary pressure is flattening off in Q4. That isn't surprising, in that recent strength in non-tradable inflation has been driven by transitory factors. Reflecting this, the RBNZ's sectoral factor measure of 'core' non-tradable inflation has remained stubbornly stuck at 2.7% y/y for the past 18 months.

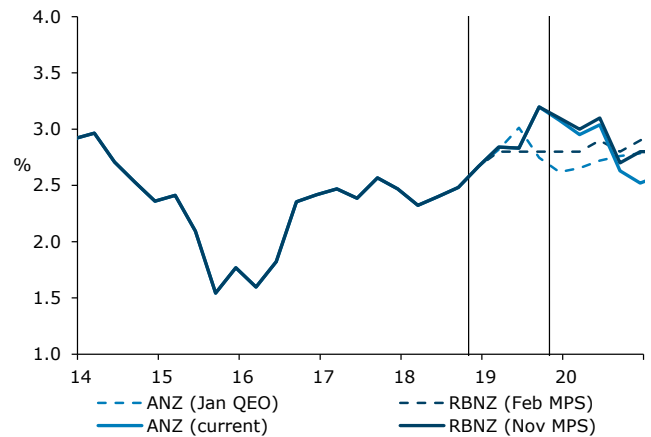


## Economic overview

**Figure 5. Headline CPI inflation forecasts**



**Figure 6. Non-tradable CPI inflation forecasts**



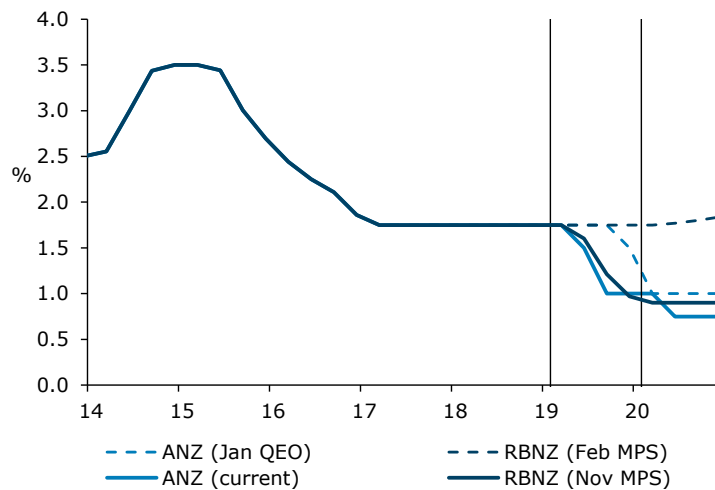
Source: Statistics NZ, RBNZ, ANZ Research

*The OCR was cut a bit faster than we expected.*

Weaker economic growth and falling inflation expectations in 2019 saw the new RBNZ Monetary Policy Committee spring into action a bit faster than we had anticipated, six months earlier than we forecast when we first called cuts in December 2018.

At the start of the year, we were of the view that slowing growth and sub-2% inflation would prompt the RBNZ to cut the OCR. At the start of the year, we were forecasting an OCR of 1% by March 2020, with the first 25bp cut in November 2019. In the end, the pre-emptive Committee moved even faster than that, cutting 25bp in May and following that up with a 50bp cut in August (figure 7).

**Figure 7. Official Cash Rate forecasts**



Source: RBNZ, ANZ Research

*Monetary stimulus is flowing through the economy.*

With the fall in the OCR this year, we've seen substantial declines in mortgage rates, which have helped to prompt a pick-up in the housing market. A lift in house sales and strong house price inflation will help put a floor under residential construction activity and household spending. Alongside RBNZ rate cuts, the NZD has fallen over the year, which will support incomes of exporters and import-competing businesses, while giving imported inflation a boost.

*And the risks around growth now feel more balanced.*

The risks around the growth outlook now feel a little more balanced, with activity indicators in the ANZ Business Outlook lifting strongly, the PMI flipping back into expansionary mode, the terms of trade remaining elevated, and the housing market sparking into life. All the while, households remain heavily indebted but in good heart, with unemployment low and income growth decent. Any bump in government spending on the infrastructure front, although unlikely to be timely, will support the medium-term outlook.



