

BNZ Weekly Overview

Mission Statement

To help Kiwi businesspeople and householders make informed financial decisions by discussing the economy and its implications in a language they can understand.

Is Our Economy Getting Better?	2	Housing Market Update	7
What Do The Leading Indicators Say?	4	Major Offshore Issues	9
Interest Rates	5	Foreign Exchange	12

The Weekly Overview is written by Tony Alexander. The views expressed are my own and do not purport to represent the views of the BNZ. To receive the Weekly Overview each Thursday night please click here.

http://feedback.bnz.co.nz/forms/Fx-l8plokSGWgjN_7WOAw

To change your address or unsubscribe please click the link at the bottom of your email.

Cautious

For the past two and a half months the theme we have been pushing here is that the NZ economy does not have the momentum many people (including ourselves) were hoping and having recorded growth of only 0.1% during the June quarter it is not guaranteed that the second half of the year will produce much impressive acceleration. Sure, down the track we have the Christchurch rebuilding (at some stage), and increased spending by farmers (at some stage). Plus as we get comfortable with our debt levels we will engage in some catch-up buying of consumer durables (at some stage).

But right here and now we think things are still a bit tentative in the economy and this past week has brought evidence to support this view. First we have our BNZ Confidence Survey which revealed a sharp decline in confidence about how well the economy will be doing in a year's time to a net 7% optimistic from 36% in September. Second we have the monthly Electronic Card Transactions data which rather than rising 2% as some hoped only managed a 0.6% gain after removing automotive and non-retail items. Consumer spending growth has slowed down.

This was evident also last week in the car registration numbers which were down in seasonally adjusted terms around 5% during the September quarter. Plus we also have falling export receipts, easing commodity prices, and slowing jobs growth.

But it would be quite wrong to get highly pessimistic and start talking in terms of the economy shrinking. We can see spending seeping out of the farming sector in the form of firmly rising issuance of consents for new buildings and rising farm sales. The NZD has also pulled back from its highs, consent issuance for dwellings is improving, business and consumer sentiment readings remain in positive territory, and the Rugby World Cup is clearly a net positive for the economy.

Our message is mainly one of high caution still being required with regard to debt levels, cash flows, debtor ledger management, employment contracts and inventory levels. But remember, if you have been doing all these things since our economy went into recession in 2008 you have near four years of experience under your belt and may well be in a strong enough position to take advantage of the opportunities which these still challenging times will throw up.

This week the following material has been added to www.tonyalexander.co.nz

Weekly Newspaper Column <http://tonyalexander.co.nz/newspaper-column/>

Same again – the badness offshore.

BNZ Confidence Survey <http://tonyalexander.co.nz/topics/surveys/>

Monthly survey results showing a strong decline in net optimism.

BNZ-REINZ Residential Market Survey <http://tonyalexander.co.nz/topics/surveys/>

Results show a still firming real estate market but with the pace of improvement looking to be easing.

Other Website Material

- **Weekly syndicated newspaper column** <http://tonyalexander.co.nz/newspaper-column/>
- **BNZ-REINZ Residential Market Survey** Released second week of each month. <http://tonyalexander.co.nz/bnz-reinz-survey/>
- **Real Estate Overview** Updated mid-late each month. <http://tonyalexander.co.nz/bnz-reinz-survey/>
- **Archived Weekly Overviews** www.bnz.co.nz/tonyalexander

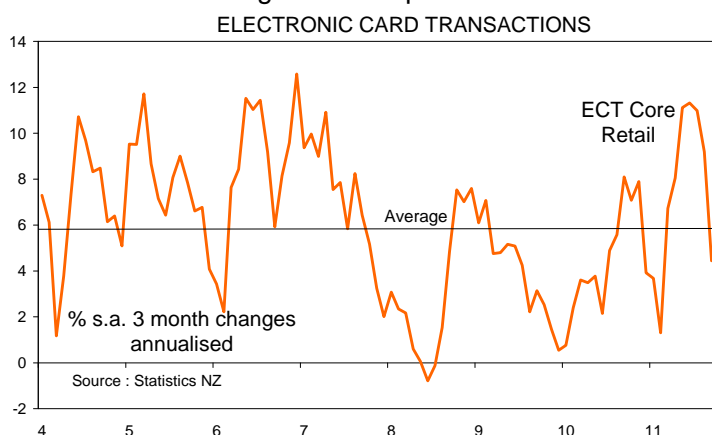
Is Our Economy Getting Better or Worse?

In this section we look only at what the data are actually telling us and pay no attention to forecasts or intentions measures.

We remain unconvinced that the economy is finding its legs yet and found support for this view in the weak Electronic Card Transaction data released this week showing spending in the September quarter ahead only 1.1% nominal (less in volume terms) from the June quarter.

Are householders opening their wallets more?

Not much frankly. In September in seasonally adjusted terms spending using debit and credit cards rose just 0.6% from August. Given that this measure fell by 1% in August we end up with growth of only 1.1% for the September quarter compared with 2.8% during the June quarter and 1.7% in the March quarter.



Consumers have partially gone back into their shells and the results from our BNZ Confidence Survey show that the Rugby World Cup is negatively disrupting spending trends generally. To whit...

- Open Home attendances are being adversely affected by the World Cup Rugby
- Tour Operator, RWC has disrupted usual booking patterns negatively as non-rugby fans are unable to get flights in other than at full fare.
- ... just wondering if RWC has anything to do with distracting people from borrowing
- Hospitality - Severe downturn during RWC from locals staying at home and only RWC visitors in the country. Game night hosted locally and the days either side were good but otherwise only about 50% of what we would normally get.
- Recruitment-Employers continue listing vacancies at a rate not seen since 2006. Qualified or talented staff are extremely difficult to locate during the RWC.
- Retail takeaway food, despite RWC takings down 30%.
- Supermarket. Dreadful! RWC has destroyed normal tourist flow.
- Wet fish, takeaways..RWC is having a negative affect on turnover, too many staying home and watching TV I think.
- Retail Flooring Wellington - RWC has definitely been a distraction for our potential clients

Is business output rising?

