ANZ Research

# New Zealand Weekly Focus

8 June 2020

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Contents




NZ Economics Team

**Sharon Zollner**
**Chief Economist**
Telephone: +64 27 664 3554
sharon.zollner@anz.com

**David Croy**
**Strategist**
Telephone: +64 27 432 2769
david.croy@anz.com

**Natalie Denne**
**Desktop Publisher**
Telephone: +64 21 253 6808
natalie.denne@anz.com

**Liz Kendall**
**Senior Economist**
Telephone: +64 27 240 9969
elizabeth.kendall@anz.com

**Susan Kilsby**
**Agriculture Economist**
Telephone: +64 21 633 469
susan.kilsby@anz.com

**Kyle Uerata**
**Economic Statistician**
Telephone: +64 21 633 894
kyle.uerata@anz.com

**Miles Workman**
**Senior Economist**
Telephone: +64 21 661 792
miles.workman@anz.com

Contact
research@anz.com

Follow us on Twitter
@sharon_zollner
@ANZ_Research (global)


## Great job, but…

### Economic overview

New Zealand is nailing it when it comes to getting COVID-19 on the run – touch wood. That's certainly going to be a factor supporting the economic recovery. So too – at least in the near term – will be a faster phasing through Alert levels than we have previously assumed. However, despite these positive developments the medium term outlook remains grim. We think the nature of this shock will weigh particularly heavily on the labour market – and therefore households. Some of the hardest-hit sectors are very labour intensive, and there isn't an obvious outperformer lying in wait to pick up the slack. A second wave of lay-offs is likely once the wage subsidy expires. However, fiscal policy was never going to be able to save every job. Now, policy needs to focus on the recovery. On that front, there's certainly more the Government could be doing, but there are no easy choices here. Trade-offs are significant. But without further action, risks to the employment outlook will remain skewed to the downside.

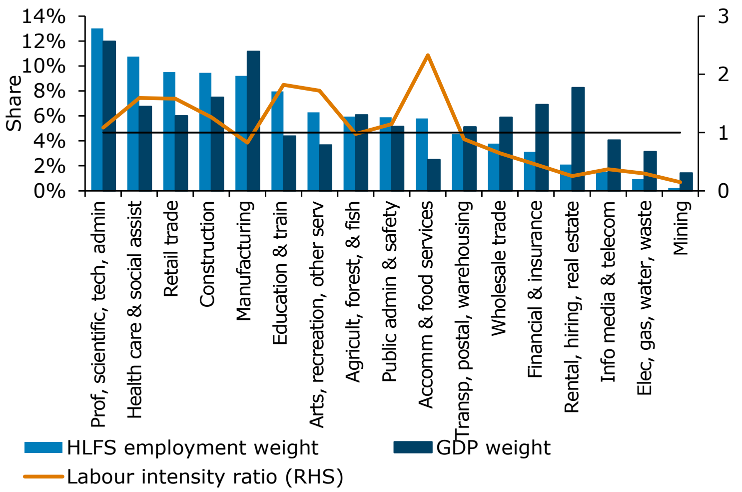
### FX/rates overview

Markets have been in the grip of a strong "re-open and rebound" thematic over the last two weeks, which has taken yields and the NZD significantly higher. This mood is likely to persist for some weeks to come, with near-term data likely by definition to be more upbeat as economies re-open, and as the vibe locally improves as we transition to Level 1. Although we did underestimate how captivated the market would be by better news (we always expected a rebound) it is in many ways understandable given the degree of uncertainty. For many market participants this has translated into nimbler positioning and shorter-term views, making markets more reactive to data. We do expect the mood to change in the second half as the realities of slower growth and elevated unemployment hit home, driving a retracement, but for now markets are going with the positive news flow, which has been helped by central bank liquidity.

### Chart of the week

Some of the hardest-hit industries in this crisis are also very labour intensive. That doesn't bode well for the outlook.

**Labour intensity by industry**




Source: Statistics NZ, ANZ Research

# Economic overview

## Summary

New Zealand is nailing it when it comes to getting COVID-19 on the run – touch wood. That's certainly going to be a factor supporting the economic recovery. So too – at least in the near term – will be a faster phasing through Alert levels than we have previously assumed. However, despite these positive developments the medium term outlook remains grim. We think the nature of this shock will weigh particularly heavily on the labour market – and therefore households. Some of the hardest-hit sectors are very labour intensive, and there isn't an obvious outperformer lying in wait to pick up the slack. A second wave of lay-offs is likely once the wage subsidy expires. However, fiscal policy was never going to be able to save every job. Now, policy needs to focus on the recovery. On that front, there's certainly more the Government could be doing, but there are no easy choices here. Trade-offs are significant. But without further action, risks to the employment outlook will remain skewed to the downside.

## Forthcoming data

**ANZ Truckometer – May (Tuesday 9 June, 10:00am).**

**ANZ Business Outlook Flash – June (Tuesday 9 June, 1:00pm).**

**Economic Survey of Manufacturing – Q1 (Wednesday 10 June, 10:45am).** Supply disruption and lockdown is expected to weigh on ex-food manufacturing, but nothing like what's on the cards for Q2.

**Electronic Card Transactions – May (Thursday 11 June, 10:45am).** Transactions fell off a cliff under lockdown; the rebound is likely to be partial.

**Performance of Manufacturing Index – May (Friday 12 June, 10:30am).** The PMI plummeted in April. May is expected to post a partial rebound, but remain in contractionary territory.

**Food Price Index – May (Friday 12 June, 10:45am).** There's less signal in these data at present with measurement difficulties being worked through. The May release will at least bring back the measurement of restaurant meals, but the dust may take a little longer to settle.

**Rental Price Index – May (Friday 12 June, 10:45am).** We think weakness in rental price inflation is overdue in these data. May must surely be the month. Rent freezes, weaker incomes, and higher inventories – it's all pointing in the same direction.

**Performance Services Index – May (Monday 15 June, 10:30am).** The PSI fell off a cliff in April. May is expected to post a partial rebound, but remain in contractionary territory.

**Net migration – April (Monday 15 June, 10:45am).** The typical volatility in these data should be no match for border closures. Expect a very weak print.

**REINZ housing market data – May (Monday 15 June).** May is when pent-up demand and a post-lockdown bounce met weakening fundamentals. We expect the latter to dominate in the longer run.

## What's the view?

*The labour market outlook is key, and not looking good.*

Despite some positive developments recently, such as phasing through the Alert Levels faster than anyone previously assumed likely, the toll on the labour market and households from this crisis will be severe. The Government is focusing its efforts on creating and maintaining jobs – and the outlook would be much worse without that – but the blow to the labour market is still going to be large, and larger than many expect. This week we take a closer look at the outlook for the labour market and discuss why we think risks remain skewed to the downside of our relatively pessimistic forecast (figure 1), despite the rebound starting a little sooner.

