

BNZ Weekly Overview

Mission Statement

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

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The Weekly Overview is written by Tony Alexander. The views expressed are my own and do not purport to represent the views of the BNZ. To receive the Weekly Overview each Thursday night email me at tony.alexander@bnz.co.nz with 'Subscribe' in the Subject line.

Merry Christmas and Good Luck For Next Year

Welcome to the last Weekly Overview for 2010. The next issue will appear in the middle of January. Merry Christmas to everyone and many thanks to those who have responded to our survey during the year and given feedback on the things they are seeing in the economy.

This week, rather than produce a normal WO broken down into the usual sections we have decided to have simply the front section with a long article looking at things we think are useful to keep in mind as 2011 progresses. For those looking for certainty we say forget it. These are the most volatile and uncertain times many people in business will have ever seen and we see no reason at all for believing that 2011 will be any less up and down or uncertain than this year, last year, 2008, and even 2007 when we were wondering when tightening NZ monetary policy would finally achieve its goal of stopping rampant housing and retailing markets.

Lets start with the obvious. The economy is growing but not by all that much and the level of disappointment has been so great that after raising the official cash rate 0.5% over June and July the Reserve Bank called a halt and now suggest they won't be raising it again until the June quarter of next year. It is very unusual to have such an interruption in a tightening cycle but these are very unusual times which we are living through and sure as eggs are eggs unusual things will happen again next year and various people will say 'I told you so' while others say "Well that was a surprise." Possibly we'll say the same things in the same sentence.

Lets start with what the current view is with regard to our trading partners running under the usually valid assumption that if they grow strongly so too will our export receipts and as exporters earn more money they will spend it and thus the housing and retailing sectors will get a good boost. Nice theory, shame some elements will probably not function that way for a while.

On average our top 14 trading partners grow by 3% per annum and after currently forecast growth of 4% this year they are expected to grow a nice average 3% next year. But that information is completely worthless to any individual exporter because no-one has an average country exposure. So it is better to consider that the United States is currently expected to grow by 2.7% next year assuming that some of the recent improvement in consumer confidence leads to improvement in the housing and retailing sectors and that businesses who are currently building apparently record cash reserves decide to put their cash to some use.

We also assume that the world's investors continue to accord the US dollar its reserve currency status and don't slam it down in response to a fiscal position worse than that of many European economies.

The Japanese economy is forecast at the moment to grow by a miserable 1.1% next year – which for them is probably good in the sense that we used to think 2% for New Zealand was good and perhaps all that was due to us. Poor old Japan just keeps falling further and further into a hole entirely of their own making and because they have failed to make any progress out of their hole in the past two decades they have some horrible demographics and regional competitiveness factors now eating into their growth possibilities. That is, the population is aging rapidly and shrinking, they are losing manufacturers overseas, their manufacturing base is being undermined by other Asian economies, and as the history books have long told us the Japanese growth model was more based on looking at what the Western world was making and shrinking it in size while adding toaster oven capabilities than inventing their own useful things. Now that model has been completely usurped by China with the added insult of outright counterfeiting thrown in for good measure.

As far as Japan goes one probably doesn't need to be a guru to realise that the next few years of our relationship with them will be like the last few – begging for access for our agricultural goods, impressing ourselves with stories of how we sell them some nice healthy products, and quite rightly focussing our trade lobbying increasingly on faster growing markets willing to allow some agricultural sector competition in order to keep up in the bilateral trade deal stakes – which is a big area Japan is losing out strategically.

In other words, Japan is good for niche healthy stuff to sell to aging folk worried about their health, but bigger gains are available elsewhere. To whit...

The Chinese economy is this month forecast to grow by 9.1% next year though it would be understating things somewhat to say that the world is increasingly getting the heeby geebies with regard to the chances that the Chinese will be able to get inflation under control (now 5.1%) without munting their economy and collapsing increasingly over-valued speculator-driven commodity markets. One way or the other the inflation rate will be brought down because there is a nasty correlation (for the ruling elite) between high cost of living increases screwing those on low incomes and willingness to march in the streets and in front of tanks to express dissatisfaction. Now that takes guts. Placing stolen diplomatic cables on the internet – not in the same league at all.

