

Economic Weekly

09 April 2018

Tariff concerns remain front and centre

Trade tensions between the US and China continue to dominate market sentiment, with data taking a back seat at the moment. On Page 2, we take a closer look at the impact of these trade tensions on equity markets of late. It's another reasonably light week in terms of NZ data, with NZIER's Quarterly Survey of Business Opinion the key release. Offshore, the data calendar is also fairly light and suggests the markets will continue to take most of its direction from geo-political developments rather than economic data.

Key events and views

[Key Insights](#)

What's worrying sharemarkets the most?

[Foreign exchange](#)

NZD resilient and FX volatility low. Trade tensions the focus.

[Interest rates](#)

Curve steepened last week, but flattening bias remains given trade risks.

[Domestic events](#)

NZIER Q1 2018 QSBO, March electronic card transaction spending.

[International events](#)

March US CPI, Fed Minutes, RBA Financial Stability Review.

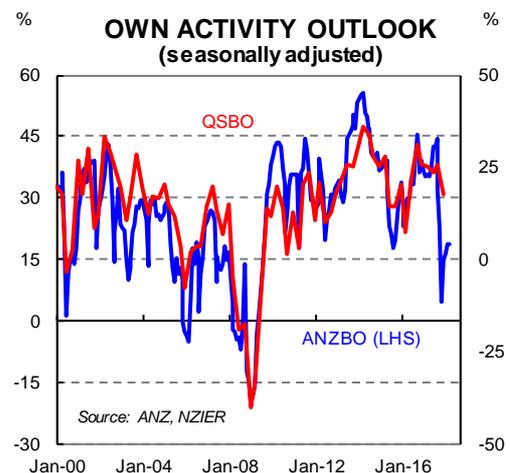
[Calendars](#)

NZ and International calendar of upcoming economic events.

Chart of the Week: NZIER's QSBO survey in the spotlight this week

Economists put a lot of weight on business confidence as an indicator for GDP growth. In NZ, the main surveys we monitor are the monthly ANZ Business Outlook survey and NZIER's Quarterly Survey of Business Opinion (QSBO). Of late, however, there has been a divergence between the two, with the ANZ survey falling sharply in the aftermath of the election. So far the QSBO has held up better. This has been reassuring as the QSBO is the better GDP indicator at the moment. But the risk remains that the QSBO survey could fall further (suggesting downside risks to our GDP forecasts), in line with the ANZ survey. As a result, it will be very interesting to see what the Q1 QSBO survey brings this week.

But that's not all we will be watching out for in the QSBO release. While the above relates to the activity side of the economy, we will also be watching capacity indicators. In particular, wage intentions, pricing intentions and capacity constraints will help to give us an indication of whether or not domestic inflation pressures are firming. Domestic inflation pressures are one of the key drivers behind our inflation forecasts lifting back towards 2% over the next few years.



Key Insights this week: Wall of worry weighs on markets over Q1.

Sharemarkets weakened for a second consecutive month in March, eclipsing the gains recorded in January. As a result, the major share indices we monitor all ended Q1 2018 in negative territory. This is the first negative quarter for global shares in two years. The NZ sharemarket has held up better than many others, but still declined over the month. Global investors grappled with a number of concerns including the risk of a tariff war between China and the US, [signs of stress in US and Australian short-term funding markets](#), as well as another rate hike from the US Fed. The Russian diplomatic expulsions in response to a nerve agent attack in the UK added further uncertainty to the mix.