# Economic overview

**Figure 1. Unemployment**

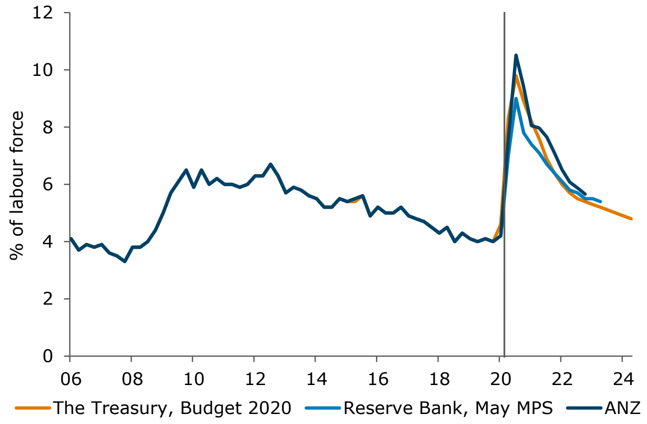
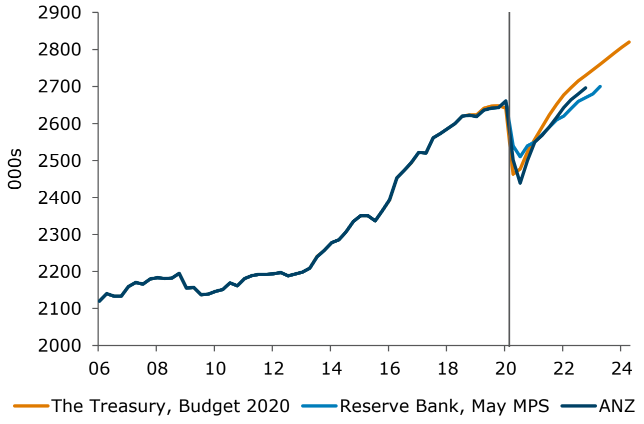



**Figure 2. HLFS employment**




Source: Statistics NZ, The Treasury, RBNZ, ANZ Research

## This crisis is different; the initial blow was immediate

*This has all happened much faster than in a normal recession*

This crisis is different to any we have faced in modern times. That means uncertainty around the outlook is extreme. It also means that economic forecasting requires significant judgement. We think that's particularly true for the labour market.

Unlike previous crises where some kind of market failure or other catalyst flows through to activity gradually (like a train wreck in slow motion), this health crisis saw an extremely abrupt shock to both the supply and demand sides of economies as lockdown measures were put in place to contain the virus.

*The usual tier one labour market data won't tell the story for a while yet…*

That abrupt disruption means the impact on the economy and the labour market will be anything but "usual". However, given data lags and measurement issues, it will be some time before our usual tier one statistics show what's going on under the hood. Q2 labour market statistics will be published in August, but the timelier indicators (figure 3 and 4) are already showing that this crisis is particularly bad, and the news stories about redundancies have been unrelenting.

**Figure 3. ANZ Business Outlook hiring**

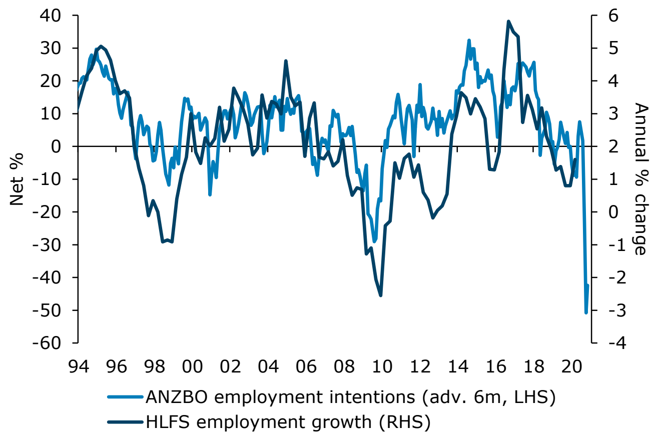
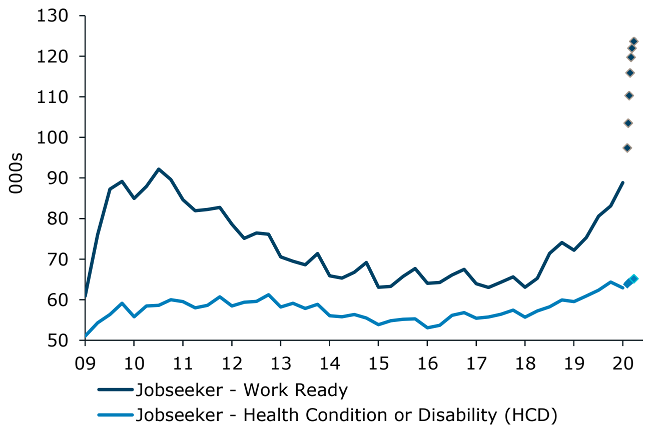



**Figure 4. Unemployment benefits**




Source: Statistics NZ, MSD, ANZ Research

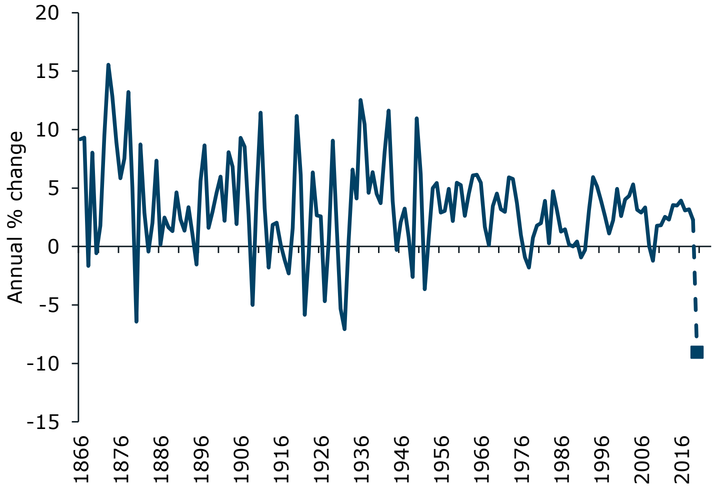
## The crisis is big, but the timing of labour market impacts is complicated

*… but we all know it's coming.*

This recession is going to be like nothing we've seen before, and it's only just getting started. The RBNZ estimates 2020 will see the biggest drop in GDP in at least 160 years (figure 5). The direct disruption effects of the lockdown will wash through the data relatively quickly. But the impact on firms' balance sheets is only just starting to be evident, and the loss of international tourism and the international student market is a gaping wound in the economy.

# Economic overview

**Figure 5. Long-term GDP**




Source: RBNZ, ANZ Research

*Even looking through the near-term lockdown disruption, the GDP shock is huge.*

The typical lagged relationship between slowing economic activity and employment (3-6 months) will be different this time.

On the one hand, the labour market impact has been more immediate; job losses and reductions in hours have already been seen alongside the drop in activity due to lockdown. The suddenness of the stop will act to pull the rise in unemployment forward compared to a normal recession.

*The timing of the labour market dynamics won't be typical, but are very hard to pick.*

Conversely, the wage subsidy scheme is enormous, and has been extended. The scheme will undoubtedly have saved many jobs, but there will no doubt be some firms who can just hold on as long as it's in place, but no longer. We therefore see a round of deferred job losses when the first set of firms roll off the scheme in late June (with the qualifying bar being raised from a 30% drop in revenue to 40% from that point), and again when the extension rolls off eight weeks later.

These dynamics mean the peak may be a little later than it would otherwise have been. That said, labour costs are far from the only factor for firms experiencing sharply lower revenue, and some in the worst-affected sectors will be forced into insolvency before the scheme runs out.

*Beyond the near-term bounce, a weaker trend will become evident.*

But this is only the beginning. As lockdown measures ease, we expect pent-up demand (and 'involuntary' lockdown savings) will support an initial bounce in activity and shore up cash-flow for a time. Indeed, that appears to be occurring right now. But before too long we also expect a weaker demand and employment trend will become evident. Despite the very welcome fact that New Zealand is progressing through the Alert Levels faster than we had previously assumed, the medium term outlook remains gloomy. We have noted previously, that as we phase through the Alert Levels the impact on economic activity will become less about what can happen (ie supply disruption) and more about what will happen (ie a weaker demand pulse). International tourism has been excised from the economy – that in itself is one heck of a demand shock. And the usual feedback loops between employment, spending and the housing market will increasingly make themselves felt.

At this stage, we expect unemployment will peak at 11% in Q3, before gradually improving. However, the timing is uncertain in the short term, volatility is expected and measurement issues are likely to create some noise.

### Labour-intensive industries to be hit hard

We think this crisis will be particularly hard on the labour market because some of the most severely impacted industries are very labour intensive.

