

New Zealand Weekly Data Wrap

2 December 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](#).

- [NZ Property Focus: six reasons](#)
- [RBNZ MPS Review and OCR Call Change: hope is not a strategy](#)
- [NZ Economic Outlook: coming in to land](#)
- [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.

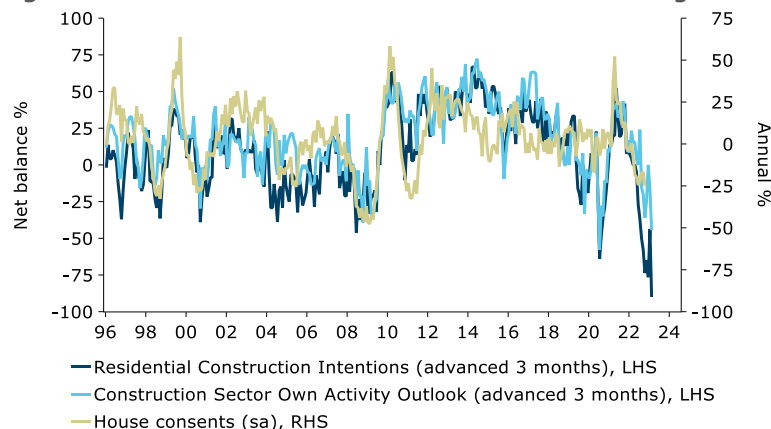


Global inflation pressures may not decline as quickly or as far as anticipated.

What happened this week?

We have taken the opportunity this week to update some of our key macroeconomic forecasts (see next page) and review our house price outlook in the wake of [our expectation](#) that the OCR will now rise to a peak of 5.75% by May next year (previously 5.0% peak expected by February). We expect a 22% peak-to-trough fall in house prices relative to their November 2021 peak (-18% previously), although forecast uncertainty remains extremely high. As outlined in our final [Property Focus](#) for the year, the housing market should find a floor at some point. But the magnitude and duration of price declines we will see before that floor is discovered remain unknown. The outlook for construction is looking particularly grim as the housing market softens. Our [Business Outlook](#) survey showed residential construction intentions dropping to a fresh low of -90 in November (-43.8 previously), while residential dwelling consents dropped 10.7% m/m in October (with house consents down 25% y/y), reinforcing the signal from falls in construction intentions in the ANZ Business Outlook (figure 1).

Figure 1. Residential construction intentions and housing consents



Source: Stats NZ, Macrobond, ANZ Research

The hawkish stance of the RBNZ stands in contrast to the Reserve Bank of Australia (RBA), which reverted to smaller 25bp hikes in their last two meetings, despite a similar rate of inflation. In an [Insight Note](#) released this week, we outlined some of the reasons why the RBNZ's OCR is expected to rise to 5.75% in 2023, versus just 3.85% for the RBA's cash rate. The jury's out on which central bank, if either, will get it right. But differing central bank views on economic trade-offs, wages, inflation expectations, and neutral rates (as well as structural differences between Australia and New Zealand) go a long way toward explaining the different monetary policy outlooks between the RBA and RBNZ.

Inflation pressures have surprised endlessly on the upside in the past year, and revisions to our OCR forecast (and the RBNZ's) have all been one-way traffic. However, as we outlined in another [Insight Note](#) this week, the risks around our forecast for a 5.75% OCR peak feel very much two sided for the first time in a while. Surging wages, inflation expectations, and a super-tight labour market could see inflation remaining stronger and more persistent than expected. But the lagged impact of already-delivered rate hikes, the deteriorating outlook for global growth, and the challenge of hiking rates into the teeth of an economic slowdown could see OCR hikes being delivered more slowly than expected (or not at all).



Looking ahead



Recent Publications

ANZ produces a range of in-depth insights.