## Economic overview

---

*But we're not out of the woods yet.*

*We expect one more cut, taking the OCR to 0.75%.*

But that's not to say we're out of the woods. Although supply-side factors and steady demand are supporting our commodity prices, the global backdrop is still looking highly uncertain, with growth among our key trading partners continuing to slow and policymakers running low on ammo, should more turn out to be required. Positive trade headlines and increased Brexit certainty (enhanced last week following the UK election results) have lifted the mood but the hard data has yet to convincingly turn upward. If this doesn't happen, the New Zealand economy is unlikely to be able to swim against the global tide in perpetuity.

But even if downside global risks don't materialise, we're expecting that by May the RBNZ will realise that inflation is still not heading sustainably up to the 2% target midpoint, and to cut the OCR once more. But it remains a story of growth just not quite delivering what the RBNZ needs to be confident of hitting its inflation target, not a tale of woe and despair.

### The week ahead

The main event of the week is Q3 GDP, due Thursday at 10:45am. We're expecting quarterly growth of 0.5%, which, absent revisions, would see annual growth tick up to 2.3% – a technical bounce, opposed to a turning point in momentum. Ahead of that, we'll get the Q3 Balance of Payments on Wednesday. The current account should remain contained in Q3 owing to elevated export prices and low global interest rates.

On the global front, the GlobalDairyTrade auction in the early hours of Wednesday morning is likely to deliver another slightly weaker result as competition for importers eases slightly due to strong in-market stocks and a small lift in offer volumes. Prices are expected to bounce up again in the New Year as global supply remains soft.

Finally, we'll get a couple of leading indicators this week, with the ANZ Business Outlook for December on Tuesday and ANZ Roy Morgan Consumer Confidence for December on Friday.

### Local data

**Economic Survey of Manufacturing – Q3.** Total manufacturing volumes fell 0.3% q/q in Q3, following a 2.7% decline in Q2 and once again led by the meat and dairy component (down 4.5% q/q). Core manufacturing lifted 0.8% q/q, with trend growth picking up from Q2.

**ANZ Truckometer – 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, suggesting that annual GDP growth is going to continue to be unimpressive for a while yet.

**NZ Half-Year Economic and Fiscal Update.** An extra \$12 billion of infrastructure spending has been added to the fiscal outlook, but we await further announcements regarding the specific projects to be funded. Net debt is forecast to peak at just 21.5% of GDP in 2022 (previously 20.7% in 2021), and bond issuance guidance has been lifted by \$2 billion to June 2023.

**Food Price Index – November.** Food prices fell 0.7% m/m in November, a bit weaker than expected, driven by falls in fruit and vegetable and non-alcoholic beverages.

**Rental Price Index – November.** The stock measure of rental prices rose 0.2% m/m, as expected.

**ANZ Monthly Inflation Gauge – November.** The Gauge was up 0.1% m/m in November, supported by housing-related prices and accommodation services prices, partly offset by a fall in domestic airfares. Annual inflation in the Gauge was flat at 3.1%.



## Economic overview

---

**REINZ Housing Data – November.** Nationwide, house prices were up 1.5% m/m in November (4.2% y/y 3mma). Auckland house prices were up a solid 2.5 m/m (0.4% y/y), and outperformed the broader market this month.

**BNZ-BusinessNZ Manufacturing PMI – November.** The PMI held above the key 50-level in November, down slightly from October but nonetheless marking a second month in a row in expansionary territory.

**Performance Services Index – November.** The PSI fell to 53.3 in November (a bit below its long run average), from 55.3 previously. Recent prints had been robust, so this month's fall is in line with the easing trend that has been in play since 2016.

### 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.

- [ANZ Monthly Inflation Gauge: Flattening off](#)
- [Half-Year Economic & Fiscal Update: More spending, in time](#)
- [ANZ Truckometer: Edging up](#)
- [Q3 GDP and Balance of Payments Preview: Finding a floor](#)





*Coming through relatively unscathed.*

### Summary

Markets were generally subdued as a heavy data and event pulse kept participants on their toes. The FOMC kept rates on hold with the guidance largely as expected, whilst Boris Johnson claimed a landslide victory against Labour. Meanwhile, the US and China came to another agreement as part of their 'phase one' talks but markets remained sceptical as nothing has been signed between the two parties as yet.

*Last of the lot.*

### Key events this week

**NZ Q3 GDP (Thursday 19 December, 9:45am).** We expect 0.5% q/q, slightly stronger than the RBNZ's 0.3% q/q forecast.

**AU labour data (Thursday 19 December, 1:30pm).** A flat result could see the unemployment rate hit 5.4% and add to the evidence for a February rate cut.

