Research Markets Outlook

16 December 2024

The Christmas Rush: GDP, HYEFU And All That

- Q3 GDP expected to contract
- Accompanied by significant revisions
- PMI/PSI suggest GDP still struggling in Q4
- Govt. half year update to reflect economic pressures
- November selected prices hold our Q4 CPI pick
- Annual current account deficit still seen large in Q3
- Commodity prices expected to boost November exports
- Consumer and business confidence data due

The week before Christmas traditionally brings a heap of economic news and data in NZ. This year is no different. Q3 GDP and the Government's Half Year Economic and Fiscal Update (HYEFU) are headline grabbers. November's Selected Prices and PSI have already been published this morning. And there's a ton of other data due including the Balance of Payments, Merchandise Trade, and no less than three confidence surveys.

Q3 GDP is due Thursday. We have long expected a contraction in the quarter, with our estimate finalising at -0.4% q/q. We anticipate clear declines in the likes of construction, wholesale trade and manufacturing. The latter suffering from an energy crunch in the quarter which is also expected to be reflected in a large drop in utilities valued added. Service sector activity is seen close to flat, overall. Some growth is expected in the primary sector thanks to more milk production and a significant bounce in forestry from the previous quarter's sharp drop.

Market estimates from local institutions have progressively been toned down over recent weeks, as partial data have come in softer than some expected. Consensus sits at -0.2%, but with something of a geographic split. Major local banks are at -0.4%, while many offshore institutions see something less negative. The market range is -0.4% to +0.1%. The RBNZ, in its November MPS, forecast -0.2%.

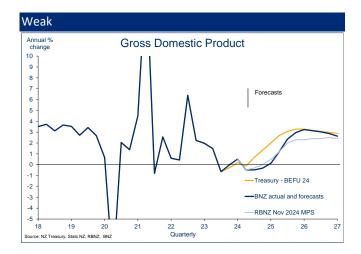
Despite all the focus on the quarterly outturn, we caution that there will be significant revisions included in this release. We already know that real GDP has been revised up significantly for March years 2023 and 2024 (accumulating to around 1.9%). That means the level of real GDP seems all but assured to be above prior considerations.

Moreover, it is not just the level of GDP that will change, but also the quarter-to-quarter profile as Stats NZ is

incorporating a new seasonal adjustment methodology. What all that means for the output gap and implications for policy remains to be seen.

bnz* Markets

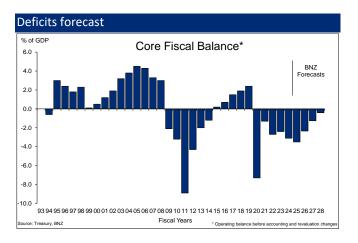
Another quarterly decline in GDP will spark more talk of NZ re-entering recession. That would seem academic to us. Economic activity per person has gone backwards. This quarter's revisions will alter (recorded) GDP history, but it won't change the fact that the unemployment rate has increased over the past two years. Technical recession or not, there is no denying challenging economic conditions.



Last week's PMI, and this morning's PSI, show challenges continued into November. The PMI was very weak at 45.5. The PSI offered some encouragement lifting to 49.5, from October's 46.2 but is still well below its long run average. The composite (PCI) index, which combines the PMI and PSI, suggests GDP is still tracking below year earlier levels.

The Government's HYEFU is scheduled for release tomorrow. The economy has been underperforming Treasury's Budget economic forecasts. The Treasury's Chief Economic Adviser has indicated the economic downturn has been deeper, and the recovery may begin later, than forecast in May. And he suggested Treasury's long term productivity assumption will be nudged lower.

We have talked about such economic pressures before and expect them to be reflected in the HYEFU figures with OBEGAL (on the current definition) deficits forecast until a small surplus in 2028/29, a year later than was projected in the Budget. Net core Crown debt is expected to remain above 40% of GDP, although should begin to trend towards 40% later in the forecast period. For the near term, the forecast 2024/25 deficit may be around 3.5% of GDP, a nudge higher from the Budget's 3.1%.



Revised GDP or not, there has been some undershoot in the fiscal accounts. In the four months to October, the OBEGAL deficit was tracking around \$0.9b bigger than Budget baselines. Some of this was due to SoE's and other Crown Entities. Smoothing through a lot of noise (including related to the timing of holidays), we suggest the core Crown cash deficit was running around \$400m behind Budget in an underlying sense, through to October.

A cash shortfall, recent economic pressures, and likely lower growth forecasts suggest upward pressure on the Government's funding requirements compared to Budget expectations. Amid a lot of moving parts, it could be in the order of \$2b per annum on average over the forecast period – a bit less in the initial years and a little more in the latter years (all dependent on how much Treasury lowers its growth forecasts).

For 2024/25, while there is upward pressure on debt funding, some pre-funding in the previous fiscal year may be enough to keep this year's gross bond issuance at \$38b. Something similar could be expected for the following 2025/26 year. We assume most of the additional funding requirements are catered for via the bond programme, rather than other instruments. We also assume the Budget operating allowances of \$2.4b remain intact, and capital requirements and timing are not materially altered from the May Budget.

Beyond the figures, the Budget Policy Statement will be worth a look too for its insight into the Government's priorities for Budget 2025 as well as an update on the Government's long-term fiscal objectives.

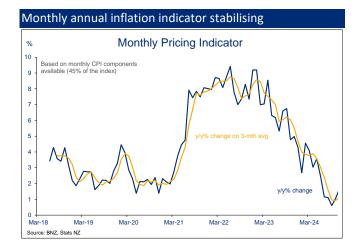
One thing to watch for is more discussion at HYEFU around whether to continue to include SoE's and Crown entities in the OBEGAL deficit or remove some. The Finance Minister has recently noted arguments to exclude such entities (especially the self-funding ones like ACC) from the OBEGAL measure. There is the possibility of a change to OBEGAL or introduction of an additional measure.

Selected Prices for November were released this morning. These indicators are tradeable-heavy and volatile, but there looks to be some stabilisation in their annual inflation over recent months albeit a lower NZD will add some upward pressure ahead.

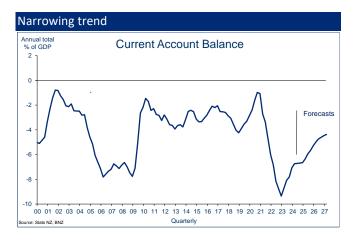
The key food price index eased 0.1% m/m. This was a slightly smaller decline that we have pencilled in.

Rents rose 0.2% m/m as expected and along with subdued restaurant meal prices are supportive of downward pressure on non-tradeable inflation. However, a 10.8% m/m jump in domestic airfares will do the opposite.

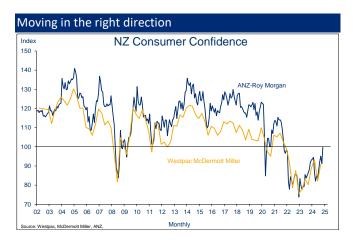
Overall, the balance of November's selected prices was marginally stronger than we had factored in. It was not enough to change our Q4 CPI pick, which stays at 0.6% q/q. The RBNZ forecast 0.4% q/q in its November MPS.



