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The next issue of the ANZ *Truckometer* is scheduled for release on 9 July 2019 at 10am.

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May be looking up

Summary

- The ANZ Truckometer indexes both rose again in May. The Heavy Traffic rose 0.8% m/m and the Light Traffic 0.9% m/m.
- Growth in traffic may be finding a floor, consistent with our expectation that economic growth will bottom out around the middle of the year.

Figure 1. ANZ Heavy Traffic Index and GDP

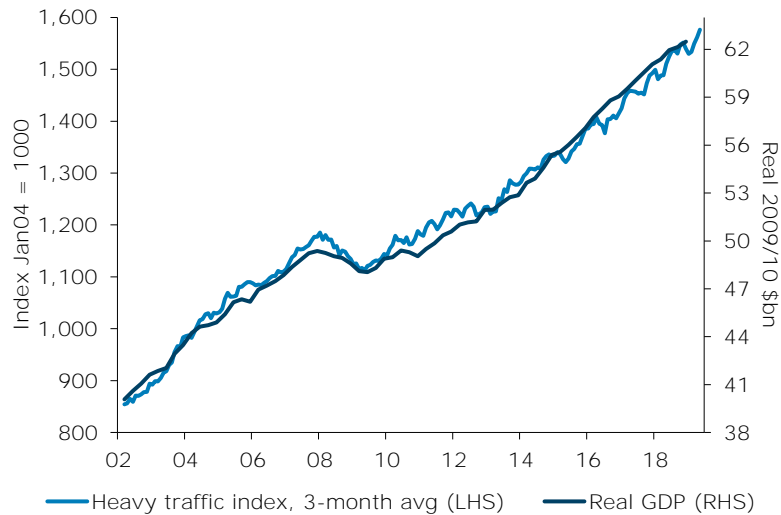
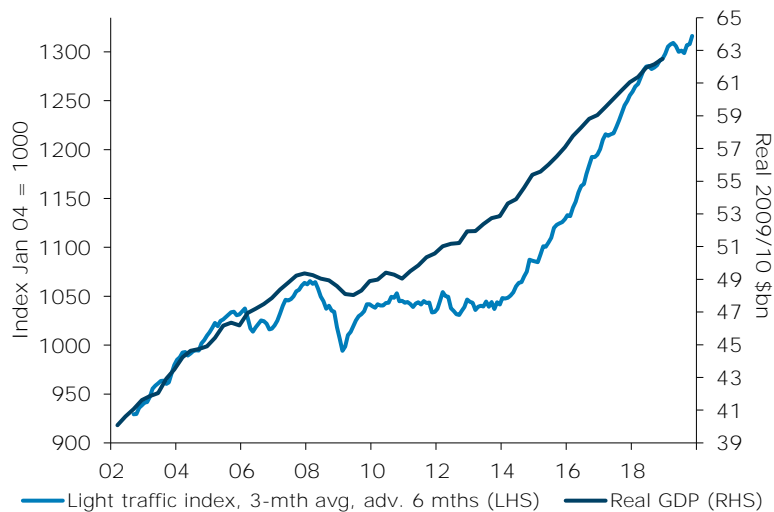
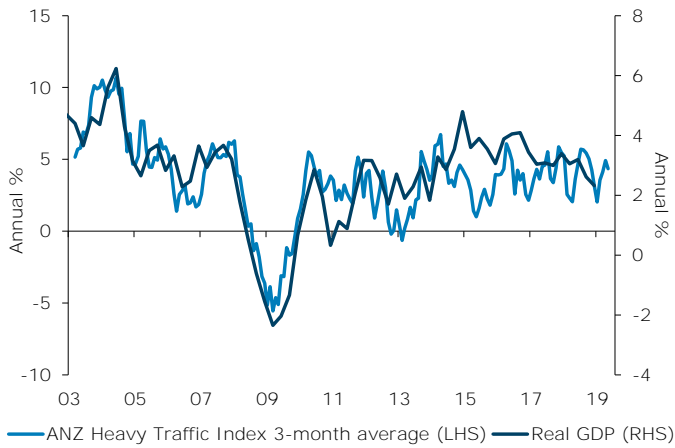


Figure 2. ANZ Light Traffic Index and GDP



Source: ANZ Research, Statistics NZ

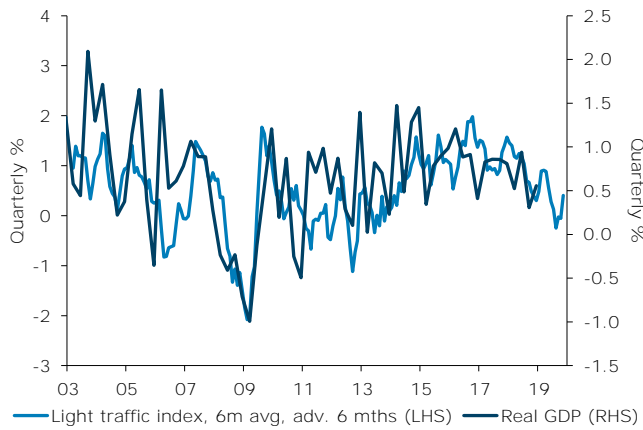
Figure 3. Heavy Traffic Index and annual GDP growth



While figure 1 shows that the level of heavy traffic tracks the level of GDP closely, annual growth in the Heavy Traffic Index has been a less reliable guide to GDP growth in recent years. This may reflect its ongoing exposure to the vagaries of agricultural production, while other factors have been dominating GDP in recent years.

