NEW ZEALAND ECONOMICS
ANZ MARKET FOCUS

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INSIDE

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THE DATA DICHOTOMY

ECONOMIC OVERVIEW

Hard data outturns continue to give a subdued reading on the economy, as it was in late 2010. Far more relevant to us (and the RBNZ for that matter) has been the improving tone evident in the forward-looking data, though this will take time to manifest itself in the hard data. Furthermore, question marks will surround the durability of readings until we see a solid string of prints in the hard data. Rising commodity export prices are set to provide considerable economic support to NZ.Inc, with an increase in the dairy price payout on the cards and prospects for 2011/12 looking equally positive. Prospects for multi-year income boosts and a more challenging short-term inflation trajectory will make the RBNZ's pondering more challenging. For now they have time on their side, with deleveraging dominating all and sundry.

NZ SURPRISE INDEX UPDATE

This week we provide an update of our New Zealand Data Surprise Index, which is designed to summarise the evolution of the local dataflow relative to market expectations. Our index of data surprises tends to move in strings, and there have been quite marked differences between subdued readings from "hard" activity data, which relate to what has happened, with more buoyant forward-looking "soft" economic data. This is consistent with the current RBNZ assessment of a firming in forward indicators. It raises the possibility of a sequence of positive hard data surprises emerging over 2011.

INTEREST RATE STRATEGY

Weak domestic data is slowly wearing down the market bears, and has seen swap rates fall back to levels prevailing a few weeks ago. Although early signs for 2011 look promising, the lagging nature of data reporting suggests we're in for more of this dynamic for at least the next few months. Against a background of rising food and fuel prices, apparent weak activity and a fledgling recovery certainly make for a challenging policy outlook. It is also likely to translate into increased market volatility.

CURRENCY STRATEGY

The trend of weak NZ economic data continued with downbeat labour market data last week. US Non-Farm Payrolls data appeared to be weak but weather and statistical anomalies hide an improved performance. Political unrest in the Middle East/North African region seemed to fade to the background of concerns for financial markets (for the time being). No surprises from the RBA with its cash rate decision but the RBA board continues to be very upbeat.

EFFECTIVE EXCHANGE RATE UPDATE

In general, strengthening export commodity prices were offset by a stronger NZD, with more enhancing trading conditions for only three of the eight industry groups in the January month. Sizeable disparities in trading conditions remain, with trading conditions more restrictive than average for four of the groups. For individual exporters, however, competitiveness will depend on who you sell to, as well as what you are selling.

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THIS WEEK'S EVENTS

- **SNZ Electronic Card Transactions — January** (Wednesday, February 9, 10:45am). We expect a 1.0 percent increase the value of retail electronic card transaction (ECT) spending, with core ECT spending expected to increase by 0.7 percent.
- **SNZ Food Price Index — January** (Friday, February 11, 10:45am). We anticipate a 1 percent increase, with food prices set to move sharply higher over 2011.

WHAT'S THE VIEW?

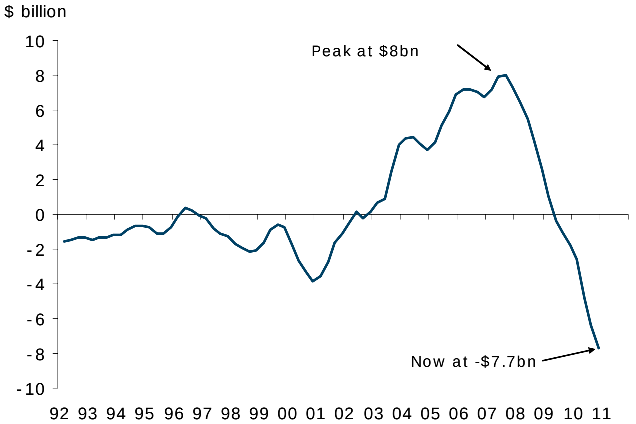
Last week's data was a mixed bag. Much of the data pertaining to 2010 illustrated that momentum in the New Zealand economy waned as the year ended. Data for building consents were very weak, the December trade balance was worse than expected and net migration inflows remain well off levels a year earlier.

On the face of it, the Q4 labour market data was particularly weak, with declining employment and the rising unemployment rate making for disappointing reading. Still, the news was not all bad: HLFS hours worked and full-time employment continue to pick up, with annual growth on both measures over 2 percent. Gross labour incomes are growing at an annual 4 percent clip; even more once last October's income tax reductions are taken into account. Annual wage growth appears to be picking up. Given the volatility of quarterly HLFS readings, there is also the possibility of statistical payback in Q1.

The data bodes poorly for Q4 GDP. Upcoming retail sales and building work figures will add to these nuances for sure. However, Q3 component data was actually okay (hours worked, employment, retail sales and building work) and yet we got a negative GDP read. Statistical payback looks to be pending and we're happy to have a positive number pencilled in.

The economy continues to be weighed down by the deleveraging headwind with the December credit aggregates showed limited appetite for borrowing. Private sector credit rose just 0.1 percent in the month. The turnaround in farm and housing equity withdrawal has been in the region of $16b since 2007. This dynamic has further to run in our view. But some positive signs are emerging. **Business sector credit (abstracting from seasonal factors) increased just over 2 percent in the final quarter of 2010 or 8.5 percent annualised.** This ties in with the improvement we've seen in capital imports. Way back in the June 2010 *Monetary Policy Statement* business sector credit was one area the RBNZ noted they'd be monitoring insofar as the robust recovery story was concerned. Business credit is off a low base (it was down nearly 2 percent in the 2010 year) and working capital issues are also influencing some demand. But in aggregate it's still a positive sign amongst all the other gloomy measures.

House and farm equity withdrawal



Sources: ANZ, National Bank, Statistics NZ, RBNZ

We have also noticed growing calls in some areas for the RBNZ to cut the OCR. While no one can debate the weakness we are seeing across core pockets of the economy, a fair portion is structural, as the NZ economy returns to a more balanced growth path. It is not the RBNZ's job to give a cyclical lifeline to sectors undergoing structural change, as the household sector rebuilds its savings buffer. Indeed it would be somewhat ironic if, after reiterating the need to save more and spend less, the RBNZ dished out a cut to the OCR. This would act to lower deposit rates and borrowing rates, though it is somewhat debatable what pass-through we'd see to both.

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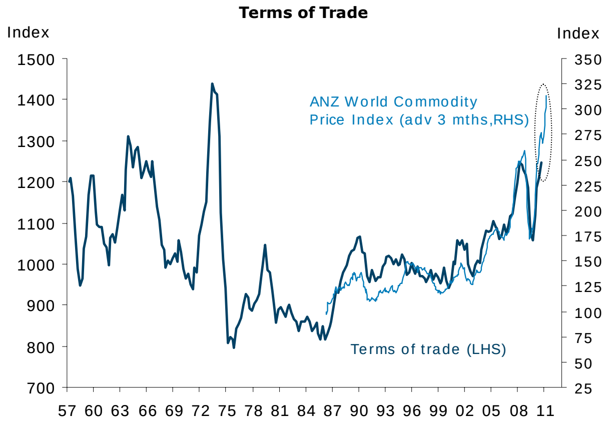
This does not rule out the possibility of a cut — you'd never say never in this economic environment and particularly if the unemployment rate were set to move up again. But rather it highlights that the hurdle is high and we don't believe we are anywhere close. Interpreting weakness in core pockets of the domestic economy reveals there is a structural element behind it. **There is an element of payback to the exuberance of yesteryear that we simply have to live with. To do otherwise risks reigniting behaviour of old.**

We've noted over prior weeks we think the economy is entering an inflection point, where the hangover of weak 2010 data is still to be worked through but prospects for 2011 look better. The coming three months will be critical in terms of challenging or validating this view and in particular, whether Q1 2011 hard data starts to bear out what soft indicators are foretelling.

