

ANZ-Roy Morgan NZ Consumer Confidence

28 April 2023



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Contact

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See [page 5](#).

The next issue of the ANZ-Roy Morgan Consumer Confidence is scheduled for release on 26 May 2023 at 10am.

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

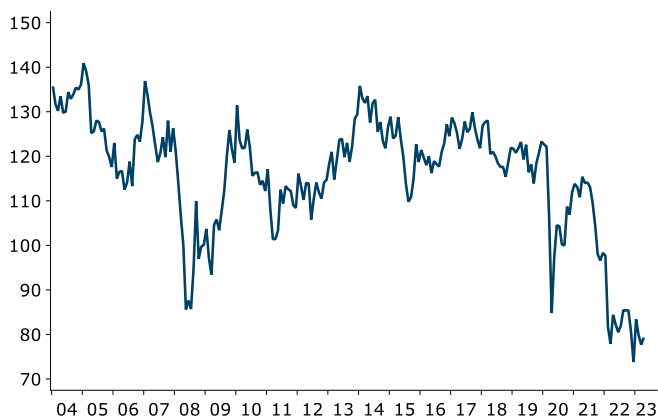
Not much autumn cheer

Key points

- Consumer confidence lifted 1 point in April to 79.3, still an extremely low level.
- The proportion of people who believe it is a good time to buy a major household item, a key retail indicator, lifted 1 point to -31.
- Inflation expectations eased from 5.4% to 5.2%. They have been bouncing around a narrow range for the last six months.

The ANZ-Roy Morgan Consumer Confidence Index lifted 1 point in April, remaining very subdued.

Figure 1. ANZ-Roy Morgan Consumer Confidence



Source: Roy Morgan, Macrobond, ANZ Research

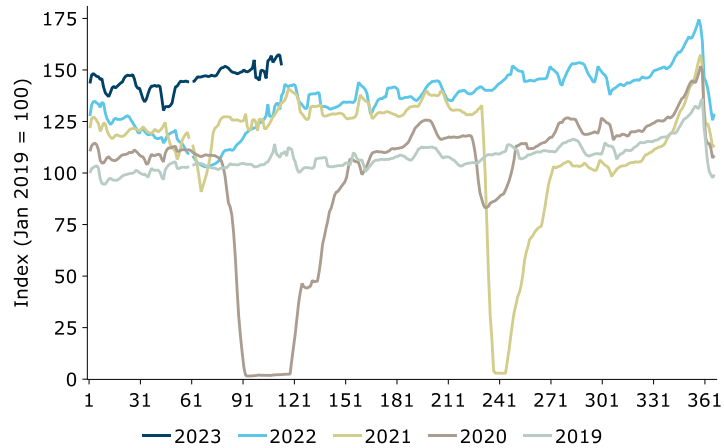
Turning to the detail:

- Perceptions of current personal financial situations lifted 1 point from -26% to -25%.
- A net 6% expect to be better off this time next year, up 5.
- A net 31% think it's a bad time to buy a major household item, up 1.
- Perceptions regarding the economic outlook in 12 months' time fell 4 points to -50%. The 5-year-ahead measure recovered somewhat, lifting from -10% to -2%.
- House price inflation expectations eased from 0.6% to 0.3%. They are strongest in the North Island excluding Wellington and Auckland (0.9%).
- One-year-ahead CPI inflation expectations fell back from 5.4% to 5.2%, with no trend evident.

Consumers continue to give very wary answers to questions about their financial wellbeing both now and into the future. The current conditions index was little changed at 71.7, while the future conditions index is somewhat chirpier at 84.4 (though still well under par). Households are concerned about the rising cost of living, particularly those with large amounts of debt. And while jobs are still plentiful, the economy is beginning to slow, and media articles about tougher times ahead are common.

Inflation remains high, interest rates have risen quickly, and talk of recession is unsettling for people. Budget and election uncertainty could also be weighing. There's plenty going on, and very little certainty to be had. But retail spending continues to hold up rather better than the survey question of whether it's a good time to buy a major household item would suggest is likely, and spending on hospitality is holding up too (figure 2), though some of this will be tourist spend.

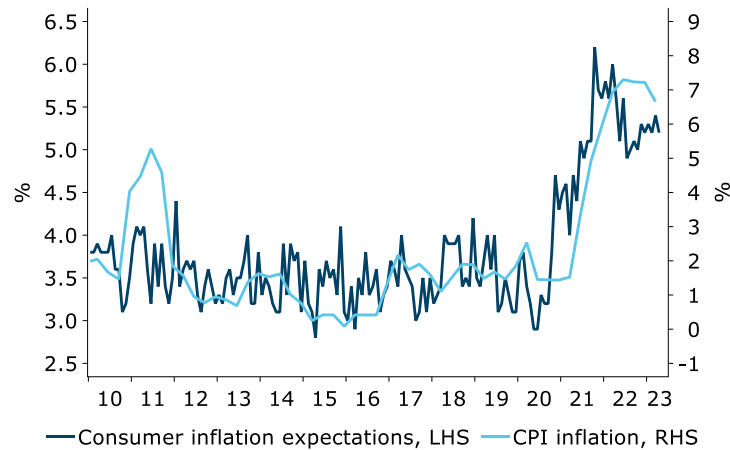
Figure 2. ANZ merchant card spending data: restaurants and bars



Source: Macrobond, ANZ Research

Household inflation expectations are proving more stubborn than those of businesses. The best that one can say about them is that at least they are not trending upwards. As long as the labour market remains on the tighter side of par, consumer inflation expectations are likely to matter more than otherwise, as wage demands are more likely to be met.

