

New Zealand Weekly Data Wrap

25 November 2022



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 5.

Forecast updates

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

- RBNZ MPS Review and OCR Call Change: hope is not a strategy
- NZ Economic Outlook: coming in to land
- NZ Property Focus: Testing times
- NZ Forecast Update: Farmgate milk price forecasts revised up

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

What's the view?

- GDP currently constrained by supply more than demand
- Labour market still extremely tight, and very inflationary
- Inflation way above target, and looking sticky
- OCR to 5.75% by May to contain inflation

Our forecasts are on [page 4](#).

Confused by acronyms or jargon? See a glossary [here](#).

Key risks to our view



Global growth risks abound, not least in China, our key trading partner.



The housing slowdown could become disorderly if unemployment rises sharply.



Wage-price spiral could necessitate more interest rate hikes than expected.

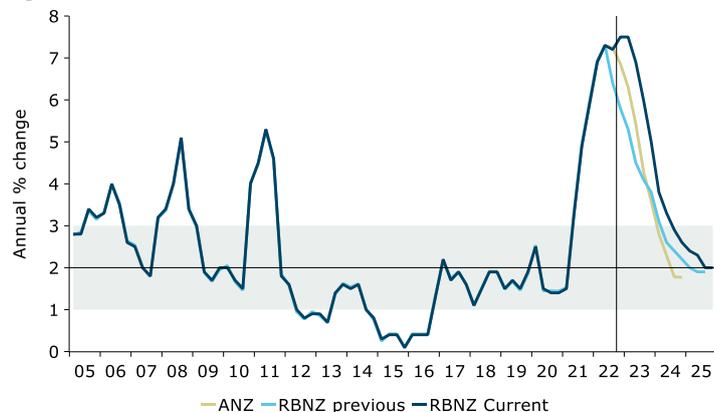


Global inflation pressures may not decline as quickly or as far as anticipated.

Engineering a recession

The RBNZ's November Monetary Policy Statement (MPS) dominated headlines this week. The Monetary Policy Committee (MPC) delivered a 75bp hike to 4.25% (as was widely expected), but they also **out-hawked the hawks** with an OCR track peaking at 5.5% (versus 4.1% in August), a recession predicted for 2023, and the unemployment rate set to rise sharply to 5.7% (3.3% currently). The RBNZ also forecasts that annual CPI inflation will increase to a fresh high of 7.5% in Q4 (above our current pick of 6.9%).

Figure 1. RBNZ CPI inflation forecasts



Source: RBNZ, Stats NZ, Macrobond, ANZ Research

A hawkish turn was **certainly our expectation**, given that in the time since the October Review, the MPC have been surprised significantly to the upside by CPI inflation (both tradables and non-tradables), employment, and wage growth. In addition, inflation expectations across a range of different surveys have either remained stubbornly high, or increased further. In particular, the Q4 Survey of Expectations showed that expectations were sliding towards the 'RBNZ ain't got this' end of the scale. But even so, the scale of the RBNZ's hawkish shift was larger than we anticipated.

Given the risks around inflation expectations becoming unanchored, a developing wage-price spiral, and an upgraded estimate of the neutral interest rate (see next page), the RBNZ has essentially decided they need to generate a policy-induced recession in New Zealand to bring inflation under control. When asked by MPs if the RBNZ was trying to cause a recession, the Governor responded:

"I think that is correct. We are deliberately trying to slow aggregate spending in the economy. The quicker inflation expectations come down, the less work we need to do and the less likely it is that we have a prolonged period of low or negative growth."

The MPS shows a modest peak-to-trough decline in GDP of 1%, starting in Q2 next year, but the RBNZ expect it to have a pretty devastating impact on the labour market, with unemployment rising to 5.7% in 2025. That's only a slightly smaller increase than we saw during the Global Financial Crisis. We certainly hope that this amount of damage is not needed to get inflation under control. But hope is not a strategy. Given the RBNZ's hawkish stance, we have **revised up our forecast OCR track**, adding to our existing 75bp hike in February a 50bp hike in April and a 25bp hike in May, which would take the OCR to a peak of 5.75% (5.0% previously expected).



Looking ahead



Recent Publications

ANZ produces a range of in-depth insights.

