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THE PRICE OF FISH

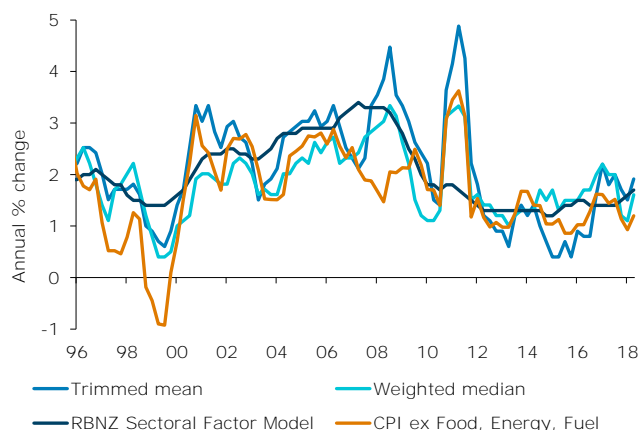
ECONOMIC OVERVIEW

June quarter inflation was stronger than we expected at both the headline level and in spirit, with measures of core inflation clearly ticking a little higher. With that in mind, now is a useful time to revisit where we see inflation heading from here and the key judgements underpinning this view. We expect headline inflation to gradually pick up to 2% by Q2 2019. In light of the Q2 surprise, this is one quarter earlier than our previous forecasts. Underpinning this is an ongoing gradual acceleration in non-tradables inflation, and some near-term strength in tradables inflation. On balance, the risks to this outlook are skewed a little to the upside in the near term, but to the downside in the medium term, reflecting a deceleration in economic activity. This week is quiet on the data front, with just trade data and ANZ Consumer Confidence out.

CHART OF THE WEEK

The recent tick-up in core inflation provides some assurance that inflation is on the rise, but we expect the RBNZ will remain cautious, particularly in light of uncertainty around the persistence of inflation pressures.

Measures of core inflation



Source: Statistics NZ, RBNZ, ANZ Research

THE ANZ HEATMAP

Variable	View	Comment	Risks around our view
GDP	2.7% y/y for 2019 Q1	The economy is losing momentum. We see growth holding around 2½-3% (trend) on average.	Neutral Negative Positive
Unemployment rate	4.4% for 2019 Q1	The unemployment rate should remain near current levels. Conditions are in place for wage inflation to increase.	Neutral Negative Positive
OCR	1.75% in March 2019	With plenty of question marks over the outlook for inflation, the RBNZ will be cautious in tightening policy.	Neutral Down Up
CPI	1.8% y/y for 2019 Q1	With cost pressures set to rise, we expect domestic and core inflation will lift – but only gradually.	Neutral Negative Positive

ECONOMIC OVERVIEW

SUMMARY

June quarter inflation was stronger than we expected at both the headline level and in spirit, with measures of core inflation clearly ticking a little higher. With that in mind, now is a useful time to revisit where we see inflation heading from here and the key judgements underpinning this view. We expect headline inflation to gradually pick up to 2% by Q2 2019. In light of the Q2 surprise, this is one quarter earlier than our previous forecasts. Underpinning this is an ongoing gradual acceleration in non-tradables inflation, and some near-term strength in tradables inflation. On balance, the risks to this outlook are skewed a little to the upside in the near term, but to the downside in the medium term, reflecting a deceleration in economic activity. The recent tick up in core inflation provides some assurance that inflation is on the rise, but we expect the RBNZ will remain cautious, particularly in light of uncertainty about the persistence of inflation pressures. This week is quiet on the data front, with just trade data and ANZ Consumer Confidence out.

FORTHCOMING EVENTS

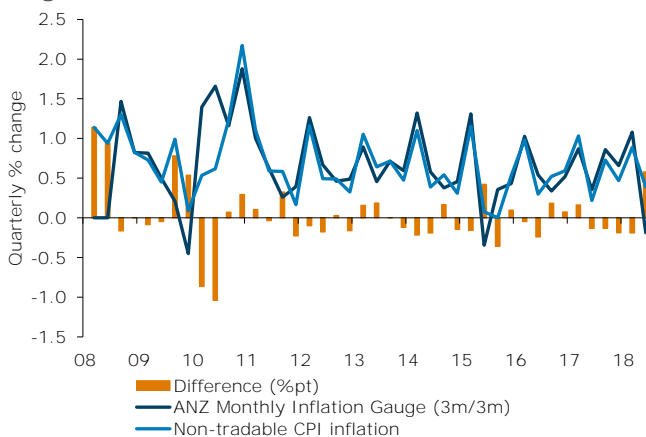
Overseas Merchandise Trade – June (10:45am, Wednesday 25 July). We expect a monthly trade surplus of \$280m, which would see the annual deficit broadly unchanged at \$3.6bn.

