

Why wage growth appears low

- Nominal wage growth has been low, though real wage growth has been healthy.
- We expect reasonable employment growth, and steady wage growth and unemployment in Wednesday's labour data.
- RBNZ subtly tinkers with its view of the neutral Official Cash Rate.

Last week **the US Federal Reserve kept interest rates on hold and, through a very subtle wording shifts, signalled a touch more caution about inflation developments.** US inflation has actually been easing recently, as has wage growth.

The key event for NZ this week is the release of the labour market figures: employment, unemployment and wages. Our full preview is [here](#). **One of the puzzles in NZ and the US is that inflation pressures have remained quite muted,** even as labour markets have tightened up over the last few years. The recent NZ CPI showed little capacity-related inflation pressure outside of construction. And nominal wage growth, as measured by the Labour Cost Index, has been quite steady and moderate. That has meant little cost pressure in service sectors that are heavily labour dependent.

Why the apparent absence of stronger wage inflation? For one, **NZ's supply of labour has been pretty strong.** This is not just an immigration story (and immigration also creates demand for new jobs as well). **It is also about the record high labour force participation rate.** Not only is the working age population growing fast, that population comprises an ever-greater share of people wanting to work. **Low reported inflation and low inflation expectations will have also influenced wage expectations.** And it is important to remember that wage growth didn't fall in the way that consumer inflation did. As a result **growth in real wages – purchasing power – was very strong up until inflation recently rebounded** on fuel and food impacts.

We do expect that wage growth will pick up as the unemployment rate falls slightly further over time, skill shortages become more acute, and as higher headline inflation itself has some influence on wages. But that lift may not be happening soon, outside of the recent healthcare worker pay settlement. And the longer wage growth remains low, the longer the OCR will stay where it is.

The RBNZ last week gave another subtle reason for leaving the OCR low. Over time the RBNZ has revised down its estimate of the neutral OCR (the goldilocks level that is not too high and not too low). The 3.5% average of its latest range of estimates given in a [speech](#) last week was lower than the 3.6-3.7% published in a [Bulletin](#) article just back in June, although that estimate looked like it hadn't been updated for a number of months. The implications are that **the low OCR is not quite as stimulatory as the RBNZ had been assuming.** That shift is another consideration for the RBNZ, along with the stronger NZD and more upbeat dairy story.

On dairy, we expect whole milk powder prices to rise around 4-6% at this week's auction, which would be another good-news story after last week when Fonterra increased its milk price forecast to \$6.75/kg milk solid, bang in line with our long-held view.

Foreign Exchange

- NZD/USD hit the highest level in over a year following the US Fed rate announcement last week.

Interest Rates

- NZ interest rates were overall flat, though bounced briefly on US moves.

Week Ahead

- Employment, unemployment and wage data; GDT dairy auction; credit growth.

Week in Review

- The trade balance was near market expectations; dwelling consents held onto recent gains.

Global Calendars

- RBA interest rate decision; US ISM index and Non-farm Payrolls.

Chart of the Week: Real wage growth has been strong - really



We earn to have the means to spend and save (to spend in the future). **The impact of inflation on spending power is very important:** a 20% wage increase doesn't improve your purchasing power if inflation is running at least as fast.

Wage growth may feel like it has been muted in recent years, even in the Quarterly Employment Survey wage measures that are most representative of what NZ workers receive. But when adjusting wages for the below-average pace of inflation, **'real' wage growth has been on par with past periods of strong employment growth and a low unemployment rate.**

It is a similar story for the Labour Cost Index measures. These measures essentially strip out any wage increases due to productivity, promotions, and other shifts in the quality of the job. That leaves wage increases from causes like compensation for inflation and the influence of labour market tightness. If anything, recent increases were stronger than those of the 2000s economic boom.

