

8 June 2017

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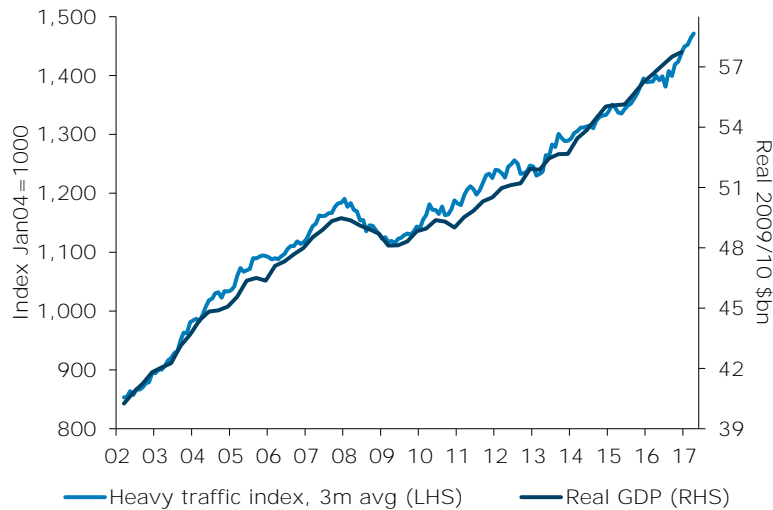
The next issue of the ANZ *Truckometer* is scheduled for release on 12 July 2017 at 10am.

PULLING AWAY IN MAY

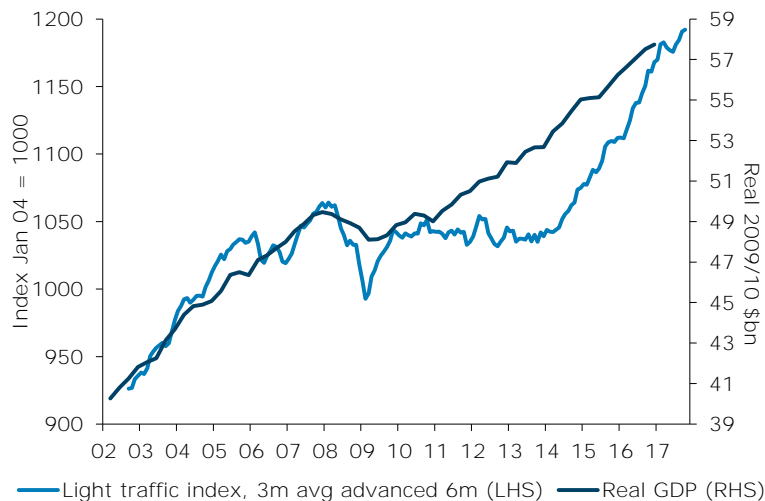
KEY POINTS

- **Both ANZ Truckometer indexes lifted in May.**
- **The Heavy Traffic Index jumped 4.1% m/m, more than reversing a fall in April, while the Light Traffic Index lifted 1.2% m/m** (the charts below are a 3-month average).¹ The Heavy Traffic Index continues to trend solidly upward, which bodes well for Q2 GDP figures.
- **The upward trend in the Light Traffic Index seems to have recovered from its recent wobbles**, suggesting good 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



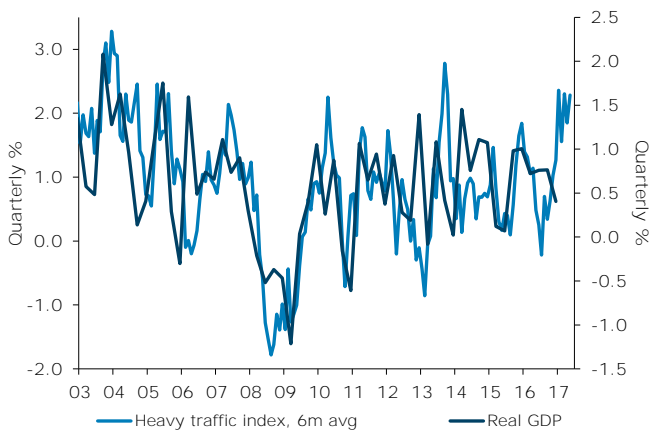
Source: ANZ, NZ Transport Agency, Statistics NZ

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

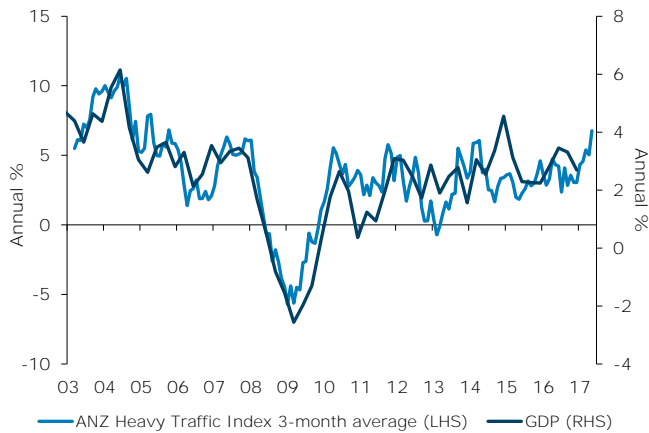
The ANZ Heavy Traffic Index surged 4.1% m/m in May (seasonally adjusted – sa). The index was up a decent 1.8% in Q1, consistent with our preliminary forecast that the economy grew 0.5-1%. The upward trend in the index is looking solid at this stage, boding well for growth in the second quarter too. The strong May increase suggests we were probably right in suspecting that dire weather played a role in April’s weakness (a 2.1% fall).

