

ANZ NZ Truckometer

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CONTACT:

Sharon Zollner
Chief Economist
Telephone: +64 27 664 3554
sharon.zollner@anz.com

The next issue of the ANZ *Truckometer* is scheduled for release on 10 March 2020 at 10am.

Contact
research@anz.com

Follow us on Twitter
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Strong start

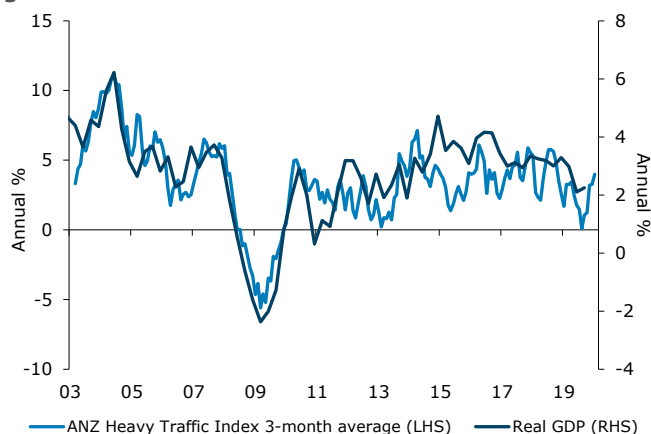
Summary

- The Light Traffic Index rose 2.0% m/m in January, unwinding its December drop, while the Heavy Traffic jumped 4.8% m/m, after two weaker months.
- Annual growth in the two indexes is bouncing back, consistent with our pre-coronavirus forecast that annual growth had bottomed out.
- The human toll associated with the coronavirus outbreak is very worrying and the economic impacts could be significant too. The recent turnaround in domestic momentum provides a degree of resilience as we head into uncertain times.

The two ANZ Truckometer indexes reflect economic activity. The Light Traffic Index gives an indication of where GDP growth is headed in six months' time, while the Heavy Traffic Index is real-time. They agree that the slowdown in economic momentum has found a floor, consistent with our January economic forecasts of a bounce in growth from here. The annual GDP revisions have brought the GDP data over 2019 more into line with both traffic indexes.

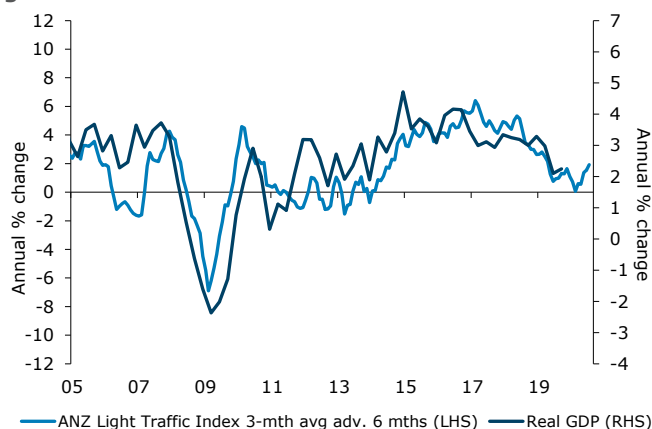
The novel coronavirus has now made any forecasts highly uncertain, but the data does show that momentum in the economy has lifted, which is helpful when facing this kind of economic uncertainty.

Figure 1. ANZ Heavy Traffic Index and annual GDP growth



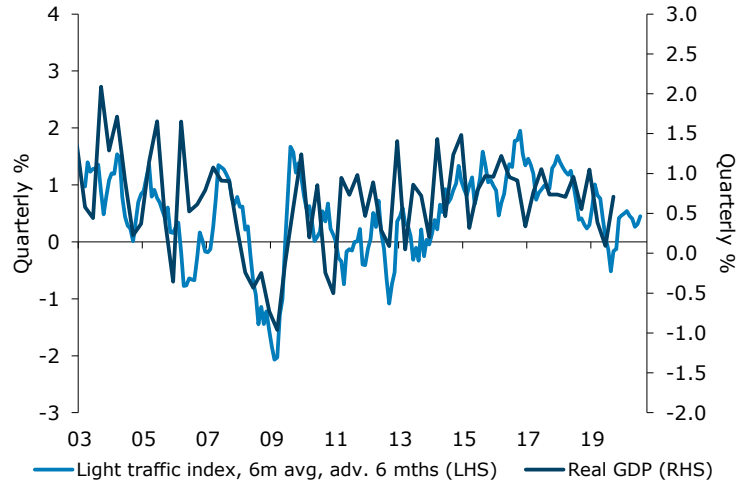
Source: ANZ Research, Statistics NZ

Figure 2. ANZ Light Traffic Index and annual GDP growth



The Light Traffic Index is suggesting that the economic baseline over the next six months is about 0.5% per quarter, but coronavirus disruptions are looking likely to throw these numbers around (figure 3).

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



Source: ANZ, NZ Transport Agency

As discussed last month, a model using the Heavy Traffic Index both contemporaneous and lagged one quarter, and the Light Traffic Index lagged two quarters, suggests growth of 0.5% q/q. Growth in Q1 is now looking likely to be weaker than this, but it depends hugely on how long disruptions persist, which at this stage is impossible to know.