Wednesday's Q3 Balance of Payments data will continue to show a large current account deficit. We think the annual deficit as a percent of GDP is trending lower but could pause this quarter at 6.7%. That said, the upward revisions to nominal GDP might be enough to nudge the deficit a tick smaller on that metric. The deficit still looks large enough to remain on the radars of rating agencies.

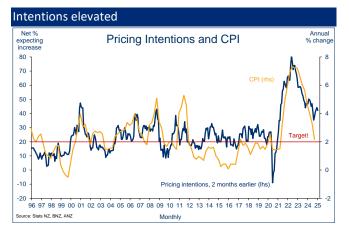


Consumer confidence readings come in the form of Wednesday's WMM Q4 survey and Friday's ANZ December survey. There have been signs of improvement from a low base recently, but further improvement is required to indicate a sustained pickup in spending.



ANZ's Business Outlook survey for December is due on Thursday afternoon. We think the recent theme will continue, namely buoyant confidence in the outlook but still negative reports of recent activity compared to year earlier levels. More interest will be in the inflation gauges, with inflation expectations still trending lower but pricing intentions stubbornly elevated.





If you want a prime example of high confidence in the future but recent weak activity – look no further than agriculture. Farmer confidence is at 30-year high, but annual tractor registrations are at their lowest since 2001. Lower interest rates and higher commodity prices are part of the mix in lifting farmer confidence.

For the latest on dairy prices, the last GDT auction of the year is due early Wednesday morning. We have no strong view for this event, but price gains to date have set up markedly stronger revenues for the dairy sector this season. That will be a big support to economy-wide activity next year.

At the risk of spoiling the surge in positivity, it is worth keeping an eye on the weather over summer. Not only for holiday making, but because it is already getting drier than normal for this time of year especially in the north and east of both the North and South Islands. Intensification, or spreading of this, has the potential to disrupt primary production by more than the initial dent already made.

For now, the agriculture sector is generally looking up and this is starting to show through in the trade numbers. November's merchandise trade figures round out the data week and the data year on Friday. We expect materially higher commodity prices to drive exports upwards. We have pencilled in a 14% y/y gain. Imports are also expected to post a strong gain, up 9% y/y, on our assumption of more aircraft imports entering the data this month. These flows should result in a monthly trade deficit of around \$1.1b. That would see the annual trade deficit continue to shrink, to around \$8.8b, maintaining its trend narrowing pressure on the broader current account deficit into year's end.

Speaking of year's end, we would like to wish all our readers a happy and safe festive season and we look forward to connecting with you again in the New Year. This will be our last Markets Outlook for 2024. Our first 2025 issue will be on 13 January.

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Global Watch

- FOMC expected to cut 25bps; 2025 outlook in focus
- BoE, BoJ, Norgesbank seen on hold
- Riskbank expected to cut 25bps
- Global PMIs to give latest activity pulse check
- German government faces no confidence vote
- China sees 'moderately loose' policy; activity data due
- US core PCE seen at 0.2% m/m; retail sales out too

Week in Review

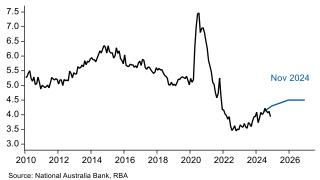
The RBA's dovish shift on Tuesday showed their concern about upside risk to inflation had faded. That opened the path to a February cut a bit wider, but the data flow was still going to have to make a compelling case given the RBA's only modestly restrictive starting point.

On Thursday, Australian November labour market data was stronger than expected. The unemployment rate fell 2 tenths to 3.9%, its lowest since March and comfortably undershooting the RBA's November forecasts.

The RBA has rightly taken some comfort from the fact that the still-tight labour market has not proven particularly wage-inflationary, but yesterday's labour market data continues to show that sluggish growth is not translating into spare capacity in the labour market.

The combination of the two suggests that the RBA may be viewing the labour market as closer to balance than they had earlier assessed, but also that it is not obviously cooling further as they had been forecasting.

RBA Unemployment Rate Forecasts



Globally, the ECB cut 25bp as expected, and US CPI and PPI data did not stand in the way of a December FOMC cut, seeing market pricing pen in 25bp from the Fed this week.

China's Politburo also hinted at more stimulus, with the use of the term "*moderately loose*" to define monetary policy in 2025, the first time since the aftermath of the GFC in 2009.

Week Ahead

Australia has a quiet lead into the festive season with mostly second tier data, though budget updates are

expected sometime in the week from the Commonwealth (MYEFO) and from some states (NSW and perhaps a few others).

Westpac Consumer Sentiment (Tuesday) is probably the most notable of the data to see whether the rebound in sentiment is sustained. Others include Credit (Friday) and the RBA Minutes (the following Tuesday, 24 December).

A busy week for central banks with the US Fed (Wednesday), BoJ (Thursday), BoE (Thursday), Norges bank (Thursday) and Riksbank (Thursday) all meeting.

The US Fed is widely expected to cut rates by 25bps, but more focus on the path for 2025 and an updated neutral rate estimate given a still strong economy and the prospect of tariffs and tax cuts.

The BoJ is expected to hold rates if media reports are to be believed with January now seen as the most likely meeting date for further normalisation. The BoE is also expected to hold rates steady, as is the Norgesbank. In contrast the Riskbank is expected to cut rates by 25bps.

Europe sees the PMIs (Monday) as well as UK Unemployment (Tuesday) and CPI (Wednesday). EZ services activity is expected to remain below the 50 breakeven with consensus at 49.5. That contrasts sharply with the US Services PMI at 56.1 and in general US data flow has continued to surprise, in contrast with Europe. In politics, a no-confidence vote in the German government is likely, paving the way to fresh elections in February 2025.

In the US, the PMI read is also likely to garner more focus than usual to see whether it follows the alternative ISM lower. The strong lift in the small business NIFB survey suggests it shouldn't. Also in the US is Retail Sales (Tuesday), the last data print before the FOMC decision on Wednesday. Later in the week is the PCE figures (Friday). North of the border Canada has its November CPI (Tuesday).

China's monthly activity indicators (Monday) see the usual Retail Sales, Industrial Production and FAI. With stimulus notions in the air, it is hard to see this being overly market moving. Note official PMIs are published on New Years Eve.

Important Events Preview

Monday 16

CH Retail Sales, Industrial Production, FAI

November data may read as dated given Chinese authorities have flagged further stimulus to come, especially in the context of trade/tariff uncertainty in 2025. Consensus sees retail sales lifting to 5.0% y/y from 4.7%. Industrial production is expected to be little changed at 5.4% y/y and FAI at 3.5% y/y.

EZ German no-confidence vote

A no-confidence vote in German Chancellor Scholz's minority government is scheduled Monday. It is widely expected he will lose the vote with the President then dissolving parliament and paving the way for snap elections scheduled for 23 February 2025.

EZ/UK/US Global PMIs

European services activity is expected to remain below the 50 breakeven with the consensus at 49.5. That contrasts sharply with the US Services PMI at 56.1. The US read is also likely to garner more focus than usual to see whether it follows the alternative ISM lower. The strong lift in the small business NIFB survey suggests it shouldn't.

