BNZ Weekly Overview

9 July 2009

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.

In this week's issue….

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.

Some Things Getting Better

Offshore, while the past week has been one of increased questioning about the strength of green shoots appearing in some countries, here in New Zealand the flow of data is most definitely on the right path. To whit, over the past few weeks we have seen the following information appear.

1. Consumer confidence has improved to near average levels in monthly and quarterly surveys.
2. Whereas over the past ten years a net 21% of respondents in the long running NZIER survey of businesses have expected the economy to get worse, the June quarter reading revealed this week was net 16% pessimistic.
3. Our own BNZ Confidence Survey reveals a net 15% of respondents feeling better about the coming year compared with a net 23% in February expecting things to get worse.
4. Dwelling sales in the three months to May were 37% ahead of a year ago and up about 27% in seasonally adjusted terms from the three months to February.
5. The REINZ's median dwelling sales price measure has improved from a two year low of $325,000 in January to $338,000 in May.
6. Households increased their borrowing 0.4% seasonally adjusted in May which is the highest monthly increase since August last year.
7. The number of consents issued for the construction of new dwellings rose 11.5% seasonally adjusted in the three months to May.
8. The value of consents issued for the construction of non-residential buildings was at record levels over April and May and ahead 13% from a year ago for the three month period.
9. The annualised rate of growth in core retail spending was (a still horribly low) 0.5% in the three months to April from -0.3% two months earlier.
10. Registrations of cars in the three months to June were down 3.3% seasonally adjusted from the March quarter. So things are still worsening though less than the March quarter's 15% decline. Commercial vehicle registrations were similarly down just 1% seasonally adjusted in the June quarter from a 22% decline in the March quarter.
11. Average NZ commodity export prices have risen in each of the past four months (but dairy is going backwards.)

But major uncertainty remains about many variables over the coming couple of years. These uncertainties (which may or may not come to fruition in increased economic weakness) are great enough to make us say businesses still need to approach the coming two years with a high degree of caution and a continuing strong cash flow focus.

- No-one seriously believes the world economy will record strong growth in the near future and that means one cannot adopt an optimistic view for NZ tourism receipts or commodity prices generally for at least the next year.
- It is uncertain to what extent NZ householders have decided to spend less and save more on average as a result of the global credit crisis. As we have noted before we will believe it when we see a sustained higher NZ household savings rate because the risk is the current easing of spending is only temporary and we will be back to our bad old ways not too far down the track – only this time the interest rate cost will be greater on average than in the past.
- Reforms are coming to the global financial system and institutions and this will have the effect of increasing bank funding costs on average which will flow through to lending rates and credit criteria – as we are already seeing. The thing which went wrong around the world was too much money too readily available at too low a cost. That is in the process of permanently changing and borrowers would be better advised to cut their cloth for a less generous credit environment than pay too much attention to our central banks' now five year period of – shall we politely say "expressing concern" - about the decreasing effectiveness of its monetary policy.
- New Zealand continues to run a high current account deficit which means an increasing reliance on the willingness of foreigners to keep lending us money and buying our assets on top of the existing huge net indebted position we already have. One day these foreigners will shout enough and the result will be a sharp rise in NZ interest rates, falling sharemarket, collapsing exchange rate, and deep domestic recession. As noted previously, it is impossible to forecast when this adjustment will come, (maybe before 2050) but it argues very strongly in favour of having the bulk of one's retirement funds out of NZDs.
- Related to this net indebted position, scope for additional fiscal stimulus in New Zealand is near zero and there is a need to rein in deficits as fast as possible. This means fiscal policy will soon shift from a stimulatory to contractionary setting as will also happen to far greater degrees overseas.
- There may or may not be a surge in global inflation as a result of current very loose monetary conditions. That means there may or may not be a surge in interest rates 18 months from now. Taking into account the spare capacity offshore, tightening fiscal policies to come, tighter lending criteria and increasing financial sector regulation, this risk is present and worth hedging against to some extent but probably not huge.

During the week an emailer asked about bank lending in the current environment and we pointed out the following.

"In a nutshell it is this. Offshore investors, credit rating agencies, foreign central banks, and our own central bank have all made it quite clear that NZ banks are too dependent for their funding upon foreign wholesale money. In other words, unless we boost the proportion of our funding from domestic and retail sources (we have become active in Singapore at the retail level) then we will get a credit downgrading and the central bank may institute even tougher capital adequacy and risk management requirements. Of course the situation is made harder by the retail deposit guarantee scheme extended freely to NZ finance companies which has dragged our depositors away.

Why not fund lots from the Reserve Bank? Easy - no central bank in the world exists to supply funding to their domestic banks. They exist to manage the issuance of notes and coins, monetary policy, and financial supervision. If a bank can't gain enough confidence from savers to fund from private sources then it should close up shop. At the moment there are extraordinary funding measures in place in some countries offshore because of the economic collapses which have occurred. But these measures will be unwound as soon as conditions allow. In NZ some banks have sold some prime mortgages to the RB but it is not necessarily seen as an ongoing funding source.

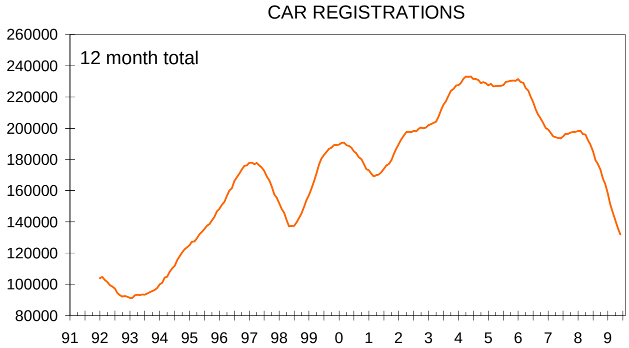
Banks in NZ will need to cut their lending cloth to suit the availability and cost of funds. And just as over the past few years funds internationally have been extraordinarily abundant and cheap, now the opposite case applies. That means the old lending criteria have gone for good, and maintaining past margins will be extremely challenging. "

