Economic Weekly

27 August 2018

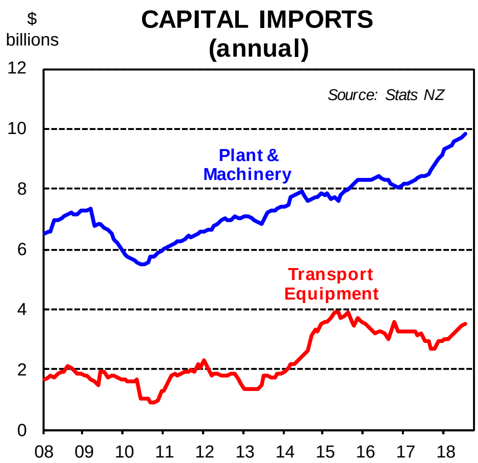
Shifting our OCR call to 2020

We've shifted our OCR call out to 2020 and we discuss that move and our economic forecasts more generally on Page 2. However, we haven't changed our OCR view as some other commentators and we have a more positive growth view than the RBNZ. The key difference is that we anticipate that economic activity is going to remain relatively positive despite low levels business confidence. Our chart of the week is case in point – it hints at ongoing healthy business investment activity as imports of plant and machinery remain firm. On this theme, the key piece of data this week is the August ANZ Business Outlook Survey. While markets are ready to pounce should the data weaken further on Thursday, we anticipate that in time the more positive reality will prevail.

Key events and views

Chart of the Week: A glass half full

Businesses are in a funk or so the confidence surveys say. However, we anticipate that things are not as bad as businesses make out. Indeed, we anticipate that growth is heading to back to 3+% as we move towards 2019. In particular, we expect firms to continue investing and hiring despite low levels of business confidence.



On the investment front, we were encouraged to see strong capital imports over July. For example, July plant & machinery import values lifted 5.9% over the month, hitting their highest level this year. Looking at the broader trend, capital imports of both plant & machinery and transport equipment remain on healthy upward trends.

All up, it appears that downbeat perception is bumping up against what appears to be a decent reality. What will win out? At this point we anticipate reality will eventually bolster perceptions, rather than the other way around. That said, the risks are clear.

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Please refer to the important disclosures at the end of this document.

Key Insights this week: Looking into our Quarterly Economic Forecasts

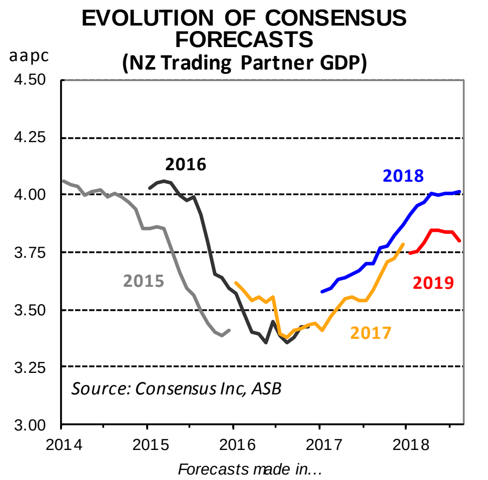
Key points

- NZ growth should still benefit from a variety of drivers to keep growth around 3%.
- But trade tensions and the risk of talking ourselves into a downturn are threats to that performance.
- The cautious RBNZ assessment and our expectation that CPI inflation will remain low have seen us push out the start of the next expected RBNZ tightening cycle to February 2020 (previously November 2019), and shaved down the extent of future OCR increases to a peak of 2.75% (previously 3.5%).

