

ANZ NZ Truckometer

9 September 2020



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Contact

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

All over the road

Summary

- The Light Traffic Index fell 13.1% in August, while the Heavy Traffic fell 6.5% as the impact of the second COVID-19 outbreak weighed, including the roadblocks around Auckland.
- The weights in the Truckometer are not designed to reflect regional GDP, so this is not an accurate reflection of renewed lockdown. From next month the data should once again be a good reflection of nationwide economic activity.

The catch-up overshoot evident in traffic data in July came to an abrupt end in August, as Auckland went into Alert Level 3 lockdown and the rest of the country went into Level 2 in the middle of the month. The different restrictions across regions and the roadblocks in and out of Auckland (traffic over the Bombay Hills halved) mean there's going to be significantly more 'noise' in the traffic data this month than in actual economic activity. That said, it certainly does represent real disruption.

In the broadest terms, heavy traffic primarily reflects the movement of goods; light traffic captures the movement of people. The latter is more impacted by COVID restrictions, but as a general rule, light traffic provides a lead on momentum in the economy (and population growth), whereas heavy traffic is a real-time indicator of production.

Last time, coming out of lockdown, we saw a rapid bounce-back in activity (including traffic) and sentiment – though both business and household sentiment remained severely dented compared to pre-COVID days. The ANZ Business Outlook for August held up remarkably well in the face of the return of COVID, in that the data didn't slip much from the preliminary read, though sentiment and activity indicators in Auckland were understandably weaker than elsewhere. Later today we will release the preliminary data for September.

The New Zealand economy is demonstrating real resilience, and that's great, but the fact remains that we are still in the 'skirmish' stage of the war against COVID-19. The pain from the closed border will take time to filter through due to both the seasonality of tourism and the considerable lag between net migration and its economic impacts. And fiscal life support is yet to be pulled.

Figure 1. ANZ Heavy Traffic Index and GDP

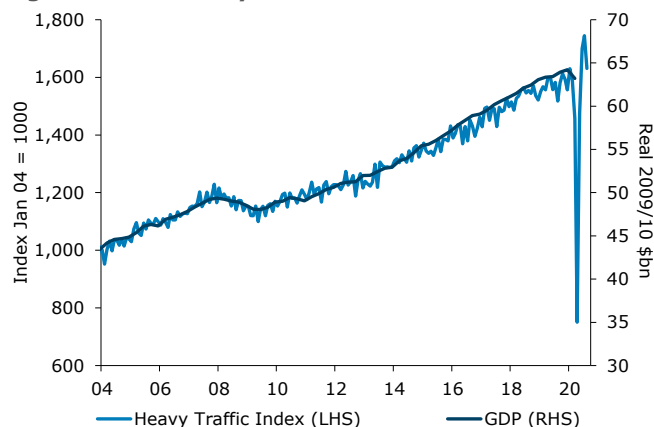
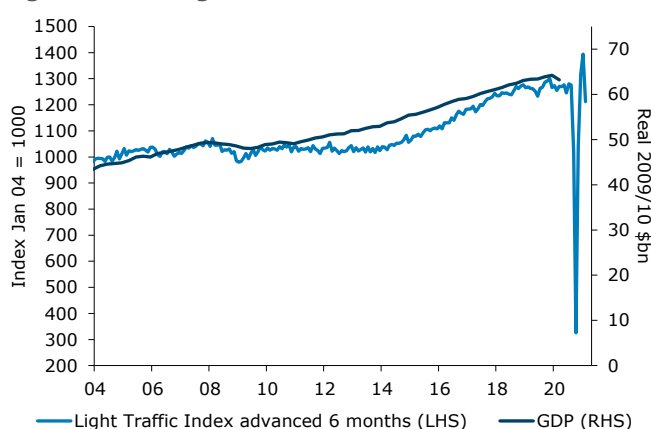


