

Economic Weekly

20 August 2018

Policy mix weighing on housing

Last week was quiet locally data-wise, with local markets consolidating following big local moves for the NZD and NZD rates after the dovish RBNZ announcement the week prior. On page 2 we take stock of recent developments in the NZ housing market. This includes insights from the recent ASB Housing Confidence Survey and key take-outs from the Overseas Investment Office Amendment Bill which passed its third and final reading last week. Our *chart of the week* focuses on the retail sector, with a soft reading expected from Wednesday's NZ Q2 Retail Trade Survey. The offshore focus is on the US Fed, with meeting minutes (due Thursday 6am NZT) and the annual Jackson Hole Symposium this week. Trade and political developments will also be front of mind and could generate market volatility.

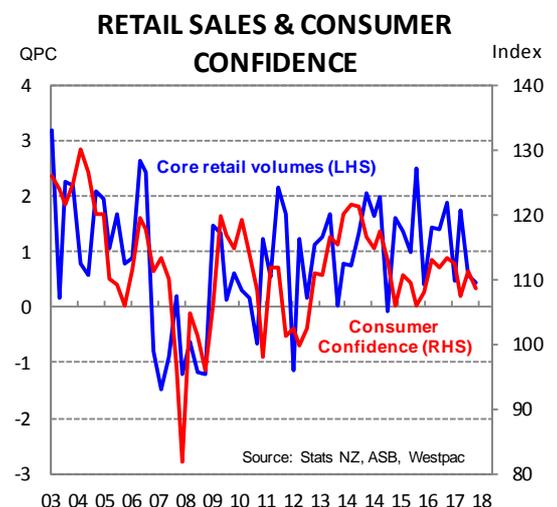
Key events and views

Key Insights	Uncertainty impinging on housing confidence.
Foreign exchange	NZD up. Bias for stronger NZD as earlier USD strength unwinds.
Interest rates	NZD rates modestly higher. Neutral bias for rates this week.
Domestic events	Migration & GlobalDairyTrade auction (Tue), Retail Sales (Wed), and Trade Balance (Fri).
International events	RBA meeting minutes (Tue), Fed meeting minutes (Thursday morning NZT), and Jackson Hole Economic Symposium (from Thursday) are the key events.
Calendars	NZ and international calendar of upcoming economic events.

Chart of the Week: Retail blues

Much like the poor recent performances of the Auckland Blues, **we expect a second-successive weak quarter for the country's retailers.** Electronic card spending values actually fell over the June quarter. And while these data are not a great indicator for this week's retail trade volumes, we still expect to annual retail volumes growth to slow.

Key household spending drivers are soft. Consumer sentiment is subdued, with house prices flat-lining in Auckland, and rising modestly elsewhere. Low interest rates have been helpful for borrowers but have weighed on investor sentiment according to the latest ASB Investor Confidence Survey. Recent petrol price hikes have also eroded discretionary spending. **There is some light at the end of the retail tunnel.** The Government's Families package has kicked in from July. Farm incomes are healthy, wages are expected to firm and interest rates should remain low. As such, we expect the retail sector's fortunes to improve towards the end of 2018.



Key Insights this week: Uncertainty impinging on housing confidence

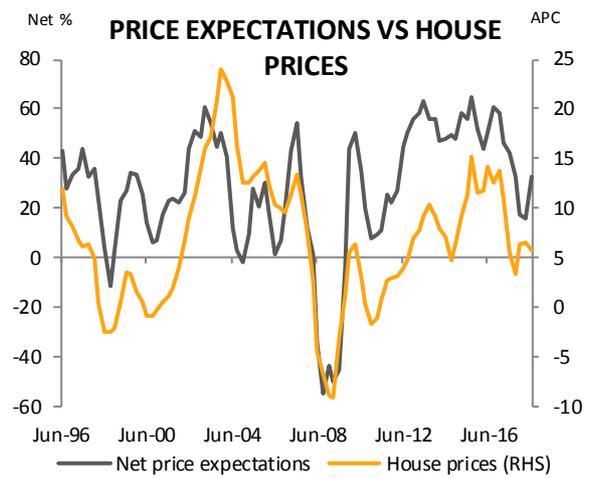
Key points:

- House price expectations are continuing to recover, but remain below recent averages.
- It appears that ongoing uncertainty in the housing market is fuelling caution about market prospects.
- It remains too soon to tell whether the passing of the OIO amendment bill will help or hinder uncertainty over the remainder of 2018.

