

## 2010: the year of the shaky recovery.

- **Dichotomy between patchy activity in Western economies and robust growth in Asian economies over 2010.**
- **Risk aversion remains in the markets, underpinned by continued debt concerns in Europe.**
- **Recovery in NZ has generally disappointed, with RBNZ now not expected to raise the OCR again until June 2011.**

With the 2010 year drawing to a close and this being our last Economic Weekly of the year, we look back on the year that was. Globally, there has been a clear dichotomy between the patchiness of the recovery in the Western economies and continued robust growth in many Asian economies. Meanwhile, the recovery in NZ has continued although the pace has generally disappointed.

The sustainability of debt in the European economies came into the spotlight in the June quarter. Greece was the first of the European countries to ignite concerns about the potential for the Government to default on its debt. The ratings downgrade of Greece saw demand for Greek bonds plummet. The subsequent announcement of a rescue package from the European Union and ECB helped to ease concerns. Also dominating market attention was the looming deadline for European banks to repay a large amount of debt borrowed from the ECB a year ago. Concerns of a liquidity shortfall were alleviated following the ECB's announcement that it would roll over its 12-month loans to 3-month loans. Nonetheless, concerns remain over the sustainability of debt in many European economies, with Ireland the latest country to require a bailout from the EU.

In the US, speculation the Federal Reserve would expand its Quantitative Easing programme was sparked by the September FOMC Statement. Growing expectations of an aggressive second round of QE pushed US bond yields to extremely low levels. 2-year yields reached a low of 0.32% while 10-year yields reached 2.38%. The Fed announced in its November FOMC statement it would purchase a further US\$600 billion of longer-term Treasury securities by the end of the second quarter of 2011. In contrast, the Chinese authorities unexpectedly tightening monetary conditions in late October. The moves were targeted at slowing credit growth and speculative activity, particularly in the property market.

The pace of the economic recovery in NZ has proved more gradual than expected. In particular, activity in the household sector has been very soft. While this represents a much needed rebalancing in the economy, the subdued nature of domestic activity was enough for the RBNZ to become cautious and put its plan of reducing monetary policy stimulus on hold, after 25bp OCR increases at the June and July meeting. We now expect the RBNZ will hold off raising the OCR until June next year. Q3 current account and GDP data released this week will shed further insight into how the NZ recovery is evolving. The September earthquake in Canterbury was a major event in 2010, and impacted Q3 activity. The recovery repairs will be a feature of growth in the year ahead.

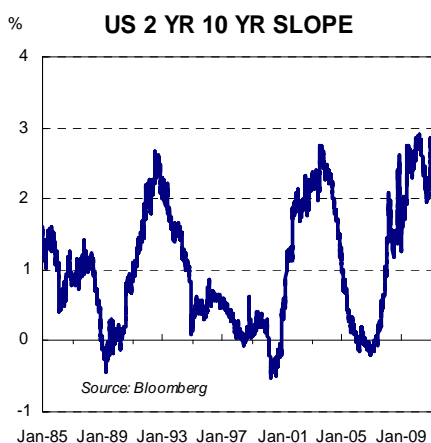
The Weekly will resume on the 10<sup>th</sup> of January; we wish all our readers a very merry Christmas and a prosperous New Year.

### Click here for:

- [Foreign Exchange](#)
- [Interest Rates](#)
- [Week Ahead](#)
- [Week in Review](#)
- [Global Calendars](#)

- NZD lower on weak NZ retail sales and deteriorating global market sentiment.
- Domestic interest rates little changed over the week.
- All eyes on Q3 GDP (fingers crossed for a positive number), current account and net migration also due.
- HYEFU shows surprisingly swift recovery in deficits; retail sales weak; business confidence upbeat.
- RBA board meeting minutes, BoE meeting minutes, US GDP.

### Chart of the Week



The US yield curve has continued to steepen, with the difference between the 2 and 10 year Treasury note yields now reaching the widest levels since February.

Part of steepening reflects the fact that investors remain pessimistic about the near-term outlook for growth, which is weighing on short-term interest rates. The latest news that ratings agency had downgraded Ireland by five notches added to the downbeat outlook. Meanwhile, the Fed steps up its bond purchasing programme ahead of the holiday season, with US\$7-9 billion of 8-10 year maturities and US\$6-8 billion of 4-5 year maturities expected to be purchased tonight.

Longer-term interest rates have rebounded over the past month, despite the launch of a second quantitative easing programme to purchase bonds. Part of this rise in longer-term bond yields reflects concerns that the rapid expansion of the Fed's balance sheet will cause high inflation further down the track.