But assuming China continues to grow firmly but with more and more tightening of monetary policy the opportunities for ourselves look fantastic for the next few decades. All we have to do is make sure they understand the stuff we are selling them and the land we use to make the stuff was, is and will remain ours – not theirs.

The part of the world of decreasing relevance to our exports in total but of strong relevance to some such as sheepmeat producers is the UK and Europe. At the moment the common forecast for UK growth is 2% next year and the European Union 1.6%. There is fairly much zero chance that these forecasts will remain unchanged through the year because no-one actually knows what the end game is and when it will come for the European debt crisis. We would suggest exporters to Europe and the UK take things as they come over the next few years assuming no apocalyptic scenarios but being ready for potentially much weaker growth.

Our biggest trading partner of course is Australia. They supply about 23% of total merchandise export receipts including nearly half those for the manufacturing sector, and 45% of foreign visitors. Australia is enjoying the bounty of the biggest commodity boom in over a century which is bringing massive infrastructure spending, and strongly rising household incomes. Employment has risen 3.7% over the past year and the unemployment rate has fallen to 5.2%. Households are using a near 8% rise in incomes over the past year to repay debt with the housing market cooling substantially in recent months following a 1.75% rise in the Reserve Bank's cash rate over the past year and a bit, retailing only improving gradually, and the savings rate near the highest since the mid-1980s at 10%.

The Australian economy is predicted to grow by 3.2% over 2011 with interest rates certain to rise further as inflationary pressures build because of the boom and a lack of resources. As interest rates rise the chances

are the Kiwi dollar will spend the year generally weak against the AUD. That will provide good opportunities for Kiwi exporters across the ditch including those who show a bit of initiative and approach buyers who have traditionally sourced in Australia pointing out that the exchange rate change makes getting inputs from NZ an attractive proposition.

Strong Aussie growth will increasingly drain skilled people away from our economy thus adding to the long term poor productivity performance in New Zealand as those people are replaced with northern hemisphere capitalism escapees seeking friendly people, snowy mountains, rolling grassy plains, good coffee, and trees to hug. New Zealand's near 2% per annum population churn is probably a key factor maintaining our tall poppy culture and the tendency for those who are successful with their start-up companies to either shift offshore or sell up when a foreigner offers them \$5mn.

As we lose skilled people – especially once Aussie recruitment campaigns kick into force over here – there will be upward pressure on NZ wages growth not matched by productivity gains because although business balance sheets and cash flows for most businesses above the lowest size seem to be quite good, willingness to raise debt and/or ability to raise capital are restraining growth in the capital stock.

We are unlikely to see something we saw when the Australia economy was last growing strongly from 2002-07, namely planeloads of Aussie residential property investors showing up to buy houses in the regions. Debt intolerance is high, funding costs rising, and no housing ball is rolling here which they will want to jump on.

Dairying

After tourism (and in some years just in front of it) dairying is our second biggest earner of export receipts. Fonterra have just lifted their payout forecast for this season from \$6.60 a kilogram of milk solids to \$6.90 which means allowing for a small rise in production payments to suppliers will be near \$1.5bn ahead of last season. That is about a 0.8% boost to GDP though one suspects much will be used to retire debt rather than splurge on new XR8s and holiday homes as was happening last time the payout was very high.

However, the government and various regional authorities are showing increasing determination to exploit dairy opportunities as much as possible by slowly moving irrigation schemes forward as farmers themselves continue the long running shift away from sheep and beef toward dairying. The multi-decade failure of the sheep and beef sector to replicate anything approaching Fonterra's success, and the recent failure of what some have called the last ever effort to bring a nationwide co-operative structure into being suggest moving the countryside's resources into dairying is the best way forward. Now if we can just control the environmental degradation which such activity brings she'll all be roses – well manured ones.

