BNZ Weekly Overview

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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.

First Weekly Overview of 2013

Welcome to 2013 and the first WO for the year – though don't get too excited as there won't be one next week due to holiday commitments on the Gold Coast. I've found it pays to drag summer holidaying out as long as possible before the horrors of domestic travel kick in and stress goes through the roof once again.

If you've been keeping up with news in the financial world over the past few weeks you'll know that things look quite bright. Sharemarkets have powered ahead with Japan's market having its most extended upward run since 1988 and the Dow Jones Industrials index back to levels of 2007-08. Measurements of investor risk aversion have declined sharply and high beta currencies like the NZ and Aussie dollars have been pushed to firm levels. So why the seeming euphoria when one can make a very strong case for the underlying fundamentals for many economies still being munted?

It comes down to a number of things of which perhaps the most important, but also the most worrying, is ongoing money printing by central banks. Since 2008 central banks have been determined to avoid their money-shrinking mistake of the 1930s by quickly cutting and keeping interest rates low, and making as much liquidity available to banks to allow them to keep functioning as laws would allow. Bank liquidity is no longer an issue apart from in parts of southern Europe, but central banks have continued to pump money out because although their early efforts managed to stop the Depression scenario, they failed to get normal economic cycles going again because all parties bar central banks and the US government have been trying hard to reduce their debt.

In the face of a sustained debt attack it is hard for economies to grow much. But with unemployment rates rising as governments raise taxes and cut spending, businesses cut hiring and capital spending, and consumers restrain themselves when shopping and house-hunting, concerns about social dislocation have become dominant. The ability of governments to address rising social woe through budgetary policies has been constrained by high debts built up in recent decades and low willingness generally of investors to keep financing large annual deficits. So central banks have extended their money printing exercises beyond liquidity provision to throwing money in the hope someone will catch and spend it.

The money printing is achieved by central banks buying government bonds thus leaving money in the bank accounts of investors who were going to buy the bonds but were beaten to the punch. Those frustrated investors have been buying other assets such as shares and risky currencies, selling their own currencies, and meanwhile optimism about low interest rates continuing has encouraged some consumers to spend and businesses to hire and invest. Thus we can also say that markets have risen recently also because economic indicators have been turning for the better.

Last year the European Central Bank wiped out the bulk of worries about the Euro collapsing when the ECB President said he would do whatever it takes to hold the Euro-zone together. The Federal Reserve has also promised to keep interest rates low and printing money until things look a lot better. The Bank of Japan is also joining in the fray with more to come in the near future and the Bank of England has been a printing player as well.

As previously noted, in essence what the central banks are doing is a “hair of the dog that bit them” exercise. They are attempting to recreate the credit boom of the 2000s only this time through their own actions rather than their inactions back then which let the bubbles develop. Their explicit aim is to boost asset prices and therefore feelings of perceived wealth and maybe willingness to spend through weight of money looking for a home in other than government bonds. That plan may be working with assistance from the passage of time naturally bringing buyers into markets for houses and durable consumer goods such as cars.

In the United States most importantly the economic data have tended to come in on the better than expected side in the past two to three months and the same can be said for China where export growth has been surprisingly positive. In Europe worries about collapse have eased substantially though the economic data remain poor, while in Japan although the economy may still be in recession, planned fiscal and monetary stimuli from the new Prime Minister have boosted growth forecasts.

What this all means is not so much that expectations for world growth have soared as that worries about very bad scenarios have pulled back. Hence investors buying risky assets like shares and the NZ dollar. So how will this play out over 2013?

The determination of central banks is clear so growth looks likely. However they are building up a very large money retraction exercise down the track and at some stage this year it is likely that investors will flock out of fixed asset investments just as they last did to a huge degree in 1994. That means a high risk of some sharp rises in medium to long term interest rates though it is impossible to predict when, how much and at what speed.

Investors are likely to continue to favour risky assets so the NZD will probably hit US 90 cents at some stage while appreciating further against the British pound, Euro, Yen, and Aussie dollar. The RBNZ probably still won’t raise the cash rate until 2014 given the strong currency. But they will start issuing warnings before the end of the year as NZ economic growth gets a lift from numerous construction factors (earthquake rebuilding, Auckland supply catch-up, earthquake strengthening, water-tightness sealing, infrastructure), house prices rise by more than over 2012, and the unemployment rate eventually falls away amidst worsening shortages of skilled people. But strong growth as such will almost certainly still elude our economy this year given the restraining effects of the high NZD and debt consolidation.

One could write more but that is enough. It is Sunday morning currently where I am in Hong Kong staying as usual at the Charterhouse Causeway Bay Hotel (acceptable, definitely not flash), ahead of the annual Asian Financial Forum which will be over by the time you read this and I’ll be on my way home. Sunday in Hong Kong is maid’s day off so Central and Victoria Park will be filled with groups of different nationalities whiling away their time before returning to their cubby-hole bedrooms usually located behind the tiny kitchens in Hong Kong’s apartments.

What do I have on for the year ahead when I get back from the Aussie holiday at the end of this month? I’ll be easing back further from day to day run of the mill analysis moving down the track started three years ago with summer study of the impediments to growth in New Zealand’s economy, then China and New

Zealand's relationship with it, then expat analysis of late last year. Specifically my aims this year are the following on top of simply informing folk about the state of and short term prospects for the NZ economy.

