

New Zealand Weekly Data Wrap

22 October 2021



This is not personal advice nor financial advice about any product or service. It does not take into account your financial situation or goals. Please refer to the Important Notice.



Contact us

See [page 4](#).

Forecast updates

Recent ANZ NZ Forecast Updates can be found [here](#).

- [NZ OCR call change and CPI forecast update](#)
- [NZ farmgate milk price forecast revised over \\$8](#)
- [NZ Economic Outlook: Two steps forward, one step back](#)
- [NZ Property Focus: Rent is due](#)

Our other recent publications are on [page 2](#).

What's the view?

- GDP constrained by supply more than demand
- Labour market very tight
- Inflation well-above target
- Further OCR hikes towards 2.0% by end of 2022 needed to contain inflation.

Our forecasts are on [page 3](#).

Key risks to our view



Ongoing COVID restrictions could damage consumer and business sentiment.



Housing is at a turning point. Momentum could fade faster as rates rise, or have more significant economic impacts.



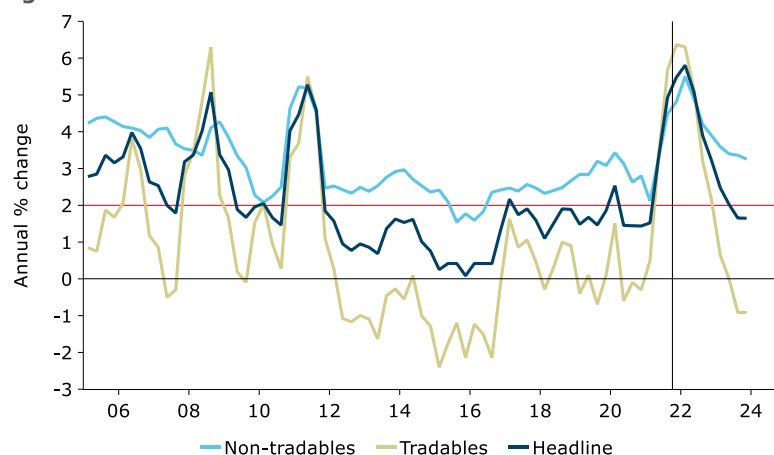
Conversely, an overheated economy and surging inflation expectations could be hard to rein in.

What happened this week?

The **surprisingly strong lift** in consumer prices in Q3 stole the headlines this week. Consumer prices rose 2.2% q/q (4.9% y/y) in September – stronger than our expectation of a 4.5% y/y lift, and well ahead of the RBNZ's forecast of 4.1% (made back in August). The rise in prices was broad based, with all groups in the CPI seeing price rises, except for communication. And more concerning for the RBNZ was the sharp lift in measures of core inflation. Some of these measures may struggle to distinguish between a broad-based supply shock (ie COVID) versus genuine underlying inflation pressure, but the big lift in the RBNZ's own sectoral factor model of core inflation, to 2.7% y/y, suggests there is a very strong underlying inflation impulse.

The strength in core inflation means that the RBNZ can no longer afford to be as cautious with OCR hikes – inflation is too strong to be consistent with the inflation side of the dual mandate. And the worst is yet to come. With energy prices around the world spiking, and stretched supply chains struggling to catch up with Christmas demand, we're expecting that inflation will increase to a peak of 5.8% y/y in Q1 2022 (figure 1). It's extremely uncertain exactly how high inflation will peak and when, but there's no question that it's high enough that without swift action, it could get out of hand. We're now forecasting that the RBNZ will lift the OCR by 25bp **at every opportunity** up to and including the August 2022 MPS – bringing the OCR to 2.00% (and 50bps above our estimate of neutral, at 1.50%). That's an additional two hikes at the April and July Monetary Policy Reviews respectively. Given how sensitive highly indebted households will be to higher interest rates, we expect OCR hikes will be effective at containing the domestic inflation impulse. And supply chain disruptions won't last forever.

Figure 1. ANZ inflation forecast



Source: Stats NZ, Macrobond, ANZ Research

Key data summary

Performance of Services Index – September. Increased to 46.9 from 35.4 previously. Still in contractionary territory, in contrast with the PMI, which was back in expansion. But that makes sense given that services tend to be more impacted by Alert Level restrictions, which limit in-person activity.