On the manufacturing side, reports are that freight activity is picking up in the US which could see the US Manufacturing PMI lift above 50 from its current 49.7. The consensus for Europe though is for the Manufacturing PMI to remain subdued at 45.6.

US Empire Fed Manufacturing

Tuesday 17

AU Westpac Consumer Confidence

Consumer confidence has lifted sharply over the past few months and has correlated with the pickup seen in retail sales over recent months. The lift in overall confidence also saw a fall back in unemployment expectations to its lowest since April 2023.

EZ German IFO and ZEW surveys

The German IFO is less market moving these days given the PMIs are generally published the day prior.

UK Unemployment, Jobless Claims

Average earnings are expected to continue to tick gradually lower in October. Whole economy regular wages (ex-bonus) eased to 4.8% 3m y/y in September, the same as those in the private sector, a measure the BoE watches closely. NAB expect wage settlements to start to ease a little more quickly in 2025 as firms start to factor in higher employment costs from the recent Budget. The ILO measure of unemployment spiked to 4.3% in Sep, but the data continue to suffer from low survey returns.

US Retail Sales, Industrial Production

Retail sales for November is the last data point before Wednesday's FOMC decision. Consensus sees the core control measure at 0.4% m/m from -0.1% previously.

CA CPI (November)

Consensus sees the core measures ticking back a tenth with trimmed at 2.5% y/y and median at 2.4% y/y.

Wednesday 18

EZ CPI (final)

UK CPI (November)

UK inflation for November will see headline CPI continue its rebound from a cycle low of 1.7% in September and 2.3% in October to 2.6% y/y in the November release. Base effects, particularly in the goods sector, higher energy tariffs and VAT on tobacco will all combine to continue pushing prices above the 2% target. In addition, core and services inflation are also likely to add 2/10ths and 1/10th respectively to 3.5% y/y and 5.1%. It will likely be some months and well into 2025 before all measures peak and start to decline again. This a central factor in the BoE's gradual approach to cutting interest rates.

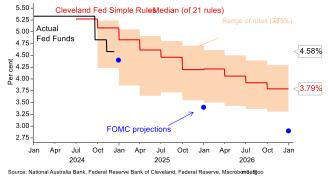
US FOMC & Presser (Cut), Housing Starts/Permits

The US Fed is widely expected to cut rates by 25bps, and this would also be in line with the FOMC's September dot plot for 2024. That dot though was very evenly split, so there is an outside chance of dissent.

Where the Fed goes in 2025 is much less certain given a resilient economy and the prospect of tariffs and tax cuts. The September dot plot had pencilled in 100bps of cuts in 2025 to 3.4% vs. current market pricing of 57bps of cuts to 3.8%.

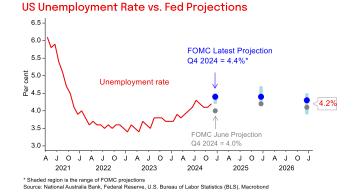
Simple Taylor rules such as those compiled by the Cleveland Fed point to an even more moderate cutting cycle. A simple median of 21 rules gives an appropriate Fed Funds Rate for 2025 of 4.2% and for 2026 of 3.8%.





The US economy is still growing at an above trend rate. The Atlanta Fed GDP Now for Q4 is 3.3% vs. the FOMC longer-run estimate of 1.8%. The labour market is not softening as sharply as feared. The unemployment rate at 4.2% is below the FOMC's Q4 2024 ave. of 4.4%. Core inflation is also a touch higher than projections.

In that context there is some talk around whether neutral rates have risen. The FOMC longer-run median dot had pegged this at 2.9% with a range of 2.4-3.8%. Expect that range to lift with a few officials noting that the Fed may not be far off neutral.



Thursday 19

JN BoJ Decision (Hold)

As much as the data is making the case for a December hike, reading the BoJ tea leaves, it is clear the Bank has a preference to wait a little bit longer. One Reuters' article citing sources was explicit, noting: "... is leaning toward keeping interest rates steady". And "'Japan isn't in a situation where imminent rate hikes are needed,'. 'With inflation benign, it can afford to spend time scrutinising various data'".).

Looking to 2025 it is important to note that the BoJ has scheduled a speech and press briefing by Deputy Governor Himino right before the Bank's 24 January meeting. The speech has been deemed as unusual given there is no record of speeches before the first meeting of the year in over a decade. NAB sees the Bank hiking in January with the policy rate ending 2025 at 0.75%.

NO Norges Bank (Hold)

The Norges Bank has signalled its rate cutting cycle is unlikely to start until 2025. Markets do not price a full cut until the March meeting.

SK Riksbank (Cut)

A 25bps rate cut to 2.5% this week is only 50% priced, with markets reacting to latest higher than forecast inflation data. However, economists are united the Riksbank will deliver a further 25bps easing.

UK BoE (Hold)

The BoE is universally expected to keep rates unchanged at 4.75% at its December policy meeting. NAB has long forecast the BoE will cut just twice in 2024 from a peak of 5.25% but will pick up the pace a little in 2025, with 4 x 25bp cuts in Feb, May, Aug and Nov to 3.75%. The BoE has been very clear that it continues to believe a gradual approach to removing policy restraint remains appropriate. At this meeting there will be no new economic forecasts or press conference, with just the Minutes of the meeting released at the same time as the decision. NAB anticipates an 8:1 decision with dove Dhingra dissenting.

US Jobless Claims, Philly Fed

Friday 20

AU Credit

Credit stats are rarely market moving, but we resumed coverage earlier in the year given the citing of strong credit growth by the RBA for why *"there had been a modest easing"* in financial conditions.

Consensus sees another solid 0.6% m/m outcome, but it is the business credit line that continues to garner the most interest, up 1.0% m/m and 8.3% y/y. Notably the annual growth rate is now the strongest since the mining boom outside of the post-pandemic rebound.

JN CPI (November)

Consensus sees the core-core measure (excl. energy and fresh food) lifting to 2.4% y/y from 2.3%.

CH Loan Prime Rates

No change expected to either 1yr or 5yr rate.

UK Retail Sales

US PCE, Uni Michigan Consumer Sentiment

The last major data piece of the year. Core PCE inflation is expected to be 0.2% y/y and 2.9% y/y.

Monday 23

US Conference Board Consumer Confidence

Tuesday 24 (Christmas Eve)

AU RBA December Minutes

The Minutes are unlikely to add much to the debate given we have heard from both the RBA Governor and Deputy Governor recently. The dovish tilt at the December meeting widened the path to a February cut, but the data flow still needs to make the case given the RBA's only modestly restrictive starting point.

The fall back in the unemployment rate to 3.9% should challenge the degree of confidence the Board has in the inflation outlook. As below trend growth is not translating into spare capacity in the labour market and may be challenging from a productivity view.

That should leave little urgency for the RBA to adjust policy settings. NAB expect inflation data will look a little better than the RBA feared in Q4, but our central case is that it will take a little longer for the RBA to gain enough comfort to cut (RBA inclined to look through subsidy-buffeted Q4 CPI). NAB expects a first cut from the RBA in May.

