Economic Weekly

16 July 2018

Oil prices boosting near-term inflation outlook

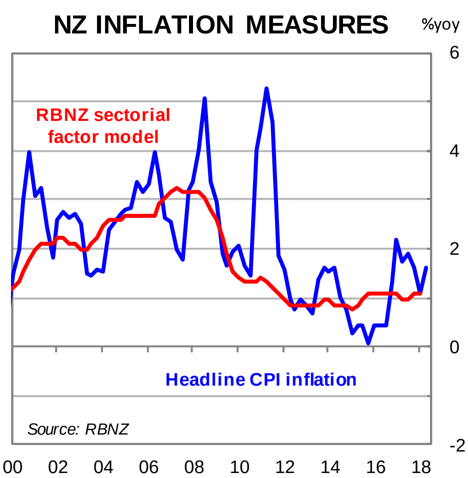
In NZ this week attention will be on Tuesday's Q2 CPI print. The sustained lift in global oil prices and recent falls in the NZD have boosted NZ's near-term inflation outlook substantially. However, we do not expect the RBNZ to change its OCR outlook on the back of Tuesday's release (read more in the Chart of the Week below). In our **key insights this week we explore the likely impacts of the lifts to the minimum wage and the Fair Pay Agreements**. Offshore, Australian labour market data and the release of the US Fed Beige Book are the key international events. Outside of this, the **ongoing focus on trade developments is likely to remain at the fore**.

Key events and views

Key Insights	NZ wage outlook: primed for an increase.
Foreign exchange	USD strength remains the dominant currency theme at the moment.
Interest rates	NZ shorter-term interest rates fell over the past week.
Domestic events	CPI, the Global Dairy Trade auction and net migration are key releases this week.
International events	China GDP, Australian employment data and the RBA Meeting Minutes.
Calendars	NZ and International calendar of upcoming economic events.

Chart of the Week: Inflation pressures firming

This week's Q2 CPI release is likely to garner plenty of attention as it is expected to show inflation pressures picking up pace. We are expecting annual inflation to lift to 1.6% in Q2, before hitting 2% by the end of the year. This is a sharp turnaround in inflation pressures.



However, we remain confident that the RBNZ will stick firm to the current policy settings outlook ("up or down – as necessary"). This is because much of the lift is being driven by higher oil prices combined with the recent softening in the NZD. The lift is more of a one-off than reflecting a rise in inflation pressures from firming domestic capacity pressures. Accordingly, the RBNZ is likely to look through these moves. Indeed, **we expect core inflation measures to highlight that underlying inflation pressures remain below the midpoint of the RBNZ's inflation target**. Add to this the increase in downside risks recently (soft business confidence and trade tensions) and we still expect the OCR to be left on hold for some time yet (until November 2019).

ASB Economics (649) 301 5659 nick.tuffley@asb.co.nz

Key Insights this week: NZ Wage outlook

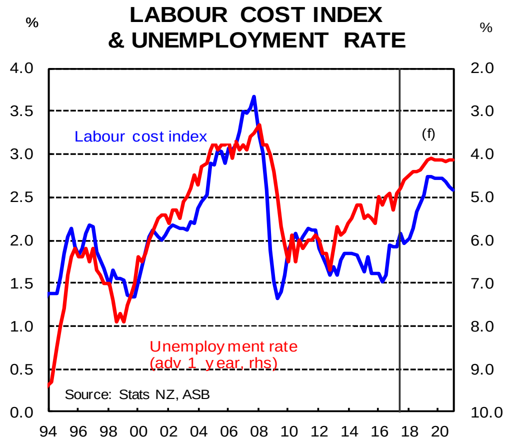
Key points:

- Increases in the NZ minimum wage to $20 per hour by 2021 and the proposed imposition of industry-wide Fair Pay Agreements by the Government and move towards collective bargaining could be catalysts for a turnaround in wage inflation in New Zealand.
- Our estimates are tentative but suggest that the minimum wage increases and the Fair Pay Agreements could add up to 0.5 to 1.0 percentage points per annum to wage inflation and between 0.3 to 0.7 percentage points to annual consumer price inflation through to mid-2022.
- We caution that employees will need to be realistic with their wage demands relative to productivity growth, or the consequence could be higher interest rates.