- RBNZ Formulation and Implementation of Monetary Policy Review
- NZ Insight: our record breaking labour market
- NZ Property Focus: Testing times
- NZ Property Focus: spring bounce or false floor?
- NZ Insight: The inflation outlook and the balance of risks
- NZ Insight: 2020 hindsight
- NZ Agri Insight: feeding the world sustainably
- NZ Agri Focus: it's raining, it's pouring
- NZ Insight: the Australian labour market and the RBNZ
- NZ Property Focus: hardening headwinds and soft landings
- NZ Insight: the low consumer confidence puzzle
- NZ Property Focus: when, not if
- NZ Insight: He Waka Eke Noa recommendations
- Agri Insight: global food crisis to worsen
- NZ Budget Review: Big Budget
- NZ Insight: Emissions Reduction Plan
- NZ Insight: new fiscal rules
- NZ Property Focus: regional rollercoaster
- NZ Insight: how widespread is labour market tightness?

[Click here for more.](#)



ANZ Proprietary data

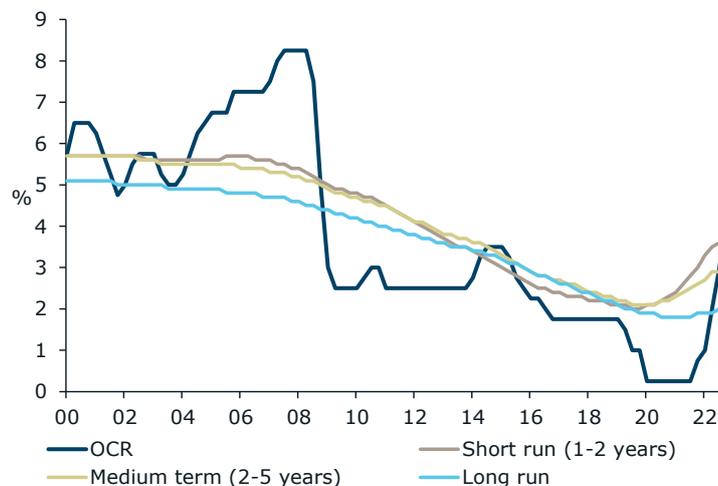
Check out our latest releases below.

- ANZ Business Outlook
- ANZ-Roy Morgan Consumer Confidence
- ANZ Truckometer
- ANZ Commodity Price Index

OCR only just contractionary

As if there weren't already enough reasons for the RBNZ to ratchet up the hawkishness, they've also crunched the numbers on how the surge in inflation expectations has impacted the neutral OCR (ie the level of the OCR that is neither expansionary nor contractionary for the economy). Feeding in longer-run measures of inflation expectations continues to generate a nominal neutral interest rate of around 2% (although that has been gradually creeping up in recent months). However, when they feed in two- to five-year-ahead measures of inflation expectations, that number rises to 2.9%. And when they feed in shorter-term inflation expectations (one- to two-years-ahead), the neutral estimate is even higher at 3.6% (figure 2).

Figure 2. RBNZ estimates of the neutral OCR at different horizons



Source: RBNZ

Estimating neutral interest rates (which by definition are unobservable) is inherently uncertain. And it's worth noting that while the RBNZ estimates the medium-term neutral rate is around 2.9%, that comes with a range of 1.6% to 4.6%, so this is not a precise science (although economics never is!).

However, by the RBNZ's best estimates, it's clear that the recent surge in short- and medium-term inflation expectations means monetary policy has not in practice been as contractionary as was previously assumed. That's another reason for the RBNZ's expectation that inflation will actually re-accelerate to 7.5% in Q4. Essentially, they're estimating that only *now* is the OCR, at 4.25%, in contractionary territory (and since their estimated range for the short-run neutral goes as high as 5.4%, it may not even be there yet!). The MPC thought they'd been pumping the brakes on inflation, but their updated analysis suggests all they had actually achieved in lifting the OCR to 3.5% by October was easing off the accelerator.

The upshot of all this is that to deliver the same amount of tightening, the OCR needs to go considerably higher than it would have several years ago. Back in 2019, for example, inflation expectations were actually drifting downwards, and were a key reason for the RBNZ's surprise 50bp cut back in August 2019. That meant an OCR of just 1.75% in early 2019 was actually pretty close to neutral (and was therefore not really pushing inflation back up to two percent). It is the gap between the 'neutral' and the 'actual' OCR that determines how inflationary (or disinflationary) monetary policy settings are. With the actual OCR now comfortably above the RBNZ's updated estimates of neutral, the MPC is more confident that as they head into the summer break, monetary policy settings are in contractionary territory. The question now is how the economy will weather this interest rate storm as we head into 2023 and households roll into ever higher mortgage rates.