ANZ Consumer Confidence – July (10:00am, Friday 27 July).

WHAT'S THE VIEW?

Last week's Q2 CPI release was undeniably stronger than we were expecting at both the headline level and in spirit. Unusually, the surprise versus our forecast was all on the non-tradables side, where our Monthly Inflation Gauge, which has built up a solid track record, had its largest quarterly 'miss' since Q2 2010 (figure 1). We'll delve into that as part of our process of continually improving the Gauge.

Figure 1. Non-tradables CPI and ANZ Monthly Inflation Gauge

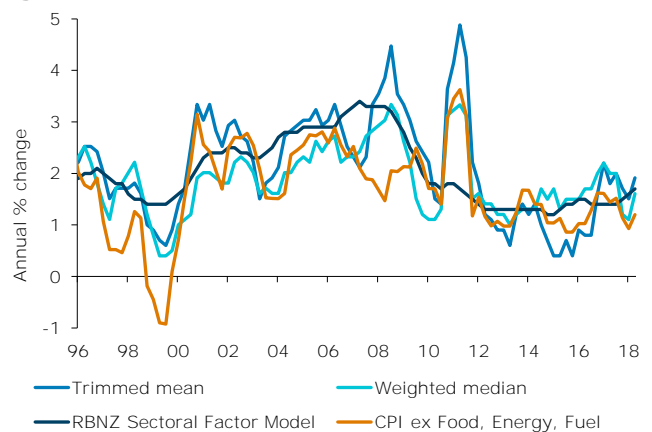


Source: Statistics NZ, ANZ Research

Measures of core inflation were also stronger than we'd expected.

Most notably, the Reserve Bank's sectoral factor model estimate lifted from an upwardly revised 1.6% y/y in Q1 to 1.7% y/y, the highest level in seven years (figure 2). Courtesy of revisions, it has now risen by 0.1%pts in each of the past four quarters, providing a signal that underlying inflation pressures are gradually pushing higher. Previously the sectoral factor model data had been trending broadly sideways for some time.

Figure 2. Measures of core inflation



Source: Statistics NZ, RBNZ, ANZ Research

So with that backdrop in mind, what are our updated views on where inflation heads from here?

We expect headline inflation to gradually pick up to 2% by Q2 2019. Perhaps unsurprisingly in light of the Q2 surprise, this is one quarter earlier than our previous forecasts. Underpinning this is an ongoing gradual acceleration in non-tradables inflation, and some near-term strength in tradables inflation that peaks around mid-2019 and moderates thereafter.

Some of the key judgements underpinning our view are outlined below.

