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Tapping the brakes

Summary

- The ANZ Truckometer indexes were reasonably steady in November. The Heavy Traffic Index eased 1.9% m/m after a strong lift the previous month. The Light Traffic Index, which gives a 6-month lead on the broader economy, rose 0.1% m/m, with annual growth continuing to slow.
- When smoothed to reduce the ups and downs, it's now clear that the trends in both Truckometer indexes have flattened off noticeably. They have frequently done this before, only to march upward again subsequently (particularly the Heavy Traffic Index), but it's worth keeping half an eye on.

Figure 1. GDP and the ANZ Heavy Traffic Index 3-month average

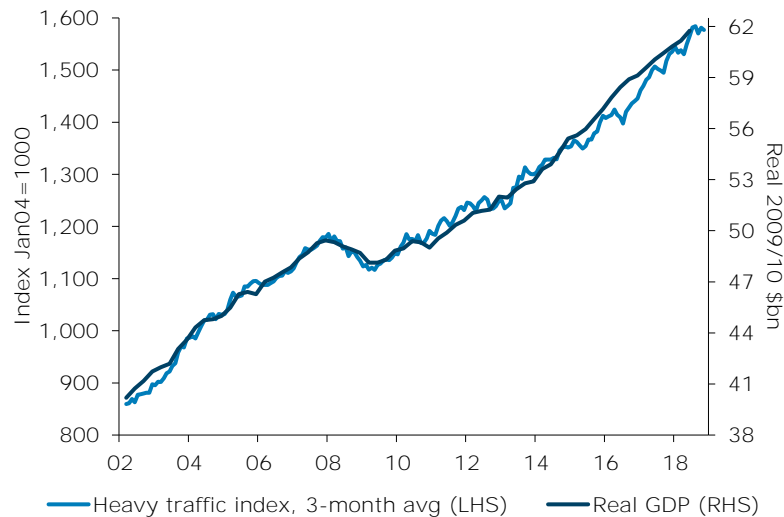
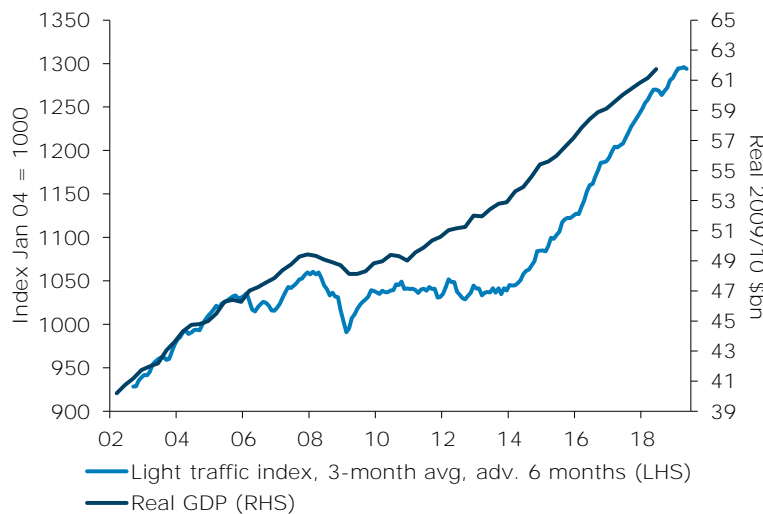
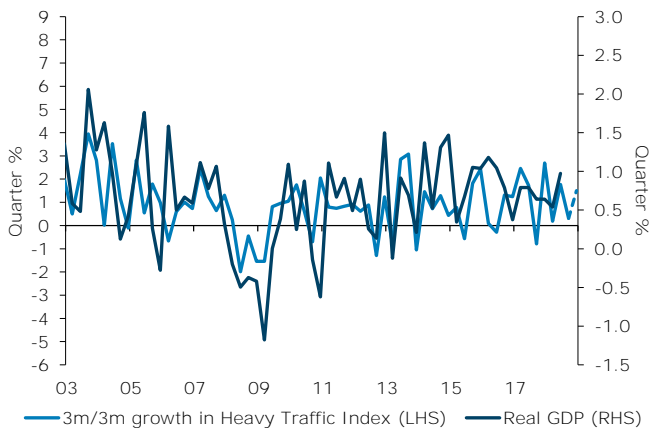


Figure 2. GDP and the ANZ Light Traffic Index 3-month average



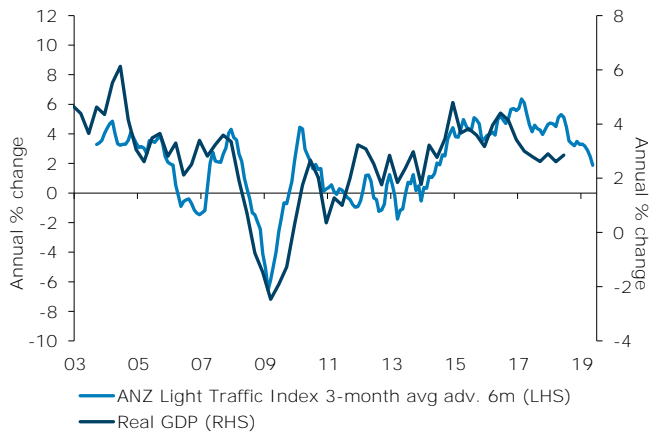
Source: ANZ, NZ Transport Agency, Statistics NZ

Figure 3. ANZ Heavy Traffic Index and GDP



The ANZ Heavy Traffic Index has been quite volatile lately, but at face value, the Index suggests another quarter of GDP growth approaching 1% q/q is unlikely in Q3 (data to be released later this month). However, an average of the first two months of the last quarter of the year (the dotted line in the chart) is sending more positive signals about GDP growth in Q4.