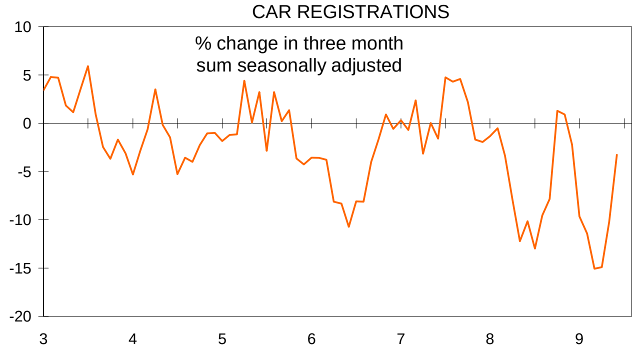
NZ ECONOMIC DEVELOPMENTS

Friday 3

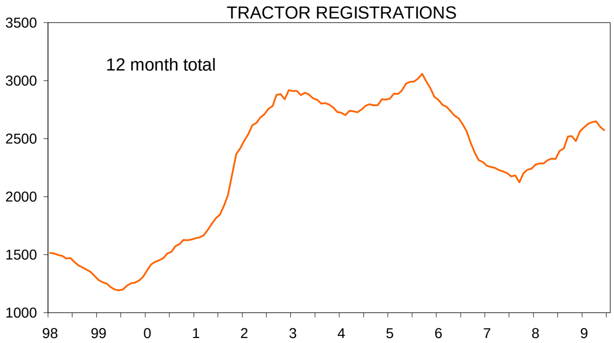
Vehicle Spending Still Very Weak

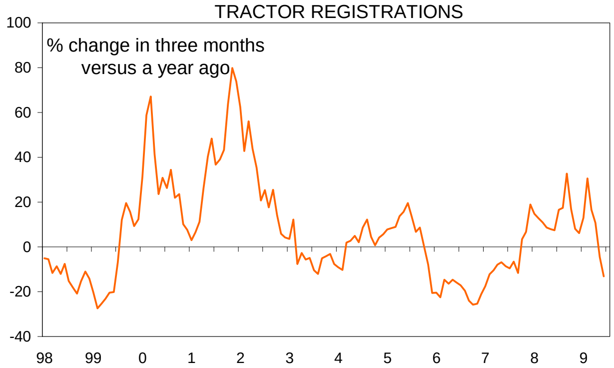
In June there were 9,712 cars registered around New Zealand. This was a 30% fall from a year ago which is less than the 33% annual decline recorded in May and 41% decline in April. In addition, in rough seasonally adjusted terms registrations in the June quarter were down just 3% from the March quarter following a 15% fall three months earlier. So it appears safe to say that the rate of deterioration in New Zealand's car market has definitely slowed down. But one cannot yet say that improvement is underway and we remain wary of the effects of rising petrol prices and slowing household income growth coupled with perhaps a desire by households to increase their average savings levels.





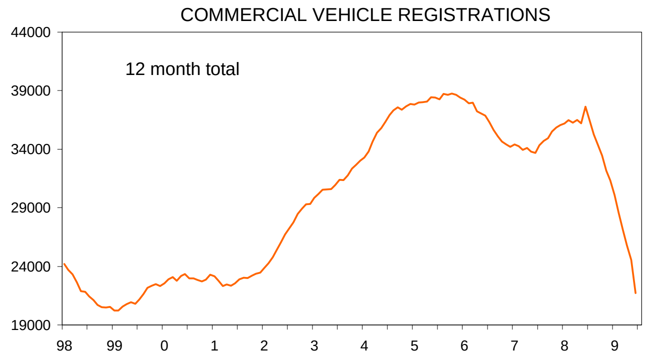
There were 123 tractors registered around New Zealand in June. This was a 19% fall from June last year which was better than the 24% annual fall in May but still the second worst annual rate of decline in 21 months. Farmers are cutting back on their capital expenditure in an environment where the NZD is strong and Fonterra risk having to reduce their predicted payout from the $4.55 level announced a few weeks ago as they assumed a US59 cent exchange rate. In addition the farming sector are now receiving a steady flow of messages from many quarters about excessive debt growth in recent years so one suspects willingness to shell out on large items is going to be quite restrained for the coming year.

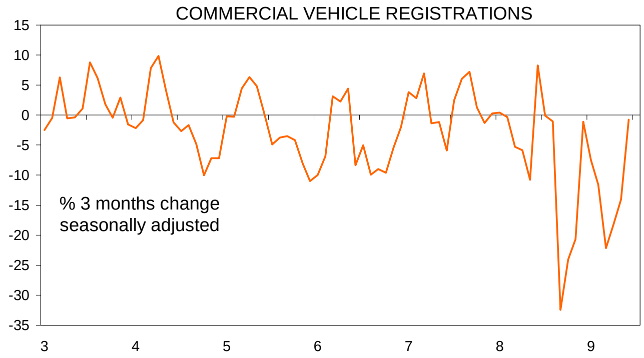




This restraint will not be universal however as sheep farmers are doing okay and the move toward more intensive dairying operations involving lots of additional feeding out means equipment replacement and modernisation regimes are going to be more necessary than in the past. But for tractor salespeople the golden days have been and gone for now.

Finally, in June there were 1,997 commercial vehicles registered around the country. This number truly shows the way in which businesses have slammed shut their capital spending budgets because the total is 58% down from a year ago. For the June quarter commercial vehicle regos were 52% down from a year ago and off by 42% for the year to June. In rough seasonally adjusted terms regos fell in the June quarter by just 1% following a 22% fall three months earlier. What this suggests is that as appears to be the case for cars, the pullback in spending in this area may be complete. But there is no sign of improvement underway even though there is plenty of talk about green shoots here and overseas.