CPI – Q3. Consumer prices rose 2.2% q/q (4.9% y/y) in Q3. See our [Review](#).

GlobalDairyTrade auction. The GDT price index rose 2.2% in the latest auction – a little stronger than expected. The strong result makes our [latest forecast](#) for an \$8.20/kg MS farmgate payout look more likely to be achieved.



Looking ahead



Recent Publications

ANZ produces a range of in-depth insights.

- NZ Property Focus: Rent is due
- NZ Insight: RBNZ Speech Review
- Not just rugby: NZ beating Australia on wage growth
- NZ Insight: Increasing the contingency fund
- NZ Insight: What would it take to derail OCR hikes?
- NZ Insight: A quick look at the high-frequency data
- NZ Insight: Lockdown and the economic outlook
- NZ Insight: Finding neutral
- NZ Agri Focus: Springing into action
- NZ Insight: Carbon markets 101
- NZ Insight: Quarterly income GDP
- NZ Insight: Māori employment during COVID / Hunga Māori Kore whai-mahi i te wā Mate Urutā

Click [here](#) for more.

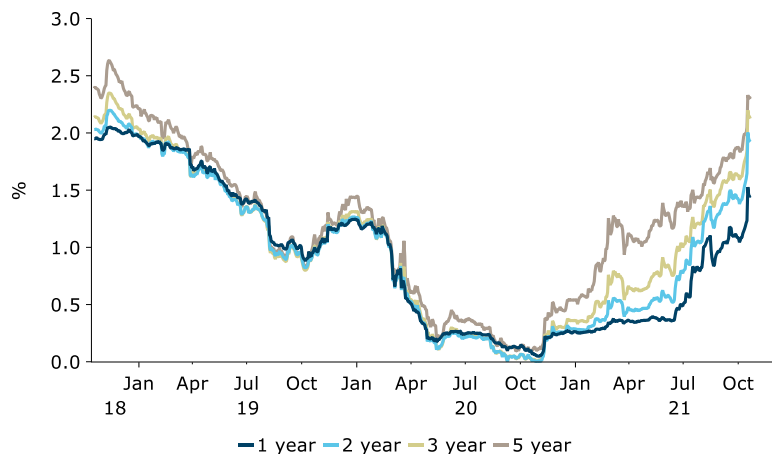
Data calendar

Date	Data/event
Wed 27 Oct (10:45am)	Merchandise Trade – Sep
Wed 27 Oct (1:00pm)	ANZ Business Outlook – Oct F
Fri 29 Oct (10:00am)	ANZ-RM Consumer Confidence – Oct
Fri 29 Oct (3:00pm)	RBNZ Sectoral Lending – Sep
Tue 2 Nov (10:45am)	Building Permits – Sep
Wed 3 Nov (early am)	GlobalDairyTrade auction
Wed 3 Nov (10:45am)	Labour Market – Q3
Thu 4 Nov (1:00pm)	ANZ Commodity Price Index – Oct
Tue 9 Nov (10:00am)	ANZ Truckometer – Oct
Thu 11 Nov (10:45am)	Food Price Index – Oct
Thu 11 Nov (10:45am)	Rental Price Index – Oct
Fri 12 Nov (10:30am)	BusinessNZ Manuf PMI – Oct

What are we watching?

As markets digested the implications of this week's monster CPI print, we saw swap rates surge, with the 2-year swap posting its largest one-day move in over 20 years (figure 2). That's going to put pressure on mortgage rates and deposit rates in the economy – with both already rising in recent months as expectations for OCR hikes solidified. Rising interest rates will be tough for households who have taken on piles of debt in a year where [house prices went up](#) over 30%. That's likely going to feed into lower consumer spending than otherwise, as mortgage repayments begin to eat up a larger share of households' paycheques (especially as people roll off fixed mortgage rates in coming months). To some extent this is all part of the plan for the RBNZ – the economy is running too hot relative to its hobbled supply capacity, and without some slowing in demand, we'll likely see domestic inflation pressures continuing to get out of hand.