## Foreign Exchange Market

FX Rates	Current*	Week ago	Month ago	6 mths ago	Year ago	ST Bias	Support^	Resistance^
NZD/USD	0.7359	0.7483	0.7747	0.7110	0.7116	DOWN	0.7250	0.7450
NZD/AUD	0.7456	0.7595	0.7863	0.8070	0.8003	FLAT/DOWN	0.7400	0.7500
NZD/JPY	61.84	62.91	64.63	64.55	63.74	FLAT	61.00	63.00
NZD/EUR	0.5587	0.5672	0.5690	0.5720	0.4944	FLAT	0.5550	0.5650
NZD/GBP	0.4773	0.4739	0.4835	0.4777	0.4391	FLAT	0.4700	0.4800
TWI	66.7	67.8	69.4	68.1	64.8	FLAT/DOWN	66.25	67.00

^Weekly support and resistance levels \* Current is as at 10.15 am Monday; week ago as at Monday 5pm

Upbeat global sentiment and stronger US economic data underpinned NZD demand early in the week, holding the NZD/USD at relatively firm levels despite downside pressure from the weaker NZ retail sales report. However, a renewed wave of risk aversion and Eurozone sovereign debt concerns saw the NZD take a step lower Wednesday night and remain within the new range of 0.7350/0.7425 for the rest of the week.

The NZD outperformed the GBP, which was weighed down by weaker UK economic data along with concerns about UK banks' exposures to Irish loans. The GBP might see renewed demand this week if minutes from the Bank of England's previous meeting are slightly more optimistic on economic activity.

We see upside risk to US economic data and therefore the USD this week, which may weigh on the NZD and AUD. The market has already adjusted to expect poor economic growth from NZ. Nonetheless, a negative number on Q3 GDP this Thursday – a risk given how weak forecasts are – would add further downside to the NZD.

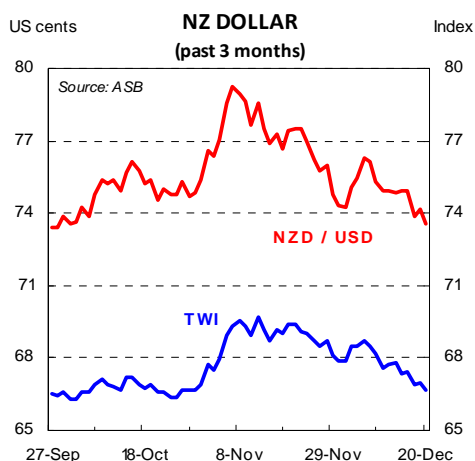
### Short-term outlook:

### Key data

### Date

### Time (NZT)

### Market



Net migration – November

21/12

10.45 am

-

Current Account (% of GDP) – Q3

22/12

10.45 am

-3.4%

GDP – Q3

23/12

10.45 am

+0.2%

**Potential currency movers from offshore this week:** EU current account, EU consumer confidence, German producer prices (20th); RBA's minutes, BoJ policy meeting (21st); JP trade, Cabinet Office's monthly economic report, BoE's meeting minutes, UK GDP (Q3 final estimate), UK current account, US GDP, US existing home sales, US house prices (22nd); US durable goods orders, US personal income and spending, US personal spending price deflator, US jobless claims, US consumer confidence, US new home sales (23rd).

### Medium-term outlook:

### [Last Quarterly Economic Forecasts](#)

We updated our currency forecasts in late September: the NZD forecasts were lifted slightly. The lift in the near-term forecasts was driven by rising New Zealand Terms of Trade and USD weakness, rather than the New Zealand economy's domestic strength.

We also revised up our forecasts for the AUD and CAD as well as the NZD forecasts. These economies continue to benefit from strong Terms of Trade and upward pressure on local interest rate settings. The AUD in particular is likely to out-perform over the coming months, and has already traded above parity with the USD.

We anticipate that the USD will remain weak over the next six months, as the Fed continues with its commitment to keep interest rates at extremely low levels for an extended period of time. GBP is forecast to out-perform EUR, reflecting a more rapidly improving UK economy and a healthier banking system. We are holding to our medium-term view that the EUR is likely to exhibit a mild bias to depreciate as selected euro zone sovereign states continue to experience funding pressures and the European Central Bank (ECB) extends "unlimited liquidity" to euro zone banks. JPY, CHF and SGD are likely to continue to appreciate in the coming months as market participants gravitate toward the "safety" of current account surplus countries' currencies.

Sovereign credit risk has triggered another bout of currency volatility and USD resurgence. However, once risk aversion abates the USD is likely to lose some of its recent shine.

## Interest Rate Market

Wholesale interest rates	Current	Week ago	Month ago	6 mths ago	Year ago	ST Bias
Cash rate	3.00	3.00	3.00	2.75	2.50	FLAT
90-day bank bill	3.16	3.18	3.17	3.10	2.76	FLAT
2-year swap	3.89	3.89	4.06	4.39	4.54	DOWN
5-year swap	4.84	4.81	4.88	5.13	5.53	DOWN
5-year benchmark gov't stock	4.79	4.80	4.89	4.91	5.43	DOWN
NZSX 50	3300	3291	3268	3068	3154	FLAT

\* Current is as at 10.15 am Monday; week ago as at Monday 5pm. Please note we changed the NZ govt 5-year benchmark bond to the April 2015 maturity (from April 2013), which causes some distortion in the comparison against the previous levels (i.e. 6 months ago).

Local swap rates lifted in the first part of the week, with longer-term rates continuing to be lifted by the upward movement of US Treasury yields.

