

NZ GDP and Balance of Payments: Q2 2023 Preview

13 September 2023



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

Miles Workman [more details](#).

Dead cat bounce

Bottom line

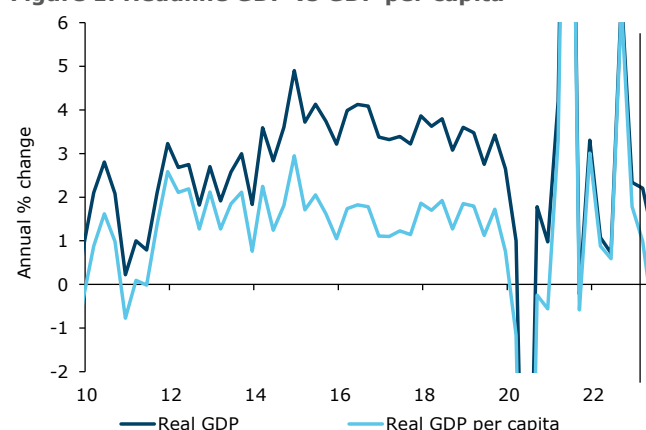
- We've pencilled in a 0.4% q/q economic expansion for Q2, unchanged from our previously published forecast, and a touch below the RBNZ's August MPS forecast of 0.5%.
- Economic momentum is clearly softening despite strong population growth, but the Q2 GDP data will still have a fairly wonky signal-to-noise ratio reflecting lingering cyclone and COVID impacts. Quirky seasonality and further methodological tweaks by Stats NZ also add to uncertainty.
- We'd caution against reading too much into the GDP data insofar as the RBNZ's October Monetary Policy Review is concerned. For the RBNZ, it's growth versus its speed limit that matters, and given recent volatility in the GDP data that's more of a guessing game than usual. Q3 non-tradables inflation is the more important release, but the RBNZ won't be able to factor that in until the November MPS.
- The annual current account deficit is expected to narrow to 7.9% of GDP, slightly narrower than our prior expectation, but still way too wide to call sustainable. And with risks around the global outlook skewed to the downside, it's certainly too early to discount the possibility that the deficit remains too wide for longer than we all expect.

The view

New Zealand's Q2 Balance of Payments and GDP figures will be released at 10:45am next Wednesday and Thursday respectively.

Economic momentum is clearly slowing on the back of the 525bp of hikes delivered by the RBNZ since late 2021. A weak underbelly is expected to be particularly evident in the per capita data, which is expected to post another quarterly contraction (-0.2% q/q) as population growth of 0.6% q/q outpaces headline activity. In annual growth terms, the widening gap between headline and per capita growth shows New Zealand is back to its pre-pandemic trick of population growth bolstering growth in headline GDP (figure 1).

Figure 1. Headline GDP vs GDP per capita



Source: Stats NZ, ANZ Research

Data summary

	Q1 2023	ANZ Q2 2023 exp
GDP		
Quarterly % change	-0.1%	0.4%
Annual % change	2.2%	1.1%
Annual average % change	2.9%	3.0%
Balance of Payments		
Current account (\$m, actual)	-5,215	-4,235
Current account (\$m, sa)	-8,307	-6,750
Annual CAB (\$bn)	-33.0	-30.9
% of GDP	-8.5%	-7.9%

Insofar as monetary policy implications go, we'd caution against reading too much into the GDP release, particularly if it's weaker than the RBNZ's August MPS forecast of +0.5% q/q. That's because we suspect a healthy proportion of any negative forecast miss could end up in its potential GDP assumption, meaning little change to the estimated output gap (and thus inflation pressures) overall. That's particularly likely given the RBNZ's own capacity suite indicators in the August MPS suggested the RBNZ is already being optimistic on that front, if anything. Upshot: capacity indicators like unemployment and QSBO capacity utilisation are more important for the RBNZ's estimate of domestic inflation pressures than GDP *per se*.

Similarly, if GDP significantly surprises to the upside, it may be difficult to diagnose how much of that is noise (eg rebound from cyclone disruption) and how much is signal. The RBNZ's latest forecast assumes potential GDP grew by 0.8% q/q in Q2, so looking through the noise (which will probably require X-ray vision), provided growth is slower than that, the Committee should be satisfied that inflation pressures continue to ease.

Turning to the details, the partial indicators have been mixed and suggest Q1 GDP may be in for a downgrade. A lower starting point in Q1 could mean a stronger bounce in Q2.

- The **retail trade** survey showed volumes fell 1.0% q/q, with Q1 being revised down from -1.4% q/q to -1.6% q/q.
- The **volume of building work put in place** fell 0.1% q/q in Q2, with ongoing weakness in residential construction (-2.0% q/q) broadly offsetting solid growth in non-residential (+3.7% q/q). Q1 was again revised lower, from +0.6% to -1.7% q/q.
- The quarterly **manufacturing** survey showed volumes rebounded 2.9% q/q in Q2, led by a 5.8% lift in food manufacturing, and just a 0.1% lift in ex-food manufacturing.
- After adjusting for price changes, **wholesale trade** fell around 1.4% q/q in Q2.