Figure 2. New Zealand swap rates



Source: Bloomberg, Macrobond, ANZ Research

The challenge is that the housing market is looking fragile. As we've [noted before](#), there're a lot of factors pointing to house price inflation slowing markedly in coming months. Mortgage rates are rising, loan-to-value ratio restrictions have been tightened, new housing supply is rapidly eroding the shortage, tax changes have reduced investment incentives, and affordability is so stretched that it's very difficult to see prices surging much further. The risk is that we see a harder landing for the housing market than we've anticipated – especially as higher mortgage rates start to bite. A sharp drop in house prices, plus rising mortgage rates eroding disposable incomes, could see a more significant reduction in domestic demand than anticipated. Housing related prices were the biggest driver of Q3 inflation, adding 0.7ppts to the 2.2% quarterly rise in consumer prices. So a sharp correction could easily see the domestic inflation pulse drop away too far – causing the RBNZ to hold off on further hikes, or even reverse them in time. This remains a risk, rather than our central view – but highlights that a lot still needs to go right for the RBNZ to be able to lift the OCR to 2.00%.

The week ahead

Overseas Merchandise Trade – September (Wednesday 27 October, 10:45am). Weekly Stats NZ data suggests a monthly trade deficit of NZD2.17bn, as imports remain elevated.

ANZ Business Outlook – October (Wednesday 27 October, 1:00pm).

ANZ Roy Morgan Consumer Confidence – October (Friday 29 October, 10:00am).

RBNZ sectoral lending data – September (Friday 29 October, 3:00pm).

Lending slowed or fell across all sectors in August. With the country still at heightened Alert Levels in September, that's unlikely to reverse quickly, if at all.



Markets and forecasts

Markets outlook

Local interest rates have risen sharply over the past week, extending earlier rises. The short end has been particularly hard hit, with the bellwether 2-year swap rate up over 30bps (intraday) on Monday in the wake of this week's large upside CPI surprise. This move coincided with a rise in global long-term interest rates too; alongside the move higher in local short-end interest rates, that has driven local long-end interest rates higher. The 10-year Government bond yield is now at 2.50%, a level not seen since late 2018, when the OCR was 1.75%. As we have detailed on page 1, we now expect the RBNZ to hike by 25bps at every meeting between now and August, taking the OCR to 2.00%. Market expectations for the OCR remain shy of this, and that's despite markets still toying with the idea that the RBNZ may hike by 50bps (rather than 25bs) in either November or February. We don't expect 50bp hikes – doing so would create enormous uncertainty and volatility, and have no more meaningful impact than a 25bp hike and projections of more hikes to come, as we expect. That being the case, although there may be some relief when a 25bp hike is delivered next month, with market pricing in late-2022 still a bit light, we see limited scope for short-end rates to correct lower. Markets have a tendency to overshoot, and if anything, short-end rates could go further if we see a rush of mortgage fixing. Our higher OCR forecasts have also seen us revise up all of our interest rate forecasts, recognising the mechanical impact that this will have on short-end rates, and the psychological impact it will have on NZ/US bond spreads. We also expect a higher OCR to benefit the NZD as markets re-focus on carry, mindful of the RBNZ's still-strong inflation credentials.