Foreign Exchange Market

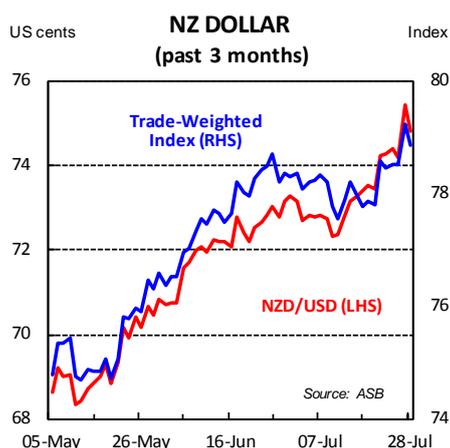
FX Rates	Current*	Week ago	Month ago	6 mths ago	Year ago	ST Bias	Support^	Resistance^
NZD/USD	0.7503	0.7429	0.7327	0.7267	0.7100	FLAT/UP	0.7400	0.7620
NZD/AUD	0.9396	0.9373	0.9517	0.9618	0.9425	FLAT	0.9300	0.9500
NZD/JPY	83.04	82.46	81.98	83.15	73.34	FLAT	81.90	84.40
NZD/EUR	0.6384	0.6365	0.6404	0.6771	0.6406	FLAT/DOWN	0.6300	0.6490
NZD/GBP	0.5713	0.5706	0.5625	0.5777	0.5385	FLAT	0.5640	0.5810
TWI	79.2	78.5	78.3	79.5	75.8	FLAT/UP	77.00	80.00

^Weekly support and resistance levels * Current is as at 9.30 am Monday; week ago as at Monday 5pm.

Economic data/events were the key drivers of currency market volatility last week. On Wednesday, the softer than expected Australian CPI data saw the NZD/AUD rally nearly half a cent, before the AUD recovered most of its losses shortly afterwards. The AUD has had a volatile few weeks following the release of the RBA's Meeting Minutes, which caused the AUD to lift. This week, attention will be on the RBA's rate announcement on Tuesday afternoon. However, given the market reaction to the minutes, the RBA will likely be cautious in how optimistic it appears on the economic outlook.

The other key event last week was the **Federal Reserve's rate announcement on Thursday morning**. Small tweaks to comments around the inflation outlook and asset purchases saw the USD sold off and resulted in the NZD/USD spiking to around 0.7520 shortly after the release – the highest level in over a year. This week, Tuesday's US inflation data and Friday's Non-farm Payrolls release will be central in setting the tone for the USD. **However, Wednesday's NZ labour market statistics could also cause some volatility in key crosses on the day.**

Short-term outlook:



Key data

	Date	Time (NZT)	Market
RBA Rate Announcement, %	1/08	4.30 pm	1.5
NZ Unemployment rate, Q2 %	2/08	10.45 am	4.8
NZ LCI Wage Inflation, Q2 %qoq	2/08	10.45 am	0.5
BoE Rate Announcement, %	3/08	11.00 pm	0.25
US Non-farm Payrolls, 000s	5/08	12.30 am	180

Key events: NZD: Jul business outlook (today); Global Dairy Trade auction (Tue), Q2 Employment Report (Wed). **USD:** Jun core PCE deflator & Jul ISM manufacturing (Tuesday); Jul ISM non-manufacturing (Wed); Jul Non-farm Payrolls (Fri). **AUD:** Jun private sector credit (today); CBA Manufacturing PMI (Tue); RBA Board Meeting (Tue). CBA Services PMI & International June trade balance (Thu); Retail Sales June and RBA Statement on Monetary Policy (Fri). **JPY:** Jul PMIs (today). **EUR:** Jul CPI & Unemployment rate (Mon); Q2 GDP (Tue); ECB Economic Bulletin & Retail Sales (Thu).

Speakers: Fed: Kashkari (Monday); Mester and Williams (Wednesday).