Financial markets update



Date	Data/event
Wed 30 Nov (10:45am)	Building Permits – Oct
Wed 30 Nov (1:00pm)	ANZ Business Outlook – Nov
Wed 30 Nov (3:00pm)	RBNZ Sectoral Lending – Oct
Fri 2 Dec (10:45am)	Terms of Trade – Q3
Tue 6 Dec (1:00pm)	ANZ Commodity Price Index – Nov
Wed 7 Dec (early am)	GlobalDairyTrade auction
Thu 9 Dec (10:00am)	ANZ Truckometer – Nov
Thu 9 Dec (10:45am)	Economic Survey of Manufacturing – Q3
Thu 9 Dec (10:45am)	Electronic Card Transactions – Nov
Mon 12 Dec (10:45am)	Net Migration – Oct
Tue 13 Dec (10:45am)	Food Price Index – Nov
Tue 13 Dec (10:45am)	Rental Price Index – Nov
Wed 14 Dec (10:45am)	Current Account – Q3
Wed 14 Dec (1:00pm)	Half Year Economic and Fiscal Update
Thu 15 Dec (10:45am)	GDP – Q3
Fri 16 Dec (10:30am)	BusinessNZ Manuf PMI – Nov
Mon 19 Dec (10:30am)	Performance Services Index – Nov
Tue 20 Dec (10:45am)	Merchandise Trade – Nov
Tue 20 Dec (1:00pm)	ANZ Business Outlook – Dec
Wed 21 Dec (early am)	GlobalDairyTrade auction
Wed 21 Dec (10:00am)	ANZ-RM Consumer Confidence – Dec
Wed 4 Jan (early am)	GlobalDairyTrade auction
Thu 12 Jan (10:45am)	Building Permits – Nov
Wed 18 Jan (10:45am)	Electronic Card Transactions – Dec
Thu 19 Jan (10:45am)	Food Price Index – Dec
Thu 19 Jan (10:45am)	Rental Price Index – Dec
Fri 20 Jan (10:30am)	BusinessNZ Manuf PMI – Dec

Interest rate markets

Local interest rates shot higher in the immediate aftermath of Wednesday's RBNZ MPS, with the short end leading the way, as one would expect. But it was not the 75bp hike that caught the market out – indeed, most in the market were expecting it – rather, it was the magnitude of the lift in the RBNZ's OCR projection that surprised. It is a technical projection that is contingent on a whole host of variables, and isn't supposed to signal that policy is on a pre-set course. However, if we do back-solve it for upcoming RBNZ meetings, it implies another 75bps in February, followed by another 50bp hike in April (or back-to-back 25bp hikes in April and May). Markets aren't fully on board, and are pricing in policy easing over late 2023, but we think that's premature, and still see upside risks to short-end interest rates. We are also forecasting a slightly higher OCR peak than the RBNZ. In contrast, global rates have fallen, dragging down local long-end rates, and further inverting local swap and bond yield curves. That's understandable given increased US recession fears, and an expectation that the Fed will slow the pace of hikes (to 'just' a 50bp hike next month). However, the Fed has also warned of a higher terminal rate and said that the policy rate is likely to remain at that terminal rate for a long time, and we think that poses upside risks to US and NZ long-end rates.

FX markets

The NZD made a new high for the current upswing today, fuelled by higher local interest rates, a renewed risk-on vibe in global markets, and a softer USD as interest rates there ease back. While a hawkish RBNZ has stoked fresh recession fears, FX markets are sensitive to interest rates and carry, and we think higher rates here will be a tailwind for the NZD. Getting on top of inflation also lessens the need for the nominal exchange rate to trade at a discount to the real exchange rate. It looks increasingly likely that we may have seen the low in the Kiwi for the cycle, but if the Fed does project a higher terminal rate next month, we may see a bounce in the USD. Even if the low in the Kiwi is in, don't be surprised if markets remain volatile.

Key data summary

Overseas Merchandise Trade – October. The annual trade deficit grew to NZD12.9bn in October, versus NZD12.0bn in September.

RBNZ Monetary Policy Statement – November. The RBNZ hiked the OCR 75bp to 4.25% in a very hawkish MPS. See our [Review](#).

ANZ Roy Morgan Consumer Confidence – November. [Consumer confidence](#) fell 5 points in November to 80.7.

Retail sales – Q3. Retail sales rose 0.4% q/q in Q3.

The week ahead

Building Permits – October (Wednesday 30 November, 10:45am). Consent numbers continue to be supported by multi-unit dwellings, while consents for single houses are falling.

ANZ Business Outlook – November (Wed 30 November, 1:00pm).

RBNZ sectoral lending data – October (Wednesday 30 November, 3:00pm). Housing lending continues to slow, and with house sales falling sharply in October, that is likely to weigh on credit growth.