Figure 3. Consumer inflation expectations versus CPI inflation



Source: Roy Morgan, Stats NZ, Macrobond, ANZ Research



Tables and charts

Survey Summary	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23
No. of Interviews	1,010	1,011	995	1,001	1,005	1,007	1,008	1,004

Q1. Would you say you and your family are better off financially or worse off than you were at this time last year?

Better Off	26	28	28	24	23	20	24	24
Worse Off	44	45	43	47	43	50	50	49
Net Balance	-18	-18	-16	-23	-20	-30	-26	-25

Q2. This time next year do you and your family expect to be better off financially or worse off than you are now?

Better Off	36	35	34	30	35	37	35	36
Worse Off	32	32	34	39	29	29	34	30
Net Balance	4	4	0	-10	7	7	1	6

Q3. Thinking of economic conditions in New Zealand as a whole, in the next 12 months, do you expect we'll have good times financially, bad times or some good and some bad?

Good Times	11	12	12	8	13	11	10	10
Bad Times	43	50	53	62	53	52	56	60
Net Balance	-32	-39	-41	-54	-40	-41	-46	-50

Q4. Looking ahead, what would you say is more likely: that in New Zealand as a whole we'll have continuous good times during the next five years or so, we'll have bad times, or some good and some bad?

Good Times	19	22	19	19	22	22	19	22
Bad Times	22	21	28	30	23	25	29	25
Net Balance	-3	1	-9	-12	-1	-3	-10	-2

Q5. Generally, do you think now is a good time, or a bad time, for people to buy major household items?

Good Time to Buy	25	26	21	24	25	22	22	24
Bad Time to Buy	50	48	52	57	53	57	54	55
Net Balance	-25	-22	-31	-33	-28	-35	-32	-31

Q6. During the next 2 years do you think that prices in general will go up, go down, or stay where they are now? And if up, what is the expected percentage per year?

Go Up	80	84	84	78	79	82	82	83
Go Down	7.1	4.4	5.0	6.3	5.1	5.9	4.5	4.8
Expectation (%)	5.1	5.0	5.3	5.2	5.3	5.2	5.4	5.2

Q7. Specifically thinking about the price of houses during the next 2 years, do you think that the price of houses in general will go up, go down, or stay where they are now? And if up, what is the expected percentage per year?

Go Up	32	33	32	29	28	31	35	32
Go Down	35.1	37.1	39.8	49.5	41.3	40.8	32.8	39.6
Expectation (%)	0.5	0.5	0.0	-0.8	-0.3	0.0	0.6	0.3

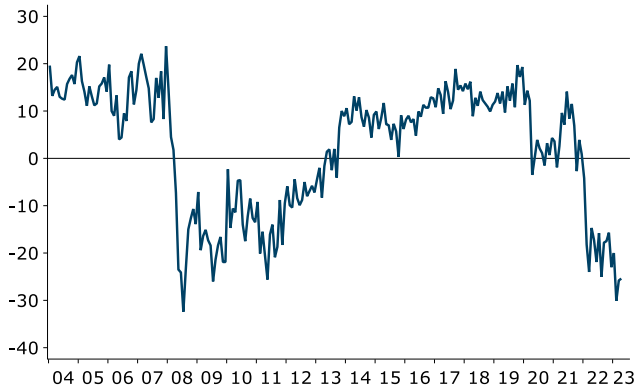
ANZ Roy Morgan Consumer Confidence Rating (100 plus the unweighted average of the net balances of Q1-5)

Overall Index	85.4	85.4	80.7	73.8	83.4	79.8	77.7	79.3
Current Conditions	78.8	80.5	76.7	72.1	75.9	67.4	71.4	71.7
Future Conditions	89.8	88.8	83.3	74.9	88.5	88.0	81.9	84.4

