

# ANZ NZ Truckometer

13 January 2021



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### Contact

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The next issue of the ANZ Truckometer is scheduled for release on 9 February 2021 at 10am.

## 2020 vision in the rear-view mirror

### Summary

- The Light Traffic Index fell 0.6% in December, while the Heavy Traffic rose 0.4% m/m.
- For the December quarter as a whole, the Heavy Traffic Index fell 2.6%. This is consistent with our forecast of a mild fall in GDP following the massive Q3 bounce.
- Both traffic indexes are higher than a year ago, but the overshoot is easing.

In broad terms, heavy traffic (trucks but also buses) primarily reflects the movement of goods, while light traffic is all about the movement of people. In normal times, light traffic provides a six-month lead on momentum in the economy, but at times of abrupt events such as seen in 2020, the Light Traffic Index will of course not see them coming, temporarily breaking the correlation. The Heavy Traffic Index is a real-time indicator of goods production.

Traffic volumes showed relatively small seasonally adjusted moves in December. The Light Traffic Index fell 0.6%, while the Heavy Traffic rose 0.4%. The Heavy Traffic Index was still 5.4% higher than a year earlier (3-month average), but the overshoot has faded from three months ago, when it was up nearly 10% y/y. The Light Traffic Index was still 7.6% higher than a year ago in the final three months of the year – no mean feat given the lack of tourists. The first three months of the year are the peak for international tourism – we are likely to see a greater impact then.

Figure 1. ANZ Heavy Traffic Index and GDP

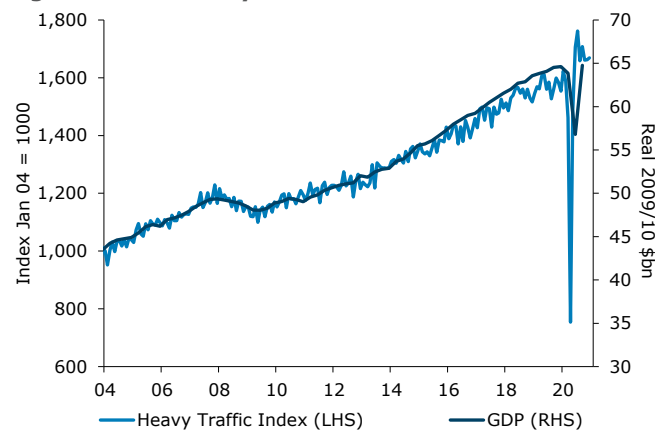
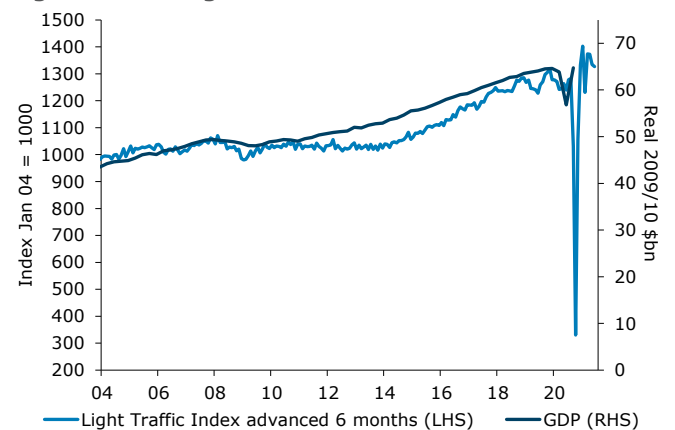


Figure 2. ANZ Light Traffic Index and GDP

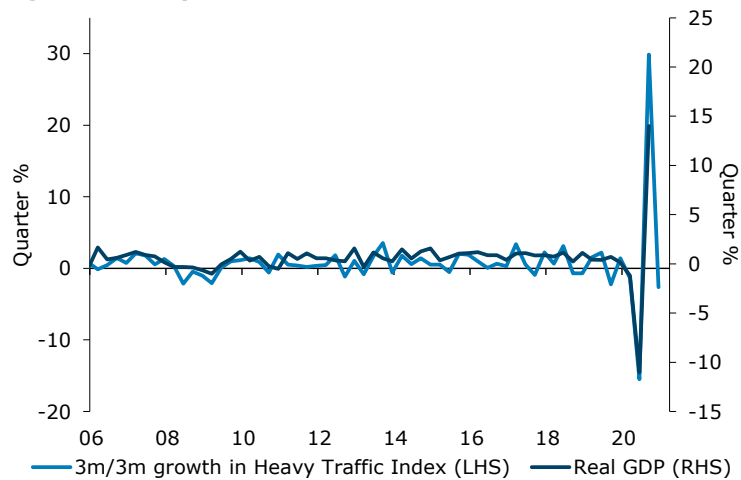


Source: NZTA, Statistics NZ, ANZ Research

Through the crazy volatility of last year, the Heavy Traffic Index has done a good job of matching the contours of quarterly changes in GDP. Consistent with our forecasts, it is suggesting a mild fall in GDP in Q4 – a breather after the huge Q3 bounce, rather than anything alarming in and of itself.

However, given the tourism hit will be felt primarily in Q1, it does suggest we are likely to see a technical recession over Q4/Q1, ie two consecutive quarterly falls in GDP. If we don't, it's likely to be due to the strength we are seeing in housing and construction. There are real question marks over the sustainability of that, but for now, it's providing an offset to the hole international tourists are leaving.