This morning we published our Quarterly Economic Forecasts. It retains the "glass half full" view of the economic outlook, which is being underpinned by solid domestic fundamentals and good global growth prospects. However, there are a number of downside local and downside risks that could weaken the outlook

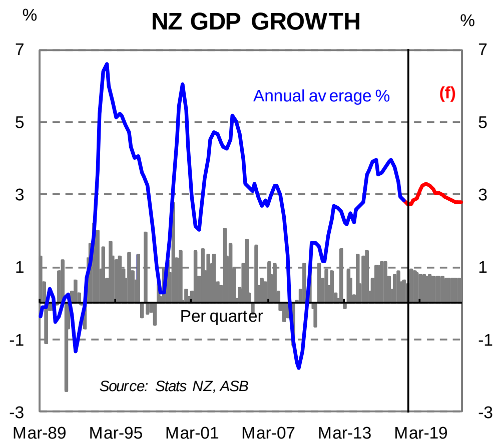
Solid Global Outlook, but with increased downside risks

At a high level, the global growth outlook remains firm and supportive of the NZ export sector. The world economy is still in the midst of a synchronised upswing. In a numerical sense, various forecasts for global and trading partner growth over 2018 have been little changed compared to May. **However, this masks both a change in the mix of global growth** (stronger US, weaker China outlook) and increasing downside risks, on the back of the escalation in US-China trade tensions over the quarter. A slowing Chinese economy is not great news for the NZ and Australian economies**. The solid trading partner growth outlook for 2019 has been slowing in recent months.**



A number of supports underpin the NZ expansion

We continue to expect NZ's economic growth to be supported by solid domestic fundamentals and good global growth prospects. Domestically, a number of supports remain in place. Interest rates will remain low into 2020 on our updated OCR outlook. The Terms of Trade are set to remain near record levels. Population growth will continue at an above-average pace, even as the net migration inflow gradually slows. And a stronger focus on the quality of inbound migrants, such as refining lists of needed skills, should mean a greater economic contribution from the slight mix shift. Housing construction is set to surge again this year. The new Government is delivering more stimulus through more welfare support and added infrastructure development. We expect a strong labour market, rising wages, population growth and low interest rates to support consumer spending growth. However, there is some risk that a weak housing market in Auckland and a slowdown in visitor arrivals may weigh on retail activity in the near term. A key driver of our GDP growth forecasts is our expectation that stronger wages will boost consumer spending.

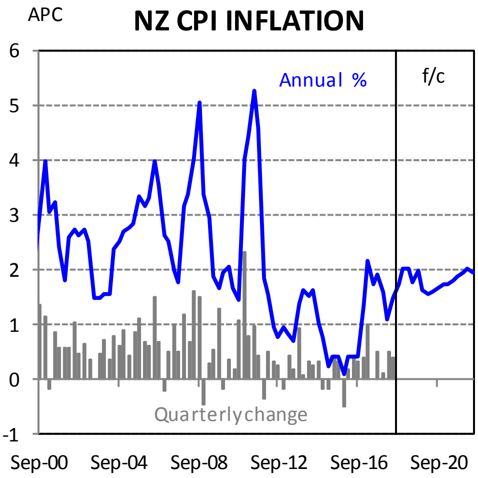


We expect NZ's GDP growth to pick up from the moderate pace that set in from the middle of last year, and head back to a 3+% pace heading into 2019. Over 2020 per-capita growth should settle around the pace averaged over 2012-2016, the purple patch of our post-crisis economic expansion.

What does seem relatively certain is that NZ's expansion has been going for a considerable period, and it does need some fresh drivers as recent ones mature. Businesses are starting to face – or at least anticipate – added cost pressures, but seem less certain of their ability to pass these on or sufficiently adapt. And businesses have genuine anxiety about potential shifts in government policy, such as industrial relations, which may not recede until clarity is provided.

Aside from the risks from current trade tensions, business uncertainty is the biggest risk to a decent growth outlook. Downbeat perception is bumping up against what appears to be a decent reality. At this point we anticipate reality will eventually bolster perceptions, rather than the other way around. But the risks are clear.