*Rising above it all.*

### Rates

Ongoing improvements in the global data pulse alongside a market-positive outcome in the UK election allowed global yield curves to continue to steepen. Meanwhile, the short end of the curve remained unchanged. Markets were sceptical of the US-China trade headlines as there was little new detail, which saw the curve unwind the sell-off relatively swiftly. At the time of writing, the market's implied terminal cash rate remains anchored around the RBNZ's OCR track, at 0.91%.

*The turn in sentiment is matched by a turn in the data.*

### FX

The USD once again lagged its G-10 peers, outperforming on the JPY. Unsurprisingly, the GBP was a standout following the UK election result.

**NZD/USD:** NZD continued to advance as the global event pulse developed during the week. Unlike past weeks, however, it was left in the middle of the pack. The final domestic hurdle for the NZD in 2019 will be the Q3 GDP release this week.

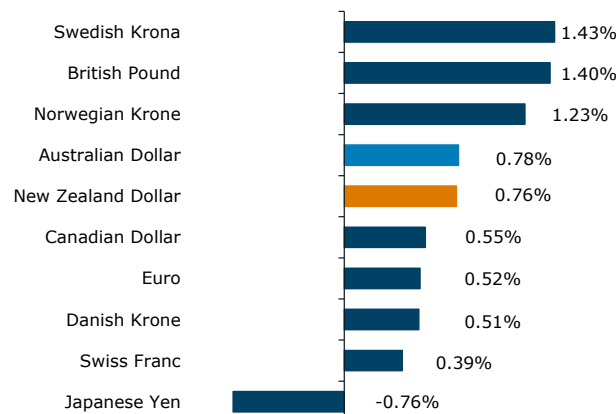
**NZD/AUD:** AUD saw its fortunes change last week and was buoyed as markets kept the dial in 'risk-on' mode. AU labour market data will be the focus for this week.

**NZD/EUR:** EUR found some lift thanks to a soft USD. ECB President Lagarde believes the economy is at a turning point, with the data pulse now appearing to bottom out.

**NZD/GBP:** GBP saw a solid finish last week as Boris Johnson secured a landslide victory against the Labour Party. All eyes are now on the 31 January Brexit deadline and Johnson's ability to guide Britain through negotiations and out of the Eurozone.

**NZD/JPY:** JPY struggled to keep its head above water as risk appetite remained buoyed. As such, the currency was left sinking at the bottom of the leaderboard.

**Figure 1. Rate cut expectations tapered last week**



Source: Bloomberg, ANZ Research



## Data calendar

Date	Country	Data/event	Mkt.	Last	NZ time
16-Dec	NZ	Performance Services Index - Nov	--	55.4	10:30
	AU	CBA PMI Composite - Dec P	--	49.7	11:00
	AU	CBA PMI Mfg - Dec P	--	49.9	11:00
	AU	CBA PMI Services - Dec P	--	49.7	11:00
	UK	Rightmove House Prices MoM - Dec	--	-1.3%	13:01
	UK	Rightmove House Prices YoY - Dec	--	0.3%	13:01
	JN	Jibun Bank PMI Composite - Dec P	--	49.8	13:30
	JN	Jibun Bank PMI Mfg - Dec P	--	48.9	13:30
	JN	Jibun Bank PMI Services - Dec P	--	50.3	13:30
	CH	Industrial Production YoY - Nov	5.0%	4.7%	15:00
	CH	Industrial Production YTD YoY - Nov	5.5%	5.6%	15:00
	CH	Retail Sales YoY - Nov	7.6%	7.2%	15:00
	CH	Retail Sales YTD YoY - Nov	8.0%	8.1%	15:00
	GE	Markit/BME Manufacturing PMI - Dec P	44.6	44.1	21:30
	GE	Markit Services PMI - Dec P	52.0	51.7	21:30
	GE	Markit/BME Composite PMI - Dec P	49.9	49.4	21:30
	EC	Markit Manufacturing PMI - Dec P	47.3	46.9	22:00
	EC	Markit Services PMI - Dec P	52.0	51.9	22:00
	EC	Markit Composite PMI - Dec P	50.7	50.6	22:00
	UK	Markit PMI Manufacturing SA - Dec P	49.2	48.9	22:30
	UK	Markit/CIPS Services PMI - Dec P	49.5	49.3	22:30
	UK	Markit/CIPS Composite PMI - Dec P	49.5	49.3	22:30
	EC	Labour Costs YoY - Q3	--	2.7%	23:00
17-Dec	US	Empire Manufacturing - Dec	4.0	2.9	02:30
	US	Markit Composite PMI - Dec P	--	52.0	03:45
	US	Markit Manufacturing PMI - Dec P	52.6	52.6	03:45
	US	Markit Services PMI - Dec P	52	51.6	03:45
	US	NAHB Housing Market Index - Dec	70	70	04:00
	NZ	Westpac Consumer Confidence - Q4	--	103.1	09:00
	US	Net Long-term TIC Flows - Oct	--	\$49.5B	10:00
	US	Total Net TIC Flows - Oct	--	-\$37.6B	10:00
	AU	ANZ-RM Consumer Confidence Index - 15-Dec	--	109	11:30
	NZ	ANZ Activity Outlook - Dec	--	12.9	13:00
	NZ	ANZ Business Confidence - Dec	--	-26.4	13:00
	AU	RBA Minutes of Dec. Policy Meeting -	--	--	13:30
	AU	Home Loans Value MoM - Oct	--	--	13:30
	AU	Owner-Occupier Loan Value MoM - Oct	--	--	13:30
	AU	Investor Loan Value MoM - Oct	--	--	13:30
	NZ	Non Resident Bond Holdings - Nov	--	52.8%	15:00
	UK	Claimant Count Rate - Nov	--	3.4%	22:30
	UK	Jobless Claims Change - Nov	--	33.0k	22:30
	UK	Average Weekly Earnings 3M/YoY - Oct	3.4%	3.6%	22:30
	UK	Weekly Earnings ex Bonus 3M/YoY - Oct	3.4%	3.6%	22:30
	UK	ILO Unemployment Rate 3Mths - Oct	3.9%	3.8%	22:30
	UK	Employment Change 3M/3M - Oct	-10k	-58k	22:30
	EC	Trade Balance SA - Oct	€20.0B	€18.3B	23:00
17-Dec	EC	Trade Balance NSA - Oct	--	€18.7B	23:00
18-Dec	UK	CBI Trends Total Orders - Dec	-25	-26	00:00

