

ANZ NZ Truckometer

10 December 2020



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Contact

Sharon Zollner for
more details.

The next issue of the ANZ
Truckometer is scheduled for
release on 13 January 2021 at
10am.

Slipping

Summary

- The lack of tourists is becoming evident in car traffic, while the Heavy Traffic Index is suggesting a stonking Q3 GDP outturn, but possibly negative growth in Q4.
- The Light Traffic Index fell 3.1% in November, while the Heavy Traffic eased 0.3% m/m.
- Both indexes are higher than a year ago, but the overshoot in the Heavy Traffic Index is now reducing.

Traffic volumes eased in seasonally adjusted terms in November. There is still a degree of catch-up activity evident in the Heavy Traffic Index, but it is gradually unwinding. The Heavy Traffic Index fell 0.3% in November, while the Light Traffic Index fell 3.1%.

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.

The Heavy Traffic Index in October was 6.2% higher than a year ago, while the Light Traffic Index is 8.6% higher than a year ago (3-month average). However, the unsmoothed data does show the light traffic overshoot also dissipating – the latest three reads were a 12.1% bounce out of lockdown-lite in September, a pretty flat outturn in October, and a 3.1% fall in November. As well as catch-up activity easing, some of the November weakness likely reflects that November is typically the first big month of the summer season for inbound tourism. There are going to be a lot fewer people than normal in New Zealand over the summer, and that will show up in traffic.

Figure 1. ANZ Heavy Traffic Index and GDP

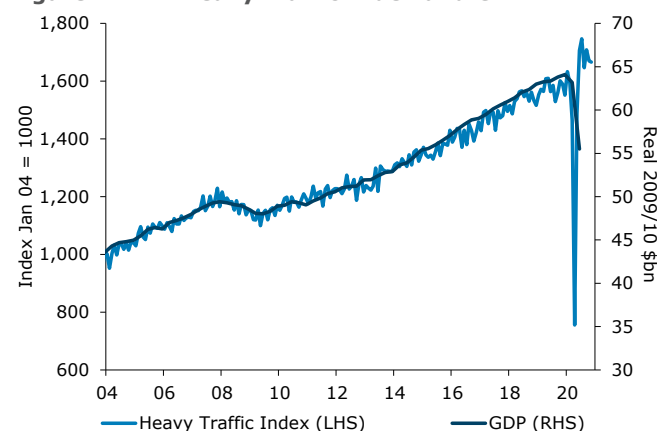
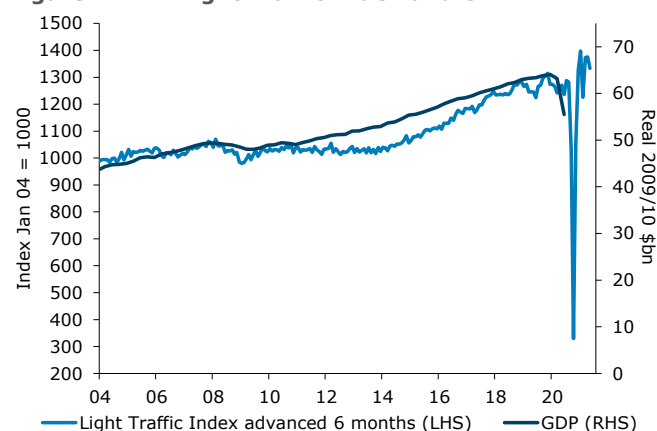


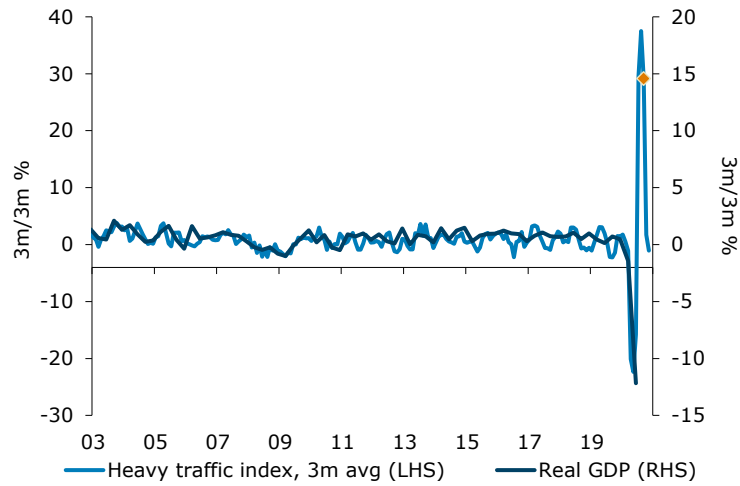
Figure 2. ANZ Light Traffic Index and GDP



