

## NEW ZEALAND ECONOMICS ANZ COMMODITY PRICE INDEX

Data for September 2015,  
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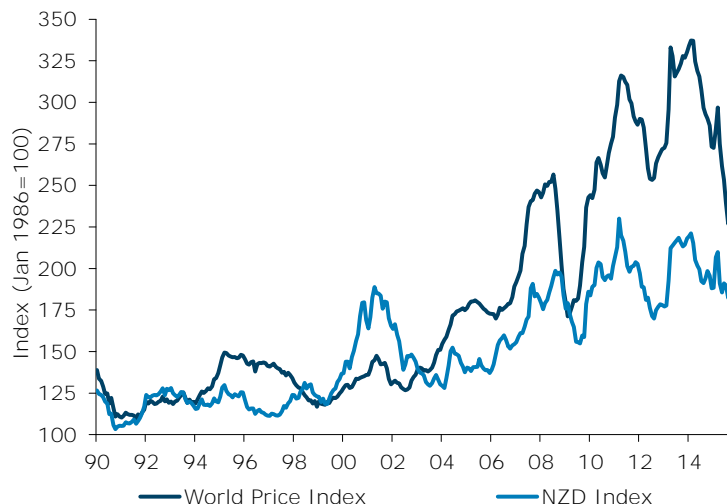
**The ANZ Commodity Price Index rose for the first time since March, increasing by 5.5% in September.** Dairy and aluminium drove the increase in the overall index, while falls were seen across the remaining four major commodity groups. The index was 18.2% lower than 12 months earlier and was 29% below February 2014 peaks.

**Dairy prices rose 15.1% this month, which followed five consecutive monthly falls.** Prices for all dairy commodities, except casein, were higher in September, with prices for skim milk and whole milk powder prices both up 21%. International prices for butter also lifted strongly, while cheese prices were up only modestly. Further dairy price rises are in prospect given the recent strengthening in GDT auction prices. That said, dairy prices on the ANZ index are still 24% lower than 12 months ago, so there is a long way to go.

**Aluminium prices were also up in September, lifting 2.5%, but prices for other commodity groups fell.** Falls for beef, lamb and skins contributed to a **2.6% fall in the meat price index.** Beef prices fell 4.1%, with the market cooling on demand concerns that consumers will switch to cheaper alternatives, such as pork and poultry. Lamb prices were down 1.7%, with price softness particularly noticeable in the United Kingdom, where higher domestic supply continued to impact on the demand for New Zealand lamb. Forestry prices were down 0.7% over the month, with a 1.2% fall in log prices driving the result. Timber and pulp prices were flat again in September. Prices in the **horticulture sub-group fell 0.3%**, as both kiwifruit and apple prices edged lower. Overall, prices for the seafood sector were 0.4% lower over the September month.

**The NZD index strengthened 9.3% (2.7% y/y), the fifth strongest monthly increase on record.** NZD declines over September against most major currencies helped. With continued global instability and uncertainty over the state of global demand, the NZD will need to remain supportive to cushion in-market wobbles.

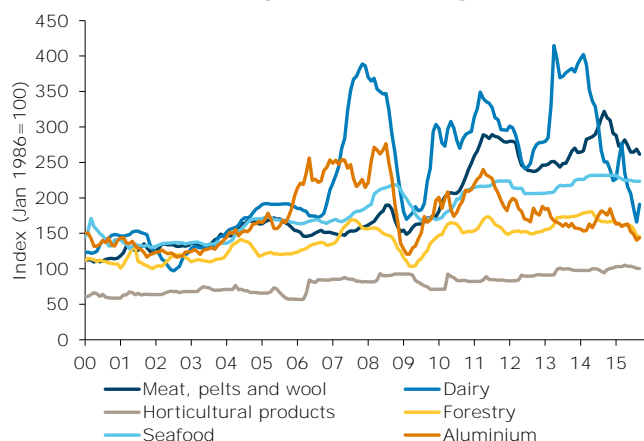
### ANZ COMMODITY PRICE INDEX



Source: ANZ

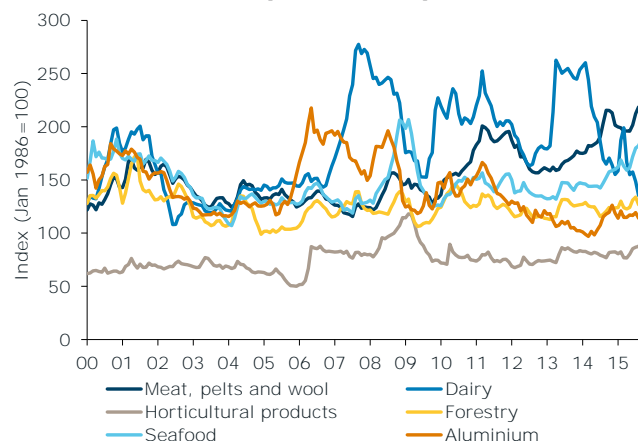
## ANZ COMMODITY PRICE INDEX

SUB GROUP INDICES (WORLD PRICES)



Source: ANZ

SUB GROUP INDICES (NZD PRICES)



Source: ANZ

	World Price Index	Monthly % Change	Annual % Change	NZ\$ Index	Monthly % Change	Annual % Change
Sep-11	299.4	..	14.3	201.0	..	3.0
Sep-12	263.3	..	-12.1	174.9	..	-13.0
Sep-13	323.5	..	22.9	215.5	..	23.2
Sep-14	292.9	..	-9.5	194.1	..	-9.9
Apr-15	274.9	-7.4	-15.3	191.0	-9.0	-6.9
May-15	261.6	-4.8	-18.0	185.5	-2.9	-8.0
Jun-15	253.4	-3.1	-19.7	191.0	3.0	-4.2
Jul-15	239.5	-5.5	-22.1	189.9	-0.6	-1.3
Aug-15	227.0	-5.2	-23.5	182.4	-4.0	-4.6
Sep-15	239.5	5.5	-18.2	199.4	9.3	2.7

Commodity Price Index weights are based on contributions to merchandise exports. Weights for the 2015 year are: Wool 2.8%; Beef 8.9%; Lamb 10.7%; Venison 0.6%; Skins 2.0%; Dairy 47.4%; Apples 1.8%; Kiwifruit 3.6%; Logs 8.2%; Sawn Timber 3.2%; Wood Pulp 2.2%; Seafood 4.9%; Aluminium 3.6%

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