

BNZ Weekly Overview

ISSN 2253-3672

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 and Last Issue For 2015

Welcome to the first Weekly Overview for 2015 – and the last. This publication will be put into abeyance for 2015 and instead I will be concentrating on a monthly product, the NZ Observer. Why the change? Basically, courtesy of development of what is on the internet since the Weekly Overview started in its earliest form in 1998 there is no shortage of readily available information including data, commentary, and graphs on the state of the NZ economy and developments offshore. While the way we present the information and analysis here is deliberately different from the other sources, there is still a lot of duplication.

In addition to that, while we have probably all become quite adept at skim reading and doing what we think is sorting the wheat from the chaff to get a good feel for what is really happening, we still end up acting like jittery dogs. Our time available and perhaps our inclination to critically consider whether something is truly meaningful and relevant to our business lives seems to be lacking. Frankly, in economic terms, the marginal return on extra analysis and commentary around unchanging key central themes risks turning negative as we sink under the weight of information.

The job of us economists is to step back from the very short-term developments in financial markets, politics, and economies to try and see the bigger underlying trends. Then we need to analyse and extrapolate those trends, look at their implications, and effectively communicate our conclusions, tentative and multiply-hedged as they may be, to our relevant audiences. I'm going to do that this year on a monthly rather than weekly basis.

The NZ Observer is actually the same name as a previous monthly publication which we canned over a decade ago but its focus will be different from that earlier version. Rather than the really easy stuff of concentrating on data releases in the past month plus changes in the financial markets the focus will be a strategic planning one.

Specifically we will imagine ourselves discussing the most likely one to five year environment facing a mythical typical NZ small to medium-sized business. Our aim will be to produce analysis which will only slightly get out of date as the month passes and a new issue appears. Thus it will not be vital that one reads the NZO as soon as it appears, but instead you can save it then distribute copies to your relevant people ahead of your next monthly or quarterly planning session.

I will continue to have a section on the housing market and will also keep the section on what I would do if I were a borrower, though it will suffer in the monthly format because we will miss quick changes in fixed mortgage rates. Such is life.

The first NZO will appear in the third week of February. Happy New Year.

BNZ WEEKLY OVERVIEW

The Weekly Overview is written by Tony Alexander, Chief Economist at the Bank of New Zealand. 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 sign up at www.tonyalexander.co.nz To change your address or unsubscribe please click the link at the bottom of your email. Tony.alexander@bnz.co.nz

This publication has been provided for general information only. Although every effort has been made to ensure this publication is accurate the contents should not be relied upon or used as a basis for entering into any products described in this publication. To the extent that any information or recommendations in this publication constitute financial advice, they do not take into account any person's particular financial situation or goals. Bank of New Zealand strongly recommends readers seek independent legal/financial advice prior to acting in relation to any of the matters discussed in this publication. Neither Bank of New Zealand nor any person involved in this publication accepts any liability for any loss or damage whatsoever may directly or indirectly result from any advice, opinion, information, representation or omission, whether negligent or otherwise, contained in this publication.