This article summarises the key finding of some recent research (see here for the full economic note).

Wage inflation has remained low despite a tight labour market

Measures of labour utilisation currently depict a generally tight labour market backdrop. However, wage inflation has remained muted, both here, and abroad. **Persistently-weak inflationary pressure has raised the issue of whether the Phillips curve – the relationship between labour market slack and inflation – has fundamentally changed following the Global Financial Crisis (GFC).** This is analogous to the apparent puzzle of why consumer price inflation has stayed so low, both here and abroad, despite strong growth in the global economy.



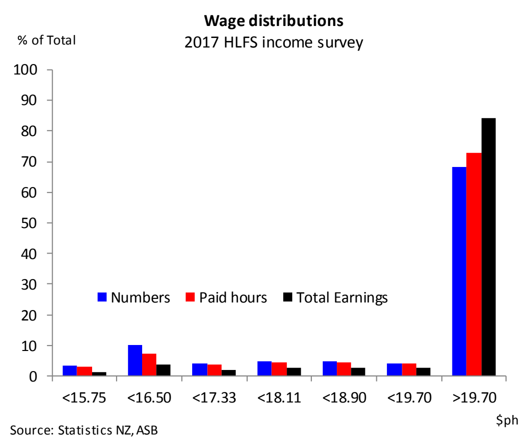
As noted previously, **New Zealand is not alone in this regard.** In its October 2017, Economic Outlook, which empirically analyses recent wage dynamics in advanced economies, the International Monetary Fund (IMF) finds that labour market slack, low productivity, and low inflation have exerted downward pressure on wages. Furthermore, the study also finds that a common global factor has exerted downward pressure on wages.

But the tide is changing

Increases in the NZ minimum wage to $20 per hour by 2021 and the impact of impending Fair Pay Agreements could be the catalyst for a turnaround in wage inflation in New Zealand.

Impact on wages

Statistics New Zealand estimates for the 2017 year, suggest that around 3% of employees were on (or below) the minimum wage, **with the increasing minimum wage likely to increase annual wage inflation by roughly 0.2 percent per annum over the next few years**. There are also a considerable number of employees earning just over the minimum wage (about 10% earn less than 5% more than the minimum wage according to Statistics NZ figures). Wages for slightly higher wage brackets would also likely move up (although more modestly). All up, we estimate that overall wages would likely firm by **0.5 to 0.7 percentage points per annum over the next few years, or a total of 1.4% to 2.2% through to mid-2021.** Proposed industry-wide Fair Pay Agreements signal a move towards



collective bargaining and are expected to add to wage pressure at the margin. Adding in the impact of Fair Pay Agreements could push the increase in wage inflation closer to 1% per annum.

Impact on consumer prices

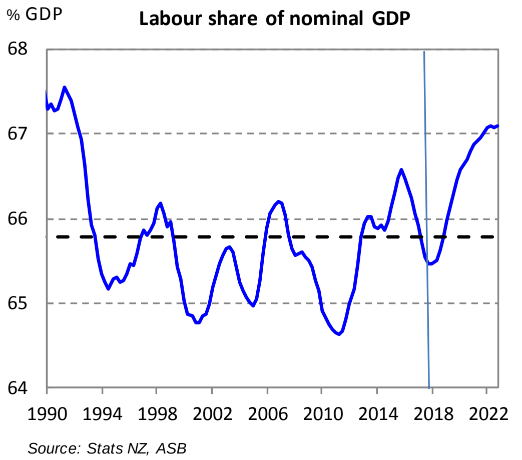
Wages are a key input into the pricing decisions of firms. Unless the increase in the wage bill is offset by increasing labour productivity, the changes would likely see the labour share of income increase. Our estimates of a **0.5% to 1% increase in wages, all else equal, would likely push up consumer prices by 0.3% to 0.7% per annum.**