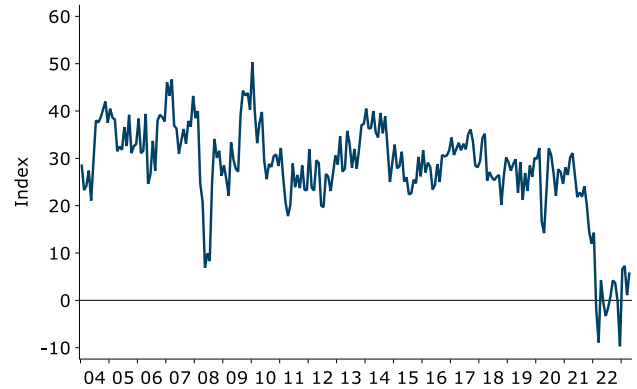


Tables and charts

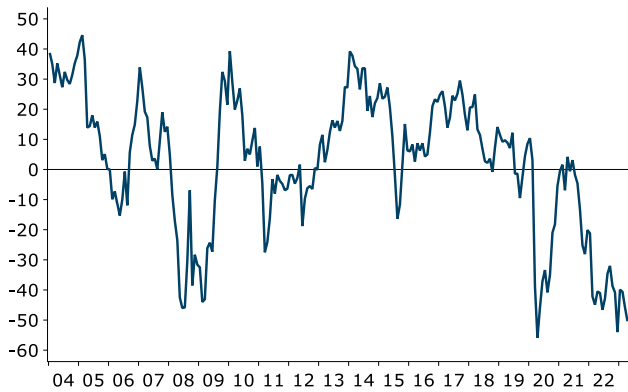
Q1. Better off past year



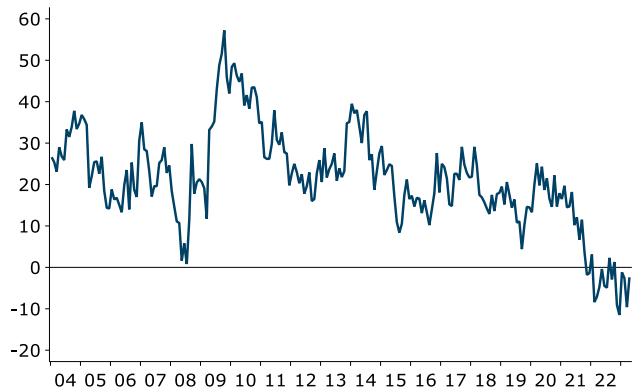
Q2. Better off next year



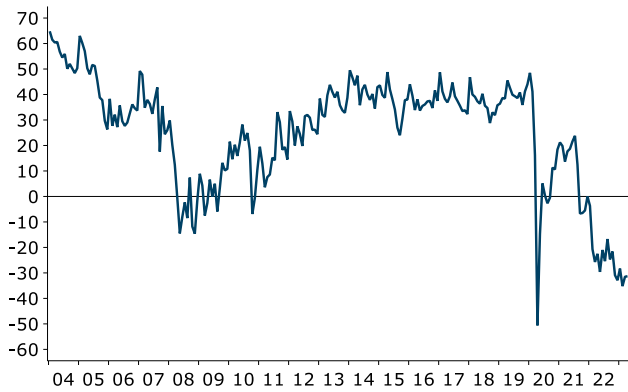
Q3. NZ economy 12 months' time



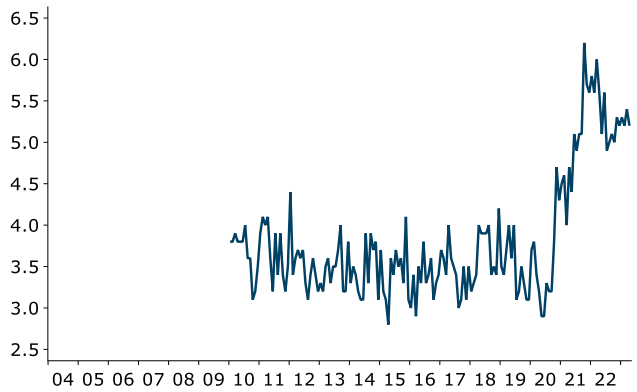
Q4. Outlook 5 years ahead



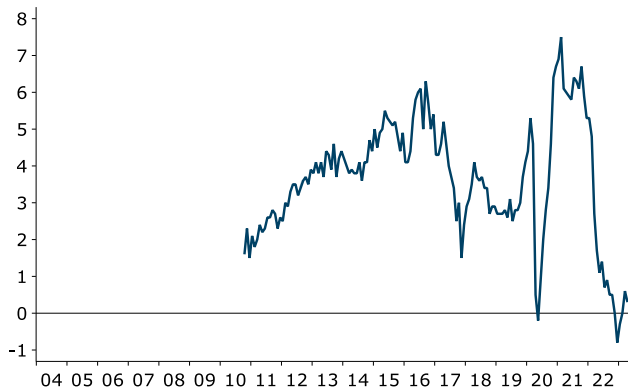
Q5. Buy major household item



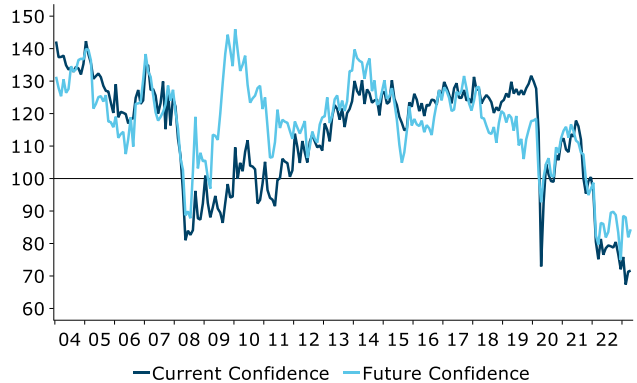
Q6. Inflation expectations



Q7. House price inflation expectations



Current vs future conditions



Source: Roy Morgan, Macrobond, ANZ Research



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