No fresh data

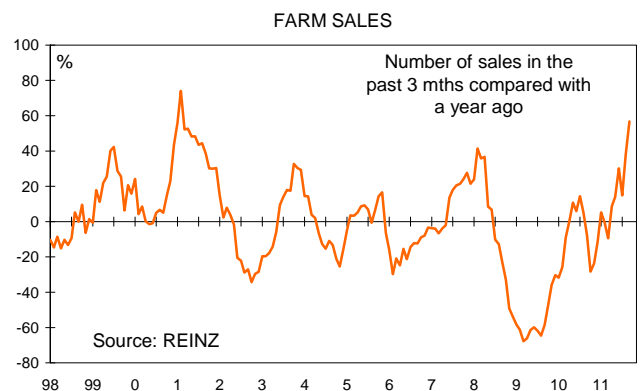
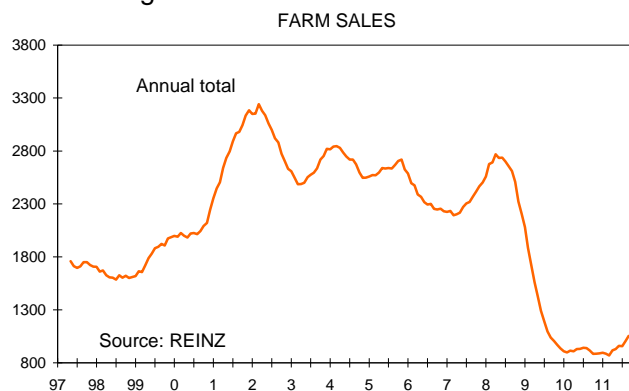
Are businesses hiring more people?

No fresh data

Are businesses boosting their capital spending?

To see how businesses are feeling right now one can read our monthly BNZ Confidence Survey here. <http://tonyalexander.co.nz/bnz-confidence-survey/>

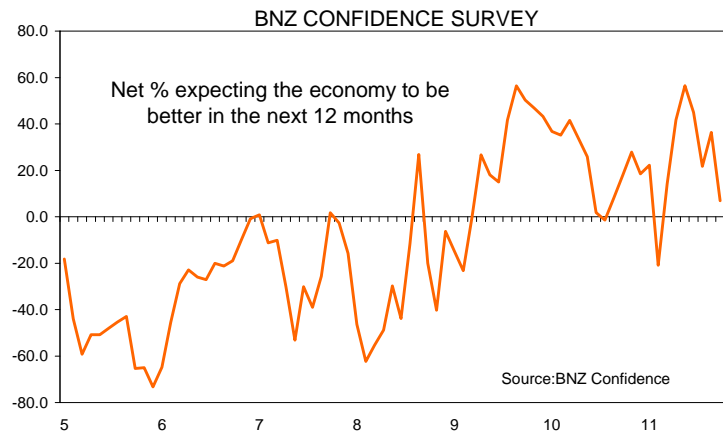
The rural real estate market is rising rapidly in terms of turnover. In September there were 103 farms sold around New Zealand which was an over 90% gain from a year ago making two months in a row of such large gains. In rough seasonally adjusted terms September quarter sales were flat from the June quarter but that rate of growth should lift soon.



What Do The Leading Indicators Say?

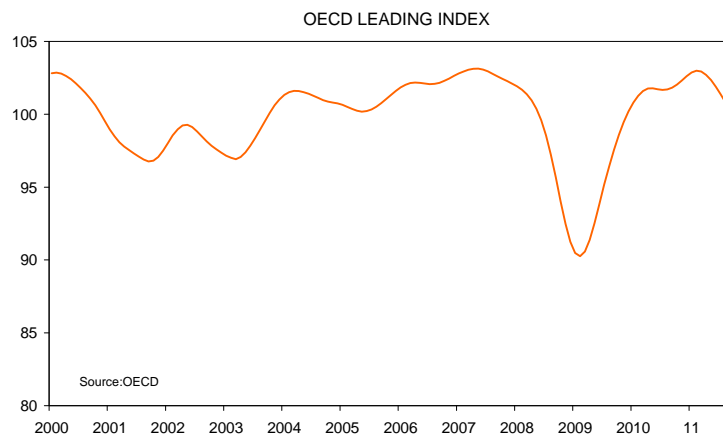
In this section we look only at the factors which can at times give insight into where the economy is headed. Generally we will only cover newly released information.

This week the main leading indicator was our BNZ Confidence Survey which showed a fall in sentiment about where the economy will be in a year's time to a net 7% positive from 36% four weeks ago. The result clearly implies downside risk to growth outcomes in the near future.



There was also a 5.5 magnitude aftershock in Christchurch and that can do nothing other than push out further in time the period when residential rebuilding really gets cracking in Christchurch – especially as insurers will feel newly insecure about taking on exposures.

Plus this past week the OECD released their August Leading Index and it was down for the sixth month in a row thus signalling weaker growth ahead. Given that the OECD area only grew 0.3% during the June quarter this is not so good an outlook.



INTEREST RATES

Growth vs. Economic Slack

In a nutshell this is what drives inflation along with institutional arrangements, imported inflation, and exchange rate changes. If you want to forecast monetary policy you need to monitor these things. So we will, adding stuff here when we learn it. The current common view is rate tightening from March. Have we learnt anything this week which alters this outlook?

Things remain in a high state of flux with the clear risk being that monetary policy in New Zealand is not tightened in March because risks for world growth and commodity prices remain on the downside. In addition we expect to see a generalised set of reductions in NZ growth forecasts soon driven not just by the risks offshore but the fact that recently released data for our economy have been weak. These include export receipts, consumer spending, confidence, and perhaps even jobs growth.