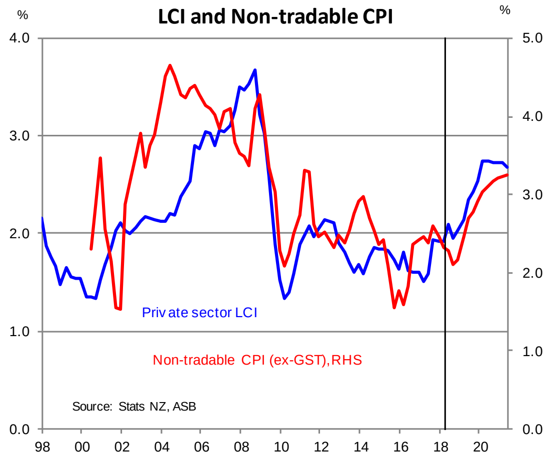
Whether or not this inflation increase occurs will depend on the decisions of firms, who may have scope to absorb some of the cost increases in their margins, extract greater productivity improvements from existing workers or choose to cut back on their demand for labour.

We suspect that the impact on consumer price inflation is likely to be along the lower part of this range. It is possible that some of the inflation impact of higher wages will be blunted by increasing labour productivity.

Impacts on employment likely to be modest, but there will be challenges for some firms

While it is generally acknowledged that higher minimum wages will result in a lower demand for labour, recent research (see here) on the effect of minimum wages on employment is not conclusive. The New Zealand Treasury has noted there is considerable uncertainty over the sensitivity of the demand for labour to wages.





By taking the Treasury and overseas estimates as a guide, **our estimates suggest that hours worked within the economy could be up to 1% lower by mid-2021 as a result of the higher minimum wage and Fair Pay Agreements**. **Our gut feeling is that the actual impact on employment is likely to be at the modest end of the scale (**HLFS hours worked have increased by close to one-quarter since 2010), and is unlikely to jeopardise the RBNZ's employment objectives given sizeable employment increases of late. Nevertheless, a higher wage bill poses challenges for some firms who depend on labour around the minimum wage.

Market implications

The focus for financial markets will be what these policy changes mean for interest rates and the NZD. The recent change in the Policy Targets Agreement requires the RBNZ to take into account the labour market (see our note here on the new RBNZ Policy Targets Agreement). In terms of the impact on inflation, the low inflation starting point provides more leeway to accommodate the lift in consumer prices. **However, the RBNZ will likely remain vigilant and alert to signs of labour costs moving significantly above the midpoint of the 1-3% inflation target.** Sizeable wage increases not matched by a corresponding increase in productivity or a narrowing in firms' margins could threaten the 1-3% medium-term inflation outlook. The consequence may be higher interest rates and a lower demand for labour.

Foreign Exchange Market

FX Rates	Current*	Week ago	Month ago	Year ago	ST Bias	Support^	Resistance^	MT Bias
NZD/USD	0.6763	0.6837	0.6954	0.7317	DOWN	0.6620	0.6820	UP
NZD/AUD	0.9114	0.9165	0.9314	0.9450	DOWN	0.8980	0.9280	FLAT
NZD/JPY	75.90	75.51	77.01	82.99	DOWN/FLAT	74.80	77.10	FLAT
NZD/EUR	0.5787	0.5813	0.6010	0.6416	DOWN/FLAT	0.5700	0.5880	FLAT
NZD/GBP	0.5112	0.5141	0.5247	0.5648	DOWN/FLAT	0.5040	0.5190	DOWN
TWI	72.7	72.8	73.5	78.20	DOWN/FLAT	72.00	74.00	FLAT

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

NZD Recap

USD strength remains the dominant currency theme at the moment, with the USD supported by rate hike expectations and ongoing trade tensions. On the other hand, the NZD and other commodity currencies continue to largely trade on the back foot. Recently, the NZD has been one of the softest commodity currencies, in part reflecting the recent move by market participants to start pricing in a small chance of rate cuts in New Zealand over the coming months. For example, the NZD fell roughly 1.1% against the USD and 0.9% against the AUD last week. On the other hand, the AUD fell only 0.2% against the USD. On a Trade Weighted Index basis, the NZD fell 0.6% over the week.