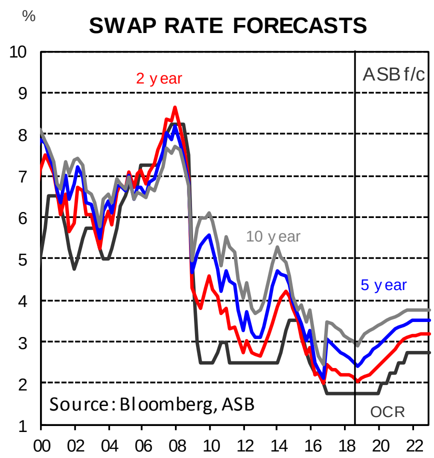
Annual headline CPI Inflation should remain in the 1-2% zone



Inflation is expected to lift back toward 2% in the near term through continued increases in housing and fuel costs. Core inflation measures are also lifting. However, with prices growing fastest in areas of non-discretionary spending such as fuel and housing, discretionary consumer spending may be eroded as a result. **This will help keep core inflation low, which should see annual CPI inflation readings settling in the 1-2% zone towards the end of the projection period.** The risk remains that inflation pressures are relatively moderate in 2020, even after allowing for a boost from higher wage inflation.

RBNZ in no hurry to lift the OCR

Our expectation that CPI inflation will remain low has seen us push out the start of the next expected RBNZ tightening cycle to February 2020 (previously November 2019). We remain constructive on the economic outlook and do not expect OCR cuts. **However, the risk is that if inflationary pressure fails to materialise,** eventual OCR increases may occur later than early 2020.



Our revised February 2020 view is still for earlier OCR increases than the RBNZ's current view implies. The key reasons for our relatively earlier view are:

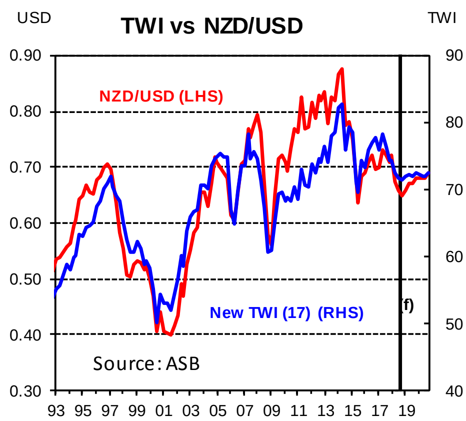
1. We expect even stronger GDP growth over 2018 than the RBNZ does;
2. We expect stronger wage growth than the RBNZ – and
3. That there will be spill-over of higher wages into consumer price inflation.

If any of these 3 key forecast assumptions fail to materialise then the risk is eventual OCR increases will occur later than early 2020. And if growth falls short of RBNZ forecasts then OCR cuts are a risk for 2019.

We have also revised down the end-point for the OCR to 2.75% this cycle. This is based on our updated judgement that the 'neutral' OCR is now closer to 3% than the circa 3.5% assumed by the RBNZ. We also expect that the RBNZ will tread more carefully given the moderate policy tightening expected from other central banks and the downward global risk profile.

Longer-term NZD rates should move higher with global counterparts. We expect a further 100bps of Fed hikes through to mid-2019, which should see US 10-year Treasury yields move above 3% before year end. NZD swap yields are expected to gradually drift above US counterparts, although modest RBNZ tightening, a contained backdrop for NZ inflation, and strong demand should cap NZ yields at low levels.

Stronger USD view



We also have a stronger USD outlook given the solid US growth outlook, high Terms of Trade, and continued repatriation of US profits. Escalating trade tensions, emerging market risks and slowing growth in China will likely further support the USD. **We expect the NZD to oscillate in a 65 to 71 US cent range over the forecast period.** The more moderate profile for NZ interest rate increases and the weaker outlook for the Chinese yuan have also seen us marginally scale back our NZD forecasts against other NZD bilaterals. Nevertheless, the **NZD TWI should remain broadly supported by a solid growth outlook, our historically-high Terms of Trade and upwardly-drifting NZ interest rates.**