See further charts and tables over



Tables and charts

After adjusting for seasonality, traffic flows lifted on 9 of the 11 roads in the Heavy Traffic Index in January, 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
Jan-19	1268	1.5	1.0	1561	2.3	1.7
Feb-19	1258	-0.7	1.0	1563	0.1	3.3
Mar-19	1273	1.1	1.3	1538	-1.6	3.3
Apr-19	1275	0.2	1.3	1577	2.5	3.5
May-19	1285	0.8	1.6	1590	0.9	2.5
Jun-19	1260	-2.0	1.1	1553	-2.3	1.8
Jul-19	1277	1.4	0.7	1588	2.2	1.5
Aug-19	1280	0.3	0.1	1532	-3.5	0.1
Sep-19	1277	-0.3	0.6	1585	3.4	1.1
Oct-19	1280	0.2	0.6	1629	2.8	1.2
Nov-19	1296	1.3	1.4	1608	-1.3	3.2
Dec-19	1267	-2.2	1.6	1568	-2.5	3.3
Jan-20	1293	2.0	1.9	1643	4.8	4.0

Figure 5. ANZ Heavy Traffic Index and GDP

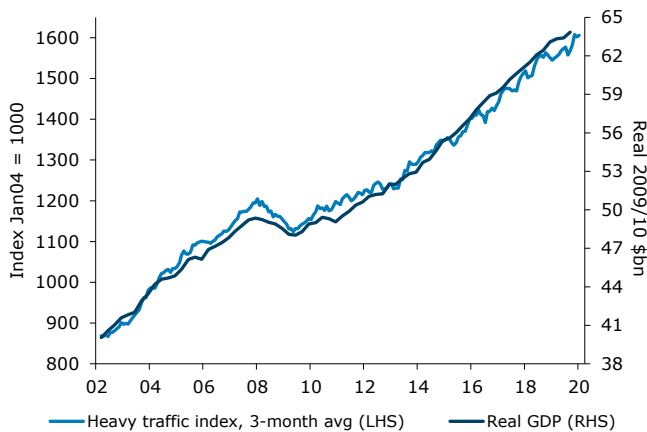


Figure 6. ANZ Light Traffic Index and GDP

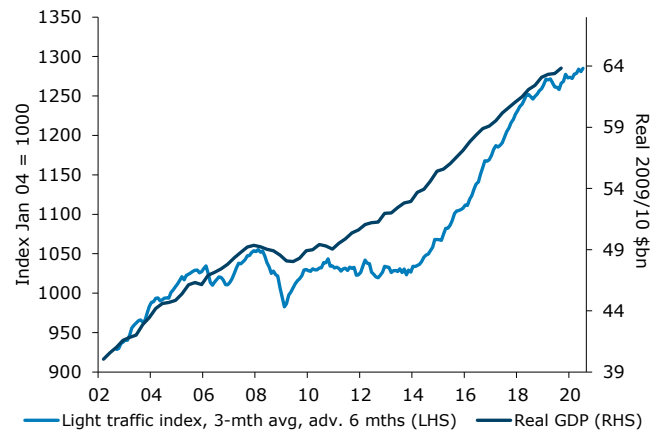


Figure 7. ANZ Heavy Traffic Index: raw vs. seas. adj.

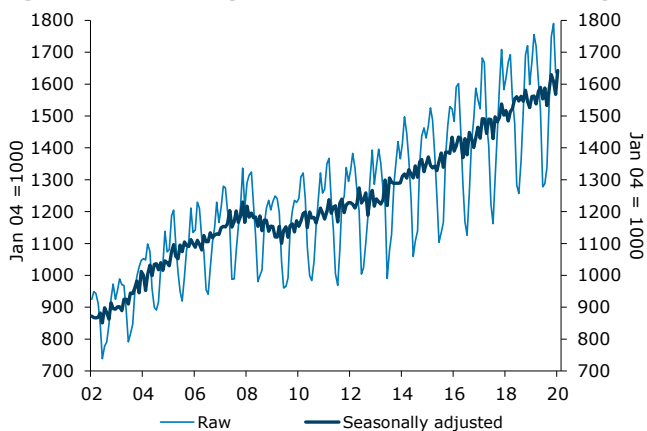
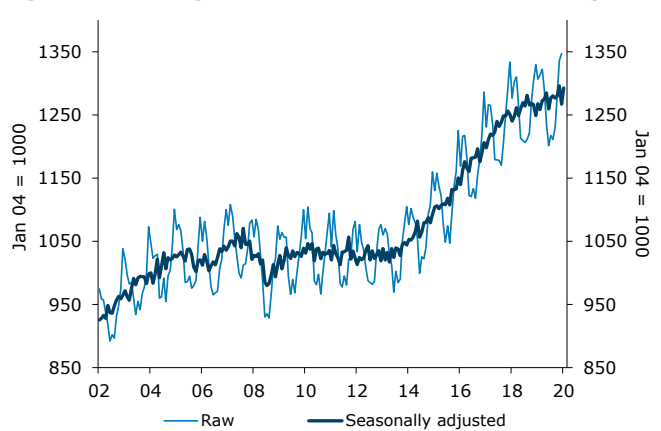


Figure 8. ANZ Light Traffic Index: raw vs. seas. adj.



Source: ANZ, NZ Transport Agency

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



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