Figure 2. ANZ Light Traffic Index and GDP



Source: NZTA, Statistics NZ, ANZ Research



Tables and charts

Figure 3. ANZ Heavy Traffic Index and GDP

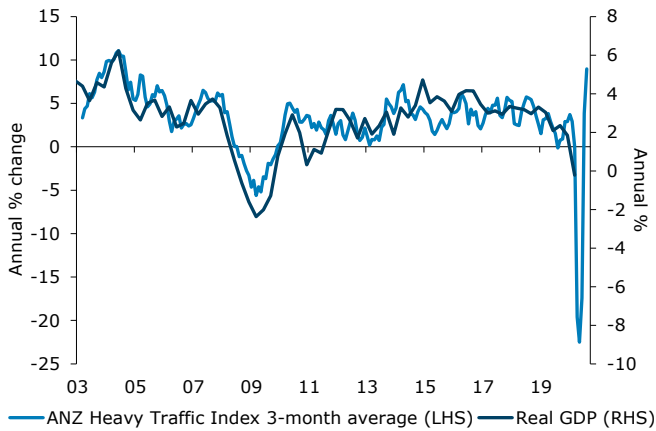


Figure 4. ANZ Light Traffic Index and GDP

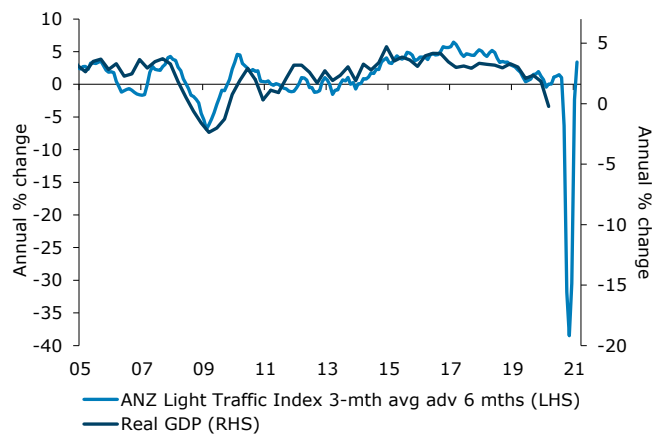


Figure 5. ANZ Heavy Traffic Index: raw vs. seas. adj.

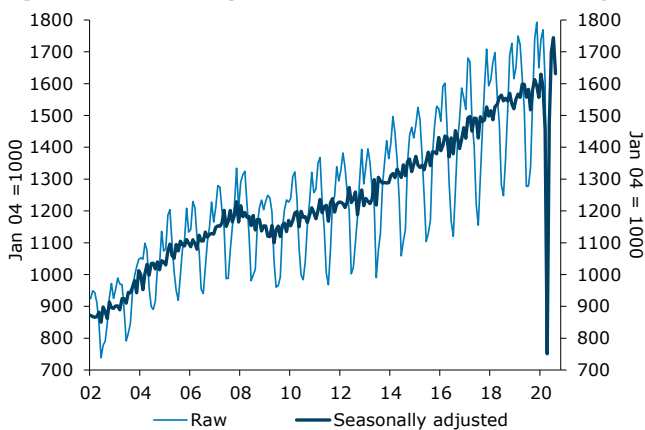
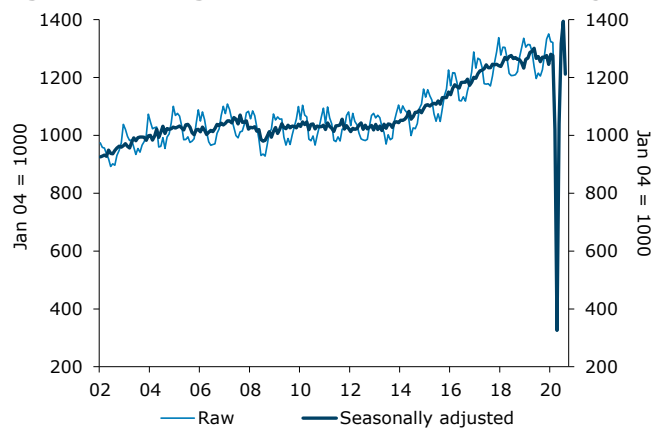


Figure 6. ANZ Light Traffic Index: raw vs. seas. adj.



Source: ANZ, NZ Transport Agency

After adjusting for seasonality, traffic flows fell on 9 of the 11 roads in the Heavy Traffic Index in August, and on all 10 of the 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
Aug-19	1255	-1.4	-0.4	1518	-4.1	-0.1
Sep-19	1271	1.3	0.0	1581	4.2	0.8
Oct-19	1270	-0.1	0.0	1613	2.0	0.9
Nov-19	1276	0.5	1.1	1593	-1.2	2.9
Dec-19	1246	-2.4	1.2	1556	-2.3	2.9
Jan-20	1280	2.8	1.5	1630	4.7	3.7
Feb-20	1276	-0.3	1.0	1589	-2.5	2.9
Mar-20	1020	-20.1	-6.3	1457	-8.3	0.0
Apr-20	326	-68.0	-31.8	751	-48.5	-19.6
May-20	1040	219.3	-38.5	1476	96.6	-22.5
Jun-20	1317	26.6	-30.5	1699	15.1	-17.4
Jul-20	1395	5.9	-2.3	1745	2.7	3.8
Aug-20	1212	-13.1	3.4	1631	-6.5	9.0

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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