Foreign Exchange Market

FX Rates	Current*	Week ago	Month ago	Year ago	ST Bias	Support^	Resistance^	MT Bias
NZD/USD	0.6685	0.6622	0.6779	0.7206	FLAT/DOWN	0.6600	0.6750	UP
NZD/AUD	0.9126	0.9063	0.9177	0.9118	FLAT	0.9050	0.9200	FLAT
NZD/JPY	74.40	73.25	75.26	78.94	FLAT	72.7	74.9	FLAT/UP
NZD/EUR	0.5752	0.5795	0.5819	0.6107	FLAT	0.5660	0.5840	FLAT
NZD/GBP	0.5216	0.5195	0.5171	0.5624	FLAT	0.5100	0.5260	DOWN
TWI	72.4	71.8	72.9	75.88	FLAT/DOWN	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/USD strengthened over the week, with the NZD also higher on the Trade Weighted Index. Cooling trade tensions (sparked by positive expectations for US-China trade talks) supported market sentiment and weighed on the USD. US President Trump's criticism of the US Federal Reserve Chair, Jerome Powell, for not being a "cheap money Chair" also weighed on the USD and saw the NZD/USD reached a high of US$0.6710 mid-week. However, heightened risk aversion towards the end of the week erased some of the earlier gains, pushing the NZD/USD back below US$0.6700. **A fresh bout of political turmoil in Australia also caused volatility in AUD crosses and supported the NZD/AUD for much of the week.** However, after days of uncertainty, Malcom Turnbull was ousted as Prime Minister. He has been replaced by Scott Morrison who is Australia's 6th prime minister in 8 years. The AUD strengthened following the announcement.

Near-term outlook

With only a handful of major market moving data due out this week, geo-political and trade headlines will likely continue to be a key driver of currency movements. However, US GDP (Wednesday night, NZT) and the US PCE deflator (Thursday night, NZT) could spark some volatility in USD crosses. However, with markets pricing over a 90% chance of a rate hike in September, market reaction is likely to be muted if the data just reconfirm this view. In New Zealand, Thursday's ANZ business confidence release remains a downside risk to the NZD if it shows business confidence is yet to recover. Ultimately, we are expecting confidence to turn around as economic fundamentals remain supportive. However, the longer business confidence remains weak, the higher the risk that this impacts activity levels. There is a risk that currency volatility remains a theme in Australia following last week's political changes. Markets will be watching closely for further signs of discontent within the party, especially as Scott Morrison only beat out the alternative candidate (Peter Dutton) by 45 votes to 40.

Medium-term outlook

We now have a stronger USD outlook given the solid US growth outlook, high US Terms of Trade, and the weaker Chinese and emerging market outlook. **We expect the NZD to oscillate in a 65 to 71 US cent range over the forecast period.** Nevertheless, the **NZD TWI should remain broadly supported by a solid growth outlook, our historically-high Terms of Trade and upwardly drifting NZ interest rates. The NZD is expected to remain in a 90-91 Australian cent zone through to the end of next year. We expect the NZD to ease slightly over the projection period relative to EUR.** The European Central Bank is expected to hike rates in September 2019 although slow growth in the Eurozone will limit the extent of ECB tightening. We also expect that Brexit risks will keep the **GBP low against the NZD**. Low inflation is expected to keep the BOJ on hold, **with the NZD/JPY modestly strengthening over the forecast period**.

ASB foreign exchange forecasts	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Mar-20	Mar-21	Mar-21
(end of quarter)			<< actual	forecast >>					
NZD/USD	0.71	0.72	0.67	0.66	0.65	0.66	0.68	0.70	0.66
NZD/AUD	0.91	0.94	0.92	0.90	0.90	0.90	0.91	0.90	0.90
NZD/JPY	80	77	74	73	73	74	73	75	74
NZD/EUR	0.59	0.59	0.58	0.58	0.58	0.58	0.55	0.55	0.54
NZD/GBP	0.53	0.51	0.52	0.52	0.52	0.53	0.53	0.54	0.51
NZD TWI	74.3	74.3	72.5	71.8	71.4	71.9	72.3	72.8	70.2