Medium-term outlook:

Last Quarterly Economic Forecasts

Our FX forecasts were fine-tuned in mid-July following a period of low volatility in currency markets. Despite the fine-tuning, we have left our USD forecasts unchanged. Uncertainties around the timing of US fiscal stimulus remain, especially given the ongoing difficulties in getting other reforms through Congress, and will continue to weigh on the USD. **As a result, we continue to expect the NZD/USD to average 0.7200 over the second half of 2017. Over 2018, we expect the NZD to outperform the USD.** NZ's persistently high Terms of Trade (ToT) will continue to provide the NZD with significant support. The high ToT will lift real GDP and will keep the RBNZ on track to raise interest rates by the end of 2018. **We expect the USD to stabilise once the fiscal policies are signed into effect, however, this may now not occur until 2019.**

On top of the persistently high ToT, the NZD remains supported by relatively high interest rates, increased offshore investor demand and a structural improvement in the current account deficit. As a result, we expect the NZD/AUD to remain firm. Further, the **risk that the RBNZ raises interest rates before the Reserve Bank of Australia will further support the NZD/AUD.** Over 2017, we expect the NZD/AUD to average 0.9500 then lifting above 0.9600 towards the end of 2018.

We have revised our GBP forecast higher again, following our upward revision in May. High UK CPI is likely to see the BoE raise interest rates in November. Further, the fact that the European Court of Justice will now have a role in UK law making post-Brexit means the UK economy is likely to hold up better than expected over the forecast horizon. We expect the NZD/GBP to largely remain with a range of 0.54-0.57 until the end of 2019.

In the near term we expect to see NZD/JPY hold above 80. The recent narrowing of the Japanese current account surplus has removed some of the JPY strength. Further out, the prospect for more BOJ easing and RBNZ tightening should further strengthen the NZD against the JPY, holding the NZD/JPY above 84 over 2018.

Interest Rate Market

Wholesale interest rates	Current	Week ago	Month ago	6 mths ago	Year ago	ST Bias
Cash rate	1.75	1.75	1.75	1.75	2.25	FLAT
90-day bank bill	1.93	1.93	1.98	1.98	2.28	FLAT
2-year swap	2.26	2.26	2.37	2.48	2.08	FLAT
5-year swap	2.80	2.80	2.91	3.09	2.18	FLAT
5-year benchmark gov't stock	2.58	2.56	2.66	2.70	1.87	FLAT
NZSX 50	7640	7682	7625	7086	7356	FLAT

^Weekly support and resistance levels * Current is as at 9.30am Monday; week ago as at Monday 5pm.

NZ interest rates finished the week broadly unchanged, although did briefly lift then fall during the middle of the week following volatility in US interest rates.

US interest rates fell on Thursday morning following the Federal Open Market Committee (FOMC) rate announcement. The FOMC left interest rates unchanged as widely expected. Financial markets focused on the Federal Reserve's (Fed) updated inflation assessment, noting inflation was "running below 2%" instead of "running somewhat below 2%," as it had in its June statement. The Fed also changed its language around the timing of asset purchase tapering, from "this year" to "relatively soon". **We have updated our Fed view, and now expect the next Fed hike to take place in December (previously September).** We continue to expect the FOMC to announce balance sheet reduction at its 20 September meeting and begin implementation in December, if not sooner.

Short-term outlook:	Key data	Date	Time (NZT)	Market
<p>NZ INTEREST RATES (past 3 months)</p> <p>Source: ASB</p>	RBA rate announcement, %	1/08	4.30 pm	1.5
	NZ Unemployment rate, Q2 %	2/08	10.45 am	4.8
	NZ LCI Wage Inflation, Q2 %qoq	2/08	10.45 am	0.5
	BoE Rate Announcement, %	3/08	11.00 pm	0.25
	US Non-farm Payrolls, Jul 000s	05/08	12.30 am	180
	Comment: Looking ahead, NZ events are back in the spot light with Q2 employment data released on Wednesday ahead of the Reserve Bank of New Zealand's (RBNZ) August Monetary Policy Statement next week. To date, events have pointed to the OCR remaining on hold for longer, including the RBNZ noting last week it will incorporate a lower neutral OCR in this quarter's economic projections.			
	US payrolls (employment) is the key other key release for financial markets , although more focus is likely to be on wage inflation measures than robust employment gains.			