Other Inflation Influencers

Rate Movements This Week

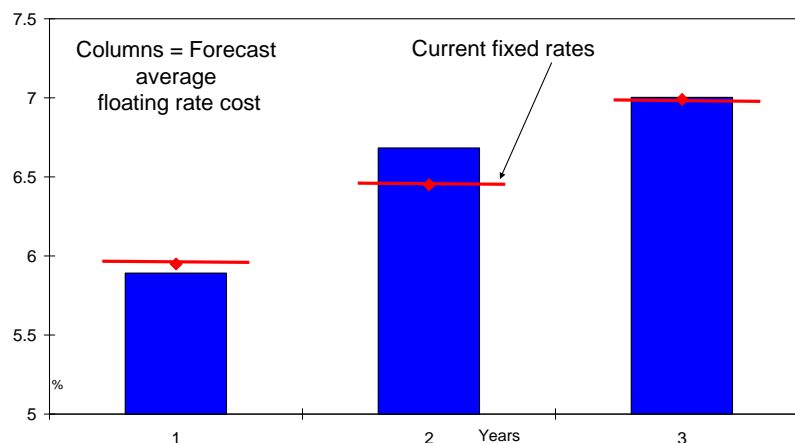
Wholesale interest rates have generally edged up this week, not because we have seen the release of lovely strong economic data in NZ, but because hopes that the European debt crisis is on the way to being more professionally handled have reduced expectations of imminent interest rate cuts, including in Australia. At the same time views on the US economy have become less dire and wholesale rates have moved up with the US ten year government bond yield for instance rising to 2.24% from 1.9% last week.

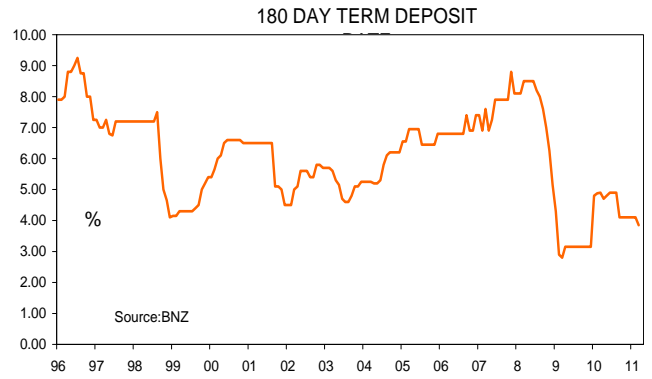
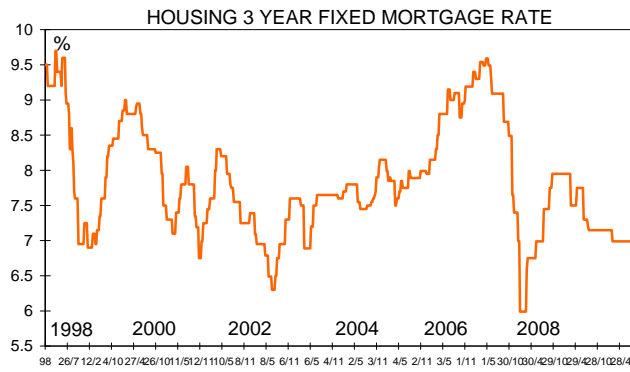
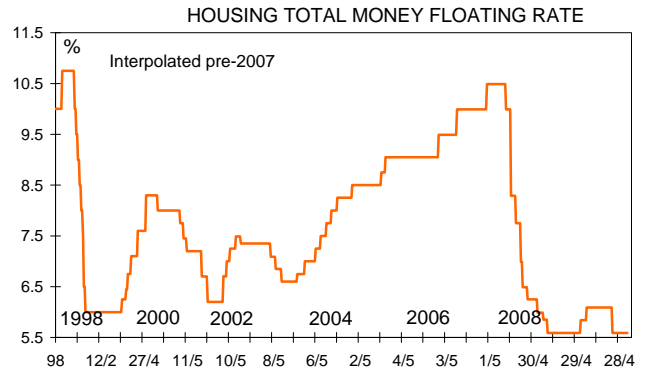
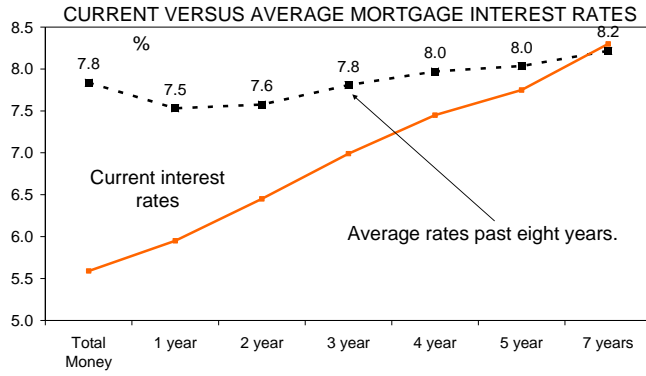
FINANCIAL MARKETS DATA

	This week	Week ago	4 wks ago	3 months ago	Yr ago	10 yr average
Official Cash Rate	2.50%	2.50	2.50	2.50	3.00	5.9
90-day bank bill	2.85%	2.83	3.00	2.69	3.21	6.2
1 year swap	3.03%	2.93	3.10	3.02	3.51	6.0
3 year swap	3.44%	3.29	3.54	3.90	4.04	6.2
5 year swap	3.99%	3.74	3.98	4.49	4.41	6.4
180-day term depo	4.00%	4.00	4.50	3.60	4.90	6.0
Five year term depo	6.00%	6.00	6.00	6.00	6.75	6.5

If I Were a Borrower What Would I Do?

When you bob up and down in the water you That is what I would do as a borrower right now.