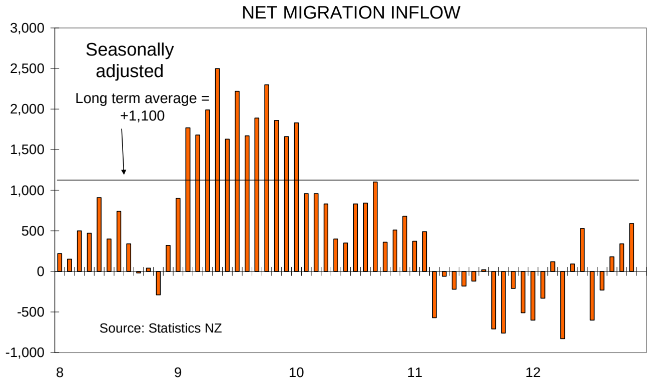
- Lift awareness of the need to raise non-primary exports, the knowledge and business cultural attributes needed to successfully engage in exporting, and the assistance paths available through the likes of NZTE.
- Raise awareness of the coming global labour shortage and the need for NZ businesses to develop strategies for finding and effectively utilising returning expats, expats staying offshore, and immigrants.
- Raise awareness of the special multi-generational rise in China and emerging economies more generally and the implications for trade and investment flows and global geopolitics.

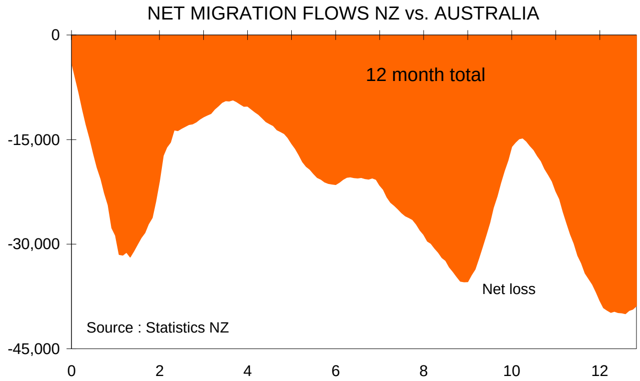
Recent Economic Data

Here are a few pieces of data received over the past five weeks worth reporting on here.

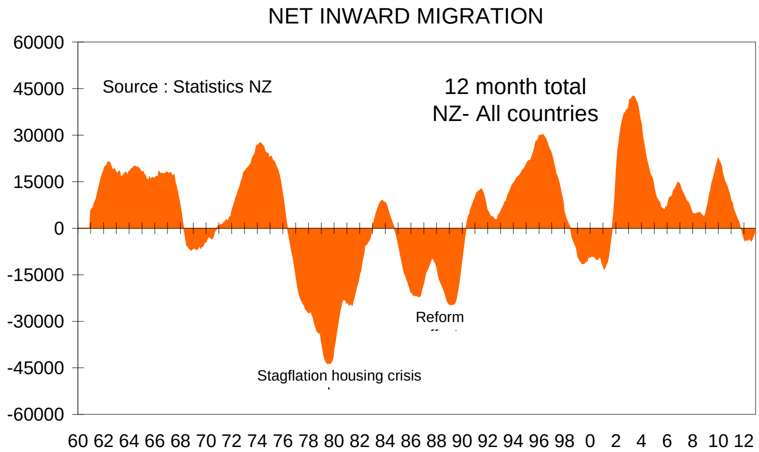
<u>Migration</u>

There was a net gain to New Zealand's population from permanent and long term migration in November of 1,697 compared with a gain of 945 a year ago. That means the annual net flow is now a loss of just 1,567 compared with 2,319 in October and a peak of 4,118 in August. The average flow for the past ten years has been a gain of exactly 13,000 and the ten years before that 4,500 and the ten years before that a loss of 6,200.





One of the factors behind the change is an easing in the net loss across the Tasman to 38,846 from 39,330 in the year to October and a peak of 39,956 in August. The turnaround is a fairly slow one but it is likely to continue as demand for tradespeople in NZ grows and some of the allure of Australia eases off.



Retailing

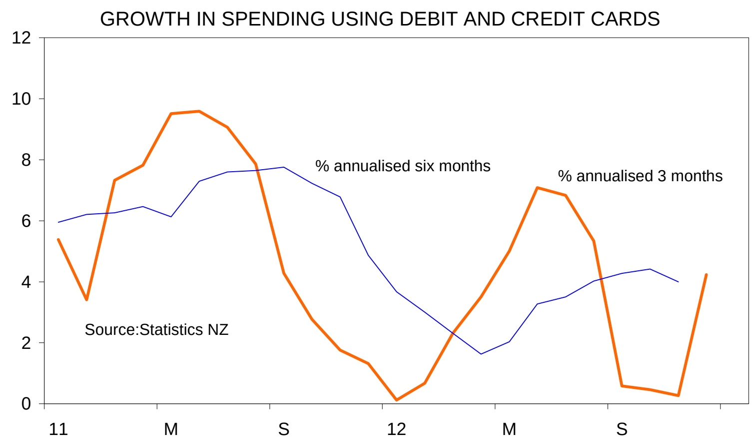
On December 27 I gave a radio interview regarding the 13.4% increase in spending processed by Paymark on Boxing Day. The questions were around whether this high rate of increase showed that Kiwi consumers had come out of their shells and 2013 would be an excellent year for retailers. For those in the building materials sector the answer is likely to be yes. But for the rest there is zero implication of positive – or negative nature – one can take from the Paymark data.

First, Paymark always release data in December showing how spending compares with last year. However when Statistics New Zealand used to produce monthly retail sales data there was seen to be very little correlation between the Paymark data and what the official data actually showed happened. Therefore I personally do not consider the Paymark data tell us what is actually happening with retail spending.

Second, even using the Statistics NZ Retail Trade Survey on a quarterly basis it is unwise to pay much attention to data broken down at the regional level. The sampling errors are simply too great – which is presumably why the monthly series for the country as a whole was eventually dropped. Therefore drawing conclusions about what is happening in Gisborne on the basis of Paymark spending data on the single day of December 26 being 20% up from a year ago is ludicrous.

Therefore I personally do not use the Paymark data as a reliable indicator of what is happening with household spending but I congratulate them wholeheartedly for being able to release something which attracts so much attention for so little effort – a marketers dream!