ASB's Housing Confidence Survey

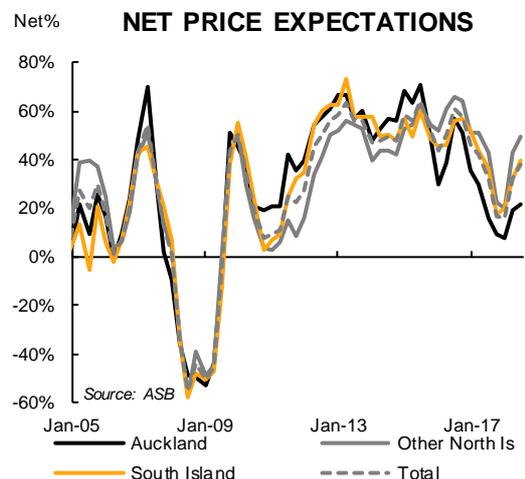
Every quarter ASB surveys New Zealanders' perceptions of the housing market. The most recent ASB Housing confidence survey indicates that although more respondents are expecting higher house prices, house price expectations remain below recent averages. In other words, the post-election "recovery" has been a lot more muted this cycle than it was last. In 2014, house price expectations dipped by a net 1% in the three months to October 2014 (when the previous election took place) and lifted a net 11% in the following quarter.

The still-subdued house price expectations suggest that ongoing uncertainty in the housing market is fuelling caution about market prospects. For example, while election-related uncertainty has subsided, the new coalition Government remains very housing-focussed. The addition of legislation uncertainty on top of the already competing influences of strong population growth, limited supply and affordability constraints (particularly in Auckland) have slowed market activity and price growth. Looking forward, we expect house price expectations to remain relatively subdued as market participants await more clarity around proposed legislation changes.



Looking at house price expectations by region, all broad regions registered higher price expectations in the most recent survey. **However, Auckland remains the least optimistic, with a net balance of +21% (up from +19%). This legislation-related uncertainty has been particularly noticeable in Auckland, with Auckland house price growth now close to flat on year-ago levels.** Canterbury expectations firmed the most, with net expectations increasing by 11% to +32%, the highest level since April 2017. On balance, however, price expectations remained most upbeat in the Rest of the North Island (+49%) and the Rest of the South Island (+48%), where they have continually taken out the top spots since late 2015.

Interestingly, the survey responses reflect the dichotomy we are observing in the NZ housing market at present. Softer house price expectations, sales activity and prices in Auckland and Christchurch are contrasted with a still reasonably upbeat outlook for regional NZ (both in terms of price expectations and realised price gains).



With legislation-related uncertainty having a marked impact on NZ's property market via expectations, activity and prices, any new information on impending legislation changes is closely monitored. So it's no surprise that the final parliamentary reading of the Overseas Investment Office (OIO) Amendment Bill garnered so much attention last week.

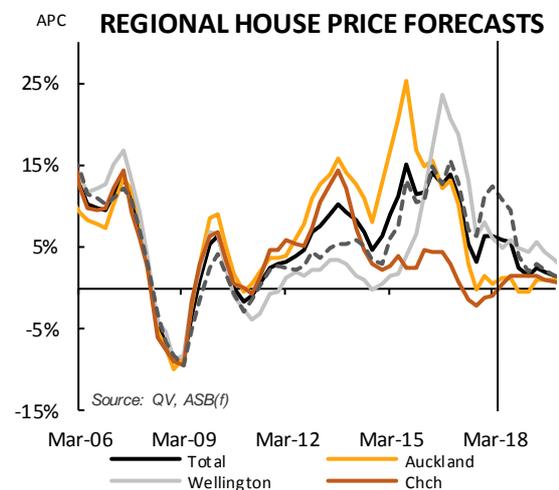
Overseas Investment Office Amendment Bill