As our analysis of data surprises on page 5 indicates **there is a clear dichotomy between soft activity outturns and the positive tone inherent in more forward-looking data.** Record high commodity export prices and a broadening in commodity price strength are a key part of the positive 2011 story. A generally improving run of US economic data and positive assessment of global growth prospects for 2011 by the RBA suggest a solid foundation for export income growth.

Dairy prices continue to soar, with the average whole milk prices contract in the *globalDairyTrade* online auction just shy of US $4,000/tonne, the highest since July 2008. This cements and accentuates the positive story for NZ.Inc. For now the diffusion throughout the economy is being curtailed by lower rural land prices and high rural debt. The NZD is also obviously dampening things – though NZD prices are still high and Fonterra have acknowledged that they are hedging 18 months ahead.

There is the strong likelihood of the total dairy price payout in the current season being significantly revised up. We expect an announcement on this soon and something in the order of a 50 cent revision would not surprise. But, with some of the dairy contracts (which go out 9 months) now trading above US $4,000/tonne, underlying demand remains solid. The 2011/12 payout could look equally rosy as 2010/11. Of course, we don't think we'll get guidance on this until around May, when Fonterra makes their first stab at 2011/12. But the multi-year aspect of the potential boost is not lost on us. Farmers may continue to deleverage for one booming income year, but for two? For some the answer is yes, their balance sheets demand it. But for the majority, we suspect they won't be keen at all on a huge tax bill and there is an easy way to lower it!



Sources: ANZ, Statistics NZ

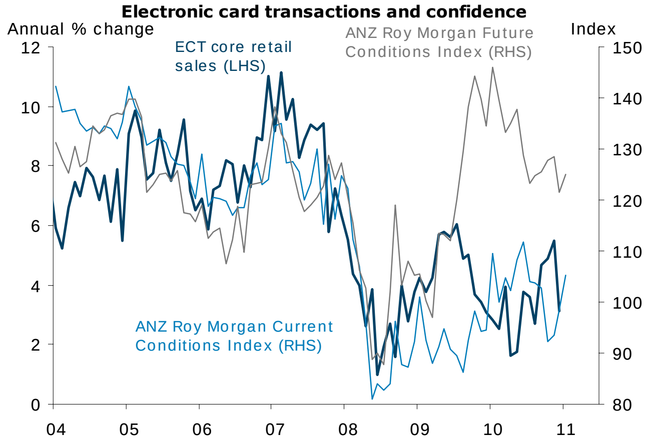
Despite obvious challenges at present, successive years of booming dairy incomes, higher incomes for other producers, an awkward short-term inflation trajectory, and rising commodity-driven cost pressures do not sit well with a cash rate remaining at 3 percent until the latter part of 2011. Monetary policy has never had perfect foresight, but when you see these sorts of developments unfold it should give you greater confidence to place more weight on what is likely to happen. **For now the RBNZ has the luxury of time on its side.** They can afford to be patient and will rightly be so. A lot (fiscal policy, the upward-sloping yield curve and high proportion of borrowers on variable rates), is working in their favour.

The pending boost to the rural sector might also be curtailed somewhat by prudential policy changes thereby lessening the temptation to tweak the OCR. The global economy has to hang together, and so on. The list of challenges is long. **But amongst all the hurly burly negativity, sometimes it is useful to realise it's not all one way traffic and the NZ economy has a tendency to turn on a dime.** We think the coming three months are going to be critical, validating or challenging an inflection point view.

This week's local data calendar is light. **Electronic Card Transactions for January are expected to increase slightly from very weak December levels.** We expect an increase of around 1.0 percent, underpinned by firmer prices for petrol and food. Core retail ECT spending is expected to eke out a 0.7 percent increase. Improving consumer sentiment suggests households are moving into a

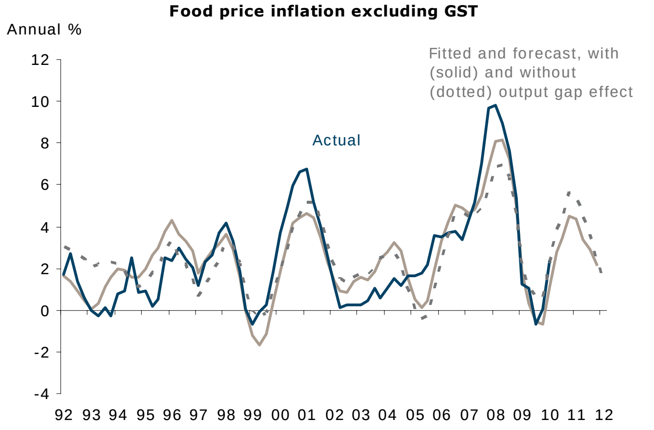
ECONOMIC OVERVIEW

more positive mindset and eventually this will flow through into retail spending. For the time being, however, conditions for large parts of the retail sector remain difficult, particularly for those reliant on discretionary spending.



Sources: ANZ, National Bank, Statistics NZ

We expect a 1.0 percent monthly increase in January food prices, much of this reflecting the usual seasonal pattern. As discussed in last week's *Market Focus*, **food prices look set to move sharply higher over 2011.** Whilst to consumers it is (yet) another cost increase to bear, to a food exporting nation such as NZ, it will provide a much-needed boost. However, it presents a double inflation whammy for the RBNZ, and will occur at an awkward time.



Source: ANZ, Commodity Research Bureau, Statistics NZ

RECENT LOCAL DATA

- **RBNZ Credit Aggregates – December.** Private sector credit (R) ex-repo increased 0.1 percent (0.9 percent y/y). Annual growth in household and agriculture credit was 2.2 percent and 1.5 percent respectively, with the decline in annual business credit growth easing to 2.0 percent (from 6.3 percent).
- **SNZ Labour Cost Index and Quarterly Employment Survey – Q4.** Private sector LCI wages increased 0.6 percent (1.9 percent y/y). QES paid hours declined by 0.2 percent (sea.), with filled job numbers falling 0.9 percent.
- **ANZ Commodity Price Index – January.** Commodity prices rose 3.8 percent (27.2 percent y/y). Thirteen of the 17 commodity prices in the index rose. In NZD terms commodity prices rose 2.3 percent (20.3 percent y/y).
- ***globalDairyTrade* online auction – early February.** Whole milk power prices rose by 5.7 percent from the mid-January event to an average of US $3,995 per tonne (+23 percent y/y). In NZD terms the increase was 4.3 percent (+12 percent y/y).
- **SNZ Household Labour Force Survey – Q4,** HLFS employment declined a seasonally adjusted 0.5 percent (+1.3 percent y/y), with the unemployment rate increasing from 6.4 percent to 6.8 percent. HLFS hours worked increased 0.2 percent (s.a.), with the participation rate declining to 67.9 percent.
- **SNZ External Migration – December.** Net permanent and long-term immigration was 750 persons (s.a.), with annual net immigration easing to 10,451 persons. Visitor arrivals increased 1.4 percent (s.a.), to be 3 percent higher than 12 months earlier.

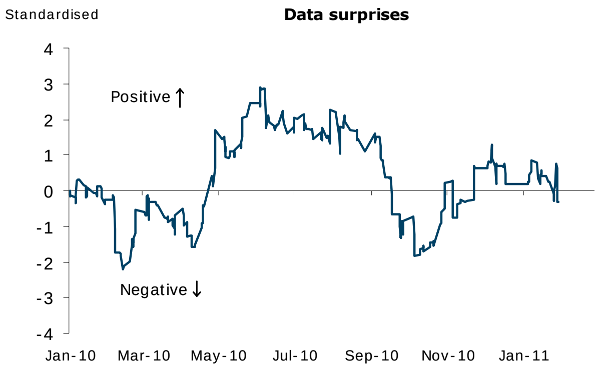
NZ SURPRISE INDEX UPDATE

SUMMARY

This week we provide an update of our New Zealand Data Surprise Index, which is designed to summarise the evolution of the local dataflow relative to market expectations. Our index of data surprises tends to move in strings, and there have been quite marked differences between subdued readings from "hard" activity data, which relate to what has happened, with more buoyant forward-looking "soft" economic data. This is consistent with the current RBNZ assessment of a firming in forward indicators. It raises the possibility of a sequence of positive hard data surprises emerging over 2011.