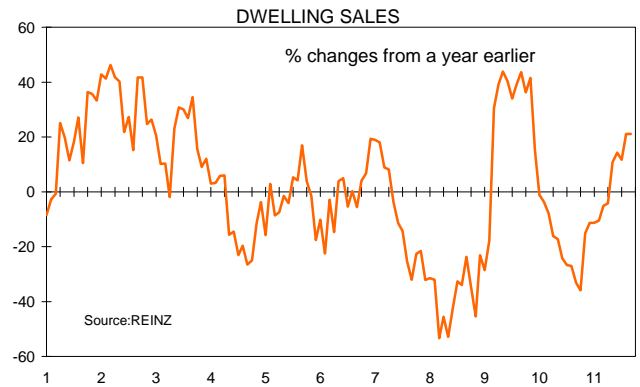
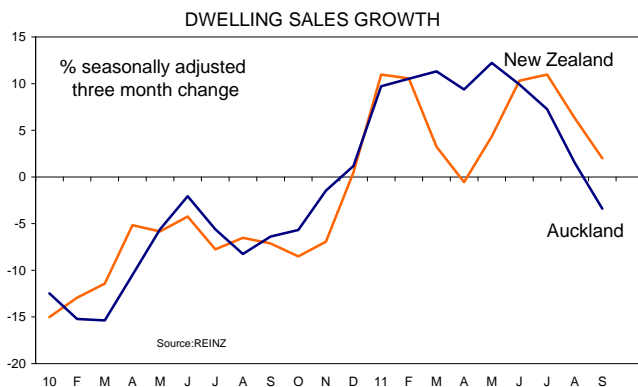


HOUSING MARKET UPDATE

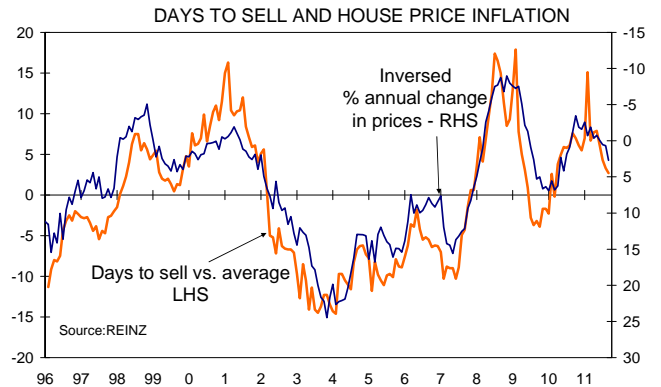
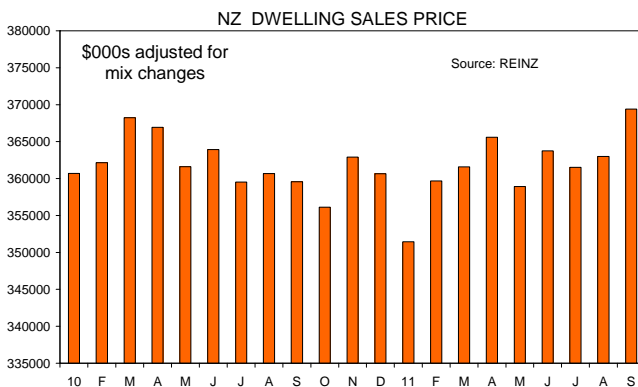
To view the most recent results of our monthly BNZ-REINZ Market Survey and read our monthly Real Estate Overview click here. <http://tonyalexander.co.nz/bnz-reinz-survey/>

Real Estate Activity Only Slowly Trending Up

In seasonally adjusted terms dwelling sales eased by a small 2.3% in September after rising nearly 4% the previous month. Over the past three months sales have improved just 2% after rising 10% during the June quarter and 3% during the March quarter. So growth in turnover has essentially flattened out. However, on average in September it took 37 days to sell a dwelling which was only 2.7 days slower than average whereas the August result was 3.3 days longer than average and may 7.9 days. The latest result is the best versus average since March 2010 and says to us that while turnover volumes may have plateaued properties are nonetheless selling at an accelerating pace.



When it comes to prices there is only a mild drift up underway. In September the quality-adjusted price measure improved 1.7% from August but was up just 2.7% from a year earlier and 0.5% all up during the September quarter. Prices are not quite flat but they are not exactly rising much either. However, there is a good correlation between the number of days to sell versus average and the annual rate of house price inflation and the improving time to sell measure bespeaks of accelerating price gains soon.



The results show us a housing market undergoing only a slow improvement.

Mild Weakening In Some Survey Measures

Our monthly BNZ-REINZ Residential Market Survey has shown a real estate market undergoing firm improvement, but perhaps at a slowing pace. Investors remain scarce but more and more first home buyers are appearing. On balance the market is neither in favour of buyers or sellers. Full results from the monthly survey can be found here.

<http://tonyalexander.co.nz/topics/surveys/>

Listings Still Short

Although our monthly survey with the REINZ shows more and more potential vendors seeking appraisals, the tone of comments received from those in the real estate sector in our other monthly survey – the BNZ Confidence Survey – was still one of listings being in short supply. For those who missed the anecdotes submitted in the survey results sent out on Monday here they are again.

