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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 9 April 2020 at 10am.

Contact
research@anz.com

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Still BAU around most of the country

Summary

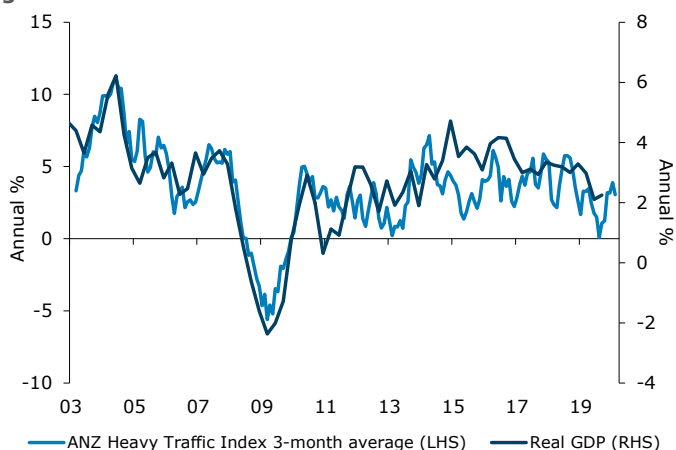
- The Light Traffic Index fell 0.7% m/m in February, while the Heavy Traffic fell 3.0% m/m, after a sharp lift the previous month.
- Annual growth in the two indexes remains decent.
- There are pockets of weakness in truck movements in logging-intensive regions but no change in economy-wide trends evident.

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.

The moves in both the Light Traffic Index (-0.7%) and Heavy Traffic Index (-3.0%) were not unusually large in February, indicating that activity remained largely business as usual around the country.

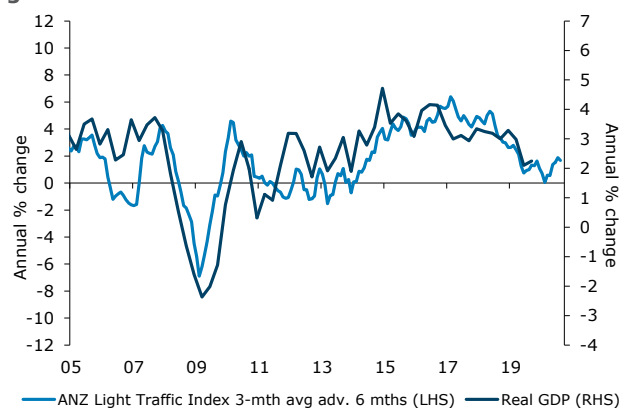
The alarming spread of COVID-19 globally, and the impending policy response, have now made any economic forecasts highly uncertain. Given the suddenness of the COVID-19 shock to the economy, we cannot expect that the Light Traffic Index's usual 6-month lead on economic growth will hold this year. However, the data does show that the economy had decent momentum going in, which is helpful.

Figure 1. ANZ Heavy Traffic Index and annual GDP growth



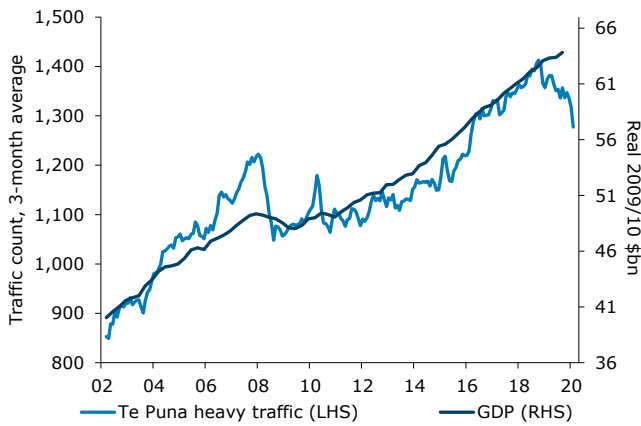
Source: ANZ Research, Statistics NZ

Figure 2. ANZ Light Traffic Index and annual GDP growth



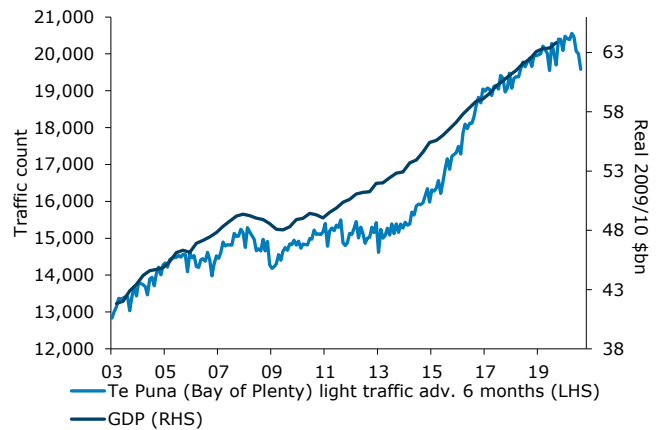
Although the overall Heavy Traffic Index fell 3%, there were more marked falls in areas where logging trucks are a larger proportion of heavy traffic. Through Te Puna, west of Tauranga Port, both light and heavy traffic fell sharply. The charts against GDP look alarming, but the impact on the broader economy will be overstated due to the oversized impact of the abrupt forestry slowdown in this region (figures 3 and 4). The indexes therefore shouldn't be taken at face value as GDP indicators, given the unusual nature of developments, which are much more complicated than a cyclical demand slowdown. They do, however, give an indication of how dramatic the impact of the trouble in China's logistics chain has been on New Zealand primary producers.