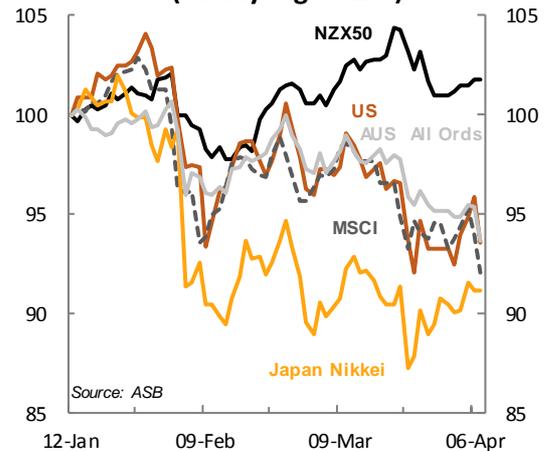
Of all the above mentioned worries, the trade skirmish between the US and China has been the key driver of market uncertainty. US President Trump announced tariffs on steel and aluminium on 2 March, and introduced further measures against China specifically later in the month and early April. In response to the initial tariffs, China imposed tariffs on US imports worth US\$3bn. The tit-for-tat process continues, and sharemarkets continue to wax and wane on the ongoing developments, including Friday's 2% drop for US sharemarkets.

But it wasn't just trade threats troubling markets over the past month. March was a particularly bad month for Facebook. Its shares fell 6.8% in a single day after it revealed that a political consultancy firm had obtained unauthorised access to 50 million accounts. That number of affected users has lifted to 87 million now. Facebook shares dipped over 20% from the highs recorded in February. The tech-heavy NASDAQ share index declined 2.9% for the month, slightly more than the S&P 500 index of US shares (-2.7%).

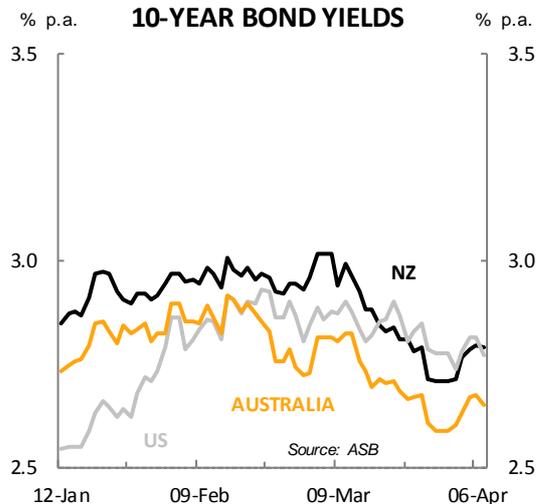
Increased US protectionism and the associated risk of a trade war threaten the positive global growth outlook that has been supporting commodity prices. The tariff threats weighed on commodity prices over March. Oil was an exception to the downtrend, with prices betwixt the opposing forces of OPEC supply cuts, expected US production gains, and emerging global growth concerns. Closer to home, dairy prices were largely flat (at healthy levels) during March, and Fonterra revised up its milk price forecast during the month. And continuing with the milk theme, The a2 Milk company did dip during March, hit by news that it faces competition from Nestle in China. Nonetheless the share price remains up a staggering 320% on year-ago levels, even though it's down just over 10% from the 2018 highs.

A concerning recent development has been some signs of stress in US short-term funding markets. The USD Libor-OIS spread has widened significantly over February and March. In saying that, the lift in spreads has been mild compared to the Global Financial Crisis, where concerns over the credit worthiness of financial institutions triggered a sharp increase in spreads ([read more here](#)).

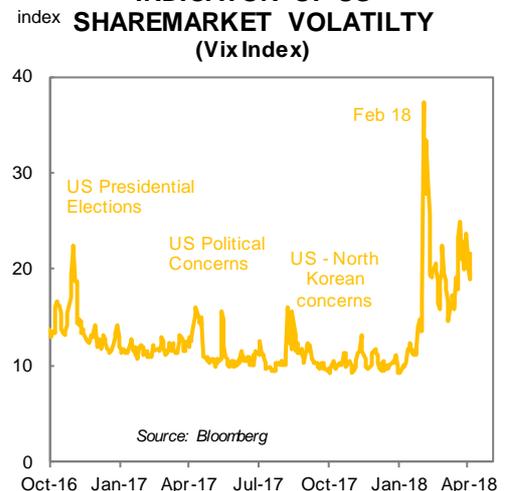
SHARE INDICES
(84 days ago = 100)