Figure 4. ANZ Light Traffic Index 3-month average (adv. 6 months) and annual GDP growth



The Light Traffic Index gives a 6-month lead on the direction of the economy and is best interpreted as a measure of momentum.

Annual growth in the Light Traffic Index is now reducing more noticeably (figure 4). This is still consistent with our forecast that annual GDP growth will remain in a 2½-3% range over the next year, but any further declines would cast a shadow.

Source: ANZ, NZ Transport Agency, Statistics NZ



Tables and charts

Appendix

After adjusting for seasonality, traffic flows lifted on 3 of the 11 roads in the Heavy Traffic Index, and 8 of the 10 roads in the Light Traffic Index in November.

| | Light Traffic Index | | | Heavy Traffic Index | | |
|--------|-----------------------|---------------|-------------------------|-----------------------|---------------|-------------------------|
| | Index Jan 04 = 100 | Monthly % chg | Annual % chg, 3m avg | Index Jan 04 = 100 | Monthly % chg | Annual % chg, 3m avg |
| Nov-17 | 1277 | 0.8 | 5.3 | 1560 | 2.4 | 6.3 |
| Dec-17 | 1266 | -0.9 | 5.1 | 1521 | -2.5 | 6.2 |
| Jan-18 | 1263 | -0.2 | 4.4 | 1552 | 2.0 | 5.7 |
| Feb-18 | 1263 | 0.0 | 3.5 | 1527 | -1.6 | 4.3 |
| Mar-18 | 1280 | 1.4 | 3.3 | 1535 | 0.5 | 3.8 |
| Apr-18 | 1274 | -0.5 | 3.2 | 1528 | -0.5 | 3.0 |
| May-18 | 1288 | 1.1 | 3.5 | 1584 | 3.7 | 3.3 |
| Jun-18 | 1288 | 0.0 | 3.3 | 1584 | 0.0 | 3.9 |
| Jul-18 | 1292 | 0.3 | 3.3 | 1576 | -0.5 | 5.3 |
| Aug-18 | 1303 | 0.9 | 3.2 | 1592 | 1.0 | 5.7 |
| Sep-18 | 1289 | -1.1 | 2.9 | 1542 | -3.1 | 5.0 |
| Oct-18 | 1295 | 0.4 | 2.5 | 1609 | 4.3 | 4.2 |
| Nov-18 | 1297 | 0.1 | 1.9 | 1579 | -1.9 | 3.0 |

Figure 5. ANZ Heavy Traffic Index: raw vs. seasonally adjusted

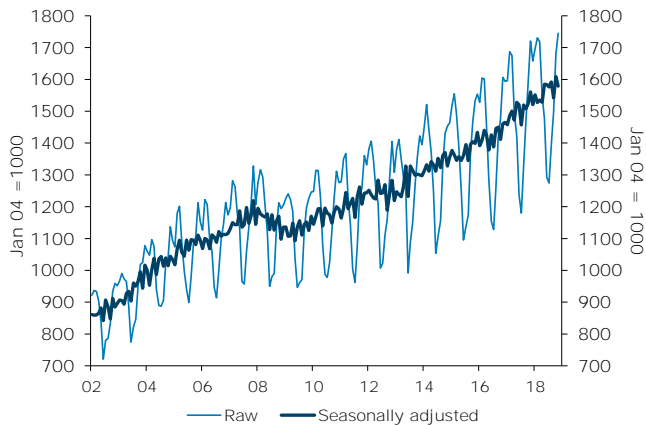
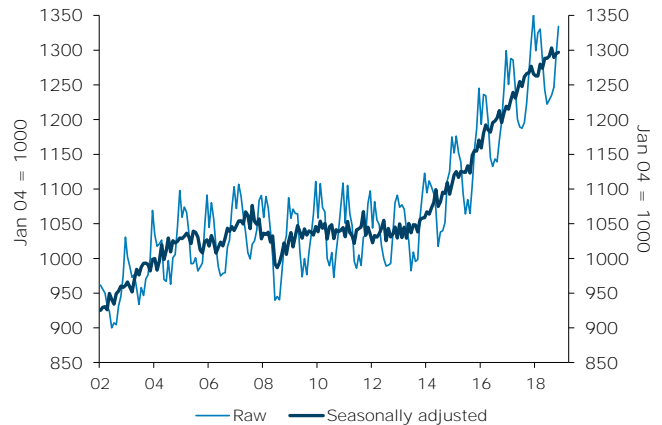


Figure 6. ANZ Light Traffic Index: raw vs. seasonally adjusted



Source: ANZ, NZ Transport Agency

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



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