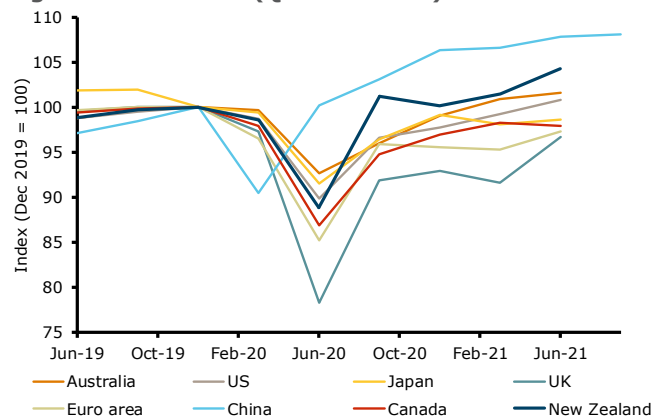
FX rates	Actual			Forecast (end month)					
	Aug-21	Sep-21	Today	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
NZD/USD	0.706	0.686	0.716	0.720	0.720	0.720	0.720	0.720	0.720
NZD/AUD	0.964	0.955	0.958	0.960	0.960	0.960	0.960	0.960	0.960
NZD/EUR	0.597	0.593	0.615	0.610	0.600	0.585	0.590	0.590	0.590
NZD/JPY	77.6	76.9	81.6	80.6	80.6	80.6	80.6	80.6	80.6
NZD/GBP	0.513	0.511	0.519	0.518	0.511	0.503	0.493	0.486	0.483
NZ\$ TWI	74.9	73.7	75.9	75.8	75.3	74.8	74.7	74.5	74.3
Interest rates	Aug-21	Sep-21	Today	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
NZ OCR	0.25	0.25	0.50	0.75	1.00	1.50	2.00	2.00	2.00
NZ 90 day bill	0.46	0.65	0.74	1.00	1.52	2.02	2.10	2.10	2.10
NZ 10-yr bond	1.82	2.09	2.50	2.50	2.65	2.75	2.75	2.80	2.80

Economic forecasts

	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23
GDP (% qoq)	2.8	-7.0	7.5	0.2	1.0	0.9	0.8	0.7	0.6
GDP (% yoy)	17.4	-4.2	4.1	2.9	1.2	9.8	2.9	3.4	3.0
CPI (% qoq)	1.3	2.2	1.0	1.2	0.6	1.0	0.4	0.4	0.2
CPI (% yoy)	3.3	4.9	5.5	5.8	5.1	3.9	3.2	2.5	2.0
Employment (% qoq)	1.0	-0.1	0.7	0.7	0.5	0.4	0.4	0.4	0.3
Employment (% yoy)	1.7	2.2	2.3	2.4	1.8	2.3	2.0	1.7	1.6
Unemployment Rate (% sa)	4.0	4.0	4.0	3.9	3.9	3.8	3.8	3.9	3.9

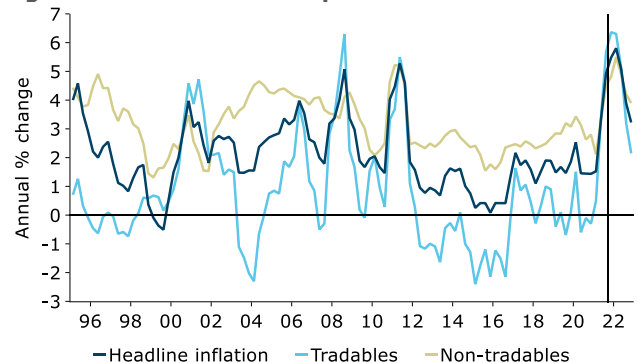
Figures in bold are forecasts. mom: Month-on-Month; qoq: Quarter-on-Quarter; yoy: Year-on-Year

Figure 3. GDP levels (Q4 2019= 100)



Source: Macrobond, Statistics NZ, ANZ Research

Figure 4. CPI inflation components



Source: Stats NZ, Macrobond, ANZ Research

Source: Statistics NZ, Macrobond, ANZ Research



Contact us

Meet the team

We welcome your questions and feedback. Click [here](#) for more information about our team.



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



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



Finn Robinson
Economist

Macroeconomic forecasting, economic developments, labour market dynamics, inflation and monetary policy.

Telephone: +64 21 629 553
Email: finn.robinson@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



Important notice

Last updated: 15 October 2021

This document is intended for ANZ's Institutional, Markets and Private Banking clients. It should not be forwarded, copied or distributed. The opinions and research contained in this document are (a) not personal advice nor financial advice about any product or service; (b) provided for information only; and (c) intended to be general in nature and does not take into account your financial situation or goals.

This document may be restricted by law in certain jurisdictions. Persons who receive this document must inform themselves about and observe all relevant restrictions.

Disclaimer for all jurisdictions: This document is prepared and distributed in your country/region by either: Australia and New Zealand Banking Group Limited (ABN11 005 357 522) (**ANZ**); or its relevant subsidiary or branch (each, an **Affiliate**), as appropriate or as set out below.