DATA SURPRISES SLIGHTLY WEAKER SINCE THE DECEMBER MPS

Our Data Surprise Index is designed to summarise the impact of individual New Zealand data surprises on medium-term inflationary pressure.[1] It uses a wide range of domestic data outturns, and we place proportionately more weight on data that will have a bearing on medium-term inflationary pressure.



Source:ANZ, National Bank, Bloomberg

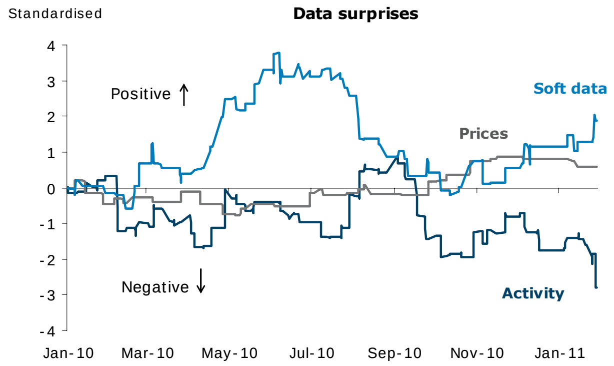
The dataflow tends to move in strings, with data tending to undershoot and then overshoot market expectations at various stages. It is the slope of the line that matters as opposed to whether it is above or below zero. From around mid-February till May last year domestic data tended to surprise on the upside, with the index upward sloping. Subsequent data releases have tended to undershoot expectations, particularly since the September *MPS* (the index has been trending down). The data "news" since the December *MPS* has on balance been slightly weaker.

THE BACKWARD VS LEADING DATA DICHOTOMY

One of the advantages of our approach is that we can divide the domestic data surprises into different types of data. These include:

- "Activity" surprises, relating to various measures of economic activity typically published by Statistics New Zealand;
- "Price" surprises, which reflect the news content of recent price releases; and
- Surprises on the "soft" leading information captured in a range of sentiment and commodity price measures.

Our analysis shows quite wide discrepancies according to which type of data you focus upon. Hard data relating to activity in 2010 has continued to disappoint, with the Q4 labour market data the latest in a string of soft data. There have not been many downside surprises on the pricing front, which is worrisome given the weaker activity dataflow.



Source:ANZ, National Bank, Bloomberg

However, more forward-looking data has been steadily improving since late last year. It continues to hold the promise of a stronger 2011 eventuating.

THE UPSHOT

While markets have tended to adjust down expectations for economic activity, recent hard data outturns for late 2010 have nonetheless continued to disappoint. Whether Q4 GDP will undershoot the December MPS projection (+0.4 percent q/q) remains to be seen, but signs to date are not promising.

More forward-looking "soft" data remains on an improving trajectory. This is something that the RBNZ have been looking for, but they will also need for this to be reflected in the activity data before raising the OCR. We've seen false dawns in the soft data before, with expectation not matching reality in terms of the hard data. **Once again soft data is presenting the allure of improvement: this time we think there is more substance behind it.**

[1] See our November 22, 2010 *Market Focus* for more detail on how our surprise index is put together. The process is a mix of art and science.

INTEREST RATE STRATEGY

SUMMARY

Weak domestic data is slowly wearing down the market bears, and has seen swap rates fall back to levels prevailing a few weeks ago. Although early signs for 2011 look promising, the lagging nature of data reporting suggests we're in for more of this dynamic for at least the next few months. Against a background of rising food and fuel prices, apparent weak activity and a fledgling recovery certainly make for a challenging policy outlook. It is also likely to translate into increased market volatility.

MARKET THEMES

- Last week's weak HLFS data adds to an already long string of weak data releases. We expect the tempo of upcoming data to be similar, testing both markets and the RBNZ.
- US 10 year Treasury yields rose rapidly over the past week and are now at post-QE2 yield highs. This is putting significant upward pressure on NZ long-end rates and the yield curve.

REVIEW AND OUTLOOK

Weak domestic jobs data has seen interest rates fall back to earlier lows. Like the proverbial straw that broke the camel's back, it wasn't the data itself that was the problem, but the fact that it was just the latest in a series of knock backs. In some ways it was surprising that it was the HLFS report that has finally seen the demise of the market bears – after all, the report is notoriously volatile, and economic folklore has it that employment is a lagging indicator.

That said, the state of the jobs market cuts to the heart of deleveraging – which was number 1 on Governor Bollard's list of uncertainties. Indeed, without job security, it's simply not credible to call a sustained recovery. But the real issue the market has to deal with over coming months is how to weigh up weak historic data against more upbeat anecdotes and leading indicators. We've been here before – in the early part of last year in fact – and we can learn from that experience. One obvious implication is not to get too excited. The other is to assume the RBNZ won't either. Inflation concerns notwithstanding – the RBNZ will want to be sure that the improving leading indicators will actually translate into activity before raising rates again.

Another noteworthy development is the spectacular rise of long-term US interest rates. The impact has been felt here via a steeper yield curve. This will play into the RBNZ's hands, especially if we are right and inflation pressures intensify. The irony is, the higher long end rates go, the less work policy needs to do, steepening the yield curve even further.

PREFERRED BORROWING STRATEGIES

Rates continue to notch lower, and it is clear the market is "buying into" the weak economy/benign inflation picture. While both are worthy themes, we question the magnitude by which the market has swung. Interest rates are now at levels that are very compelling, with less than one 25bp rate hike priced in by September, by which time even most doves are calling for a hike. But with uncertainty still very high, we'd be cautious about jumping in "boots and all". Timing is going to be critical: once it's obvious, the market will have already moved. So what do you do? The only way to have your cake and eat it too is to employ options. These come at a cost, but so too does paying fixed, potentially making a mistake of jumping the gun. Averaging in makes some sense, but even then caution is required. Hedging a time is still expensive relative to floating, and we don't favour it unless you hedge with the intention of shortening up and taking profit later in the event of a snap higher in rates.

GAUGES FOR NZ INTEREST RATES

GAUGE	GAUGE	GAUGE
RBNZ / OCR	↔	Is time on the bank's side? Looks can be deceiving.
NZ data	↔/↓	More bad news to come, but it is backward looking. Watch commodity prices.
Fed Funds / front end	↔/↑	Bernanke speech last week was very circumspect.
RBA	↔	Statement on Monetary Policy pretty hawkish.
US 10 year	↔/↑	Hammered after a week of strong data. Plays into RBNZ's hands to an extent.
NZ swap curve	↔/↑	Steepening will intensify if US data stays strong.
Flow	↔/↓	Receivers have come back to the market.
Technicals	↔	2yr needs to break 3.75%. Will be a big ask.

MARKET EXPECTATIONS FOR RBNZ OCR (BPS)

OCR DATES	LAST WEEK	THIS WEEK
Thu 10-Mar-11	0	0
Thu 28-Apr-11	+3	0
Thu 9-Jun-11	+8	+5
Thu 28-Jul-11	+24	+15
Thu 15-Sep-11	+33	+21
Thu 27-Oct-11	+50	+33
Thu 8-Dec-11	+59	+43

TRADING THEMES WE FAVOUR AT PRESENT

Stick with steepeners, particularly the 2yr-5yr. This trade enjoys positive roll and carry, and will perform well if US rates continue to rise. Ironically, the higher NZ long end rates go, the less the RBNZ needs to act. This makes the trade very defensive for bulls that would otherwise be outright long NZD rates.

CURRENCY STRATEGY

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The trend of weak NZ economic data continued with downbeat labour market data last week. US Non-Farm Payrolls data appeared to be weak but weather and statistical anomalies hide an improved performance. Political unrest in the Middle East/North African region seemed to fade to the background of concerns for financial markets (for the time being). No surprises from the RBA with its cash rate decision but the RBA board continues to be very upbeat.