10-YEAR BOND YIELDS



INDICATOR OF US SHAREMARKET VOLATILITY (Vix Index)



The US Federal Reserve lifted the Federal Funds rate by 25 basis points, as expected in March, and looks set to deliver several more interest rate increases over this year and next. Those Fed Funds rate increases have been putting upward pressure on US bond yields. But in March, sharemarket jitters as well as the fallout from the US-China trade issues saw long-term global government bond yields decline in the US and elsewhere.

This “flight to safety” saw the US 10-year Government bond yield fall 16 basis points or 0.16% over March, to yield 2.74% at month end, and 2.77% at the time of writing. Having swiftly lifted towards 3% over late 2017 and early 2018, the US 10-year yield has failed to break above the 3% mark for the third time since 2011. In Europe, yields remain far lower than in the US. The German 10-year bund yield dipped from a high of 0.77% in February, back down to 0.50% by March end.

For now, global bond yields are moving in the opposite direction (down) to our long-term forecasts of modestly increasing global interest rates. While global growth concerns and sharemarket jitters persist, long-term yields are expected to remain contained.

Turning to the NZ bond market, for the first time since 1994, NZ Government bonds have been trading with lower yields than their US counterparts. NZ bonds typically trade with yields that are higher than their US equivalents, but that yield advantage has disappeared for now, with the NZ 10-year yield dipping below the US yield in March. We continue to expect long-term local bond yields to rise modestly over the year ahead, which will eventually boost the income for investors receiving income from fixed interest investments. Despite this, we expect the return on NZ fixed income investments over the year ahead will remain lower than long-term averages.

You can subscribe to ASB’s Markets Monthly report [here](#).

Sector benchmarks as at 31 March 2018.

Market Index	3 mth	1 Yr	5 Yr
S&P/NZX Bank Bills 90-Day Index	0.46	1.98	2.76
ANZ New Zealand Government Stock Index	0.49	4.56	3.89
ANZ New Zealand Corporate A-Grade Bond Index	0.74	4.72	4.99
FTSE World Government Bond Index (NZD Hedged)	0.73	3.54	5.33
FTSE World Broad Investment Grade Bond Index ex WGBI (NZD Hedged)	-0.91	2.79	4.93
S&P / NZX 50 Gross Index with Imputation	-0.58	16.93	14.89
S&P / ASX 200 Accumulation Index 100% NZD Hedged TR	-3.71	3.17	8.10
MSCI World ex Australia Net 100% hedged NZD	-2.06	11.40	n/a
MSCI Emerging Markets Index	-0.02	21.06	8.18

Foreign Exchange Market

FX Rates	Current*	Week ago	Month ago	Year ago	ST Bias	Support^	Resistance^	MT Bias
NZD/USD	0.7276	0.7198	0.7265	0.6973	FLAT/DOWN	0.7100	0.7350	UP
NZD/AUD	0.9471	0.9398	0.9333	0.9255	FLAT	0.9380	0.9550	DOWN
NZD/JPY	77.82	76.72	77.5	77.07	FLAT/DOWN	76.0	79.0	UP
NZD/EUR	0.5926	0.5839	0.5902	0.6548	FLAT	0.5850	0.6000	FLAT
NZD/GBP	0.5167	0.511	0.5262	0.5591	FLAT	0.5100	0.5250	UP
TWI	75.1	74.0	74.7	76.0	FLAT/DOWN	74.0	75.50	FLAT

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

NZD Recap

Trade and tariff announcements from both China and US dominated news and markets last week. Last Friday President Trump has ordered the Office of the United States Trade Representative (USTR) to consider tariffs on an additional USD 100bn of Chinese imports to the USD 50bn in tariffs already announced. The monthly US trade deficit hit a nine-year high in February, likely providing motivation for the new measures. China has not reciprocated beyond the USD 50bn in tariffs already announced but had threatened to respond proportionately and “counterattack with great strength” if US tariffs go through. Data for March showed that Chinese foreign exchange reserves rose to USD 3.143 trillion, with the large pool of FX reserves supportive of CNH. The USD index eased modestly following the weaker than expected US Non-farm Payrolls report (+103k versus 185k exp), with the unemployment rate failing to push below its 4.1% 17-year low, with potential upside risks to average hourly earnings (+2.7% yoy) failing to materialise.