Medium-term outlook:

Last Quarterly Economic Forecasts

The RBNZ continued to hold the OCR at its record-low of 1.75% at its June OCR Review. In May, the RBNZ surprised markets by retaining its neutral policy stance, despite the stronger than expected Q1 CPI result and Q2 RBNZ inflation expectations data.

At the June OCR review, the RBNZ acknowledged the major developments since the May Monetary Policy Statement. **GDP growth proved weaker than expected, the TWI has appreciated and energy prices have declined.** However, providing some offset, the **higher Terms of Trade and Budget 2017** are all positive for medium-term growth prospects. While the **RBNZ's assessment of events was broadly in line with our expectations, some market participants were surprised that the RBNZ did not use firmer language on the NZD.** The RBNZ 'merely' noted the higher NZD was partly due to export prices.

At the May MPS, a key point of difference between our view and the **RBNZ's was our medium-term milk price assumption.** We see scope for the RBNZ to revise this up in light of **Fonterra's confident opening season milk price forecast.** However, we will have to wait for the August MPS to confirm if this is the case.

The **RBNZ's view of the inflation outlook remained unchanged from the May MPS and OCR Review.** The RBNZ reiterated that the Q1 strength was largely due to temporary rises in petrol and food prices and that inflation was likely to be volatile over the next few quarters. **Indeed, Q2 inflation moderated more than the RBNZ expected,** with annual inflation falling back to 1.7% compared to the RBNZ's May expectation of 2.1%. Looking forward, we expect tightening domestic capacity pressures and improving global growth to lift inflation back towards the 2% mid-point of the target band by late 2019.

We continue to expect the RBNZ to leave the OCR on hold at 1.75% until late 2018.

Key international data for the week ahead

Data	Date	Time (NZT)	Previous	Market expects	ASB expects
Reserve Bank of Australia Pvt Sector Credit, June, %mom	31/07	11:30 pm	0.4	0.4	0.4
Eurozone CPI, July, %yoy	31/07	9:00 pm	1.3	1.3	1.3
Comm Bank of Australia Manufacturing PMI, July, Index	01/08	11:00 am	56.2	-	-
Reserve Bank of Australia interest rate announcement, %	01/08	4:30 pm	1.5	1.5	1.5
Australia CoreLogic House Prices, July, %mom	01/08	12:00 pm	1.8	-	1.7
Eurozone GDP, Q2, %qoq	01/08	9:00 pm	0.6	0.6	0.7
US PCE Deflator, June, %yoy	02/08	12:30 am	1.4	1.3	1.3
Australia Trade Balance, June, \$bn	03/08	1:30 pm	2.5	1.8	2.0
Bank of England Interest Rate Announcement, %	03/08	11:00 pm	0.25	0.25	0.25
US Non-farm Payrolls, July, 000s	05/08	12:30 am	222	180	170
Reserve Bank of Australia Monetary Policy Statement	04/08	1:30 pm	-	-	-

Australian credit growth remains relatively moderate. Business credit growth is weak, which lines up with soft non-mining business investment. Housing credit growth remains firm as owner-occupier credit growth picks up and investor credit growth cools.

The **Commonwealth Bank of Australia's PMI survey** covers the manufacturing sector – a bellwether for economic activity. This index is still in expansionary territory. Also, relatively high readings on the forward-looking components are encouraging.

The **Reserve Bank of Australia** is widely expected to leave rates unchanged at Tuesday's **meeting**. Wage growth and inflation are still soft, which means there is no hurry to raise rates.