Continued on following page



## Data calendar

Date	Country	Data/event	Mkt.	Last	NZ time
18-Dec	US	Housing Starts - Nov	1343k	1314k	02:30
	US	Housing Starts MoM - Nov	2.2%	3.8%	02:30
	US	Building Permits - Nov	1414k	1461k	02:30
	US	Building Permits MoM - Nov	-3.2%	5.0%	02:30
	US	Industrial Production MoM - Nov	0.8%	-0.8%	03:15
	US	Capacity Utilization - Nov	77.4%	76.7%	03:15
	US	JOLTS Job Openings - Oct	7009	7024	04:00
	NZ	Current Account GDP Ratio YTD - Q3	-3.40%	-3.40%	10:45
	NZ	BoP Current Account Balance NZD - Q3	-6.318B	-1.106B	10:45
	AU	Westpac Leading Index MoM - Nov	--	-0.07%	12:30
	JN	Trade Balance Adjusted - Nov	-¥57.0B	-¥34.7B	12:50
	JN	Trade Balance - Nov	-¥350.0B	¥15.7B	12:50
	AU	Skilled Vacancies MoM - Nov	--	-0.9%	13:00
	GE	PPI MoM - Nov	0.1%	-0.2%	20:00
	GE	PPI YoY - Nov	-0.6%	-0.6%	20:00
	GE	IFO Business Climate - Dec	95.5	95	22:00
	GE	IFO Expectations - Dec	93.0	92.1	22:00
	GE	IFO Current Assessment - Dec	98.1	97.9	22:00
	UK	CPI MoM - Nov	0.2%	-0.2%	22:30
	UK	CPI YoY - Nov	1.4%	1.5%	22:30
	UK	CPI Core YoY - Nov	1.7%	1.7%	22:30
	UK	RPI MoM - Nov	0.0%	-0.2%	22:30
	UK	RPI YoY - Nov	2.0%	2.1%	22:30
	UK	RPI Ex Mort Int.Payments (YoY) - Nov	2.1%	2.1%	22:30
	UK	PPI Input NSA MoM - Nov	0.0%	-1.3%	22:30
	UK	PPI Input NSA YoY - Nov	-2.6%	-5.1%	22:30
	UK	PPI Output NSA MoM - Nov	0.0%	-0.1%	22:30
	UK	PPI Output NSA YoY - Nov	0.8%	0.8%	22:30
	UK	PPI Output Core NSA MoM - Nov	0.1%	-0.1%	22:30
	UK	PPI Output Core NSA YoY - Nov	1.2%	1.3%	22:30
	UK	House Price Index YoY - Oct	1.5%	1.3%	22:30
	EC	Construction Output MoM - Oct	--	0.7%	23:00
	EC	Construction Output YoY - Oct	--	-0.7%	23:00
	EC	CPI MoM - Nov F	-0.3%	-0.3%	23:00
	EC	CPI YoY - Nov F	1.0%	0.7%	23:00
	EC	CPI Core YoY - Nov F	1.3%	1.3%	23:00
19-Dec	US	MBA Mortgage Applications - 13-Dec	--	3.8%	01:00
	NZ	GDP SA QoQ - Q3	0.5%	0.5%	10:45
	NZ	GDP YoY - Q3	2.3%	2.1%	10:45
	NZ	Trade Balance NZD - Nov	-700M	-1013M	10:45
	NZ	Exports NZD - Nov	5.10B	5.03B	10:45
	NZ	Imports NZD - Nov	5.80B	6.05B	10:45
	NZ	Trade Balance 12 Mth YTD NZD - Nov	-4730M	-5037M	10:45
	AU	Employment Change - Nov	15.0k	-19.0k	13:30
	AU	Unemployment Rate - Nov	5.3%	5.3%	13:30
	AU	Participation Rate - Nov	66.0%	66.0%	13:30
	UK	Retail Sales Ex Auto Fuel MoM - Nov	0.4%	-0.3%	22:30
	UK	Retail Sales Ex Auto Fuel YoY - Nov	2.0%	2.7%	22:30
	UK	Retail Sales Inc Auto Fuel MoM - Nov	0.2%	-0.1%	22:30