**Figure 3: Heavy traffic index and GDP**

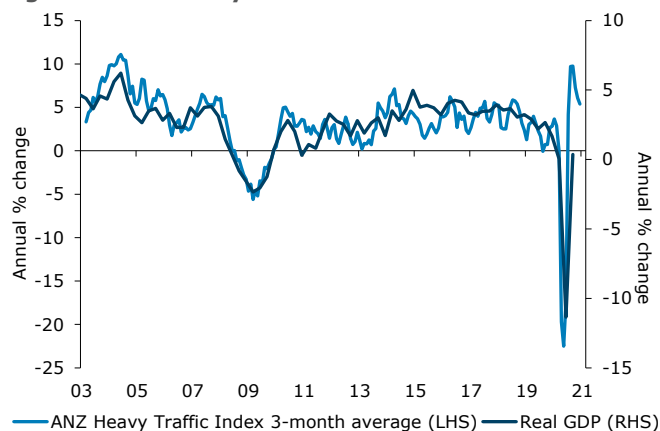


Source: Statistics NZ, ANZ Research

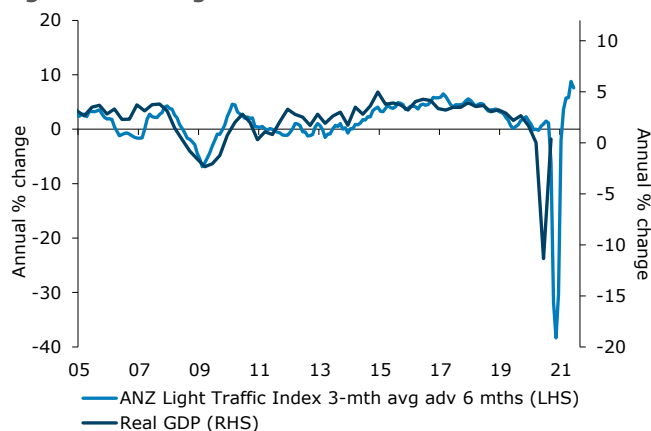


## Tables and charts

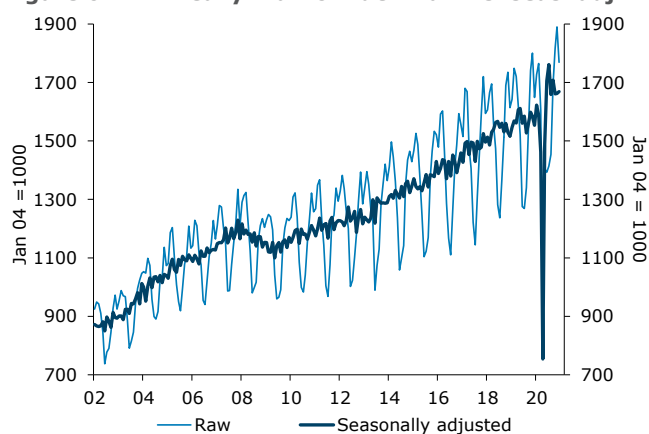
**Figure 4. ANZ Heavy Traffic Index and GDP**



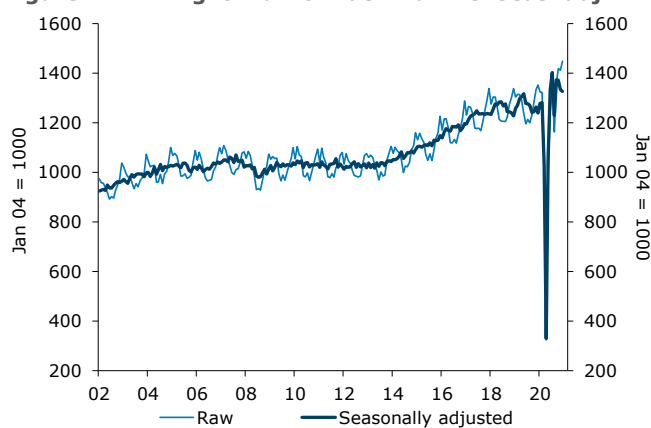
**Figure 5. ANZ Light Traffic Index and GDP**



**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 8 of the 11 roads in the Heavy Traffic Index in December, and on 5 of the 10 roads in the Light Traffic Index.

	Light Traffic Index			Heavy Traffic Index		
	Index Jan 04 = 1000	Monthly % chg	Annual % chg, 3m avg	Index Jan 04 = 1000	Monthly % chg	Annual % chg, 3m avg
Dec-19	1240	-1.9	1.0	1554	-1.9	2.8
Jan-20	1279	3.1	1.5	1623	4.4	3.7
Feb-20	1282	0.3	1.2	1588	-2.1	2.9
Mar-20	1031	-19.6	-6.2	1462	-8.0	-0.1
Apr-20	330	-67.9	-31.8	754	-48.4	-19.7
May-20	1057	219.8	-38.3	1489	97.4	-22.5
Jun-20	1332	26.1	-30.3	1706	14.6	-17.4
Jul-20	1403	5.3	-2.1	1761	3.3	4.2
Aug-20	1231	-12.2	3.6	1659	-5.8	9.7
Sep-20	1374	11.6	5.7	1708	2.9	9.8
Oct-20	1372	-0.1	5.8	1661	-2.7	7.3
Nov-20	1334	-2.8	8.8	1663	0.1	6.1
Dec-20	1327	-0.6	7.6	1669	0.4	5.4

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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