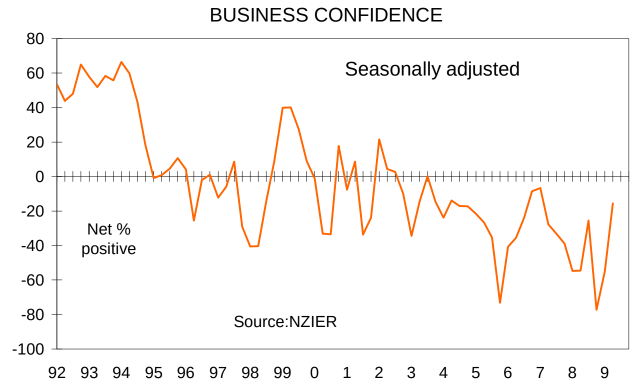


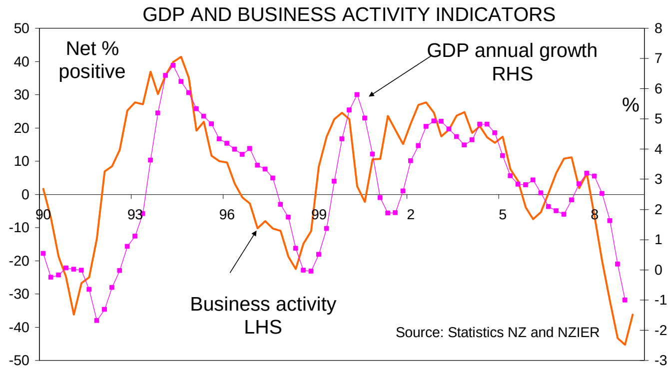


Tuesday 7

Business Sentiment Jumps – But Layoffs To Continue

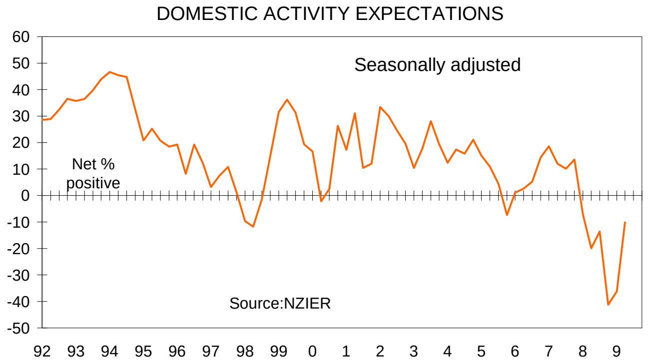
The most detailed survey of business sentiment available in New Zealand comes from the NZIER and is called the Quarterly Survey of Business Opinion or QSBO. This survey plunged to unheard of depths three months ago when respondents sent in their replies largely before the green shoots started appearing offshore. Our own monthly survey moved into firm positive territory three months ago and the QSBO released for the June quarter now also shows a substantial lessening of business concerns – though note that the farming sector is excluded from the survey.

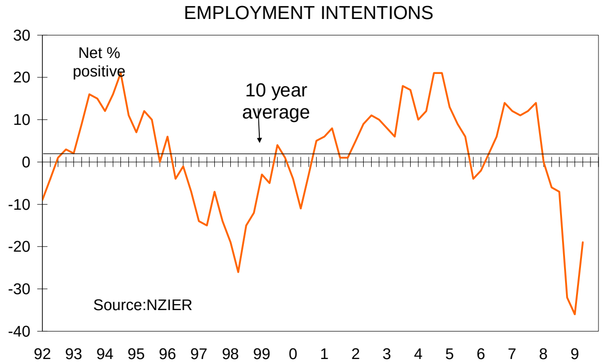




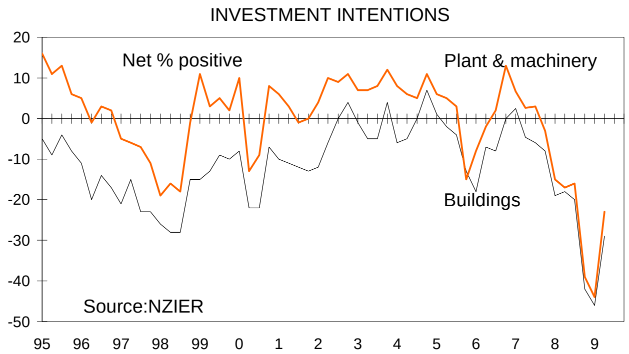
Whereas in March a net 55% of respondents in seasonally adjusted terms felt the economy would get worse over the next 12 months, now only a net 16% feel bad. This is the strongest result since March 2007 before interest rates got really hiked by the RB, and above the ten year average for this measure of a net 21% pessimistic. In other words, sentiment has shifted toward a better than average setting which is what we have found in our survey also.

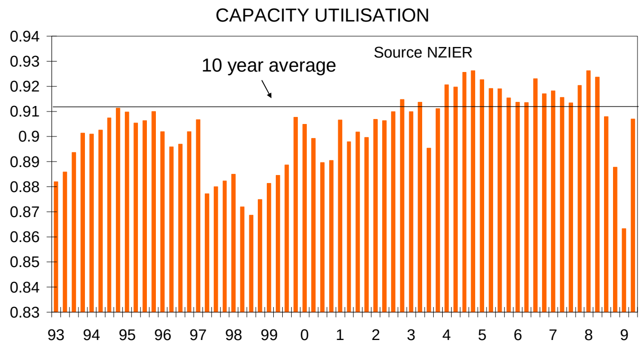
But just because businesses can see light at the end of the tunnel does not mean they actually expect things to be strong or intend spending up large in anticipation of better demand. In fact a net 10% of businesses still see their domestic trading conditions worsening in the next three months. This is better than the terrible 36% in the March quarter survey or 41% in the December quarter, but still well below the average reading of +9%.





In addition, a net 19% still plan laying off staff from 36% in the March quarter and an average reading of +2% intending to hire people. A net 23% plan cutting plant and machinery spending from 44% three months ago and an average of -2%. A net 29% plan cutting building expenditure from 46% last quarter and an average 11% planning cuts over the past ten years.

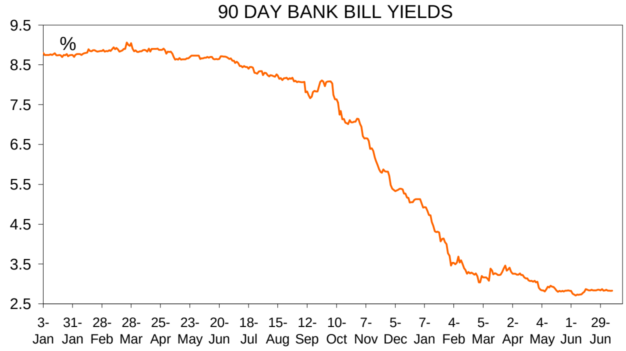


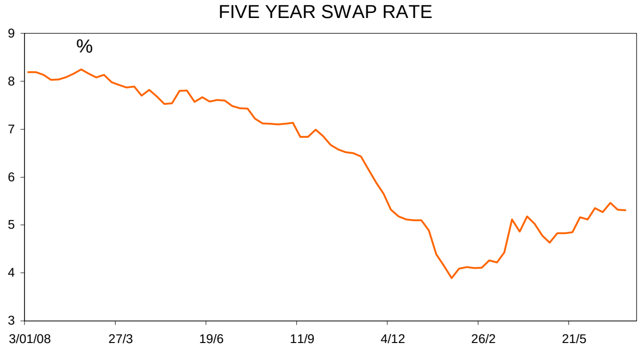


So the survey still implies a weak labour market and weak credit demand due to cutbacks in capital expenditure. But one quite interesting result is a jump in the capacity utilisation rate to 90.7% from 86.3% in the March quarter. This is still below the ten year average of 91.1% but suggests once businesses start expecting positive sales growth they may need to scramble to get extra capacity in place – probably next year. This is one reason why one cannot discount the possibility of unexpectedly strong growth in the NZ economy from the second half of 2010 – especially when one throws in consumer durables replacements.

INTEREST RATES

With hardly anyone expecting the Reserve Bank will alter monetary policy for about a year the yield on 90-day bank bills has ended the week unchanged from last Thursday just over 2.8%. The rate is probably going to be there for many months. And in spite of a surge in global risk aversion swap rates have ended unchanged from last week as well – although maybe the risk aversion rise prevented a bounce back up in these rates after the rally two weeks ago.