There are advertisements in newspapers at the moment inviting people to invest in the dairy sector. The trouble is that there still seems to be an ocean-sized gap between the attitudes of those wanting the capital and those able to supply it. Those in the sector expect that investors will lock their money in for a great number of years with full understanding of the way rural incomes can fluctuate wildly. Those of us with the money want to know that if we find a better opportunity elsewhere we can get our funds out with 24 hours notice without having to listen to a rural person lecture us on how we should be prepared to make sacrifices for the sector which drives our economy. The absence of an ability for urban-types to get such an investment is possibly one of the most glaring examples of the failure of our capital markets to gather small amounts of money from mildly sophisticated investors and put it toward best use. The other would be farmers simply taking debt and capital in past years and buying each other's land. The current 30% or so correction in land prices is a good step toward undoing that mindset one hopes.

And one final thing – bugger, another drought. That will clearly limit the feed-through into housing and retailing by farmers.

Retailing

When will retailing pick up? We don't think spending this Christmas New Year period will be all that good and for the first half of next year things are also likely to remain muted. Although interest rates are low, confidence above average and the labour market is improving, the level of unemployment remains above average and we think people feel that as it were rather than the jobs growth which has averaged 0.6% a quarter this year. We also think that householders have undergone a structural shift in their interest rate sensitivity and debt tolerance just as we are seeing in other countries.

Over 2011 as the labour market improvement becomes clearer we think willingness to spend will rise. However the big uncertain factor is the extent to which debt tolerance has altered. We simply have no idea. As we have pointed out all this year, at some stage people on average will feel comfortable with their debt levels and the period of retail spending restraint caused by trying to get debt down as quickly as possible will end. That could happen in January. It could happen in December. It could happen in December 2014. Retailers simply have to face the fact that until a jump in spending actually occurs they will have to assume conditions remain muted.

Housing

There is a growing over-supply at current prices of people willing to sell their existing house compared with those willing to buy. At the same time there is a growing under-supply of dwellings compared with underlying growth in the population and demographic trends. For the moment with debt servicing costs low and the labour market slowly improving vendors feel little need to cut prices in order to sell. That situation is not likely to change we believe meaning real estate turnover is likely to edge up but remain low through 2011. If the used house market was going to have a big price adjustment it would have already done it by now.

With finance for developers less easy to find and potential new house buyers thinking a moribund real estate market means they have time on their hands and no need to sign-up with a developer, construction of new dwellings is likely to remain weak through 2011. But as is happening in Australia where an existing housing shortage is getting worse and worse rents will rise here and debate will grow about the housing shortage, then house prices will rise. Before that last stage however we could see some waves of vendors entering the market swamping the new buyers as they emerge. Actually, 2011 could be a fascinating year in the housing market and I'm looking forward to watching the whole thing unfold.

Business Investment

In New Zealand we are really poorly served by data on coming and actual business capital spending so most of us forecasters fly by the seat of our pants when it comes to predicting non-residential construction and spending on plant, machinery and equipment. The latest data show rising imports of equipment but from a low base, but falling consents for commercial buildings due a lot to economic growth disappointments and of course the reduction in finance availability. We think non-residential construction is going to remain weak and the country will lose screeds of skilled workers across the ditch where they are screaming out for them in the mining and infrastructure sectors. But we also think equipment etc. investment will pick up though it could be hard to see this for a while as if history is any guide businesses will use retained earnings as much as possible to finance this spending before they come to us banks.

Interest Rates

Take them as they come. It goes like this. Rate rises have slowed down because economic growth surprises have been on the downside and the markets now see no rate rise from the RB until the middle of next year. Two points should be noted. First, that is a long way away in terms of stuff we will learn about the factors which influence interest rates in this current environment. Second, just as one can have negative growth surprises so too can one have positive ones. For the moment floating still looks good and this is actually great for all those people wanting to get their debt levels down as quickly as possible. Go for it. But at some stage it will pay to flick into a fixed rate. Regular WO readers will know that we have been trying to pick this point for a long time now and apart from our great success in March last year we're batting zero for 2010.

