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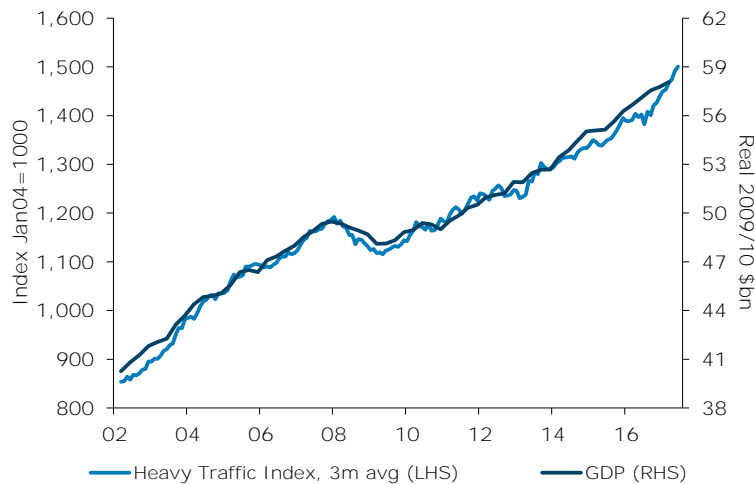
The next issue of the ANZ *Truckometer* is scheduled for release on 9 August 2017 at 10am.

## HEADING NORTH

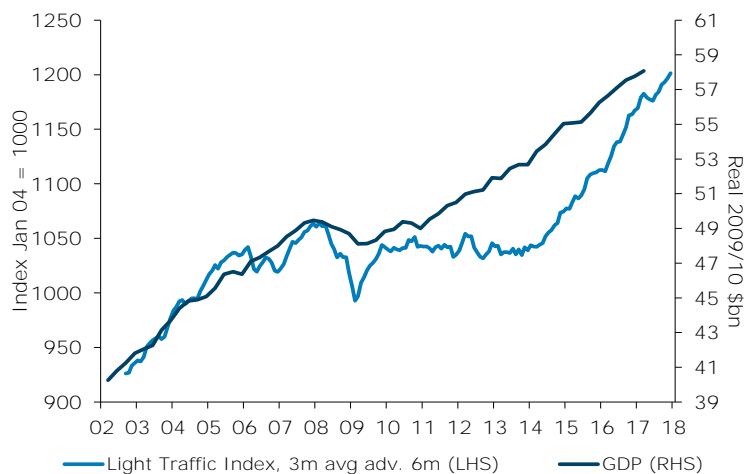
### KEY POINTS

- **The ANZ Truckometer indexes continue to give buoyant signals about the economy.**
- **The Heavy Traffic Index was flat on the month, holding onto a strong 4% lift in May, while the Light Traffic Index matched the previous month's increase, lifting another 1.3% m/m** (the charts below are a 3-month average).<sup>1</sup>
- **The Heavy Traffic Index continues to trend solidly upward.** The quarterly increase (2.3%) suggests a Q2 GDP outturn of over 1% q/q.
- **The upward trend in the Light Traffic Index has returned with a vengeance,** suggesting solid activity in the back half of the year.

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



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



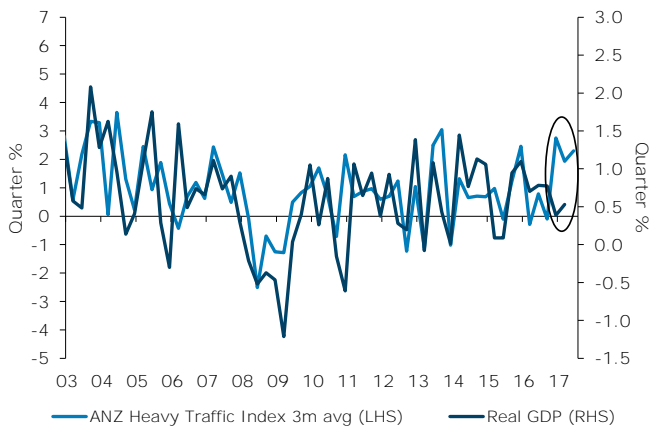
Source: ANZ, NZ Transport Agency, Statistics NZ

