

ANZ NZ Truckometer

10 November 2020



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Contact

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

Settling down

Summary

- The Light Traffic Index lifted a further 0.6% in October, while the Heavy Traffic eased 3.0% as traffic settled following the second Auckland lockdown.
- Encouragingly, both indexes are solidly higher than a year ago.

Traffic volumes returned to more normal volatility over October as activity settled down after alert levels eased and catch-up activity was evident. The Light Traffic Index lifted a further 0.6% in October, while the Heavy Traffic Index eased 3.0%.

In broad terms, heavy traffic primarily reflects the movement of goods, while light traffic captures the movement of people. In normal times, light traffic provides a lead on momentum in the economy, whereas heavy traffic is a real-time indicator of goods production.

Like many charts of economic data, the Truckometer charts have been somewhat mangled by the lockdown period. However, they clearly show the story of 2020: a sudden stop, a sharp rebound, renewed restrictions, and renewed catch-up activity.

As the volatility is reducing, the indexes appear to be settling comfortably above year-ago levels. The Heavy Traffic Index in October was 7.1% higher than a year ago, while the Light Traffic Index is 5.9% higher than a year ago (3-month average). This overshoot may dissipate over coming months as there are some aspects of this shock that are yet to play out fully. We estimate the closed border knocks out about 5% of GDP, but this will hit disproportionately over the summer. The impact on traffic is even more difficult to estimate.

But the ANZ Truckometer is consistent with the messages from the ANZ Business Outlook. The economy has regained considerable momentum, though there is still caution about what might be around the corner.

Figure 1. ANZ Heavy Traffic Index and GDP

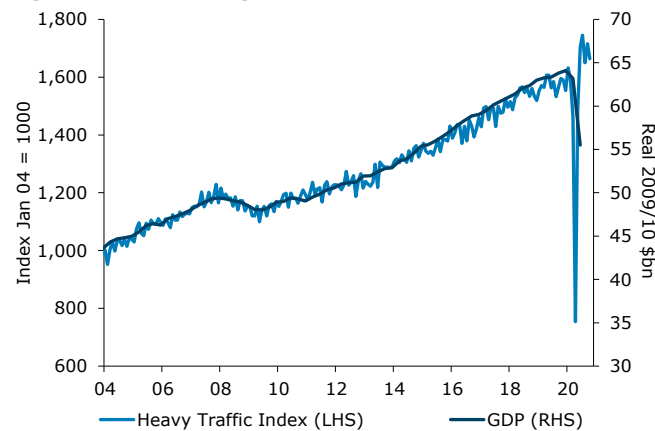
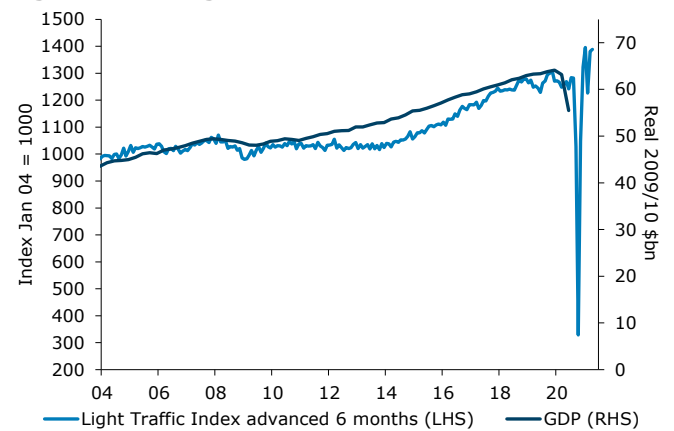