One could write scores of pages here on the various really interesting factors which will push interest rates across the curve around over the coming year. A credit downgrading from Standard and Poors? Unlikely. Inflation surge from US money printing? Also really unlikely. Investor discontent with fixed interest products after strong rallies the last two years and growing fiscal worries? Maybe.

Overall our expectation is that the NZ economy will be seen as finishing this year on a weakish note, starting next year also weak, but accelerating as the year progresses driven by a variety of factors eventually taking growth to 3.6% for the calendar year.

- Rebuilding Christchurch following the earthquake.
- Rugby World Cup.
- Record average commodity price feed-through.
- House construction lift late in the year in response to shortage worries growing.
- Business capital spending slowly improving as a productivity focus returns in light of a labour market potentially tightening up rapidly.
- Low NZD/AUD exchange rate.

But there will be offsets from things like the following.

- Tightening fiscal policy
- Drought
- Structural debt tolerance shift of unknown magnitude.
- Tightening monetary policy from mid-year probably.
- Easing net migration inflows.
- Potential shocks from offshore.
- High fuel prices.

Forecasts Almost Always Change

Regular WO readers will hopefully have picked up a key theme we have dropped into issues of the WO this year more than usual. The world in normal times is very uncertain and forecasts of what will happen usually change. At the moment and for the next few years the world is most definitely not in anything remotely approaching a normal situation and therefore forecasts will change probably more frequently than in the past not so much perhaps with regard to magnitude but with regard to timing.

As economists we are aware of relationships between things and know that if a certain thing happens way over there an impact will occur on a different thing here. That is what the theory is all about which one learns at university. In the real world the theory still applies but putting numbers on the magnitude and timing of impacts is often a very well informed guessing game – especially as nothing happens in isolation. That is, as soon as you have factored in one thing something else comes along – often the unknown unknowns spoken about by Donald Rumsfeld a few years ago. What that means is that even though we can draw up a list of things going on at the moment about which we are uncertain, there are always new things appearing to go on that list. Take Kiwifruit for instance.

The PSA disease looks like it has been in the country for a few years but certain conditions have now made it break out. At first glance one gets extremely concerned about the impact on this large earner of export receipts. But our monthly survey has shown that if you don't have PSA then things are actually looking quite good and experts in the field estimate that the impact on export receipts will be relatively limited. It appears that it could be simply bad luck of the draw if one's orchard is struck by the disease.

For the moment here are some of the things we are aware of that will influence where the world economy, financial asset prices, property prices, and the same in NZ all go over the next few years.

BNZ WEEKLY OVERVIEW

- The European debt situation. How bad can it get? Will the Euro be broken into two zones? Will the Germans be successful in forcing private bond holders to accept losses? Will the European Stabilization Fund need to be expanded? Which of the European banks which hold most of the US\$2tn in peripheral economy debt will fail in the event of a debt default?
- How much more stringent will Euro-zone fiscal austerity packages have to get? What will be the impact on migration flows?
- The US budget deficit is huge at 10% of GDP and just as various committees started debating ideas for reducing it a new package extending Bush era tax cuts will boost debt more than US\$1tn extra over the next few years. When will the markets decide the US dollar's role as a reserve currency no longer insulates the US Federal government from a European-like debt flight aimed at forcing major fiscal austerity?
- Will China keep growing strongly with or without a surge in inflation? Will inflation-fighting efforts lead to a crunch in growth? If some version of a crunch appears what will be the impact on commodity prices (which ones?) and how long will weakness persist?
- Are US consumers and the US housing market truly starting to look stronger going into the New Year or is this yet another false start?
- How big are the speculative elements now appearing in commodity markets?
- Bank regulatory regimes around the world are tightening up. How much more will the cost of funds increase and which markets will banks pull out of as they concentrate on their most profitable areas of activities? In other words, in which sectors will borrowers find it more difficult to raise debt?
- The strong La Nina weather pattern could produce a drought this year worse than three years ago. To what extent will this make farmers and those in the rural sector even more determined to reduce debt levels rather than invest and/or spend?
- There will be a general election late next year. Will ACT be in the next parliament? If not, can National cobble together a new coalition or will Labour return with a mish mash of partners and new policies more left wing than even those under the previous Labour governments from 1999-2008?