US Durables

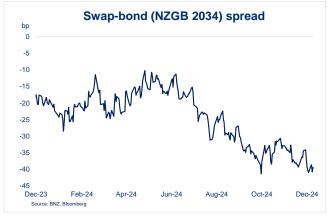
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Fixed Interest Market

The NZ yield curve steepened last week. Front end yields were little changed, as activity data remained weak, and supported the case for the front loaded RBNZ easing cycle. After the release of GDP partials, we forecast the economy contracted by 0.4% in the September quarter. A move higher in global rates, led by US treasuries, contributed to upward pressure on the longer end of the NZ curve. Government bonds continued to underperform relative to interest rate swaps.

10-year swap spreads have returned to the multi-year low near -40bp. Bonds appear cheap, but lack a catalyst for a reversal, amid heavy issuance from the fiscal deficit and ongoing quantitative tightening. The Reserve Bank has reduced its Large Scale Asset Purchase government bond portfolio to NZ\$28 billion, from a peak of NZ\$53 billion, with the additional supply to the market needing to be absorbed by price sensitive private sector investors.

10-year swap spreads back at multi-year lows



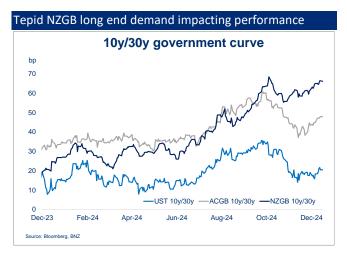
The Half Year Economic and Fiscal Update is released tomorrow. Recent commentary by Treasury officials and the finance minister has set the scene for an increase in funding requirements. The Treasury is expected to project a weaker economic outlook relative its Budget forecasts, and a deterioration in the fiscal backdrop, which will require additional government bond issuance over the forecast horizon.

Gross government bond issuance of NZ\$38 billion for 2024/25 is already large from a historical perspective. New Zealand Debt Management (NZDM) have issued NZ\$22 billion bonds in the first half of the fiscal year, split evenly between weekly tenders, and the two nominal syndications. Ahead of any revisions to the programme, we estimated about NZ\$3 billion was required from a NZGB syndication ahead of June 30.

There has been strong investor demand in the syndications this fiscal year. This suggests room to target larger volumes

Reuters: BNZL, BNZM Bloomberg:BNZ

from the remaining transaction, a tap of an existing nominal line, that was announced alongside the Budget in May. In addition, funding requirements may be smoothed across future fiscal years and could be accommodated by increasing short term borrowing. Outstanding T-Bill and European Commercial Paper volumes have declined by NZ\$3 billion since the September peak.



The NZGB 10y/30y curve has steadily moved higher in recent weeks, and has underperformed both the US and Australian curves, since the collective peak in October. Investor demand for the 30Y NZGB sector has remained tepid. There has only been NZ\$100 million 30-year NZGBs tendered in 2024/25, suggesting a lack of indicated demand by market participants. Non-resident investors hold the bulk of the ultras, but in the three months to the end of October, they have been net sellers, which has weighed on the long end of the curve.

| | Current | Last 4-weeks range* |
|-------------------------|---------|---------------------|
| NZ 90d bank bills (%) | 4.29 | 4.29 - 4.45 |
| NZ 2yr swap (%) | 3.60 | 3.55 - 3.93 |
| NZ 5yr swap (%) | 3.69 | 3.59 - 4.04 |
| NZ 10yr swap (%) | 4.02 | 3.91 - 4.36 |
| 2s10s swap curve (bps) | 42 | 29 - 48 |
| NZ 10yr swap-govt (bps) | -40 | -4032 |
| NZ 10yr govt (%) | 4.42 | 4.33 - 4.67 |
| JS 10yr govt (%) | 4.40 | 4.13 - 4.50 |
| IZ-US 10yr (bps) | 3 | 3 - 27 |
| NZ-AU 2yr swap (bps) | -30 | -4317 |
| IZ-AU 10yr govt (bps) | 13 | -2 - 19 |

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Foreign Exchange Market

Last week, the USD was broadly stronger and the NZD underperformed, with NZD/USD down 1.2% and closing the week just over 0.5760 after falling to a fresh 2024 low of 0.5754 during Friday night trading. All NZD crosses were modestly weaker apart from NZD/JPY which rose 1.2% to 88.5, against a backdrop of higher global yields and the market deciding that the BoJ will not likely hike at its meeting this week.

The NZD's poor run through Q4 continues, having fallen over 9% after reaching its highest level for the year at the end of September. The NZ economy's poor relative performance against peers, including the exceptional US economy, and fears about the Trump 2.0 policy agenda have been key driving forces.

US inflation data were not strong enough to dissuade the Fed from cutting rates again later this week but, with inflation stabilising well above target and the economy still growing above trend, there is a strong consensus building for a pause in the easing cycle next year, and perhaps only two further rate cuts.

The ECB cut its policy rates by 25bps for a third successive meeting, taking the deposit rate down to 3.0% and the Bank of Canada cut rates by 50bp to 3.25% taking the cumulative easing since the cycle began in June to 150bps. Both central banks gave more guarded comments about the policy outlook and both NZD/EUR and NZD/CAD were weaker.

Surprising the market, the RBA made a dovish pivot, with the statement saying "the Board is gaining some confidence that inflation is moving sustainably towards target". The previous comment of not ruling anything in or out regarding policy was removed. However, later in the week, Australia's employment report was strong, with the unemployment rate falling two-tenths to an eight-month low of 3.9% in November, defying market expectations for a nudge up to 4.2%. The NZD/AUD's recent foray above 0.91 proved temporary, with the currency down 0.7% for the week to 0.9060.

The week ahead calendar is busy, including policy meetings by the Fed, BoE and BoJ. Thus, there is plenty of event risk to perturb currency markets, although we suspect currency positions are lighter than normal at this time of year.

With the market fully pricing a 25bps rate cut by the Fed, the focus will be on the new projections and Chair Powell's tone. The market seems positioned for a hawkish cut, with the projections likely to convey less scope for easing next year, a possibly higher terminal Fed Funds rates and Powell strongly hinting that a pause in the easing cycle might be in order. The market sees little chance of the BoE cutting again at this meeting, while expectations for a BoJ hike have evaporated, more so after last week Bloomberg

Reuters pg BNZWFWDS Bloomberg pg BNZ9

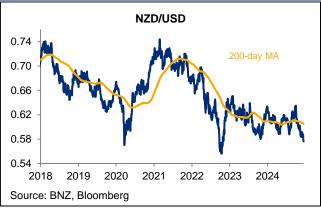
reported that BoJ officials see little cost to waiting before raising interest rates.

Domestically, the focus will be on NZ Q3 GDP, where yet another contraction (-0.4% q/q expected by all four major banks) is likely, but upward revisions to prior GDP data should help negate the vibe after another poor quarter. The half-year fiscal update, which will show further deterioration in NZ's fiscal accounts, is not normally a market moving event for the NZD.

On the global economic calendar, watch out for US retail sales and the PCE deflators, China monthly economic indicators, European and US PMIs, UK labour market data, and CPI reports for Canada, UK CPI, and Japan.