Economic data and events continue to have minimal, short-term, impacts on currency trends. The NZD/CAD dipped slightly overnight Wednesday following the Bank of Canada raising interest rates. The NZD/EUR and NZD/GBP also weakened early in the week following the announcement of Theresa May's Brexit deal. The softness was short-lived, however, as political turmoil broke out in the UK Parliament with multiple resignations following the announcement.

Near-term outlook

Tomorrow morning's NZ Q2 CPI release is the key economic data release for NZ this week. With consensus forecasts clustered around +0.5% qoq, 1.6% yoy (in line with our forecast), there is a chance we see a sharp market response if the outturn is lower than expected. This is particularly the case given market participants have already started to price in small chances of rate cuts in NZ. As a result, **a below-market result could see the NZD test recent lows.** Outside of this, international attention is likely to remain squarely focused on any trade developments.

Medium-term outlook

We believe the recent bout of USD weakness has ended and we have now further increased our near-term USD forecasts. **We expect the USD to remain supported due to the increasing divergence between the US economy (and resultant pace of Fed rate hikes) and the rest of the global economy**. Elsewhere, low inflation and wages as well as political developments have seen many central banks holding on to accommodative monetary policy stances or stalling tightening cycles. **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	0.67	0.67	0.68	0.69	0.71	0.74
NZD/AUD	0.91	0.94	0.92	0.93	0.91	0.91	0.92	0.90
NZD/JPY	80	77	74	74	73	74	75	75
NZD/EUR	0.59	0.59	0.58	0.59	0.58	0.58	0.57	0.58
NZD/GBP	0.53	0.51	0.52	0.52	0.50	0.50	0.50	0.50
NZD TWI	74.3	74.3	72.5	72.3	72.3	72.4	71.9	73.1

Interest Rate Market

Wholesale interest rates	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	1.95	1.97	1.94	1.96	FLAT	UP
2-year swap	2.16	2.18	2.24	2.27	FLAT/UP	UP
5-year swap	2.55	2.57	2.68	2.85	FLAT	UP
10-year swap	3.03	3.04	3.14	3.36	FLAT	UP
10-year govt bond yield	2.83	2.83	2.92	2.96	FLAT	UP
Curve Slope (2s10s swaps)	0.88	0.86	0.90	1.09	FLAT/DOWN	DOWN

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

Market Recap

NZ shorter-term interest rates fell over the past week led by a **change in market OCR expectations** ahead of the Q2 CPI release. While the **market median expectation is at 0.5% qoq increase** (in line with ASB's forecast), **one bank economics team has forecast a very low outcome of 0.1%** and this has seen the unofficial market expectation sit lower than the survey median.

While NZ short-term rates shifted lower **the longer-end of the yield curve remained largely unchanged** resulting in the **NZ yield curve steepening over the week**. **In contrast, the US yield curve flattened** over the week, with the slope (10-year yield less the 2-year yield) reaching a new cyclical low led by steady lifts in short-term US interest rates. While short-term rates have been on a steady trajectory higher, US longer-term rates have remained largely unchanged, oscillating in a range of 2.82-2.86% over the week. **US longer-term rates finished the week at the bottom of this range after the University of Michigan consumer survey of long-term inflation expectations (released Saturday at midnight) ticked down in July to near its lowest level on record.**

Near-term NZD interest rate outlook

The **NZ Q2 CPI release is the key domestic focus this week**. We expect an increase of 0.5%qoq and, while this is in line with the survey median, recent shifts in market overnight index swap (OIS) pricing suggest market participants are placing weight on the CPI coming out below expectations. As a result, if CPI increases 0.5%qoq or more, there is some upside risk to rates this week as the past week's shift in OCR expectations is unwound.