- Real Estate - residential Christchurch - Eastern Suburbs. Working with red zone buyers so activity steady. More listings coming through now. Most Insurance companies transferring cover over to new owners.
- Real Estate Auckland City fringe. Listings coming in regularly but still lack of stock. Premium properties attracting lots of offers and silly prices. Other stock slower to move as buyers are still very picky. Not all vendors are convinced this is best time to come on the market. RWC has been uppermost in peoples mind in this area. May be a small boost between end of RWC and Christmas but don't bank on it with the Election in the middle.
- Residential Property - very promising outlook with days to sell shortened due to shortage of quality listings. Well presented homes, positioned correctly are selling down within 1-2 weeks currently in Auckland.
- Coastal Real Estate - Very positive. Fresh listings, motivated Vendors, keen Buyers and Interest rates kind making for a good formula. Properties turning over with 'fair' sales going through. Section sales appear to be on the increase.
- Slow down in last couple of weeks - Residential Real Estate
- Real estate - Nelson. Strong buyer inquiry and noticeable increase of visitors to open homes, particularly on the newer stock to the market.
- Real Estate Johnsonville: listings picking up, good buyer numbers, only needs confidence from purchasers to lift market. At present could go either way.
- Real Estate - North Shore Auckland. Very busy - lots of buyers, more sellers slowly coming to market. Prices a little higher - and still a sellers market here.
- Very quiet Real Estate
- Real Estate, Napier - very quiet over the last couple of weeks with little enquiry. There are still some good buyers about but there is no urgency to make decisions.
- Real Estate, picking up but controlled stock numbers are down
- Real estate sale prices still decreasing, volumes light . median prices lower than 12 months ago, a lot of vendor clients under financial pressure, rugby world cup a distraction no overseas rush of customers
- Real Estate- very static
- Real estate Eastern suburbs.24 sales for month, good listings coming out, Auctions selling well
- Very good (Real estate). Numbers have definitely increased coming through open homes and general enquiries
- Continuing a gradual improvement in Residential Real Estate. Our Property Management Division is particularly busy.
- Real estate sales. Accelerated enquiry, bursts of activity, easy to fool oneself it's all go. Let's see what has gone on once the RWC dust has settled.
- Real Estate - Tauranga. Steady as she goes, listings slowing, plenty of buyers. Market injection required.
- Real Estate, low sales volume. Hard to secure finance, buyers frustrated.
- Real Estate - Hawkes Bay (Havelock North & Hastings). Low volume sales are still the issue. Activity levels are reasonable, but weekend Open Home attendances are being adversely affected by the World Cup Rugby it seems! Buyers are still very much in control in negotiations and there is often a big "gap" between Vendors expectations and Buyers offers. Also a lack of good stock to sell.
- Residential Real Estate Hamilton. Steady activity across the board. new buyers entering the market on a daily basis. Many seasoned buyers getting pipped at the post due to good demand for good property. Positive levels of new stock emerging on the market. Prices seem to be holding steady if property is tidy. Some premiums being achieved.
- Real Estate in Gisborne. Best described as interesting! With two retirement villages competing for customers there are more and more retirees considering selling their properties. With values on their existing homes falling while the new home costs increase they are finding the gap widening. As well

buyers for their properties are few which is complicating the issue further. Add this to a quiet market and it would be fair to say "It's tough out there!"

- Real Estate Invercargill - sales volume up, buyers hesitant but generally steady.
- Real Estate residential Christchurch still a very testing market. Appraisals have increased sharply, but people are reluctant to make firm commitments until they know where they stand with EQC and Insurer claims. Insurance remains a real issue and most people feel this is a very poor reflection on the Insurance industry. The market would function much better if Insurers took a more positive approach to the rebuild.
- There is increasing activity - more listings coming on to the market and more buyers in the market - and making decisions.
- Real estate, South Auckland. More listings coming in. Sales well off August 2011, prices steady, vendors meeting market. Property management busy, need more properties to rent.
- Real Estate Tauranga still good demand for homes that meet the criteria of the 3 P's Presentation, Promotion and Price. Activity with Open Homes slowed a little with World Cup.
- Real Estate Rodney : more activity from buyers since mid September, busy listing properties for spring.
- Real Estate - southern Lake Taupo, a very busy September and same to the start of October, with offers ranging from \$65k to around \$500k

Are You Seeing Something We Are Not?

If so, email us at tony.alexander@bnz.co.nz with Housing Comment in the Subject line and let us know.

MAJOR OFFSHORE ISSUES

European Debt

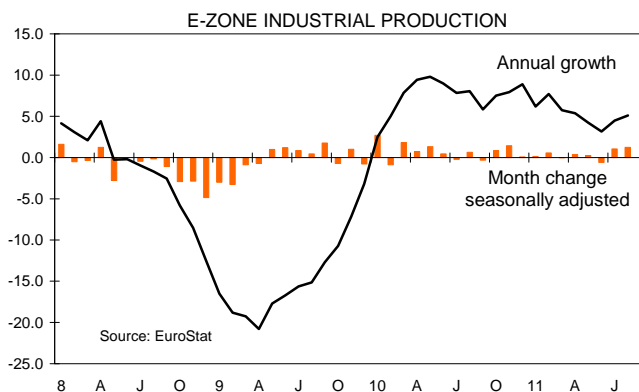
The big news item out of Europe this week was the meeting between President Sarkozy of France and Chancellor Merkle of Germany where strong words were spoken in favour of recapitalising European banks. They clearly disagree on the recapitalisation method with President Sarkozy favouring use of the stability fund while the Chancellor favours private injections of funds instead. A plan is expected to be prepared ahead of the Group of 20 meeting set for November 3. Before then there will be a summit of European leaders on October 23. So the week has been one of a glass half full interpretation of the European debt/banking crisis. But nerves got shattered Tuesday when the Slovak government fell when it failed to get Parliament to approve the July 21 expanded bailout package. But last night agreement was reached. Now the question is will the expansion of the EFSF to €440bn be enough? Almost certainly not.

Another item of news out of Europe this week was the announcement last Thursday night by the ECB that it will offer €40bn of one year funding to European banks. This is purely a liquidity measure aimed at partially reassuring bank depositors at a time when one bank has had to be bailed out (Dexia) because of its inability to get funding, and concerns are rising about banks generally. However, although sharemarkets in Europe rallied on the news it pays to note that this is not a bank recapitalisation move. The vulnerability of the sector to Greek debt default and/or restructuring remains.

Moody's cut credit ratings for 12 UK financial institutions and Fitch cut their credit ratings for Spain by two notches and Italy by one.

People from the ECB, EU and IMF indicated that Greece will get the next €8bn tranche in bailout money even though they are missing their agreed targets, and that next year more spending cuts will be needed.

There was a positive data surprise in the form of Euro-zone industrial production rising 1.2% in August to be 5.1% up from a year earlier. A fall in the month of 0.8% had been expected.



Chinese Inflation

Nothing this week.

US Growth Momentum

The theme for the US this week has been an easing of fears that the economy may be in or heading back into recession with tensions ebbing slightly in Europe but mainly data coming in less bad than feared. In particular the monthly non-farm payrolls report showed slightly greater than expected jobs growth in September of 103,000. The August result was also revised up by 57,000 in total. However the result for September was artificially boosted about 50,000 by striking workers returning to work, and the rate at which jobs are appearing is not making a dent in the unemployment rate which held at 9.1%.