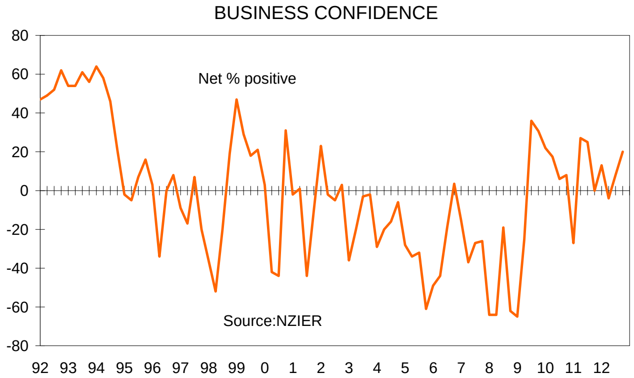
We do however have the Electronic Card Transaction data from Statistics NZ in hand now for December and it shows a seasonally adjusted spending rise for the month of 0.5% when we strip out automotive sectors. That makes for three rises in a row and annualised growth of 4.2% for the December quarter from just 0.6% for the September quarter. This data series is highly volatile and probably not much better an indicator than the Paymark data.

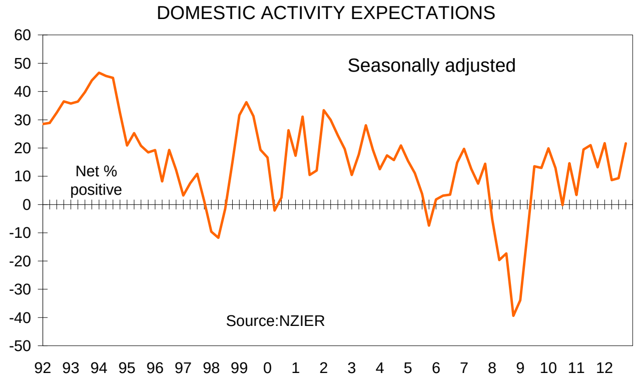


Therefore an improvement is underway of mild nature. With regard to retail spending for 2013, there is likely to be mild growth near perhaps 4% - 5% in nominal terms but the sector is still likely to see further restructuring and many retailers will be struggling with how to move away from the discounting model they have embraced over the past four years.

Sentiment

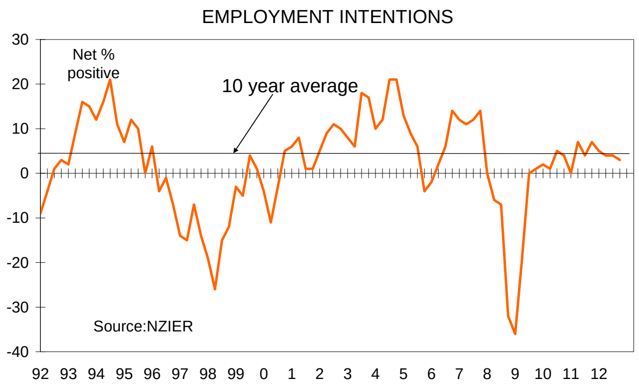
So how do we feel at the moment? Business sentiment as measured in the NZIER's long-running Quarterly Survey of Business Opinion is firm and has improved over the past three months. A net 20% of non-farm businesses are optimistic about the economy over the next six months compared with just 8% in the September quarter survey. This reading was flat a year ago. However, one defining characteristic of the past three to four years has been generally good readings for consumer and business sentiment, and sometimes even good expressions of intentions to spend, hire, and invest. However when it has come to laying down cash people have baulked.

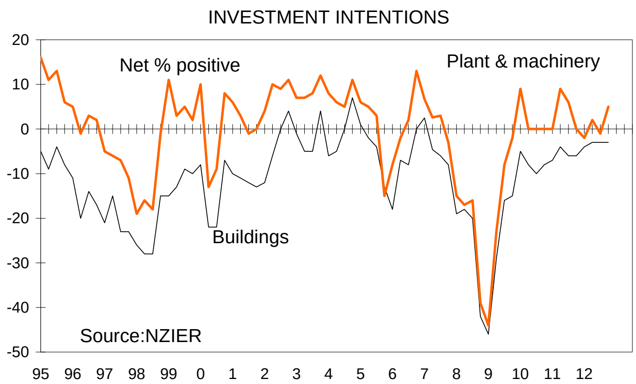




The NZIER survey shows that only a net 3% of businesses plan raising employment numbers. This reading has remained almost unchanged at this slightly below average level since the middle of 2009 and over that time jobs growth has been weak in NZ. Therefore the result does not yet suggest a surge in business hiring – hence one must be cautious about retail spending growth in the near future.

In similarly weak vein only a net 5% of respondents plan to boost capital spending in the near future. This is above the -2% average but not a decisive break from readings since the start of 2010 and therefore not suggestive of a capital spending surge.

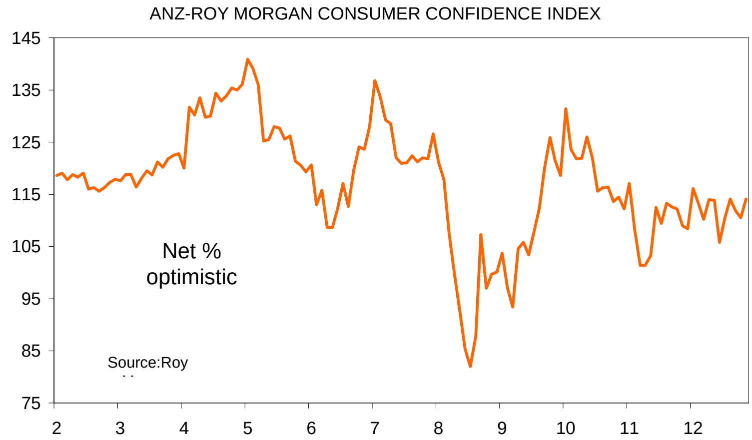




The results overall suggest acceptable but not stellar growth in NZ in the near future – hence the common forecast of GDP growth near 2.5% this year. Imagine what it would be without the Christchurch rebuild!