Offshore, the data calendar is relatively light, with the key event likely being the Federal Reserve Chairman Jerome Powell's testimony to Congress on Wednesday and Thursday. Powell is expected to reinforce the Fed's commitment to a gradual pace of interest rate hikes, which is supportive of the short-term rate outlook.

Medium-term outlook

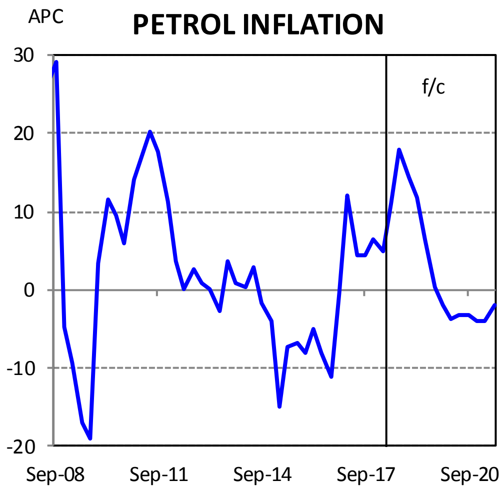
We have delayed the timing of our next OCR hike to November 2019 (previously August 2019). We continue to expect a modest pace of tightening, and a low OCR endpoint of around 3.5% this cycle. We have also pushed back the timing of ECB rate hikes, which are now assumed to start in September next year (previously June 2019). While we expect four further Fed hikes through till the end of 2019 (four in total over 2018, two over 2019), by the end of this year we are likely to see Fed Chair, Jerome Powell, acknowledge that the Fed funds rate is close to neutral levels, which should cap US yields. **Our expectation of a flatter NZD curve crucially depends on the assumption that local long-term yields remain reasonably well anchored to global counterparts and that the lift in global yields is modest.**

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	2.00	2.50
NZ 90-day bank bill	1.88	2.0	2.0	2.0	2.0	2.0	2.5	3.0
NZ 2-year swap rate	2.21	2.2	2.1	2.2	2.3	2.3	2.7	3.2
NZ 10-year Bond	2.75	2.7	2.9	2.9	3.0	3.0	3.2	3.5

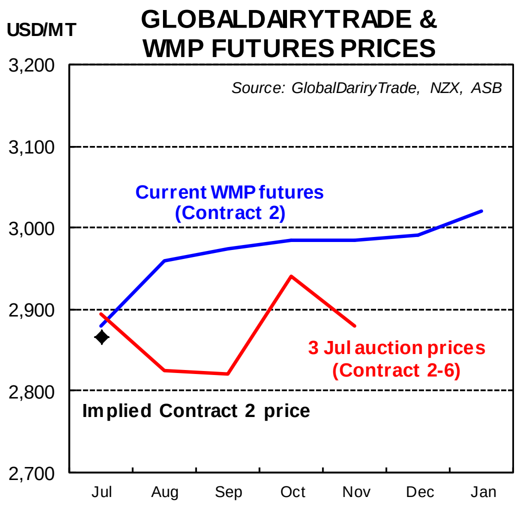
Major Domestic Events for the week ahead

Data	Date	Time (NZT)	Previous	Market	ASB
CPI, Q2, %qoq	17/07	10:45am	0.5	0.5	0.5
Global Dairy Trade auction, whole milk powder, % chg	17/07	overnight	-7.3	-	0 to +2
Net Migration, May	20/07	10:45am	5,090	-	5,000