Source: NZTA, Statistics NZ, ANZ Research

In terms of GDP outturns, the Heavy Traffic Index got Q2 right, and is suggesting a near-15% rise in GDP in Q3 (figure 3). This data is due to be released on 17 December. The signs aren't so good for Q4 growth, however, with the average across October and November nearly 2% lower than the average in Q3. It may end up signalling a fall in GDP in Q4. The data is still so volatile, however, that the month of December could well still change the picture.

Figure 3: Heavy traffic index and GDP



NB: Orange dot indicates September

Source: Statistics NZ, ANZ Research



Tables and charts

Figure 4. ANZ Heavy Traffic Index and GDP

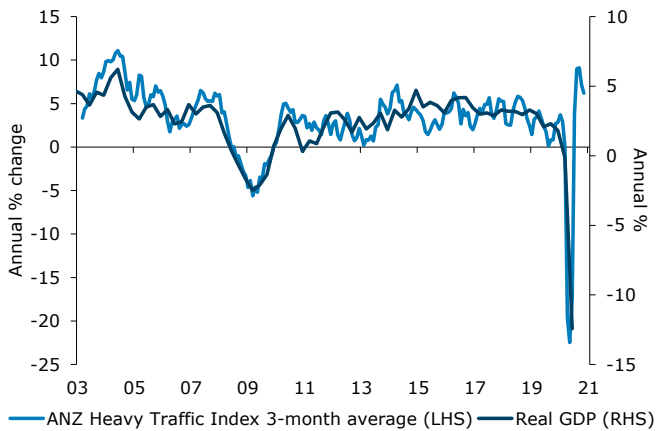


Figure 5. ANZ Light Traffic Index and GDP

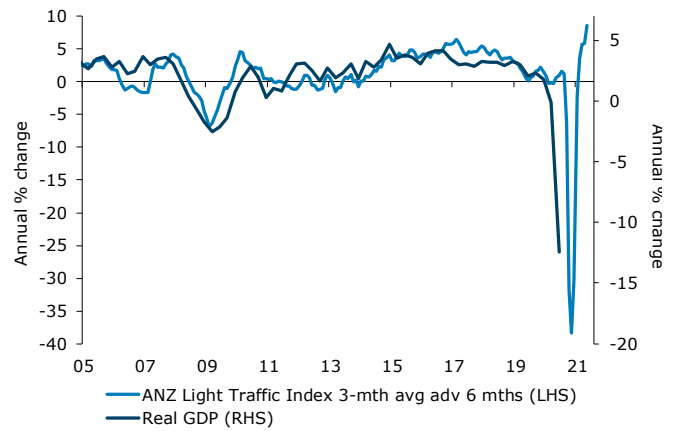


Figure 6. ANZ Heavy Traffic Index: raw vs. seas. adj.