US 10-year Government Bond yields have lifted from 2.8% at the start of the month to a peak of 3.53% on the 15<sup>th</sup> December. The mid-week peak in yield was a 7-month high. However, by Friday in New York, US rates had moved lower, dropping back to 3.33% by the end of the week's trading.

We expect US rates are likely to be under further downward pressure as we run into the end of the year. The Fed is conducting two operations tonight to purchase US government bonds, in an attempt to drive long-term yields lower. A move lower for US bond yields will put some downward pressure on local bond and swap rates this week.

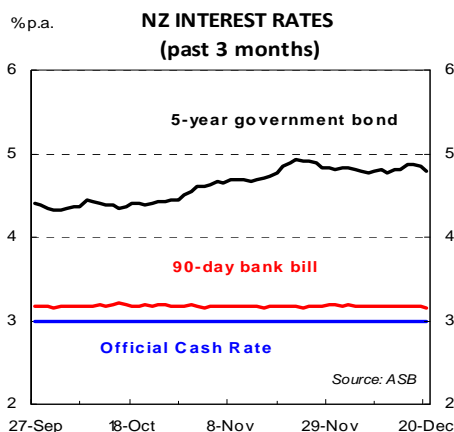
### Short-term outlook:

### Key data

### Date

### Time (NZT)

### Market



Net migration – November

21/12

10.45 am

-

Current Account (% of GDP) – Q3

22/12

10.45 am

-3.4%

GDP – Q3

23/12

10.45 am

+0.2%

**Comment:** Q3 GDP is shaping up to be very weak, with our forecast down to just 0.1% qoq growth. GDP is the last local data release for the week, and if it prints in line with our forecast, markets should remain comfortable with the expectation of a long pause to mid-2011 before the RBNZ resumes hiking the OCR. A negative GDP reading would likely see short-term rates press even lower.

Following the GDP report there is very little in the way of local news to guide markets. The market focus will be on offshore developments until 10 January when the flow of local data resumes.

### Medium-term outlook:

### [Last Quarterly Economic Forecasts](#)

The RBNZ kept the OCR unchanged at 3% at the December MPS. However, the tone of the statement was more dovish than expected. Recent data have generally proved weaker than expected, and the RBNZ is particularly concerned about the weakness in the housing market, business investment intentions and business demand for credit. The RBNZ assessed that low interest rates were delivering less stimulus to the economy than previously expected, and as a result pushed back the timing and pace of future OCR increases within its projections.

The RBNZ's growth forecasts in the December MPS were adjusted to incorporate weaker economic data of late, as well as the impact of the Canterbury earthquake, and now look very similar to our own. However, the RBNZ remains very wary of the downside risks, particularly stemming from difficulties in the Eurozone.

The RBNZ remains remarkably comfortable on inflation pressures in the economy. We continue to view the RBNZ's inflation forecasts as optimistic, particularly around its relaxed attitude to inflation expectations over the next year. We expect the RBNZ will become less comfortable with the inflation picture over the coming year.

We now expect the RBNZ will wait until June to increase the OCR (previously March). In addition, we expect the pace of rate hikes to be slower, with one 25 basis point increase every 3 months over the second half of 2011 (previously one hike every 6 weeks). By 2012, we expect the pace of rate hikes to pick up as the RBNZ becomes more confident in the economic recovery and concerned about rising inflation pressures. We expect the OCR to reach 4.5% (our assessment of neutral) by April 2012.

## Data Preview: a look at the week ahead

Data	Date	Time (NZT)	Previous	Market expects	ASB expects
International Travel and Net Migration – November	21/12	10.45 am		-	-
RBA Board Minutes	21/12	1.30 pm	-	-	-
Current Account (% of GDP) – Q3	22/12	10.45 am	-3.0%	-3.4%	-3.3%
GDP – Q3	23/12	10.45 am	+0.2%	+0.2%	+0.1%

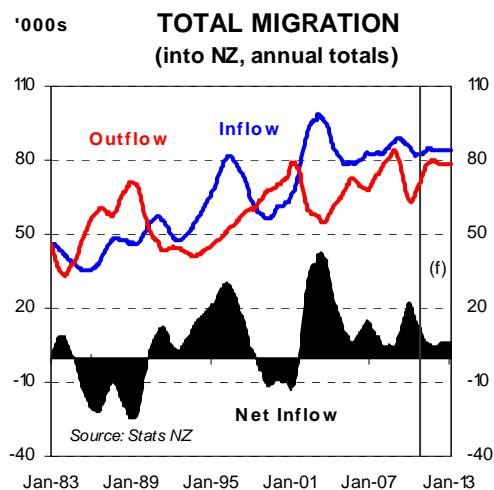
### New Zealand Data Previews

#### Tuesday 21 December

##### International Travel and Migration

**Previous: Net Migration 12,610 (year to October)**

The pace of annual net migration has slowed over the past year, reflecting a higher number of departures particularly to Australia. Meanwhile, the number of new arrivals has also been weak reflecting the weakness in the NZ labour market. More recently, net migration shows signs of stabilising at low levels, reflecting a recovery in the number of arrivals while the number of departures slows. We expect the recovering NZ labour market will encourage migrants into the country. On the other hand, continued strong labour market demand in Australia indicates the upward trend in departures to Australia will remain. On balance, we expect the monthly pace of net inflows into NZ will remain subdued. Nonetheless, the inflows will underpin population growth in NZ and thus removes some downside risk to housing demand and retail spending growth.