MARKET THEMES

- NZD weak data continues.
- Political instability in Middle East/North African region is having little further impact at this stage.
- Non-farm payrolls data shifts USD sentiment positive and encourages risk trades.
- Upbeat RBA minutes underpin AUD despite the stable interest rate outlook.
- The week following the Chinese New Year celebrations is traditionally positive for markets.

REVIEW AND OUTLOOK

The NZ HLFS employment report appeared very weak, causing an immediate 1 percent fall in NZD/USD. However the dichotomy of hard data releases and forward looking indicators is providing a confusing picture for the NZD. Soft commodity price inflation means NZ exporters need to step up hedging programs, although a lack of product to sell in some agricultural sectors is counterbalancing that need. US data releases last week have skewed markets to a positive USD bias, so expect NZD/USD to drift lower during the week.

Last Friday the RBA released some very upbeat minutes from their last board meeting. This seemed slightly at odds with Tuesday's rates announcement and press release, which had suggested the RBA was on hold for the foreseeable future. In the backdrop of a USD biased environment we can expect the AUD to perform well on crosses. On that basis this week could see NZD/AUD further undermined, with the low 0.75s a prospect.

The US Non-farm payrolls data surprised with its headline weakness but weather and statistical anomalies hid a more upbeat outlook. This, together with more positive forward looking indicators, including last week's strong ISM surveys, is probably enough to tip the scales to a USD positive bias for this week, with most market participants looking for EUR/USD to peak around the 1.37/1.38 zone. This has been achieved and a technical peak now looks in to be place.

The Middle East/North African political unrest continues to bubble away but is having a limited further impact on global financial markets. A further spread of unrest to other states would see markets become more headline than fundamentals driven again.

NZD VS AUD: MONTHLY DIRECTIONAL GAUGES		
GAUGE	**DIRECTION**	**COMMENT**
Fair value	↑	Below fair value.
Yield	↔/↓	Yields less supportive as NZ growth prospects soften.
Commodities	↑	Soft commodities continue to rise.
Partial indicators	↓	Anaemic NZ data continues.
Technicals	↓	Negative bias. Expect trade towards bottom of recent range.
Sentiment	↓↔	Weak NZ data continues vs. upbeat Australians.
Other	↑	Near historically low levels.
On balance	↑	**.7700 - .7800.**

NZD VS USD: MONTHLY DIRECTIONAL GAUGES		
GAUGE	**DIRECTION**	**COMMENT**
Fair value – long-term	↔/↓	Above structural fair value of 0.67.
Fair value – short-term	↔/↓	Still above our cyclical fair value estimates.
Yield	↓	Higher US bond yields, whereas NZ's turn lower.
Commodities	↑	Soft commodities driving more exporter hedging.
Risk aversion	↔	Political instability drives USD higher.
Partial indicators	↔/↓	US data improves, while NZ still anaemic.
Technicals	↔	Rangebound with negative bias.
AUD	↓	AUD sentiment turned bearish.
Sentiment	↓	Weak data still at the fore.
Other	↑	RBNZ upbeat outlook.
On balance	↓	**USD bias to AUD strength to undermine NZD.**

EFFECTIVE EXCHANGE RATE UPDATE

SUMMARY

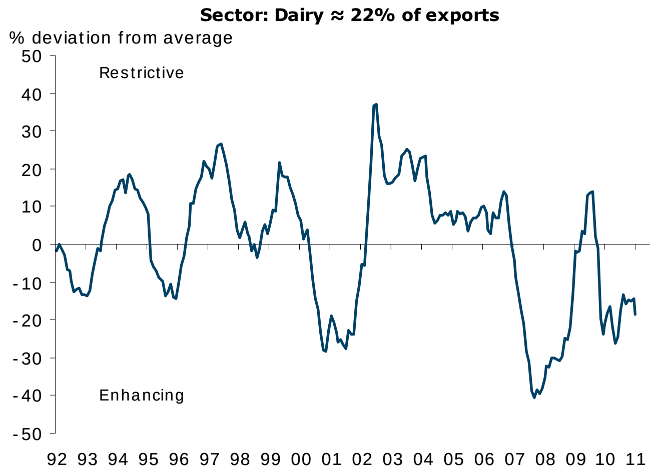
Our effective exchange rate (EER) measures take into account the world prices of our exports (commodity prices in the case of commodity exporters), adjusted for currency movements based on their main destinations. In general, strengthening export commodity prices were offset by a stronger NZD, with more enhancing trading conditions for only three of the eight industry groups in the January month. Sizeable disparities in trading conditions remain, with trading conditions more restrictive than average for four of the groups. For individual exporters, however, competitiveness will depend on who you sell to, as well as what you are selling.

IMPROVING FORTUNES FOR THREE OF EIGHT SECTORS

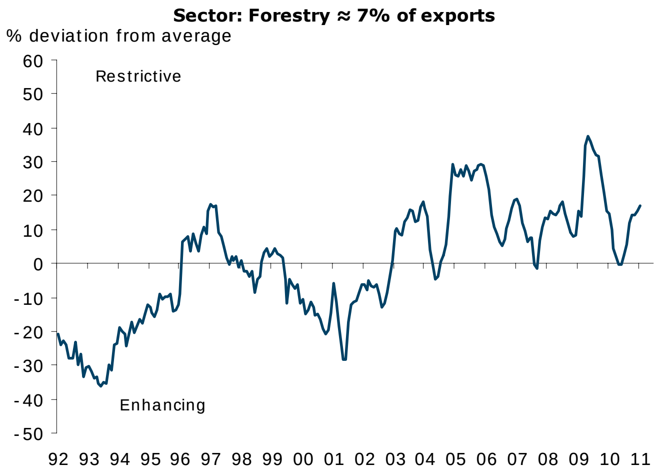
Underpinned by sizeable gains in skim and whole milk powder prices, the dairy sector experienced a more enhancing effective exchange rate in January. Higher beef and wool prices also supported more enhancing conditions in the meat, skins and wool sector, whereas higher global crude oil prices enhanced conditions for that sector. Conditions for seafood were little changed. A firmer NZD against the USD, AUD, yen and pound helped moved conditions for the other four groups into more restrictive territory.

Sizeable disparities in trading conditions are evident over various export groups. Conditions remain stimulatory for meat, skins and wool, dairy and seafood, with conditions for the **meat, skins and wool group the most favourable since at least the early 1990s.** Increasing oil prices have also moved conditions for crude into enhancing territory. But conditions are in restrictive territory for the remaining four groups, most evidently for horticulture where trading conditions look particularly challenging. These disparities show little signs of closing, and have widened in some cases, with not all export sectors benefiting from the upswing in export commodity prices.

Our analysis is illustrative as it does not take account of currency hedging, particularly for sectors such as dairy. Furthermore, even within sector groups trading conditions are likely to be quite variable, particularly for diverse sectors such as manufacturing. The low NZD/AUD, for example, is likely to benefit manufacturers selling to the Australian market and trans-Tasman tourism. Conversely, a NZD/USD above the 75 cent level (it is currently around 77 cents) makes the going tough for firms selling into USD-denominated markets, especially those with little pricing power or those not benefiting from historically high export commodity prices. **The picture is also complicated by the fact that some exporters have imported inputs, providing a natural buffer against exchange rate moves.** This is difficult to measure in aggregate and is not taken into account in this analysis.