Figure 2. ANZ Light Traffic Index and GDP



Source: NZTA, Statistics NZ, ANZ Research



Tables and charts

Figure 3. ANZ Heavy Traffic Index and GDP

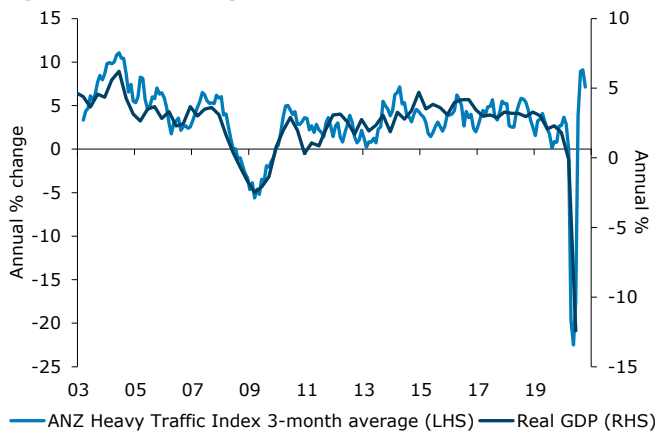


Figure 4. ANZ Light Traffic Index and GDP

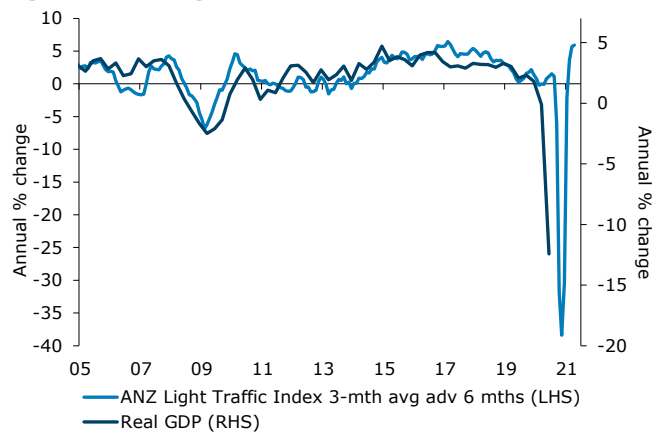


Figure 5. ANZ Heavy Traffic Index: raw vs. seas. adj.

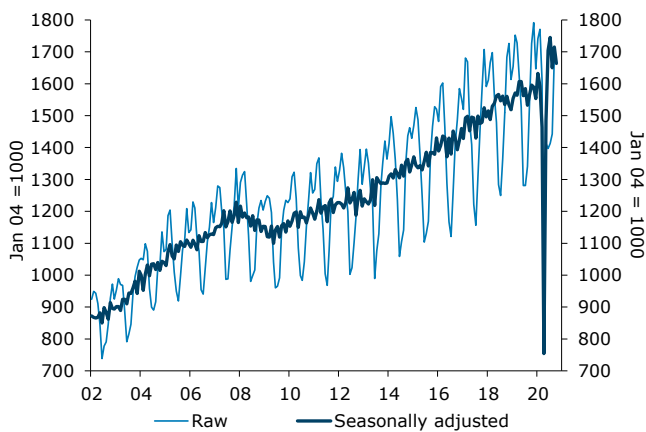
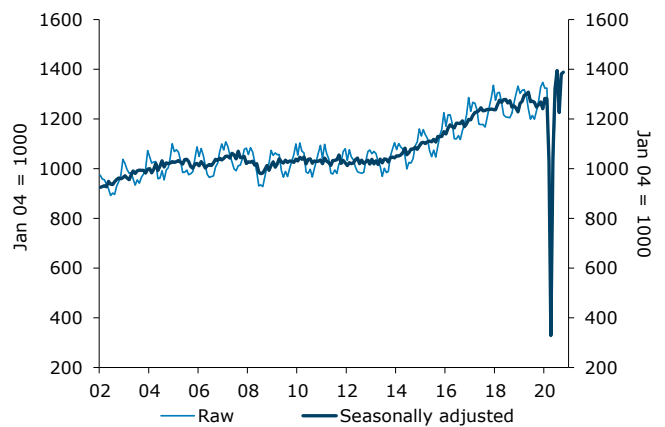


Figure 6. ANZ Light Traffic Index: raw vs. seas. adj.



Source: ANZ, NZ Transport Agency

After adjusting for seasonality, traffic flows rose on 2 of the 11 roads in the Heavy Traffic Index in October, 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
Oct-19	1258	0.8	-0.1	1596	1.9	0.8
Nov-19	1269	0.9	0.8	1589	-0.4	2.6
Dec-19	1242	-2.2	1.1	1554	-2.2	2.7
Jan-20	1283	3.3	1.5	1632	5.1	3.7
Feb-20	1282	-0.1	1.2	1592	-2.5	2.9
Mar-20	1028	-19.8	-6.2	1464	-8.0	0.0
Apr-20	329	-68.0	-31.7	754	-48.5	-19.7
May-20	1048	218.8	-38.4	1485	96.8	-22.5
Jun-20	1323	26.2	-30.4	1704	14.8	-17.4
Jul-20	1396	5.5	-2.2	1745	2.4	3.8
Aug-20	1226	-12.1	3.6	1650	-5.5	8.9
Sep-20	1381	12.6	5.7	1715	4.0	9.1
Oct-20	1389	0.6	5.9	1663	-3.0	7.1

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



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