And just as a warning. You might look at the sometimes popular measure on expectations for domestic trading activity. It jumped to a good reading of +22% in the December quarter from 9% in the September and June quarters. Sounds great right? Well the same measure in the four quarters of 2010 came in at 20%, 13%, 0%, then 15%. The NZ economy we now know however recorded another recession over the second half of 2010. So treat all these sort of measures with high caution. Like a number of other economic readings in New Zealand they are sometimes just crap!

On the consumer sentiment side things also look good with the monthly ANZ Roy Morgan index released today rising to 118 this month from 115 in December. But this measure was at 116 a year ago and I did not see retailers running bags stuffed with money to the banks last year therefore do not interpret this January's reading as meaning happy days are here again for our shopkeepers. Just ask the Michael Hill people what gives. Personally I would play my retailing strategy still from the cautious/low inventory side.



INTEREST RATES

Interest rates are likely to stay low this year with the Reserve Bank not raising the cash rate until 2014 but fixed rates rising as US growth improves but worries grow about inflation and financing the US deficit. Nothing has emerged to improve our ability to predict when fixed rates jump up and as was the case in 2009, 2010, 2011, and 2012 there are likely to be some unsustained rate surges which create confusion among borrowers.

The September quarter pace of growth in the economy came in much lower than expected (for the second quarter in a row), the June quarter rise previously reported as 0.6% was revised down to just 0.3%, and a technical recession occurred in the second half of 2010 (subject to further revisions in coming quarters). All of this means that the economy starts its growth path going forward with more spare capacity than had been previously thought and that means downward revisions to predictions of the upward inflation path over the next three years and that in a nutshell means yet again a further strengthening of the case that the Reserve Bank does not start raising the currently 2.5% official cash rate until 2014.

However, as we have pointed out for a couple of decades now, one can get large changes in fixed interest rates without the cash rate changing and 2013 could easily see that happening. While an acceleration in the NZ domestic pace of growth will place mild upward pressure on fixed rates as the year progresses and the simple passage of time takes us closer to the next OCR increase, a more substantial factor may well be rising long term interest rates in the United States.

Over the past few weeks data releases in the US have generally come in better than expected leading to rising hopes of growth which have been reinforced by the fiscal cliff being avoided. Adding in comments from the Fed. in board minutes that it will probably end debt purchases this year and this has caused medium to long term interest rates to go up and the ten year US government bond yield now sits near 1.9% from 1.72% a month ago.

As a result swap rates here in New Zealand have increased about 10 – 15 points above their levels in the middle of December.

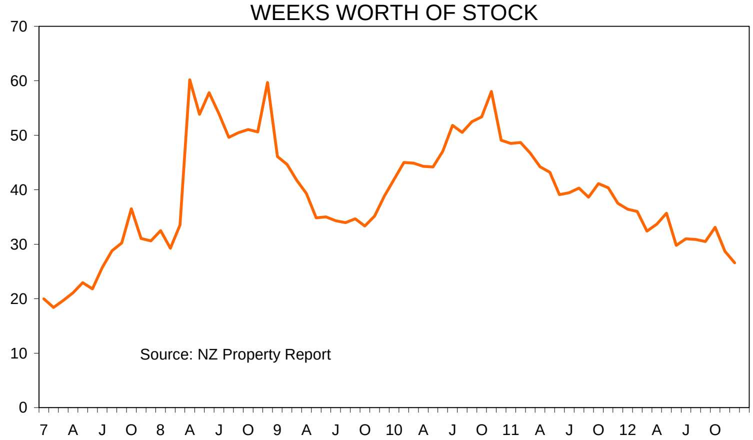
FINANCIAL MARKETS DATA

	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	2.50	5.4
90-day bank bill	2.67%	2.64	2.66	2.67	2.76	5.7
1 year swap	2.71%	2.71	2.69	2.51	2.79	5.8
3 year swap	3.02%	3.00	2.94	2.73	3.06	6.1
5 year swap	3.33%	3.28	3.24	3.03	3.50	6.3
7 year swap	3.64%	3.60	3.56	3.32	3.90	

HOUSING MARKET UPDATE

Prices will rise this year probably at a faster pace than during 2012 for the simple reason that demand exceeds supply at current prices. The housing affordability debate will grow and the crisis for low income earners in Auckland particularly will worsen. Investor interest will spread out of Auckland while some home owners will cash up and shift to more affordable areas with cash freed up for retirement spending. Construction costs will rise and no moves will be taken which radically shake up the building materials sector or availability of land or rules and fees for developing it. Chinese buying in Auckland then other centres will become more evident. Rising overall net migration inflows will spark debate.

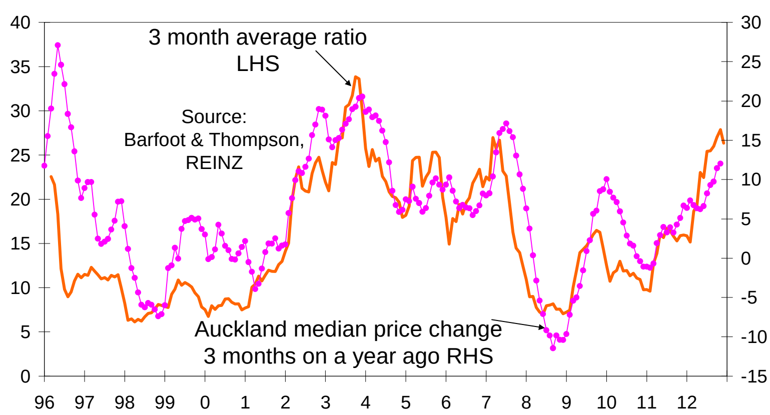
A couple of weeks ago the NZ Property Report appeared showing that during December there were 8,482 properties newly listed for sale around New Zealand. That was a 2.9% decline from a year earlier but because sales have grown strongly the result means that the number of weeks supply (total stock measure) has dropped to a five and a half year low of just 26.6 from 37.5 a year before.