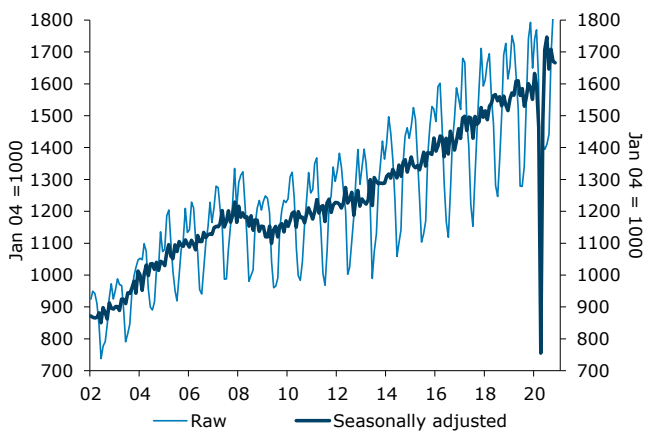
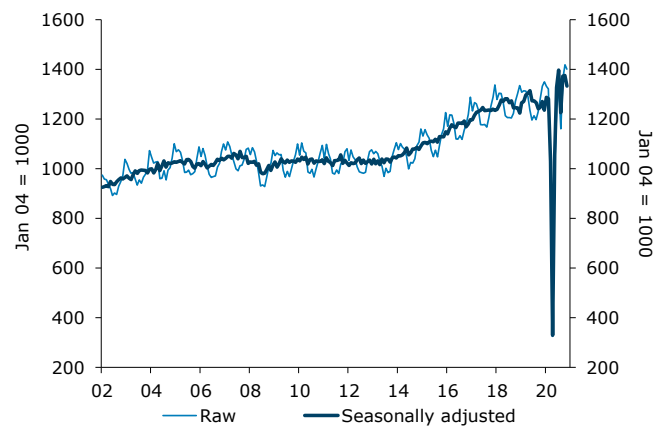


Figure 7. ANZ Light Traffic Index: raw vs. seas. adj.



Source: ANZ, NZ Transport Agency

After adjusting for seasonality, traffic flows rose on 4 of the 11 roads in the Heavy Traffic Index in November, and on none 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 |
| Nov-19 | 1271 | 1.9 | 0.6 | 1589 | -0.7 | 2.7 |
| Dec-19 | 1236 | -2.7 | 1.0 | 1551 | -2.4 | 2.8 |
| Jan-20 | 1288 | 4.2 | 1.6 | 1633 | 5.2 | 3.7 |
| Feb-20 | 1282 | -0.4 | 1.2 | 1593 | -2.4 | 2.9 |
| Mar-20 | 1030 | -19.7 | -6.1 | 1465 | -8.0 | 0.0 |
| Apr-20 | 330 | -68.0 | -31.8 | 755 | -48.4 | -19.6 |
| May-20 | 1054 | 219.5 | -38.3 | 1488 | 97.0 | -22.5 |
| Jun-20 | 1327 | 25.9 | -30.4 | 1706 | 14.6 | -17.4 |
| Jul-20 | 1398 | 5.3 | -2.2 | 1746 | 2.4 | 3.8 |
| Aug-20 | 1226 | -12.3 | 3.6 | 1647 | -5.7 | 9.0 |
| Sep-20 | 1374 | 12.1 | 5.7 | 1708 | 3.7 | 9.1 |
| Oct-20 | 1375 | 0.1 | 5.8 | 1670 | -2.2 | 7.1 |
| Nov-20 | 1333 | -3.1 | 8.6 | 1666 | -0.3 | 6.2 |

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.



Contact us

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Sharon Zollner
Chief Economist

Follow Sharon on Twitter
[@sharon_zollner](#)

Telephone: +64 27 664 3554
Email: sharon.zollner@anz.com

General enquiries:
research@anz.com

Follow ANZ Research
[@ANZ_Research](#) (global)



David Croy
Senior Strategist

Market developments, interest rates, FX, unconventional monetary policy, liaison with market participants.

Telephone: +64 4 576 1022
Email: david.croy@anz.com



Susan Kilsby
Agricultural Economist

Primary industry developments and outlook, structural change and regulation, liaison with industry.

Telephone: +64 21 633 469
Email: susan.kilsby@anz.com



Liz Kendall
Senior Economist

Research co-ordinator, publication strategy, property market analysis, monetary and prudential policy.

Telephone: +64 27 240 9969
Email: elizabeth.kendall@anz.com



Miles Workman
Senior Economist

Macroeconomic forecast co-ordinator, fiscal policy, economic risk assessment and credit developments.

Telephone: +64 21 661 792
Email: miles.workman@anz.com



Kyle Uerata
Economic Statistician

Economic statistics, ANZ proprietary data (including ANZ Business Outlook), data capability and infrastructure.

Telephone: +64 21 633 894
Email: kyle.uerata@anz.com



Natalie Denne
PA / Desktop Publisher

Business management, general enquiries, mailing lists, publications, chief economist's diary.

Telephone: +64 21 253 6808
Email: natalie.denne@anz.com



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