Despite continued gyrations in equity markets and concerns over trade tensions, volatility in the FX market has remained at historically-low levels for most NZD crosses. In spite of narrow NZD interest rate differentials relative to offshore rates (USD swap rates are higher than NZD counterparts out to the five year tenor), **the NZD has remained elevated on a TWI basis and in relation to most NZD bilaterals.** The NZD traded in a tight 0.7195 to 0.7322 USD range last week. The NZD/AUD spent most of the past week in an elevated 0.938 to 0.950 range, with recent NZD strength consistent with relative commodity price movements.

Near-term outlook

By and large the direction of the NZD will depend on whether trade tensions look to escalate further (NZD negative) or whether signs of agreement can be made (NZD supportive). This week’s US CPI and the Fed Minutes could also have a bearing in USD direction, with the latter providing insights on whether the Fed’s view over the US interest rate path has likely changed. With few Eurozone data releases, the NZD/EUR will likely consolidate, while the JPY is likely to outperform during periods of heightened risk aversion. Australia’s March business confidence (Tue) and the April consumer confidence Indexes (Wed) are expected to signal improved growth momentum, helping to consolidate the AUD. Tomorrow’s QSBO survey could result in some fleeting NZD volatility if it signals significant change in economic activity or the degree of inflationary pressure for the NZ economy.

Medium-term outlook

Our medium-term bias remains for a weaker USD, reflecting the stronger environment for global growth and narrowing USD interest rate differentials as other central banks contemplate policy tightening ahead of the Fed. **The NZD TWI is expected to remain broadly supported** by NZ’s solid economic outlook, strong NZ commodity export prices, historically-high Terms of Trade and strong demand as global central banks/other real money managers continue to increase NZD exposures.

ASB foreign exchange forecasts

	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Mar-20	Mar-21
(end of quarter)		<< actual	forecast >>					
NZD/USD	0.71	0.72	0.73	0.74	0.75	0.76	0.79	0.75
NZD/AUD	0.91	0.94	0.90	0.90	0.90	0.90	0.90	0.89
NZD/JPY	80	77	78	78	79	79	79	81
NZD/EUR	0.59	0.59	0.59	0.59	0.59	0.60	0.60	0.59
NZD/GBP	0.53	0.51	0.53	0.53	0.53	0.53	0.54	0.54
NZD TWI	74.3	74.3	74.7	75.0	75.1	75.7	76.6	74.0

Interest Rate Market

<u>Wholesale interest rates</u>	Current	Week ago	Month ago	Year ago	ST Bias	MT Bias
Cash rate	1.75	1.75	1.75	1.75	FLAT	UP
90-day bank bill	1.98	1.96	1.90	2.00	FLAT/UP	UP
2-year swap	2.24	2.22	2.21	2.25	FLAT/UP	UP
5-year swap	2.69	2.62	2.73	2.80	FLAT/UP	UP
10-year swap	3.13	3.07	3.23	3.30	FLAT/UP	UP
10-year govt bond yield	2.79	2.71	2.94	3.06	FLAT/UP	UP
Curve Slope (2s10s swaps)	0.89	0.85	1.02	1.05	FLAT/UP	FLAT

* Current as at 9.30am Monday; week ago as at Monday 5pm

Market Recap

The **NZ yield curve steepened over the past week**, providing some reprieve from its recent flattening trend, as **NZ longer-term interest rates lifted following offshore cues**.