Sources: ANZ, Bloomberg, Statistics NZ



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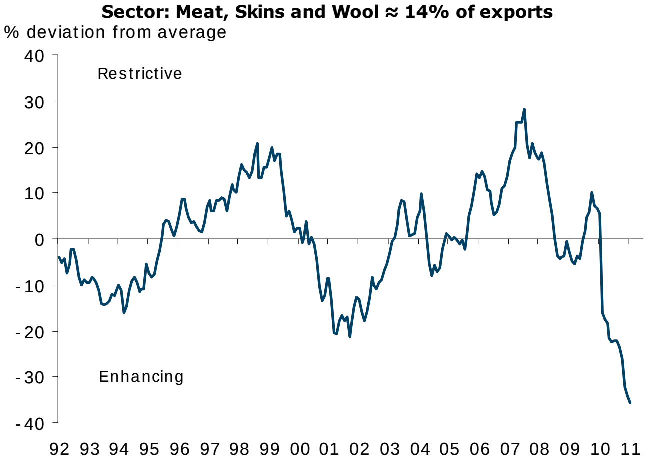

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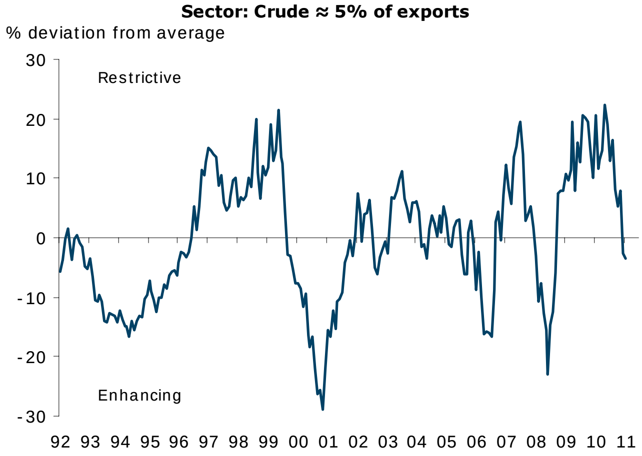

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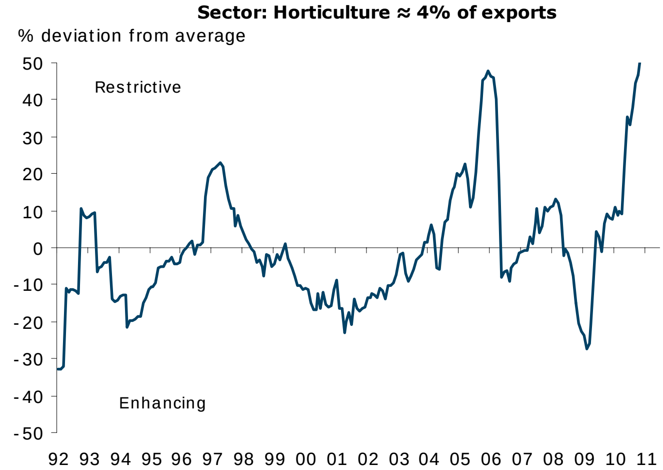
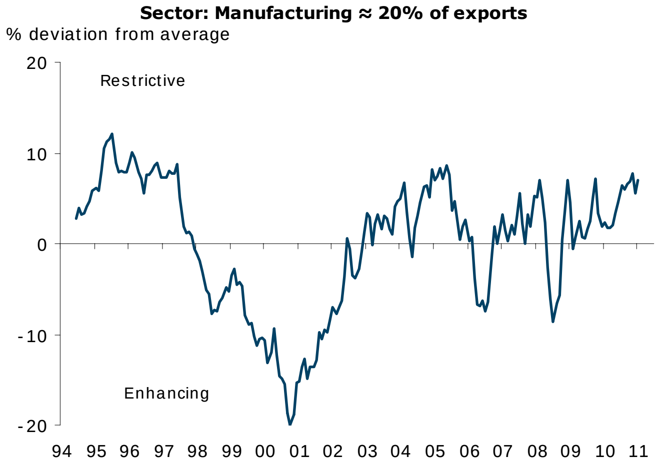
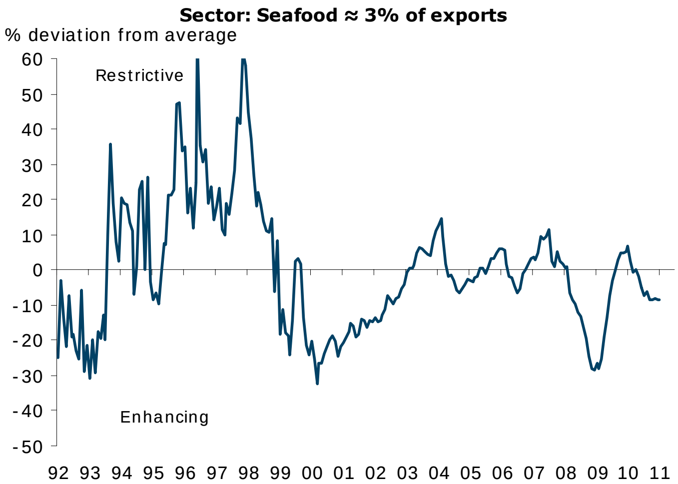