Figure 3. Housing inflation



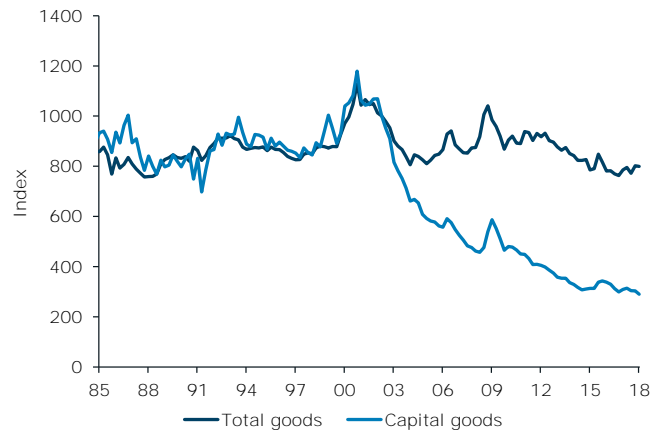
Source: Statistics NZ, ANZ Research

ECONOMIC OVERVIEW

- Housing:** Housing-related inflation is expected to continue moderating, but with some offsets. With the housing market cooling and growth in the construction sector moderating, construction cost inflation is expected to continue decelerating (a key driver of the “purchase of new housing” component, figure 3). This is consistent with anecdote we’re hearing from within the sector. On the other hand, we do see some upside to rental inflation on the back of policy changes, as we have [argued previously](#).
- Wages:** On their own, ongoing minimum wage rises should support higher inflation. But in light of the fact that wage growth has been subdued this cycle, we don’t think the impact will be large. The real question is not so much the immediate impact, but rather the magnitude of any resulting broadening in wage pressures. We suspect the minimum wage rises will feed through to some extent and are accordingly forecasting private sector wage growth to pick up from 1.9% currently to almost 2½% over the next year or so. This will support headline inflation. Collective bargaining between government and nurses, teachers, and possibly other public sector workers may also have wider implications for wage expectations.
- Margins:** Underpinning the pick-up in headline inflation is a key judgement regarding the pace and degree to which higher wage costs are recouped by firms lifting their sale prices. Our own ANZ Business Outlook survey tells us that firms’ margins are squeezed, but at the same time, competition is fierce, particularly among retailers. Taken together, we suspect firms will feel the need to increase prices, but will be able to do so only gradually, especially since (as discussed below) the outlook for demand is less assured.
- Other direct policy impacts:** Auckland’s regional fuel tax is estimated to add 0.1%pts to headline inflation in Q3. On the other hand, the fees-free tertiary education policy had a negative impact on annual inflation to the tune of 0.2%pts in Q1. This will drop out of the equation in terms of its impact on annual inflation in Q1 2019. But if the Government extends this to three years of education (as planned) over the coming years, similar downside impacts will follow.
- World prices:** Our still-constructive views on the global growth outlook support a build-up in global inflationary pressures in time, which should flow through into more expensive imports. That said, import prices have been subdued this cycle, owing to cheapening capital goods. There are only tentative signs that this is beginning to abate, and there are obvious risks to the outlook from recent trade tensions. On oil, constrained supply

(reflecting OPEC+ production curbs and shale oil capacity constraints) alongside solid demand are expected to keep prices elevated. However, production is expected to lift in time while demand growth moderates, with oil prices softening as a result. This should see fuel prices dip at some point, but not to a significant degree.

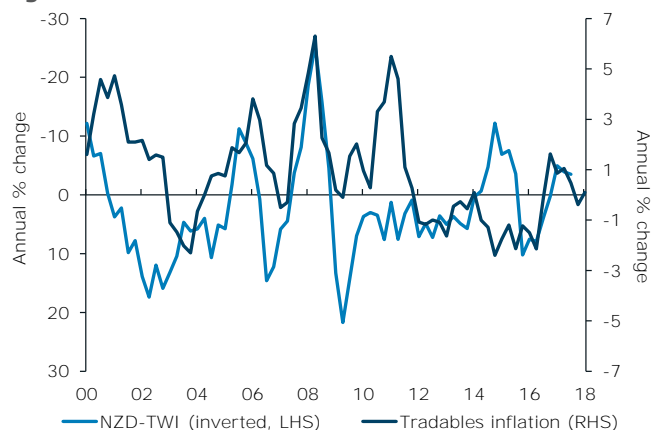
Figure 4. Goods import prices



Source: Statistics NZ, ANZ Research

- NZD pass-through:** In general, the pass-through to inflation from depreciation in the NZD peaks with a lag of 12 months or so. Over the past year, the NZD trade-weighted index has depreciated almost 8%, and we’re expecting more inflation pass-through to come as a result. Now for the likes of petrol prices, the NZD pass-through is considerably quicker than that, so the latest NZD fall will have some impact straightaway. Second-round implications from higher fuel prices are also baked into the outlook. These come about from higher shipping and transportation costs, which ultimately get passed on to the consumer. However, it should be noted that impacts of oil prices and NZD depreciation are generally transitory in nature, unless of course they have sustained impacts on inflation expectations, which we don’t expect at this stage.