Over much of the week **global financial market confidence improved, managing to shake off concerns about growing trade tensions between the US and China**. Emerging detail suggests the overall impacts of announced tariffs would have a limited impact on overall trade and economic output. In addition, Trump's economic advisor, Larry Kudlow, confirmed that the White House was involved in negotiations in China, which also helped allay market fears.

However, **heading into the weekend, trade frictions resurfaced** as Trump ordered tariffs on an additional USD 100bn of Chinese imports to be considered (USD 150bn in total). This threat, combined with weaker-than-expected US employment growth over March, rattled market confidence seeing US interest rates decline.

NZ short-term rates continued to edge marginally higher, reflecting ongoing widening in NZD bank Bill-OIS spreads (for more information, see our note from last week). **A liquidity injection from the RBA helped see Australian 90-day bank bill yields fall for the first time in over a month** (although still up on the week). The moves flowed through to the Australian 90-day bank bill futures, and also helped limit further gains in NZ 90-day bank bill futures.

Near-term NZD interest rate outlook

This week, the tone will continue to be set by the intensity of trade frictions. It appears that offshore sentiment may open the week on slightly better footing than which it ended. **This week Chinese President Xi is speaking on Tuesday, delivering the keynote speech at the Boao Forum for Asia** which will be closely watched by markets. Meanwhile, the **FOMC meeting minutes on Thursday morning (NZT)** are likely to be closely scrutinised for any comments on the recent widening in US Libor-OIS spreads. While we may be set for another volatile week driven by headlines, if global sentiment recovers from the weekend's drop, we could see ongoing recovery in yields.

Medium-term outlook

Our core macro view is that the RBNZ will start lifting the OCR in Q3 of 2019. We expect a moderate pace of tightening by historical standards, and a low OCR endpoint of around 3.5% this cycle. We now expect a total of five Fed hikes until the end of 2019 (two more in 2018, two in 2019). This should see local wholesale interest rate yields continue to outperform US comparators. **Our expectation of a flatter NZD curve crucially depends on the assumption that local yields remain reasonably well anchored to global counterparts and that the lift in global yields is modest**.

ASB interest rate forecasts

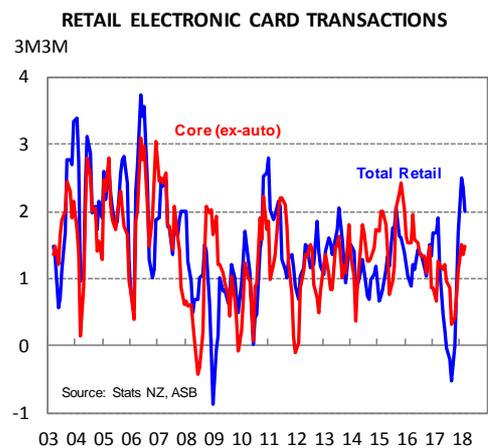
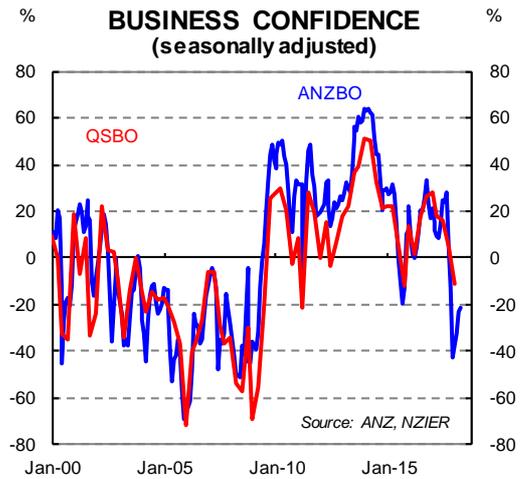
(end of quarter)	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Mar-20	Mar-21
		<< actual	forecast >>					
NZ OCR	1.75	1.75	1.75	1.75	1.75	1.75	2.25	2.75
NZ 90-day bank bill	1.88	2.0	1.9	1.9	2.0	2.0	2.5	3.0
NZ 2-year swap rate	2.21	2.2	2.2	2.3	2.4	2.5	3.0	3.5
NZ 10-year Bond	2.75	2.7	3.2	3.3	3.3	3.4	3.5	3.5