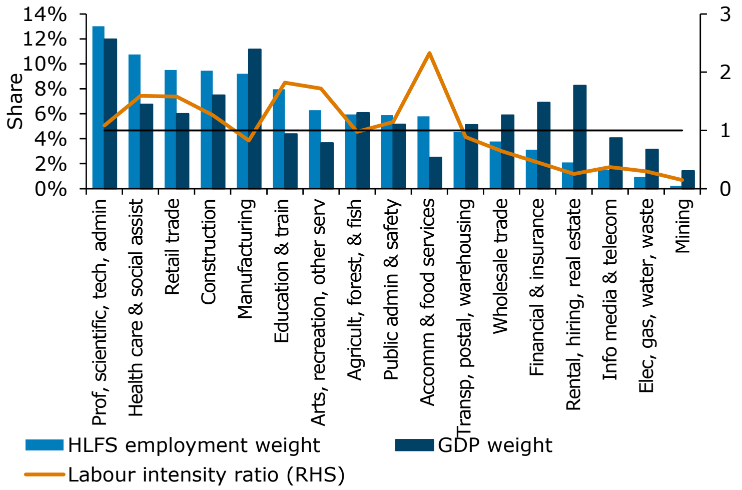
# Economic overview

*The hit to GDP is unfortunately concentrated in people-centric industries…*

In our previous Weekly, we discussed the importance of the tourism sector to the New Zealand economy. This sector is going to face challenges for a long time, and also punches above its weight in terms of the number of employed persons it supports. Finding replacement work for these displaced workers in an economic environment that's already struggling will be significantly challenging.

Figure 6 shows reliance on workers by industry (using a different cut of the GDP and labour market data than we used in our previous Tourism Weekly). Top of the list is accommodation and food services. While this industry accounted for just 2.1% of GDP in 2019, it accounted for 7.1% of filled jobs and 5.8% of employed persons. That means a shock to this industry's GDP could be amplified by around 3 times when it comes to employment.

**Figure 6. Labour intensity by industry**[1]




Source: Statistics NZ, ANZ Research

*…such as education,*

**Education and training** is expected to receive a $1.6bn boost from the Trades and Apprenticeships Training Package announced in Budget 2020. This, alongside fewer employment opportunities (which will see more people take up tertiary education than otherwise), should provide a partial offset to weak international student numbers. However, we still think this industry will struggle unless a safe way is found to reopen our borders to international students.

*recreation,*

**Arts, recreation and other services** will also be impacted by lower visitor arrivals, and it's also at the discretionary end of the spectrum when it comes to household expenditure. This is certainly an industry where the slowdown will have a material impact on employment.

*retail,*

**Retail** was already struggling before this crisis hit, being highly exposed to the minimum wage and facing heightened competition from online channels. This industry also has a relatively high labour dependence, has been particularly hard hit by lockdown measures, and will see a pull-back in discretionary spending once the pent-up demand induced bounce washes out. However, relative to history, this industry is a lot less labour intensive than it used to be, with online channels competing with bricks and mortar and self-checkouts becoming more mainstream – in fact, this industry is NZ's star performer when it comes to labour productivity (see figure 9 on page 8).

*and construction.*

**Construction** activity also has a relatively high labour intensity, and one that's been highly dependent on migrant workers in recent years. While there is some scope for New Zealand workers to fill the gap left by fewer migrants, training will be required and that takes time. Further, despite the Government's plans to boost residential

[1] Weights are calculated as a share of their sum opposed total GDP and employed persons. This captures approximately 90% of GDP and 99% of employed persons. Unallocated GDP accounts for the majority of the mismatch.

*The public sector will provide an offset.*

construction and infrastructure spending, weak private sector investment will remain a significant drag. We see fiscal support in this space as partially absorbing the blow to the construction industry, but not transforming it into a stronger industry than it was before the crisis.

However, there are a couple of labour-intensive industries that should weather this crisis relatively well: Health care and social assistance, and public administration and safety. These industries may be able to absorb displaced workers from elsewhere to some extent, but like construction, this will require retraining in many cases. So it's not going to happen overnight.

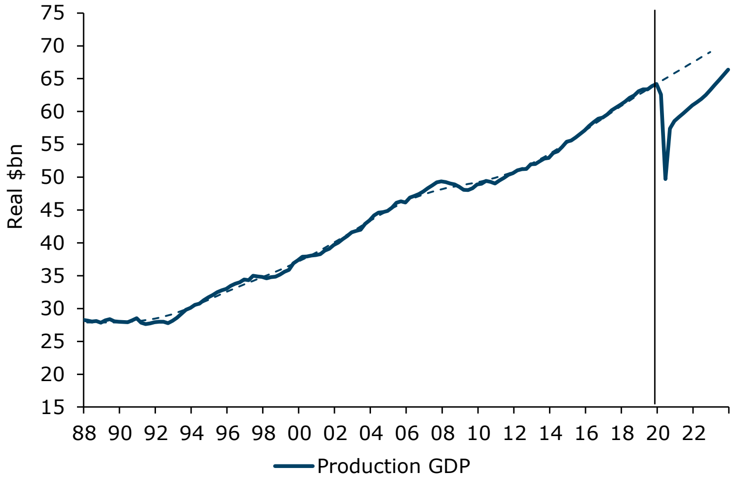
At the lower end of the labour intensity spectrum, mining, electricity, and manufacturing (particularly food manufacturing) are likely to be less impacted by closed international borders and weak household discretionary spending. And even if they are significantly affected, their respective second-round impacts (through job layoffs) should be relatively small.

### Risks to employment are skewed to the downside

*Jobs tend to return relatively slowly due to employers being cautious.*

Beyond the short term, we see risks to the employment outlook as skewed to the downside. Following the GFC, it took three years for employment to return to pre-crisis levels. And that was barely a bump in the road compared to this crisis (figure 7). Our current forecasts have employment back at pre-crisis levels a little after two years. The Reserve Bank a little longer, the Treasury a little shorter. But given the size of the economic contraction that's underway and the labour-intensity of the most severely impacted industries, it's clear that the medium-term employment outlook faces some significant downside risks. The efficacy of fiscal and monetary policy will have a lot to say about how the outlook evolves, but the risk that policy makers provide too much stimulus appears minuscule to us.

**Figure 7. Production GDP outlook**




Source: Haver, Macrobond, Statistics NZ, ANZ Research

### Government initiatives will help, but hard choices are needed

The fiscal policy response to this crisis has been, appropriately, unprecedented in its size. Monetary policy, which was low on ammo to start with, has also been working hard. Macro-policy will only be able to partially offset the impacts of this crisis, but that doesn't mean more isn't needed.

We think there's more the Government could be doing to support the recovery, jobs growth and household incomes. But unlike getting out the Government's cheque book, some tougher decisions need to be made, and not all of the options that will boost employment are politically palatable. But given the magnitude of this crisis, and the nasty social outcomes (in areas such as poverty, mental health, general health, domestic violence and other crimes) that can be expected to accompany it, we think everything should be put on the table.

*Hard choices loom.*

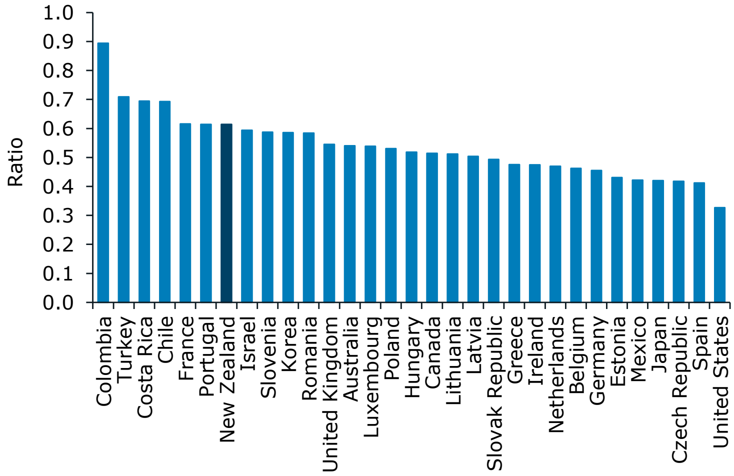
## Initiatives to improve labour market flexibility would be helpful

A flexible approach to labour market regulation could yield net benefits great enough to at least warrant the discussion. Minimum wage rises have been a substantial cost to firms, and at the current juncture will likely be a significant drag on household incomes, as the loss owing to higher-than-otherwise unemployment will be greater than the gain to those earning at the minimum level.