Continued on following page



## Data calendar

Date	Country	Data/event	Mkt.	Last	NZ time
19-Dec	UK	Retail Sales Inc Auto Fuel YoY - Nov	2.1%	3.1%	22:30
	JN	BoJ Policy Balance Rate - Dec	--	-0.10%	UNSPECIFIED
20-Dec	UK	CBI Retailing Reported Sales - Dec	-5	-3	00:00
	UK	CBI Total Dist. Reported Sales - Dec	--	-15	00:00
	UK	Bank of England Bank Rate - Dec	0.75%	0.75%	01:00
	UK	BoE Corporate Bond Target - Dec	£10B	£10B	01:00
	UK	BoE Asset Purchase Target - Dec	£435B	£435B	01:00
	US	Current Account Balance - Q3	-\$122.2B	-\$128.2B	02:30
	US	Philadelphia Fed Business Outlook - Dec	8.0	10.4	02:30
	US	Initial Jobless Claims - 14-Dec	225k	252k	02:30
	US	Continuing Claims - 7-Dec	1671k	1667k	02:30
	US	Leading Index - Nov	0.1%	-0.1%	04:00
	US	Existing Home Sales - Nov	5.44M	5.46M	04:00
	US	Existing Home Sales MoM - Nov	-0.4%	1.9%	04:00
	NZ	ANZ Consumer Confidence MoM - Dec	--	1.9%	10:00
	NZ	ANZ Consumer Confidence Index - Dec	--	120.7	10:00
	JN	Natl CPI YoY - Nov	0.5%	0.2%	12:30
	JN	Natl CPI Ex Fresh Food YoY - Nov	0.5%	0.4%	12:30
	UK	GfK Consumer Confidence - Dec	-14	-14	13:01
NZ	Credit Card Spending MoM - Nov	--	-1.5%	15:00	
NZ	Credit Card Spending YoY - Nov	--	2.5%	15:00	
GE	GfK Consumer Confidence - Jan	9.8	9.7	20:00	
EC	ECB Current Account SA - Oct	--	€28.2B	22:00	
UK	Public Finances (PSNCR) - Nov	--	£0.4B	22:30	
UK	Public Sector Net Borrowing - Nov	£5.2B	£10.5B	22:30	
UK	PSNB ex Banking Groups - Nov	£6.1B	£11.2B	22:30	
UK	GDP QoQ - Q3 F	0.3%	0.3%	22:30	
UK	GDP YoY - Q3 F	1.0%	1.0%	22:30	
UK	Exports QoQ - Q3 F	8.1%	5.2%	22:30	
UK	Imports QoQ - Q3 F	0.8%	0.8%	22:30	
UK	Total Business Investment QoQ - Q3 F	0.0%	0.0%	22:30	
UK	Total Business Investment YoY - Q3 F	-0.6%	-0.6%	22:30	
UK	Current Account Balance - Q3	-£15.5B	-£25.2B	22:30	
21-Dec	US	GDP Annualized QoQ - Q3 T	2.1%	2.1%	02:30
	US	Personal Consumption - Q3 T	2.9%	2.9%	02:30
	US	GDP Price Index - Q3 T	1.8%	1.8%	02:30
	US	Core PCE QoQ - Q3 T	2.1%	2.1%	02:30
	EC	Consumer Confidence - Dec A	-7.0	-7.2	04:00
	US	Personal Income - Nov	0.3%	0.0%	04:00
	US	Personal Spending - Nov	0.4%	0.3%	04:00
	US	Real Personal Spending - Nov	0.2%	0.1%	04:00
	US	PCE Deflator MoM - Nov	0.2%	0.2%	04:00
	US	PCE Deflator YoY - Nov	1.4%	1.3%	04:00
	US	PCE Core Deflator MoM - Nov	0.1%	0.1%	04:00
	US	PCE Core Deflator YoY - Nov	1.5%	1.6%	04:00
	US	U. of Mich. Sentiment - Dec F	99.2	99.2	04:00
	US	Kansas City Fed Manf. Activity - Dec	-3	-3	05:00