As we head into 2025, the NZD seems to be weakening at a more rapid rate than expected, with no positive seasonality yet seen in December. Trump's tariff policy will set the scene for how the NZD performs in the early part of 2025. Our bias remains negative for the currency for the first half of the year, and we still think that 0.55 is a key level to watch, which the NZD could weaken to.

NZD at fresh lows; Eyes on 0.55 next year on tariff policy



Cross Rates and Model Estimates

| | Current | Last 3-weeks range* |
|---------|---------|---------------------|
| NZD/USD | 0.5762 | 0.5760 - 0.5930 |
| NZD/AUD | 0.9056 | 0.8950 - 0.9150 |
| NZD/GBP | 0.4567 | 0.4530 - 0.4680 |
| NZD/EUR | 0.5489 | 0.5490 - 0.5620 |
| NZD/JPY | 88.53 | 87.00 - 90.60 |
| | | |

*Indicative range over last 3 weeks, rounded figures

BNZ Short-term Fair Value Models

| | Model Est. | Actual/FV |
|---------|------------|-----------|
| NZD/USD | 0.6970 | -17% |
| NZD/AUD | 0.8560 | 6% |

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Technicals

NZD/USD

| Outlook: | Downside risk |
|----------------|------------------------|
| ST Resistance: | 0.58 (ahead of 0.60) |
| ST Support: | 0.5600 (ahead of 0.55) |

With a clear sustained break below prior key support of 0.58, that level now becomes resistance, and the next support level is well south, around 0.56, ahead of 0.55.

NZD/AUD

| Outlook: | Trading range |
|----------------|------------------------|
| ST Resistance: | 0.92 (ahead of 0.9315) |
| ST Support: | 0.89 (ahead of 0.87) |

A bit jumpy over recent weeks with no obvious support/resistance levels, but 0.89/0.92 should cover it for now.

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NZ 5-year Swap Rate

| Outlook: | Neutral |
|----------------|---------|
| ST Resistance: | 4.06 |
| ST Support: | 3.48 |

We have changed our outlook on 5 year swap to neutral as it appears to be rangebound for the time being. We may look to enter positions to fade any move toward resistance or support.

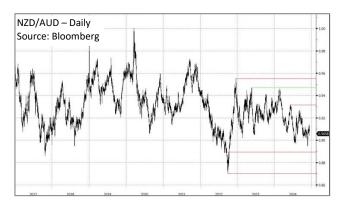
NZ 2-year - 5-year Swap Spread (yield curve)

| Outlook: | Steeper |
|----------------|---------|
| ST Resistance: | 0.28 |
| ST Support: | -0.10 |

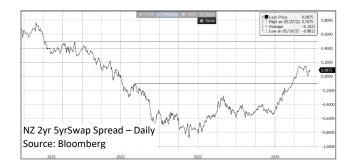
2x5s swaps spread was largely flat last week with nothing of note to impact our existing view.

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Quarterly Forecasts

Forecasts as at 16 December 2024

Key Economic Forecasts

Quarterly % change unless otherwise specified

| | Dec-23 | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 | Jun-25 | Sep-25 | Dec-25 | Mar-26 |
|------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| GDP (production s.a.) | 0.0 | 0.1 | -0.2 | -0.4 | 0.2 | 0.5 | 0.8 | 0.8 | 0.8 | 0.8 |
| Retail trade (real s.a.) | -1.8 | 0.5 | -1.2 | -0.1 | 0.5 | 0.8 | 1.0 | 1.2 | 1.1 | 0.9 |
| Current account (ytd, % GDP) | -7.1 | -6.7 | -6.7 | -6.7 | -6.7 | -6.4 | -5.9 | -5.7 | -5.3 | -5.0 |
| CPI (q/q) | 0.5 | 0.6 | 0.4 | 0.6 | 0.6 | 0.6 | 0.2 | 0.6 | 0.1 | 0.6 |
| Employment | 0.3 | -0.4 | 0.2 | -0.5 | -0.2 | 0.2 | 0.5 | 0.6 | 0.7 | 0.7 |
| Unemployment rate % | 4.0 | 4.4 | 4.6 | 4.8 | 5.2 | 5.3 | 5.5 | 5.4 | 5.3 | 5.3 |
| Avg hourly earnings (ann %) | 6.6 | 4.8 | 4.0 | 3.2 | 3.4 | 3.9 | 3.6 | 3.0 | 2.9 | 3.0 |
| Trading partner GDP (ann %) | 3.3 | 3.2 | 3.0 | 2.9 | 2.9 | 2.9 | 3.0 | 3.0 | 3.0 | 3.0 |
| CPI (y/y) | 4.7 | 4.0 | 3.3 | 2.2 | 2.3 | 2.3 | 2.1 | 2.1 | 1.6 | 1.6 |
| GDP (production s.a., y/y)) | 0.0 | 0.5 | -0.5 | -0.5 | -0.3 | 0.1 | 1.2 | 2.4 | 3.0 | 3.2 |

Forecasts

Interest Rates

| Historical data - qtr average | | Govern | ment Sto | ck | Swaps | | | US Rate | s | Spread |
|-------------------------------|------|----------|----------|---------|--------|--------|---------|---------|----------|----------|
| Forecast data - end quarter | Cash | 90 Day | 5 Year | 10 Year | 2 Year | 5 Year | 10 Year | Libor | US 10 yr | NZ-US |
| | | Bank Bil | ls | | | | | 3 month | | Ten year |
| 2023 Mar | 4.58 | 4.99 | 4.27 | 4.26 | 5.11 | 4.51 | 4.40 | 4.90 | 3.65 | 0.61 |
| Jun | 5.42 | 5.62 | 4.23 | 4.27 | 5.19 | 4.44 | 4.30 | 5.40 | 3.60 | 0.68 |
| Sep | 5.50 | 5.66 | 4.87 | 4.87 | 5.54 | 4.90 | 4.75 | 5.65 | 4.15 | 0.73 |
| Dec | 5.50 | 5.64 | 4.90 | 5.07 | 5.28 | 4.85 | 4.90 | 5.65 | 4.45 | 0.64 |
| 2024 Mar | 5.50 | 5.66 | 4.44 | 4.68 | 4.92 | 4.40 | 4.45 | 5.60 | 4.15 | 0.53 |
| Jun | 5.50 | 5.63 | 4.56 | 4.74 | 5.01 | 4.53 | 4.60 | 5.60 | 4.45 | 0.30 |
| Sep | 5.33 | 5.30 | 3.96 | 4.31 | 4.05 | 3.80 | 4.05 | 5.35 | 3.95 | 0.37 |
| Forecasts | | | | | | | | | | |
| Dec | 4.25 | 4.25 | 3.95 | 4.50 | 3.50 | 3.75 | 4.15 | 4.70 | 4.30 | 0.20 |
| 2025 Mar | 4.00 | 3.75 | 3.70 | 4.50 | 3.20 | 3.55 | 4.15 | 4.45 | 4.30 | 0.20 |
| Jun | 3.50 | 3.25 | 3.45 | 4.45 | 2.95 | 3.35 | 4.15 | 4.20 | 4.25 | 0.20 |
| Sep | 3.00 | 2.90 | 3.45 | 4.45 | 3.00 | 3.40 | 4.20 | 3.95 | 4.25 | 0.20 |
| Dec | 2.75 | 2.90 | 3.55 | 4.30 | 3.15 | 3.50 | 4.10 | 3.70 | 4.00 | 0.30 |
| 2026 Mar | 2.75 | 2.90 | 3.70 | 4.30 | 3.45 | 3.70 | 4.15 | 3.70 | 4.00 | 0.30 |