INTEREST RATES

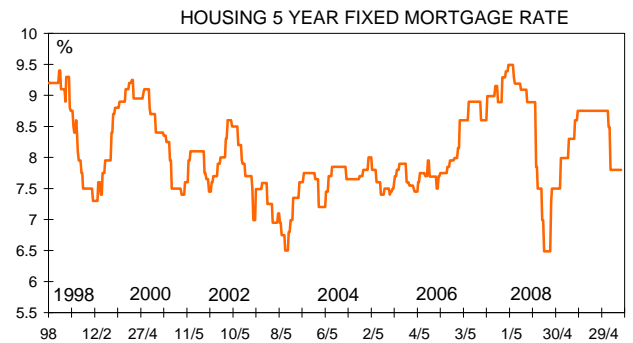
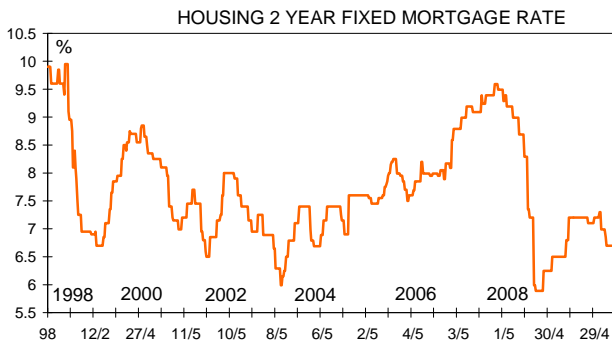
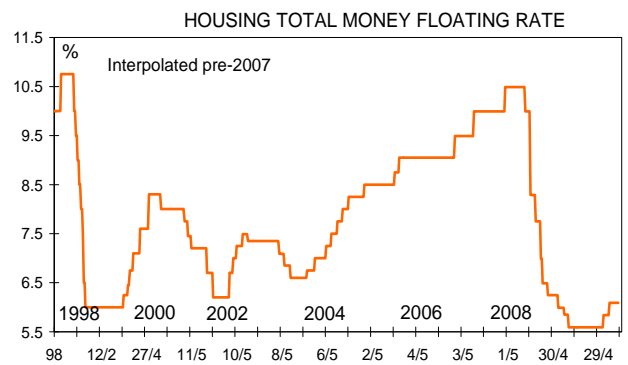
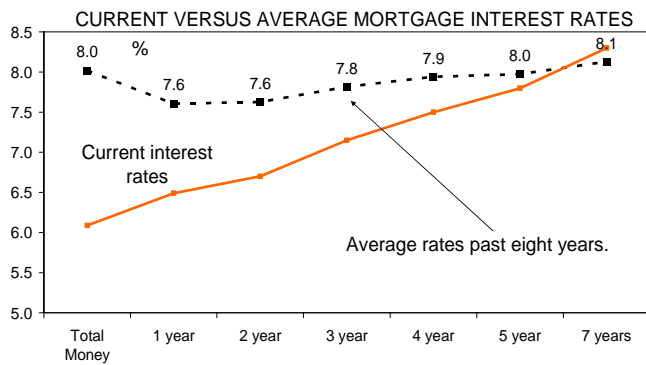
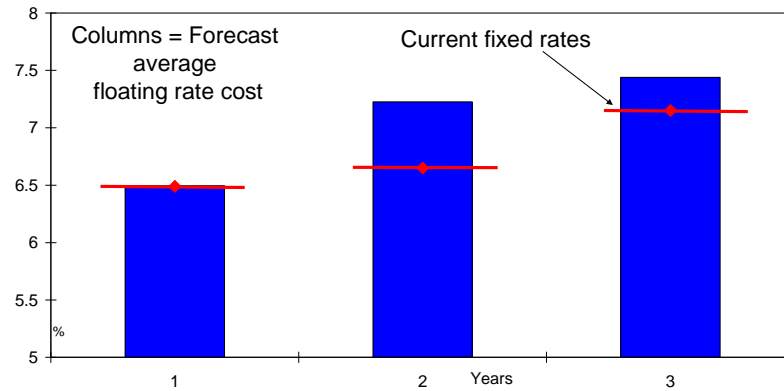
Key Forecasts

- Tightening through to mid-2012 with the next rate rise in June.