The one year swap rate has ended just over 3% from 3.1% a fortnight ago. The two year rate 3.75% from just over 3.9%, and the five year rate 5.3% from 5.45%.

Swap rates are unlikely to move substantially in the near future but our expectation is for slow upward movement as the world starts to look a less terrifying place and investors build in higher expectations of tightening monetary policies, rising credit demand, and inflation risks.

Key Forecasts

- No more monetary policy easing with the this cycle.
- Medium to long term housing rates have seen their multi-year lows – stop-start rises now lie ahead. Speed unclear.

FINANCIAL MARKETS DATA

	This week	Week ago	4 wks ago	3 months ago	Yr ago	10 yr average
Official Cash Rate	2.50%	2.50	2.50	3.00	8.25	6.2
90-day bank bill	2.83%	2.84	2.73	3.26	8.55	6.5
10 year govt. bond	5.62%	5.90	5.99	5.33	6.32	6.2
1 year swap	3.04%	3.01	3.05	3.23	8.24	6.7
5 year swap	5.31%	5.32	5.35	5.18	7.48	7.0

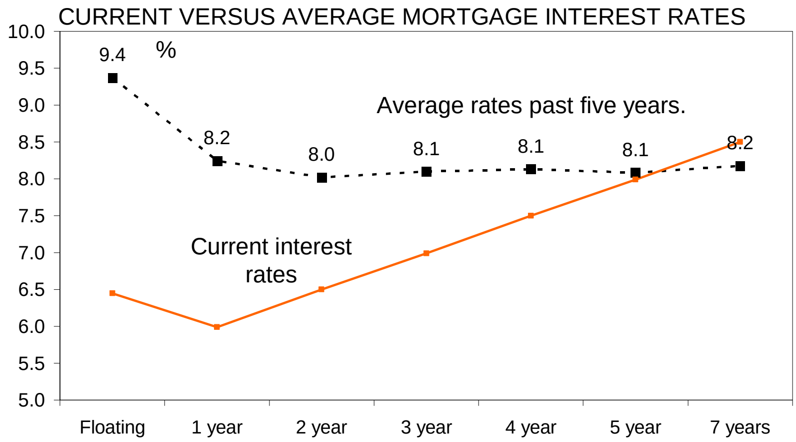
If I Were a Borrower What Would I Do?

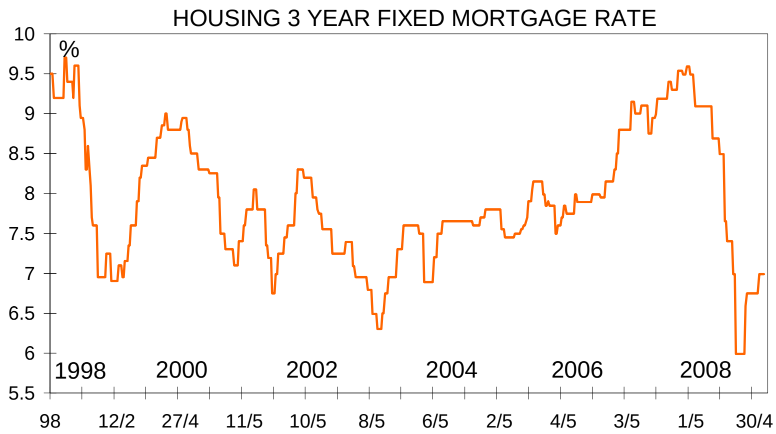
An emailer made this good observation during the week (with the usual poor grammar unfortunately.)

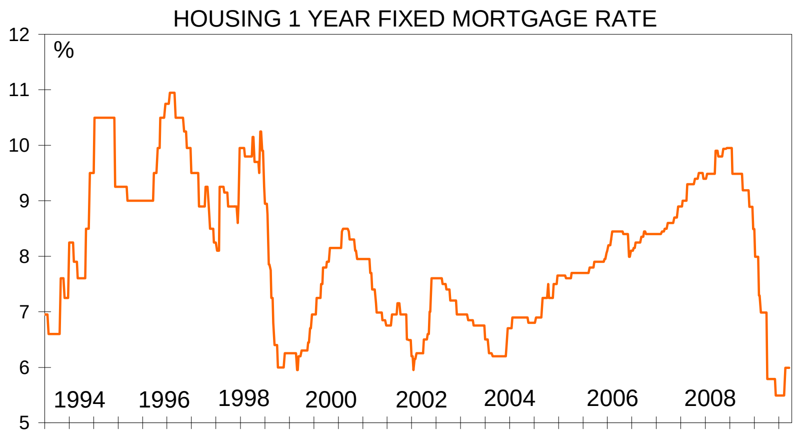
"I have a query regarding the fixing mortgage for 3 years. I looked at this a couple of days and noted you can fix for 2 years at 6.25% (Ed. Not with us.) which if you then come to end of two years rate would need to be higher than 8.47% in 3rd year for the 6.99% to be better off. Is my logic correct and if so does that mean your 3 year recommendation is based on your expectation that interest rates will be above this?"

Our response was that the chances of anyone being able to get close to accurately predicting where borrowing costs will be in two years time are very low in this massive uncertain environment. I would personally be prepared to pay a bit extra to get some insulation against the upside rate risk 2-3 years from now just in case global inflation jumps up as a result of the current loose monetary conditions.

Most people now are however either floating or fixing their mortgage rate for 18 months or less because of the cash flow advantage. That is quite understandable. But they need to budget for their interest rates rising a couple of percent or more down the track and/or take advantage of the low rates at the moment to get debt down as fast as possible.