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	1.91	1.90	1.91	1.94	FLAT	UP
2-year swap	2.03	2.04	2.13	2.18	FLAT	UP
5-year swap	2.37	2.39	2.55	2.64	FLAT	UP
10-year swap	2.87	2.88	3.03	3.13	FLAT	UP
10-year govt bond yield	2.57	2.58	2.74	2.89	FLAT	UP
Curve Slope (2s10s swaps)	0.83	0.85	0.90	0.95	FLAT	FLAT

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

Market Recap

NZD interest rates start this week fractionally lower, with the curve slightly flatter. Comments by RBNZ Governor Orr at Jackson Hole that the RBNZ was in "no rush to be raising interest rates" and that "falling output through business confidence getting lower" may trigger a near-term OCR cut helped dampen local yields. Strong local Q2 retail trade data had little impact on NZD yields. **Global interest rate movements were mixed.** US yields eased as markets took heart from Powell's positive message at Jackson Hole that "there does not seem to be an elevated risk of overheating", with the Fed set to continue to carefully raise interest rates. Markets are still aligned with the June Fed view for 2018 (+50bps), but are more guarded over 2019 (+25bps versus +75bps in the June "Dot Plots"). An escalation in trade tensions supported safe-haven demand with US 10-year Treasury yields (currently 2.81%) in the lower part of recent trading ranges. The more sanguine market view is helping to keep longer-term global yields low and curves flat, with **NZ swap and bond yields below US counterparts out to (and including) the 10-year tenor.** Australian yields rose on increased political turmoil, with last week's ousting of Prime Minster Turnbull and election of new leader Scott Morrison. Concerns over fiscal solvency have seen 10-year yields move up in The Eurozone.

Near-term NZD interest rate outlook

Our bias is for little change in local yields, but we acknowledge that market pricing could further gravitate towards pricing in an OCR cut if domestic business confidence weakens further this week. Specifically, a fall in firms' own activity expectations from their 9-year low in July (+3.8), would be the trigger, although we still view the hurdle to a RBNZ rate cut as being high. The offshore calendar is light, with US core inflation expected to remain around 2%, and keep the Fed on track to hike in September. Continued trade tensions keep our bias tilted towards a flatter curve, but with the market becoming increasingly selective. **For now, NZ yields should remain well supported and low.**

Medium-term outlook

The cautious RBNZ assessment and our low CPI inflation outlook have seen us push out the start of the next expected RBNZ tightening cycle to February 2020 (previously November 2019). We remain constructive on the economic outlook and do not expect OCR cuts. However, the risk is that if inflationary pressure fails to materialise, eventual OCR increases may occur later than early 2020. **We have also revised down our assumed end-point for the extent of RBNZ tightening, with the OCR expected to peak at just 2.75% this cycle** (from August 2021 onwards). We judge that the 'neutral' OCR is now likely to be closer to 3% than the circa 3.5% assumed by the RBNZ, with the RBNZ also assumed to tread carefully given the downward global risk profile. We now expect the RBA to hike rates in November 2019, 9 months later than previously assumed. **Longer-term NZD rates should move higher with global counterparts.** We expect a further 100bps of Fed hikes through to mid-2019, which should see US 10-year Treasury yields move above 3% before year end. NZD swap yields are expected to gradually drift above US counterparts, but modest RBNZ tightening and a contained NZ inflation backdrop should cap NZ yields at low levels.

ASB interest rate forecasts	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Mar-20	Mar-21	Mar-22
(end of quarter)			<< actual	forecast >>					
NZ OCR	1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.50	2.75
NZ 90-day bank bill	1.88	2.0	2.0	1.9	1.9	2.0	2.3	2.7	3.0
NZ 2-year swap rate	2.21	2.2	2.1	2.1	2.1	2.2	2.5	3.0	3.2
NZ 10-year Bond	2.75	2.7	2.9	2.8	3.0	3.1	3.3	3.5	3.6