Major Domestic Events for the week ahead

Data	Date	Time (NZT)	Previous	Market	ASB
NZIER QSBO, Business Confidence (Q1) s.a.	10/4	10.00 am	-11.1	-	-
Electronic Card Transactions, Mar, %mom	12/4	10.45 am	-0.3%	-	+0.5%

There are two main business confidence surveys in New Zealand – the **NZIER Quarterly Survey of Business Opinion (QSBO)** and the ANZ monthly Business Outlook survey. Following the election and change of government, business confidence fell in NZ. However, the NZIER QSBO survey did not fall as sharply as the ANZ survey. In February and March, the ANZ survey bounced back somewhat, but still remains more pessimistic relative to the NZIER survey. As such, it will be interesting to see if the QSBO also recovers somewhat over Q1, or deteriorates further to match the ANZ survey. The QSBO survey questions about firms’ expectations for their own activity tends to have a stronger relationship with GDP (compared to the equivalent question in the ANZ survey) and as such we put more weight on the QSBO outcome. The QSBO also provides detailed insights into labour market tightness and firm pricing behaviours over the quarter.

We expect a lift in retail card spending following the February dip. A modestly stronger monthly print is expected for core (ex-fuel and vehicle) spending, underpinned by a rebound in consumable spending, with lifts also expected for hospitality, apparel and durable spending. Fuel prices fell for a second consecutive month in March, and this is expected to further weigh on fuel spending. **While monthly readings for the retail sector are expected to remain volatile, we expect the trend in both retail and core spending to remain firmly positive,** reflecting the support provided by the tight labour market, elevated Terms of Trade, strong tourism spending and strengthening consumer confidence.



Major International Events for the week ahead

Data	Date	Time (NZT)	Market	ASB
UK Industrial Production, Feb, %mom	11/04	8.30 pm	0.4	-
US CPI, March, %mom	12/04	12.30 am	0.0	-
FOMC meeting minutes	12/04	6.00 am	-	-
ECB member Jens Weidmann to speak in Berlin	13/04	4.00 am	-	-
RBA Semi-Annual Financial Stability Report	13/04	1.30 pm	-	-
China Trade Balance, March, \$bn	13/04	-	28	22

February **UK industrial and manufacturing production data** are expected to show strong year-on-year prints of around 3%.

Base effects suggests headline **US CPI** accelerated from 2.3%pa in February to 2.5%pa in March. Reflecting the tight labour market, we expect core inflation to stabilise at 1.9%pa.

Minutes from the March FOMC meeting are released Thursday morning NZT. At this meeting the FOMC lifted the Fed Funds rate by 25bps, bringing the target range to 1.50% – 1.75%. Jerome Powell chaired his first meeting and the minutes will be dissected to see any changing view over the number of hikes expected by the FOMC. We continue to expect another four hikes between now and mid 2019. The minutes will also be scrutinised for any comments over the recent widening in USD LIBOR-OIS spreads.

Weidmann is one of the leading candidates for the **next European Central Bank President**; consequently his comments will be watched closely.

The **Reserve Bank of Australia's semi-annual Financial Stability Review** will provide an update on the central bank's view on the current condition of the financial system and potential risks to financial stability. The level of household debt has been an ongoing issue, while housing credit to investors has slowed. Any comments on these issues will be scrutinised.

China's exports surged in January because of the distortion of the Lunar New Year. We expect annual export growth to fall to 12%. Meanwhile, annual **import growth** is forecast to accelerate as businesses are back to normal after the holiday.