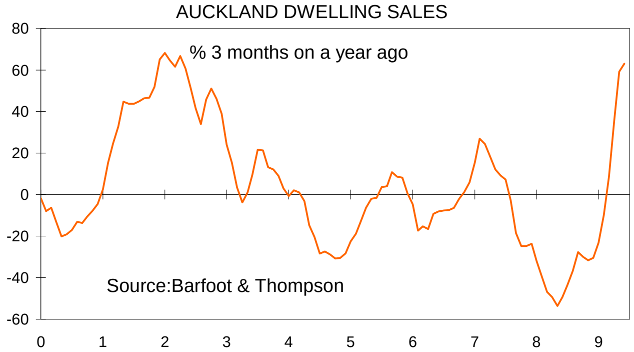


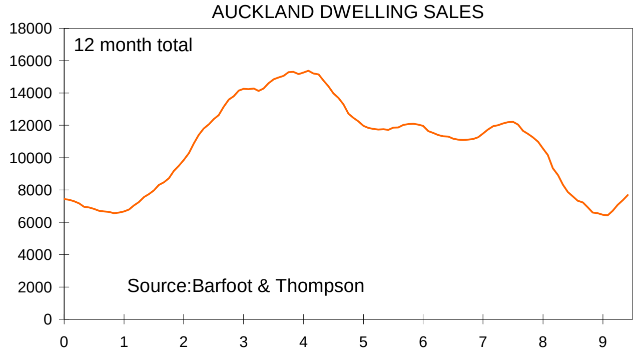


HOUSING MARKET UPDATE

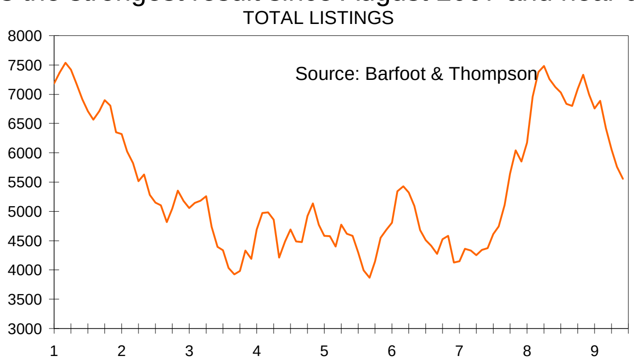
More Data Showing Things Better

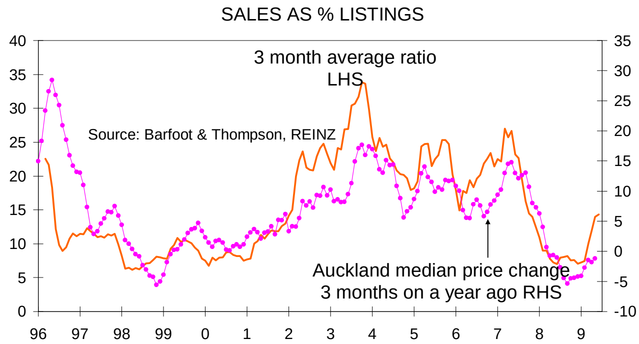
The main piece of news relevant to the housing market this week came from Barfoot and Thompson. In Auckland – where they have about one-third of the market – they sold 861 dwellings in June. This was a strong gain of 55% from a year ago following a 58% gain in May and 79% annual gain in April. In rough seasonally adjusted terms sales recovered 9% in June after easing 12% in May and have improved 7% over the June quarter.



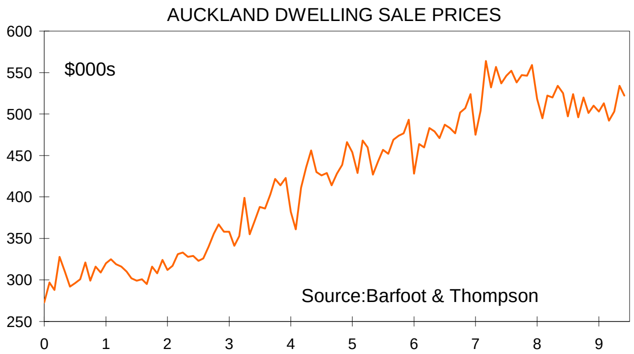


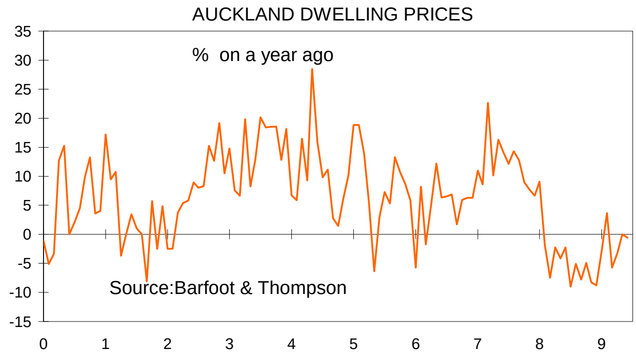
These results show that activity is well off the lows seen earlier this year and appears to still be improving. However a key issue is a shortage of listings which can be seen in the total number of listings at the end of June being down 22% from a year earlier at 5,557. The ratio of sales to listings now stands at 15.5% which is the strongest result since August 2007 and near double 7.8% last June.





During the month there were 1,189 new listings which was 2% fewer than June last year. The average dwelling sales price eased to $522,000 in June from $534,000 in May which was a 0.6% fall from a year ago. Note the correlation between the sales to listings ratio and price (using the broader REINZ measure) shown in the second graph just above.





The numbers continue to indicate to ourselves that New Zealand's housing market has been through its bad patch for this cycle but there is not underway a price response as such yet to the shortage of dwellings. This will eventually come but it is likely to be muted initially because of rising unemployment over the coming year, slow wages growth, and tighter lending standards by mortgage providers. But it seems worth positioning for.

Key Forecasts

- Dwelling consent numbers to slowly recover from the middle of this year.
- Real estate sales have bottomed for this cycle. Activity is likely to fluctuate and begin a drift upward before year end with potentially firm activity over 2010.
- House prices stabilising, rising slightly over 2010.

Exchange Rates & Foreign Economies

EXCHANGE RATES	This week	Week ago	4 wks ago	3 months ago	Yr ago	Consensus* Frcst Yr Ago	10 yr average
NZD/USD	0.626	0.637	0.62	0.578	0.753	0.693	.592
NZD/AUD	0.805	0.793	0.785	0.814	0.789	0.793	.856
NZD/JPY	58.1	61.6	61.0	57.6	80.9	73.3	66.8
NZD/GBP	0.39	0.387	0.386	0.393	0.382	0.371	.345
NZD/EUR	0.451	0.452	0.446	0.436	0.481	0.48	.51
USD/JPY	92.8	96.7	98.4	99.7	107.4	105.8	113.9
USD/GBP	1.605	1.646	1.606	1.47	1.97	1.867	1.709
USD/EUR	1.39	1.41	1.39	1.33	1.57	1.443	1.156
AUD/USD	0.778	0.803	0.789	0.71	0.954	0.874	0.69

NZD Eases Slightly On Higher Risk Aversion

The NZD has managed to end this afternoon below US 63 cents near 62.6 from 63.7 last week in response to a range of factors.