Major Domestic Events for the week ahead

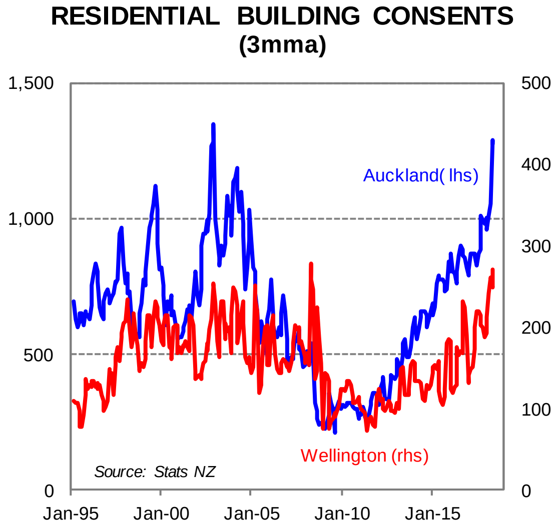
Data	Date	Time (NZT)	Previous	Market	ASB
Building Consents, July, %	30/8	10.45 am	-7.6%	-	-
ANZ Business Outlook Survey, August, headline net %	30/8	1:00 pm	-44.9	-	-
RBNZ Credit Aggregates, Household, July, %mom	31/8	3:00 pm	+0.5	-	-

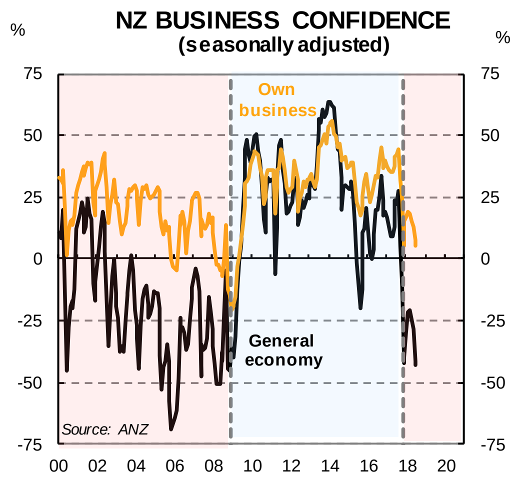
Dwelling consent issuance was surprisingly strong over Q2, suggesting election-related uncertainty has largely passed. Looking forward, we expect further trend growth in dwelling consents for Auckland, Wellington and a few additional regions where housing supply remains tight. However, for the rest of the country, housing construction activity is likely around its peak and we expect activity to gradually ease reflecting slowing population growth, softer house price growth and rising construction costs.

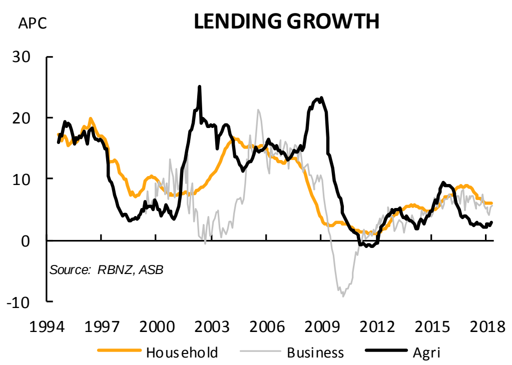
We also expect non-residential construction demand to fall over the second half of 2018, reflecting the recent decline in business confidence and investment intentions.

Headline business confidence deteriorated in June and July, to return to the post-election lows of late 2017. There are several potential catalysts, including ongoing uncertainty of the policy details of the new Government, global trade frictions, and the hit from the Mycoplasma Bovis outbreak. Investment and employment intentions remained well below historical averages. We still expect to see some gradual improvement in business confidence over the coming months, reflecting the widespread supports to the NZ economy. However, the longer business confidence remains low, the more questions that will be raised over the economic outlook.

Mortgage **credit growth** has steadied in recent months after a period of slowing growth. However, we still expect mortgage credit growth to slow as the housing market remains sluggish. We will continue to monitor business credit growth closely for signs that soft business confidence is impacting investment appetites. Agricultural credit growth appears to have hit a bottom in recent months. However, with uncertainties still reasonably high relating to Mycoplasma Bovis, we expect any uptick in agricultural credit growth to be muted.