- [NZ Insight: Risks to the OCR outlook](#)
- [NZ Insight: RBA/RBNZ policy divergence back in the spotlight](#)
- [NZ Property Focus: six reasons](#)
- [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](#)

[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](#)

Updating our inflation and labour market outlooks

We've updated our inflation and labour market forecasts to account for our new (higher) OCR forecast, as well as developments since our last update. We previously published an inflation forecast update on 21 October. Since then, on the disinflationary side:

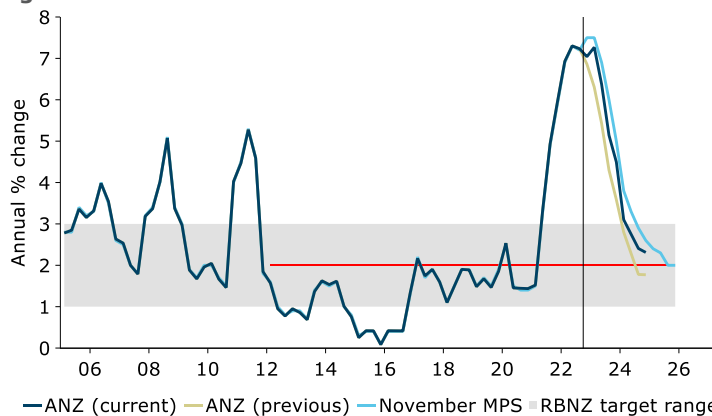
- Oil prices have fallen further, with WTI oil prices down to USD81/bbl, versus USD86/bbl when we finalised the previous forecast.
- The NZD has strengthened, with the TWI lifting from 68.4 to 73.3.
- The RBNZ hiked 75bp, and more importantly, upgraded their OCR forecast track to peak at 5.5% (4.1% previously).

On the inflationary side (which easily wins out, in our view):

- Inflation expectations across the [RBNZ's Survey of Expectations](#), and our [Consumer Confidence](#) and [Business Outlook](#) surveys all re-accelerated (although pricing intentions in the latter are easing).
- October food price inflation came in (very) strong, with prices up an unseasonable 0.8% m/m (10.1% y/y).
- Rent inflation remained high at 0.3% m/m (4.1% y/y) in October.

To us, these developments suggest that on net, there's a little more juice left in the inflation tank than previously assumed, given stronger-than-expected momentum in inflation expectations (feeding wage-price spiral dynamics). It's also worth highlighting the RBNZ's new neutral OCR analysis, which has seen them conclude that until now, they've only really been taking their foot off the economic accelerator with their rate hikes, rather than putting the brakes on inflation. Whether you agree with that or not, it feeds into OCR decisions. We've been expressing concern for some time that the neutral OCR will likely have been rising. Though we still don't know how much it has risen, we at least now know what the RBNZ's thinking on the matter is.

Figure 2. ANZ and RBNZ inflation forecasts



Source: Stats NZ, Macrobond, ANZ Research

We've centralised the upside risks we were seeing to inflation, and now expect overall CPI inflation will ease to 7.0% in Q4 (versus 7.2% in Q3), before bouncing to 7.3% in Q1 2023 (which is when we assume the cut to the fuel excise tax will be unwound). From there, we see inflation gradually grinding its way back to the RBNZ's 1-3% target range by mid-2024 as the impact of rate hikes flows through to a significant slowdown in the domestic economy and rising unemployment (see next page). We don't see inflation rising to the 7.5% peak that the RBNZ forecast in the November MPS (although we certainly wouldn't rule it out), and we also see inflation falling a little faster, given our expectation that the OCR will lift to a peak of 5.75% (5.5% in the November MPS). If oil prices continue to decline (eg if global downside growth risks crystallise) that could end up doing some of the RBNZ's work for it, given the

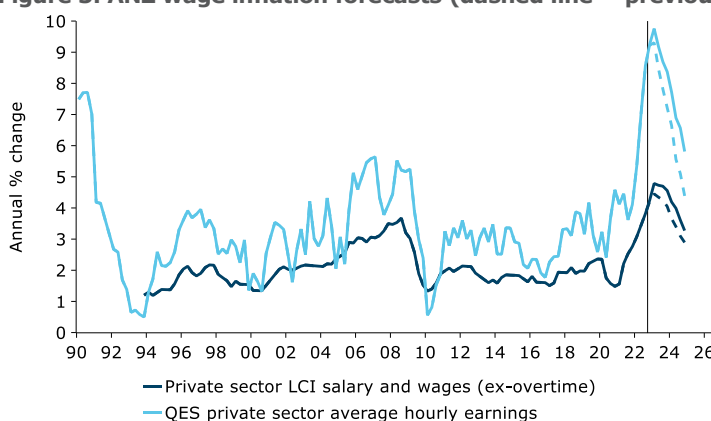


Looking ahead

impact on headline CPI and inflation expectations, which matters more than usual, given the high inflation environment.

