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Two-way traffic

Summary

- The ANZ Truckometer indexes went in different directions in February: the Heavy Traffic north (+0.4% m/m) but the Light Traffic south (-1.3% m/m).
- The Heavy Traffic Index suggests a decent start to the year for activity, but the Light Traffic Index, with its longer lead time, is continuing to suggest that momentum in the economy has turned.

Figure 1. ANZ Heavy Traffic Index and GDP

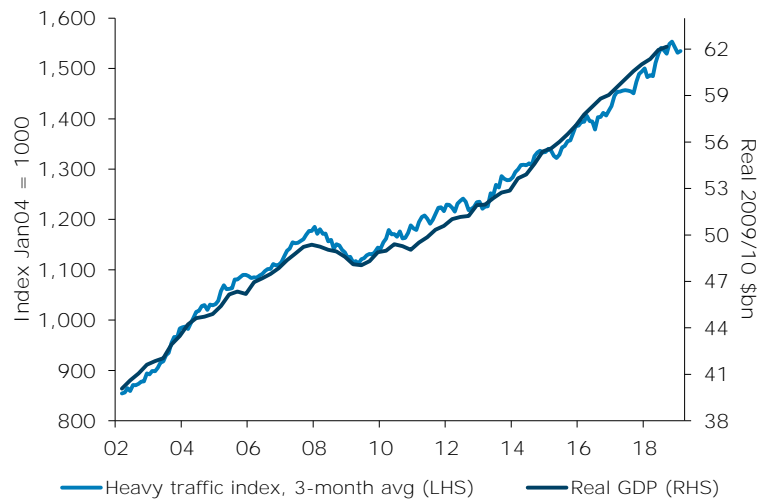
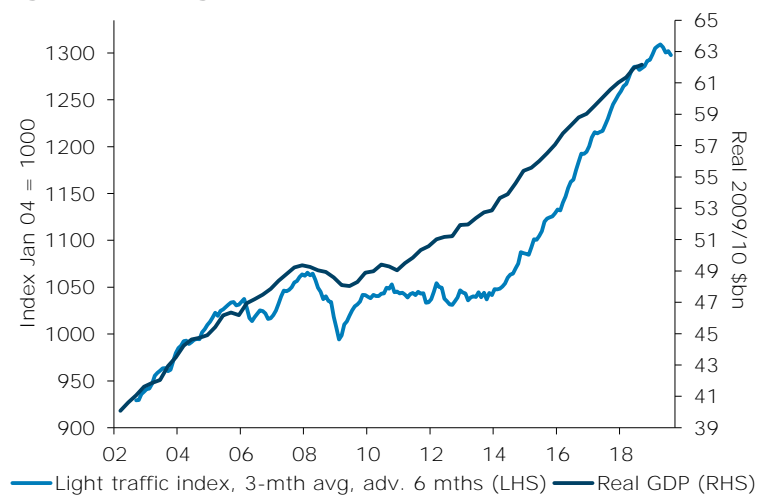
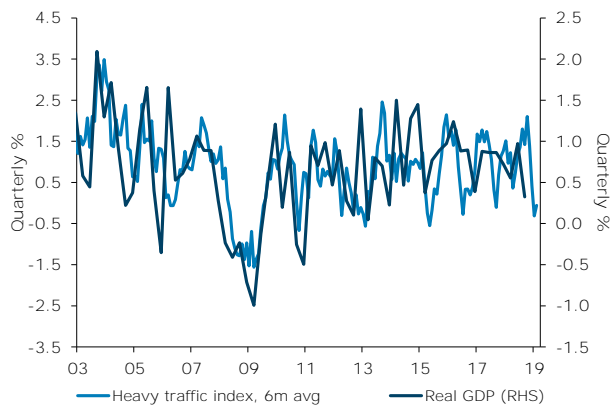


Figure 2. ANZ Light Traffic Index and GDP



Source: ANZ Research, Statistics NZ

Figure 3. Heavy Traffic Index and quarterly GDP growth



A six-month average of the ANZ Heavy Traffic Index **doesn't suggest a significant bounce-back** from the modest 0.3% growth seen in Q3, but rather something closer to half a percent (a touch below our current pick of 0.6% q/q). **We'll find out on 21 March.**

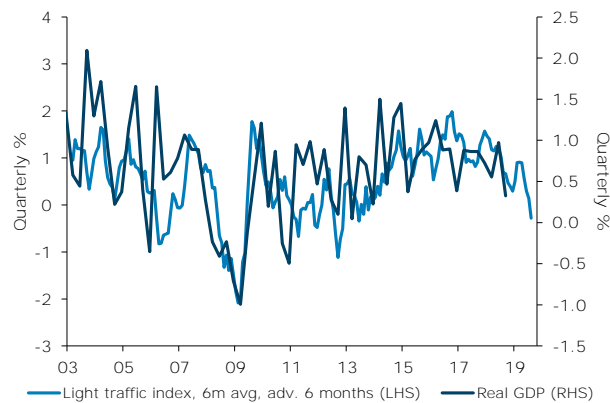
The lift in the index in the last couple of months barely registers in the 6-month average. But if the trend continues, **then it'll send more positive signals** about activity in the first three months of this year.