FINANCIAL MARKETS DATA	This week	Week ago	4 wks ago	3 months ago	Yr ago	10 yr average
Official Cash Rate	3.00%	3.00	3.00	3.00	2.50	5.9
90-day bank bill	3.20%	3.21	3.20	3.21	2.81	6.2
1 year swap	3.47%	3.48	3.64	3.57	3.59	6.3
5 year swap	4.79%	4.82	4.70	4.54	5.55	6.6
180-day term depo	4.10%*	4.10	4.80	4.90	3.15	6.0
Five year term depo	6.50%	6.50	6.75	6.75	6.00	6.5
* 150 days = 5.1%						

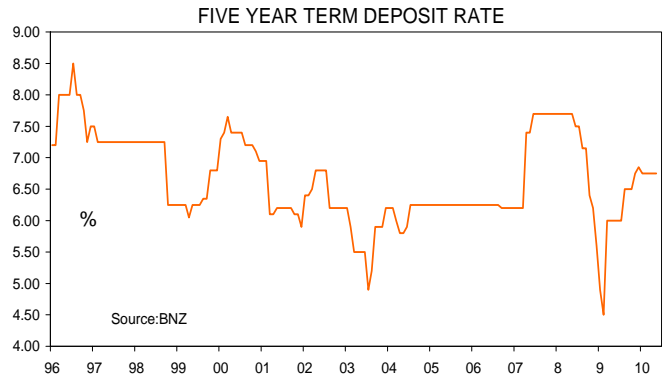
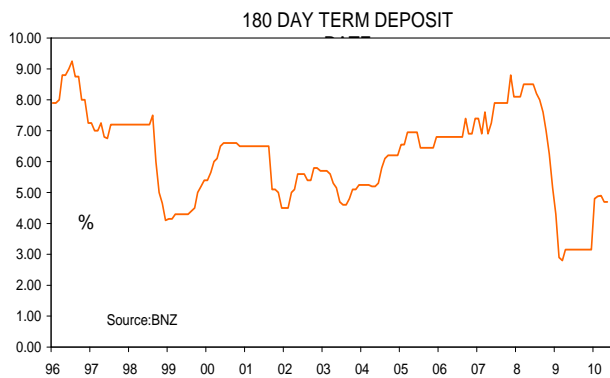
If I Were a Borrower What Would I Do?

Float but not ignore the risk-reducing benefits of fixing two years.



If I Were a Term Deposit Investor What Would I Do?

Grin and bear it. The good old days are long gone. I personally am investing the term portion of my portfolio in PIE tax effective products.



HOUSING MARKET UPDATE

Are You Seeing Something We Are Not?

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

Key Forecasts

- Dwelling consent numbers to improve further out.
- House prices edging higher from second half of 2011.
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Exchange Rates & Foreign Economies

Exchange Rates	This Week	Week Ago	4 wks ago	3 mths ago	Yr ago	Consensus Frcsts yr ago*	10 yr average
NZD/USD	0.750	0.750	0.788	0.722	0.708	0.610	0.592
NZD/AUD	0.759	0.774	0.777	0.786	0.782	0.770	0.856
NZD/JPY	62.800	63.100	64.000	60.620	62.5	61.366	66.8
NZD/GBP	0.474	0.480	0.488	0.467	0.436	0.380	0.345
NZD/EUR	0.564	0.571	0.565	0.567	0.482	0.445	0.51
USD/JPY	84.133	83.377	80.628	84.418	86.657	100.600	113.9
USD/GBP	1.563	1.576	1.602	1.545	1.664	1.607	1.709
USD/EUR	1.313	1.332	1.389	1.281	1.511	1.372	1.156
AUD/USD	0.969	0.978	0.985	0.909	0.926	0.792	0.69