This document is distributed on the basis that it is only for the information of the specified recipient or permitted user of the relevant website (**recipients**).

This document is solely for informational purposes and nothing contained within is intended to be an invitation, solicitation or offer by ANZ to sell, or buy, receive or provide any product or service, or to participate in a particular trading strategy.

Distribution of this document to you is only as may be permissible by the laws of your jurisdiction, and is not directed to or intended for distribution or use by recipients resident or located in jurisdictions where its use or distribution would be contrary to those laws or regulations, or in jurisdictions where ANZ would be subject to additional licensing or registration requirements. Further, the products and services mentioned in this document may not be available in all countries.

ANZ in no way provides any financial, legal, taxation or investment advice to you in connection with any product or service discussed in this document. Before making any investment decision, recipients should seek independent financial, legal, tax and other relevant advice having regard to their particular circumstances.

Whilst care has been taken in the preparation of this document and the information contained within is believed to be accurate, ANZ does not represent or warrant the accuracy or completeness of the information. Further, ANZ does not accept any responsibility to inform you of any matter that subsequently comes to its notice, which may affect the accuracy of the information in this document.

Preparation of this document and the opinions expressed in it may involve material elements of subjective judgement and analysis. Unless specifically stated otherwise: they are current on the date of this document and are subject to change without notice; and, all price information is indicative only. Any opinions expressed in this document are subject to change at any time without notice.

ANZ does not guarantee the performance of any product mentioned in this document. All investments entail a risk and may result in both profits and losses. Past performance is not necessarily an indicator of future performance. The products and services described in this document may not be suitable for all investors, and transacting in these products or services may be considered risky.

ANZ expressly disclaims any responsibility and shall not be liable for any loss, damage, claim, liability, proceedings, cost or expense (Liability) arising directly or indirectly and whether in tort (including negligence), contract, equity or otherwise out of or in connection with this document to the extent permissible under relevant law. Please note, the contents of this document have not been reviewed by any regulatory body or authority in any jurisdiction.

ANZ and its Affiliates may have an interest in the subject matter of this document. They may receive fees from customers for dealing in the products or services described in this document, and their staff and introducers of business may share in such fees or remuneration that may be influenced by total sales, at all times received and/or apportioned in accordance with local regulatory requirements. Further, they or their customers may have or have had interests or long or short positions in the products or services described in this document, and may at any time make purchases and/or sales in them as principal or agent, as well as act (or have acted) as a market maker in such products. This document is published in accordance with ANZ's policies on conflicts of interest and ANZ maintains appropriate information barriers to control the flow of information between businesses within it and its Affiliates.

Your ANZ point of contact can assist with any questions about this document including for further information on these disclosures of interest.

Country/region specific information: Unless stated otherwise, this document is distributed by Australia and New Zealand Banking Group Limited (**ANZ**).

Australia. ANZ holds an Australian Financial Services licence no. 234527. For a copy of ANZ's Financial Services Guide please or request from your ANZ point of contact.

Brazil, Brunei, India, Japan, Kuwait, Malaysia, Switzerland, Taiwan. This document is distributed in each of these jurisdictions by ANZ on a cross-border basis.

Cambodia. The information contained in this document is confidential and is provided solely for your use upon your request. This does not constitute or form part of an offer or solicitation of any offer to engage services, nor should it or any part of it form the basis of, or be relied in any connection with, any contract or commitment whatsoever. ANZ does not have a licence to undertake banking operations or securities business or similar business, in Cambodia. By requesting financial services from ANZ, you agree, represent and warrant that you are engaging our services wholly outside of Cambodia and subject to the laws of the contract governing the terms of our engagement.

Chile. You understand and agree that ANZ Banking Group Limited is not regulated by Chilean Authorities and that the provision of ANZ Research is not subject to any Chilean supervision and is not guaranteed by any regulatory or governmental agency in Chile.