Given the re-acceleration in inflation expectations, and our forecast for stronger and more persistent domestic inflation pressure, we also now anticipate that wage growth will be higher than previously expected – and for longer (figure 3). We expect private sector labour cost inflation (productivity adjusted) will peak at 4.8% in Q1 next year (4.5% previously), and we think private sector average hourly earnings growth (ordinary time) will peak at 9.8% y/y (9.3% previously). After this point, weakening labour demand (as rate hikes start to do their work) should see wage pressures come off the boil, although we anticipate hourly earnings growth will continue to outpace inflation over the remainder of our forecast horizon.

Figure 3. ANZ wage inflation forecasts (dashed line = previous)



Source: Stats NZ, Macrobond, ANZ Research

We're forecasting that the unemployment rate will continue to hover around 3.2-3.4% until the second half of 2023, reflecting ongoing strength in labour demand and the fact that the labour market is often the last thing to adjust to changes in monetary policy settings. However, with the domestic economy set to slow significantly in 2023, we're anticipating employment will start to fall from Q3 2023, sending the unemployment rate up to 5.3% by the end of our forecast horizon in Q4 2024 (figure 7, page 5). That's slightly lower than the RBNZ's forecast for unemployment to rise to a peak of 5.7%. However, a big part of this difference is the November MPS projection has the participation rate holding up at the current record high of 71.7%, whereas we see participation easing to 71.1% by end-2024 as workers become discouraged about their prospects of finding suitable work. If we also flat-line the participation rate at 71.7% in our forecasts, unemployment would rise to 6.0%, given our employment outlook.

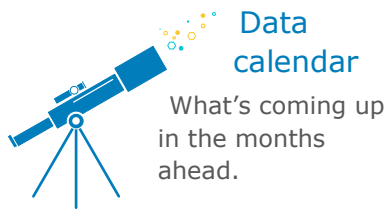
Our forecast revisions to inflation and the labour market highlight what's likely to be a key feature of 2023 – inflation remaining high, but activity clearly dropping, and eventually going below trend. As we go through this, it will naturally raise the question of why central banks are keeping rates so high when the economy is slowing (or even contracting, as the RBNZ expects for New Zealand). It's important to remember that below-trend economic activity is a feature, not a bug, of monetary policy tightening. The main tool the RBNZ has to fight inflation is to raise interest rates, cool demand in the economy, and reduce pressure on over-utilised resources. By definition, that requires opening up a gap between actual activity and its trend (a negative 'output gap'). As Fed Chair Powell highlighted in a [speech](#) this week,

Growth in economic activity has slowed to well below its longer-run trend, and this needs to be sustained.

Central banks will be unlikely to see signs of slowing demand and economic activity as anything other than a confirmation that their monetary policy tightening is working. And that's why 2023 is shaping up to be a tough one.



Financial markets update



Date	Data/event
Mon 5 Dec (1:00pm)	ANZ Commodity Price Index – Nov
Tue 6 Dec (10:45am)	Building Work Put in Place – Q3
Wed 7 Dec (early am)	GlobalDairyTrade auction
Thu 8 Dec (10:00am)	ANZ Truckometer – Nov
Fri 9 Dec (10:45am)	Economic Survey of Manufacturing – Q3
Fri 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
Wed 11 Jan (1:00pm)	ANZ Commodity Price Index – Dec
Thu 12 Jan (10:00am)	ANZ Truckometer – Dec
Thu 12 Jan (10:45am)	Building Permits – Nov
Tue 17 Jan (10:00am)	NZIER QSBO – Q4
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

Global long end interest rates fell sharply this week in the wake of a banner speech by US Fed Chair Powell, with the bellwether US 10yr Treasury bond yield almost 30bp lower (at ~3.50%) since the speech. While some correction was on the cards given this was the last speech from Powell before the next Fed meeting, and he all but confirmed a downshift to a hike of 'just' 50bps, other parts of his speech were hawkish (and in line with recent speeches by other Fed officials). Indeed, Powell continued to emphasise the need for a higher terminal rate and for it to hold at that level for an extended period. We think this will set the scene for volatility heading into the 15 December Fed meeting, where a hike to 4.50% (ie to almost 1% above the 10yr bond yield) is expected. Local short end rates are lower in sympathy too. While we and the RBNZ expect more hikes, traders have been eager to fade the move higher, and are focussing on recessionary themes. A tug of war is thus playing out, which also portends of volatility into 2023.