The OIO Amendment Bill has been amended to “ensure that investments made by overseas persons in New Zealand will have genuine benefits for the country.” All residential land will now be considered “sensitive” for the purpose of the OIO Act. This essentially means that it will **effectively ban anyone who is not a citizen or resident from purchasing residential land.**

However, there are a few key exemptions. Firstly, Australian and Singaporean citizens will be exempt due to our Free Trade Agreements with Australia and Singapore. Secondly, foreign buyers will still be able to purchase new apartments in large developments. This second exemption has been tweaked from the original proposition whereby foreigners could only retain a new-build for 12 months before on-selling the property. This aspect was altered following the public consultation phase.

Although the bill has had the third reading in Parliament, it will not become law until it receives the Royal Assent. This simply means that the bill has been approved by the Head of State – in NZ that is the Governor-General. Once the bill has RA, it will become an Act (and be law) and from this point, it is expected to take up to two months for the Act to be fully operational. **This suggests that the OIO Amendment Act could be operating in its entirety by the end of October 2018.**

However, the question remains, **does this resolve or create more uncertainty for housing market participants? The short answer is both.** Having the bill passed in its final state creates some certainty around what the new rules are and when they will be enforced. However, it remains uncertain how demand and supply will ultimately be impacted by the bill. With estimates on foreign activity in NZ’s housing market uncertain, there is no way to accurately forecast the extent to which demand might fall. However, **we assume that it will have the largest impact in Auckland and Queenstown**, based off recently published figures on property transfers by Statistics NZ. Further, limiting the types of new properties foreigner buyers can purchase could have implications for the new supply of homes in NZ.



Ultimately, the passing of the OIO Amendment Bill doesn’t, at this stage, look likely to reduce the uncertainty any time soon that housing market participants are feeling. Further, given uncertainty around the impacts of other legislation changes facing the market such as KiwiBuild and the removal of negative gearing (no date on this yet), we expect caution to remain evident in the next quarter’s ASB Housing Confidence Survey. Finally, the longer uncertainty remains a key restraint in the housing market, the longer house price growth is likely to remain muted.

Foreign Exchange Market

FX Rates	Current*	Week ago	Month ago	Year ago	ST Bias	Support^	Resistance^	MT Bias
NZD/USD	0.6637	0.6570	0.6754	0.7293	FLAT/UP	0.6500	0.6750	UP
NZD/AUD	0.9075	0.9041	0.9167	0.9234	FLAT	0.8950	0.9200	FLAT
NZD/JPY	73.36	72.37	75.79	79.73	FLAT	72.5	75.0	FLAT/UP
NZD/EUR	0.5803	0.5778	0.5790	0.6214	FLAT	0.5720	0.5850	FLAT
NZD/GBP	0.5207	0.5151	0.5182	0.5657	FLAT	0.5150	0.5250	DOWN
TWI	72.2	71.5	72.8	76.92	FLAT/UP	71.5	73.5	FLAT

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

NZD Recap

The NZD TWI starts the week modestly higher on a TWI basis, after trading in a narrow 71.5-72.2 range. **Improved risk sentiment has seen the USD continued to lose some of its recent strength**, with the NZD moving towards the upper part of its 65.5-66.5 US cent range towards the end of last week. **The NZD has also strengthened against the AUD** on weaker than expected Australian data, increased Australian drought concerns and the view by RBA Governor Lowe that cash rate hikes are some way off. The Chinese yuan earlier touched March 2017 troughs against the USD, but rose towards the end of the week on easing trade tensions (Chinese commerce vice-minister Wang Shouwen will be visiting the US for trade talks on August 22-23) and support measures by the People's Bank of China. The latter included setting a stronger-than-expected fixing, regulatory measures to increase the cost of shorting the yuan, and reducing offshore yuan liquidity. **The euro and GBP weakened modestly against the NZD** on concerns over a "no deal" Brexit and fiscal solvency in Italy. Emerging market currencies were broadly stable against the USD (MSCI Emerging Market Index) despite downgrades to Turkey's sovereign rating by S&P (B+) and Moody's (Ba3).