Overseas Trade Indices – Q3 (Friday 2 December, 10:45am). Terms of trade are forecast to fall -2.5% q/q in Q3 as import prices remain elevated due to high fuel and fertiliser costs, while export returns have softened.



Key forecasts and rates

FX rates	Actual			Forecast (end month)					
	Sep-22	Oct-22	Today	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
NZD/USD	0.560	0.580	0.626	0.590	0.570	0.580	0.590	0.600	0.620
NZD/AUD	0.874	0.907	0.926	0.908	0.891	0.892	0.894	0.882	0.886
NZD/EUR	0.571	0.584	0.602	0.608	0.600	0.598	0.590	0.583	0.590
NZD/JPY	81.0	86.2	86.8	86.7	85.5	85.8	85.6	85.2	86.8
NZD/GBP	0.501	0.503	0.517	0.527	0.518	0.513	0.504	0.504	0.517
NZ\$ TWI	67.8	69.8	72.9	71.1	69.2	69.5	69.6	69.6	71.0
Interest rates	Sep-22	Oct-22	Today	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
NZ OCR	3.00	3.50	4.25	4.25	5.00	5.75	5.75	5.75	5.75
NZ 90 day bill	3.85	4.10	4.40	4.85	5.77	5.85	5.85	5.85	5.85
NZ 2-yr swap	4.67	5.02	5.21	5.48	5.55	5.50	5.45	5.45	5.40
NZ 10-yr bond	4.30	4.19	4.08	4.50	5.00	4.75	4.75	4.75	4.50

Economic forecasts

	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24
GDP (% qoq)	1.7	0.4	0.2	0.3	0.7	0.2	0.2	0.3	0.4
GDP (% yoy)	0.4	5.0	2.1	2.6	1.6	1.4	1.4	1.4	1.1
CPI (% qoq)	1.7	2.2	1.1	1.2	0.8	1.0	0.4	0.5	0.3
CPI (% yoy)	7.3	7.2	6.9	6.3	5.4	4.3	3.6	2.8	2.3
Employment (% qoq)	0.0	1.3	0.3	0.2	0.0	-0.4	-0.5	-0.4	0.0
Employment (% yoy)	1.5	1.2	1.5	1.7	1.7	0.1	-0.7	-1.2	-1.2
Unemployment Rate (% sa)	3.3	3.3	3.3	3.3	3.5	4.0	4.5	4.9	4.9

Figures in bold are forecasts. mom: Month-on-Month; qoq: Quarter-on-Quarter; yoy: Year-on-Year. Click [here](#) for full ANZ forecasts

