ANZ NZ Truckometer

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

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STOP

Summary

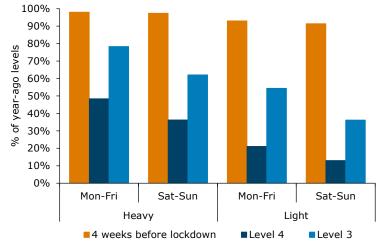
- The Light Traffic Index fell 71.1% m/m in April, while the Heavy Traffic fell 45.0% m/m. The month included 27 days of Level 4 lockdown and 3 days of Level 3.
- This will mark the low point, with both heavy and light traffic seeing a big step up as a result of the move to Level 3, and another jump expected for Level 2.
- Heavy traffic is likely to be the better GDP indicator through this period.

The two ANZ Truckometer indexes usually 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. However, in times of lockdown, the usual correlation between traffic and GDP growth will not hold. This is particularly true of light (car) traffic, given work-from-home arrangements. The correlation between heavy traffic and GDP is likely to be more robust through this period, but is not 1:1.

In April the Light Traffic Index fell 71% and the Heavy Traffic Index fell 45%. The April data included 27 days of Level 4 lockdown and 3 days of Level 3 lockdown. The Heavy Traffic data suggests a sharp drop in quarterly GDP growth in Q1, but the big hit is coming in Q2. We've pencilled in a quarterly fall of around 20%, with the economy still down 8-10% by the end of the year.

We have calculated how traffic changed in the different levels of lockdown. Behaviour started to change even before the Level 4 lockdown was imposed. In Level 4, weekday heavy traffic was just 48% of what it was a year earlier, while during the weekends, it was 36%. In Level 3, this stepped up significantly to nearly 78% and 62%. Light traffic took an even bigger hit. Weekday car traffic was just 21% of year-earlier levels in level 4, and 13% in weekends. This bounced to 54% and 36% under Level 3. Next month we will be able to fine-tune these estimates and give preliminary results for what Level 2 brings.

Figure 1. Traffic index changes under lockdown



Source: NZTA, ANZ Research

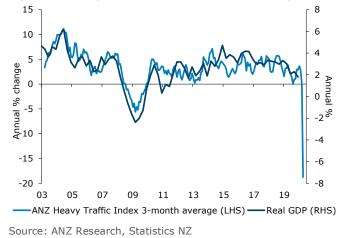
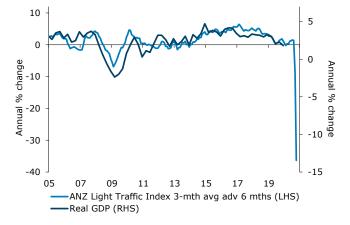


Figure 2. Heavy Traffic Index and annual GDP growth

Figure 3. Light Traffic Index and annual GDP growth



See further charts and tables over

Tables and charts

After adjusting for seasonality, traffic flows fell on all of the 11 roads in the Heavy Traffic Index in April, and also on all 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
Apr-19	1309	2.2	1.6	1613	4.1	3.8
May-19	1282	-2.0	1.9	1589	-1.5	2.8
Jun-19	1257	-2.0	1.1	1553	-2.2	2.0
Jul-19	1273	1.2	0.4	1589	2.3	1.4
Aug-19	1274	0.1	-0.2	1531	-3.6	0.0
Sep-19	1269	-0.4	0.3	1581	3.3	1.0
Oct-19	1271	0.2	0.3	1614	2.1	1.0
Nov-19	1279	0.6	1.1	1593	-1.3	2.9
Dec-19	1247	-2.5	1.3	1551	-2.6	2.9
Jan-20	1283	2.9	1.5	1628	4.9	3.6
Feb-20	1284	0.1	1.3	1590	-2.3	2.9
Mar-20	908	-29.3	-8.8	1454	-8.6	0.1
Apr-20	262	-71.1	-36.3	799	-45.0	-18.8

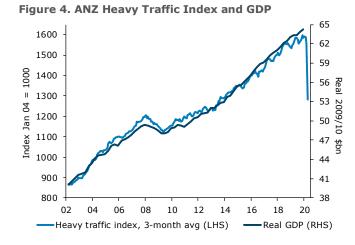


Figure 6. ANZ Heavy Traffic Index: raw vs. seas. adj.

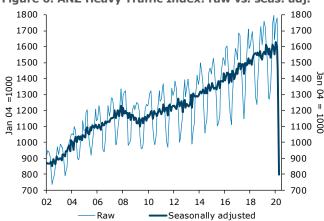


Figure 5. ANZ Light Traffic Index and GDP

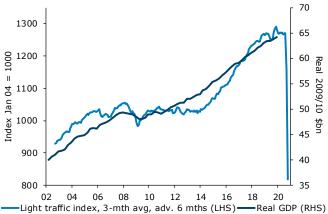
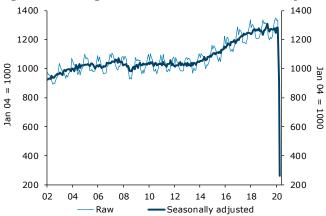


Figure 7. ANZ Light Traffic Index: raw vs. seas. adj.



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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