Near-term outlook

NZD direction will be dictated by global catalysts and **our near-term-term bias is for USD strength to continue abating given generally positive risk sentiment and despite heavy positioning** in favour of a stronger USD. While the Fed is expected to acknowledge trade tensions and increased volatility in emerging markets at this week's Jackson Hole Symposium and Thursday's Fed Minutes, it should remain constructive on the US outlook. **This week's local retail trade, migration and trade balance data are expected to have a modest impact on the NZD, but will likely be NZD negative at the margin.** Speeches by RBA Governor Lowe and Deputy Governor Debelle this week should reaffirm our low for longer RBA view, further weighing on the AUD. Positioning has remained short GBP and **we do not expect a material breakthrough on this week's Brexit negotiations to push sterling higher.** Our expectation is that the NZD will continue to range trade against the euro, with solid PMI's for the Eurozone providing broad support to the euro. **We remain wary that escalating trade tensions could push the USD and JPY higher and NZD lower**, particularly if the imposition of tariffs on USD16bn of US and Chinese trade due this week triggers a stepping up of trade frictions.

Medium-term outlook

We expect the USD to remain broadly supported over 2018 from the large divergence between the US economy (and resultant pace of Fed rate hikes) and the rest of the global economy. **As such, risks to our published forecasts to the NZD/USD over 2018 are tilted to downside. From 2019, however, the USD is expected to soften** as the Fed hiking cycle matures and other central banks contemplate/enact rate hikes. **The NZD TWI is expected to remain broadly supported** by NZ's solid economic outlook, 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 (end of quarter)	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Mar-20	Mar-21
			<< 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	73.1	73.2	73.1	72.2	73.1

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	1.91	1.91	1.92	1.95	FLAT	UP
2-year swap	2.05	2.01	2.14	2.17	FLAT	UP
5-year swap	2.40	2.35	2.52	2.63	FLAT	UP
10-year swap	2.89	2.87	2.99	3.13	FLAT	UP
10-year govt bond yield	2.58	2.58	2.79	2.84	FLAT	UP
Curve Slope (2s10s swaps)	0.85	0.85	0.85	0.96	FLAT	FLAT

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

Market Recap

NZD interest rates start this week modestly higher as yields edged up after falling towards two-year lows following the dovish August MPS. NZ 10-year bond yields were little changed, but outright yields remained very low (2.56%) and in the lower part of trading ranges. Moves in US yields were modest. US 10-year Treasury yields traded in a tight 2.86%-2.90% range, with downgrades to Turkey's sovereign rating by S&P and Moody's pushing US and German yields down.

Australian wholesale interest rates were modestly lower. Weaker Chinese and Australian data bolstered the view by RBA Governor Lowe that further progress is needed before monetary policy is tightened.

Near-term NZD interest rate outlook

Our bias is for modest moves in NZD interest rates, with upside and downside risks broadly balanced. The risks of an OCR cut have grown in recent months (9bps of cuts are priced in by August 2019), and we expect sub-par local Q2 retail trade and a softening annual merchandise trade position to continue to bias the market towards a cut.

However, we remain constructive on the growth outlook and still expect 1.75% to be the trough in the OCR. The Fed is the major focus offshore, with the annual Jackson Hole Symposium underway and with the Fed Minutes out on Thursday. **Both will provide the Fed with the opportunity to comment on emerging market and trade tensions, which could modestly dampen long-term rates and flatten curves, particularly with Fed still looking likely to hike rates in September.** The information content of this week's RBA Minutes will likely be limited given the earlier release of the Statement of Monetary Policy, but speeches by RBA Governor Lowe and Deputy Governor DeBelle should reaffirm our low for longer RBA view. **For long-term rates, markets appear to be becoming more selective,** with perceived safe-haven markets (which include NZ) tending to be well supported on periodic bouts of increased risk aversion, with riskier markets seeing yields move higher.