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 17 Dec (1:00pm)	ANZ Business Outlook – December	--	--
Wed 18 Dec (early am)	GlobalDairyTrade auction	Small lift	Fundamentals point to further price lifts as global supply remains low however sentiment has softened recently.
Wed 18 Dec (10:45am)	Balance of Payments – Q3	Contained	The current account should remain contained in Q3 owing to elevated export prices and low global interest rates.
Thu 19 Dec (10:45am)	Gross Domestic Product – Q3	Weak	We've pencilled in quarterly growth of 0.5%, which, absent revisions, would see annual growth tick up to 2.3% - a technical bounce opposed to a turning point in momentum.
Thu 19 Dec (10:45am)	Overseas Merchandise Trade - November	Improving	The trade deficit is expected to be pared back as exports volumes and prices lift while imports ease slightly.
Fri 20 Dec (10:00am)	ANZ Roy Morgan Consumer Confidence – December	--	--
Wed 8 Jan (early am)	GlobalDairyTrade auction	Firm	Markets expected to remain firm until Northern Hemisphere supply lifts seasonally in Q2
Thu 9 Jan (10:00am)	ANZ Truckometer – December	--	--
Thu 9 Jan (1:00pm)	ANZ Commodity Price Index – December	--	--
Tue 14 Jan (10:00am)	NZIER Business Opinion Survey – Q4	Poised	The ANZBO has recently improved – a sign that the QSBO is poised to do the same.
Tue 14 Jan (10:45am)	Building Consents – November	Wary	Consents have held at a high level recently, but we see weaker growth looming.
Wed 15 Jan (10:45am)	Food Price Index – December	Dip	A seasonal decline in food prices is expected.
Wed 15 Jan (10:45am)	Rental Price Index – November	Small rise	Continued increases in rental prices should support a quarterly rise in CPI rents.
Thu 16 Jan (1:00pm)	ANZ Monthly Inflation Gauge – December	--	--
Fri 17 Jan (10:30am)	BNZ-BusinessNZ Manufacturing PMI – December	Rebound	The PMI has flipped into expansionary mode. But these data are volatile on a m/m basis. We're watching closely to see if recent strength is maintained.
Tue 21 Jan (10:30am)	Performance Services Index – December	Watching	An easing trend has been in play since 2016, but recent prints have remained robust.
Wed 22 Jan (early am)	GlobalDairyTrade auction	Firm	Markets expected to remain firm until Northern Hemisphere supply lifts seasonally in Q2
Fri 24 Jan (10:45am)	Consumer Price Index – Q4	Small rise	A small quarterly rise would see annual CPI inflation tick up from 1.5%.
Thu 30 Jan (10:45am)	Overseas Merchandise Trade - December	Improving	Imports volumes are expected to bounce a little as the last of the pre-Xmas stock flows in but this will be partially offset by strength in dairy and meat prices.
Fri 31 Jan (10:00am)	ANZ Roy Morgan Consumer Confidence – January	--	--
Tue 4 Feb (10:45am)	Building Consents – December	Wary	Consents have held at a high level recently, but we see weaker growth looming.
Wed 5 Feb (10:45am)	Labour Market Statistics – Q4	Softening	Slower economic growth means weaker labour demand. We expect a tick up in the unemployment rate.
<b>On balance</b>		<b>Data watch</b>	<b>Domestic and global data has softened and we expect a lower OCR with inflation pressures fading.</b>