Figure 5. NZ-TWI and tradables inflation

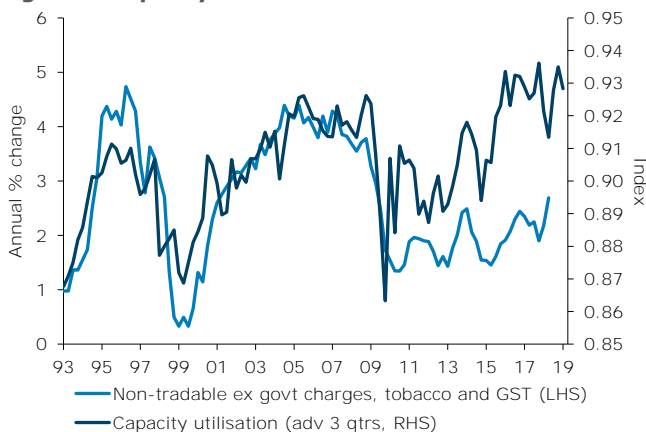


Source: RBNZ, ANZ Research

ECONOMIC OVERVIEW

- Expectations:** Although inflation is on the rise, we do not expect that this will significantly alter inflation expectations – and thus wage and price setting behaviour. Short-term expectations may rise on the back of stronger tradables inflation. But medium-term inflation expectations are expected to remain steady, and consistent with inflation gravitating towards the mid-point of the RBNZ's target over time. The recent increase in core inflation provides assurance that inflation is evolving in line with those expectations.
- Domestic spare capacity:** Our estimate of the output gap is marginally positive and we believe the labour market is near full employment (the unemployment rate is a touch below our estimate of the NAIRU¹). However, the economy has shed a bit of momentum recently, and we suspect there could be a little more of that to come, with GDP struggling to grow above trend. In broad terms, this means that capacity pressures are not expected to intensify to a significant degree any time soon. And in any case, the relationship between capacity indicators and inflation has been unusually muted this cycle (figure 5). Underlying inflation is still forecast to lift further, but the pick-up is assumed to be more of the cost-push variety rather than demand-pull, and hence less persistent.

Figure 6. Capacity utilisation and inflation



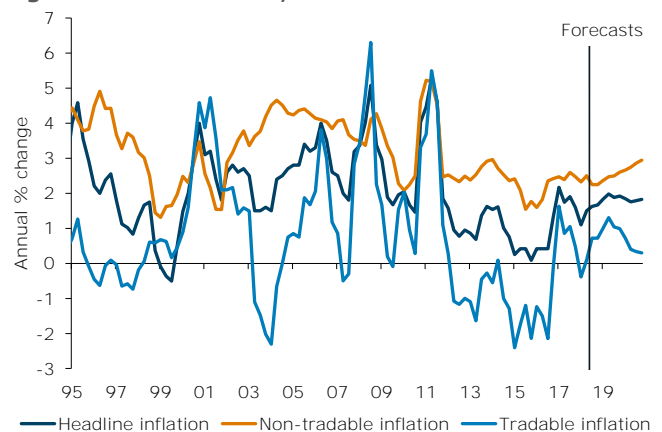
Source: NZIER, Statistics NZ, ANZ Research

We can see risks on either side of our outlook. In the near term, with so much happening on the policy front, we see the risks of slightly stronger inflation stemming from a larger-than-expected impact from minimum wage rises, and larger pass-through from NZD depreciation and higher petrol prices. However, should these risks materialise, they will be largely transitory in nature. And given we see downside risks to the [economic outlook](#) (both domestically, with the data flow turning a bit patchier of late, and internationally, with the fall-out from trade wars

uncertain), the gradual pick-up in broader underlying inflation may not eventuate. There has also been a number of structural factors subduing inflation, such as technological change, the rise of online shopping, **globalisation and the rise of China as the world's manufacturer**. These have seen the cost of some consumer goods trend south for some time.

In light of the uncertainty surrounding the outlook, particularly relating to the persistence of lifting inflation in the medium term, **we expect the Reserve Bank will remain patient and maintain a neutral stance until there's more certainty that inflation is increasing in a broad-based, sustainable way.** This can hardly be assured when growth momentum is looking more wobbly.

Figure 7. Non-tradables, tradables and headline



Statistics NZ, ANZ Research

THE WEEK AHEAD

It's a quiet week ahead on the data front. **ANZ Consumer Confidence** is out on Friday and **Overseas Merchandise Trade** data for June is out on Wednesday. Broad-based strength in export prices is expected to support export earnings. But some lagged impacts from softer production earlier in the year could feature. Domestic momentum has slipped a touch, which could manifest in softer imports. However, elevated commodity prices should support capital goods imports. Overall, we expect a monthly trade surplus of \$280m, which would see the annual deficit broadly unchanged at \$3.6bn.

LOCAL DATA

REINZ housing market data - June. House prices were flat in the month, while sales fell 7.5%.

Consumer price index – Q2. Headline: 0.4% q/q, 1.5% y/y.

GlobalDairyTrade auction. The GDT index fell 1.7%, led by lower AMF and butter, with WMP up 1.5%.

International Travel and migration – June. The monthly inflow eased to 4,840 from 5,080.

¹ The Non-Accelerating Inflation Rate of Unemployment.