Data show that **dwelling prices in Sydney and Melbourne** have had another strong month, rising around 1.4% and 3.1% respectively. Unfortunately for the weak Perth housing market, house prices have turned lower in July (after a strong June), down around 0.8%.

The **Australian trade balance** is now firmly in the black due to the strong lift in commodity prices over the second half of 2016 and so far in 2017. We expect the trade balance to decline by about \$0.5 billion in June.

The **RBA Statement of Monetary Policy** will likely echo the recent June Minutes and sound more upbeat on the domestic economy. However, we don't expect to see major changes to the central bank's growth or inflation projections.

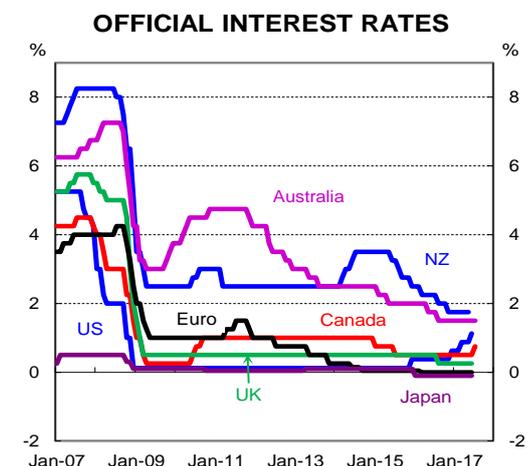
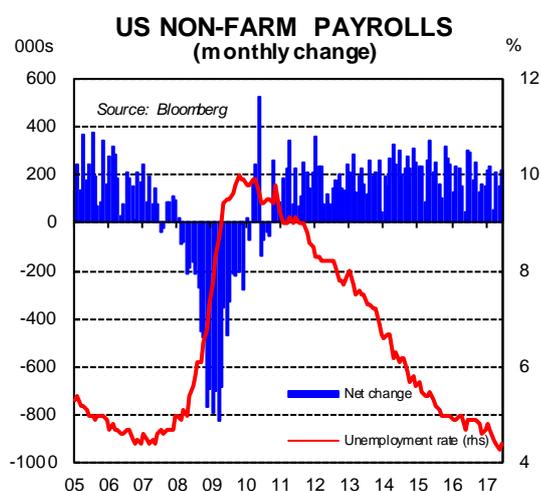
We expect **Eurozone inflation** to pick-up slightly in July, reflecting the gradual reduction in unemployment and stronger domestic spending.

The surge in the **Eurozone PMIs** and retail spending suggests that domestic spending is picking up, supporting strong **Q2 GDP growth**.

The already-released **US CPI** data suggest the **Personal Consumption Expenditure deflator** will remain soft and well below the Federal Reserve's 2%pa target.

We expect **no change in policy at the Bank of England meeting**, when it releases its Inflation Report. The weak Pound will provide an upside risk to UK inflation despite signs of softer UK economic growth.

Initial **US** jobless claims suggest **Non-farm Payrolls** expanded strongly in July, guiding the unemployment rate down to a cyclical low of 4.3%. However, the low level of inflation expectations appears to be a headwind to a strong pick-up in wage growth.



NZ Data Preview: a look at the week ahead

Data	Date	Time (NZT)	Previous	Market expects	ASB expects
ANZ Business Outlook, headline confidence, July	31/07	1.00 pm	24.8	-	-
GlobalDairyTrade auction, whole milk powder, % change	01/08	overnight	0.3	-	+4 to +6
HLFS Unemployment Rate	02/08	10:45 am	+4.9	+4.8	+4.8
HLFS Employment growth, qoq	02/08	10:45 am	+1.2	+0.7	+0.7
LCI Wage Growth, qoq	02/08	10:45 am	+0.35	+0.4	+0.4
Household Lending, sa, % change	05/08	10:45 am	0.4	-	-

Business confidence jumped higher in June, back towards levels seen in H2 2016. Own-activity expectations remain particularly robust, especially in the agricultural sector. Current **dairy prices**, combined with Fonterra's bullish opening season forecast, are likely **underpinning confidence**. We expect economic growth will accelerate over the coming year, and look to business confidence (in particular, own-activity measures) to remain robust. However, confidence could dip ahead of the General Election slated to be held in September this year.

