

12 September 2017

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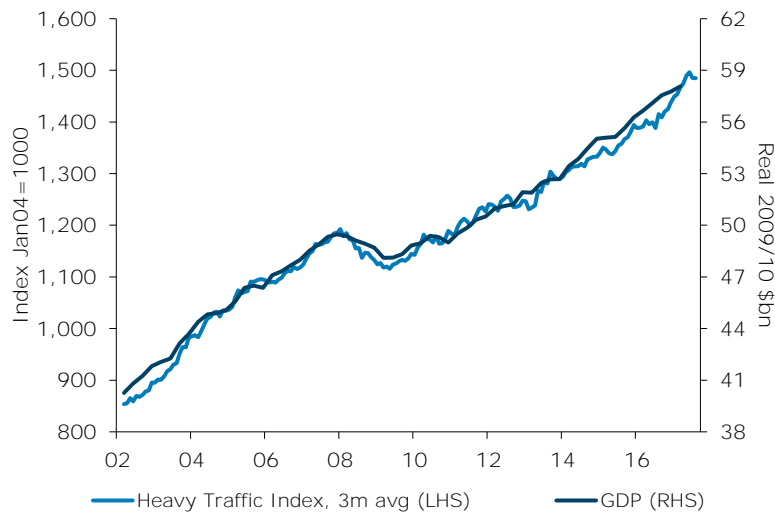
The next issue of the ANZ *Truckometer* is scheduled for release on 11 October 2017 at 10am.

ON THE ROAD AGAIN

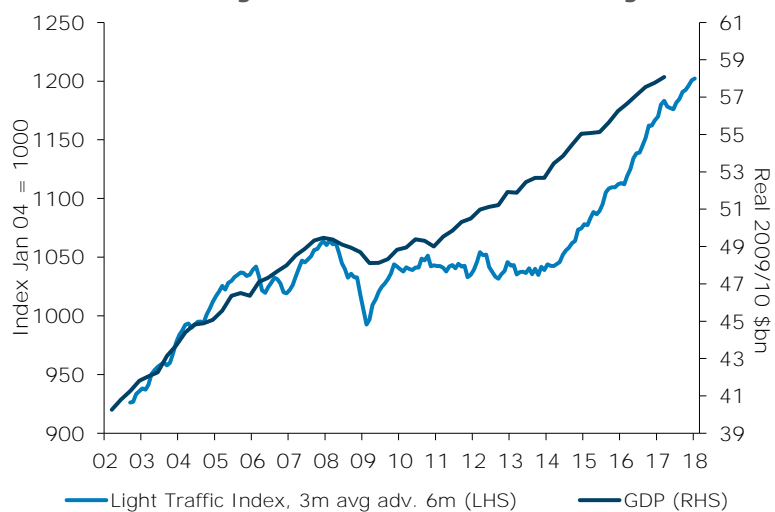
KEY POINTS

- **The ANZ Truckometer indexes bounced back in August from July's weather disruptions.**
- **The Heavy Traffic Index lifted 6.2% in the month (seasonally adjusted), while the Light Traffic Index rose 2.6% m/m** (the charts below are a 3-month average).¹
- The indexes are trending up, but **despite the bounce-back the trend in the Heavy Traffic Index has flattened off a little.**

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

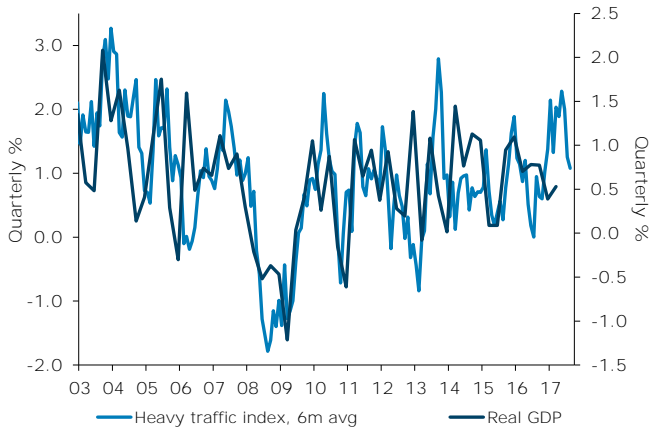
¹ The Kaikoura earthquake has seen a change in pattern of container freight at North Island ports, which has increased heavy traffic flows on State Highway 2. These impacts are likely to last for some time. We therefore make a statistical adjustment for this (2 sites).

ANZ TRUCKOMETER

The ANZ Heavy Traffic Index bounced back 6.2% in August after falling a hefty 5.5% in July (seasonally adjusted – sa). This strongly supports our contention that the July weakness was related more to weather than changes in economic fundamentals. Of course, broader economic activity would also likely have been disrupted by the terrible July weather, but traffic will be subject to an outsized impact.

The Heavy Traffic Index is still trending upward, but possibly not as strongly as it was. The recent volatility makes it hard to know. It does raise the possibility of fairly lacklustre GDP growth in Q3.