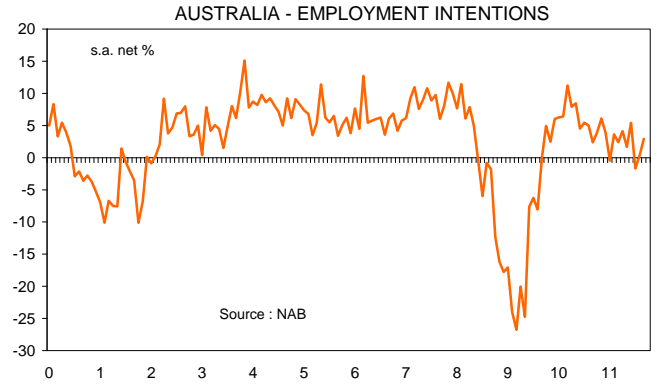
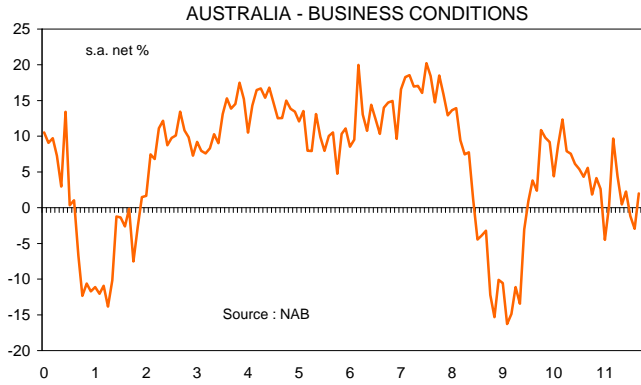
A view is developing now that after growing at an annualised pace of 1.3% during the June quarter the economy may have accelerated to 2% or 2.5% annualised growth in the September quarter.

For your guide, the fiscal worries continue unabated in the US with the special committee set up in August to find over \$1tn of deficit reduction moves in the next ten years having to submit its report by the end of November. If agreement is not reached on a plan then automatic programme cutbacks will happen in December with the expiration of extended unemployment insurance, a business tax credit, and a payroll tax cut. The amount of these programmes is estimated at about USD350bn thus representing near a 2% of GDP tightening of fiscal policy. That is a lot in a short period of time hence the general desire that such automatic cuts can be avoided and a long term plan put in place.

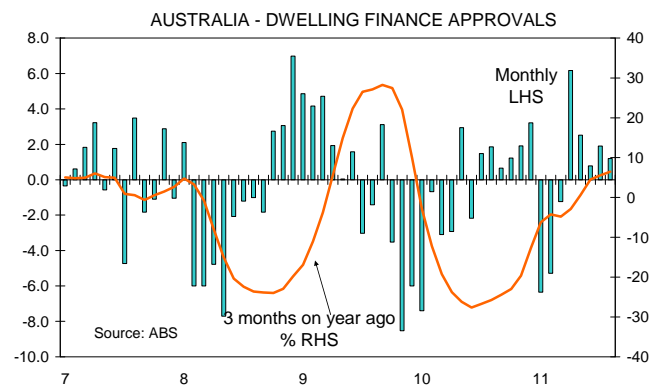
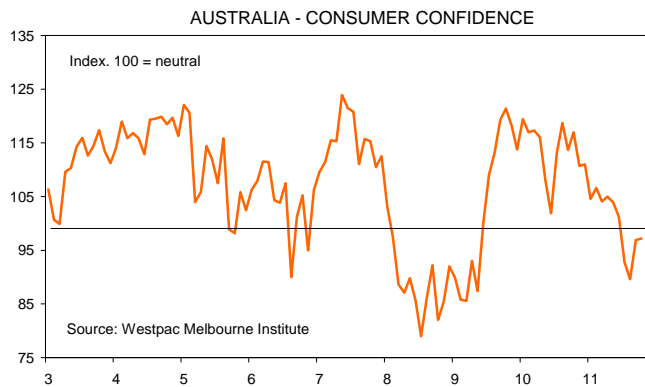
President Obama's plan for a US\$447bn boost to the US economy next year to be paid for with tax rises in future years already rejected by Republicans got shot down this week in its current form in the Senate.

Australian Growth

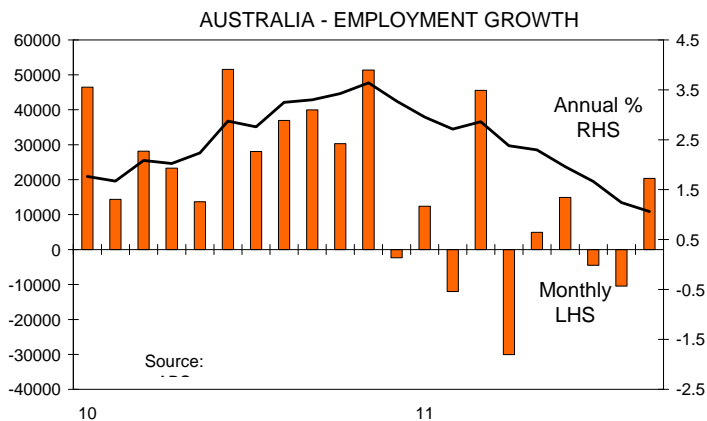
The good news story for Australia this week came in the form of the monthly NAB business survey which revealed a small rise in seasonally adjusted business conditions to a net 2% positive from 2.9% negative in August. Employment intentions also improved to 2.9% from 0.4%. The result takes some immediate pressure off the RBA to cut interest rates but still leaves the door wide open for such a move as various indicators in the survey were still low. For instance the forward orders index stayed poor at -4.1 in September from -5.2 in August and an average reading of 1% since 1997.



Less bad than it could have been also was the reading in the Westpac Melbourne Institute consumer confidence survey which improved 0.4% in October. But at a reading of 97.2 sentiment is still below average and suggestive of weak growth only in credit demand, retail spending and housing.