Exchange Rates (End Period)

| USD For | recasts | | | | | NZD For | ecasts | | | | |
|---------|-----------|------|------|------|-----|-----------|---------|------|---------|---------|--------|
| | NZD/USD A | | | | | NZD/USD | NZD/AUD | | NZD/GBP | NZD/JPY | TWI-17 |
| Current | 0.58 | 0.64 | 1.05 | 1.26 | 154 | 0.58 | 0.91 | 0.55 | 0.46 | 88.5 | 68.6 |
| Dec-24 | 0.60 | 0.66 | 1.05 | 1.27 | 153 | 0.60 | 0.90 | 0.57 | 0.47 | 91.0 | 70.0 |
| Mar-25 | 0.58 | 0.65 | 1.04 | 1.27 | 155 | 0.58 | 0.89 | 0.56 | 0.46 | 89.9 | 69.0 |
| Jun-25 | 0.57 | 0.64 | 1.05 | 1.27 | 155 | 0.57 | 0.89 | 0.55 | 0.45 | 88.4 | 68.7 |
| Sep-25 | 0.59 | 0.66 | 1.06 | 1.28 | 153 | 0.59 | 0.89 | 0.55 | 0.46 | 89.5 | 69.5 |
| Dec-25 | 0.60 | 0.67 | 1.07 | 1.28 | 150 | 0.60 | 0.89 | 0.56 | 0.47 | 89.3 | 70.1 |
| Mar-26 | 0.62 | 0.69 | 1.08 | 1.29 | 144 | 0.62 | 0.89 | 0.57 | 0.48 | 88.6 | 71.5 |
| Jun-26 | 0.64 | 0.71 | 1.11 | 1.32 | 140 | 0.64 | 0.89 | 0.57 | 0.48 | 88.9 | 72.7 |
| Sep-26 | 0.65 | 0.72 | 1.13 | 1.34 | 135 | 0.65 | 0.90 | 0.58 | 0.49 | 87.8 | 73.6 |
| | | | | | | TWI Weigh | nts | | | | |
| | | | | | | 15.6% | 18.4% | 9.2% | 3.9% | 5.5% | |