Table 1 (over) shows our industry-level forecasts. Overall, our expectation that the economy expanded 0.4% in Q2 is driven by:

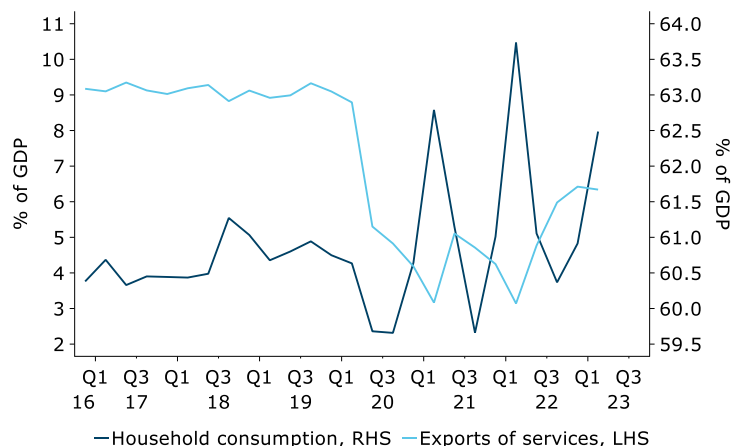
- **Services industries** lifting a modest 0.4% q/q (making a 0.3ppt contribution to headline growth). At around two thirds of GDP, services industries have a huge influence on headline GDP, and if the rebound from Q1's 0.6% contraction is larger than expected, it will very likely move the dial on headline GDP.
- **Goods-producing industries** are expected to lift 0.6% q/q, led by food manufacturing and making a 0.1ppt contribution to headline growth.
- **Primary industries** are expected to expand 0.9% q/q (just under a 0.1ppt contribution to headline growth) as weather-related disruption fades.

For expenditure GDP we've pencilled in a 0.5% q/q lift, driven by net exports (reflecting a strong quarter for goods exports in particular). On the domestic front, weak private consumption expenditure is expected to meet robust government consumption and solid growth in non-residential investment.

Importantly, quirky seasonality in the GDP data post COVID is particularly acute in the expenditure cut of these data, meaning big surprises in the components would not in fact surprise. In particular, the share of household consumption and services exports in GDP has been all over the show in

recent quarters (figure 2), and we're not convinced that has completely settled down. Q1's 2.4% q/q increase in private consumption (which is around 60% of GDP) was certainly not indicative of household sector momentum, and a sharp payback in Q2 won't be either. For these super-noisy components, it's the trend in the level of activity that matters, and that trend is moderating.

Figure 2. Share of GDP



Source: Stats NZ, Macrobond, ANZ Research

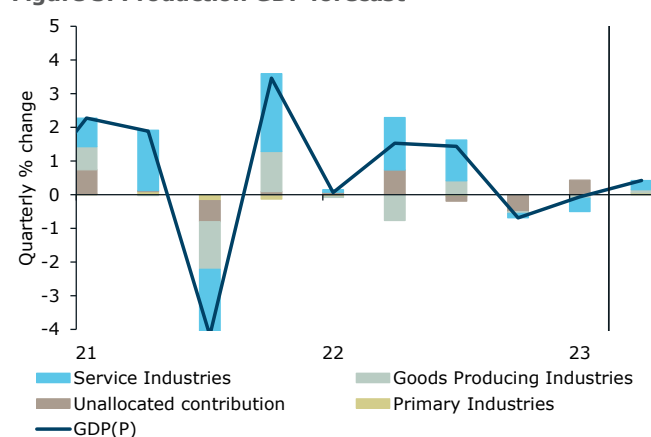
All in all, the details of the Q2 GDP release are shaping up to be very mixed. While GDP is expected to eke out a small expansion in Q2, momentum is weak and that's unlikely to change any time soon. For the RBNZ, we think the tolerance for a surprise in the GDP data vs their 0.5% q/q forecast is relatively high when it comes to the October Monetary Policy Review. For the November Monetary Policy Statement (where we are pencilling a 25 bp hike), Q3 non-tradables inflation and the Q3 labour market releases are expected to carry a lot more weight.

Looking forward, the bigger picture for the economy isn't likely to be a pleasant one until it's clear that the RBNZ have domestic CPI inflation under control. And for that to happen, economic activity will either need to remain sub-par for a while yet or some other nasty shock would need to come along on the global front, doing a lot of the RBNZ's work for them. It was good to see some stability in dairy prices over the past fortnight, but China risks to our export sector remain front and sector in this regard.