## 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	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.6</b>	<b>0.6</b>	<b>0.5</b>	<b>0.6</b>	<b>0.6</b>
GDP (% yoy)	2.1	<b>2.3</b>	<b>2.1</b>	<b>2.0</b>	<b>2.1</b>	<b>2.2</b>	<b>2.2</b>	<b>2.3</b>	<b>2.3</b>
CPI (% qoq)	0.6	0.7	<b>0.2</b>	<b>0.6</b>	<b>0.3</b>	<b>0.5</b>	<b>0.2</b>	<b>0.6</b>	<b>0.4</b>
CPI (% yoy)	1.7	1.5	<b>1.6</b>	<b>2.0</b>	<b>1.8</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>
LCI Wages (% qoq)	0.8	0.6	<b>0.6</b>	<b>0.4</b>	<b>0.8</b>	<b>0.6</b>	<b>0.6</b>	<b>0.4</b>	<b>0.8</b>
LCI Wages (% yoy)	2.2	2.3	<b>2.3</b>	<b>2.4</b>	<b>2.3</b>	<b>2.3</b>	<b>2.3</b>	<b>2.3</b>	<b>2.4</b>
Employment (% qoq)	0.6	0.2	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.4</b>	<b>0.4</b>
Employment (% yoy)	1.4	0.9	<b>1.1</b>	<b>1.4</b>	<b>1.2</b>	<b>1.3</b>	<b>1.3</b>	<b>1.4</b>	<b>1.4</b>
Unemployment Rate (% sa)	3.9	4.2	<b>4.3</b>	<b>4.4</b>	<b>4.4</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>
Current Account (% GDP)	-3.4	<b>-3.4</b>	<b>-3.4</b>	<b>-3.6</b>	<b>-3.7</b>	<b>-3.8</b>	<b>-3.8</b>	<b>-3.7</b>	<b>-3.7</b>
Terms of Trade (% qoq)	1.4	1.9	<b>-1.1</b>	<b>1.2</b>	<b>0.3</b>	<b>0.1</b>	<b>0.3</b>	<b>0.0</b>	<b>0.1</b>
Terms of Trade (% yoy)	-1.0	1.0	<b>3.2</b>	<b>3.4</b>	<b>2.2</b>	<b>0.5</b>	<b>1.9</b>	<b>0.8</b>	<b>0.6</b>

	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19
Retail ECT (% mom)	0.0	0.0	0.8	-0.6	0.3	-0.1	1.3	0.4	-0.5	2.6
Retail ECT (% yoy)	3.6	1.0	5.0	3.4	1.5	2.0	3.1	0.6	1.6	5.1
Car Registrations (% mom)	1.3	-2.8	1.7	-1.3	-2.7	4.6	0.6	6.5	-6.5	0.4
Car Registrations (% yoy)	-3.9	-2.9	-0.5	-12.6	-11.0	-5.4	-5.2	4.7	-6.6	3.0
Building Consents (% mom)	1.9	-7.1	-7.3	14.7	-3.9	-1.1	1.0	7.4	-1.1	--
Building Consents (% yoy)	28.0	2.8	-3.2	8.1	9.9	18.5	12.5	23.8	18.9	--
REINZ House Price Index (% yoy)	3.0	2.4	1.4	1.7	1.7	1.6	2.7	3.3	3.9	5.6
Household Lending Growth (% mom)	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.5	0.5	--
Household Lending Growth (% yoy)	5.9	5.9	5.9	6.0	5.9	5.9	6.0	6.2	6.2	--
ANZ Roy Morgan Consumer Conf.	120.8	121.8	123.2	119.3	122.6	116.4	118.2	113.9	118.4	120.7
ANZ Business Confidence	-30.9	-38.0	-37.5	-32.0	-38.1	-44.3	-52.3	-53.5	-42.4	-26.4
ANZ Own Activity Outlook	10.5	6.3	7.1	8.5	8.0	5.0	-0.5	-1.8	-3.5	12.9
Trade Balance (\$m)	-94	825	361	175	330	-732	-1641	-1319	-1013	--
Trade Bal (\$m ann)	-6715	-5739	-5578	-5602	-4987	-5516	-5591	-5330	-5037	--
ANZ World Comm. Price Index (% mom)	2.8	4.1	2.6	0.0	-3.9	-1.4	0.3	0.0	1.2	4.3
ANZ World Comm. Price Index (% yoy)	-2.2	0.6	2.2	0.7	-2.4	-0.5	0.9	3.4	7.2	12.4
Net Migration (sa)	4590	3490	4080	3970	4110	4760	4150	3440	4120	--
Net Migration (ann)	56037	55571	55660	55342	55548	56405	55993	54624	55614	--
ANZ Heavy Traffic Index (% mom)	0.1	-2.1	3.7	0.8	-4.7	3.8	-4.2	3.0	3.4	-1.5
ANZ Light Traffic Index (% mom)	-0.8	0.7	0.2	0.7	-2.1	1.4	0.3	-0.3	0.3	1.2
ANZ Monthly Inflation Gauge (% mom)	0.0	0.0	0.1	0.2	0.3	0.5	0.3	0.3	0.2	0.1