Source for all tables: Statistics NZ, Bloomberg, Reuters, RBNZ, BNZ

Annual Forecasts

| FORCASIS March Years December 2024 Actuals Actuals Actuals Actuals Common State CommonS | Forecasts | | Manal | Veene | | | December Vears | | | | | | |
|---|---|-------|-------|--------|-------|-------|----------------|-------|-------|-------|-------|--|--|
| MOZ 2023 2024 2025 2026 10 0.1 4.0 0.3 4.1 0.03 0.1 1.0 2036 1.1 1.1 2036 1.1 1.1 2036 1.1 1.1 2036 2036 1.1 1.1 2036 1.1 1.1 2036 2037 2041 2037 | | | | rrears | | | | | | | | | |
| OP serval arenege % change V V V V Private Consumption 6.0 2.7 0.3 1.0 0.8 7.8 6.0 1.4 0.3 1.4 Total Instance 102 2.1 2.0 2.4 2.5 12.0 3.4 0.4 0.8 1.3 0.4 0.8 Stocks - pts contin to growth 0.2 2.4 2.5 1.4 0.7 0.6 1.4 0.7 0.8 1.4 0.3 3.3 3.4 0.8 2.5 1.2 7.4 1.48 4.7 1.8 0.1 1.4 0.7 0.0 2.2 6.6 2.4 0.8 2.7 0.8 1.4 0.2 0.7 0.8 1.4 0.2 0.6 0.7 0.4 0.8 0.7 0.0 2.2 0.6 0.7 0.8 0.7 0.8 0.8 0.1 1.4 0.2 1.7 0.7 0.8 0.7 0.8 0.8 0.1 2.3 | as at 16 December 2024 | | | 2024 | 2025 | 2026 | | | 2023 | 2024 | 2025 | | |
| Pineta Consumption 60 27 0.6 1.0 2.1 7.4 3.4 0.5 7.8 5.0 1.4 0.3 1.0 2.1 7.8 5.0 1.4 0.3 1.1 0.3 1.1 0.3 1.1 0.3 1.3 0.4 0.3 1.3 0.4 0.3 0.3 1.4 0.7 0.6 1.4 0.3 1.3 0.4 0.3 Stock - pate contine growth 0.5 0.7 1.0 0.4 1.7 0.5 1.4 0.7 0.6 1.4 0.3 1.3 1.4 0.3 0.3 0.4 0.4 0.7 0.6 0.7 0.0 2.2 0.8 0.3 | GDP - annual average % change | 2022 | 2023 | 2024 | 2023 | 2020 | 2021 | 2022 | 2023 | 2024 | 2023 | | |
| Gole T.9 2.1 -0.3 -1.4 -7.8 7.8 7.4 -1. | 0 0 | 6.0 | 27 | 0.6 | 1.0 | 21 | 74 | 34 | 04 | 0.8 | 18 | | |
| Total nearment 10.2 2.1 -2.0 2.4 2.5 1.2 3.4 -1.2 3.1 0.4 0.8 Stocks - ppis contin o growth 0.5 0.0 1.7 0.5 2.2 1.00 1.4 3.2 0.4 0.8 Exports 2.5 5.6 8.6 1.2 7.1 2.4 1.4.8 4.7 0.6 2.5 3.2 Real Exponditure GDP 4.7 2.6 0.7 0.0 2.2 5.8 2.8 0.0 3.3 3.4 GOP (production) 4.6 2.7 0.3 0.3 2.4 2.6 1.7 4.2 Normial Expanditure GDP Stin 3.8 3.8 4.10 2.2 1.6 5.3 3.1 1.1 4.2 Normial Expanditure GDP Stin 3.8 3.8 3.8 4.10 2.2 3.3 4.2 4.0 4.2 4.3 4.2 4.3 4.2 4.3 4.2 4.3 4.2 4.3 4.2 | • | | | | | | | | | | | | |
| Slocks - ppts contrin to growth 0.5 0.0 -1.7 0.5 2.2 1.00 3.5 -1.8 0.1 1.6 Sports 7.7 2.5 7.6 6.6 5.1 2.7 -0.8 1.1 1.6 Real Exponitions GDP 1.72 2.4 -0.3 2.7 -0.6 2.5 3.7 0.6 2.2 0.0 0.3 3.0 GDP concutation 4.6 2.7 0.0 0.1 1.42 0.9 1.6 2.7 0.6 1.7 0.0 GDP concutation 4.6 2.0 0.1 1.42 0.9 1.6 2.1 0.5 1.1 1.1 GDP concutation 3.8 8.0 0.1 1.42 0.9 1.6 2.1 0.5 1.1 1.1 GDP concutation 0.8 8.8 8.0 0.1 1.4 0.9 1.6 1.4 1.0 1.5 1.5 1.6 1.5 1.6 1.6 1.4 1.0 1.2 1.5 1.6 1.5 1.6 1.5 1.6 1.5 1.6 | • | | | | | | | | | | | | |
| GNE 7.9 2.5 -1.7 0.5 2.1 1.0 3.5 -1.8 0.1 1.6 Exports 2.5 5.6 8.6 1.2 5.1 2.7 0.8 1.4 3.2 3.9 Real Exponditure GDP 4.7 2.6 0.7 0.0 2.2 5.9 2.2 0.9 0.3 3.0 Outpot Gap (and ang, % dev) 0.6 2.0 0.5 0.1 3.2 2.6 2.2 0.0 0.3 3.0 Outpot Gap (and ang, % dev) 1.4 2.0 0.1 1.4 0.9 1.6 2.1 0.5 1.1 1.2 Nominal Expenditure GDP - Son 3.8 3.88 4.10 0.3 2.5 3.3 1.7 2.8 4.6 Epidoment annual % change 2.5 3.1 1.1 0.3 2.5 3.3 1.7 2.8 4.6 5.3 3.6 1.6 5.3 3.6 1.0 1.0 1.0 1.0 1.0 1.0 | | | | | | | | | | | | | |
| Exports 2.5 5.6 8.6 1.2 5.1 -2.7 -0.8 11.4 3.2 3.9 Imports 17.2 4.4 -1.3 2.7 4.4 14.8 17.0 6.0 2.2 5.9 2.2 0.0 0.3 1.4 GDP (roduction) 4.6 2.7 0.3 0.3 2.4 5.6 2.4 0.0 -0.3 3.0 Output Gay (an axg, % des) 1.4 2.0 0.1 1.4 2.0 2.4 2.42 2.3 3.01 4.1 4.3 Prices and Employment - annual % change 1.1 -0.3 2.5 3.3 3.1 4.0 5.2 5.3 1.6 5.9 7.2 4.7 2.3 1.6 Employment 2.5 3.4 4.1 1.5 5.3 3.2 3.4 4.0 5.2 3.0 4.1 4.5 5.3 Ummptoyment Rate % 3.2 3.4 4.1 1.3 5.0 2.4 6.5 | | | | | | | | | | | | | |
| Imports 17.2 4.4 -1.3 2.7 4.4 14.8 4.7 0.6 2.5 3.9 Real Expenditure GDP 4.7 2.6 0.7 0.0 2.2 5.9 2.0 0.0 1.4 GDP - annual % change (qiq) 0.6 2.0 0.5 0.1 3.2 2.6 2.2 0.0 -0.3 3.0 Output Gap (ann ang, % dea) 1.4 2.0 0.1 1.4 -0.9 1.6 2.1 0.5 1.1 -1.2 Nominal Expenditure GDP - Son 3.8 4.0 2.5 3.3 1.7 2.8 -0.9 2.0 Proceand Employment -annual % change 2.5 3.3 1.7 2.8 -0.9 2.0 1.6 3.3 3.6 3.0 2.0 1.0 <td></td> | | | | | | | | | | | | | |
| Real Expanditure GDP 4.7 2.6 0.7 0.0 2.2 5.9 2.2 0.9 0.3 1.4 GDP (roduction) 0.6 2.0 0.5 0.1 3.2 2.6 2.2 0.9 0.3 1.4 GDP (roduction) 0.6 0.0 0.5 0.1 3.2 2.6 2.2 0.0 0.3 1.4 GDP (roduction) 0.6 0.0 0.5 0.1 1.4 0.9 1.6 2.1 0.5 0.1 1.4 0.9 Comported from arg. % dev) 1.4 2.0 0.1 1.4 2.0 1.6 2.1 0.5 3.3 1.7 0.5 CPI 6.0 6.7 4.0 2.3 1.6 5.3 1.7 0.5 3.3 1.7 0.5 3.3 1.7 0.5 3.3 1.7 0.5 2.2 1.0 3.5 2.4 0.1 1.0 Uneprices (statified, qtr) 2.7 2.5 3.3 2.7< | • | | | | | | | | | | | | |
| GDP (production) 4.6 2.7 0.3 0.3 2.4 5.6 2.4 0.7 0.3 3.0 Output Gap (ann avg., % dev) 1.4 2.0 0.1 1.4 0.9 1.6 2.1 0.5 1.1 1.2 Nominal Expenditure GDP - \$bn 388 388 388 422 422 422 3.0 1.4 4.9 Prices and Employment - annual % change CP 5.8 6.7 4.0 2.3 1.6 5.9 7.2 4.0 4.2 4.0 4.0 5.2 5.3 3.1 1.0 0.3 2.5 3.3 1.7 2.8 4.0 5.3 5.3 5.3 3.3 1.7 2.8 4.0 5.2 3.3 1.7 2.8 4.0 1.1 1.0 2.4 6.5 4.3 3.6 1.9 2.4 6.5 2.4 6.5 4.3 3.6 1.9 2.4 6.5 2.4 6.5 2.4 6.5 2.4 6.5 <t< td=""><td>-</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<> | - | | | | | | | | | | | | |