#### Wednesday 22 December

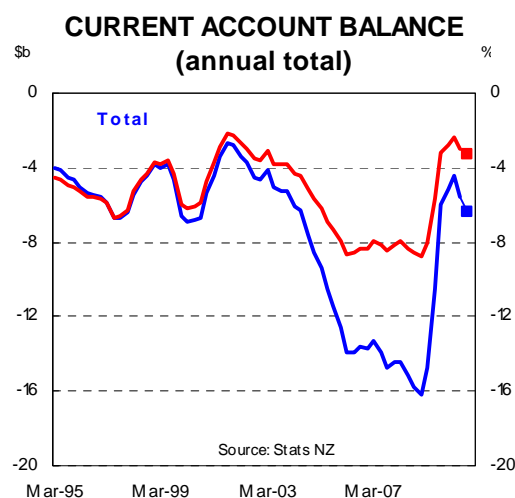
##### Current Account – Q3

**Previous: -3.0% of GDP, ASB(f): -3.3% of GDP**

We expect a Q3 current account deficit of \$2.3 billion, bringing the annual balance to 3.3% of GDP from 3% previously. In seasonally-adjusted terms, the current account deficit is set to narrow by approximately \$1.2 billion over Q3, largely due to the accounting for reinsurance activity on the Transfers balance as a result of the Canterbury earthquake.

Reinsurance activity essentially captures NZ insurance companies insuring their exposures with larger overseas insurance companies. It is recorded as a Transfers import, boosting the Transfers balance. Although the full claim amount is not yet known (and may not be known for some time), to reduce volatility in revisions StatsNZ have indicated that it will use a preliminary best estimate of approximately \$1.7 billion (subject to revisions). A related transaction will also be recorded in the financial account.

Beyond the earthquake impact, we expect the goods & services surplus to ease off recent highs, due to weakness in export volumes and a lift in services import prices.



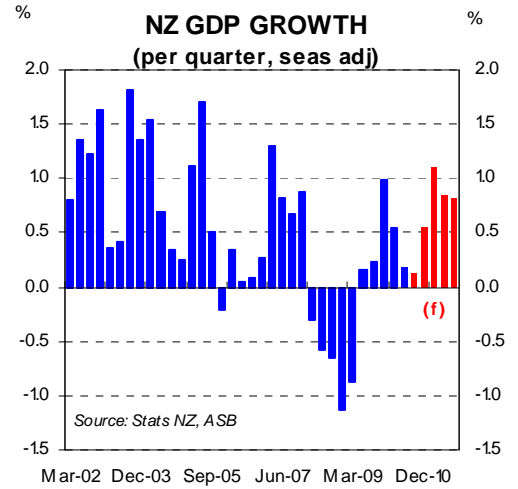
Thursday 23 December

GDP – Q3

Previous: +0.2%, ASB(f): +0.1%

Q3 GDP is shaping up to be very weak, with our forecast down to just 0.1% qoq growth. Activity over Q3 was weighed down by declines in construction, manufacturing, real estate and finance-related activity. There should be some offsets from stronger retail spending (as purchases were brought forward ahead of the GST increase), wholesale trade activity, Government spending and plant and machinery investment. Nonetheless, registering very little growth in Q3 will be a disappointing result in the wake of the previous quarter's surprising weakness (+0.2%).

Overall, the recovery has not gained as much traction as we had hoped through the middle parts of 2010, although this is consistent with the soft patch in business confidence observed around the middle of the year. With earthquake reconstruction set to provide a boost to residential construction, and business confidence starting to lift, we remain hopeful of a recovery building momentum over 2011.

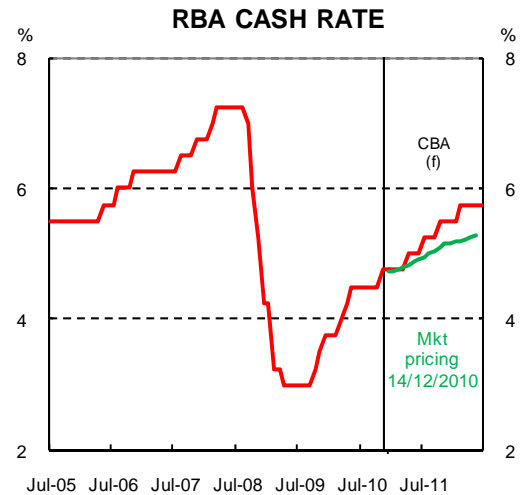


Offshore Data Previews

Tuesday 21 December

RBA Board minutes

With the RBA's work done in November, the central bank was expected to remain on hold in December. Contrary to the previous two months, expectations were delivered upon. Given the wind down into the Christmas period there is expected to be limited focus on the minutes. The statement accompanying the 7 December meeting decision noted that end borrowing rates are a little above average. The well above average strength of the labour market suggests that rates are likely to continue to move higher over the course of 2011.