Figure 3. GDP forecast level

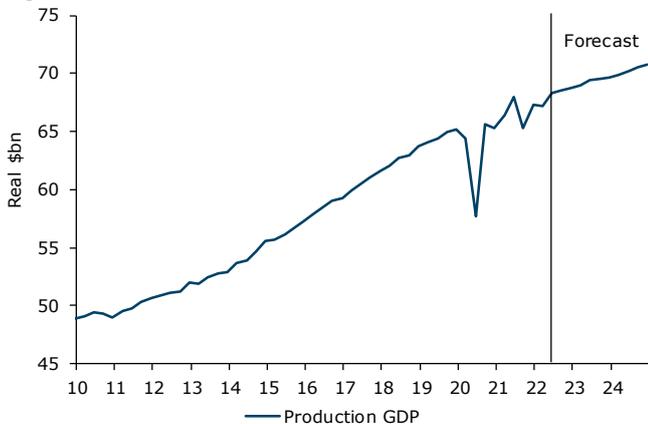


Figure 4. CPI inflation components

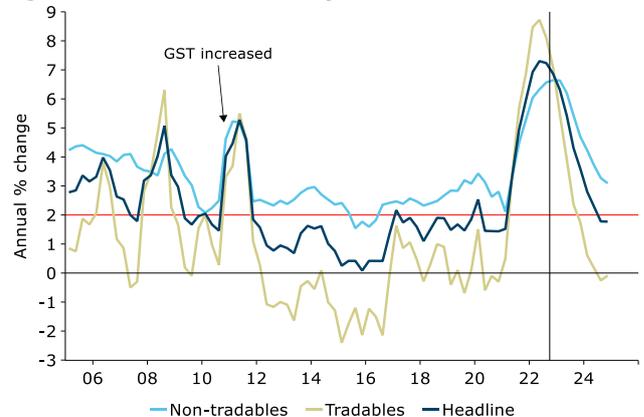


Figure 5. OCR forecast

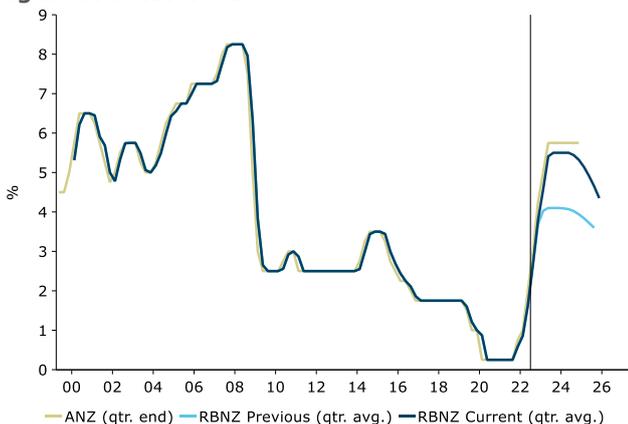
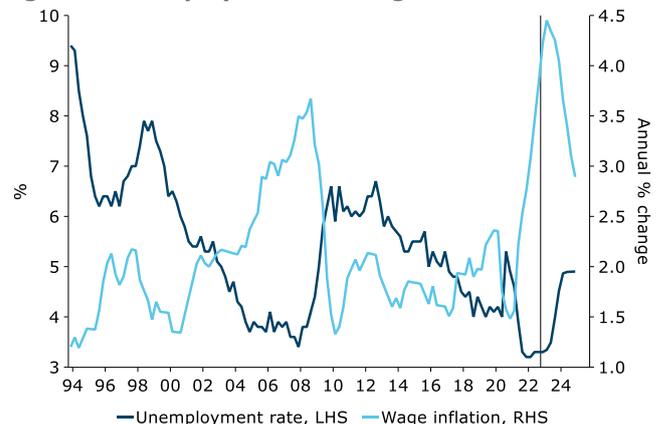


Figure 6. Unemployment and wage inflation



Source: Stats NZ, Bloomberg, RBNZ, 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 9 357 4094
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: 1 September 2022

This document (which may be in the form of text, image, video or audio) 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 [click here](#) or request from your ANZ point of contact.

Brazil. This document is distributed on a cross border basis and only following request by the recipient. No securities are being offered or sold in Brazil under this document, and no securities have been and will not be registered with the Securities Commission - CVM.

Brunei, 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.

Canada. This document is general information only, is intended for institutional use only – not retail, and is not meant to be tailored to the needs and circumstances of any recipient. In addition, this document is not intended to be an offer or solicitation to purchase or sell any security or other financial instrument or to employ a specific investment strategy.

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

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 document 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 document have not been reviewed by any regulatory authority in Hong Kong. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

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.

Israel. ANZ is not a holder of a licence granted in Israel pursuant to the Regulation of Investment Advising, Investment Marketing and Portfolio Management Law, 1995 ("Investment Advice Law") and does not hold the insurance coverage required of a licensee pursuant to the Investment Advice Law. This publication has been prepared exclusively for Qualified Clients as such term is defined in the First Schedule to the Investment Advice Law. As a prerequisite to the receipt of a copy of this publication a recipient will be required to provide confirmation and evidence that it is a Qualified Client. Nothing in this publication should be considered Investment Advice or Investment Marketing as defined in the Investment Advice Law. Recipients are encouraged to seek competent investment advice from a locally licensed investment adviser prior to making any investment.

Macau. Click [here](#) to read the disclaimer for all jurisdictions in Mandarin. 澳门. [点击此处](#) 阅读所有司法管辖区的免责声明的中文版。

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

Important notice

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 (**CBO**) or Oman's Capital Market Authority (**CMA**). 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. So, 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.

Peru. The information contained in this document has not been, and will not be, registered with or approved by the Peruvian Superintendency of the Securities Market (Superintendencia del Mercado de Valores, **SMV**) or the Lima Stock Exchange (Bolsa de Valores de Lima, **BVL**) or under the Peruvian Securities Market Law (Legislative Decree 6 861), and will not be subject to Peruvian laws applicable to public offerings in Peru. To the extent this information refers to any securities or interests, it should be noted the securities or interests may not be offered or sold in Peru, except if (i) such securities or interests were previously registered with the Peruvian Superintendency of the Securities Market, or (ii) such offering is considered a private offering in Peru under the securities laws and regulation of Peru.

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 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 document 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 Kingdom. 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 Financial Conduct Authority (**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 considers this document to constitute an Acceptable Minor Non-Monetary Benefits (**AMNMB**) under the relevant inducement rules of 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.

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 our website or have otherwise received this document and are a US Person who is an individual: to avoid loss, you should cease to use our 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 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 a 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>