Figure 3. Heavy traffic through Te Puna and GDP



Source: ANZ Research, Statistics NZ

Figure 3. Light traffic through Te Puna and GDP



We will continue to pay close attention to traffic data as a timely indicator of both production (heavy traffic) and on how New Zealanders are changing their behaviour in response to the COVID-19 threat (light traffic).

See further charts and tables over



Tables and charts

After adjusting for seasonality, traffic flows lifted on 2 of the 11 roads in the Heavy Traffic Index in February, and on 5 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-19	1261	-0.4	1.0	1568	0.5	3.3
Mar-19	1272	0.9	1.3	1537	-2.0	3.3
Apr-19	1274	0.2	1.3	1576	2.6	3.5
May-19	1284	0.8	1.6	1590	0.9	2.5
Jun-19	1259	-2.0	1.1	1553	-2.3	1.8
Jul-19	1276	1.4	0.7	1588	2.3	1.5
Aug-19	1279	0.3	0.0	1533	-3.5	0.1
Sep-19	1276	-0.3	0.6	1584	3.3	1.1
Oct-19	1279	0.2	0.6	1629	2.8	1.2
Nov-19	1295	1.3	1.4	1606	-1.4	3.2
Dec-19	1267	-2.2	1.5	1562	-2.7	3.2
Jan-20	1292	1.9	1.9	1641	5.0	3.9
Feb-20	1283	-0.7	1.7	1592	-3.0	3.0

Figure 5. ANZ Heavy Traffic Index and GDP

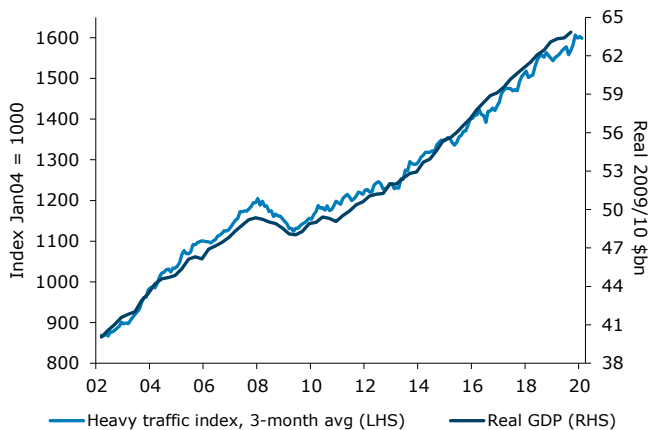


Figure 6. ANZ Light Traffic Index and GDP

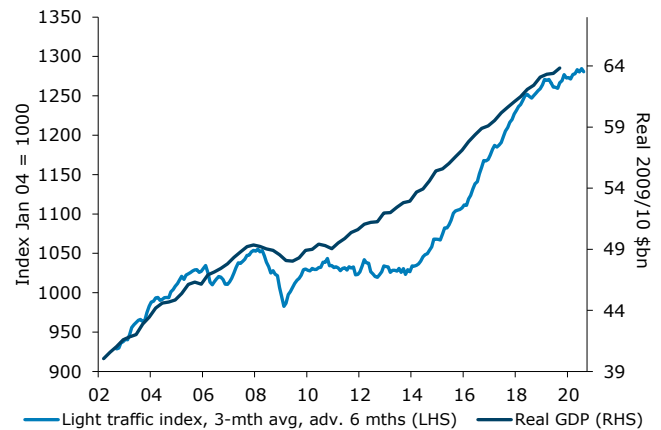


Figure 7. ANZ Heavy Traffic Index: raw vs. seas. adj.

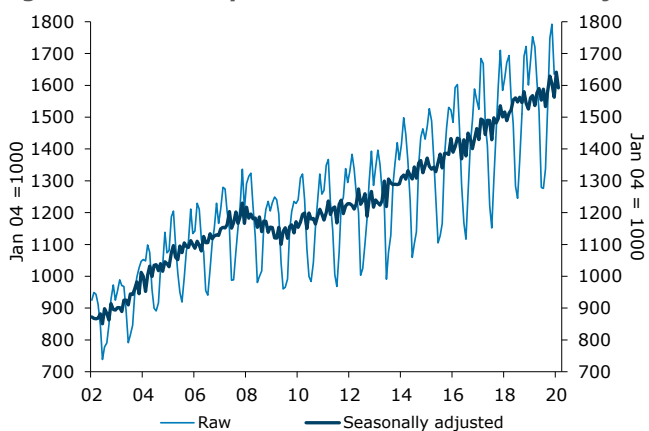
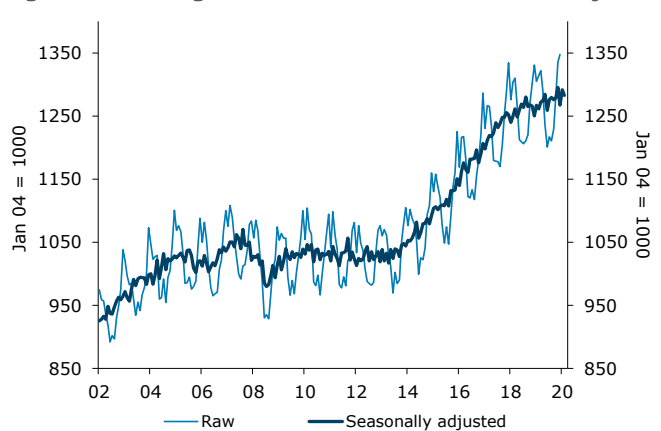


Figure 8. ANZ Light Traffic Index: raw vs. seas. adj.



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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