## NZ Data Recap: weekly recap

### November REINZ House Sales

Housing activity picked up from October's extremely weak level during November. The housing market continues to look weaker than this time a year ago, but the pick-up over November provides some comfort that the market is not deteriorating further.

Overall activity in Canterbury appears to have recovered from September's earthquake. Turnover picked up 28% in November, but is still down 17% on November 2009, broadly in line with the nationwide picture.

The amount of inventory on the market is still quite high relative to turnover. Months of inventory at the current rate of sales improved from 14 months in October, to 12 months in November. Given the level of inventory, and the long average length of time taken to sell property at present, the market continues to remain tipped in favour of buyers. Accordingly, we continue to expect softness in prices over the months ahead, with prices down around 3% on year-ago levels, and around 5% off the 2007 peak.

### October Retail Sales

October retail sales declined 2.5%, indicating the strength in September sales was indeed due to households bringing forward the purchase of major household items in anticipation of the GST increase at the beginning of October. In particular, there were sharp declines in the sales in the areas of furniture, floor coverings and houseware, electronics and motor vehicle and parts in the October month. These declines unwound the robust increase in sales in these areas in the previous month.

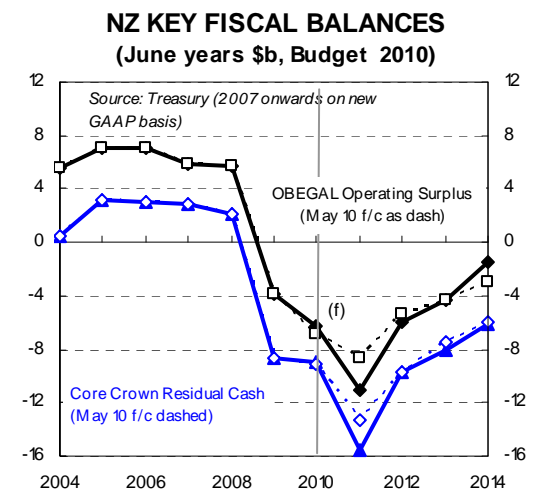
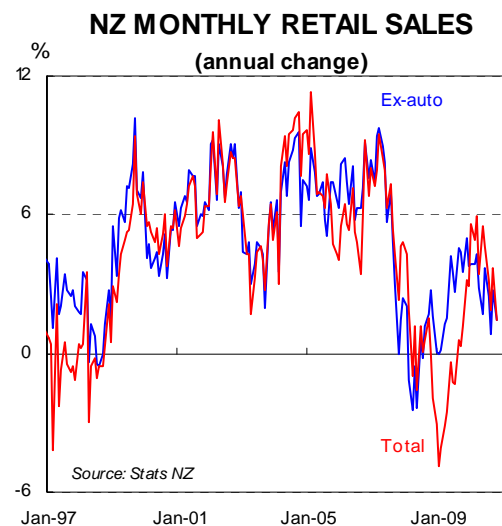
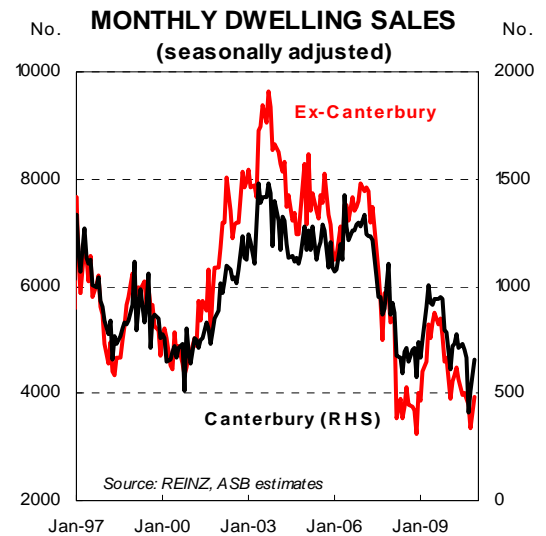
Partly offsetting these declines was an increase in sales in the food and beverage categories. Meanwhile, fuel sales increased 4.9%, in line with the 4.5% increase in petrol prices over the month.

We expect some weakness in retail sales to linger in November, given households look to have brought forward major purchases prior to the GST increase. Beyond that, we expect the gradual recovery in retail spending to resume, underpinned by improved consumer confidence as the labour market continues to recover.

### Half Year Economic and Fiscal Update

The Operating Balance Excluding Gains and Losses (OBEGAL) was revised lower over the June 2011 year, as expected, due to weaker revenue forecasts. The economic recovery has proved slower than the Treasury had previously assumed, contributing to weaker than expected tax collection. However, beyond 2011, the updated fiscal forecasts delivered a surprisingly fast recovery in the operating balance, on the back of downward revisions to the expenses outlook. Some of the expense reductions come through a greater focus already on containing operating costs. Some also comes from the assumption that Government bond yields will average lower than assumed in the Budget, thereby delivering lower debt-servicing costs (this assumption may prove a little optimistic given more recent lifts in bond yields). Nonetheless, the key message from the December HYEFU was that the fiscal position could turn around faster than the previous Budget implied.