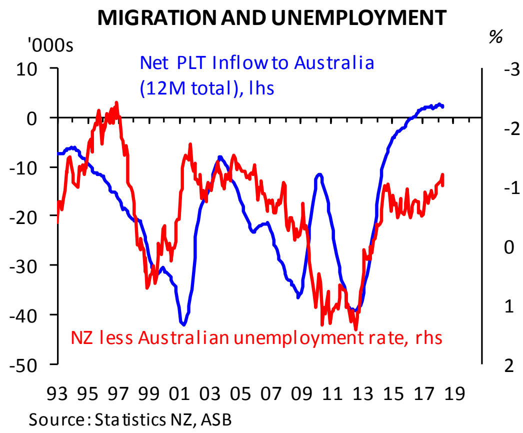
We expect the CPI to rebound to 1.6% yoy (+0.5% qoq) in Q2. Our forecast is stronger than that published in the RBNZ's February MPS (+0.4% qoq, 1.5% yoy). However, the RBNZ's forecast is unlikely to include the more recent increase in oil prices and the NZD depreciation. **The near-term inflation outlook has firmed markedly as a result of higher oil prices, the recent fall in the NZD and incoming petrol taxes.** We now expect headline inflation to hit 2% by the end of 2018. However, on the flip side, **core inflation pressures remain relatively subdued and downside risks to the outlook have also increased over recent months.** As a result, we expect the RBNZ to remain cautious and wait for evidence of a sustained lift in core inflation. **We continue to expect the RBNZ to leave the OCR on hold until November 2019.**



We expect prices to regain some ground at the GlobalDairyTrade auction overnight Tuesday. A fortnight ago whole milk powder (WMP) prices fell by 7.3%. At the current juncture, futures pricing suggests WMP prices will rise by up to 3%. Much of the fall at the last auction followed declining currencies in key buyer markets. For example the Chinese yuan fell circa 5% ahead of the previous auction. However, since then the CNY has remained soft. As a result, we expect only a partial rebound from the fall at the previous auction. That is, **we expect whole milk prices to lift by up to 2% –** by less than that indicated by the futures pricing.



Annual net permanent and long-term (PLT) immigration slowed to a 2-year low in May, to just over 66,000 persons. Driving the moderation has been the pick-up in PLT departures, which has contributed around 70% of the moderation. **Our expectation is for this dynamic to continue, given robust labour market conditions across the Tasman.** The stable NZ domestic backdrop is expected to maintain the strong allure of NZ as a destination for overseas emigrants, although tweaks to immigration policy could see a tailing off in arrival numbers over the next year or so. We now expect annual net PLT inflows to slow to around 45,000 persons by the end of 2019. **Despite this, we are likely to see strong visitor arrival numbers that are expected to hover around annual record highs**. Increasing connectivity via more direct flights to Australia, the US and the (more-rapidly-growing) Asian region is paying dividends. Expanding capacity and offering good value experiences for tourists remains the major challenges for the tourism industry.



Major International Events for the week ahead*

Data	Date	Time (NZT)	Market	ASB
China GDP, Q2, %yoy	16/07	2:00 pm	6.7	6.7
US Retail Sales Advance, June, %mom	17/07	12:30 am	0.5	0.6
Reserve Bank of Australia Meeting Minutes, July	17/07	1:30 pm	-	-
UK Unemployment, May, %	17/07	8:30 pm	4.2	4.2
UK CPI, June, %yoy	18/07	8:30 pm	2.6	2.6
Australia Unemployment Rate, June, %	19/07	1:30 pm	5.4	5.5
Japan, CPI, June, %yoy	20/07	11:30 pm	0.8	0.8

**Originally published by CBA Global Markets Research on Friday 13th July 2018 at 1.48pm.*

We expect **China's GDP growth** to ease to 6.7% yoy in Q2 2018 from 6.8% yoy in Q1. Our view is driven by a softening in domestic investment and consumption demand in Q2. However, production remains relatively resilient. Our China GDP growth tracker points to a further gradual slowing in H2 2018.