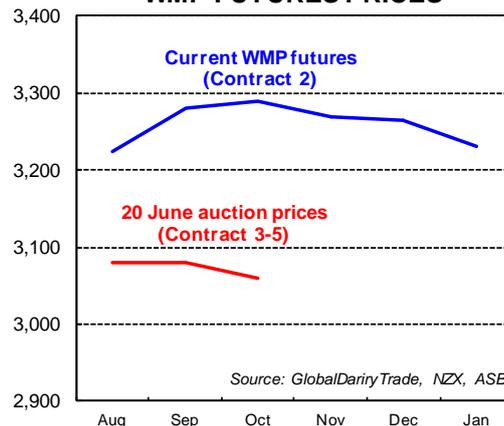
We expect prices to lift at the **GlobalDairyTrade auction** overnight Tuesday. A fortnight ago whole milk powder (WMP) prices were largely flat (up 0.3%). **At the current juncture, futures pricing suggests WMP will rise by between 4% and 6%**. This potential lift looks to be demand-led as auction volumes are unchanged and NZ production is at its seasonal low. Beyond the auction and looking over the rest of the year, we expect prices to fluctuate around current levels, with global supply and demand largely in balance.

We expect the Household Labour Force Survey (HLFS) to show that the jobless rate dipped to 4.8% in Q2 on the back of a solid 0.7% qoq lift in employment. We also expect the labour force participation rate to hit a new record high of 70.7%, and for net migration to continue boosting the pool of potential workers.

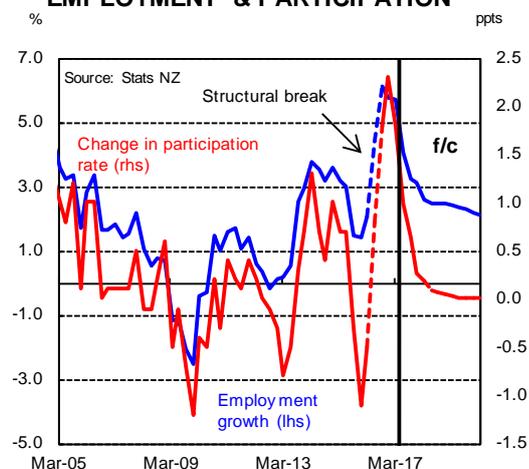
However, with strong growth in the supply of workers, **wage pressures have so far been lagging behind an otherwise robust labour market**. We expect this to have continued in Q2 and for **the Labour Cost Index (LCI) and Quarterly Employment Survey (QES) to show subdued wage growth over the quarter**. However, we expect wage pressures to pick up shortly as NZ's robust growth outlook continues to boost the labour market.

Household credit growth has fallen recently, driven by falls in mortgage lending. We expect housing credit growth to continue to slow going forward, in line with slowing activity in the housing market. However, consumer credit growth may remain robust as credit appetites are supported by low interest rates and reasonable consumer confidence. **Agricultural credit growth** has slowed sharply following the recovery in dairy prices. Given farmers' near-term focus is likely to remain on debt repayment, we expect growth to remain subdued.