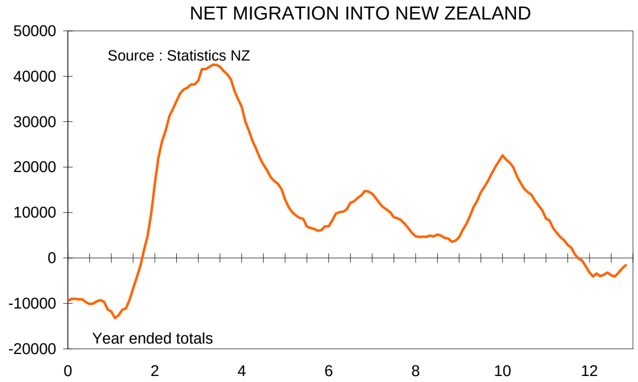
As we have long been pointing out, there is a very simple Economics 101 shortage of dwellings in New Zealand and prices will rise.

Auckland Sales Strongest Since 2003 – But This Time Without a Migration Boom!

Last week Barfoot and Thompson reported that during December in Auckland they sold 920 properties. This was a strong 29% rise from a year earlier and the highest December total since 2003. Busy in other words. The number of new listings received was down by 18% from a year earlier while total listings stock at the end of the month was 6% off from a year ago at 4,310 properties. As a result the ratio of sales to listings over the past three months stood at 26.3% compared with 15.9% a year ago. This also is the strongest result since 2003 and is yet another measure showing a listings shortage.

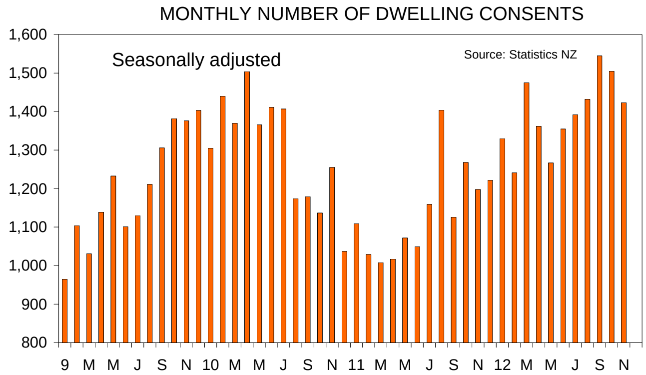


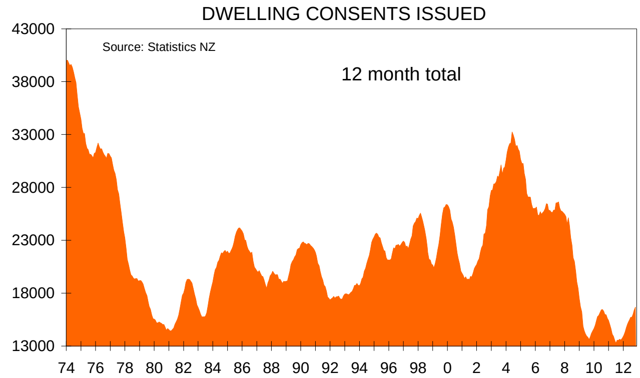
But an extremely important thing to note however is this. Back in 2003 the market in Auckland was to a substantial degree being driven by a strong net migration inflow which for the country as a whole amounted to 35,000. This time around however the net flow was a loss of 1,567 in the year to November (latest data). More than that, this latest net loss was better than 3,653 six months earlier and the trend is toward the positive. Meaning – as we have noted here previously, if this is what the Auckland market looks like with a net nationwide population loss, imagine what will happen when the net flows turn positive as we expect they will this year. Hence the chances are high that over 2013 Auckland house prices will gain by more than they did over 2012.



Housing Supply Trending Upward

In seasonally adjusted terms the number of consents issued for the construction of new dwellings fell by 5.4% in November after easing 2.6% in October. This still leaves consent numbers ahead 7% for the quarter or by 9.2% if we exclude the volatile apartment numbers which went from 168 in October down to only 39 in November.

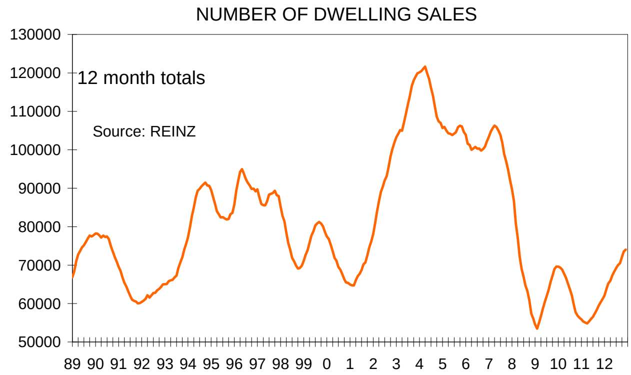


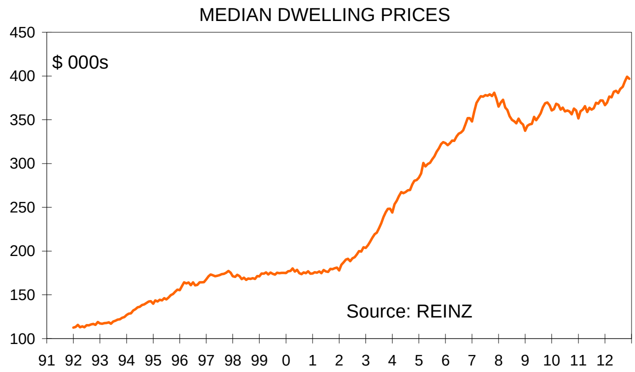


On average over the past decade 22,400 consents have been issued each year. The latest total is 16,675 therefore still 25.6% below average though up 23% from the year to November 2011.