*Minimum wage rises don't just cost employers.*

The Ministry of Business Innovation and Employment estimate that the recent minimum wage rise came at the cost of around 6500 jobs. That number is likely much higher now that the economy is in the midst of an extreme crisis – and particularly in sectors such as retail, tourism and hospitality that are heavily exposed to the minimum wage and particularly impacted by this crisis. Relative to our OECD peers, New Zealand's minimum wage rate relative to the median wage is at the higher end of the spectrum (figure 8). All else equal, this will slow the pace of job creation.

**Figure 8. Minimum relative to median wages of full-time workers**




Source: OECD

*There are other ways of boosting incomes.*

The Government has other levers it can pull (taxes and transfer payments) to maintain or boost incomes at the lower end of the spectrum, while simultaneously reducing the minimum wage burden on firms. This would certainly help keep more people connected to the labour market than otherwise.

*Firms may require an extra prod to hire.*

A flexible approach to labour market regulation could go a lot further than adjusting the policy-induced labour cost floor. Incentivising firms to hire during the recovery phase should also be considered. Firms are going to face immense uncertainty around the outlook as we transition through the recovery. And that means they will be reluctant to hire. Temporarily compensating businesses when they take on unemployed workers (a different approach to wage subsidies) as they learn the ropes could help mitigate this. It's also likely that employers will be looking for more flexibility when it comes to setting hours, enabling businesses to adjust their labour costs to demand for their goods and services. Reduced hours are already occurring, but some employment contracts make that difficult, meaning more people than otherwise are getting laid off.

*Looking after workers is extremely important, but so is adding to their numbers.*

Protecting worker rights, compensation rates, and job and income security are all extremely important. But in times of crisis there is a huge trade off when it comes to labour market regulatory settings: look after those who are lucky enough to maintain employment through the crisis, or flex policy settings so fewer people lose their jobs and more people are rehired during the recovery.

There's certainly no free lunch here, but a flexible approach could make a huge difference. The problem is, it's extremely political and "optimal" policy settings (through a wellbeing lens) are difficult to gauge. But as things stand, rigidity in this space remains, and this will make for a slower recovery than otherwise, weaker employment for longer, and more persistent fiscal deficits.

We're not saying that the current policy prescription won't help cushion the blow – it most certainly will – but there's more that could be done, and the magnitude of this crisis warrants that it be considered. Changes only need to be in place until the labour market is back on its feet again.

### Longer-run challenges will remain.

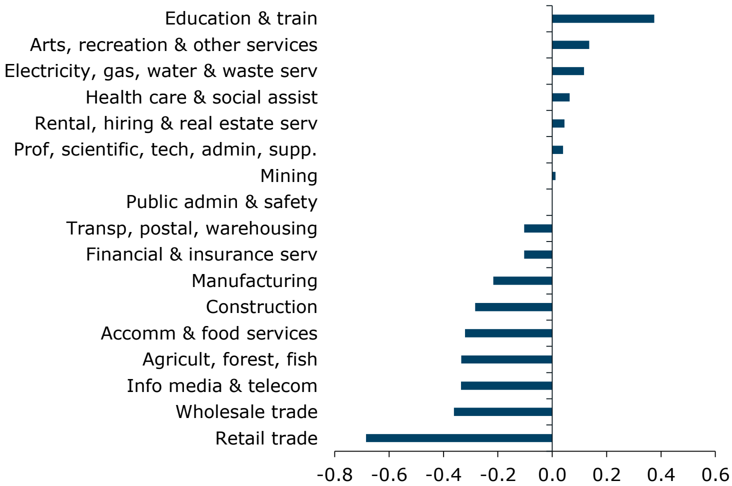
*Productivity growth is the key to sustainably higher real wages.*

The New Zealand economy had its fair share of issues well before COVID-19 ravaged the globe. Productivity has been lacklustre in recent years as migration-induced population growth stepped up to become a key driver of economic expansion. In fact, some of our largest industries haven't experienced any labour productivity at all over the past 10 years. Others have moved backwards! Figure 9 shows how the number of hours worked in a certain industry has changed relative to that industry's output. A negative number is a productivity success story, showing that fewer hours are required per unit of output relative to 2010.

Retail has had the most success in this space thanks to its adoption of technology, but according to our business survey data this hasn't made the sector more profitable. Rather it's been a case of adapt or die as bricks and mortar retailers face fierce competition from online. And for the smaller players, things are particularly rough. Some of the productivity-enhancing tech (such as self-checkout) is too costly for smaller firms to adopt.

*Our performance on this front has been decidedly mixed.*

**Figure 9. Change in hours worked to GDP ratio 2010 – 2019**




Source: Statistics NZ, ANZ Research

*Crises spur innovation, but firms may need some extra incentives to take risk in this environment.*

Policymakers need to consider how best to pivot away from the old migration-induced driver of growth towards productivity – and that will require investment, innovation and risk taking. Indeed, times of disruption such as we are now experiencing cause a lot of pain but also spur innovation. The business community is well placed to understand these challenges and take them on, but policy will need to offer more than stop-gap support measures (such as the wage subsidy) to achieve it. The reinstatement of tax depreciation on non-residential commercial and industrial buildings was a step in the right direction, but this certainly won't be a game changer – particularly given demand for office space is likely to be lower in the post-COVID world now that working from home has proven to be quite efficient for many businesses.

# Economic overview

Targeted productivity-focused policy today will mean higher than otherwise growth tomorrow and an easier path through fiscal consolidation when the time comes to pay the piper. This is also the key to higher incomes and wellbeing, but it's not easy.

## The week ahead

*Bring on Level One.*

The Alert Level One announcement later today will be a huge focus. But while we're transitioning through alert levels faster than expected, underlying demand is expected to remain soggy. There will be an initial bounce in activity, but it will be partial.

*Q1 GDP is largely irrelevant.*

We'll also get the last of the Q1 GDP partials this week: Wholesale trade, and the Economic Survey of Manufacturing. Our Q1 GDP Preview note will follow, but fair to say, the bulk of this crisis won't be evident in these data until the Q2 figures are released in mid-September. The May PMI (on Friday) and PSI (on Monday) should show some rebound, but both are expected to remain firmly in contractionary territory. Our May Truckometer indices are out Tuesday and will also offer an initial gauge of activity coming out of lockdown.

On the inflation front, May food and rental prices are out the following Monday (postponed from Friday). The latter is expected to weaken, but there will be some residual noise in these data. Likewise, REINZ housing market data for May (out Monday) could be a little noisy, as pent-up demand and a post-lockdown bounce meets weakening fundamentals. It may take a few more months for these data to deteriorate markedly.

## Local data

**Overseas Trade Indices – Q1.** The terms of trade fell 0.7% q/q, with export prices down 0.2% and import prices up 0.5%. Import prices were surprisingly strong given how weak oil prices were in the quarter. Pipeline weakness on both sides is expected to persist.

**Building consents – April.** Consents were down around 17% from the same time last year. But this could be understating weakness in the construction sector – some projects will be cancelled.

**GlobalDairyTrade auction.** The GDP price index lifted 0.1% as gains in whole milk powder (WMP) offset losses in most of the other categories. Long may this resilience live.

**ANZ Commodity Price Index – May.** The world price index fell 0.1% in May. Commodity prices have held up extremely well so far given the global backdrop, but prices are expected to ease in the months ahead. The NZD index fell 1.3% as the kiwi dollar appreciated in the month.