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)					
	Oct-19	Nov-19	Today	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
NZD/USD	0.641	0.642	0.660	0.65	0.65	0.64	0.64	0.63	0.63
NZD/AUD	0.930	0.950	0.959	0.97	0.97	0.97	0.97	0.95	0.95
NZD/EUR	0.575	0.583	0.593	0.59	0.60	0.58	0.58	0.56	0.56
NZD/JPY	69.28	70.31	72.16	70.9	72.2	71.7	71.7	70.6	70.6
NZD/GBP	0.496	0.497	0.495	0.50	0.49	0.48	0.47	0.46	0.46
NZ\$ TWI	68.89	69.64	72.71	70.6	71.1	69.9	69.8	68.4	68.1
Interest rates	Oct-19	Nov-19	Today	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
NZ OCR	1.00	1.00	1.00	1.00	1.00	0.75	0.75	0.75	0.75
NZ 90 day bill	1.10	1.23	1.20	1.24	1.12	0.95	0.95	0.95	0.95
NZ 10-yr bond	1.31	1.29	1.52	1.20	1.30	1.17	1.40	1.30	1.55
US Fed funds	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
US 3-mth	1.90	1.91	1.90	2.05	1.90	1.90	1.90	1.90	1.90
AU Cash Rate	0.75	0.75	0.75	0.75	0.50	0.25	0.25	0.25	0.25
AU 3-mth	0.93	0.89	0.90	0.95	0.70	0.45	0.45	0.45	0.45

	13-Nov	9-Dec	10-Dec	11-Dec	12-Dec	13-Dec
Official Cash Rate	1.00	1.00	1.00	1.00	1.00	1.00
90 day bank bill	1.09	1.19	1.19	1.19	1.19	1.20
NZGB 05/21	1.03	1.12	1.09	1.06	1.04	1.09
NZGB 04/23	1.08	1.17	1.14	1.11	1.10	1.14
NZGB 04/27	1.36	1.43	1.41	1.39	1.38	1.44
NZGB 04/33	1.65	1.75	1.74	1.73	1.72	1.81
2 year swap	1.20	1.24	1.22	1.21	1.20	1.24
5 year swap	1.30	1.38	1.35	1.34	1.33	1.42
RBNZ TWI	70.84	72.60	72.57	72.44	72.74	72.78
NZD/USD	0.6389	0.6555	0.6545	0.6545	0.6584	0.6599
NZD/AUD	0.9360	0.9604	0.9605	0.9575	0.9563	0.9592
NZD/JPY	69.61	71.12	71.06	71.13	71.53	72.16
NZD/GBP	0.4970	0.4979	0.4967	0.4976	0.4989	0.4948
NZD/EUR	0.5802	0.5921	0.5909	0.5906	0.5916	0.5929
AUD/USD	0.6826	0.6825	0.6814	0.6836	0.6884	0.6876
EUR/USD	1.1013	1.1070	1.1077	1.1082	1.1129	1.1121
USD/JPY	108.94	108.48	108.57	108.67	108.65	109.38
GBP/USD	1.2857	1.3166	1.3177	1.3153	1.3197	1.3331
Oil (US\$/bbl)	57.12	59.02	59.24	58.76	59.18	60.07
Gold (US\$/oz)	1463.78	1462.98	1465.00	1467.00	1474.90	1476.33
NZX 50	10835	11230	11284	11292	11308	11242
Baltic Dry Freight Index	1365	1551	1528	1460	1388	1355
NZX WMP Futures (US\$/t)	3260	3285	3285	3285	3285	3260



## 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, and will not be, 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](http://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](mailto:nzeconomics@anz.com), <http://www.anz.co.nz>