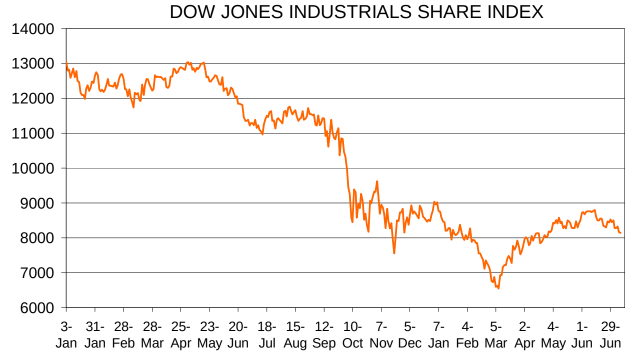
- Fonterra's auction last week produced another 3% fall in milk powder prices and this has heightened concern not just about immediate export sector growth but more broadly the strength of the recovery in New Zealand's economy in the coming year. Dairy contributes about 20% of NZ's total receipts of goods and services and in most years comes in second only to tourism as an export earner.
- The US jobs report was worse than expected so risk aversion lifted anew and the continuation of this through the week propelled sharemarkets lower and therefore some easing of the NZD.
- There remain worries about hefty Uridashi and Euro-Kiwi bond maturities this month – though experience shows that nine out of ten times worries about these periods of high maturities have been wrong.

NEW ZEALAND DOLLAR vs USD

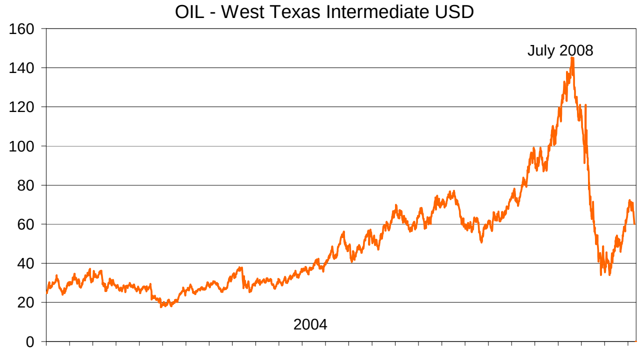
NEW ZEALAND DOLLAR vs AUSTRALIAN DOLLAR

However, it is interesting to note that against the greenback the NZD still remains relatively strong for this point in the country's economic and traditional exchange rate cycle – especially considering that over the past week the new wave of risk aversions weeping through the markets has seen the Dow Jones Industrials Index shed 4.2%.

DOW JONES INDUSTRIALS SHARE INDEX



OIL - West Texas Intermediate USD



And concerns about immediate global growth prospects have seen oil prices fall back to a six week low.

But at the same time as one of what will probably be many bouts of the heebie jeebies sweeps through the marketplace we have seen some positive (as well as negative) data releases, and the IMF have even upgraded their growth outlook for 2010.
http://www.bloomberg.com/apps/news?pid=20601068&sid=ag.qh1tIfwbE

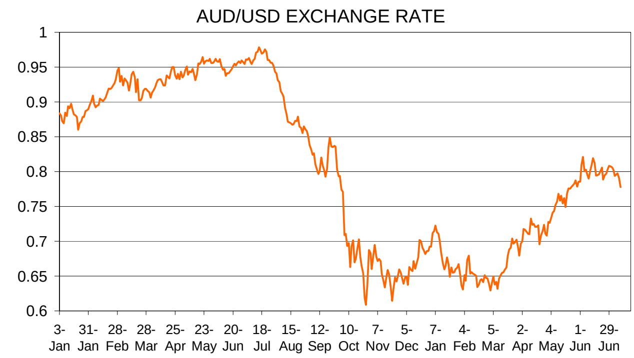
They now expect global growth of 2.5% next year from a 1.9% expectation back in April.

In Germany orders for manufactured goods surged by the most in two years in May with a rise of 4.4% after adjusting for price and seasonal changes. A rise of just 0.5% had been expected but the result still leaves the quantity of orders 29.4% lower than in May last year. What the numbers show is a German industrial sector in very weak state but starting to recover and this is quite important for the largest economy in the EU. At the moment the consensus view is that the German economy will shrink 5.8% this year then grow only a miserable 0.4% next year after growth of around 1.3% during 2008.

But at the same time as things are improving in Germany on the back of better domestic and export orders, in the United Kingdom severe concern remains about the economy's prospects for the coming year. In fact industrial production fell for the first time in three months in May, easing by 0.6%. The consensus view is that the UK economy will shrink 3.7% this year then grow 0.7% over 2010 following growth of about 0.8% over 2008. Worries about the near future remain so intense that calls have appeared for the Bank of England to undertake more money printing. http://www.bloomberg.com/apps/news?pid=20601068&sid=at9A5v22TNFg

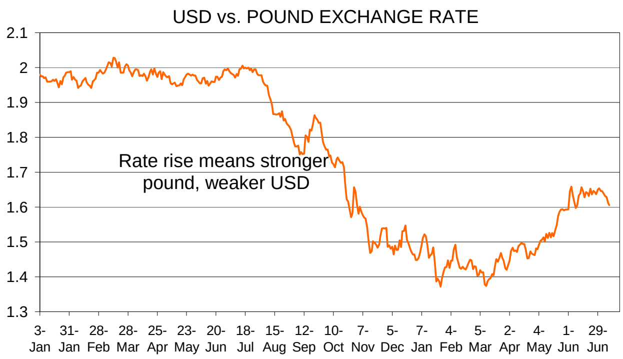
In Australia economic data releases have been tending to fall strongly on the better than expected side over the past three months with assisting forces including tax handouts, low interest rates, house construction subsidies and recovery in China. The news initially has helped drive some recovery in the AUD along with a modicum of strength in the sharemarket and upward movements in wholesale interest rates. The Reserve Bank this week noted that the economy is performing better than they expected some months ago and they do not see a need to cut their cash rate any further from its current 3% level reached back in April.
http://www.rba.gov.au/MediaReleases/2009/mr_09_15.html

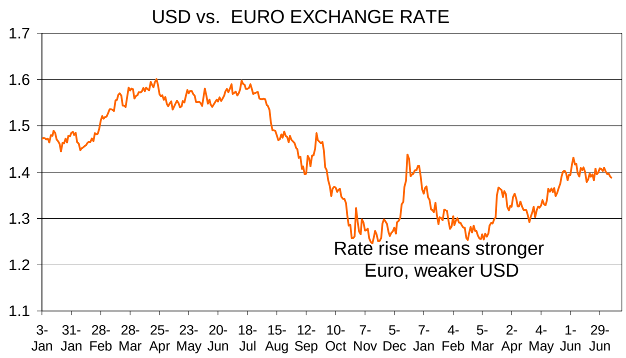
In fact they even said they think house prices are now rising (see the link above "House prices are tending to rise") and if so this would appear in line with some of the positive indicators. For instance consumer sentiment is soaring according to the Westpac/Melbourne Institute Index which rose to 109 in July from 100 in June, 87 in May, and a long run average of 100. Housing finance data have also been coming in strong with loans for investment property rising over the past three months and many first home buyers arranging finance.