The **Reserve Bank of Australia left the cash rate on hold**, again, in July. The accompanying Statement confirmed that a rate rise is still some way off. The Governor slightly tempered his assessment on global growth to indicate that the pace of global growth has eased. This was a dovish tilt. But working the other way, he appears more assured that wages growth will lift. In June, he noted that, "there are reports that some employers are finding it more difficult to hire workers with the necessary skills." That comment was bolstered to, "there are increasing reports of skills shortages in some areas". Overall, we don't expect the Minutes to contain any information that deviates from the RBA's stated position that, "any increase in interest rates still looks to be some time away".

The pace of **Australian jobs growth** has eased. The average of the last three monthly prints indicates growth in headcount is running at 11k a month. This is quite a bit weaker than the red hot pace of jobs growth in 2017 where the monthly lift in headcount averaged 34k. Annual employment growth has slowed to 2.5%. Despite employment growth slowing, the underlying fundamentals look positive. In particular, all measures of job vacancies are rising at a solid pace. We expect to see a respectable 15k rise in jobs in June. Such a result, on an unchanged participation rate, would see the unemployment rate inch a little higher to 5.5%. Such a result would confirm that a rate hike is still a fair way off.

We estimate **US retail sales** increased strongly in June at 0.6% mom. Gasoline prices inched higher while car volume sales jumped by 3.4% and car prices rebounded by 0.7%. But core retail sales are likely to soften after May's 0.8% surge.

We anticipate the **UK May unemployment rate** will print around 4.2% and average weekly earnings data will print at 2.7%yoy (ex-bonus). Wage growth is firming because of the tight labour market.

We anticipate **June UK CPI** will print at 2.6% yoy (headline) and 2.0% yoy (core). The slight jump in headline CPI reflects base effects and slightly higher energy prices.

Already-released CPI for Tokyo suggest **Japan's headline CPI** will accelerate to 0.8% yoy. Higher energy and fresh food prices are partly responsible. But underlying inflation pressures are lifting in Japan as well, in part, because of firmer growth in wages.

Global Data Calendars

Calendar - Australasia, Japan and China

Date	Time (NZT)	Eco	Event	Period	Unit	Previous	Forecast Mkt	Forecast ASB
Mon 16 Jul	10:30	NZ	Performance services index	Jun	Index	57.3	~	~
	14:00	CH	GDP	Q2	q%ch	1.4	1.6	~
Tue 17 Jul	10:45	NZ	CPI	Q2	q%ch	0.5	0.5	0.5
	11:30	AU	ANZ Roy Morgan Conf. Index	Jul	Index	120.1	~	~
	13:30	AU	RBA July Meeting Minutes					
	13:30	CH	New home prices	Jun	m%ch	0.8	~	~
Wed 18 Jul	09:20	JN	Nationwide department sales	Jun	y%ch	-2.0	~	~
	12:30	AU	WBC leading index	Jun	m%ch	-0.2	~	~
Thu 19 Jul	11:50	JN	Trade balance adjusted	Jun	¥bn	-296.8	~	~
	13:30	AU	NAB business confidence	Q2	~	7.0	~	~
	13:30	AU	Unemployment rate	Jun	%	5.4	~	5.5
	18:00	JN	Machine tool orders	Jun F	y%ch	11.4	~	~
Fri 20 Jul	10:45	NZ	Net migration	Jun	~	5,090	~	5,000
	11:30	JN	National CPI	Jun	y%ch	0.7	~	0.8
	15:00	NZ	Credit card spending	Jun	m%ch	-1.6	~	~
	16:30	JN	All industry activity index	May	m%ch	1.0	~	~