However the two not so ugly readings feed into a picture of the Aussie economy pulling back from slipping into minimal or negative growth. In fact there are a few other bits of data supporting this edging away from the edge conclusion. The number of housing loan commitments in August rose by 1.2% making five months of gains in a row. Plus job numbers improved 20,000 in September and the unemployment rate edged down slightly to 5.2% from 5.3% in August.



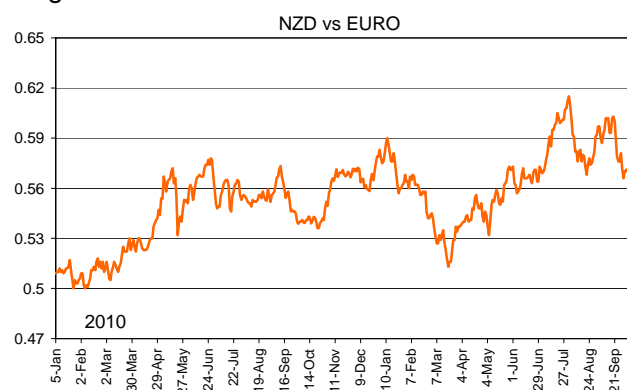
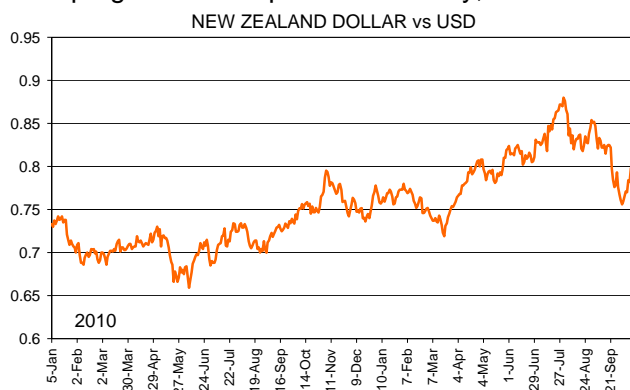
Exchange Rates

Exchange Rates	This Week	Week Ago	4 wks ago	Mths Ago	Yr ago	Consensus Frcsts yr ago*	10 yr average
NZD/USD	0.793	0.765	0.822	0.818	0.7556	0.689	0.629
NZD/AUD	0.779	0.793	0.794	0.771	0.7663	0.773	0.855
NZD/JPY	61.100	58.800	63.500	64.800	61.8	67.7	68.4
NZD/GBP	0.504	0.495	0.518	0.514	0.4781	0.448	0.368
NZD/EUR	0.575	0.573	0.601	0.585	0.543	0.52	0.511
NZDCNY	5.043	4.866	5.264	5.294	5.042		4.83
USD/JPY	77.049	76.863	77.251	79.218	81.789	98.3	109.9
USD/GBP	1.573	1.545	1.587	1.591	1.580	1.54	1.705
USD/EUR	1.379	1.335	1.368	1.398	1.392	1.33	1.229
AUD/USD	1.02	0.96	1.04	1.06	0.99	0.891	0.737

*Sourced from Consensus Economics. <http://www.consensuseconomics.com/>

Risk Tolerance Improves – For Now

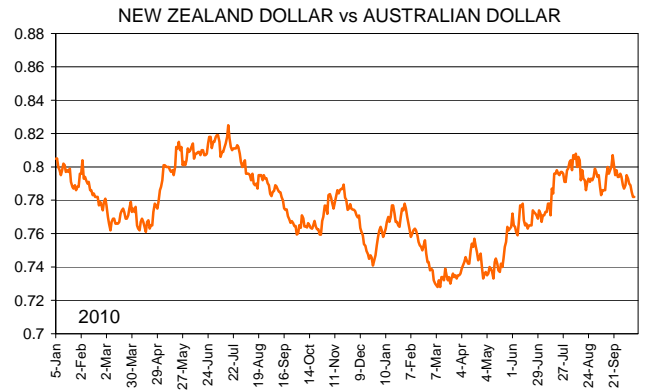
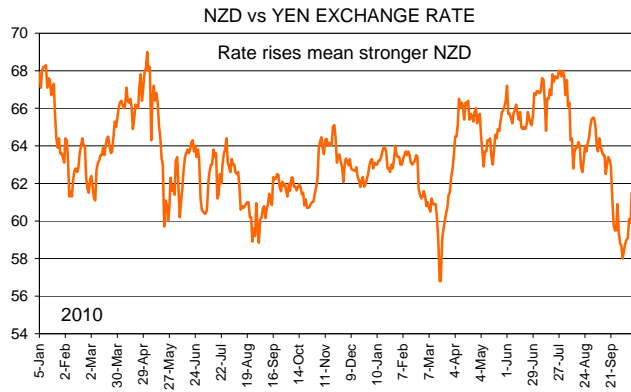
The story for the week with regard to the FX markets has been a reduction in concern about Europe falling over with hopes that deals can be stitched together to allow an orderly default of Greece somewhere down the track and recapitalisation plans for affected banks to be in place before that is allowed to happen. So the flow of funds into current safe havens of the Japanese Yen and US dollar has reversed causing those currencies to weaken. The Euro has risen along with the British Pound. But the commodity-dependent and risky NZ and Aussie dollar's have risen more so we finish the week three cents higher against the USD, two Yen up against the Japanese currency, and a tad firmer against the Euro and Pound.



Against the AUD however the NZD has lost over a cent during the week with the AUD assisted by some better than expected data (discussed above) for business and consumer sentiment.

Basically the week has been one of a glass half full interpretation of events in Europe. Next week or the week after things could easily switch back to a glass half empty interpretation and because of that we strongly advise (and have done so untold times in the past) against drawing straight lines out from the latest currency moves to pick where things will be X months down the track.

In particular we would emphasise the sheer unpredictability of so many developments which we know can heavily influence exchange rates. These include risk tolerance, commodity prices, monetary policy expectations and so on. Next week the Kiwi dollar could easily be three cents higher again against the USD, or three cents lower.