FX markets

The USD has come under sustained pressure as US bond yields have fallen, taking the DXY to a fresh low for the current downswing overnight. The Kiwi has benefitted from this, and while the RBNZ's hawkish tone and best-in-class interest rates are a tailwind, if US rates correct higher, we may see a pull-back, recalling that if the Fed hikes by 50, the Fed funds rate will end up back above the OCR. We expect NZD strength in 2023, but it has come early, and as with bonds, we think it makes sense to brace for volatility.

Key data summary

Building Permits – October. Consents fell 10.7% m/m, led by falls in single-unit dwellings. Further declines in residential construction intentions in our [Business Outlook](#) survey point to substantial weakness ahead.

ANZ Business Outlook – November. Confidence and own activity expectations [fell again](#), and inflation pressures remain intense.

RBNZ sectoral lending data – October. Housing lending growth continues to slow, up 5.2% y/y in October (5.7% previously), and business lending growth ticked down to a still-solid 8.2% y/y (8.9% previously).

Overseas Trade Indices – Q3. Terms of trade fell 3.4% q/q, a bit below the 2.5% decline we expected. Import volumes eased 0.2% q/q while exports bounced 5.5% q/q, suggesting a solid positive contribution to GDP in Q3.

The week ahead

ANZ Commodity Price Index – November (Monday 5 December, 1:00pm).

Building Work Put in Place – Q3 (Tuesday 6 December, 10:45am). We've pencilled in a 0.5% q/q lift, as non-residential work keeps trucking. Residential work is expected to start softening, but that's more a 2023 story.

GlobalDairyTrade auction (Wednesday 7 December, early am). Prices are expected to stabilise following the 2.4% lift at the previous event. Demand remains quite soft whereas supply is still seasonally high.

ANZ Truckometer – November (Thursday 8 December, 10:00am).

Economic Survey of Manufacturing – Q3 (Friday 9 December, 10:45am). With the PMI expansionary over the quarter, there should be some rebound from Q2's 4.9% q/q decline. Looking forward, gravity is calling.

Electronic Card Transactions – November (Friday 9 December, 10:45am). ANZ card spending data indicates nominal spending likely held up in November. We expect a broadly flat outturn for November ECT data.



Key forecasts and rates

FX rates	Actual				Forecast (end month)				
	Oct-22	Nov-22	Today	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
NZD/USD	0.580	0.624	0.637	0.590	0.570	0.580	0.590	0.600	0.620
NZD/AUD	0.907	0.927	0.936	0.908	0.891	0.892	0.894	0.882	0.886
NZD/EUR	0.584	0.602	0.605	0.608	0.600	0.598	0.590	0.583	0.590
NZD/JPY	86.2	86.6	86.2	86.7	85.5	85.8	85.6	85.2	86.8
NZD/GBP	0.503	0.520	0.520	0.527	0.518	0.513	0.504	0.504	0.517
NZ\$ TWI	69.8	72.4	73.3	71.1	69.2	69.5	69.6	69.6	71.0
Interest rates	Oct-22	Nov-22	Today	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
NZ OCR	3.50	4.25	4.25	4.25	5.00	5.75	5.75	5.75	5.75
NZ 90 day bill	4.10	4.42	4.43	4.85	5.77	5.85	5.85	5.85	5.85
NZ 2-yr swap	5.02	5.14	5.05	5.48	5.55	5.50	5.45	5.45	5.40
NZ 10-yr bond	4.19	4.08	4.03	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	1.3	2.0	0.8	1.0	0.6	0.7	0.4
CPI (% yoy)	7.3	7.2	7.0	7.3	6.4	5.1	4.5	3.1	2.8
Employment (% qoq)	0.0	1.3	0.3	0.2	0.1	-0.4	-0.4	-0.4	-0.1
Employment (% yoy)	1.5	1.2	1.5	1.8	1.9	0.2	-0.5	-1.1	-1.2
Unemployment Rate (% sa)	3.3	3.3	3.2	3.3	3.4	3.9	4.4	4.9	5.1