<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

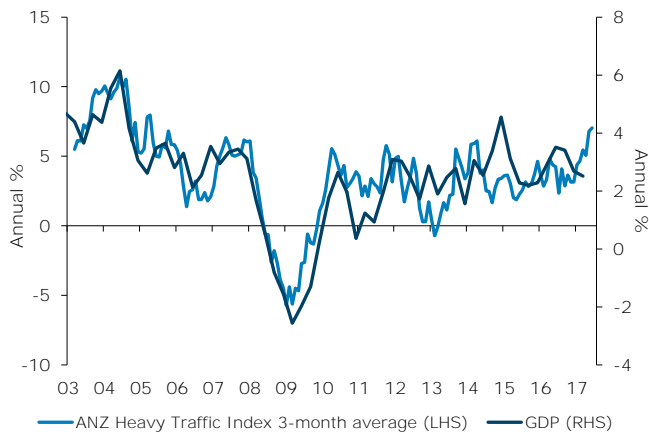
**The ANZ Heavy Traffic Index was flat in June, holding onto its strong 4.0% m/m May lift (seasonally adjusted – sa).** The index is up 2.3% q/q in Q2, suggesting quarterly GDP growth of a bit north of 1% – not allowing for any catch-up from Q1’s unexpectedly weak result, which we would not be surprised to see. The upward trend in the Heavy Traffic Index is looking strong.

**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**

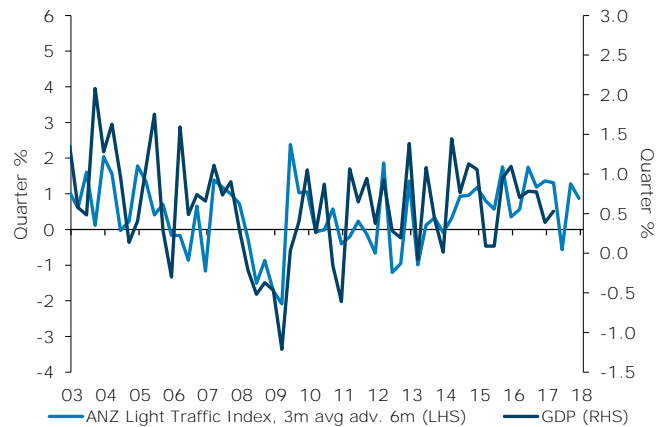


Source: ANZ, NZ Transport Agency, Statistics NZ

**The Light Traffic Index rose 1.3% m/m in June (sa), on top of the same sized increase in May. This index gives a 6-month lead on the direction of the economy** and is best interpreted as a measure of momentum. It has been overstating growth in recent times, which may reflect that it is more sensitive to population growth, but the turns remain informative.

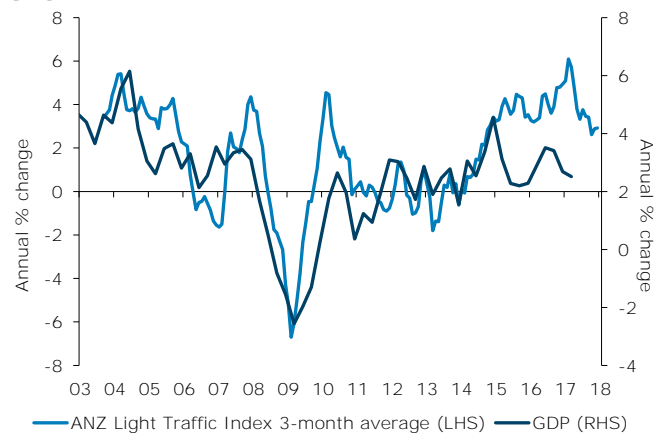
**The wobbles in the Light Traffic Index are a distant memory** (see chart page 1), but are consistent with the patchier growth that has been seen in the GDP outturns of late. The marked return of the strong upward trend in the index suggests the economy has regained momentum, consistent with our expectation that growth is set to reaccelerate above 3% y/y by the end of the year.