Australia

Key issues =

- Strong growth on biggest mining boom in more than a century but retailing and house construction still weak hit by rising interest rates (floating rates near 7.8%) and desire to reduce debt as in other countries.
- Labour market strong with average monthly jobs growth near 30,000, but shortages appearing and wages growth to accelerate.
- Add in other cost increases and the inflation threat means maybe another 0.75% on interest rates over 2011.
- This will pressure the AUD higher thus encouraging more Aussie companies to seek relatively cheaper imported inputs and goods, including from NZ.
- We are likely to see a sharp rise in labour outflows to Australia bringing a tightening NZ labour market much earlier than most here are thinking.

China

Key issues =

- Strong growth for 30 years achieved, another 30 expected. Growth currently above 9% driven by building new cities, low cost housing, massive infrastructure (roads, energy), rail, plus strong export growth. But consumption only near 30% of GDP vs. 60% in developed countries = the new challenge: raising it.
- Currency held down artificially to boost exports. Reluctance to allow it to rise for three reasons. Uncertainty about an appropriate "safe" future exchange rate regime (managed, floating with wild capital flows?). Use as a bargaining chip in various negotiations. Worries that consumption cannot yet take over once exports get hit by a higher Yuan.
- Inflation at 5.1% and increasing efforts being made to reduce it including higher bank reserve asset requirements, interest rate rises (one so far), and bank lending directive changes. Main worry is not economic but political unrest from high inflation as older people are on fixed incomes, have low participation in labour market benefits of strong economic growth, have time to think about protests.
- For NZ positives = soaring commodity exports, strong tourism potential, but vulnerable if inflation fighting produces sharply slower growth. The result would be lower commodity prices, lower NZD.

United States

Key issues =

- Manufacturing okay boosted by low USD and restocking but households unwilling to spend on housing or retail for fear of high debt levels, still wobbly house prices (estimated 3mn too many houses), and weak though slowly improving labour market. Business balance sheets good but unwilling to gear up and invest.

BNZ WEEKLY OVERVIEW

- Huge Federal debt and deficit yet to scare markets but efforts to reduce the deficit will need to start soon – and last 1-2 decades.
- Extra US\$600bn money printing by the Fed. has depressed the USD but boosted non-housing asset markets. The extent of the economic boost is likely to be minimal as consumers don't want to borrow plus food and fuel prices will rise.

Europe

- Huge fiscal tightening to fight massive deficits and debt in Greece, Portugal, Ireland, and Spain.
- Euro unlikely to fall apart.

Japan

- Population old, ageing and shrinking with rural areas emptying out, agriculture heavily protected, people unwilling to spend (weak consumption) ever since the collapses of 1989-91. Property prices have fallen near 85%, the sharemarket is about 75% below the 1989 peak. The manufacturing base is being eroded from below by rising Asian competitors, dependency upon imported energy and raw materials remains huge, and politically the country is poorly served with frequently changing Prime Ministers.
- Over half foreign receipts come from investments offshore, huge opportunities in neighbouring China and other growing Asian economies.

For more detailed commentaries from BNZ and the NAB group on foreign currencies, commodities, etc click on the following link.