Major International Events for the week ahead*

Data	Date	Time (NZT)	Market	ASB
Australia Private Sector Capex, Q2, %qoq	30/08	1:30 pm	0.6	0.9
Australia Building Approvals, July, %mom	30/08	1:30 pm	-2.0	-1.0
UK Mortgage Approvals, August, 000s	30/08	8:30 pm	65	65
US PCE Deflator, July, Headline, %yoy	31/08	12:30 am	2.3	2.2
Australia Private Sector Credit Growth, July, %mom	31/08	1:30 pm	0.3	0.3
Eurozone Unemployment, July, %	31/08	9:00 pm	8.2	8.2
Eurozone CPI, August, %yoy	31/08	9:00 pm	2.1	2.0

**Originally published by CBA Global Markets Research on Friday 24th August 2018 at 1.07pm.*

A solid uplift in **Australia's** non-mining investment has occurred over the past 1½ years. Mining investment is lower but there are signs of stabilisation. In this release there are two key numbers, actual volumes for Q2 and the 3rd estimate for 2018/19. For the 3rd estimate, a number around $97bn would imply no change to investment intentions compared to the second estimate. Our forecast is for the actual volume of **Q2 capex** to rise by 0.9% which would leave annual growth at 3.5%.

Australian building approvals rose a strong 6.4% last month, largely due to a rebound in Queensland from an odd looking fall the month prior. House approvals remain relatively strong, while multi-unit approvals are pulling back a little.

Private sector credit growth in Australia has eased in recent months, largely driven by a retreat in investor housing credit. Both tighter lending standards and lower demand for housing, are responsible. Other personal lending credit is in negative territory as households find alternative funding sources and business credit growth has shown some signs of returning, in line with better non-mining investment.

The already-released July **US CPI** suggests headline PCE deflator stabilised at 2.2%yoy, in part, because gasoline prices eased. Also, we predict the core PCE deflator stabilised at 1.9%yoy for the third consecutive month.

We expect that **UK mortgage approvals** will be around 65,000 in August. The UK housing market remains subdued, meaning no large acceleration in approvals is expected.

We anticipate that **Eurozone unemployment** will be around 8.2% in July, showing a slight decline from June (8.3%). Strong jobs growth and the Eurozone's robust growth profile continue to underpin improving employment conditions.

We expect that the **Eurozone's August CPI** will be around 2%yoy (headline) with core inflation around 1.1%yoy, consistent with gradually improving Eurozone inflation dynamics.

Global Data Calendars

Calendar - Australasia, Japan and China

Date	Time (NZT)	Eco	Event	Period	Unit	Previous	Forecast Mkt	Forecast ASB
Mon 27 Aug	13:30	CH	Industrial profits	Jul	y%ch	20.0	~	~
Tue 28 Aug	11:30	AU	ANZ Roy Morgan Cons. Conf.	Aug	Index	114.1	~	~
Wed 29 Aug	13:30	JN	BOJ Suzuki speaks in Naha					
	17:00	JN	Consumer confidence index	Aug	Index	43.5	~	~
Thu 30 Aug	10:45	NZ	Building permits	Jul	m%ch	-7.6	~	~
	11:50	JN	Retail sales	Jul	m%ch	1.5	~	~
	13:00	NZ	ANZ business confidence	Aug	~	-44.9	~	~
	13:30	AU	Building approvals	Jul	m%ch	6.4	-2.0	-1.0
Fri 31 Aug	10:00	NZ	ANZ Cons. Conf. index	Aug	Index	118.4	~	~
	11:30	JN	Jobless rate	Jul	%	2.4	~	~
	11:50	JN	Industrial production	Jul P	m%ch	-1.8	~	~
	13:00	CH	Composite PMI	Aug	Index	53.6	~	~
	13:30	AU	Private sector credit	Jul	m%ch	0.3	0.3	0.3
	16:00	JN	Vehicle production	Jun	y%ch	4.6	~	~