The Bond Tender Programme has been revised up, reflecting a deterioration in the residual cash deficit (as expected), as well as allowing for EQC redeeming some of its holdings of government securities. The programme also includes some pre-funding of the June 2015 bond maturity. However, the market appeared comfortable with the prospect of increased issuance, recording little reaction to the announcement.



**Business NZ Manufacturing PMI - November**

The Business NZ manufacturing PMI ticked up in November, to 52.7 from 50 in October (seasonally-adjusted). The lift returns confidence to levels consistent with positive growth in ex-food manufacturing. Core manufacturing production fell 2.1% over Q2, and is likely to register a similar sized decline over Q3. However, the pick-up in confidence suggests we can expect growth to resume in Q4. The fundamentals for exporting manufacturers remain relatively robust, with trading partner growth reasonably strong (particularly in Asia and Australia). In addition, the relatively low NZD/AUD provides additional support to manufacturers concentrated on the Australian market.

**NBNZ Business Outlook - December**

While headline business confidence dipped to 29.5 in December (from 33.2 in the previous month), the fact that the own activity measure held up at 34.5 was encouraging. Overall, the results point to a gradual recovery remaining on track (the own activity measure remains above the survey's historical average). Also encouraging was the continued improvement in investment and hiring intentions, in line with our expectations for a continued recovery in business investment and employment over the coming year. Meanwhile, firm profitability was generally flat over the month.

Unsurprisingly, sentiment in the agriculture sector was weak relative to the rest of the sectors. This likely reflects the growing risk of drought in some dairy regions which is expected to have a negative impact on production.

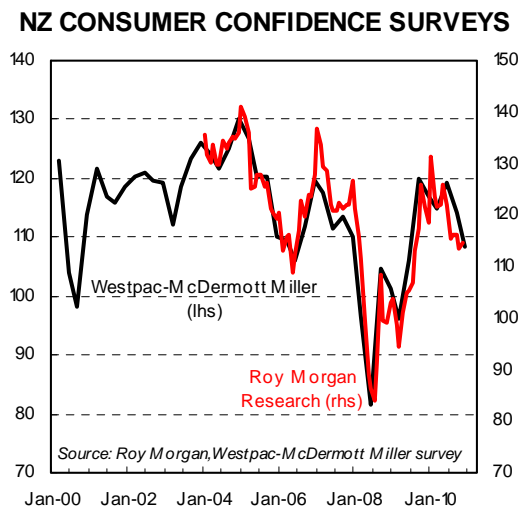
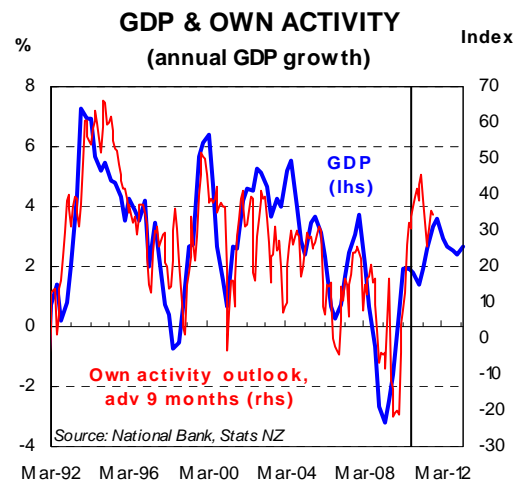
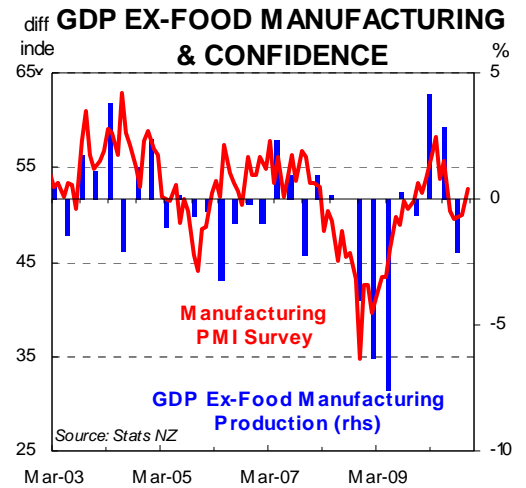
While pricing intentions ticked up, the RBNZ should be comforted that the change was not greater. In addition, inflation expectations remain flat. These all point to inflation pressures in the NZ economy being subdued for now.

**Westpac McDermott Miller Consumer Confidence – Q4**

The decline in consumer confidence over Q4 in the quarterly Westpac McDermott Miller consumer confidence survey was in line with declines seen in monthly surveys. A greater proportion of households indicated they were worse off financially relative to a year ago, and that things will deteriorate over the coming year.

Unsurprisingly, the proportion of households considering now as a good time to buy a major household item has declined. Recent retail sales data indicated households brought forward purchases of big-ticket items in anticipation of the GST increase in October.

We expect a continued improvement in the labour market will underpin a rebound in consumer confidence over the coming year. Nonetheless, weak housing market activity will be a potential headwind for the household sector.