**Work Put in Place – Q1.** Down 5.7% on the back of lockdown. More weakness is on the cards.

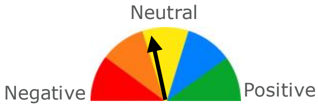
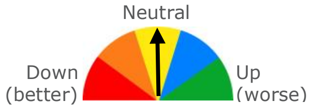
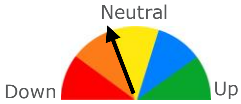
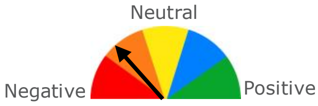
## What you may have missed

Please contact us if you would like to be added to the distribution list for any of these publications. Otherwise click on the links below to view reports.

- ANZ Agri Focus – Difficult road ahead
- ANZ NZ Commodity Price Index – Foot off the gas pedal
- ANZ NZ Roy Morgan Consumer Confidence - Still subdued
- NZ Insight - Where to now with Quantitative Easing?
- NZ Insight - The recession is just beginning
- ANZ NZ Business Outlook - One step at a time

# Economic overview

## The ANZ heatmap

| Variable | View | Comment | Risks around our view |
|---|---|---|---|
| GDP | -5.5% y/y for 2021 Q1 | Highly uncertain and with a slow recovery. Downside risks loom. Our expectation for more QE provides some modest upside. |  |
| Unemployment rate | 8.1% for 2021 Q1 | The labour market is set to deteriorate rapidly, with the unemployment rate set to rise significantly. |  |
| Monetary policy | OCR at 0.25% in June 2021 | A 0.25% OCR is here for the rest of the year. We see QE being expanded and have pencilled in $90bn by August for now. |  |
| CPI | 0.1% y/y for 2021 Q1 | Inflation is currently around where it needs to be, but is set to slip and remain weak as the slowdown takes hold. |  |

# FX / rates overview

## Summary

Markets have been in the grip of a strong "re-open and rebound" thematic over the last two weeks, which has taken yields and the NZD significantly higher. This mood is likely to persist for some weeks to come, with near-term data likely by definition to be more upbeat as economies re-open, and as the vibe locally improves as we transition to Level 1. Although we did underestimate how captivated the market would be by better news (we always expected a rebound) it is in many ways understandable given the degree of uncertainty. For many market participants this has translated into nimbler positioning and shorter-term views, making markets more reactive to data. We do expect the mood to change in the second half as the realities of slower growth and elevated unemployment hit home, driving a retracement, but for now markets are going with the positive news flow, which has been helped by central bank liquidity.

*Markets are in the grip of a positive "risk-on" vibe which will likely continue for a few more weeks.*

The mood in financial markets has changed dramatically over the past few weeks, with the "re-open and rebound" thematic delivering a shot in the arm to risk appetite. These moves have taken long-term interest rates, equities and risk currencies like the NZD sharply higher over recent days, building on earlier gains made (particularly in equities) on the back of the strong increase in liquidity provided by central banks across the world via quantitative easing.

*The magnitude of the rebound in markets has surprised us – we expected the data to rebound.*

We did underestimate the market impact of recent moves, and that was largely because we had been expecting a rebound in the data, and were of the view that some recovery was priced in. We're also more focused on the recession that will follow the disruption, rather than on the near-term (spectacular) noise related to the lockdown period. However, some data such as US jobs has surprised on the upside, and markets have been trading more on short-term rather than longer-term themes. This likely reflects a combination of nimbler positioning by traders who have turned quickly from bearish to bullish, and stop-loss covering of bearish bets by longer-term players.

Looking ahead we do expect more challenges ahead, but these may not become more evident until well into Q3. In the meantime, there is likely to be a lot of (relatively) positive news, which is likely to underscore recent moves and possibly propel them further.

*Looking ahead, we still have reservations and expect challenges.*

It's certainly difficult to envisage the mood changing this week following much better data out of the US on Friday, with non-farm payrolls growing by +2.5m, rather than shrinking by -7.5m as the street expected. Such wide-of-the-mark forecast errors do demand a re-think of the outlook, but they are also a reminder of how murky the picture is. It's worth noting that despite the improvement, US unemployment is still high in level terms, at 13.3% (it had averaged 3.5% in the 6 months prior to March). And while temporary lockdown layoffs are reversing, 'real' job losses are rising. So while things may not be quite as bad as they could have been, they're hardly rosy and we find it difficult to reconcile asset prices and currencies recovering to pre-COVID-19 highs given the level shock to activity here and abroad.

Distilling all that down then, we have an outlook that is likely to be buoyant in the short term (and to a degree that might defy belief) but that remains challenged over the medium to long term. Markets often find these types of environments difficult – essentially they have to decide whether this is a true turning point or just a correction. We tend to think it's more the latter, but acknowledge that the next few weeks will be confusing. Ultimately we do see the NZD coming back and the yield curve retreating off recent highs, but it likely to take longer and won't be an armchair ride.

*Local specific factors are at play in the bond market.*

*We have a new bond coming …*

Across the rates space, there are some New Zealand specific factors at play that also point to rates remaining higher for a bit longer (in addition to the higher global yields). The most obvious of these is the launch of the new NZGB 2024 bond, which is planned for next week. NZDM has not confirmed the size of the deal, but it will need to be at least $3bn if they are to be able to complete this year's $25bn funding target. Chances are it will be larger with yields now well up off lows and the incentive NZDM has to pre-fund as much as it can ahead of the next fiscal year's gigantic $60bn funding task.

# FX / rates overview

Yields are likely to remain elevated until this deal gets launched.

*… and the pace of QE has slowed.*

Another factor is the changing nature of the RBNZ's LSAP QE programme. It remains a quantity-based programme, which implies by definition that buying will be ongoing. But the pace of buying has changed (from $1.8bn per week during some weeks in April to $1.35bn through most of May, to $1.075bn last week and this) and the market is slowly adjusting to that.  We would not be surprised to see the volume of bonds purchased trend lower in due course (even if we see a temporary increase around the time the 2024 bond is issued) now that financial conditions have eased.

*QE is still having an impact on liquidity though.*

It is certainly evident that the RBNZ is less responsive to the level of yields *per se* than perhaps the market had expected. There had been a feeling in the market that the RBNZ would be more interventionist if yields popped higher, but they have not been, and the market has had to adjust to that realisation too. It's not a game-changer but it does suggest that the RBNZ is willing to let markets interpret the news flow, with a move higher in yields see as acceptable based on a better outlook (rather than as a consequence of market dysfunction). That said, we think that market optimism about the outlook is overdone, and that will become evident in time, either through weaker data or from a reality check about the outlook from the RBNZ. The RBNZ will need to stay the course with monetary stimulus, given the long and challenging road ahead to meet its targets. We think this will see market pricing challenged in time, especially with QE expected to be expanded, but the RBNZ appears less inclined to stand in the way – at least for now.

*QE will continue to supress yields though, even if it slows.*

It also suggests that the RBNZ is as focussed on the liquidity channel of QE. As QE continues, each time bonds are purchased that adds liquidity to the banking system, which has beneficial spill-over effects, including keeping credit spreads narrow.

All that said, QE will continue and that in itself will help keep the curve lower and flatter than it otherwise would have been. As yields have risen we have seen the RBNZ shift the composition of weekly purchases towards the long end, even as the overall amount of buying has been adjusted down. So the RBNZ is still being responsive, even if the market had hoped for more.  Markets still expect more easing ahead, even if expectations of negative rates have been pared back. These factors will limit how far yields can rise and should ultimately help them go lower as the realities of slower growth and higher unemployment become evident in Q3.

On that score, we have tweaked our interest rate forecasts. This is mostly technical – we still expect yields to retreat from their current higher levels in time – but as the benchmark 10-year NZGB has shifted from the 2029 bond to the 2031, we have incorporated that into our forecasts.

*The NZD is having a good run now and that might continue for a time, but it will run out of steam eventually.*

In the FX space, we also expect an eventual downward correction for the NZD and other risk currencies, but it is difficult to see that happening in the very near future given the positivity of sentiment and the likely sheer volume of positive data that the market has to "wade through" before realities bite later on down the track. It's always difficult to have a down-then-up (or vice versa) view, and we're not trying to have a foot in both camps, but the short-term drivers are more positive and we need to acknowledge that, even though we continue to expect conditions to be more challenging over the medium term. We expect a turning point will be reached soon, but we are not there yet.

