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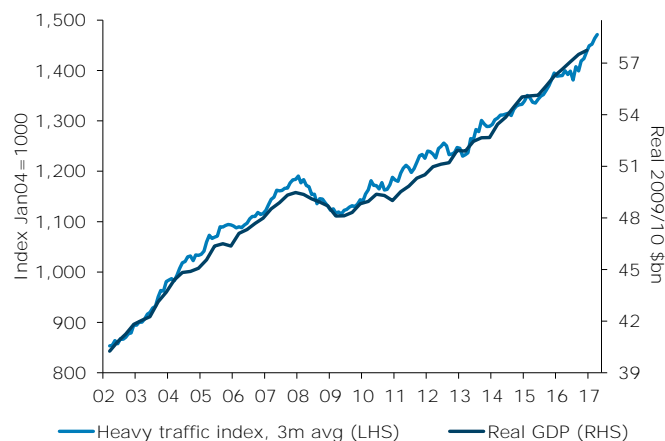
The next issue of the ANZ *Truckometer* is scheduled for release on 8 June 2017 at 10am.

## A COOLING IN APRIL

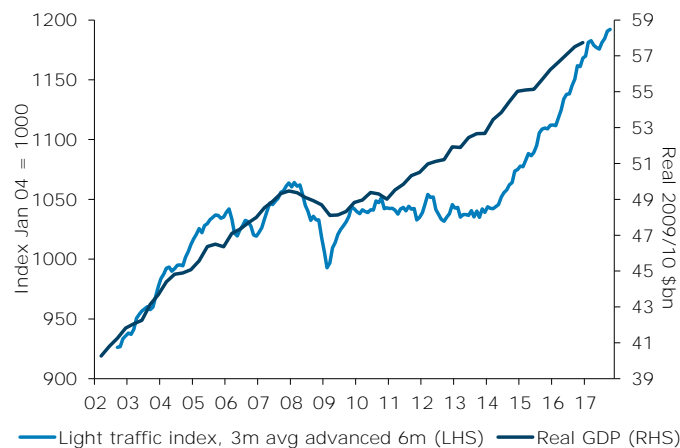
### KEY POINTS

- **Both ANZ Truckometer indexes eased in April, reversing lifts in March.** Such noise is typical of monthly indicators.
- **The Heavy Traffic Index fell 1.8% m/m, while the Light Traffic Index fell 1.5% m/m** (the charts below are a 3-month average).<sup>1</sup>
- **Despite the dip, the Heavy Traffic Index continues to trend solidly upward. The upward trend in the Light Traffic Index has been less definitive of late, suggesting patchier growth in store.**
- **We expect growth to ease as 2017 rolls on.** Capacity constraints are biting; getting skilled or unskilled employees is difficult. Credit is a bit harder to get. **It's not a bad thing** – overheating can lead to engine problems.

### GDP AND THE ANZ HEAVY TRAFFIC INDEX 3-MONTH AVERAGE



### GDP AND THE ANZ LIGHT TRAFFIC INDEX 3-MONTH AVERAGE



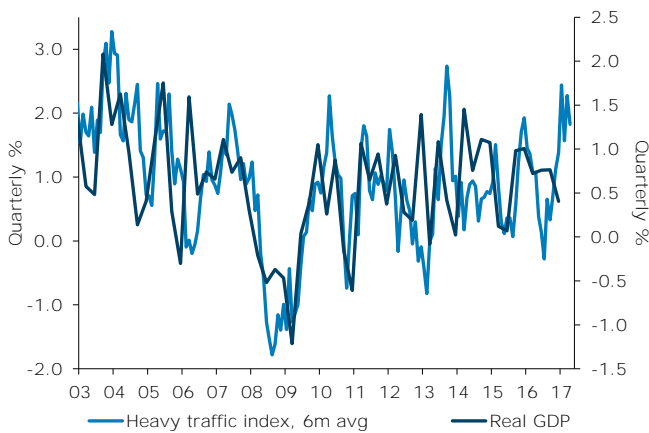
Source: ANZ, NZ Transport Agency, Statistics NZ

<sup>1</sup> The Kaikoura earthquake has seen a change in pattern of container freight at North Island ports, which has increased heavy traffic flows on State Highway 2. These impacts are likely to last for some time. We therefore make a statistical adjustment for this (2 sites).

# ANZ TRUCKOMETER

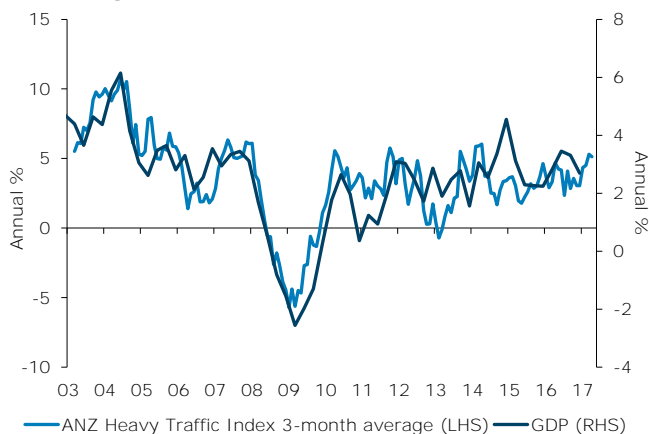
**The ANZ Heavy Traffic Index fell 1.8% m/m in April (seasonally adjusted – sa), unwinding its March lift.** The index was up a decent 1.8% in Q1, suggesting the economy grew around 1%, and despite the monthly dip the upward trend in the index is looking solid at this stage. The dire weather in April is another reason to not put much weight on the monthly dip.