## Global Data Calendars

### Calendar - Australasia, Japan and China

Date	Time (NZT)	Eco	Event	Period	Unit	Last	Forecast	
							Market	ASB
Mon 20 Dec	17.00	JP	BoJ monetary policy meeting	Dec	~	~	~	~
	18.00	JP	Coincident index CI	Oct	Index	100.7	~	~
	18.00	JP	Leading index CI	Oct	Index	97.2	~	~
Tue 21 Dec	~	JP	BoJ target rate	Dec	%	0.1	~	~
	10.45	NZ	Net migration	Nov	~	680.0	~	~
	12.00	AU	Conference board leading index	Oct	%	-0.1	~	~
	13.30	AU	Reserve Bank's Board December Minutes	Dec	~	~	~	~
	15.00	NZ	Credit card spending	Nov	m%ch	0.6	~	~
Wed 22 Dec	10.45	NZ	Current account balance	QIII	\$bn	-0.9	~	~
	10.45	NZ	Account deficit-GDP ratio	QIII	%	-3.0	~	~
	12.50	JP	Adjusted merchandise trade balance	Nov	¥bn	578.5	~	~
	13.00	AU	MI/WBC leading index	Oct	m%ch	0.0	~	~
Thu 23 Dec	10.45	NZ	GDP	QIII	q%ch	0.2	~	~
Mon 27 Dec	12.50	JP	Corp service price index	Nov	y%ch	-1.2	~	~
	15.00	CH	Industrial profits	Nov	ytd	55.0	~	~
	17.00	JP	Vehicle production	Nov	y%ch	-8.4	~	~
	18.00	JP	Housing starts	Nov	y%ch	6.4	~	~
	18.00	JP	Construction orders	Nov	y%ch	-5.6	~	~
Tue 28 Dec	12.30	JP	Overall household spending	Nov	y%ch	-0.4	~	~
	12.30	JP	Jobless rate	Nov	%	5.1	~	~
	12.30	JP	Natl CPI	Nov	y%ch	0.2	~	~
	12.30	JP	Natl CPI ex food, energy	Nov	y%ch	-0.8	~	~
	12.50	JP	Retail trade	Nov	m%ch	-1.9	~	~
	14.30	JP	Labor cash earnings	Nov	y%ch	0.6	~	~
Fri 31 Dec	13.30	AU	Private sector credit	Nov	m%ch	0.1	~	0.1
<b>2011</b>								
Tue 4 Jan	11.30	AU	AiG PMI	Dec	Index	47.6	~	~
Wed 5 Jan	18.00	JP	Vehicle sales	Dec	%	-30.7	~	~
Thu 6 Jan	11.30	AU	CBA Ai Group PSI	Dec	Index	46.2	~	~
	13.30	AU	Building approvals	Nov	m%ch	9.3	~	-2.0



## Calendar - North America & Europe

Please note all days and times are UK time. Add 13 hours for NZ times.

Date	Time (UK)	Eco	Event	Period	Unit	Last	Forecast	
							Market	ASB
Mon 20 Dec	07.00	GE	Producer prices	Nov	m%ch	0.4	~	~
	09.00	EZ	Current account	Oct	€bn	-9.2	~	~
	13.30	A	Wholesale sales	Oct	m%ch	0.4	~	~
	13.30	US	Chicago Fed national activity index	Nov	Index	-0.3	~	~
	15.00	EZ	Consumer confidence	Dec	Index	-9.4	~	~
Tue 21 Dec	00.01	UK	GfK consumer confidence survey	Dec	Index	-21.0	~	~
	07.00	GE	GfK consumer confidence survey	Jan	Index	5.5	~	~
	09.30	UK	Public finances (PSNCR)	Nov	£bn	2.4	~	~
	12.00	CA	CPI	Nov	m%ch	0.4	~	~
	12.00	CA	Bank Canada CPI core	Nov	m%ch	0.4	~	~
Wed 22 Dec	13.30	CA	Retail sales	Oct	m%ch	0.6	~	~
	09.30	UK	Bank of England minutes	Dec	~	~	~	~
	09.30	UK	GDP	QIII	q%ch	0.8	~	~
Thu 23 Dec	15.00	US	Existing home sales	Nov	m%ch	-2.2	7.2	~
	09.30	UK	Index of services	Oct	m%ch	0.6	~	~
	09.30	UK	BBA loans for house purchase	Nov	~	30,766	~	~
	13.30	CA	GDP	Oct	m%ch	-0.1	~	~
	13.30	US	Durable goods orders	Nov	m%ch	-3.4	-0.5	~
	13.30	US	Personal income	Nov	m%ch	0.5	0.3	~
	13.30	US	Personal spending	Nov	m%ch	0.4	0.4	~
	13.30	US	PCE deflator	Nov	y%ch	1.3	~	~
	13.30	US	PCE core	Nov	m%ch	0.0	0.1	~
	13.30	US	Initial jobless and continuing claims	Dec	~	~	~	~
Mon 27 Dec	14.55	US	Uni of Michigan confidence	Dec	Index	74.2	74.4	~
	15.00	US	New home sales	Nov	'000	283.0	300.0	~
	00.01	UK	Hometrack housing survey	Dec	m%ch	-0.8	~	~
	15.30	US	Dallas Fed manufacturing activity	Dec	%	16.2	~	~
	Tue 28 Dec	14.00	US	S&P/CaseShiller 20-city home price index	Oct	m%ch	-0.8	~
15.00		US	Consumer confidence	Dec	Index	54.1	~	~
15.00		US	Richmond Fed manufacturing index	Dec	Index	9.0	~	~
Wed 29 Dec	~	GE	CPI	Dec	m%ch	0.1	~	~
	14.00	CA	Teranet/National Bank HPI	Oct	m%ch	-1.1	~	~
Thu 30 Dec	14.45	US	Chicago purchasing manager	Dec	Index	62.5	~	~
	15.00	US	Pending home sales	Nov	m%ch	10.4	~	~
Fri 31 Dec	15.00	US	NAPM-Milwaukee	Dec	Index	59.0	~	~
<b>2011</b>								
Mon 3 Jan	15.00	US	Construction spending	Nov	m%ch	0.7	-0.1	~
	15.00	US	ISM manufacturing	Dec	Index	56.6	56.0	~
Tue 4 Jan	09.30	UK	PMI manufacturing	Dec	Index	58.0	~	~
	09.30	UK	Net Consumer Credit	Nov	£bn	0.3	~	~
	10.00	EZ	Euro-Zone CPI estimate	Dec	y%ch	1.9	~	~
	15.00	US	Factory orders	Nov	m%ch	-0.9	~	~
	15.00	US	Minutes of FOMC meeting	Jan	~	~	~	~
	22.00	US	Total vehicle sales	Dec	mn	12.3	~	~