European Economic Area (EEA): United Kingdom. ANZ is authorised in the United Kingdom by the Prudential Regulation Authority (**PRA**) and is subject to regulation by the Financial Conduct Authority (**FCA**) and limited regulation by the PRA. Details about the extent of our regulation by the PRA are available from us on request. This document is distributed in the United Kingdom by Australia and New Zealand Banking Group Limited ANZ solely for the information of persons who would come within the FCA definition of "eligible counterparty" or "professional client". It is not intended for and must not be distributed to any person who would come within the FCA definition of "retail client". Nothing here excludes or restricts any duty or liability to a customer which ANZ may have under the UK Financial Services and Markets Act 2000 or under the regulatory system as defined in the Rules of the Prudential Regulation Authority (**PRA**) and the FCA. ANZ is authorised in the United Kingdom by the PRA and is subject to regulation by the FCA and limited regulation by the PRA. Details about the extent of our regulation by the PRA are available from us on request.

Fiji. For Fiji regulatory purposes, this document and any views and recommendations are not to be deemed as investment advice. Fiji investors must seek licensed professional advice should they wish to make any investment in relation to this document.

Hong Kong. This publication is issued or distributed in Hong Kong by the Hong Kong branch of ANZ, which is registered at the Hong Kong Monetary Authority to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities. The contents of this publication have not been reviewed by any regulatory authority in Hong Kong.



Important notice

India. If this document is received in India, only you (the specified recipient) may print it provided that before doing so, you specify on it your name and place of printing.

Myanmar. This publication is intended to be general and part of ANZ's customer service and marketing activities when implementing its functions as a licensed bank. This publication is not Securities Investment Advice (as that term is defined in the Myanmar Securities Transaction Law 2013).

New Zealand. This material is for information purposes only and is not financial advice about any product or service. We recommend seeking financial advice about your financial situation and goals before acquiring or disposing of (or not acquiring or disposing of) a financial product.

Oman. ANZ neither has a registered business presence nor a representative office in Oman and does not undertake banking business or provide financial services in Oman. Consequently ANZ is not regulated by either the Central Bank of Oman or Oman's Capital Market Authority. The information contained in this document is for discussion purposes only and neither constitutes an offer of securities in Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Law of Oman (Royal Decree 80/98), nor does it constitute an offer to sell, or the solicitation of any offer to buy non-Omani securities in Oman as contemplated by Article 139 of the Executive Regulations to the Capital Market Law (issued vide CMA Decision 1/2009). ANZ does not solicit business in Oman and the only circumstances in which ANZ sends information or material describing financial products or financial services to recipients in Oman, is where such information or material has been requested from ANZ and the recipient understands, acknowledges and agrees that this document has not been approved by the CBO, the CMA or any other regulatory body or authority in Oman. ANZ does not market, offer, sell or distribute any financial or investment products or services in Oman and no subscription to any securities, products or financial services may or will be consummated within Oman. Nothing contained in this document is intended to constitute Omani investment, legal, tax, accounting or other professional advice.

People's Republic of China (PRC). This document may be distributed by either ANZ or Australia and New Zealand Bank (China) Company Limited (**ANZ China**). Recipients must comply with all applicable laws and regulations of PRC, including any prohibitions on speculative transactions and CNY/CNH arbitrage trading. If this document is distributed by ANZ or an Affiliate (other than ANZ China), the following statement and the text below is applicable: No action has been taken by ANZ or any affiliate which would permit a public offering of any products or services of such an entity or distribution or re-distribution of this document in the PRC. Accordingly, the products and services of such entities are not being offered or sold within the PRC by means of this document or any other document. This document may not be distributed, re-distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations. If and when the material accompanying this document relates to the products and/or services of ANZ China, the following statement and the text below is applicable: This document is distributed by ANZ China in the Mainland of the PRC.

Qatar. This document has not been, and will not be:

- lodged or registered with, or reviewed or approved by, the Qatar Central Bank (**QCB**), the Qatar Financial Centre (**QFC**) Authority, QFC Regulatory Authority or any other authority in the State of Qatar (**Qatar**); or
- authorised or licensed for distribution in Qatar,

and the information contained in this document does not, and is not intended to, constitute a public offer or other invitation in respect of securities in Qatar or the QFC. The financial products or services described in this document have not been, and will not be:

- registered with the QCB, QFC Authority, QFC Regulatory Authority or any other governmental authority in Qatar; or
- authorised or licensed for offering, marketing, issue or sale, directly or indirectly, in Qatar.