Nationwide Prices and Sales Up Over The Year

The REINZ reported on Tuesday that during December there were 5,754 dwellings sold around New Zealand which was an 8% rise from a year ago. Sales for the year totalled 74,000 exactly which was a 20.8% rise from 2011 and well up from the cyclical low of 53,463 in February 2009. The pace of sales growth on a year ago has slowed down and this could be because stock is in short supply – hence prices are rising. The REINZ price measure which adjusts for changes in the types of houses sold was ahead 6.7% in December from a year ago. Smoothed over the December quarter the rise was 7% on a year earlier with Auckland up 12%, Wellington 2%, Christchurch 7.5%, and section prices 4.4%.





If I Were A Borrower What Would I Do?

I'd be anticipating that fairly soon, given the way things are going offshore, fixed rates will be rising. So if my strategy has been to stay floating as long as possible before fixing then I would start hunting around for a good fixed rate. However the difference between fixing long term and floating is quite a bit and predictions in recent years of fixed rates rising have been wrong many times. So I'd want to see rates actually rising before moving in and fixing with a bank which was not the first to move. Until then I would sit floating or would fix one year and focus on maximising repayments.

OFFSHORE

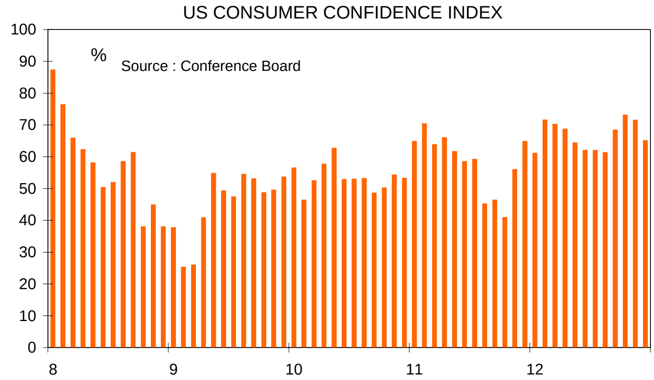
Europe prospects still look poor this year with Euro-zone shrinkage probable and the UK little better with growth from 0.5% to 1%. China's growth rate looks like lifting from last year's, in the US housing is rising along with employment but crises associated with the budgetary situation will occur. In Australia growth will be acceptable but not enough to stop the net population loss across the ditch from becoming less embarrassing for NZ. Forecasts for growth in the world and individual economies have been minimally accurate in recent years so expect changes for the better and worse.

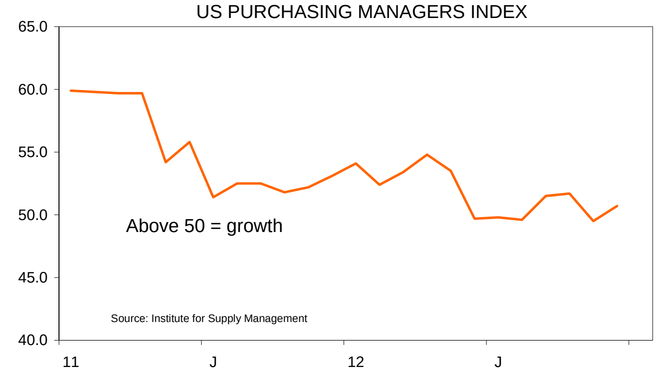
Comments on the US and Japan this week.

In the United States all attention naturally in recent weeks was on the December 31 deadline for agreement to be reached between the Republicans and Democrats regarding reducing the fiscal deficit without automatic measures starting on January 1. Although technically they did go over the fiscal cliff a deal was reached a few hours after the deadline which sees tax cuts phased out for households earning over US$450,000, avoidance of a jump in estate duty, and delaying of decisions on spending cuts until the end of February.

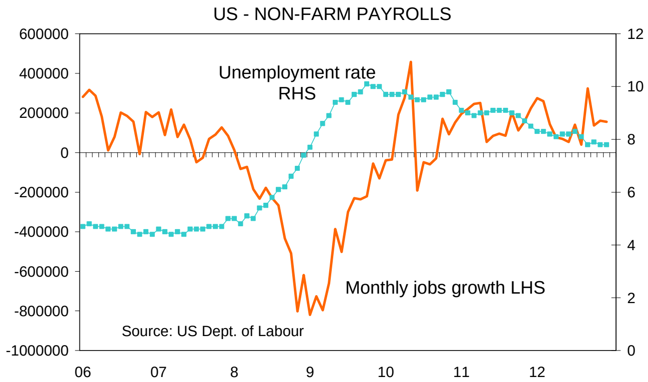
That timing is interesting as it will coincide with the need for yet another vote on raising the US debt ceiling and that will serve to highlight the way in which the US Federal government continues to run a huge fiscal deficit estimated to be close to 9% of GDP. With debt already near 110% of GDP (closer to 75% excluding debt financed by the Federal Reserve's money printing operations) the fiscal situation in the US is worse than Europe on average, but not so bad with regard to investor willingness to finance over-spending given the USD's role as the global reserve currency. However with the complete absence of any plan to rein in spending and its growth there is a risk investors one day dump US government bonds causing an economic shock which will reverberate around the entire world economy.