It is not sending any strong signals about the trend in GDP growth at present, but has lifted of late.

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

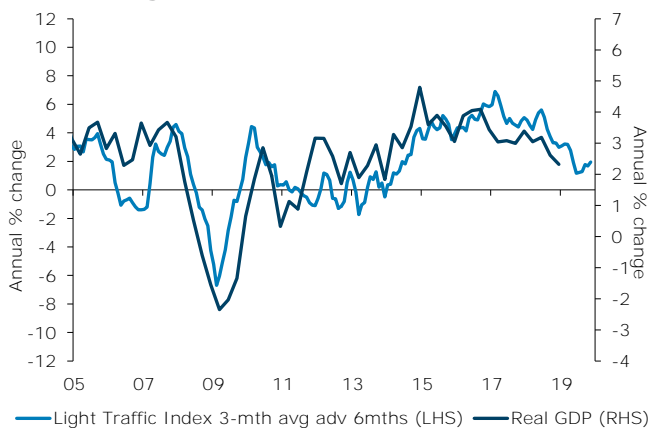


The Light Traffic Index gives a six-month lead on the direction of the economy.

It is a bit more optimistic about Q1 growth than the Heavy Traffic Index, but is suggesting disappointing GDP growth in the middle of the year.

Two consecutive months of increases mean things are tentatively looking better for growth towards the end of the year.

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



Annual growth in the Light Traffic Index may have found a floor, suggesting the decline in annual GDP growth may soon have run its course.

We are indeed expecting annual growth to pick up from the middle of the year, but less aggressively than predicted by both the Reserve Bank and Treasury.

Source: ANZ, NZ Transport Agency, Statistics NZ



Tables and charts

Appendix

After adjusting for seasonality, traffic flows lifted on 7 of the 11 roads in the Heavy Traffic Index in April, and on 8 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
May-18	1296	0.8	3.3	1533	2.1	3.6
Jun-18	1296	0.0	3.0	1540	0.4	4.7
Jul-18	1302	0.5	3.1	1534	-0.4	5.7
Aug-18	1318	1.2	3.2	1538	0.3	5.7
Sep-18	1302	-1.2	3.2	1519	-1.2	5.4
Oct-18	1307	0.3	2.8	1585	4.3	5.0
Nov-18	1308	0.1	1.9	1549	-2.2	4.3
Dec-18	1285	-1.7	1.2	1484	-4.2	3.1
Jan-19	1311	2.0	1.2	1556	4.8	2.0
Feb-19	1300	-0.8	1.3	1562	0.4	3.6
Mar-19	1309	0.7	1.8	1531	-2.0	4.1
Apr-19	1314	0.3	1.7	1593	4.0	4.9
May-19	1326	0.9	1.9	1605	0.8	4.3

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

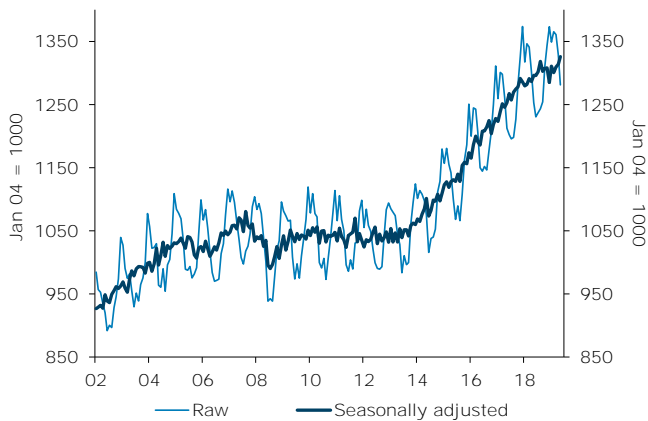
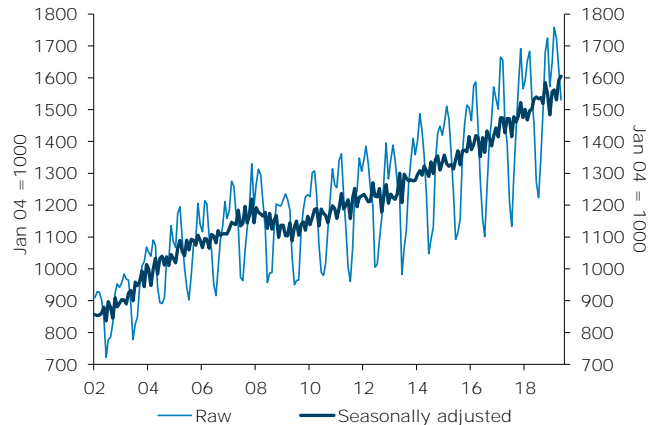


Figure 8. ANZ Heavy Traffic Index: raw vs. seasonally adjusted



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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