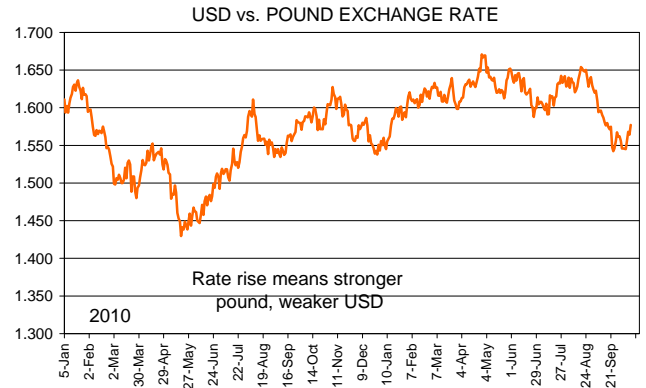
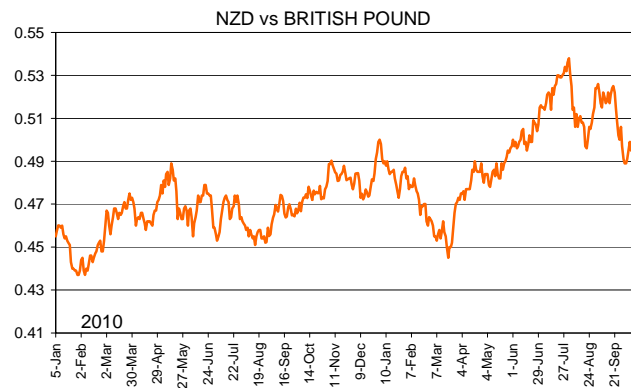


United Kingdom

Nothing much happened to give support to the British pound this week. To start with the BOE last Thursday night kept its cash rate at 0.5% but undertook some more quantitative easing with an extra £75bn to be injected into the money system though bond purchases over the coming four months.

Manufacturing production in the UK declined by 0.3% in August rather than rising 0.2% as had been expected. Plus the unemployment rate rose to a 15 year high of 8.1% in the three months to August from 7.9% in the three months to July. At 2.57 million the number of people unemployed is the highest since 1994.

With the NZD benefiting from a movement by investors back toward risky assets for a while we have understandably gone back up against the GBP and now sit near 50.6 pence from 49.5 last week. This level is however still well down from the 54 pence peak in early August.



For your guide, this week the National Institute of Economic and Social Research estimated that the recovery in the UK economy from its 2009 recession is the weakest for almost a century and that output is still 4% below its 2008 peak. The economy remains pressured by a severe fiscal squeeze aimed at (so far successfully) assuring investors that the UK debt situation is under control. Households are also focussing on reducing debt in the face of rising unemployment.

Exchange Rate Assumptions

	2010	2011	Risk	2012	Risk
Year end					
NZD/USD	0.73	0.87		0.84	Higher
NZD/AUD	0.74	0.81		0.85	
NZD/YEN	64.2	68		72.0	
NZD/GBP	0.44	0.53		0.52	
NZD/EUR	0.51	0.60		0.60	
USD/JPY	88	78	Lower	86	Lower
GBP/USD	1.66	1.64		1.62	Higher
EUR/USD	1.43	1.45	Higher	1.40	Higher
AUD/USD	0.99	1.07		0.99	Higher

ECONOMIC DATA

All %		Latest qtr only	Previous qtr only	Latest year	Year ago	2 Yrs ago
Inflation	RBNZ target is 1% - 3% on average	1.0%	0.8	5.3	1.7	1.9
GDP growth	Average past 10 years = 2.6%	0.1	0.9	+1.5	0.5	-2.4
Unemployment rate	Average past 10 years = 4.8%	6.5	6.5	6.9	6.0
Jobs growth	Average past 10 years = 1.9%	0.0	1.3	2.0	0.0	-0.8
Current a/c deficit	Average past 10 years = 5.5% of GDP	3.7	3.6	2.5	5.6
Terms of Trade		2.3	0.8	7.0	12.7	-13.5
Wages Growth	Stats NZ analytical series	0.6	1.0	3.6	2.5	5.2
Retail Sales ex-auto	Average past 9 years = 3.9%.	1.0	1.0	1.3	1.9	-3.1
House Prices	REINZ Stratified Index	-0.2	1.1	-0.1	2.8	-0.9
Net migration gain	Av. gain past 10 years = 13,900	+2,257	4,625yr	14,507	15,642
Tourism – an. av grth	10 year average growth = 3.2%. Stats NZ	-0.6	0.9	-0.6	4.4	-2.8
		Latest year rate	Prev mth year rate	6 mths ago	Year ago	2 yrs ago
Business confidence	BNZ survey	7	36	14	18	50
Consumer confidence	ANZ-Roy Morgan 100=neutral	113	113	101	116	120
Household debt	10 year average growth = 10.3%. RBNZ	1.2	1.2	1.5	2.4	2.6
Dwelling sales	10 year average growth = 2.5%. REINZ	21.1	21.1	-5.1	-33.1	43.7
Floating Mort. Rate	(TotalMoney) 10 year average = 7.9%*	5.59	6.09	6.09	5.59	6.49
3 yr fixed hsg rate	10 year average = 7.8%	6.99	7.15	7.15	7.95	5.99

All actual data excluding interest & exchange rates sourced from Statistics NZ.

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Key Forecasts

Dec. year		2010	2011	2012	2013
GDP	annual average chg	1.4	2.0 – 2.5	3.5 - 4.0	4.0 - 4.5
CPI	on year ago	4.0	3.0 – 3.5	2.5 – 3.0	2.5 – 3.0
Official Cash rate	end year	3.0	2.5	4.0 – 4.5	4.25 – 4.75
Employment	on year ago	1.3	2.0 – 2.5	2.0 – 2.5	2.0 - 2.5
Unemployment Rate	end year	6.8	6.0 - 6.5	5.0 - 5.5	<5.0

*extrapolated back in time as TotalMoney started in 2007

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