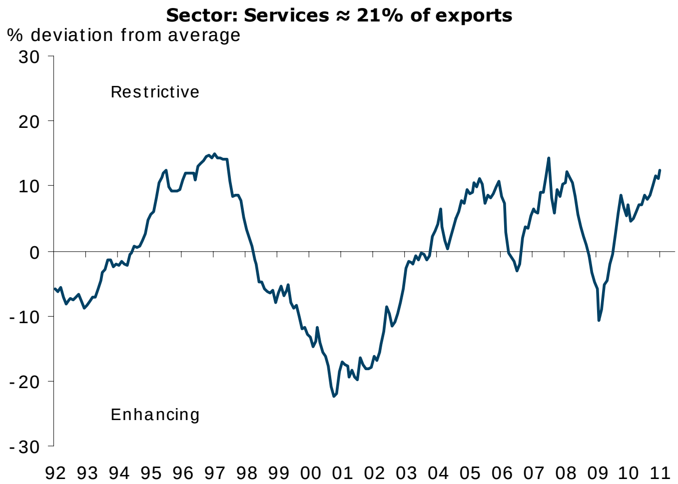
Sources: ANZ, Bloomberg, Statistics NZ



Sources: ANZ, Bloomberg, Statistics NZ



Sources: ANZ, Bloomberg, Statistics NZ



Sources: ANZ, Bloomberg, Statistics NZ

DATA EVENT CALENDAR

DATE	COUNTRY	DATA/EVENT	MKT.	LAST	NZ TIME
7-Feb	AU	AiG Perf of Construction Index - JAN	- -	43.8	12:30
	JN	Official Reserve Assets - JAN	- -	$1096.2B	12:50
	AU	ANZ Job Advertisements (MoM) - JAN	- -	2.00%	13:30
	AU	Retail Sales s.a. (MoM) - DEC	0.50%	0.30%	13:30
	AU	Retail Sales Ex Inflation(QoQ) - 4Q	0.10%	0.70%	13:30
	JN	Coincident Index CI - DEC P	103.1	102.4	18:00
	JN	Leading Index CI - DEC P	101.4	100.6	18:00
	AU	Foreign Reserves - JAN	- -	41.6B	18:30
	EC	Sentix Investor Confidence - FEB	- -	10.6	22:30
8-Feb	GE	Factory Orders YoY (nsa) - DEC	20.50%	20.60%	00:00
	GE	Factory Orders MoM (sa) - DEC	-2.00%	5.20%	00:00
	US	Consumer Credit - DEC	$2.000B	$1.346B	09:00
	JN	Japan Money Stock M3 YoY - JAN	1.80%	1.80%	12:50
	JN	Bank Lending Banks Adjust YoY - JAN	- -	-1.80%	12:50
	JN	Current Account Total - DEC	¥1137.0B	¥926.2B	12:50
	JN	Adjusted Current Account Total - DEC	¥1553.4B	¥1145.1B	12:50
	JN	Current Account Balance YOY% - DEC	24.20%	-15.70%	12:50
	JN	Trade Balance - BOP Basis - DEC	¥778.9B	¥259.7B	12:50
	UK	RICS House Price Balance - JAN	-37%	-39%	13:01
9-Feb	GE	Industrial Prod. YoY (nsa wda) - DEC	11.30%	11.10%	00:00
	GE	Industrial Production MoM (sa) - DEC	0.00%	-0.70%	00:00
	US	NFIB Small Business Optimism - JAN	- -	92.6	01:30
	JN	Eco Watchers Survey: Current - JAN	- -	45.1	/2011
	JN	Eco Watchers Survey: Outlook - JAN	- -	43.9	/2011
	US	IBD/TIPP Economic Optimism - FEB	- -	51.9	04:00
	NZ	NZ Card Spending (MoM) - JAN	- -	-0.90%	10:45
	US	ABC Consumer Confidence - Feb 06	- -	-41	11:00
	NZ	QV House Prices YoY% - JAN	- -	-0.90%	12:00
	AU	Westpac Consumer Confidence s.a. (MoM) - FEB	- -	-5.70%	12:30
	AU	Westpac Consumer Confidence Index - FEB	- -	104.6	12:30
	CH	China HSBC Services PMI - JAN	- -	53.1	15:30
	JN	Consumer Confidence - JAN	- -	40.2	18:00
	GE	Exports SA (MoM) - DEC	0.80%	0.50%	20:00
	GE	Imports SA (MoM) - DEC	0.50%	4.10%	20:00
	GE	Current Account (EURO) - DEC	14.0B	12.0B	20:00
	GE	Trade Balance - DEC	11.0B	12.9B	20:00
	UK	Visible Trade Balance GBP/Mn - DEC	-£8809	-£8736	22:30
	UK	Trade Balance Non EU GBP/Mn - DEC	-£4900	-£5028	22:30
	UK	Total Trade Balance (GBP/Mln) - DEC	-£4055	-£4123	22:30
10-Feb	US	MBA Mortgage Applications - Feb 4	- -	11.30%	01:00
	JN	Housing Loans YoY - 4Q	- -	3.60%	12:50
	JN	Machine Orders (MoM) - DEC	5.00%	-3.00%	12:50
	JN	Machine Orders YOY% - DEC	2.20%	11.60%	12:50
	JN	Domestic CGPI (MoM) - JAN	0.30%	0.40%	12:50
	JN	Domestic CGPI (YoY) - JAN	1.40%	1.20%	12:50
	AU	Employment Change - JAN	20.0K	2.3K	13:30
	AU	Unemployment Rate - JAN	5.00%	5.00%	13:30
	AU	Full Time Employment Change - JAN	- -	1.7K	13:30

Continued on following page

DATA EVENT CALENDAR

DATE	COUNTRY	DATA/EVENT	MKT.	LAST	NZ TIME
10-Feb	AU	Part Time Employment Change - JAN	- -	0.6K	13:30
	AU	Participation Rate - JAN	65.80%	65.80%	13:30
	CH	Trade Balance (USD) - JAN	$10.20B	$13.10B	15:00
	CH	Exports YoY% - JAN	22.40%	17.90%	15:00
	CH	Imports YoY% - JAN	21.90%	25.60%	15:00
	EC	ECB Publishes Feb. Monthly Report			22:00
	UK	Industrial Production (MoM) - DEC	0.40%	0.40%	22:30
	UK	Industrial Production (YoY) - DEC	3.60%	3.30%	22:30
	UK	Manufacturing Production (MoM) - DEC	0.40%	0.60%	22:30
	UK	Manufacturing Production (YoY) - DEC	5.50%	5.60%	22:30
11-Feb	UK	BOE Asset Purchase Target - FEB	200B	200B	01:00
	UK	BOE ANNOUNCES RATES	0.50%	0.50%	01:00
	UK	NIESR GDP Estimate – JAN	- -	0.50%	/2011
	US	Initial Jobless Claims – Feb 5	410K	415K	02:30
	US	Continuing Claims - Jan 29	- -	3925K	02:30
	US	Wholesale Inventories - DEC	0.80%	-0.20%	04:00
	US	Monthly Budget Statement - JAN	-$59.0B	- -	08:00
	NZ	Food Prices (MoM) – JAN	- -	-0.80%	10:45
	NZ	Non Resident Bond Holdings - JAN	- -	62.10%	15:00
	GE	Consumer Price Index (MoM) - JAN F	-0.50%	1.00%	20:00
	GE	Consumer Price Index (YoY) - JAN F	1.90%	1.70%	20:00
	GE	CPI - EU Harmonised (MoM) - JAN F	-0.50%	1.20%	20:00
	GE	CPI - EU Harmonised (YoY) - JAN F	2.00%	1.90%	20:00
	UK	PPI Input NSA (MoM) - JAN	- -	3.40%	22:30
	UK	PPI Input NSA (YoY) - JAN	- -	12.50%	22:30
	UK	PPI Output n.s.a. (MoM) - JAN	0.40%	0.50%	22:30
	UK	PPI Output n.s.a. (YoY) - JAN	4.30%	4.20%	22:30
	UK	PPI Output Core NSA (MoM) - JAN	- -	0.20%	22:30
	UK	PPI Output Core NSA (YoY) - JAN	- -	2.90%	22:30
12-Feb	US	Trade Balance - DEC	-$40.5B	-$38.3B	02:30
	US	U. of Michigan Confidence - FEB P	74.5	74.2	03:55

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

Sources: Dow Jones, Reuters, Bloomberg, ANZ, National Bank. All $ values in local currency.

Note: All surveys are preliminary and subject to change.

LOCAL DATA WATCH

Key focus over the next few weeks: Last week's labour market data confirmed wage inflation remains contained, with the HLFS report showing a falling employment/rising unemployment mix. Indicators for export earnings over 2011 continue to convey a positive message, although the high NZD/USD may slow the rebalancing of the economy. This week's local release calendar is light, with retail data for January expected to start the year on a more positive note than how 2010 ended. With the March MPS approaching, we expect more of the data pertaining to 2011 to convey a positive tone for NZ.Inc.

DATE	DATA/EVENT	ECONOMIC SIGNAL	COMMENT
Wed 9 Feb (10:45am)	Electronic Card Transactions – Jan	Rising	We expect a small increase of perhaps 0.5 to 1 percent from weak December levels.
Fri 11 Feb (10:45am)	Food Price Index - Jan	Rising	A 1 percent monthly rise is expected. Strong export commodity prices point to strengthening domestic food prices over 2011.
Mon 14 Feb (10:00am)	REINZ Housing Market Report – Jan	Caution	A small increase in residential volumes is expected. Prices are expected to trend lower.
Mon 14 Feb (10:45am)	Retail Trade Survey – 2010q4	Post GST blues	Retail values are expected to move sideways in the December month. Retail volumes should contract by about 0.5 percent in the December quarter.
Thur 17 Feb (10:30am)	BNZ Business NZ Manufacturing PMI - Jan	Improving	We expect NZ gauges to follow the improvement seen overseas.
Thur 17 Feb (3:00pm)	ANZ-Roy Morgan Consumer Confidence - Feb	- -	- -
Fri 25 Feb (3:00pm)	RBNZ Credit Aggregates - Jan	Still deleveraging	The focus on balance sheet repair is expected to continue.
Mon 28 Feb (10:45am)	Overseas Merchandise Trade – Jan	Up	We expect a monthly trade surplus of around $200m, with an annual trade surplus of $1.0bn.
Mon 28 Feb (10:45am)	Building Consents - Jan	Flat	Lagged housing and section sales data suggest a pick-up is a couple of months off.
Mon 28 Feb (3:00pm)	NBNZ Business Outlook - Feb	- -	- -
Tue 1 Mar (3:00pm)	ANZ Commodity Price Index- Feb	- -	- -
Wed 2 Mar (6:00am)	*globalDairyTrade* online auction	Rising	We expect a strengthening in whole milk powder prices towards US $4,100 per tonne.
Thur 3 Mar (10:45am)	External Migration	Steady	A monthly net PLT inflow or around 700 persons is expected. The Rugby World Cup tourism boost is approaching.
On Balance		**An improving tone**	**Data for Q4 to remain patchy. We continue to look for forward-looking gauges to convey an improving tone for 2011.**