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

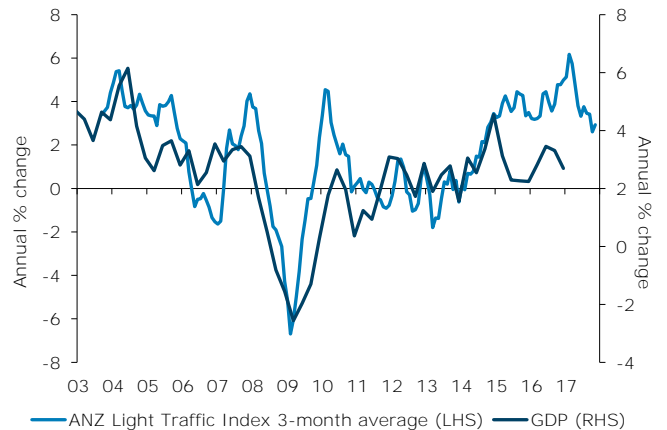
The Light Traffic Index rose 1.2% m/m in May (sa). This index gives a 6-month lead on the direction of the economy and is best interpreted as a measure of momentum. **The previously very strong upward trend in the Light Traffic Index has had a few wobbles this year** (see chart page 1), consistent with our view that the low-hanging fruit has already been picked in this economic cycle. We can perhaps expect a slightly patchier growth outlook later this year as capacity and credit constraints become more binding, but the return of the upward trend in the index suggests this economy still has plenty of momentum.

FIGURE 3. ANZ LIGHT TRAFFIC INDEX (6-MONTH AVERAGE, ADV. 6 MONTHS) 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 10 of 11 roads in the Heavy Traffic Index in May, and 7 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
May-16	1153	-1.3	0.0	1364	-2.7	-0.5
Jun-16	1181	2.4	0.5	1437	5.3	0.5
Jul-16	1174	-0.6	0.2	1345	-6.3	-1.4
Aug-16	1185	0.9	0.9	1442	7.2	1.9
Sep-16	1187	0.2	0.2	1411	-2.1	-0.6
Oct-16	1163	-2.1	-0.3	1403	-0.6	1.4
Nov-16	1180	1.5	-0.1	1456	3.7	0.3
Dec-16	1183	0.2	-0.1	1451	-0.3	0.9
Jan-17	1179	-0.3	0.5	1438	-0.9	0.8
Feb-17	1188	0.8	0.2	1467	2.0	0.3
Mar-17	1203	1.3	0.6	1490	1.6	0.9
Apr-17	1186	-1.4	0.2	1459	-2.1	0.5
May-17	1200	1.2	0.3	1519	4.1	1.2

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

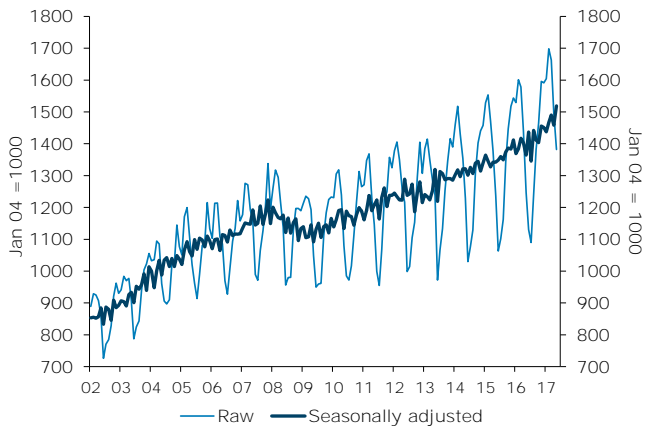
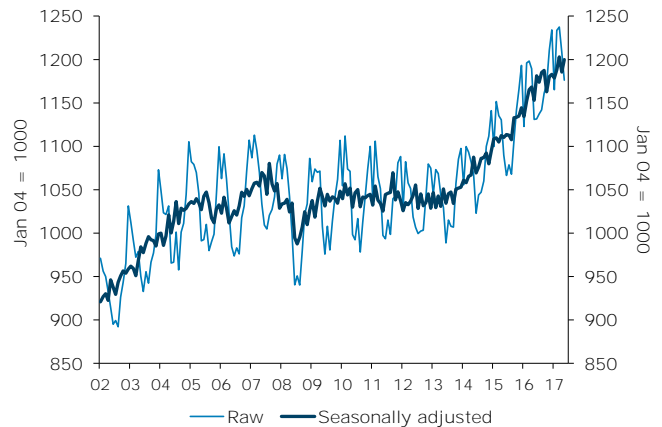


FIGURE 5. ANZ LIGHT TRAFFIC INDEX: RAW VS. SA



Source: ANZ, NZ Transport Agency

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