Medium-term outlook

We expect the OCR to remain on hold until November 2019, after which we expect a modest pace of tightening, with about 50bps of hikes per annum over the next year or so. **Risks are tilted to a later start to OCR hikes and more gradual tightening.** While we expect four further Fed hikes through till the end of 2019 (two more hikes in 2018, and two over 2019), by late 2018 the Fed should acknowledge that the Fed funds rate is close to neutral levels, which should cap US yields. Elsewhere, low inflation should see many central banks retain accommodative monetary policy stances and we now expect that the Bank of England will hike rates more gradually, with just 50bps of hikes until the end of 2020. **Our expectation of a flat 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
International travel and migration – July, Net PLT inflow	21/08	10:45 am	+4,850	-	+4,800
GlobalDairyTrade Auction, whole milk powder, % chg	21/08	overnight	+0.1	-	No change
Q2 2018 Retail Trade Volumes, % qoq	22/08	10:45 am	+0.1	+0.4%	+0.3
Trade Balance, June, \$m	24/08	10:45 am	-113	-400	-500

Annual net permanent and long-term (PLT) immigration slowed to just under 65,000 persons in June, a 2 ½ year low. **We expect this moderation to continue, with net PLT immigration for the end of 2019 at around 45,000 persons.** Climbing PLT departures are expected to continue to account for the gradual moderation in overall net inflows, with risks of a more sizeable pick-up if the higher wages on offer in Australia trigger an increase in departures across the ditch. **Better connectivity via more direct flights overseas, a good NZ ski season and more peak-spreading of tourism inflows are expected to keep annual visitor numbers around record highs over the remainder of 2018.**

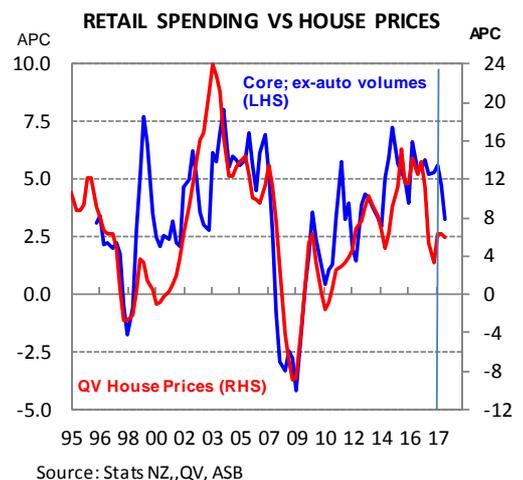
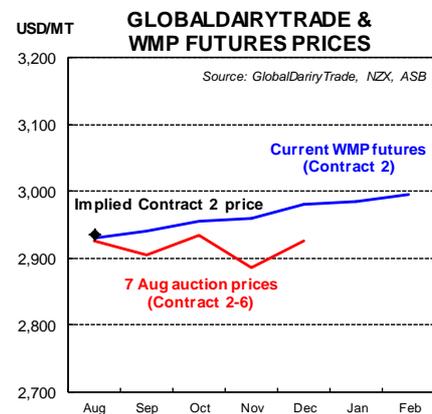
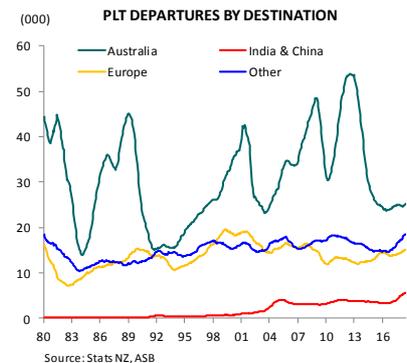
Expanding capacity and offering good value for money remains the major challenges for the tourism industry.

We expect prices to be largely unchanged at the GlobalDairyTrade auction overnight Tuesday. A fortnight ago whole milk powder (WMP) prices were also effectively unchanged (up 0.1%). At the current juncture, futures pricing suggests WMP prices will rise by around 1%. However, we are more circumspect than the futures market as we anticipate that the market is likely to remain nervous. In particular, key Chinese buyers are likely to remain hesitant given the escalating US-China trade tensions and the recent weakness in the yuan.