**FIGURE 3. ANZ LIGHT TRAFFIC AND GDP GROWTH**



Source: ANZ, NZ Transport Agency, Statistics NZ

**FIGURE 4. ANZ LIGHT TRAFFIC INDEX (6-MONTH AVERAGE, ADV. 6 MONTHS) AND ANNUAL GDP GROWTH**



Source: ANZ, NZ Transport Agency, Statistics NZ

# 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 4 of 11 roads in the Heavy Traffic Index in June, and 5 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
Jun-16	1177	1.8	0.3	1435	5.2	0.4
Jul-16	1175	-0.2	0.2	1346	-6.2	-1.4
Aug-16	1186	1.0	0.8	1443	7.2	1.9
Sep-16	1188	0.2	0.3	1412	-2.1	-0.5
Oct-16	1163	-2.0	-0.3	1407	-0.4	1.4
Nov-16	1181	1.5	-0.1	1459	3.7	0.4
Dec-16	1184	0.2	-0.1	1452	-0.5	0.9
Jan-17	1180	-0.3	0.5	1438	-0.9	0.7
Feb-17	1189	0.8	0.2	1469	2.1	0.2
Mar-17	1204	1.2	0.6	1493	1.6	1.0
Apr-17	1186	-1.5	0.2	1462	-2.1	0.5
May-17	1201	1.3	0.3	1520	4.0	1.2
Jun-17	1217	1.3	0.4	1520	0.0	0.6

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

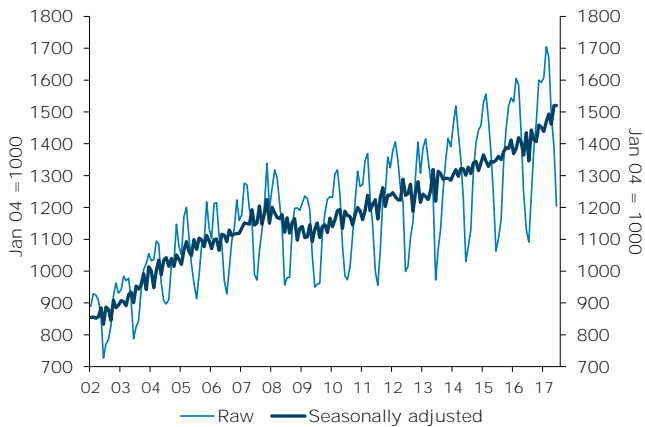
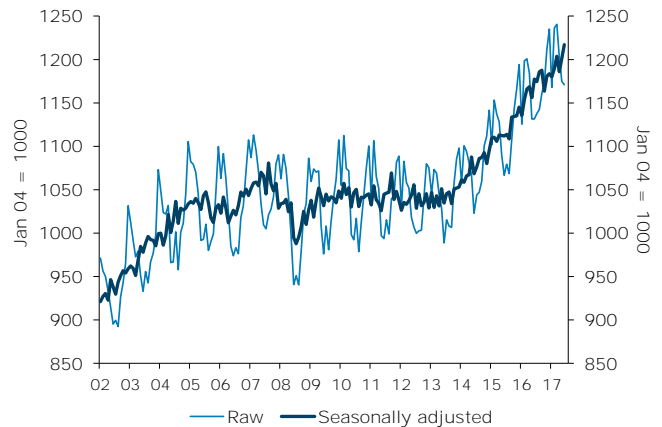


FIGURE 5. ANZ LIGHT TRAFFIC INDEX: RAW VS. SA



Source: ANZ, NZ Transport Agency

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