DATA EVENT CALENDAR

DATE	COUNTRY	DATA/EVENT	MKT.	LAST	NZ TIME
24-Jul	US	Chicago Fed Nat Activity Index - Jun	0.25	-0.15	00:30
	EC	Consumer Confidence - Jul A	-0.7	-0.5	02:00
	US	Existing Home Sales - Jun	5.45M	5.43M	02:00
	US	Existing Home Sales MoM - Jun	0.2%	-0.4%	02:00
	AU	ANZ-RM Consumer Confidence Index - 22-Jul	--	121.5	11:30
	GE	Markit/BME Manufacturing PMI - Jul P	55.5	55.9	19:30
	GE	Markit Services PMI - Jul P	54.5	54.5	19:30
	GE	Markit/BME Composite PMI - Jul P	54.8	54.8	19:30
	EC	Markit Manufacturing PMI - Jul P	54.7	54.9	20:00
	EC	Markit Services PMI - Jul P	55.1	55.2	20:00
	EC	Markit Composite PMI - Jul P	54.8	54.9	20:00
	UK	CBI Trends Total Orders - Jul	8	13	22:00
	UK	CBI Trends Selling Prices - Jul	15	13	22:00
	UK	CBI Business Optimism - Jul	-6	-4	22:00
25-Jul	US	FHFA House Price Index MoM - May	0.3%	0.1%	01:00
	US	Markit Manufacturing PMI - Jul P	55.1	55.4	01:45
	US	Markit Services PMI - Jul P	56.5	56.5	01:45
	US	Markit Composite PMI - Jul P	--	56.2	01:45
	US	Richmond Fed Manufact. Index - Jul	18	20	02:00
	NZ	Trade Balance NZD - Jun	200M	294M	10:45
	NZ	Exports NZD - Jun	5.06B	5.42B	10:45
	NZ	Imports NZD - Jun	4.92B	5.12B	10:45
	NZ	Trade Balance 12 Mth YTD NZD - Jun	-3681M	-3598M	10:45
	AU	Skilled Vacancies MoM - Jun	--	-0.9%	13:00
	AU	CPI QoQ - Q2	0.5%	0.4%	13:30
	AU	CPI YoY - Q2	2.2%	1.9%	13:30
	AU	CPI Trimmed Mean QoQ - Q2	0.5%	0.5%	13:30
	AU	CPI Trimmed Mean YoY - Q2	1.9%	1.9%	13:30
	EC	M3 Money Supply YoY - Jun	4.0%	4.0%	20:00
	GE	Ifo Business Climate - Jul	101.5	101.8	20:00
	GE	Ifo Expectations - Jul	98.3	98.6	20:00
	GE	Ifo Current Assessment - Jul	104.9	105.1	20:00
	UK	Finance Loans for Housing - Jun	39000	39244	20:30
	UK	CBI Retailing Reported Sales - Jul	15	32	22:00
	UK	CBI Total Dist. Reported Sales - Jul	--	18	22:00
	US	MBA Mortgage Applications - 20-Jul	--	-2.5%	23:00
26-Jul	US	New Home Sales - Jun	669k	689k	02:00
	US	New Home Sales MoM - Jun	-2.9%	6.7%	02:00
	JN	PPI Services YoY - Jun	1.0%	1.0%	12:50
	AU	Import Price Index QoQ - Q2	1.9%	2.1%	13:30
	AU	Export Price Index QoQ - Q2	-1.3%	4.9%	13:30
	GE	GfK Consumer Confidence - Aug	10.7	10.7	18:00
	EC	ECB Main Refinancing Rate - 26-Jul	0.00%	0.00%	23:45
	EC	ECB Marginal Lending Facility - 26-Jul	0.25%	0.25%	23:45
	EC	ECB Deposit Facility Rate - 26-Jul	-0.40%	-0.40%	23:45
27-Jul	US	Advance Goods Trade Balance - Jun	-\$66.6B	-\$64.8B	00:30
	US	Wholesale Inventories MoM - Jun P	0.5%	0.6%	00:30
	US	Initial Jobless Claims - 21-Jul	215k	207k	00:30