*P = Preliminary

Calendar - North America & Europe

Date	Time (UKT)	Eco	Event	Period	Unit	Previous	Forecast Mkt	Forecast ASB
Mon 16 Jul	00:01	UK	Rightmove house prices	Jul	m%ch	0.4	~	~
	-	-	IMF World Economic Outlook	Jul	-	-	-	-
	10:00	EC	Trade balance	May	€bn	18.1	~	~
	13:30	US	Empire manufacturing	Jul	~	25.0	20.0	~
	13:30	US	Retail sales ex auto	Jun	m%ch	0.9	0.4	~
Tue 17 Jul	09:30	UK	ILO unemployment rate 3	May	%	4.2	~	4.2
	14:15	US	Industrial production	Jun	m%ch	-0.1	0.6	~
	15:00	US	Powell to deliver Semi-Annual Testimony before Senate Panel					
Wed 18 Jul	09:30	UK	CPI	Jun	m%ch	0.4	~	~
	09:30	UK	House price index	May	y%ch	3.9	~	~
	10:00	EC	CPI	Jun	m%ch	0.5	~	~
	13:30	US	Building permits	Jun	000	1,301	1,323	~
	19:00	US	US Federal Reserve Releases Beige Book					
Thu 19 Jul	09:30	UK	Retail sales ex auto fuel	Jun	m%ch	1.3	~	~
	13:30	US	Initial jobless and continuing	Jul	~	~	~	~
	13:30	US	Philadelphia Fed business	Jul	~	19.9	20.5	~
	15:00	US	Leading index	Jun	Index	0.2	0.5	~
Fri 20 Jul	09:00	EC	Current account	May	€bn	26.2	~	~
	13:00	US	Fed's Bullard speaks on Economy and Monetary Policy					

Key Forecasts

ASB NZ economic forecasts	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Mar-20	Mar-21
		<< actual	forecast >>					
GDP real - Q%	0.6	0.5	1.0	1.0	0.8			
GDP real - A%	2.9	2.7	2.7	3.1	3.3	3.3	3.1	3.0
GDP real - AA%	2.8	2.7	2.7	2.9	3.0	3.1	3.1	3.0
CPI - Q%	0.1	0.5	0.5	0.7	0.2			
CPI - A%	1.6	1.1	1.7	1.9	2.0	1.8	1.5	1.7
HLFS employment growth - Q%	0.4	0.6	0.5	0.5	0.5			
HLFS employment growth - A%	3.7	3.1	3.7	2.0	2.1	1.9	1.6	1.6
Unemployment rate - %sa	4.5	4.4	4.4	4.3	4.2	4.2	4.3	4.2
Annual current account balance as % of GDP	-2.7	-2.8	-2.6	-2.3	-2.1	-1.5	-2.0	-2.1

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	2.00	2.50
NZ 90-day bank bill	1.88	2.0	2.0	2.0	2.0	2.0	2.5	3.0
NZ 2-year swap rate	2.21	2.2	2.1	2.2	2.3	2.3	2.7	3.2
NZ 10-year Bond	2.75	2.7	2.9	2.9	3.0	3.0	3.2	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	0.67	0.67	0.68	0.69	0.71	0.74
NZD/AUD	0.91	0.94	0.92	0.93	0.91	0.91	0.92	0.90
NZD/JPY	80	77	74	74	73	74	75	75
NZD/EUR	0.59	0.59	0.58	0.59	0.58	0.58	0.57	0.58
NZD/GBP	0.53	0.51	0.52	0.52	0.50	0.50	0.50	0.50
NZD TWI	74.3	74.3	72.5	72.3	72.3	72.4	71.9	73.1

ASB Economics & Research			Phone
Chief Economist	Nick Tuffley	nick.tuffley@asb.co.nz	(649) 301 5659
Senior Economist	Mark Smith	mark.smith4@asb.co.nz	(649) 301 5657
Senior Economist	Jane Turner	jane.turner@asb.co.nz	(649) 301 5853
Senior Rural Economist	Nathan Penny	nathan.penny@asb.co.nz	(649) 448 8778
Senior Economist, Wealth	Chris Tennent-Brown	chris.tennent-brown@asb.co.nz	(649) 301 5915
Economist	Kim Mundy	kim.mundy@asb.co.nz	(649) 301 5661
Publication & Data Manager	Judith Pinto	judith.pinto@asb.co.nz	(649) 301 5660

www.asb.co.nz/economics

@ASBMarkets