# Data calendar

| Date | Country | Data/event | Mkt. | Last | NZ time |
|---|---|---|---|---|---|
| 8-Jun | NZ | Volume of All Buildings SA QoQ - Q1 | -3.0% | -0.8% | 10:45 |
| | JN | GDP SA QoQ - Q1 F | -0.5% | -0.9% | 11:50 |
| | JN | GDP Annualized SA QoQ - Q1 F | -2.1% | -3.4% | 11:50 |
| | JN | GDP Nominal SA QoQ - Q1 F | -0.4% | -0.8% | 11:50 |
| | JN | GDP Deflator YoY - Q1 F | 0.9% | 0.9% | 11:50 |
| | JN | BoP Current Account Balance - Apr | ¥377.2B | ¥1971.0B | 11:50 |
| | JN | BoP Current Account Adjusted - Apr | ¥331.6B | ¥942.3B | 11:50 |
| | JN | Trade Balance BoP Basis - Apr | -¥965.6B | ¥103.1B | 11:50 |
| | GE | Industrial Production SA MoM - Apr | -16.50% | -9.20% | 18:00 |
| | GE | Industrial Production WDA YoY - Apr | -24.80% | -11.60% | 18:00 |
| | EC | Sentix Investor Confidence - Jun | -22.0 | -41.8 | 20:30 |
| 9-Jun | NZ | ANZ Truckometer Heavy MoM - May | -- | -45.0% | 10:00 |
| | NZ | ANZ Business Confidence - Jun P | -- | -41.8 | 13:00 |
| | NZ | ANZ Activity Outlook - Jun P | -- | -38.7 | 13:00 |
| | AU | ANZ Job Advertisements MoM - May | -- | -53.1% | 13:30 |
| | AU | NAB Business Conditions - May | -- | -34.0 | 13:30 |
| | AU | NAB Business Confidence - May | -- | -46.0 | 13:30 |
| | GE | Trade Balance - Apr | €11.6B | €17.4B | 18:00 |
| | GE | Current Account Balance - Apr | €14.1B | €24.4B | 18:00 |
| | GE | Exports SA MoM - Apr | -15.6% | -11.7% | 18:00 |
| | GE | Imports SA MoM - Apr | -16.0% | -5.0% | 18:00 |
| | GE | Labor Costs SA QoQ - Q1 | -- | 0.0% | 18:00 |
| | GE | Labor Costs WDA YoY - Q1 | -- | 3.0% | 18:00 |
| | EC | Employment QoQ - Q1 F | -- | -0.2% | 21:00 |
| | EC | Employment YoY - Q1 F | -- | 0.3% | 21:00 |
| | EC | GDP SA QoQ - Q1 F | -3.8% | -3.8% | 21:00 |
| | EC | GDP SA YoY - Q1 F | -3.2% | -3.2% | 21:00 |
| | US | NFIB Small Business Optimism - May | 92.2 | 90.9 | 22:00 |
| 10-Jun | US | JOLTS Job Openings - Apr | 5750 | 6191 | 02:00 |
| | US | Wholesale Inventories MoM - Apr F | 0.4% | 0.4% | 02:00 |
| | US | Wholesale Trade Sales MoM - Apr | -- | -5.2% | 02:00 |
| | NZ | Mfg Activity SA QoQ - Q1 | -- | 2.4% | 10:45 |
| | NZ | Mfg Activity Volume QoQ - Q1 | -- | 2.7% | 10:45 |
| | AU | ANZ-RM Consumer Confidence Index - 7-Jun | -- | 98.3 | 11:30 |
| | JN | PPI MoM - May | -0.3% | -1.5% | 11:50 |
| | JN | PPI YoY - May | -2.4% | -2.3% | 11:50 |
| | AU | Westpac Consumer Conf Index - Jun | -- | 88.1 | 12:30 |
| | AU | Westpac Consumer Conf SA MoM - Jun | -- | 16.4% | 12:30 |
| | CH | PPI YoY - May | -3.2% | -3.1% | 13:30 |
| | CH | CPI YoY - May | 2.7% | 3.3% | 13:30 |
| | AU | Investor Loan Value MoM - Apr | -- | -2.5% | 13:30 |
| | AU | Home Loans Value MoM - Apr | -12.5% | 0.2% | 13:30 |
| | AU | Owner-Occupier Loan Value MoM - Apr | -10.0% | 1.2% | 13:30 |
| | EC | OECD Publishes Economic Outlook - | -- | -- | 21:00 |
| | US | MBA Mortgage Applications - 5-Jun | -- | -3.9% | 23:00 |
| | CH | Money Supply M2 YoY - May | 11.3% | 11.1% | 10-15 Jun |
| | CH | New Yuan Loans CNY - May | 1600.0B | 1697.8B | 10-15 Jun |
| 11-Jun | US | CPI MoM - May | 0.0% | -0.8% | 00:30 |

Continued on following page

# Data calendar

| Date | Country | Data/event | Mkt. | Last | NZ time |
|---|---|---|---|---|---|
| 11-Jun | US | CPI YoY - May | 0.3% | 0.3% | 00:30 |
| | US | CPI Ex Food and Energy MoM - May | 0.0% | -0.4% | 00:30 |
| | US | CPI Ex Food and Energy YoY - May | 1.3% | 1.4% | 00:30 |
| | US | FOMC Rate Decision - Jun | 0.25% | 0.25% | 06:00 |
| | US | Monthly Budget Statement - May | -$625.0B | -$737.9B | 06:00 |
| | NZ | Card Spending Retail MoM - May | 65.0% | -46.8% | 10:45 |
| | NZ | Card Spending Total MoM - May | -- | -48.0% | 10:45 |
| | UK | RICS House Price Balance - May | -24% | -21% | 11:01 |
| | AU | Consumer Inflation Expectation - Jun | -- | 3.40% | 13:00 |
| 12-Jun | US | PPI Final Demand MoM - May | 0.10% | -1.30% | 00:30 |
| | US | PPI Final Demand YoY - May | -1.30% | -1.20% | 00:30 |
| | US | PPI Ex Food and Energy MoM - May | -0.10% | -0.30% | 00:30 |
| | US | PPI Ex Food and Energy YoY - May | 0.50% | 0.60% | 00:30 |
| | US | Initial Jobless Claims - 6-Jun | 1550k | 1877k | 00:30 |
| | US | Continuing Claims - 30-May | 20600k | 21487k | 00:30 |
| | NZ | BusinessNZ Manufacturing PMI - May | -- | 26.1 | 10:30 |
| | JN | Industrial Production MoM - Apr F | -- | -9.1% | 16:30 |
| | JN | Industrial Production YoY - Apr F | -- | -14.4% | 16:30 |
| | UK | Monthly GDP (MoM) - Apr | -18.0% | -5.8% | 18:00 |
| | UK | Monthly GDP (3M/3M) - Apr | -10.1% | 0.1% | 18:00 |
| | UK | Industrial Production MoM - Apr | -15.0% | -4.2% | 18:00 |
| | UK | Industrial Production YoY - Apr | -19.3% | -8.2% | 18:00 |
| | UK | Manufacturing Production MoM - Apr | -15.6% | -4.6% | 18:00 |
| | UK | Manufacturing Production YoY - Apr | -19.9% | -9.7% | 18:00 |
| | UK | Construction Output MoM - Apr | -25.8% | -5.9% | 18:00 |
| | UK | Construction Output YoY - Apr | -34.5% | -7.1% | 18:00 |
| | UK | Index of Services MoM - Apr | -20.0% | -6.2% | 18:00 |
| | UK | Index of Services 3M/3M - Apr | -10.2% | -1.9% | 18:00 |
| | UK | Visible Trade Balance GBP/Mn - Apr | -£11271M | -£12508M | 18:00 |
| | UK | Trade Balance Non EU GBP/Mn - Apr | -£4433M | -£4880M | 18:00 |
| | UK | Trade Balance GBP/Mn - Apr | -£5500M | -£6676M | 18:00 |
| | EC | Industrial Production SA MoM - Apr | -20.0% | -11.3% | 21:00 |
| | EC | Industrial Production WDA YoY - Apr | -28.3% | -12.9% | 21:00 |
| 13-Jun | US | Import Price Index MoM - May | 0.6% | -2.6% | 00:30 |
| | US | Import Price Index YoY - May | -6.4% | -6.8% | 00:30 |
| | US | Export Price Index MoM - May | 0.7% | -3.3% | 00:30 |
| | US | Export Price Index YoY - May | -- | -7.0% | 00:30 |
| | US | U. of Mich. Sentiment - Jun P | 75.0 | 72.3 | 02:00 |
| | US | U. of Mich. Current Conditions - Jun P | -- | 82.3 | 02:00 |
| | US | U. of Mich. Expectations - Jun P | -- | 65.9 | 02:00 |
| | US | U. of Mich. 1 Yr Inflation - Jun P | -- | 3.2% | 02:00 |
| | US | U. of Mich. 5-10 Yr Inflation - Jun P | -- | 2.7% | 02:00 |