Continued on following page

DATA EVENT CALENDAR

DATE	COUNTRY	DATA/EVENT	MKT.	LAST	NZ TIME
27-Jul	US	Continuing Claims - 14-Jul	1735k	1751k	00:30
	US	Durable Goods Orders - Jun P	3.0%	-0.4%	00:30
	US	Durables Ex Transportation - Jun P	0.5%	0.0%	00:30
	US	Cap Goods Orders Nondef Ex Air - Jun P	0.5%	0.3%	00:30
	US	Cap Goods Ship Nondef Ex Air - Jun P	0.4%	0.2%	00:30
	US	Kansas City Fed Manf. Activity - Jul	25	28	03:00
	NZ	ANZ Consumer Confidence Index - Jul	--	120	10:00
	NZ	ANZ Consumer Confidence MoM - Jul	--	-0.8%	10:00
	JN	Tokyo CPI YoY - Jul	0.7%	0.6%	11:30
	JN	Tokyo CPI Ex-Fresh Food YoY - Jul	0.7%	0.7%	11:30
	JN	Tokyo CPI Ex-Fresh Food, Energy YoY - Jul	0.4%	0.4%	11:30
	AU	PPI QoQ - Q2	--	0.5%	13:30
	AU	PPI YoY - Q2	--	1.7%	13:30
	CH	Industrial Profits YoY - Jun	--	21.1%	13:30
	GE	Import Price Index MoM - Jun	0.3%	1.6%	18:00
	GE	Import Price Index YoY - Jun	4.5%	3.2%	18:00
	UK	Nationwide House PX MoM - Jul	0.1%	0.5%	27 Jul - 4 Aug
	UK	Nationwide House Px NSA YoY - Jul	1.8%	2.0%	27 Jul - 4 Aug
28-Jul	US	GDP Annualized QoQ - Q2 A	4.3%	2.0%	00:30
	US	Personal Consumption - Q2 A	3.1%	0.9%	00:30
	US	GDP Price Index - Q2 A	2.3%	2.2%	00:30
	US	Core PCE QoQ - Q2 A	2.2%	2.3%	00:30
	US	U. of Mich. Sentiment - Jul F	97.1	97.1	02:00

Key: AU: Australia, EC: Eurozone, GE: Germany, JN: Japan, NZ: New Zealand, UK: United Kingdom, US: United States, CH: China.

Source: Dow Jones, Reuters, Bloomberg, ANZ Bank New Zealand Limited. All \$ values in local currency.

Note: All surveys are preliminary and subject to change

LOCAL DATA WATCH

The data flow has been lacklustre recently and downside risks have increased. We believe the cycle has legs yet, but the economy will struggle to grow above trend. Inflation is expected to increase gradually as cost pressures rise, with OCR hikes expected eventually. But we think **the RBNZ's cautious tone will continue for some time yet.**

DATE	DATA/EVENT	ECONOMIC SIGNAL	COMMENT
Wed 25 Jul (10:45am)	Overseas Merchandise Trade – June	Steady	Export earnings are expected to remain solid, underpinned by broad-based strength in commodity price. Higher oil prices and solid domestic demand should support imports.
Fri 27 Jul (10:00am)	ANZ Consumer Confidence – Jul	--	--
Tue 31 Jul (10:45am)	Building Consents – June	Bobbing	Dwelling consents are expected to keep bobbing around at high levels; increases on the non-residential side may continue.
Tue 31 Jul (1:00pm)	ANZ Business Outlook – July	--	--
Tue 31 Jul (3:00pm)	RBNZ Sector Lending	Moderating	Credit growth is expected to continue gradually moderating.
Wed 1 Aug (early am)	GlobalDairyTrade auction	Sideways	The average GDT price is expected to continue to range around recent levels.
Wed 1 Aug (10:45am)	Labour market statistics – Q2	Hold strong	The labour market is close to full employment. We expect the unemployment rate to be fairly steady on modest employment growth. However, downside risks dominate.
Fri 3 Aug (10:00am)	ANZ Job Ads - July	--	--
Mon 6 Aug (1:00pm)	ANZ Commodity Prices - July	--	--
Wed 8 Aug (10:00am)	ANZ Truckometer - July	--	--
Wed 8 Aug (1:00pm)	ANZ Monthly Inflation Gauge - July	--	--
Wed 8 Aug (3:00pm)	RBNZ Inflation Expectations – Q3	Anchored	We expect inflation expectations will remain anchored, particularly at longer horizons. Increases in tradable prices might provide a boost at short-term horizons.
Thu 9 Aug (9:00am)	RBNZ Monetary Policy Statement	Cautious	The RBNZ will retain its cautious and neutral stance until inflation increases in a sustainable way. Despite the recent pick-up in core inflation the outlook is not clear cut and OCR increases remain a long way off.
Fri 10 Aug (10:30am)	BNZ-BusinessNZ PMI	Moderated	The PMI has moderated a bit recently and we may see some further softening, with more downbeat expectations evident in business surveys.
Fri 10 Aug (10:45am)	Electronic Card Transactions – July	Flowing through	Spending growth has moderated recently, but we might see the first hints of fiscal stimulus flowing through on the back of the Families Package.
10-14 Aug	REINZ Housing Market Statistics	Softer lately	The housing market has softened of late, but we expect to see further price rises, with regional markets remaining tight.
On balance		Data watch	The data pulse has been lacklustre and downside risks have increased. Inflation should lift gradually.