Figure 4. Heavy Traffic Index and annual GDP growth



Annual growth in the Heavy Traffic Index has bounced back to pretty average rates of growth – no strong signals here.

Figure 5. ANZ Light Traffic Index (adv. 6 months) and quarterly GDP growth



The Light Traffic Index gives a six-month lead on the direction of the economy and is best interpreted as a measure of momentum.

After two decent falls in the past three months, quarterly growth in the 6-month average is starting to send decidedly weak signals about quarterly GDP growth into the middle of this year (i.e. Q2) – data that won't be available until the end of September.

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



Annual growth in the Light Traffic Index remains at its lowest levels since early 2014 and also demonstrates that the economy may be tiring.

Source: ANZ, NZ Transport Agency, Statistics NZ



Tables and charts

Appendix

After adjusting for seasonality, traffic flows lifted on 6 of the 11 roads in the Heavy Traffic Index in February, but on only 1 of the 10 roads in the Light Traffic Index.

	Light Traffic Index			Heavy Traffic Index		
	Index Jan 04 = 1000	Monthly % chg	Annual % chg, 3m avg	Index Jan 04 = 1000	Monthly % chg	Annual % chg, 3m avg
Feb-18	1281	0.2	4.2	1470	-2.2	2.6
Mar-18	1292	0.9	3.7	1486	1.1	2.3
Apr-18	1285	-0.6	3.3	1497	0.7	2.1
May-18	1297	1.0	3.3	1549	3.5	3.8
Jun-18	1296	-0.1	3.0	1541	-0.5	4.9
Jul-18	1302	0.5	3.1	1532	-0.6	5.8
Aug-18	1318	1.2	3.2	1537	0.3	5.7
Sep-18	1303	-1.1	3.2	1519	-1.2	5.4
Oct-18	1307	0.4	2.8	1589	4.6	5.1
Nov-18	1309	0.1	1.9	1551	-2.4	4.3
Dec-18	1285	-1.8	1.2	1485	-4.3	3.2
Jan-19	1312	2.1	1.3	1557	4.8	2.1
Feb-19	1296	-1.3	1.2	1563	0.4	3.5

Figure 7. ANZ Light Traffic Index: raw vs. seasonally adjusted

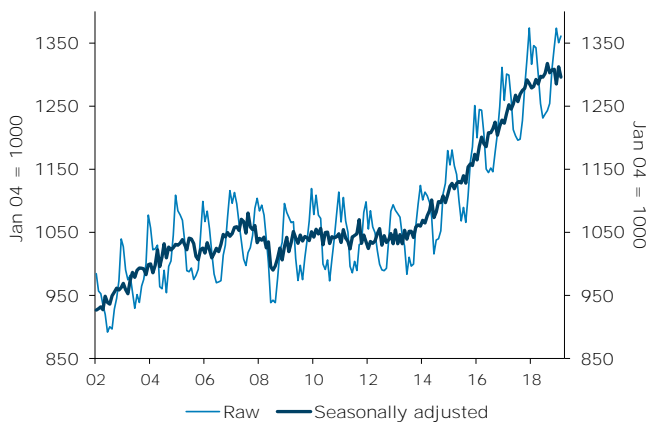
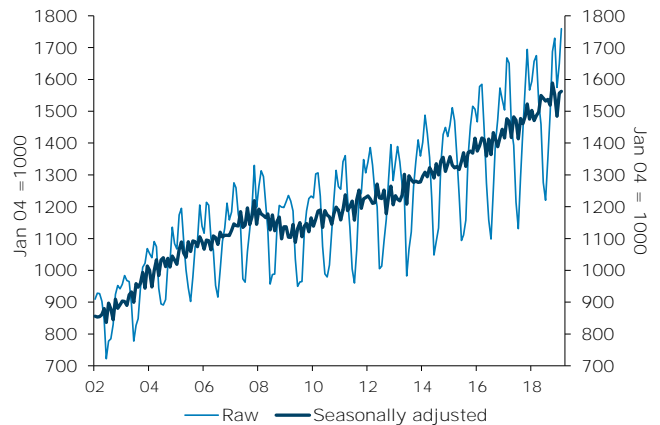


Figure 8. ANZ Heavy Traffic Index: raw vs. seasonally adjusted



Source: ANZ, NZ Transport Agency

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



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