USD/MT GLOBALDAIRYTRADE AND WMP FUTURES PRICES



EMPLOYMENT & PARTICIPATION

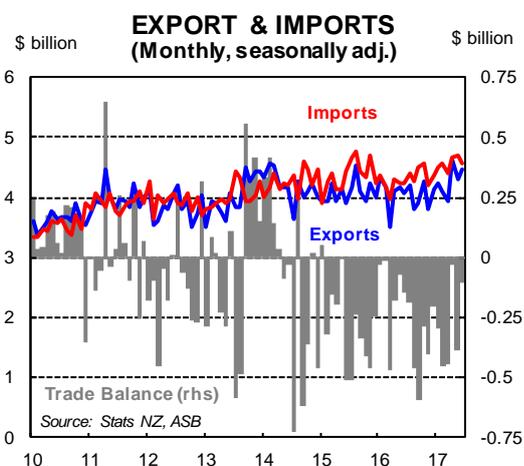


Data Recap: weekly recap

Data	Date	Actual	Market forecast	ASB Forecast
Trade balance, June, \$m	26/07	+242	+100	+400
Building Consents, Residential, June, %mom	31/07	-1.0	-	-

NZ recorded its fourth consecutive monthly trade surplus over June. The \$242m surplus was marginally lower than our expectations, but higher than the market forecast of \$100m. **Export values lifted to \$4.6bn over June, in line with expectations.** In seasonally-adjusted terms, values lifted 3.3%, largely on the back of an 11.6% lift in dairy export values. We expect dairy strength to continue over 2017 as the price outlook remains healthy and as dairy production lifts over the new season. Meanwhile, **import values dipped 3.0%** in seasonal terms over the month largely on the back of lower petroleum import volumes for the month. Beyond the monthly volatility, import values remain strong, as the healthy NZ economy pulls in additional resources. In particular, population growth is fuelling demand for cars, with passenger motor car imports up 30.6% over the past year. All up, **we expect the annual trade balance to narrow over the rest of 2017.**

Residential dwelling consents fell 1% in June, following the previous month's robust 7% rise. **Consents can be volatile month to month,** and this was particularly evident in consents for town houses, which lifted strongly in May and fell back in June. **Looking beyond the volatility, we are seeing encouraging signs that residential building demand is lifting in Auckland and Wellington.** Non-residential building consents fell in June, following an exceptionally strong lift in May due to consent issuance for the NZ International Convention Centre in Auckland. Consent issuance was also boosted in March due to consent issuance for the Park Hyatt Hotel in Auckland. Construction activity has **mixed implications for the RBNZ.** Very high levels of construction demand will continue to fuel construction inflation. But growth in the housing supply reduces the risk of housing inflation reaccelerating in Auckland.



Global Data Calendars

Calendar - Australasia, Japan and China

Date	Time (NZT)	Eco	Event	Period	Unit	Last	Forecast	
							Market	ASB
Mon 31 Jul	11:50	JN	Industrial production	Jun P	m%ch	-3.6	~	~
	13:00	AU	Melbourne institute inflation expectations	Jul	m%ch	0.1	~	~
	13:00	NZ	ANZ business confidence	Jul	~	24.8	~	~
	13:00	CH	Manufacturing PMI	Jul	Index	51.7	51.5	~
	13:30	AU	Private sector credit	Jun	m%ch	0.4	~	0.4
Tue 1 Aug	11:00	AU	Comm Bank Australia PMI manufacturing	Jul	Index	56.2	~	~
	11:30	AU	Ai Group PMI	Jul	Index	55.0	~	~
	11:30	AU	ANZ Roy Morgan Consumer Confidence Index	Jul	Index	115.1	~	~
	12:00	AU	CoreLogic house prices	Jul	m%ch	1.8	~	1.7
	16:30	AU	RBA cash rate target	Aug	%	1.5	1.5	1.5
	18:30	AU	Commodity index AUD	Jul	Index	119.5	~	~
Wed 2 Aug		NZ	GlobalDairyTrade auction, whole milk		%ch	0.3	~	4-6
	10:45	NZ	Unemployment rate	Q2	%	4.9	4.8	4.8
	10:45	NZ	Employment change	Q2	q%ch	1.2	0.7	0.7
	13:30	AU	Building approvals	Jun	m%ch	-5.6	~	-4.0
	17:00	JN	Consumer confidence index	Jul	Index	43.3	~	~
Thu 3 Aug	10:00	NZ	ANZ job advertisements	Jul	m%ch	1.3	~	~
	11:00	AU	Comm Bank Australia PMI composite	Jul	Index	57.2	~	~
	11:30	AU	Ai Group PSI	Jul	Index	54.8	~	~
	13:00	NZ	ANZ commodity price	Jul	%	2.1	~	~
Fri 4 Aug	13:30	AU	Trade balance	Jun	\$mn	2,471	~	2,000
	13:30	AU	Retail sales	Jun	m%ch	0.6	~	0.5
	13:30	AU	Retail sales ex inflation	Aug	q%ch	0.1	~	1.5
	13:30	AU	RBA Statement on Monetary Policy					