Wed 5 Jan	08.55	GE	PMI services	Dec	Index	59.2	~	~
	09.30	UK	PMI Construction	Dec	Index	51.8	~	~
	10.00	EZ	Industrial new orders	Oct	m%ch	13.3	~	~
	10.00	EZ	PPI	Nov	m%ch	0.4	~	~
	15.00	US	ISM non-manufacturing composite	Dec	Index	55.0	55.5	~
Thu 6 Jan	09.30	UK	PMI Services	Dec	Index	53.0	~	~
	10.00	EZ	Business climate indicator	Dec	~	1.0	~	~
	10.00	EZ	Retail sales	Nov	m%ch	0.4	~	~
	11.00	GE	Industrial new orders	Nov	y%ch	17.9	~	~
	11.00	GE	Factory orders	Nov	m%ch	1.6	~	~
	13.30	US	Initial jobless and continuing claims	Jan	~	~	~	~
	15.00	CA	Ivey purchasing managers index	Dec	Index	57.5	~	~
	21.00	US	RPX composite 28dy	Oct	y%ch	-1.9	~	~
Fri 7 Jan	~	UK	New car registrations	Dec	~	-11.5	~	~
	07.00	GE	EZ PPI	Nov	m%ch	-1.1	~	~
	07.00	GE	Imports	Nov	m%ch	0.3	~	~
	07.00	GE	Business climate indicator	Nov	€bn	11.7	~	~
	10.00	EZ	GDP	QIII	q%ch	0.4	~	~
	10.00	EZ	Unemployment rate	Nov	%	10.1	~	~
	11.00	GE	EZ Economic confidence	Nov	%	11.7	~	~
	12.00	CA	Net change in employment	Dec	'000	15.2	~	~
	12.00	CA	Participation rate	Dec	%	66.9	~	~
	12.00	CA	Unemployment rate	Dec	%	7.6	~	~
	13.30	US	Avg weekly hours all employees	Dec	~	34.3	34.3	~
	13.30	US	Change in nonfarm payrolls	Dec	'000	39.0	120.0	~
	13.30	US	Unemployment rate	Nov	%	9.8	9.8	~
	20.00	US	Consumer credit	Nov	\$bn	3.4	~	~

<https://reports.asb.co.nz/index.html>

<http://www.research.comsec.com.au>

ASB Economics  
Level 9, 135 Albert Street, Auckland

ASB Economics & Research

Phone

Fax

Economics				
Chief Economist	Nick Tuffley	<a href="mailto:nick.tuffley@asb.co.nz">nick.tuffley@asb.co.nz</a>	(649) 374 8604	(649) 302 0992
Economist	Jane Turner	<a href="mailto:jane.turner@asb.co.nz">jane.turner@asb.co.nz</a>	(649) 374 8185	
Economist	Christina Leung	<a href="mailto:christina.leung@asb.co.nz">christina.leung@asb.co.nz</a>	(649) 369 4421	
Economist	Chris Tennent-Brown	<a href="mailto:chris.tennent-brown@asb.co.nz">chris.tennent-brown@asb.co.nz</a>	(649) 374 8819	

#### Disclaimer

Views expressed in this report are those of the authors as at the date of this report and are based on information and sources believed but not warranted to be correct. Any views or information, while given in good faith, do not necessarily reflect the views of ASB and are subject to change without notice. Neither ASB Bank Limited nor any person involved in preparing this report accepts any liability for any loss or damage whatsoever that may directly or indirectly result from any views, information or omission contained in this report.