Accordingly, the financial products or services described in this document are not being, and will not be, offered, issued or sold in Qatar, and this document is not being, and will not be, distributed in Qatar. The offering, marketing, issue and sale of the financial products or services described in this document and distribution of this document is being made in, and is subject to the laws, regulations and rules of, jurisdictions outside of Qatar and the QFC. Recipients of this document must abide by this restriction and not distribute this document in breach of this restriction. This document is being sent/issued to a limited number of institutional and/or sophisticated investors (i) upon their request and confirmation that they understand the statements above; and (ii) on the condition that it will not be provided to any person other than the original recipient, and is not for general circulation and may not be reproduced or used for any other purpose.

Singapore. This document is distributed in Singapore by the Singapore branch of ANZ solely for the information of "accredited investors", "expert investors" or (as the case may be) "institutional investors" (each term as defined in the Securities and Futures Act Cap. 289 of Singapore). ANZ is licensed in Singapore under the Banking Act Cap. 19 of Singapore and is exempted from holding a financial adviser's licence under Section 23(1)(a) of the Financial Advisers Act Cap. 100 of Singapore. In respect of any matters arising from, or in connection with, the distribution of this publication in Singapore, please speak to your usual ANZ contact in Singapore.

United Arab Emirates (UAE). This document is distributed in the UAE or the Dubai International Financial Centre (**DIFC**) (as applicable) by ANZ. This document does not, and is not intended to constitute: (a) an offer of securities anywhere in the UAE; (b) the carrying on or engagement in banking, financial and/or investment consultation business in the UAE under the rules and regulations made by the Central Bank of the UAE, the Emirates Securities and Commodities Authority or the UAE Ministry of Economy; (c) an offer of securities within the meaning of the Dubai International Financial Centre Markets Law (DIFCML) No. 12 of 2004; and (d) a financial promotion, as defined under the DIFCML No. 1 of 200. ANZ DIFC Branch is regulated by the Dubai Financial Services Authority (**DFSA**) ANZ DIFC Branch is regulated by the Dubai Financial Services Authority (**DFSA**). The financial products or services described in this document are only available to persons who qualify as "Professional Clients" or "Market Counterparty" in accordance with the provisions of the DFSA rules.

United States. Except where this is a FX-related document, this document is distributed in the United States by ANZ Securities, Inc. (**ANZ SI**) which is a member of the Financial Regulatory Authority (**FINRA**) (www.finra.org) and registered with the SEC. ANZSI's address is 277 Park Avenue, 31st Floor, New York, NY 10172, USA (Tel: +1 212 801 9160 Fax: +1 212 801 9163). ANZSI accepts responsibility for its content. Information on any securities referred to in this document may be obtained from ANZSI upon request. This document or material is intended for institutional use only – not retail. If you are an institutional customer wishing to effect transactions in any securities referred to in this document you must contact ANZSI, not its affiliates. ANZSI is authorised as a broker-dealer only for institutional customers, not for US Persons (as "US person" is defined in Regulation S under the US Securities Act of 1933, as amended) who are individuals. If you have registered to use this website or have otherwise received this document and are a US Person who is an individual: to avoid loss, you should cease to use this website by unsubscribing or should notify the sender and you should not act on the contents of this document in any way. Non-U.S. analysts: Non-U.S. analysts may not be associated persons of ANZSI and therefore may not be subject to FINRA Rule 2242 restrictions on communications with the subject company, public appearances and trading securities held by the analysts. Where this is an FX-related document, it is distributed in the United States by ANZ's New York Branch, which is also located at 277 Park Avenue, 31st Floor, New York, NY 10172, USA (Tel: +1 212 801 916 0 Fax: +1 212 801 9163).

Vietnam. This document is distributed in Vietnam by ANZ or ANZ Bank (Vietnam) Limited, a subsidiary of ANZ.

This document has been prepared by ANZ Bank New Zealand Limited, Level 26, 23-29 Albert Street, Auckland 1010, New Zealand, Ph 64-9-357 4094, e-mail nzeconomics@anz.com, <http://www.anz.co.nz>