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



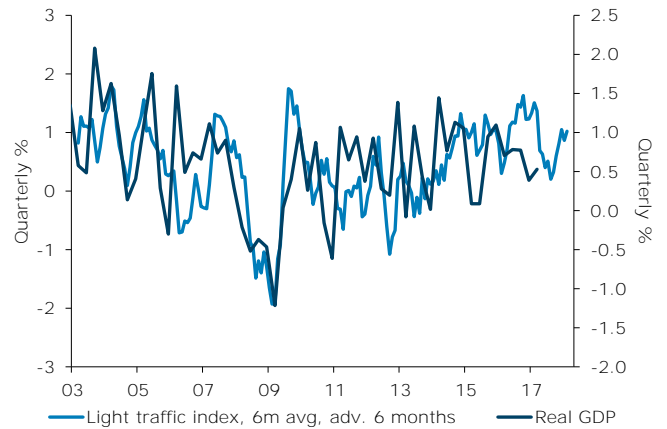
Source: ANZ, NZ Transport Agency, Statistics NZ

The Light Traffic Index lifted 2.6% m/m in August (sa), more than recovering its 2.2% fall in July.

This index gives a 6-month lead on the direction of the economy and is best interpreted as a measure of momentum.

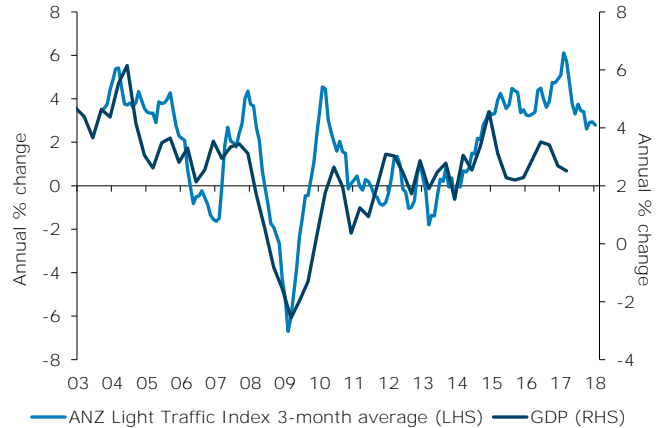
Looking through the monthly volatility, the Light Traffic Index continues to trend up strongly (see chart page 1). This suggests the New Zealand economy has plenty of momentum at present, despite any short-term headwinds coming from election uncertainty.

Figure 3. ANZ Light Traffic Index 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

After adjusting for seasonality and altered heavy traffic patterns due to the Kaikoura earthquake, traffic flows lifted on all of the 11 roads in the Heavy Traffic Index, and all of the 10 roads in the Light Traffic Index in August.

	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
Aug-16	1185	0.6	0.9	1443	5.1	1.9
Sep-16	1187	0.2	0.3	1411	-2.2	-0.4
Oct-16	1163	-2.0	-0.4	1406	-0.4	0.8
Nov-16	1181	1.5	-0.1	1456	3.6	0.3
Dec-16	1184	0.3	-0.1	1451	-0.3	0.9
Jan-17	1180	-0.3	0.5	1438	-0.9	0.8
Feb-17	1190	0.8	0.2	1469	2.1	0.3
Mar-17	1202	1.0	0.5	1493	1.6	1.0
Apr-17	1185	-1.4	0.1	1460	-2.2	0.5
May-17	1201	1.3	0.3	1517	3.9	1.1
Jun-17	1216	1.3	0.4	1511	-0.4	0.4
Jul-17	1190	-2.2	0.1	1428	-5.5	-0.7
Aug-17	1221	2.6	0.6	1516	6.2	0.0

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

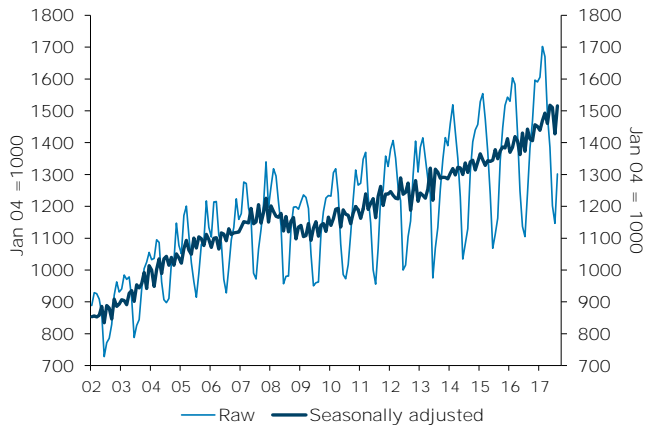
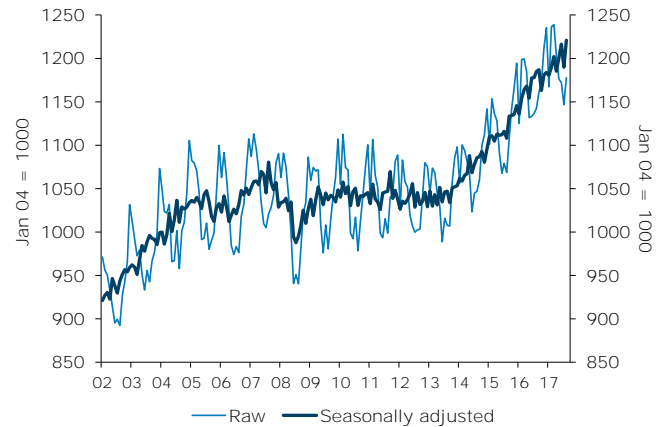


FIGURE 5. ANZ LIGHT TRAFFIC INDEX: RAW VS. SA



Source: ANZ, NZ Transport Agency

Technical notes on the ANZ Truckometer 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.

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