Table 1. ANZ Q2 GDP industry-level forecast

Industry	q/q%	%pt cont.	y/y%
Agriculture, forestry, and fishing	1.1	0.05	-2.3
Mining	0.3	0.00	-0.7
Manufacturing	0.9	0.07	-5.7
Electricity, gas, water, and waste services	1.0	0.03	2.7
Construction	0.0	0.00	7.5
Wholesale trade	-1.4	-0.07	2.5
Retail trade and accommodation	-0.9	-0.06	0.4
Transport, postal, and warehousing	-0.3	-0.01	12.6
Information media and telecommunications	-0.2	-0.01	3.9
Financial and insurance services	0.1	0.01	3.4
Rental, hiring, and real estate services	0.6	0.09	1.7
Prof, scientific, technical, admin, and support	1.6	0.19	5.9
Public administration and safety	0.4	0.02	1.6
Education and training	0.5	0.02	1.5
Health care and social assistance	0.3	0.02	7.7
Arts, recreation, and other services	3.0	0.09	8.3
Unallocated	0.0	0.00	6.0
Balancing item	N/A	0.0	N/A
Gross domestic product	0.4	0.4	3.0

Figure 3. Production GDP forecast



Source: Statistics NZ, ANZ Research

Turning to the Balance of Payments, we expect the annual current account deficit to narrow from 8.5% of GDP in Q1 to 7.9%. That's narrower than our previous forecast of 8.4%, reflecting stronger-than-expected goods exports and slightly weaker goods imports than previously expected. Given New Zealand's out-of-balance external sector, we'll take it, but as we know from recent GDT auctions and elevated global oil prices, there is further weakness in the goods balance to come.

On a quarterly seasonally adjusted basis:

- We expect the goods balance to narrow sharply, as exports lift around 3% q/q and imports decline by a similar amount. The latter reflects softening domestic demand (which is unfortunately a necessary part of getting NZ's external accounts back into more sustainable territory).
- The services balance is expected to widen in the quarter as exports fall around 9% and imports dip almost 2%. There is still plenty of quirky seasonality impacting services exports as international tourism and education recovers, meaning we're putting less weight than normal on our quarterly seasonally adjusted model.
- The income deficit (which isn't seasonally adjusted) is expected to widen about 10% to \$2.9bn as the rising global interest rate environment weighs.

Figure 4. Current account deficit



Source: Statistics NZ, ANZ Research

Looking forward, we see the annual current account deficit narrowing from here as demand for imports softens and the recovery in travel-related exports continues. But higher global interest rates are expected to become a significant offset, keeping the income deficit under widening pressure.

Downside risks around China's outlook certainly present a risk that the current account deficit narrows more slowly than we expect over the medium term.

In big picture terms, the current account deficit is still far too wide, making New Zealand vulnerable to a sovereign credit rating downgrade and suggesting there is a material risk that the transition away from this out-of-balance position involves higher-for-longer retail interest rates (as NZ picks up a wider risk premium) and a weaker NZD.



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



Henry Russell
Economist

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

Telephone: +64 21 629 553
Email: henry.russell@anz.com



Andre Castaing
Economist

Macroeconomic forecasting, economic developments and housing.

Telephone: +64 21 199 8718
Email: andre.castaing@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: 18 April 2023

The opinions and research contained in this document (which may be in the form of text, image, video or audio) are (a) not personal financial advice nor financial advice about any product or service; (b) provided for information only; and (c) intended to be general in nature and do 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 by ANZ Bank New Zealand Limited (ANZ Centre, 23-29 Albert Street, Auckland 1010, New Zealand). This document is distributed in your country/region by Australia and New Zealand Banking Group Limited (ABN11 005 357 522) (**ANZ**), a company incorporated in Australia or (if otherwise stated), by its subsidiary or branch (herein collectively referred to as **ANZ Group**). The views expressed in this document are those of ANZ Economics and Markets Research, an independent research team of ANZ Bank New Zealand Limited.

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 Group 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 Group would be subject to additional licensing or registration requirements. Further, any products and services mentioned in this document may not be available in all countries.

ANZ Group in no way provides any personal 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 Group does not represent or warrant the accuracy or completeness of the information, except with respect to information concerning ANZ Group. Further, ANZ Group 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 Group 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. Any 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 Group 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 Group may have an interest in the subject matter of this document. They may receive fees from customers for dealing in any 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 any 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 Group's policies on conflicts of interest and ANZ Group maintains appropriate information barriers to control the flow of information between businesses within the group.

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

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 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 document is distributed in New Zealand by ANZ Bank New Zealand Limited. The material is for information purposes only and is not financial advice about any product or service. We recommend you seek 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. To the extent that this document contains any statements of opinion and/or recommendations related to an investment product or class of investment product (as defined in the Financial Advisers Act 2001), 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 2001 of Singapore). ANZ is licensed in Singapore under the Banking Act 1970 of Singapore and is exempted from holding a financial adviser's licence under Section 23(1)(a) of the Financial Advisers Act 2001 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**). 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.