KEY FORECASTS AND RATES

	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20
GDP (% qoq)	0.5	0.5	0.8	0.7	0.7	0.7	0.7	0.6	0.6	0.6
GDP (% yoy)	2.7	2.3	2.5	2.6	2.7	2.9	2.8	2.7	2.6	2.5
CPI (% qoq)	0.5	0.4	0.6	0.2	0.7	0.5	0.5	0.2	0.6	0.5
CPI (% yoy)	1.1	1.5	1.6	1.7	1.8	2.0	1.9	1.9	1.8	1.8
Employment (% qoq)	0.6	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.3	0.3
Employment (% yoy)	3.1	3.7	2.0	2.1	2.0	2.0	1.9	1.7	1.5	1.4
Unemployment Rate (% sa)	4.4	4.3	4.3	4.3	4.4	4.2	4.2	4.2	4.4	4.3
Current Account (% GDP)	-2.8	-3.1	-3.2	-3.2	-2.9	-2.8	-2.8	-2.9	-3.0	-3.0
Terms of Trade (% qoq)	-1.9	1.6	0.2	0.3	0.2	0.2	0.1	0.1	0.1	0.2
Terms of Trade (% yoy)	2.0	2.5	1.4	0.3	2.4	1.0	0.8	0.5	0.5	0.5

	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Retail ECT (% mom)	0.4	0.4	1.3	0.4	1.4	-0.4	1.5	-2.2	0.6	0.8
Retail ECT (% yoy)	3.5	1.9	5.0	3.8	4.1	4.0	6.7	1.4	4.2	4.9
Credit Card Billings (% mom)	0.8	1.0	0.9	0.6	-0.6	0.7	1.0	0.6	-1.6	2.1
Credit Card Billings (% yoy)	5.0	3.0	9.1	6.3	4.6	7.0	7.3	6.9	3.7	5.7
Car Registrations (% mom)	-0.3	0.6	0.8	-4.8	3.5	-9.3	-3.5	-0.2	12.4	-6.8
Car Registrations (% yoy)	15.6	7.3	7.3	4.7	6.2	-4.2	-11.9	-9.0	-0.6	-4.9
Building Consents (% mom)	-1.2	-9.4	9.8	-8.8	0.3	6.4	13.0	-3.6	7.1	--
Building Consents (% yoy)	7.8	-7.2	13.3	4.6	4.6	-0.6	18.3	15.6	23.5	--
REINZ House Price Index (% yoy)	3.8	3.4	3.6	3.7	3.5	4.0	4.1	3.7	3.6	3.8
Household Lending Growth (% mom)	0.5	0.5	0.4	0.6	0.4	0.5	0.5	0.5	0.4	--
Household Lending Growth (% yoy)	6.5	6.3	6.2	5.9	5.8	5.7	5.7	5.8	5.8	--
ANZ Roy Morgan Consumer Conf.	129.9	126.3	123.7	121.8	126.9	127.7	128.0	120.5	121.0	120.0
ANZ Business Confidence	0.0	-10.6	-39.3	-37.8	..	-19.0	-20.0	-23.4	-27.2	-39.0
ANZ Own Activity Outlook	29.6	22.0	6.5	15.6	..	20.4	21.8	17.8	13.6	9.4
Trade Balance (\$m)	-1165	-840	-1222	614	-662	188	-159	193	294	--
Trade Bal (\$m ann)	54085	54759	55999	56476	57252	57451	58072	58677	58954	--
ANZ World Comm. Price Index (% mom)	0.8	-0.3	-0.9	-1.9	0.7	2.8	1.2	1.0	1.5	-1.0
ANZ World Comm. Price Index (% yoy)	11.5	10.4	6.0	3.2	4.1	5.0	5.8	7.1	5.4	2.2
Net Migration (sa)	5270	5650	5660	5680	6240	4910	5370	4910	5080	4840
Net Migration (ann)	70986	70694	70354	70016	70147	68943	67984	67038	66243	64995
ANZ Heavy Traffic Index (% mom)	-1.5	2.9	1.1	-4.2	4.1	-2.5	-0.3	1.4	3.0	-1.5
ANZ Light Traffic Index (% mom)	-0.1	-0.6	1.5	-1.7	-0.5	-0.2	2.2	-0.5	1.1	0.7