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

Figure 4. GDP forecast level

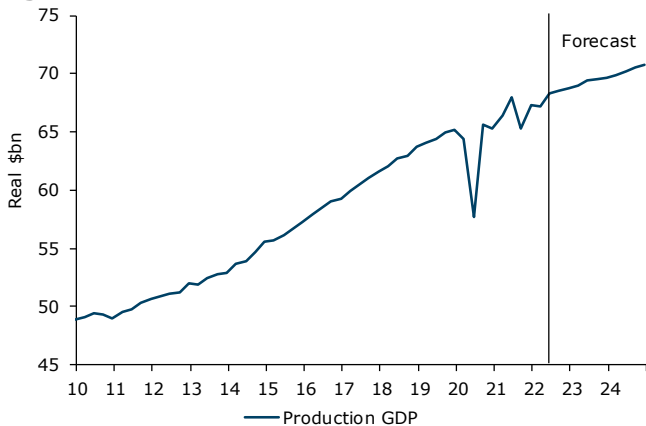


Figure 5. CPI inflation components

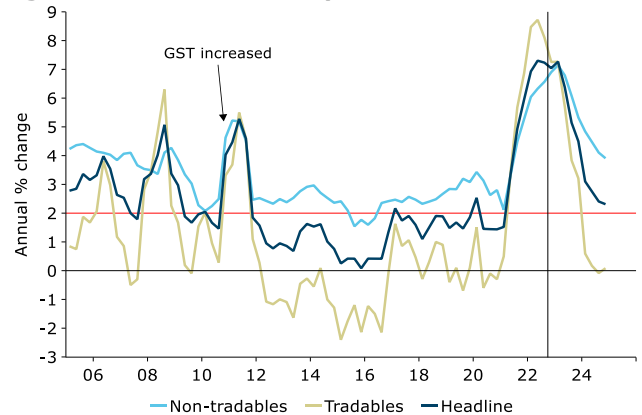


Figure 6. OCR forecast

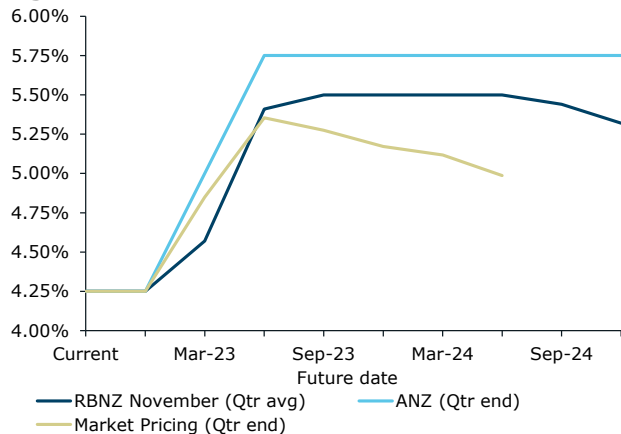
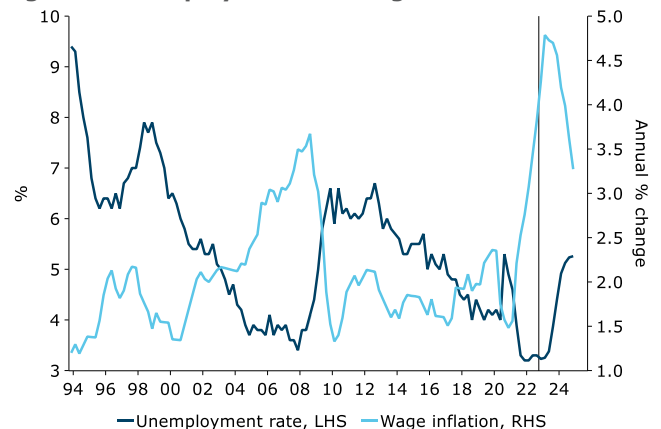


Figure 7. Unemployment and wage inflation



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>