We expect another sub-par quarter for retail sector volumes as easing consumer sentiment and slowing house price inflation see consumers display restraint. Nominal card spending declined in Q2 (retail -0.5% qoq, core -0.3% qoq). And while this does not line up with retail sales values (correlation coefficient of less than 0.5% for quarterly movements), **we expect the retail survey to confirm a slowing in annual volume growth for both total and core retail volumes.** Also weighing on retail volumes will be the likely Q2 increase in retail prices (Q2 CPI rose 0.4% qoq). Liquor and electrical and electronic goods retailing should likely fall following Q1 strength. Partly offsetting this will be a rebound in apparel retail, and while tourist numbers were down in Q2, guest nights were up, which should support accommodation and food & beverage services. **We expect quarterly consumer spending growth to modestly strengthen towards the end of the year given increased government support, increasing wages and higher producer incomes.**

Headwinds posed by a still-becalmed housing market and high fuel prices should ensure that annual retail volume growth is moderate.

We expect a trade deficit in July. Looking over the month, we expect export values to firm on the back of stronger dairy and meat export prices. Meanwhile, we expect import values to remain high, particularly the following step-up in oil prices over the past year. Looking at the annual balance, we expect the deficit to widen to \$4.5 billion from \$3.95 billion in June.



Major International Events for the week ahead*

Data	Date	Time (NZT)	Market	ASB
RBA Governor Lowe to speak in Canberra	21/08	10:00 am	-	-
RBA Board Minutes, August	21/08	1:30 pm	-	-
Australia Construction Work Done, Q2, %qoq	22/08	1:30 pm	0.8	1.0
RBA Deputy Governor to speak in Brisbane on “low inflation”	22/08	3:10 pm	-	-
US Federal Reserve Meeting Minutes, August	23/08	6:00 am	-	-
Japan Headline CPI, July, %yoy	24/08	11:30 am	1.0	0.9

*Originally published by CBA Global Markets Research on Friday 17th August 2018 at 1.21pm.

The Reserve Bank of Australia’s Governor Lowe will speak at a breakfast event to launch ASIC’s National Financial Capability Strategy 2018 in Canberra. Lowe has spoken several times of late, and most recently before the House of Reps on Friday 17th August. As a result, he is unlikely to say anything new on the economy or monetary policy.

The **Monetary Policy Statement accompanying the RBA’s August** no-change decision outlined some of the changes to the RBA’s key forecasts. The Statement on Monetary Policy released on 10th August included more details around these changes. The RBA remains positive on the domestic economic outlook and expects growth of a little above 3% this year and next. The inflation forecasts have been revised down in the near term due to some one-offs. Inflation is expected to pick up gradually. RBA forecasts see underlying inflation picking up to 2.25% by the end of 2020, still short of the mid-point of the inflation target.

We are expecting a 1.0% rise in **construction work done Australia** over the second quarter of the year. There is a record level of residential construction in the pipeline, and we expect activity to remain at a high level for the next year or so. Engineering construction is supported by the strong pipeline of public sector infrastructure work to be done. Offsetting this, however, is the unwinding of the last of the major LNG projects.

RBA Deputy Governor will speak in Brisbane on Monday. The topic of the speech is “Low Inflation”. Debelle may run through the reasons why inflation is low in Australia. Factors such as labour market slack and low wages growth, increased competition and globalisation may be mentioned.

The **US Federal Reserve’s meeting minutes** for August will provide more details around the Fed’s “strong” US economic growth rate assessment. The minutes may shed more light on the Fed’s view of the ongoing trade disputes, volatility in emerging markets and/or the flatter US yield curve. Interestingly, the minutes from the June FOMC meeting showed “most” participants noted that uncertainty and risks associated with trade policy could have negative effects on business sentiment and investment spending.