Figures in bold are forecasts. mom: Month-on-Month; qoq: Quarter-on-Quarter; yoy: Year-on-Year

KEY FORECASTS AND RATES

FX RATES	ACTUAL			FORECAST (END MONTH)						
	May-18	Jun-18	Today	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
NZD/USD	0.702	0.677	0.68	0.69	0.67	0.66	0.65	0.65	0.65	0.65
NZD/AUD	0.925	0.914	0.92	0.93	0.93	0.94	0.93	0.93	0.93	0.92
NZD/EUR	0.601	0.579	0.58	0.61	0.57	0.54	0.52	0.51	0.51	0.50
NZD/JPY	76.44	74.96	75.89	71.8	69.0	66.0	64.4	63.1	62.4	62.4
NZD/GBP	0.526	0.512	0.52	0.51	0.49	0.47	0.46	0.46	0.45	0.45
NZ\$ TWI	72.9	70.8	73.3	71.9	69.6	67.9	66.2	65.7	65.4	65.2
INTEREST RATES	May-18	Jun-18	Today	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
NZ OCR	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.25
NZ 90 day bill	2.02	2.00	1.92	2.02	2.02	2.02	2.02	2.11	2.35	2.52
NZ 10-yr bond	2.73	2.85	2.81	3.00	3.10	3.15	3.30	3.40	3.40	3.40
US Fed funds	1.75	2.00	2.00	2.25	2.50	2.50	2.75	2.75	2.75	2.75
US 3-mth	2.32	2.34	2.34	2.75	2.95	2.95	3.20	3.20	3.20	3.20
AU Cash Rate	1.50	1.50	1.50	1.50	1.50	1.50	1.75	2.00	2.00	2.00
AU 3-mth	1.98	2.11	1.99	2.05	2.05	2.05	2.00	2.30	2.50	2.50

	20 Jun	16 Jul	17 Jul	18 Jul	19 Jul	20 Jul
Official Cash Rate	1.75	1.75	1.75	1.75	1.75	1.75
90 day bank bill	2.01	1.93	1.93	1.93	1.92	1.92
NZGB 05/21	2.02	1.92	1.96	1.94	1.94	1.93
NZGB 04/23	2.27	2.15	2.18	2.16	2.16	2.13
NZGB 04/27	2.71	2.63	2.68	2.66	2.65	2.61
NZGB 04/33	3.07	3.00	3.05	3.02	3.01	2.95
2 year swap	2.25	2.14	2.16	2.13	2.14	2.15
5 year swap	2.66	2.53	2.56	2.54	2.54	2.53
RBNZ TWI	73.62	72.72	72.74	72.98	73.19	72.90
NZD/USD	0.6884	0.6787	0.6817	0.6760	0.6728	0.6809
NZD/AUD	0.9313	0.9126	0.9202	0.9192	0.9169	0.9185
NZD/JPY	75.79	76.26	76.71	76.39	76.04	75.86
NZD/GBP	0.5231	0.5112	0.5149	0.5188	0.5181	0.5185
NZD/EUR	0.5954	0.5793	0.5818	0.5817	0.5802	0.5809
AUD/USD	0.7392	0.7438	0.7408	0.7355	0.7339	0.7415
EUR/USD	1.1561	1.1716	1.1717	1.1622	1.1596	1.1724
USD/JPY	110.09	112.35	112.52	113.00	113.02	111.41
GBP/USD	1.3158	1.3278	1.3241	1.3030	1.2985	1.3136
Oil (US\$/bbl)	66.22	68.06	68.08	68.76	69.46	70.46
Gold (US\$/oz)	1272.92	1244.34	1241.95	1223.11	1215.88	1229.53
NZX 50	8906	8980	8979	8946	8918	8956
Baltic Dry Freight Index	1373	1695	1721	1688	1657	1689
NZX WMP Futures (US\$/t)	3125	2870	2870	2940	2915	2915

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