Key: AU: Australia, EC: Eurozone, GE: Germany, JN: Japan, NZ: New Zealand, UK: United Kingdom, US: United States, CH: China.
Source: Dow Jones, Reuters, Bloomberg, ANZ Bank New Zealand Limited. All $ values in local currency.
Note: All surveys are preliminary and subject to change

# Local data watch

| Date | Data/event | Economic signal | Comment |
|---|---|---|---|
| Tue 9 Jun (10:00am) | ANZ Truckometer – May | -- | -- |
| Tue 9 Jun (1:00pm) | ANZ Business Outlook – June Preliminary | -- | -- |
| Wed 10 Jun (10:45am) | Economic Survey of Manufacturing– Q1 | Was steady | Manufacturing activity was holding pretty steady and then lockdown hit at the very end of the quarter. |
| 10 -17 Jun | REINZ housing data – May | Bumpy | The housing market was bank on line in May, so expect sales to rebound some, but weakness in prices is expected to emerge. |
| Thu 11 Jun (10:45am) | Electronic Card Transactions – May | Up | Expect a bounce as some spending comes back, but even if growth is strong, the trend is set to be lower. |
| Mon 15 Jun (10:45am | Food Price Index – May | Uncertain | Some prices had to be imputed in April, and that would have continued into the first half of May. |
| Mon 15 Jun (10:45am) | Rental Price Index – May | Wither | Fewer international visitors and rent freezes. Is this historically significant driver of domestic inflation about to wither? |
| Mon 15 Jun (10:45am) | Net Migration – April | Nope | Visitor arrivals have fallen to close to zero with borders closed, so there will be nothing to see here -- literally. |
| Tue 16 Jun (1:00pm) | ANZ Monthly Inflation Gauge – May | -- | -- |
| Wed 17 Jun (early am) | GlobalDairyTrade auction | Weaker | The downward trend on prices is expected to continue through the winter months as new season product starts to be offered. |
| Wed 17 Jun (10:45am) | Balance of Payments – Q1 | Narrow | The annual current account deficit is expected to narrow owing largely to weak goods imports and robust goods exports. |
| Thu 18 Jun (10:45am) | GDP – Q1 | Over the top | We will firm up our view in coming weeks. But for now we expect GDP contracted 2.5% q/q in Q1 as the crisis started. |
| Wed 24 Jun (2:00pm) | RBNZ OCR Review – June | All the stops | The RBNZ will continue to emphasise it will pull out all the stops and that it has plenty of options. We see more QE in time, with an expansion to a $90bn limit pencilled in for August. |
| Thu 25 Jun (10:45am) | Overseas Merchandise Trade – May | It's relative | Exports should remain relatively robust, but both sides are under downward pressure. |
| Thu 25 Jun (3:00pm) | RBNZ new mortgage lending data – May | Rebound | New lending fell almost 50% in April. May should bring a rebound as pent-up demand is met. |
| Fri 26 Jun (10:00am) | ANZ Roy Morgan Consumer Confidence – June | -- | -- |
| Mon 30 Jun (1:00pm) | ANZ Business Outlook – June | -- | -- |
| Mon 30 Jun (3:00pm) | RBNZ sectoral lending data – May | Working capital | Business credit growth was strong in April, as working capital loans helped fill the gap for many businesses. This may persist into May. |
| Tue 1 Jul (10:45am) | Building Consents – May | Signal | April data probably underestimate underlying weakness in this sector. The May release could be a similar in that respect. |
| Mon 6 Jul (1:00pm) | ANZ Commodity Price Index – June | -- | -- |
| Tue 7 Jul (10:00am) | NZIER Quarterly Survey of Business Opinion – Q2 | Not pretty | Like the ANZ Business Outlook, it won't be pretty. |
| Wed 8 Jul (early am) | GlobalDairyTrade auction | Weaker | Prices are expected to continue to ease through Q2 and Q3, but milk powders should outperform fat products. |
| Thu 9 Jul (10:00am) | ANZ Truckometer – June | -- | -- |
| **On balance** | | **Data watch** | **Risks are clearly tilted to the downside, with global developments evolving rapidly.** |

# Key forecasts and rates

| | Dec-19 | Mar-20 | Jun-20 | Sep-20 | Dec-20 | Mar-21 | Jun-21 | Sep-21 | Dec-21 |
|---|---|---|---|---|---|---|---|---|---|
| GDP (% qoq) | 0.5 | **-2.5** | **-20.6** | **15.5** | **2.0** | **1.0** | **1.0** | **1.0** | **1.0** |
| GDP (% yoy) | 1.8 | **-1.2** | **-21.6** | **-10.1** | **-8.8** | **-5.5** | **20.2** | **5.1** | **4.1** |
| CPI (% qoq) | 0.5 | 0.8 | **-0.4** | **0.1** | **-0.1** | **0.5** | **0.2** | **0.3** | **-0.2** |
| CPI (% yoy) | 1.9 | 2.5 | **1.6** | **1.0** | **0.4** | **0.1** | **0.7** | **0.9** | **0.8** |
| Employment (% qoq) | 0.0 | 0.7 | **-6.0** | **-2.5** | **2.5** | **2.0** | **0.7** | **0.9** | **1.0** |
| Employment (% yoy) | 1.0 | 1.6 | **-5.1** | **-7.7** | **-5.4** | **-4.2** | **2.6** | **6.2** | **4.7** |
| Unemployment Rate (% sa) | 4.0 | 4.2 | **7.6** | **10.5** | **9.4** | **8.1** | **8.0** | **7.7** | **7.1** |

| | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 |
|---|---|---|---|---|---|---|---|---|---|---|
| Retail ECT (% mom) | 1.1 | 0.2 | -0.3 | 2.8 | -0.6 | -1.1 | 1.7 | -4.6 | -46.8 | -- |
| Retail ECT (% yoy) | 3.1 | 0.6 | 1.6 | 5.1 | 3.9 | 4.2 | 8.6 | -1.8 | -47.5 | -- |
| Car Registrations (% mom) | -0.7 | 4.3 | -6.6 | 0.4 | 1.3 | -6.1 | 8.7 | -30.8 | -88.9 | 853.0 |
| Car Registrations (% yoy) | -5.2 | 4.7 | -6.6 | 3.0 | 5.6 | -3.5 | -0.3 | -31.1 | -92.5 | -24.6 |
| Building Consents (% mom) | 0.1 | 7.1 | -2.0 | -9.0 | 10.1 | -4.3 | 10.0 | -21.7 | -6.5 | -- |
| Building Consents (% yoy) | 12.0 | 24.1 | 18.7 | 8.0 | 17.4 | 1.4 | 5.3 | -12.9 | -14.2 | -- |
| REINZ House Price Index (% yoy) | 2.7 | 3.2 | 3.9 | 5.5 | 6.5 | 6.9 | 8.5 | 9.1 | 8.5 | -- |
| Household Lending Growth (% mom) | 0.6 | 0.5 | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 | 0.3 | -0.6 | -- |
| Household Lending Growth (% yoy) | 6.0 | 6.1 | 6.2 | 6.3 | 6.5 | 6.6 | 6.7 | 6.4 | 5.3 | -- |
| ANZ Roy Morgan Consumer Conf. | 118.2 | 113.9 | 118.4 | 120.7 | 123.3 | 122.7 | 122.1 | 106.3 | 84.8 | 97.3 |
| ANZ Business Confidence | -52.3 | -53.5 | -42.4 | -26.4 | -13.2 | .. | -19.4 | -63.5 | -66.6 | -41.8 |
| ANZ Own Activity Outlook | -0.5 | -1.8 | -3.5 | 12.9 | 17.2 | .. | 12.0 | -26.7 | -55.1 | -38.7 |
| Trade Balance ($m) | -1642 | -1310 | -1038 | -786 | 380 | -396 | 534 | 722 | 1267 | -- |
| Trade Bal ($m ann) | -5591 | -5321 | -5055 | -4837 | -4467 | -3927 | -3300 | -3403 | -2496 | -- |
| ANZ World Comm. Price Index (% mom) | 0.3 | 0.0 | 1.2 | 4.3 | -3.4 | -1.4 | -2.1 | -2.0 | -1.1 | -0.1 |
| ANZ World Comm. Price Index (% yoy) | 0.9 | 3.4 | 7.2 | 12.4 | 8.7 | 5.1 | 0.1 | -5.8 | -9.2 | -9.3 |
| Net Migration (sa) | 5390 | 5160 | 5760 | 4880 | 6640 | 7010 | 8280 | 9700 | -- | -- |
| Net Migration (ann) | 52981 | 53626 | 55468 | 55940 | 58556 | 62177 | 66515 | 71456 | -- | -- |
| ANZ Heavy Traffic Index (% mom) | -3.6 | 3.3 | 2.1 | -1.3 | -2.6 | 4.9 | -2.3 | -8.6 | -45.0 | -- |
| ANZ Light Traffic Index (% mom) | 0.1 | -0.4 | 0.2 | 0.6 | -2.5 | 2.9 | 0.1 | -29.3 | -71.1 | -- |
| ANZ Monthly Inflation Gauge (% mom) | 0.3 | 0.3 | 0.3 | 0.1 | 0.4 | 0.6 | 0.1 | 0.1 | -0.8 | -- |

Figures in bold are forecasts. mom: Month-on-Month; qoq: Quarter-on-Quarter; yoy: Year-on-Year

# Key forecasts and rates

| | Actual | | | Forecast (end month) | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| FX rates | Apr-20 | May-20 | Today | Jun-20 | Sep-20 | Dec-20 | Mar-21 | Jun-21 | Sep-21 |
| NZD/USD | 0.613 | 0.622 | 0.652 | 0.60 | 0.57 | 0.55 | 0.55 | 0.55 | 0.56 |
| NZD/AUD | 0.936 | 0.934 | 0.933 | 0.94 | 0.92 | 0.92 | 0.92 | 0.90 | 0.90 |
| NZD/EUR | 0.563 | 0.559 | 0.577 | 0.56 | 0.55 | 0.55 | 0.56 | 0.55 | 0.54 |
| NZD/JPY | 65.30 | 66.66 | 71.52 | 67.2 | 63.8 | 61.6 | 61.6 | 61.6 | 62.7 |
| NZD/GBP | 0.489 | 0.505 | 0.513 | 0.50 | 0.48 | 0.47 | 0.46 | 0.45 | 0.45 |
| NZ$ TWI | 69.24 | 70.12 | 72.33 | 69.5 | 67.3 | 66.0 | 66.2 | 65.5 | 65.9 |
| Interest rates/QE | Apr-20 | May-20 | Today | Jun-20 | Sep-20 | Dec-20 | Mar-21 | Jun-21 | Sep-21 |
| NZ OCR | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| LSAP ($bn) | 30 | 33 | 60 | 60 | 90 | 90 | 90 | 90 | 90 |
| NZ 90 day bill | 0.27 | 0.26 | 0.26 | 0.26 | 0.26 | 0.26 | 0.26 | 0.26 | 0.26 |
| NZ 10 year bond | 0.88 | 0.82 | 1.01 | 0.75 | 0.75 | 1.00 | 1.25 | 1.25 | 1.25 |
| US Fed funds | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| US 3-mth | 0.56 | 0.34 | 0.31 | 0.40 | 0.40 | 0.40 | 0.40 | 0.40 | 0.40 |
| AU Cash Rate | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| AU 3-mth | 0.10 | 0.10 | 0.10 | 0.20 | 0.20 | 0.20 | 0.25 | 0.28 | 0.28 |

| | 5-May | 1-Jun | 2-Jun | 3-Jun | 4-Jun | 5-Jun |
|---|---|---|---|---|---|---|
| Official Cash Rate | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| 90 day bank bill | 0.27 | 0.26 | 0.26 | 0.26 | 0.26 | 0.26 |
| NZGB 05/21 | 0.13 | 0.11 | 0.13 | 0.15 | 0.18 | 0.18 |
| NZGB 04/23 | 0.11 | 0.25 | 0.26 | 0.26 | 0.27 | 0.30 |
| NZGB 04/27 | 0.40 | 0.52 | 0.55 | 0.59 | 0.61 | 0.66 |
| NZGB 04/33 | 0.81 | 0.92 | 0.96 | 1.01 | 1.03 | 1.08 |
| 2 year swap | 0.20 | 0.23 | 0.22 | 0.22 | 0.23 | 0.25 |
| 5 year swap | 0.33 | 0.35 | 0.35 | 0.38 | 0.39 | 0.42 |
| RBNZ TWI | 68.65 | 69.97 | 70.30 | 71.32 | 71.52 | 71.90 |
| NZD/USD | 0.6052 | 0.6225 | 0.6319 | 0.6385 | 0.6415 | 0.6507 |
| NZD/AUD | 0.9392 | 0.9255 | 0.9212 | 0.9290 | 0.9304 | 0.9336 |
| NZD/JPY | 64.61 | 67.06 | 68.10 | 69.41 | 69.87 | 71.30 |
| NZD/GBP | 0.4860 | 0.5026 | 0.5030 | 0.5076 | 0.5119 | 0.5136 |
| NZD/EUR | 0.5584 | 0.5605 | 0.5658 | 0.5701 | 0.5725 | 0.5763 |
| AUD/USD | 0.6444 | 0.6726 | 0.6859 | 0.6872 | 0.6895 | 0.6969 |
| EUR/USD | 1.0838 | 1.1106 | 1.1169 | 1.1200 | 1.1205 | 1.1292 |
| USD/JPY | 106.75 | 107.72 | 107.77 | 108.71 | 108.93 | 109.59 |
| GBP/USD | 1.2454 | 1.2385 | 1.2562 | 1.2577 | 1.2530 | 1.2668 |
| Oil (US$/bbl) | 24.56 | 35.44 | 36.81 | 37.29 | 37.41 | 39.55 |
| Gold (US$/oz) | 1698.53 | 1734.68 | 1740.18 | 1719.19 | 1712.69 | 1685.06 |
| NZX 50 | 10491 | 10882 | 11034 | 11118 | 11223 | 11172 |
| Baltic Dry Freight Index | 575 | 520 | 546 | 592 | 632 | 679 |
| NZX WMP Futures (US$/t) | 2560 | 2620 | 2620 | 2675 | 2680 | 2670 |

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Ph 64-9-357 4094, e-mail nzeconomics@anz.com, http://www.anz.co.nz