*P = Preliminary

Calendar - North America & Europe

Date	Time (UKT)	Eco	Event	Period	Unit	Previous	Forecast Mkt	Forecast ASB
Mon 27 Aug	15:30	US	Dallas Fed manufacturing.	Aug	Index	32.3	30.0	~
Tue 28 Aug	09:03	UK	Nationwide house PX	Aug	m%ch	0.6	~	~
	12:00	EC	ECB Board Member Peter Praet speaks in Cologne, Germany					
	13:30	US	Wholesale inventories	Jul P	m%ch	0.1	~	~
	14:00	US	S&P CoreLogic CS 20-City	Jun	m%ch	0.2	0.2	~
	15:00	US	Richmond Fed manufacturing	Aug	Index	20.0	18	~
	15:00	US	Conf. Board consumer	Aug	Index	127.4	126.5	~
Wed 29 Aug	13:30	US	GDP annualized	Q2 S	q%ch	4.1	4.0	~
	13:30	US	Core PCE	Q2 S	q%ch	2.0	~	~
Thu 30 Aug	09:30	UK	Net consumer credit	Jul	£bn	1.6	~	~
	10:00	EC	Economic confidence	Aug	Index	112.1	~	~
	13:30	US	Initial jobless and continuing	Aug	~	~	~	~
	13:30	US	PCE deflator	Jul	m%ch	0.1	0.2	~
Fri 31 Aug	00:01	UK	Lloyds Business Barometer	Aug	~	29.0	~	~
	10:00	EC	Unemployment rate	Jul	%	8.3	8.2	8.2
	10:00	EC	CPI core	Aug A	y%ch	1.1	1.1	1.1
	15:00	US	Uni. of Michigan sentiment	Aug F	~	95.3	95.7	~
	18:00	EC	ECB Board Member Luis Guindos speaks in Asturias, Spain					

Key Forecasts

ASB NZ economic forecasts	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Mar-20	Mar-21	Mar-22
		<< actual	forecast >>						
GDP real - Q%	0.6	0.5	1.0	0.9	0.8				
GDP real - A%	2.9	2.7	2.8	3.1	3.3	3.5	3.1	2.9	2.8
GDP real - AA%	2.8	2.7	2.7	2.8	2.9	3.2	3.1	3.0	2.8
CPI - Q%	0.1	0.5	0.4	0.7	0.4				
CPI - A%	1.6	1.1	1.5	1.7	2.0	2.0	1.6	1.8	2.0
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	1.4	1.2
Unemployment rate - %sa	4.5	4.4	4.5	4.4	4.2	4.2	4.1	4.0	3.9
Annual current account balance as % of	-2.7	-2.8	-3.1	-3.3	-3.3	-2.8	-2.6	-2.9	-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	Mar-22
(end of quarter)			<< actual	forecast >>					
NZ OCR	1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.50	2.75
NZ 90-day bank bill	1.88	2.0	2.0	1.9	1.9	2.0	2.3	2.7	3.0
NZ 2-year swap rate	2.21	2.2	2.1	2.1	2.1	2.2	2.5	3.0	3.2
NZ 10-year Bond	2.75	2.7	2.9	2.8	3.0	3.1	3.3	3.5	3.6

ASB foreign exchange forecasts	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Mar-20	Mar-21	Mar-21
(end of quarter)			<< actual	forecast >>					
NZD/USD	0.71	0.72	0.67	0.66	0.65	0.66	0.68	0.70	0.66
NZD/AUD	0.91	0.94	0.92	0.90	0.90	0.90	0.91	0.90	0.90
NZD/JPY	80	77	74	73	73	74	73	75	74
NZD/EUR	0.59	0.59	0.58	0.58	0.58	0.58	0.55	0.55	0.54
NZD/GBP	0.53	0.51	0.52	0.52	0.52	0.53	0.53	0.54	0.51
NZD TWI	74.3	74.3	72.5	71.8	71.4	71.9	72.3	72.8	70.2

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