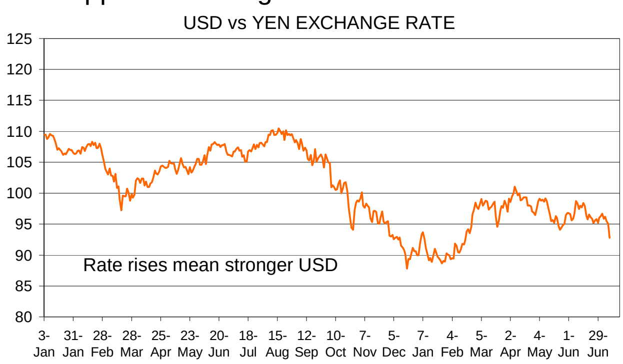
But the AUD has ended today against the greenback over two cents down from a week ago near 77.8 from 80.3 cents partly because for the first time ever a Chinese buyer has cancelled their coal purchase with the stuff already on its way. The arrest of Rio Tinto representatives in China has also depressed the AUD – perhaps as the Chinese remind the Aussies who has the bargaining power at this point in the commodity price cycle.

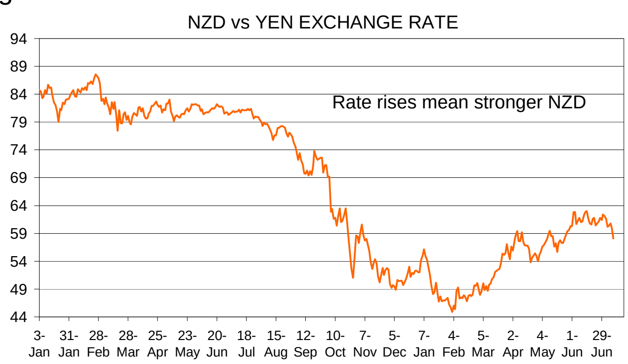
The AUD has also fallen because of the higher risk aversion this week which has seen the USD make strong gains on safe-haven buying against the pound and Euro. The greenback has ended against the British pound near \$1.605 from \$1.645 last week while against the Euro it has ended near \$1.388 from \$1.41. Note however how the two graphs below illustrate that these rate movements are inconsequential in terms of where the greenback has generally been trading since the start of June.



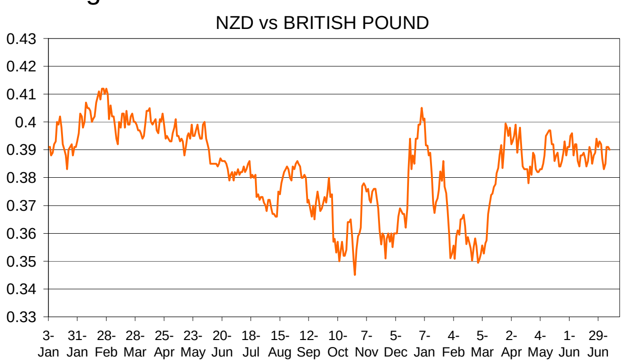


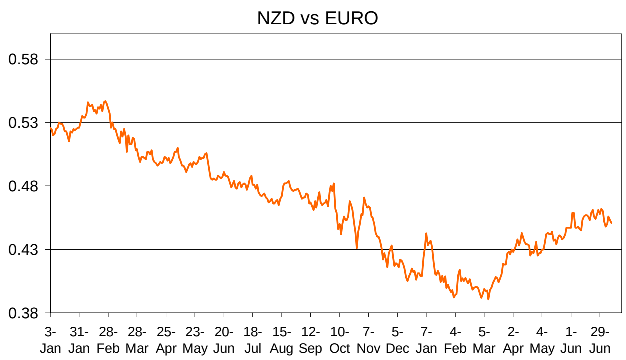
Of greater interest however is the greenback's sharp decline against the Japanese Yen to 92.8 from 96.7. This movement largely reflects stronger safe haven buying of the Yen than the greenback given Japan's role as a supplier of savings to the world rather than a huge net borrower.





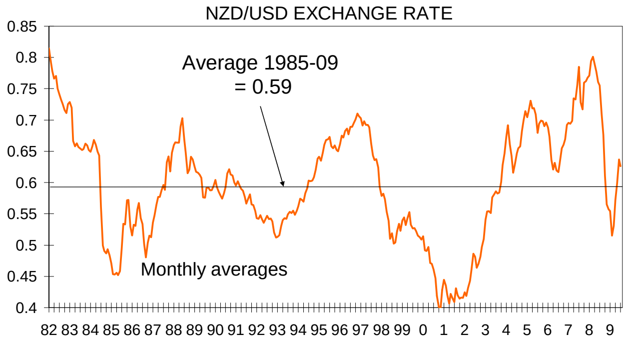
The Yen's strong rise has seen the NZD/JPY exchange rate pull back to a six week low near 58 from 61.6 last week. Against the pound we have ended unchanged near 39 pence and against the Euro also unchanged near 52 centimes.

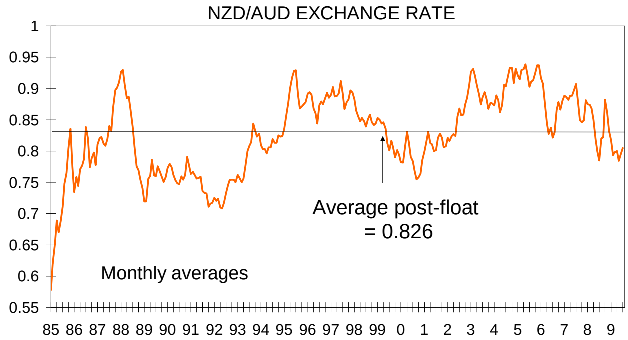


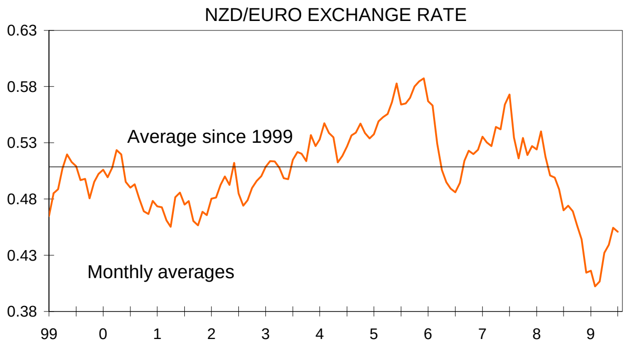


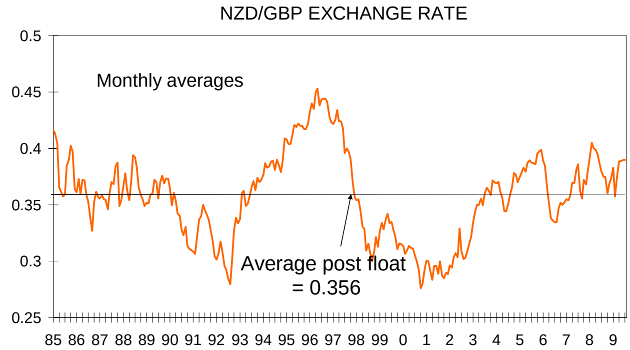
If I Were An FX Receiver What Would I Do?

