

NEW ZEALAND ECONOMICS ANZ COMMODITY PRICE INDEX

Data for October 2014,
released on 4 November
2014

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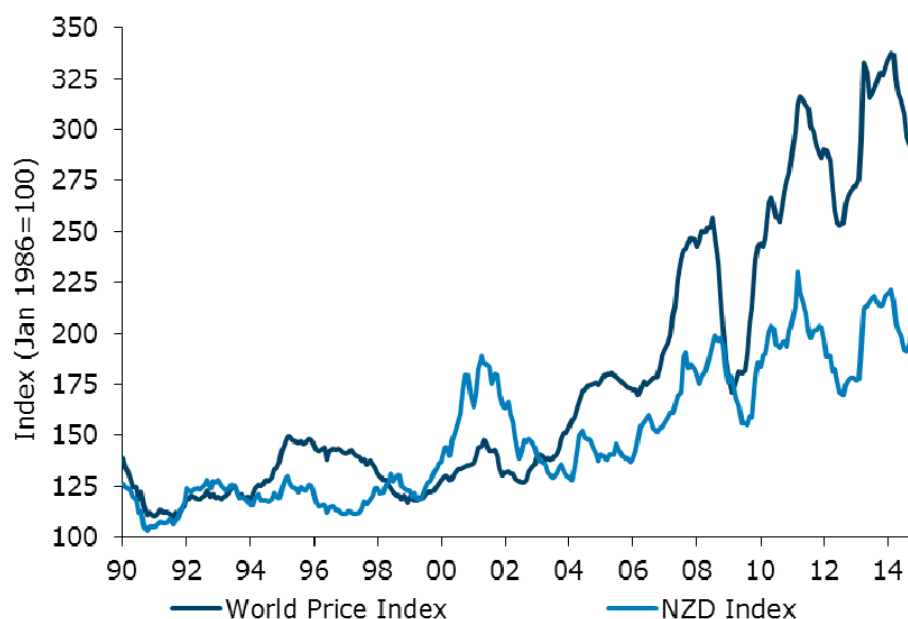
The ANZ Commodity Price Index declined 0.8% in October – its eighth consecutive monthly decline, albeit the second smallest since February. Nine commodities registered price falls, prices for six commodity prices increased, with prices for two unchanged. The index has fallen a cumulative 14% from the peak measured in February 2014.

The price of pelts recorded the greatest fall, sliding 14% from a month earlier. This is the seventh consecutive monthly decline in pelt prices and takes the series back down to a 22-month low. The next largest price decrease was for casein prices, which fell 4% to an 18-month low, with beef prices down 3%. Aluminium and wool prices both slipped 2%, while lamb and apples prices eased 1%. Very modest decreases (less than a ¼%) were registered for seafood and timber export prices.

Kiwifruit led the commodity price increases, lifting 8% in the month, to a record high. Also noteworthy were lifts for skim and whole milk powder, cheese, and butter, which rose between 0.4 and 0.7% in the month, although prices are significantly lower than earlier in the year. Log prices rose 0.2%, while prices for wood pulp and venison were unchanged in the month.

Typically the NZD buffers commodity price movements and October was no exception. The value of the New Zealand dollar fell 2.1% on a TWI basis and experienced greater proportionate declines against the USD, and yen. Overall, **the ANZ NZD Commodity Price Index recorded a 2.4% increase in the month** of October, the strongest monthly increase in 18-months. The NZD index has recovered 4% in the past two months but remains 14% below its March 2011 peak.

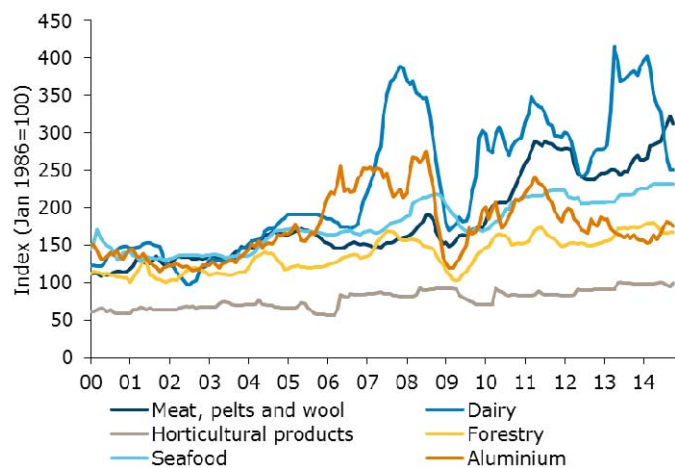
ANZ COMMODITY PRICE INDEX



Source: ANZ

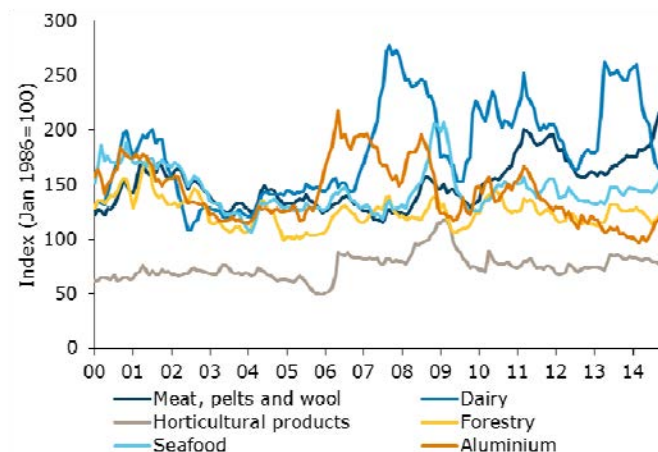
ANZ COMMODITY PRICE INDEX

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
Oct-10	269.5	..	26.5	196.0	..	23.4
Oct-11	291.6	..	8.2	201.7	..	2.9
Oct-12	267.1	..	-8.4	176.9	..	-12.3
Oct-13	327.9	..	22.8	213.4	..	20.6