Global Data Calendars

Calendar - Australasia, Japan and China

Date	Time (NZT)	Eco	Event	Period	Unit	Previous	Forecast	
							Market	ASB
Tue 10 Apr	10:00	NZ	NZIER Business Confidence	Q1	Net%	-11.1	~	~
	11:30	AU	ANZ Roy Morgan Weekly	Apr	Index	115.5	~	~
	13:30	AU	NAB business conditions	Mar	~	21.0	~	~
	18:00	JN	Machine tool orders	Mar P	y%ch	39.5	~	~
Wed 11 Apr	10:00	NZ	ANZ Truckometer Heavy	Mar	m%ch	-2.5	~	~
	11:50	JN	Core machine orders	Feb	m%ch	8.2	~	~
	12:30	AU	WBC Consumer Confidence	Apr	Index	103.0	~	~
	13:30	CH	CPI	Mar	y%ch	2.9	2.6	2.6
	15:05	AU	RBA Governor Lowe Speaks in Perth					
Thu 12 Apr	10:45	NZ	Card spending retail	Mar	m%ch	-0.3	+0.5	+0.5
	11:50	JN	Money stock M3	Mar	y%ch	2.8	~	~
	13:30	AU	Owner-occupier loan value	Feb	m%ch	0.5	~	~
Fri 13 Apr	~	CH	Trade balance	Mar	CNY bn	224.9	102.9	~
	10:30	NZ	BusinessNZ manufacturing PMI	Mar	Index	53.4	~	~

Calendar - North America & Europe

Date	Time (UKT)	Eco	Event	Period	Unit	Previous	Forecast	
							Market	ASB
Mon 9 Apr	08:30	UK	Halifax house prices	Mar	m%ch	0.4	~	~
	09:30	EC	Sentix investor confidence	Apr	~	24.0	~	~
Tue 10 Apr	00:01	UK	BRC sales like-for-like	Mar	y%ch	0.6	~	~
	11:00	US	NFIB small business optimism	Mar	~	107.6	~	~
	13:30	US	PPI final demand	Mar	m%ch	0.2	0.1	~
	15:00	US	Wholesale inventories	Feb F	m%ch	1.1	0.5	~
Wed 11 Apr	09:30	UK	Trade balance	Feb	£mn	-3,074	~	~
	09:30	UK	Industrial production	Feb	m%ch	1.3	~	~
	12:00	UK	NIESR GDP estimate	Mar	%	0.3	~	~
	13:30	US	CPI	Mar	m%ch	0.2	0.0	~
	19:00	US	Monthly Budget Statement	Mar	\$bn	-215.2	~	~
	19:00	US	FOMC Meeting Minutes	Mar	~	~	~	~
Thu 12 Apr	~	UK	Mark Carney speaks at Canada Growth Summit in Toronto					
	10:00	EC	Industrial production	Feb	m%ch	-1.0	~	~
	13:30	US	Initial jobless and continuing	Apr	~	~	~	~
	13:45	US	Bloomberg April United States Economic Survey					
	22:00	US	Fed's Kashkari speaks in Moderated Q&A in Minneapolis					
Fri 13 Apr	10:00	EC	Trade balance	Feb	€bn	19.9	~	~
	13:00	US	Fed's Rosengren speaks on Economic Outlook					
	14:00	US	Fed's Bullard speaks on Living Standards across U.S. Cities					

Key Forecasts

ASB NZ economic forecasts

	Dec-17 << actual	Mar-18 forecast >>	Jun-18	Sep-18	Dec-18	Mar-19	Mar-20	Mar-21
GDP real - Q%	0.6	0.4	0.7	0.8	0.9			
GDP real - A%	2.9	2.6	2.4	2.6	2.8	3.3	3.4	3.0
GDP real - AA%	2.9	2.8	2.6	2.6	2.6	2.8	3.4	3.2
CPI - Q%	0.1	0.3	0.3	0.6	-0.1			
CPI - A%	1.6	0.9	1.2	1.3	1.1	1.4	1.7	2.1
HLFS employment growth - Q%	0.5	0.5	0.5	0.5	0.6			
HLFS employment growth - A%	3.7	3.2	3.7	2.0	2.1	2.1	1.8	1.5
Unemployment rate - %sa	4.5	4.4	4.4	4.4	4.3	4.2	4.0	3.9
Annual current account balance as % of GDP	-2.7	-2.5	-2.7	-2.9	-2.9	-2.9	-2.9	-3.0