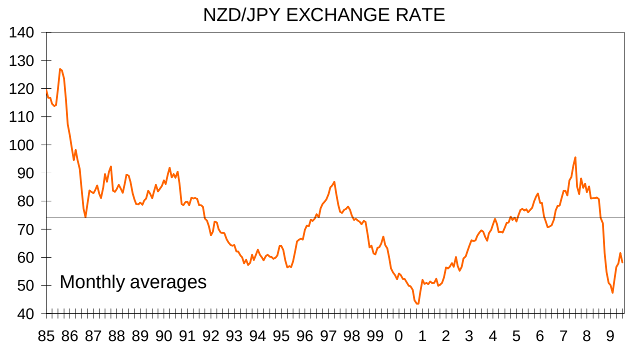
I would tend to take advantage of the NZD's decline this week against the Yen to get some extra hedging on board there while chipping away still at hedging against the AUD for expected receivables over the next couple of years. I might pull back on very short term NZD/AUD covering given the move back above 80 cents and the good chance the AUD's recovery once risk aversion lessens turning out to be better than ours in the short term. As ever nothing obvious springs to mind with regard to NZD hedging against the pound, I'd be inclined to slowly build hedging against the Euro, and would look for pullbacks bigger than this current one to build hedging against the greenback.











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

ECONOMIC DATA

All %		Latest qtr only	Previous qtr only	Latest year	Year ago	2 Yrs ago
Inflation	RBNZ target is 1% - 3% on average	0.3%	-0.5	3.0	3.4	2.5
GDP growth	Average past 10 years = 3.0%	-1.0	-1.0	-1.0	3.1	1.8
Unemployment rate	Average past 10 years = 5.3%	5.0	4.7	......	3.8	3.8
Jobs growth	Average past 10 years = 1.9%	-1.1	0.6	0.8	-0.2	2.1
Current a/c deficit	Average past 10 years = 5.5% of GDP	8.5	9.0	......	8.0	8.5
Terms of Trade		-3.0	-1.0	-5.2	11.6	4.5
Wages Growth	Stats NZ analytical series	1.5	1.1	5.3	4.8	5.1
Retail Sales ex-auto	Average past 9 years = 3.8%.	-1.2	-0.0	-0.8	3.2	4.9
House Prices	Long term average rise 5% p.a. QVNZ	-2.0	-2.1	-8.9	8.0	9.7
Net migration gain	Av. gain past 10 years = 10,400	+11,202	6,160yr	......	4,938	10,680
Tourism – an. av grth	10 year average growth = 5.0%. Stats NZ	-2.6	-2.4	-2.6	1.3	2.4
		Latest year rate	Prev mth year rate	6 mths ago	Year ago	2 yrs ago
Consumer conf.	10 year average = 2%. Colmar survey	3	-9	3	-34	-4
Business activity exps	10 year average = 26%. NBNZ	8.3	3.8	-21.5	-4.0	14.8
Household debt	10 year average growth = 11.3%. RBNZ	2.7	2.7	4.9	9.4	13.8
Dwelling sales	10 year average growth = 3.5%. REINZ	43.9	-39.1	-45.4	-52.9	-3.7
Floating Mort. Rate	10 year average = 8.1%	6.49	6.49	9.75	10.95	10.05
3 yr fixed hsg rate	10 year average = 7.9%	6.99	6.75	8.49	9.49	8.80

ECONOMIC FORECASTS

Forecasts at June 25 2009	March Years					December Years				
	2007	2008	2009	2010	2011	2006	2007	2008	2009	2010
GDP - annual average % change										
Private Consumption	2.8	3.2	-0.6	-0.2	1.8	2.6	4	0.1	-1	1.7
Government Consumption	4	4.3	3.7	3.3	2.8	4.6	3.9	4	3.4	2.9
Investment	-0.6	4.3	-10.2	-15.8	6.1	-0.4	5	-5.7	-18.1	1.7
GNE	1.4	4.4	-2.2	-3.1	3.2	1.4	4.5	-0.3	-4.5	2.4
Exports	3.1	2.9	-3.2	-3.4	1	1.8	3.8	-1.8	-3.3	-1
Imports	-1.6	9.6	-2.8	-10.9	2.2	-2.6	8.6	2.5	-13.1	0.2
GDP	1.8	3.1	-0.8	-1	2.9	2	3.2	0.2	-1.7	2.2
Inflation – Consumers Price Index	2.5	3.4	3	2.1	1	2.6	3.2	3.4	2.5	1
Employment	2.1	-0.2	0.8	-3.2	2.9	1.7	2.3	0.9	-4	2.9
Unemployment Rate %	3.8	3.8	5	7.5	7.2	3.8	3.5	4.7	7	7.2
Wages	5.5	4.4	5.1	2.4	1.5	5.5	4	5.1	3.1	1.3
EXCHANGE RATE ASSUMPTIONS										
NZD/USD	0.7	0.8	0.53	0.67	0.69	0.69	0.77	0.56	0.65	0.69
USD/JPY	117	101	98	102	108	117	112	91	100	107
EUR/USD	1.32	1.55	1.31	1.41	1.43	1.32	1.46	1.34	1.4	1.43
NZD/AUD	0.88	0.87	0.8	0.8	0.81	0.88	0.88	0.83	0.79	0.81
NZD/GBP	0.36	0.4	0.37	0.39	0.39	0.35	0.38	0.37	0.39	0.39
NZD/EUR	0.53	0.52	0.41	0.48	0.48	0.52	0.53	0.41	0.46	0.48
NZD/YEN	81.9	81.1	51.8	68.3	74.5	81	86.3	50.9	65	73.3
TWI	68.6	71.6	53.8	63.3	65.6	68	71.6	55.1	61.7	65.1
Official Cash Rate	7.50	8.25	3.00	2.5	4.25	7.50	8.25	5.00	2.5	3.75
90 Day Bank Bill Rate	7.78	8.82	3.24	2.7	4.62	7.64	8.77	5.23	2.7	4.12
10 year Govt. Bond	5.91	6.35	4.77	5.75	6.4	5.77	6.38	4.88	5.7	6

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

The BNZ Weekly Overview is prepared by Tony Alexander, Chief Economist at the Bank of New Zealand. Ph 04 474-6744.