The data since November have been mixed but largely show an economy which could be gaining momentum. House prices rose by 0.7% in October to lie 4% ahead of a year earlier according to the monthly Case-Schiller measure. But worries about the fiscal cliff saw the Conference Board consumer confidence index fall sharply to 65.1 in December from 71.5 in November. That confidence slump is likely to be reversed in the next survey.





In the manufacturing sector the main monthly measure from the Institute of Supply Management, the PMI, rose back above the 50 mark to 50.7 in December from 49.5 in November. The services index staged an even more impressive gain rising to 56.1 in December from 54.7 in November and 53 a year earlier. The labour market continues its steady improvement with job numbers ahead another 155,000 in December and the unemployment rate holding steady at 7.8%.



With regard to US monetary policy there was a substantial change in approach in December away from a promise to keep rates low until mid-2015 to keeping rates low until the unemployment rate hits 6.5% as long as inflation is projected to stay below 2.5%. That sounds reasonable as it is not a specific abandonment of the Fed's focus on inflation and is something they can get away with for the moment in an economy with high spare capacity and low pricing power for businesses. But it introduces new uncertainty into interest rate forecasting and that has implications for us as it also means increased uncertainty about where our fixed borrowing costs will go – and we have already proved that forecasting such rates in the past four years was near impossible.

In Japan the newly elected Prime Minister heading the returned LDP has indicated he plans forcing the Bank of Japan to raise its inflation target from 1% to 2% and buy more debt, boost government spending on infrastructure (in a country already massively over-constructed), boost military spending, and take a more assertive stance with regard to Japan's deepening dispute with China over the Senkaku Islands.

China has been asserting its ownership claim and testing the resolve of Japan regarding the islands ever since the Tokyo government purchased three of them for NZ$30bn last September in order to prevent their sale and probable development by the right-wing Tokyo mayor. The Chinese have chosen to view this purchase as aggravating the long-running dispute rather than avoiding a deeper fight and the chances are rising that by pure accident a military incident will occur involving the world's second and third largest economies and traditionally the biggest players in the East Asian region. This has relevance for New Zealand given our trade exposure.

The dispute is likely to have seen Japan's economy remaining in recession in the December quarter after shrinkage in the June and September quarters with one estimate that sharp falls in purchases of Japanese cars and other goods by Chinese consumers will have taken 1% off Japan's fourth quarter growth rate.

The interesting aspect here then is that unlike the economic weapon of restrictions on rare earth exports used by the Chinese government in 2010 during a short-lived dispute involving the islands, this time the economic pressure is coming from individuals. Why such strong collective action? Partly it is because historically Japan never accepted the benign hegemony of China in East Asia, but mainly one suspects it reflects the fact that China (like Japan) is a highly nationalistic society which views Japan badly following the war of 1894-95 but mainly the Japanese atrocities from 1931 to 1945 including the little known in the West Doolittle incident. Google it. Putting aside the fact that the CCP is responsible for many millions more deaths of its people through the 1950s land reform then anti-rightist and Great Leap Forward policies, then after that the Cultural Revolution, Chinese people view the Japanese as their least-liked people (to use polite language).

To the extent the Japanese economy remains in recession this will affect ourselves through low demand for our exports. In addition new deliberate efforts to lower the Yen will make NZ exports less competitive in Japan while hitting Japanese visitor numbers to our shores. Having said that, there may be some benefit from both Chinese and Japanese tourists avoiding each other's countries and going elsewhere including here. New Zealand is unlikely to benefit as South East Asia will from Japanese companies shifting their production facilities out of China over time.

Exchange Rates

Exchange Rates	This Week	Week ago	4 wks ago	3 Mths ago	Yr ago	10 yr average
NZD/USD	0.841	0.839	0.845	0.818	0.794	0.67
NZD/AUD	0.797	0.798	0.801	0.792	0.77	0.85
NZD/JPY	74.6	73.6	71.4	64.4	61	69.6
NZD/GBP	0.526	0.523	0.523	0.507	0.518	0.388
NZD/EUR	0.633	0.642	0.642	0.623	0.627	0.52
NZDCNY	5.23	5.22	5.28	5.11	5.02	4.99
USD/JPY	88.70	87.72	84.50	78.73	76.83	105.7
USD/GBP	1.60	1.60	1.62	1.61	1.53	1.72
USD/EUR	1.33	1.31	1.32	1.31	1.27	1.28
AUD/USD	1.06	1.05	1.05	1.03	1.03	0.788
USD/RMB	6.2184	6.2245	6.246	6.2529	6.3165	7.56

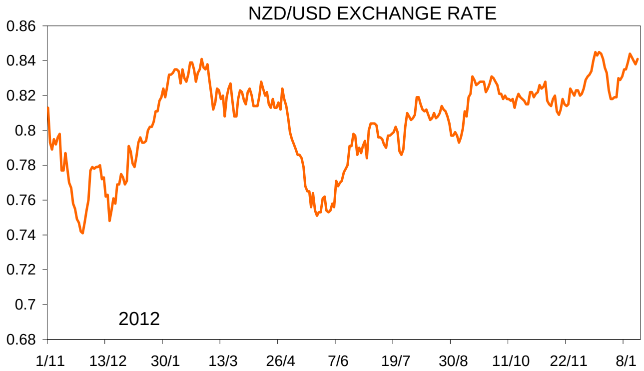
Few Changes Bar The Japanese Yen

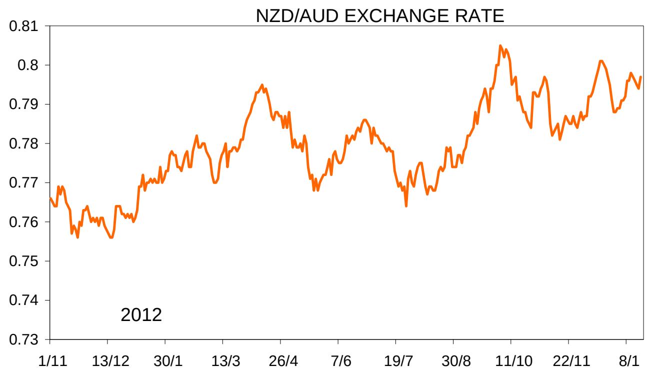
The NZ dollar will be lifted this year by continuing money printing offshore devaluing other currencies, NZ monetary policy being anticipated to tighten ahead of other countries, improved investor risk tolerance boosting purchases of risky assets like the NZD, and sheer weight of money looking for a home. Calls will grow from exporters for something to be done but most won't realise that the interest rate cuts they seek would be worthless as interest rate differentials are a minimal NZD influence currently, and the resulting housing boom would be disastrous.