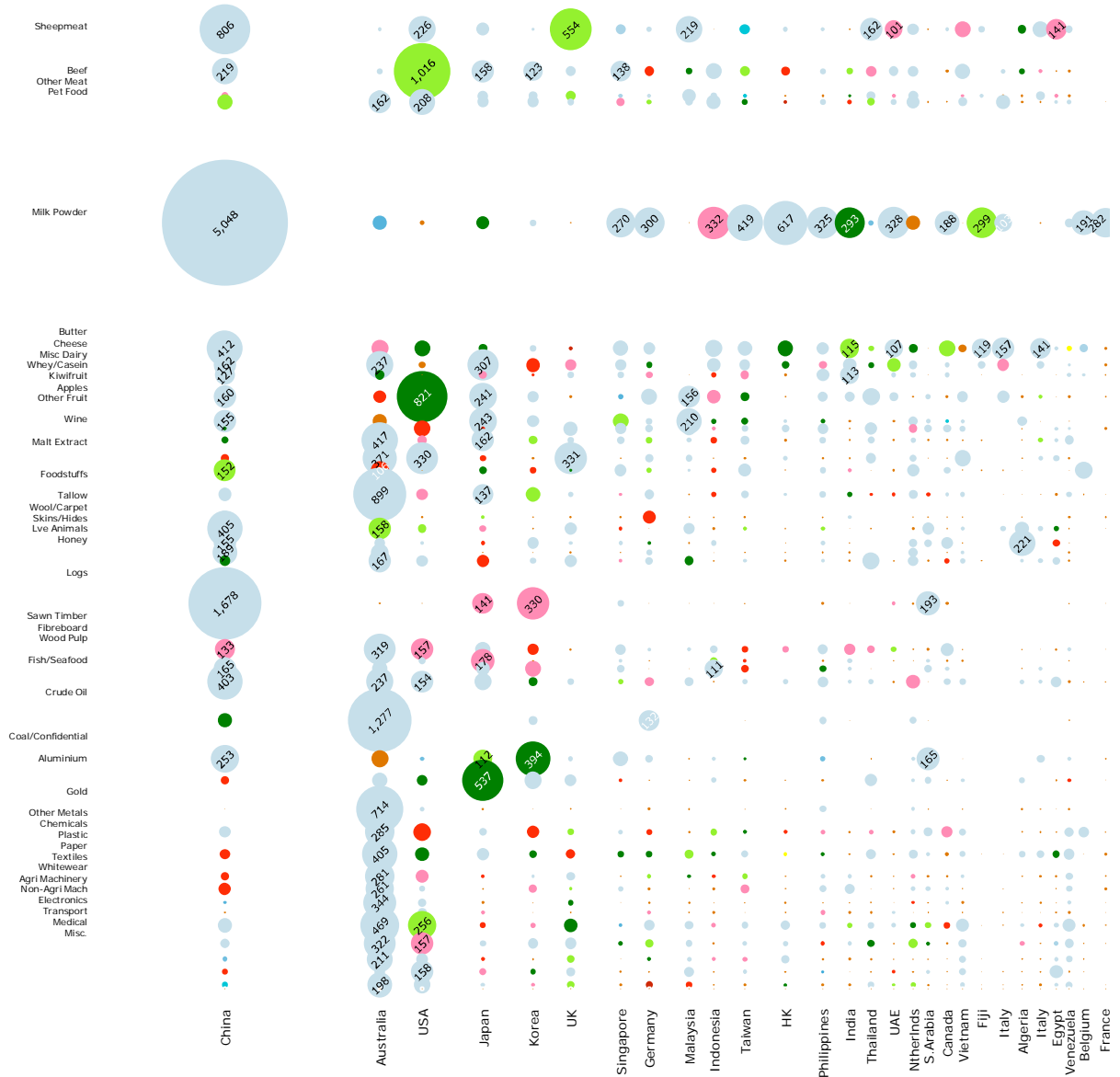
May-14	317.7	-2.2	-3.1	201.0	-2.1	-6.0
Jun-14	314.7	-0.9	-0.3	198.9	-1.0	-7.8
Jul-14	307.3	-2.4	-3.3	192.1	-3.4	-11.5
Aug-14	297.0	-3.3	-7.2	191.3	-0.4	-12.5
Sep-14	293.2	-1.3	-9.4	194.3	1.6	-9.9
Oct-14	290.9	-0.8	-11.3	198.9	2.4	-6.8

Commodity Price Index weights are based on contributions to merchandise exports. Weights for the 2014 year are: Wool 2.9%; Beef 8.0%; Lamb 10.4%; Venison 0.7%; Skins 2.3%; Dairy 46.8%; Apples 1.9%; Kiwifruit 3.3%; Logs 9.0%; Sawn Timber 3.7%; Wood Pulp 2.2%; Seafood 5.1%; Aluminium 3.7%

NEW ZEALAND'S LARGEST EXPORT MARKETS

Who gets What? NZ's exports, by commodity and largest markets

Bubble size reflects the value of exports in the 12 months to September 2014 (larger values are labelled in \$m)
 The colour fill indicates the percentage change from a year earlier (3mth/3mth_{t-12})



Source:
ANZ, SNZ

KEY: ● -10% or less ● -5% to -10% ● -5% to +5% ● +5% to +10% ● Over +10%

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