Calendar - North America & Europe

Date	Time (UKT)	Eco	Event	Period	Unit	Last	Forecast		
							Market	ASB	
Mon 31 Jul	10:00	EC	Unemployment rate	Jun	%	9.3	~	~	
	10:00	EC	CPI estimate	Jul	y%ch	1.3	~	1.3	
	14:45	US	Chicago Purchasing Manager	Jul	Index	65.7	59.0	~	
	15:00	US	Pending home sales	Jun	m%ch	-0.8	1.0	~	
	15:30	US	Dallas Fed manufacturing activity	Jul	~	15.0	14.0	~	
Tue 1 Aug	09:00	EC	Markit Eurozone manufacturing PMI	Jul F	Index	56.8	~	~	
	09:30	UK	Markit UK PMI manufacturing SA	Jul	Index	54.3	~	~	
	10:00	EC	GDP	Q2 A	q%ch	0.6	~	0.7	
	13:30	US	Personal income	Jun	%	0.4	0.4	~	
	13:30	US	PCE deflator	Jun	m%ch	-0.1	0.0	~	
	14:45	US	Markit US manufacturing PMI	Jul F	Index	53.2	~	~	
	15:00	US	ISM manufacturing	Jul	Index	57.8	55.8	57.0	
	15:00	US	Construction spending	Jun	m%ch	0.0	0.5	~	
	Wed 2 Aug	09:30	UK	Markit/CIPS UK construction PMI	Jul	Index	54.8	~	~
		10:00	EC	PPI	Jun	m%ch	-0.4	~	~
13:15		US	ADP employment change	Jul	000	158.0	185.0	~	
17:00		US	Fed's Mester speaks to Community Banking Conference						
20:30		US	Fed's Williams speaks in Las Vegas on Monetary Policy						
Thu 3 Aug	09:00	EC	ECB Publishes Economic Bulletin						
	09:00	EC	Markit Eurozone services PMI	Jul F	Index	55.4	~	~	
	09:00	EC	Markit Eurozone composite PMI	Jul F	Index	55.8	~	~	
	09:30	UK	Markit/CIPS UK services PMI	Jul	Index	53.4	~	~	
	09:30	UK	Markit/CIPS UK composite PMI	Jul	Index	53.8	~	~	
	09:30	UK	Official reserves changes	Jul	£mn	491.0	~	~	
	10:00	EC	Retail sales	Jun	m%ch	0.4	~	~	
	12:00	UK	Bank of England Bank rate	Aug	%	0.25	0.25	0.25	
	14:45	US	Markit US services PMI	Jul F	Index	54.2	~	~	
	14:45	US	Markit US composite PMI	Jul F	Index	54.2	~	~	
	15:00	US	ISM non-manufacturing composite	Jul	Index	57.4	56.8	~	
	15:00	US	Factory orders	Jun	%	-0.8	1.1	~	
	Fri 4 Aug	13:30	US	Change in nonfarm payrolls	Jul	000	222.0	178.0	170
13:30		US	Unemployment rate	Jul	%	4.4	4.3	4.3	
13:30		US	Trade balance	Jun	\$bn	-46.5	-45.8	~	

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