KEY FORECASTS AND RATES

	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12
GDP (% qoq)	0.6	0.1	-0.2	**0.5**	**0.8**	**1.0**	**1.7**	**1.5**	**0.1**	**0.4**
GDP (% yoy)	1.8	1.8	1.5	**1.0**	**1.3**	**2.2**	**4.1**	**5.1**	**4.4**	**3.7**
CPI (% qoq)	0.4	0.2	1.1	2.3	**0.8**	**1.0**	**0.8**	**0.5**	**0.5**	**0.7**
CPI (% yoy)	2.0	1.7	1.5	4.0	**4.5**	**5.3**	**5.0**	**3.1**	**2.8**	**2.5**
Employment (% qoq)	1.0	-0.3	1.1	-0.5	**1.1**	**0.3**	**0.6**	**0.7**	**0.5**	**0.4**
Employment (% yoy)	-0.1	0.0	1.9	1.3	**1.4**	**2.0**	**1.5**	**2.7**	**2.1**	**2.2**
Unemployment Rate (% sa)	6.0	6.9	6.4	6.8	**6.3**	**6.4**	**6.2**	**5.8**	**5.7**	**5.6**
Current Account (% GDP)	-2.4	-3.0	-3.1	**-2.3**	**-2.3**	**-2.0**	**-2.6**	**-2.3**	**-2.2**	**-2.1**
Terms of Trade (% qoq)	6.1	2.0	3.0	**2.9**	**2.5**	**1.1**	**-0.1**	**-0.8**	**-0.9**	**-0.8**
Terms of Trade (% yoy)	0.1	12.7	17.9	**14.7**	**10.8**	**9.8**	**6.5**	**2.7**	**-0.8**	**-2.6**

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11
Retail sales (% mom)	-0.7	3.2	-1.2	-1.1	0.1	2.0	-2.4	1.5	..	..
Retail sales (% yoy)	3.6	5.6	4.7	2.8	1.8	4.6	0.6	2.5	..	..
Credit Card Billings (% mom)	-1.5	1.8	1.1	-1.3	0.7	1.0	0.5	-0.1	-1.4	..
Credit Card Billings (% yoy)	0.8	3.4	4.5	2.6	2.1	4.3	4.6	3.7	2.0	..
Car registrations (% mom)	2.8	-4.0	5.6	-6.4	0.0	2.7	-3.7	13.4	-8.3	0.9
Car registrations (% yoy)	40.5	30.5	35.8	16.0	19.0	19.2	9.4	23.5	6.4	6.8
Building consents (% mom)	8.3	-9.7	1.5	3.2	-17.8	0.8	-2.2	7.9	-18.6	..
Building consents (% yoy)	32.3	11.3	26.9	25.4	-3.1	-9.3	-17.4	-9.2	-26.4	..
REINZ House Price (% yoy)	4.7	3.7	3.7	2.6	0.9	0.0	-1.4	1.4	-2.2	..
Household Lending Growth (% mom)	0.2	0.2	0.2	0.2	0.1	0.2	0.1	0.0	0.0	..
Household Lending Growth (% yoy)	2.8	2.6	2.6	2.5	2.3	2.3	2.0	1.8	1.6	..
ANZ Roy Morgan Consumer Confidence	121.9	126.0	122.0	115.6	116.3	116.4	113.6	114.5	112.2	117.1
NBNZ Business Confidence	49.5	48.2	40.2	27.9	16.4	13.5	23.7	33.2	29.5	..
NBNZ Own Activity Outlook	43.0	45.3	38.5	32.4	25.7	26.7	30.5	35.3	34.5	..
Trade Balance ($m)	660	770	221	-186	-430	-455	-219	-186	-250	..
Trade Balance ($m ann)	178	41	593	585	871	978	1260	1355	1131	..
ANZ World Commodity Price Index (% mom)	5.1	1.2	-1.6	-0.8	-1.4	2.8	3.5	4.5	2.0	3.8
ANZ World Commodity Price Index (% yoy)	53.2	51.8	50.1	47.3	38.6	32.9	31.4	23.7	23.0	27.2
Net migration (sa)	790	370	170	930	870	1010	520	620	750	..
Net migration (annual)	19954	17967	16504	15221	14507	13914	12610	11519	10451	..

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

KEY MARKET FORECASTS AND RATES

	ACTUAL			Forecast (end month)						
FX RATES	Nov-10	Dec-10	Today	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12
NZD/USD	0.743	0.780	0.769	0.73	0.73	0.75	0.74	0.73	0.72	0.71
NZD/AUD	0.775	0.763	0.759	0.73	0.73	0.74	0.74	0.75	0.74	0.75
NZD/EUR	0.572	0.583	0.567	0.56	0.57	0.59	0.57	0.55	0.54	0.53
NZD/JPY	62.14	63.22	63.19	62.1	63.5	66.0	66.6	67.2	67.7	67.5
NZD/GBP	0.477	0.500	0.478	0.47	0.48	0.48	0.47	0.46	0.45	0.44
NZ$ TWI	68.1	69.2	68.4	66.4	67.0	68.6	67.7	67.1	66.1	65.4
INTEREST RATES	Nov-10	Dec-10	Today	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12
NZ OCR	3.00	3.00	3.00	3.00	3.25	3.75	3.75	4.00	4.25	4.50
NZ 90 day bill	3.20	3.18	3.18	3.20	3.70	4.00	4.00	4.40	4.50	4.90
NZ 10-yr bond	5.66	5.87	5.54	5.50	5.80	6.00	6.20	6.20	6.10	6.20
US Fed funds	0.25	0.25	0.26	0.25	0.25	0.25	0.25	0.25	0.75	1.50
US 3-mth	0.30	0.30	0.38	0.35	0.35	0.35	0.35	0.35	0.85	1.60
AU Cash Rate	4.75	4.75	4.75	4.75	4.75	5.00	5.25	5.25	5.50	5.75
AU 3-mth	5.04	5.04	5.01	5.10	5.20	5.50	5.70	6.00	6.00	6.00

	5 Jan	31 Jan	1 Feb	2 Feb	3 Feb	4 Feb
Official Cash Rate	3.00	3.00	3.00	3.00	3.00	3.00
90 day bank bill	3.20	3.21	3.18	3.20	3.19	3.19
NZGB 11/11	3.96	3.90	3.90	3.90	3.85	3.87
NZGB 04/13	4.72	4.55	4.52	4.51	4.47	4.49
NZGB 12/17	5.65	5.31	5.28	5.30	5.30	5.33
NZGB 05/21	5.82	5.50	5.47	5.49	5.49	5.52
2 year swap	3.78	3.84	3.85	3.85	3.80	3.81
5 year swap	4.71	4.62	4.61	4.62	4.59	4.61
RBNZ TWI	68.6	68.9	68.9	69.0	68.3	68.5
NZD/USD	0.7644	0.7721	0.7747	0.7820	0.7724	0.7739
NZD/AUD	0.7617	0.7786	0.7755	0.7730	0.7639	0.7600
NZD/JPY	62.76	63.34	63.50	63.73	63.08	63.13
NZD/GBP	0.4910	0.4869	0.4829	0.4842	0.4770	0.4797
NZD/EUR	0.5753	0.5675	0.5647	0.5648	0.5595	0.5675
AUD/USD	1.0035	0.9917	0.9990	1.0117	1.0111	1.0183
EUR/USD	1.3287	1.3606	1.3718	1.3845	1.3805	1.3637
USD/JPY	82.11	82.03	81.97	81.49	81.67	81.57
GBP/USD	1.5569	1.5858	1.6044	1.6152	1.6194	1.6134
Oil (US$/bbl)	89.39	88.15	90.99	89.54	89.78	89.42
Gold (US$/oz)	1383.60	1337.95	1339.70	1340.13	1332.88	1351.78
Electricity (Haywards)	1.39	1.11	1.25	2.79	1.72	2.43
Baltic Dry Freight Index	1621	1107	1084	1064	1045	1043
Milk futures (US$/contract)	126	137	137	137	137	154.9

IMPORTANT NOTICE

NEW ZEALAND DISCLOSURE INFORMATION

The Bank (in respect of itself and its principal officers) makes the following investment adviser disclosure to you pursuant to section 41A of the Securities Markets Act 1988.