Q% = percentage change on previous quarter

A% = percentage change since same quarter the previous year

AA% = percentage change for year ending quarter since the previous year

ASB interest rate forecasts

	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Mar-20	Mar-21
(end of quarter)		<< actual	forecast >>					
NZ OCR	1.75	1.75	1.75	1.75	1.75	1.75	2.25	2.75
NZ 90-day bank bill	1.88	2.0	1.9	1.9	2.0	2.0	2.5	3.0
NZ 2-year swap rate	2.21	2.2	2.2	2.3	2.4	2.5	3.0	3.5
NZ 10-year Bond	2.75	2.7	3.2	3.3	3.3	3.4	3.5	3.5

ASB foreign exchange forecasts

	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Mar-20	Mar-21
(end of quarter)		<< actual	forecast >>					
NZD/USD	0.71	0.72	0.73	0.74	0.75	0.76	0.79	0.75
NZD/AUD	0.91	0.94	0.90	0.90	0.90	0.90	0.90	0.89
NZD/JPY	80	77	78	78	79	79	79	81
NZD/EUR	0.59	0.59	0.59	0.59	0.59	0.60	0.60	0.59
NZD/GBP	0.53	0.51	0.53	0.53	0.53	0.53	0.54	0.54
NZD TWI	74.3	74.3	74.7	75.0	75.1	75.7	76.6	74.0

ASB Economics & Research

Chief Economist
Senior Economist
Senior Economist
Senior Rural Economist
Senior Economist, Wealth
Economist
Publication & Data Manager

Nick Tuffley
Mark Smith
Jane Turner
Nathan Penny
Chris Tennent-Brown
Kim Mundy
Judith Pinto

nick.tuffley@asb.co.nz
mark.smith4@asb.co.nz
jane.turner@asb.co.nz
nathan.penny@asb.co.nz
chris.tennent-brown@asb.co.nz
kim.mundy@asb.co.nz
judith.pinto@asb.co.nz

Phone

(649) 301 5659
(649) 301 5657
(649) 301 5853
(649) 448 8778
(649) 301 5915
(649) 301 5661
(649) 301 5660

www.asb.co.nz/economics

[@ASBMarkets](https://twitter.com/ASBMarkets)

Disclaimer

This document is published solely for informational purposes. It has been prepared without taking account of your objectives, financial situation, or needs. Before acting on the information in this document, you should consider the appropriateness and suitability of the information, having regard to your objectives, financial situation and needs, and, if necessary seek appropriate professional or financial advice.

We believe that the information in this document is correct and any opinions, conclusions or recommendations are reasonably held or made, based on the information available at the time of its compilation, but no representation or warranty, either expressed or implied, is made or provided as to accuracy, reliability or completeness of any statement made in this document. Any opinions, conclusions or recommendations set forth in this document are subject to change without notice and may differ or be contrary to the opinions, conclusions or recommendations expressed elsewhere by ASB Bank Limited. We are under no obligation to, and do not, update or keep current the information contained in this document. Neither ASB nor any person involved in the preparation of this document accepts any liability for any loss or damage arising out of the use of all or any part of this document.

Any valuations, projections and forecasts contained in this document are based on a number of assumptions and estimates and are subject to contingencies and uncertainties. Different assumptions and estimates could result in materially different results. ASB does not represent or warrant that any of these valuations, projections or forecasts, or any of the underlying assumptions or estimates, will be met.