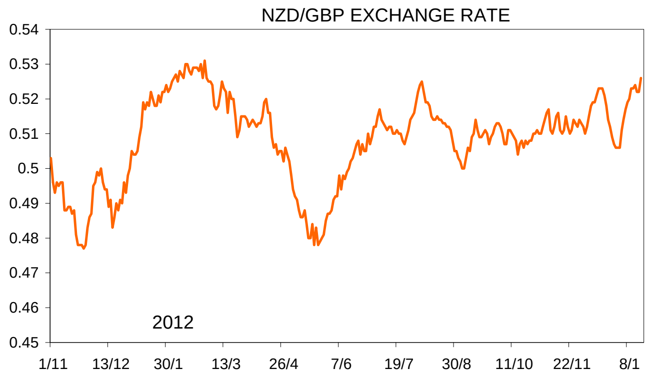
Compared with where we were in the middle of December the NZD is unchanged against almost all currencies except the Japanese Yen. The large gain against the Yen reflects anticipated additional easing of monetary policy via money printing from the Bank of Japan offsetting expectations for faster growth based on easing of fiscal policies including a 10 trillion Yen stimulus package.

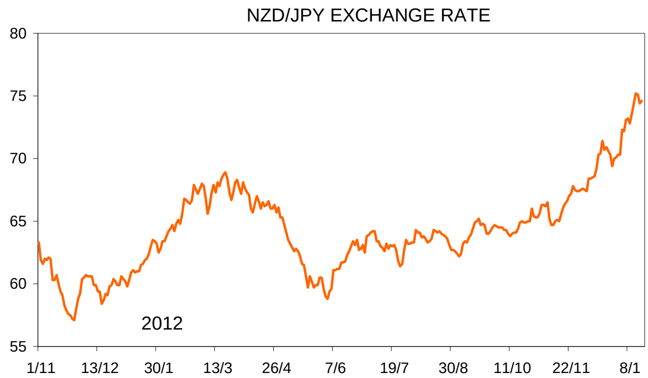
I could write more here but seriously – have you ever seen anyone get their exchange rate forecasts correct more often than you have by tossing a coin? Plus, the world is awash with FX commentary and as noted here previously, because I do not really feel that I can offer any particularly good insight into currencies – beyond honesty about their lack of forecastability – I tend to write little here. Plus, as I sit on a couch on the ground floor typing this on Thursday afternoon the folk looking after the lobby in my hotel think that I am stealing their internet so I'd better continue my journey home from Hong Kong fairly shortly before they ask me to leave.

My work PC cannot connect to hotel wireless systems anyway. But the new Vodafone roaming thing is great. Rather than being stung with a huge bill when one gets home – even with roaming turned off most of the time when offshore – one simply pre-purchases data via texting for a reasonable offshore price. They have three main pricing areas and the one including Hong Kong is 40mb for $15, 100mb for $30, or 200mb for $50. You have 30 days to use it or lose it. Good scheme. Well done Vodafone.









Key Forecasts Maybe I'll update these in a fortnight

Dec. year		**2011**	**2012**	**2013**	**2014**
GDP	annual average chg	1.3	2.0-3.0%	2.0 – 2.5	1.0 – 2.0
CPI	on year ago	1.8	1.3	2.2 - 2.9	2.5 – 3.5
Official Cash rate	end year	2.5	2.5	2.5 – 2.75	2.75 – 4.25
Employment	on year ago	1.6	0.0 – 0.5	1.0 – 2.0	0.5 – 1.5
Unemployment Rate	end year	6.4	6.5 – 7.0	5.5 – 6.0	5.0 – 5.6

The Weekly Overview is written by Tony Alexander, Chief Economist at the Bank of New Zealand. The publication is sent to 27,000 subscribers each week and is one of a stable of regular releases which include the

- monthly Growing With China publication, http://tonyalexander.co.nz/topics/china/
- monthly BNZ Confidence Survey, http://tonyalexander.co.nz/topics/surveys/bnz-confidence-survey/ and the
- monthly BNZ-REINZ Residential Market Survey. http://tonyalexander.co.nz/topics/surveys/bnz-reinz-survey/ This latter survey provides information from a survey of over 10,000 licensed real estate agents on the current state of the residential property market in New Zealand.
- He also produces a monthly column for the NZ Property Investor magazine, http://www.propertyinvestor.co.nz/ and

- writes a monthly column for the NZ China Trade Association. http://www.nzcta.co.nz/
- Most of these publications plus research into impediments to NZ's economic growth are available on his website. www.tonyalexander.co.nz
- Discussion of New Zealand's relationship with China can be found here. www.facebook.com/TonyAlexanderNZ

Tony Alexander has been Chief Economist at the BNZ since 1994 and apart from publications and advising management spends considerable time on the road around New Zealand making presentations and speaking with the media. He travels to the UK and Europe twice a year to assess economic conditions and present at numerous functions, has five children, tramps, and his partner Dr Sarah Farquhar runs the early childhood education network www.childforum.com

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