The already-released Tokyo inflation report suggests **Japan’s national headline CPI** accelerated to 0.9% yoy in July. However, excluding fresh food and energy, we estimate a minor increase in inflation (ex-fresh food and energy) to only 0.4% yoy – well short of the Bank of Japan’s 2% yoy target.

Global Data Calendars

Calendar - Australasia, Japan and China

Date	Time (NZT)	Eco	Event	Period	Unit	Previous	Forecast	
							Mkt	ASB
Tue 21 Aug	10:00	AU	RBA Governor Lowe gives speech in Canberra					
	10:45	NZ	Net migration	Jul	~	4,840	~	4,800
	13:30	AU	RBA August Meeting Minutes					
	15:00	NZ	Credit card spending	Jul	m%ch	2.1	~	~
		NZ	GDT Auction, WMP prices			0.1		no
Wed 22 Aug	~	AU	RBA's Debelle speech in Brisbane					
	10:45	NZ	Retail sales ex inflation	Q2	q%ch	0.1	0.4	0.3
	13:30	AU	Construction work done	Q2	%	0.2	~	1.0
	16:30	JN	All industry activity index	Jun	m%ch	0.1	~	~
Thu 23 Aug	12:30	JN	Nikkei Japan PMI	Aug P	Index	52.3	~	~
	14:45	AU	RBA's Boulton speech in Sydney					
	17:00	JN	Leading index CI	Jun F	Index	105.2	~	~
Fri 24 Aug	10:45	NZ	Trade balance	Jul	NZD	-113	-400	-500
	11:30	JN	National CPI	Jul	y%ch	0.7	~	0.9
	12:50	JN	PPI services	Jul		1.2	~	~

*P = Preliminary

Calendar - North America & Europe

Date	Time (UKT)	Eco	Event	Period	Unit	Previous	Forecast	
							Mkt	ASB
Mon 20 Aug	10:00	EC	Construction output	Jun	m%ch	0.3	~	~
	16:00	US	Fed's Bostic speaks on US Economic Outlook in Tennessee					
Tue 21 Aug	09:30	UK	Public finances (PSNCR)	Jul	£bn	13.3	~	~
Wed 22 Aug	15:00	US	Existing home sales	Jul	\$mn	5.4	5.5	~
	19:00	US	FOMC Meeting Minutes	Aug	~	~	~	~
Thu 23 Aug	09:00	EC	Markit Eurozone manufacturing	Aug P	Index	55.1	~	~
	14:45	US	Markit US manufacturing PMI	Aug P	Index	55.3	~	~
	15:00	US	New home sales	Jul	000	631.0	650.0	~
	15:00	EC	Consumer confidence	Aug A	~	-0.6	~	~
	16:00	US	Kansas City Fed manufacturing	Aug	~	23.0	~	~
Fri 24 Aug	01:00	US	Fed hosts Annual Jackson Hole Central Banking Symposium					
	09:30	UK	UK finance loans for housing	Jul	~	40,541	~	~
	13:30	US	Durable goods orders	Jul P	%	0.8	1.0	~
	14:00	US	Fed hosts Annual Jackson Hole Central Banking Symposium					
Sat 25 Aug	17:25	CA	Bank of Canada Governor Poloz attends Jackson Hole					

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	0.9	0.9	0.8			
GDP real - A%	2.9	2.7	2.7	3.1	3.2	3.5	3.1	2.9
GDP real - AA%	2.8	2.7	2.7	2.8	2.9	3.1	3.1	3.0
CPI - Q%	0.1	0.5	0.4	0.7	0.3			
CPI - A%	1.6	1.1	1.5	1.7	2.0	1.9	1.6	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	2.0	1.7	1.6
Unemployment rate - %sa	4.5	4.4	4.5	4.4	4.3	4.2	4.1	3.9
Annual current account balance as % of	-2.7	-2.8	-3.0	-3.2	-3.1	-2.6	-2.6	-2.9

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
		<< actual	forecast >>					
(end of quarter)								
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
		<< actual	forecast >>					
(end of quarter)								
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	73.1	73.2	73.1	72.2	73.1

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