The Bank (in respect of itself and its principal officers) makes the following investment broker disclosure to you pursuant to section 41G of the Securities Markets Act 1988.

Qualifications, experience and professional standing

Experience

The Bank is a registered bank and, through its staff, is experienced in providing investment advice about its own securities and, where applicable, the securities of other issuers. The Bank has been selling securities, and providing investment advice on those securities, to customers as a core part of its business for many years, drawing on the extensive research undertaken by the Bank and its related companies and the skills of specialised staff employed by the Bank. The Bank is represented on many bank, finance and investment related organisations and keeps abreast of relevant issues by running seminars and workshops for relevant staff and having its investment adviser staff attend external seminars where appropriate. The Bank subscribes to relevant industry publications and, where appropriate, its investment advisers will monitor the financial markets.

Relevant professional body

The Bank is a member of the following professional bodies relevant to the provision of investment advice:

- New Zealand Bankers Association;
- Associate Member of Investment Savings & Insurance Association of NZ;
- Financial Markets Operations Association; and
- Institute of Finance Professionals.

Professional indemnity insurance

The Bank (and its subsidiaries), through its ultimate parent company Australia and New Zealand Banking Group Limited, has professional indemnity insurance which covers its activities including those of investment advisers it employs.

This insurance covers issues (including 'prior acts') arising from staff fraud, electronic crime, documentary fraud and physical loss of property. The scope of the insurance also extends to third party civil claims, including those for negligence. The level of cover is of an amount commensurate with the size and scale of the Bank.

The insurer is ANZcover Insurance Pty Limited.

Dispute resolution facilities

The Bank has a process in place for resolving disputes. Should a problem arise, you can contact any branch of the Bank for more information on the Bank's procedures or refer to any of the Bank's websites.

Unresolved complaints may ultimately be referred to the Banking Ombudsman, whose contact address is PO Box 10-573, Wellington.

Criminal convictions

In the five years before the relevant investment advice is given none of the Bank (in its capacity as an investment adviser and where applicable an investment broker) or any principal officer of the Bank has been:

- Convicted of an offence under the Securities Markets Act 1988, or the Securities Act 1978 or of a crime involving dishonesty (as defined in section 2(1) of the Crimes Act 1961);
- A principal officer of a body corporate when that body corporate committed any of the offences or crimes involving dishonesty as described above;
- Adjudicated bankrupt;
- Prohibited by an Act or by a court from taking part in the management of a company or a business;
- Subject of an adverse finding by a court in any proceeding that has been taken against them in their professional capacity;
- Expelled from or has been prohibited from being a member of a professional body; or
- Placed in statutory management or receivership.

Fees

At the time of providing this disclosure statement it is not practicable to provide accurate disclosure of the fees payable for all securities that may be advised on. However, this information will be disclosed to you should you seek advice from one of the Bank's investment advisers on a specific investment.

Other interests and relationships

When a security is sold by the Bank, the Bank may receive a commission, either from the issuer of a security or from an associated person of the Bank. Whether that commission is received and, if received, its value depends on the security sold. At the time of providing this disclosure statement it is not practicable to provide a detailed list of each security that may be advised on, the name of the issuer of that security and the rate of the commission received by the Bank. However, this information will be disclosed to you should you seek advice from one of the Bank's investment advisers on a specific investment.

In addition to the interest that the Bank has in products of which it is the issuer, the Bank, or an associated person of the Bank, has the following interests or relationships that a reasonable person would find reasonably likely to influence the Bank in providing the investment advice on the securities listed below:

- ANZ Investment Services (New Zealand) Limited (ANZIS), as a wholly owned subsidiary of the Bank, is an associated person of the Bank. ANZIS may receive remuneration from a third party relating to a security sold by the Investment Adviser.
- UDC Finance Limited (UDC), as a wholly owned subsidiary of the Bank, is an associated person of the Bank. UDC may receive remuneration from a third party relating to a security sold by the Investment Adviser.
- OnePath (NZ) Limited, as a wholly owned subsidiary of the Bank, is an associated person of the Bank. OnePath and its related companies may receive remuneration from a third party relating to a security sold by the Investment Adviser.
- Direct Broking Limited (DBL), as a wholly owned subsidiary of the Bank, is an associated person of the Bank. DBL may receive remuneration from a third party relating to a security sold by the Investment Adviser.

Securities about which investment advice is given

The Bank provides investment advice on the following types of securities:

- Debt securities including term and call deposits, government stock, local authority stock, State-Owned Enterprise bonds, Kiwi bonds and corporate bonds and notes;
- Equity securities such as listed and unlisted shares;
- New Zealand and overseas unit trusts;
- Share in a limited partnership;
- Superannuation schemes and bonds;
- Group investment funds;
- Life insurance products;
- Derivative products including interest rate and currency forward rate contracts and options; and
- Other forms of security, such as participatory securities.

PROCEDURES FOR DEALING WITH INVESTMENT MONEY OR INVESTMENT PROPERTY

If you wish to pay investment money to the Bank you can do this in several ways such as by:

- Providing cash;

IMPORTANT NOTICE

- Providing a cheque payable to the relevant product or service provider and crossed ‘not transferable’; or
- Making an automatic payment or payment through another electronic delivery mechanism operated by the Bank.

Investment property (other than money) may be delivered to the Bank by lodging the relevant property (for example, share certificates) with any branch of the Bank offering a safe custody service, or by posting (using registered post) the documents or other property to a branch of the Bank, identifying your name, account number and investment purpose.

Any investment money lodged with the Bank for the purchase of securities offered by the Bank, its subsidiaries or any third parties will be deposited in accordance with your instructions, to your nominated account or investment. Such money will be held by the Bank according to usual banking terms and conditions applying to that account or the particular terms and conditions relating to the investment and will not be held by the Bank on trust unless explicitly accepted by the Bank on those terms. Any investment money or property accepted by the Bank on trust will be so held until disbursed in accordance with your instructions. Any investment property lodged with the Bank will be held by the Bank as bailee according to the Bank’s standard terms and conditions for holding your property.

Record Keeping

The Bank will keep adequate records of the deposit of investment moneys or property and all withdrawals and dealings with such money or property, using the account/investment number allocated to your investment. You may have access to those records upon request.

Auditing

The Bank’s systems and operations are internally audited on a regular basis. The financial statements of the Bank and its subsidiaries are audited annually by KPMG. However, this does not involve an external audit of the receipt, holding and disbursement of the money and other property.

Use of Money and Property

Money or property held by the Bank for a specific purpose communicated to the Bank (e.g. the purchase of an interest in a security) may not be used by the Bank for its own purposes and will be applied for your stated purpose. No member of the Bank’s staff may use any money or property deposited with the Bank, for their own purposes or for the benefit of any other person. In the absence of such instructions, money deposited with the Bank may be used by the Bank for its own purposes, provided it repays the money to you upon demand (or where applicable, on maturity), together with interest, where payable.

NEW ZEALAND DISCLAIMER

The Bank does not provide investment advice tailored to an investor's personal circumstances. It is the investor's responsibility to understand the nature of the security subscribed for, and the risks associated with that security. To the maximum extent permitted by law, the Bank excludes liability for, and shall not be responsible for, any loss suffered by the investor resulting from the Bank’s investment advice.

Each security (including the principal, interest or other returns of any security) the subject of investment advice given to the investor by the Bank or otherwise, is not guaranteed, secured or underwritten in any way by the Bank or any associated or related party except to the extent expressly agreed in the terms of the relevant security.

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