**FIGURE 1. ANZ HEAVY TRAFFIC INDEX AND GDP GROWTH**



Source: ANZ, NZ Transport Agency, Statistics NZ

**FIGURE 2. ANZ HEAVY TRAFFIC INDEX (6-MONTH AVERAGE) AND ANNUAL GDP GROWTH**



Source: ANZ, NZ Transport Agency, Statistics NZ

**The Light Traffic Index fell 1.5% m/m in April (sa).** Weather may again have played a part. **This index gives a 6-month lead on the direction of the economy** and is best interpreted as a measure of momentum. **The previously strong upward trend in the index has been a bit less convincing of late** (see chart page 1), consistent with our view that the economic cycle has probably peaked in growth terms, having picked the low-hanging fruit.

**FIGURE 3. ANZ LIGHT TRAFFIC INDEX (6-MONTH AVERAGE, ADV. 6 MONTHS) AND GDP GROWTH**



Source: ANZ, NZ Transport Agency, Statistics NZ

**The suggestion of an easing in growth is certainly not the same thing as saying the current expansion is due to come to an end.** Based on the historical correlation, the Light Traffic Index would be likely to show a sharp fall rather than the mild flattening we’ve seen if something more worrisome were on the cards. This economy is still making good forward progress, at a more sustainable speed.

# ANZ TRUCKOMETER

## APPENDIX

Technical notes on how the ANZ Truckometer is produced were included in the initial release on 10 April 2012, available on the ANZ website or on request. The indexes' data history (subject to revision) is also available.

After adjusting for altered heavy traffic patterns due to the Kaikoura earthquake, traffic flows lifted on only 1 of 11 roads in the Heavy Traffic Index in April, and 4 of 10 roads in the Light Traffic Index (seasonally adjusted).

	Light Traffic Index			Heavy Traffic Index		
	Index Jan 04=1000	Monthly % chg	Monthly % chg, 3m avg	Index Jan 04=1000	Monthly % chg	Monthly % chg, 3m avg
Apr-16	1169	0.6	1.0	1398	-1.3	0.7
May-16	1152	-1.5	-0.1	1362	-2.6	-0.5
Jun-16	1183	2.6	0.6	1436	5.4	0.5
Jul-16	1175	-0.6	0.2	1345	-6.3	-1.3
Aug-16	1186	0.9	1.0	1442	7.2	1.9
Sep-16	1187	0.1	0.1	1411	-2.1	-0.6
Oct-16	1163	-2.0	-0.3	1404	-0.5	1.4
Nov-16	1181	1.5	-0.2	1455	3.7	0.3
Dec-16	1183	0.2	-0.1	1453	-0.2	1.0
Jan-17	1180	-0.3	0.5	1439	-0.9	0.8
Feb-17	1191	0.9	0.3	1463	1.7	0.2
Mar-17	1202	1.0	0.5	1488	1.7	0.8
Apr-17	1184	-1.5	0.1	1462	-1.8	0.5

FIGURE 4. ANZ HEAVY TRAFFIC INDEX: RAW VS. SA

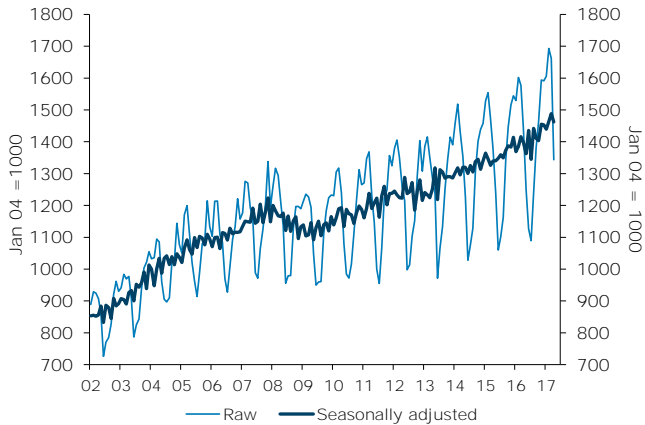
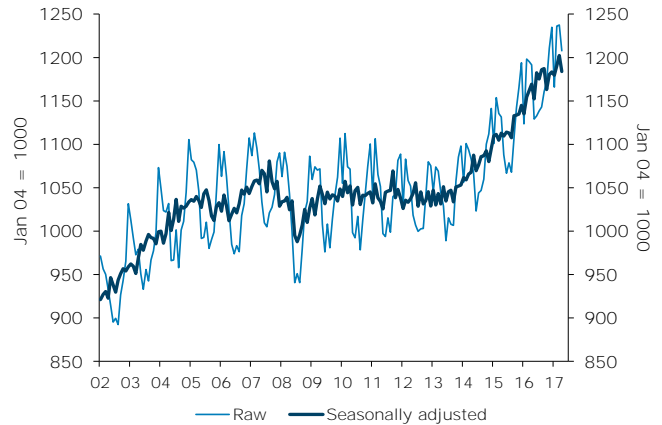


FIGURE 5. ANZ LIGHT TRAFFIC INDEX: RAW VS. SA



Source: ANZ, NZ Transport Agency

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