<https://research.bnz.co.nz/Research/Pages/default.aspx>

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

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ECONOMIC DATA

All %		Latest qtr only	Previous qtr only	Latest year	Year ago	2 Yrs ago
Inflation	RBNZ target is 1% - 3% on average	1.1%	0.2	1.5	1.7	5.1
GDP growth	Average past 10 years = 2.6%	+0.2	0.5	+0.7	-2.2	2.4
Unemployment rate	Average past 10 years = 4.7%	6.4	6.9	6.5	4.3
Jobs growth	Average past 10 years = 2.0%	1.0	-0.2	1.8	-1.8	1.1
Current a/c deficit	Average past 10 years = 5.9% of GDP	3.0	2.4	5.6	8.1
Terms of Trade		2.0	5.8	12.7	-13.5	10.7
Wages Growth	Stats NZ analytical series	0.4	0.8	2.7	5.4	5.0
Retail Sales ex-auto	Average past 9 years = 3.9%.	0.9	0.9	1.9	-0.9	0.4
House Prices	REINZ Stratified Index	-1.1	0.1	0.5	2.9	-7.9
Net migration gain	Av. gain past 10 years = 13,900	+12,610	15,221yr	18,560	4,329
Tourism – an. av grth	10 year average growth = 3.2%. Stats NZ	3.1	4.1	3.1	-1.0	-0.2
Consumer Conf.	Neutral = 100	108.3	114.1		116.9	101.3
		Latest year rate	Prev mth year rate	6 mths ago	Year ago	2 yrs ago
Business confidence	BNZ survey	18	28	26	43	-6
Household debt	10 year average growth = 10.3%. RBNZ	2.0	2.3	2.8	2.7	6.0
Dwelling sales	10 year average growth = 2.5%. REINZ	-35.9	-33.2	-16.2	36.3	-34.8
Floating Mort. Rate	(TotalMoney) 10 year average = 7.9%*	6.09	5.84	5.59	5.85	10.49
3 yr fixed hsg rate	10 year average = 7.8%	7.15	7.30	7.95	7.45	9.09

ECONOMIC FORECASTS

Forecasts at Dec. 2 2010	March Years					December Years				
	2009	2010	2011	2012	2013	2008	2009	2010	2011	2012
GDP - annual average % change										
Private Consumption	-1.2	0.6	1.5	1.7	1.4	-0.4	-0.6	1.9	1.5	1.5
Government Consumption	4.3	1.1	2.3	1.4	0.9	5	1.4	2.7	1.1	1.2
Investment	-7.1	-9.7	4.7	5.2	6.9	-3.5	-12	2.5	4.5	7.5
GNE	-1.5	-3.3	2.4	3.8	2.6	0.4	-5.1	2.7	3.1	3.1
Exports	-3	3.2	2.5	5.4	2.3	-1.1	0.4	3.2	4.8	2.9
Imports	-4.3	-9.5	5.8	4.2	4.7	2.3	-14.8	6.8	3.4	5.3
GDP	-1.5	-0.4	2	4.1	1.7	-0.2	-1.7	1.9	3.6	2.3
Inflation – Consumers Price Index	3	2	4.5	2.8	2.6	3.4	2	4.3	2.7	2.6
Employment	0.7	-0.1	1.5	2.6	0.9	0.9	-2.4	2	2.9	0.7
Unemployment Rate %	5.1	6	6.3	5.5	5.7	4.6	7.1	6.4	5.5	5.7
Wages	5.1	1.6	3	3.8	4.6	5	3.1	1.9	3.4	4.6
Currently reasonable exchange rate ASSUMPTIONS										
NZD/USD	0.53	0.7	0.78	0.74	0.64	0.56	0.72	0.76	0.76	0.67
USD/JPY	98	91	85	89	85	91	90	84	88	86
EUR/USD	1.31	1.36	1.35	1.42	1.34	1.34	1.46	1.32	1.4	1.36
NZD/AUD	0.8	0.77	0.78	0.8	0.82	0.83	0.79	0.78	0.8	0.82
NZD/GBP	0.37	0.47	0.48	0.44	0.39	0.37	0.44	0.48	0.45	0.4
NZD/EUR	0.41	0.52	0.58	0.52	0.48	0.41	0.49	0.58	0.54	0.49
NZD/YEN	51.8	63.7	66.3	65.9	54.4	50.9	64.2	63.8	66.9	57.6
TWI	53.8	65.1	70	67	60.9	55.1	64.7	68.9	68.5	62.7
Official Cash Rate	3	2.5	3.25	5	4.75	5	2.5	3	4.75	5
90 Day Bank Bill Rate	3.24	2.67	3.57	5.15	4.9	5.23	2.78	3.2	5.07	5.15
10 year Govt. Bond	4.77	5.86	5.7	6.5	6.5	4.88	6.02	5.6	6.25	6.5

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

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*extrapolated back in time as TotalMoney started in 2007