| GDP - annual % change (q/q) 0.6 2.0 0.5 0.1 3.2 2.6 2.2 0.0 -0.3 3.0 Output Gap (ann avg, % dev) 1.4 2.0 0.1 1.4 0.9 1.6 2.1 0.5 1.1 1.2 Nominal Expenditure GDP - Sbn 368 388 410 422 442 353 381 405 419 437 Prices and Employment - annual % change U U 1.33 1.6 5.3 3.2 3.4 4.4 5.3 5.3 3.2 3.4 4.0 5.2 5.3 Unemployment Rate % 3.2 3.4 4.4 5.3 5.3 3.2 3.4 4.0 5.2 5.3 Wages -ahote (private sector) 5.3 8.2 4.8 3.9 3.0 4.1 8.1 6.6 3.4 2.0 Unit Labour Costs (ann av %) 1.7 7.2 8.3 3.6 1.9 2.4 6.5 9.8 2.0 1.0 1.0 | • | | | | | | | | | | | | |
| Nominal Expanditue GDP - \$bn 358 358 410 422 442 453 381 405 419 437 Prices and Employment - annual % change 5 3.1 1.1 -0.3 2.5 3.1 1.1 -0.3 2.5 3.3 3.1 7.2 4.7 2.3 1.6 Employment 2.5 3.1 1.1 -0.3 2.5 3.3 3.2 3.4 4.0 5.2 5.2 Wages - ahote (private sector) 5.3 8.2 4.8 3.9 3.0 4.1 8.1 6.6 3.4 2.9 Incl Labor Costs (ann av%) 4.6 6.5 8.3 6.6 7.0 2.25 1.3.8 6.6 7.9 2.3.1 Current Account - \$km 2.4.5 3.3.8 2.7 6.7 2.2.3 1.3.5 2.6 2.6 2.7 2.3.3 Current Account - \$km 2.4.5 3.3.8 2.7 6.7 2.4 3.5 2.3.3 6.7 6.7 2.4 | u , | | | | | | | | | | | | |
| Nominal Expanditure GDP - \$bn 358 358 410 422 442 353 381 405 419 437 Prices and Employment - annual % change 5 3.1 1.1 -0.3 2.5 3.1 1.1 -0.3 2.5 3.3 3.1 7.2 4.7 2.3 1.6 Employment 2.5 3.1 1.1 -0.3 2.5 3.3 3.2 3.4 4.0 2.2 1.0 Unemployment Rate % 3.2 3.4 4.0 5.3 5.3 3.2 3.4 4.0 6.3 4.29 Productivity (ann av%) 1.7 0.5 -22 0.0 7.0 2.25 1.38 0.6 -1.0 0.6 Unit Labour Costs (ann av%) 4.6 5.8 9.24 6.5 8.9 -1.3 8.6 -1.0 6.5 8.0 -1.0 0.6 -1.0 0.6 -1.0 0.6 -1.0 0.6 -1.0 0.6 -1.0 0.6 -1.0 | | | | | | | | | | | | | |
| Prices and Employment -annual % change 6.9 6.7 4.0 2.3 1.6 5.9 7.2 4.7 2.3 1.6 Employment 2.5 3.1 1.1 -0.3 2.5 3.3 1.7 2.8 -0.9 2.0 Unemployment Rate % 3.2 3.4 4.4 5.3 5.3 3.2 3.4 4.0 5.2 5.3 Wages -able (private saccio) 1.7 0.5 -2.2 0.2 1.0 3.6 0.2 -2.4 -0.1 1.0 Unit Labor/Costs (ann av%) 4.6 6.5 8.3 3.6 1.9 2.4 6.5 8.9 4.5 2.0 Unrent Account - Son -1.0 6.5 8.3 3.6 1.9 2.4 6.5 8.9 4.5 2.0 Current Account - Son -4.5 3.8 -7.6 7 6.4 5.0 9.4 7.1 6.7 7.2 -2.3 1.6 0.60 9.4 7.1 6.7 7.2 | Output Gap (ann avg, % dev) | 1.4 | 2.0 | 0.1 | -1.4 | -0.9 | 1.6 | | 0.5 | -1.1 | -1.2 | | |
| CPI 6.9 6.7 4.0 2.3 1.6 5.9 7.2 4.7 2.3 1.6 Employment 2.5 3.1 1.1 -0.3 2.5 3.3 1.7 2.8 -0.9 2.0 Unemployment Rate % 3.2 3.4 4.4 5.3 5.3 3.2 3.4 4.0 5.2 5.3 Wages - abote (private sector) 5.3 8.2 4.8 3.9 3.0 4.1 8.1 6.6 3.4 2.9 Productivity (am ark%) 1.7 0.5 -2.2 0.2 1.0 3.6 0.2 2.4 6.5 8.9 4.5 2.0 Unit Labour Cests (ann ark%) 1.7 1.2.8 3.8 -2.6 7.0 2.2.5 1.3.8 4.6.5 8.9 4.5 2.0 1.0 | Nominal Expenditure GDP - \$bn | 358 | 388 | 410 | 422 | 442 | 353 | 381 | 405 | 419 | 437 | | |
| CPI 6.9 6.7 4.0 2.3 1.6 5.9 7.2 4.7 2.3 1.6 Employment 2.5 3.1 1.1 -0.3 2.5 3.3 1.7 2.8 -0.9 2.0 Unemployment Rate % 3.2 3.4 4.4 5.3 5.3 3.2 3.4 4.0 5.2 5.3 Wages - abote (private sector) 5.3 8.2 4.8 3.9 3.0 4.1 8.1 6.6 3.4 2.9 Productivity (am ark%) 1.7 0.5 -2.2 0.2 1.0 3.6 0.2 2.4 6.5 8.9 4.5 2.0 Unit Labour Cests (ann ark%) 1.7 1.2.8 3.8 -2.6 7.0 2.2.5 1.3.8 4.6.5 8.9 4.5 2.0 1.0 | Prices and Employment -annual % change | | | | | | | | | | | | |
| Employment 25 3.1 1.1 4.0 3.2 3.4 4.4 5.3 5.3 3.2 3.4 4.0 5.2 5.3 Wages - abote (private sector) 5.3 8.2 4.8 3.9 3.0 4.1 8.1 6.6 3.4 2.9 Productivity (an ar %) 1.7 0.5 -22 0.2 1.0 3.6 1.9 2.4 6.5 8.9 4.5 2.0 House Prices (stratified, qtr) 9.1 -1.2 2.8 -0.6 7.0 2.2.5 -3.8 0.6 -7.0 2.5.5 8.9 4.5 2.0 Current Account - \$0 GDP -6.8 -3.3.8 -7.6 -2.6 -2.2 -2.1 -3.5 -2.6 -2.7 -2.4 -3.1 -5.5 -6.6 -0.60 -7.1 -6.6 -7.0 -2.4 -3.1 -5.5 -2.2 -2.2 -2.4 -3.1 -5.5 -2.2 -2.2 -2.1 -2.1 -2.1 -2.4 -3.1 <t< td=""><td></td><td>6.9</td><td>67</td><td>4 0</td><td>23</td><td>16</td><td>59</td><td>72</td><td>47</td><td>23</td><td>16</td></t<> | | 6.9 | 67 | 4 0 | 23 | 16 | 59 | 72 | 47 | 23 | 16 | | |
| Unemployment Rate % 3.2 3.4 4.4 5.3 5.3 3.2 3.4 4.0 5.3 6.3 Wages -ahote (private sector) 5.3 8.2 4.8 3.9 3.0 4.1 6.1 6.6 3.4 2.9 Productivity (ann av %) 1.7 0.5 -2.2 0.0 1.0 3.6 0.2 2.4 6.5 8.9 4.5 2.0 House Prices (stratified, qtr) 9.1 12.8 2.8 -0.6 7.0 22.5 13.8 0.6 -2.7 -2.4 5.3 External Balance | | | | | | | | | | | | | |
| Wages - ahote (private sector) 5.3 8.2 4.8 3.9 3.0 4.1 8.1 6.6 3.4 2.9 Productivity (an av %) 1.7 0.5 -2.2 0.2 1.0 3.6 0.2 -2.4 0.1 1.0 Unit Labour Costs (ann av %) 4.6 6.5 8.3 3.6 1.9 2.4 6.5 8.9 4.5 2.0 House Prices (stratified, qtr) 9.1 1.2.8 8.6 7.0 22.5 1.3.8 6.6 7.0 22.5 1.8 6.6 7.0 2.5 7.3.8 6.6 7.0 2.5 7.3.8 6.6 7.2 7.2.4 7.6.7 6.4 7.0 7.5.8 6.6 7.2.9 7.2.1 6.7.7 6.4 4.1 7.1 6.7.7 7.2.9 7.2.3 Current Account - % of GDP 2.7 -2.4 -3.1 -3.5 7.2.3 7.2 7.2 4.4.3 44.1 1.4 1.5 6.6 0.6 0.6.9 0.6.9 0.6.9 0.6.9 0.6.9 0.6.9 0.6.9 0.6.9 0.6.9 0.6.9 | | | | | | | | | | | | | |
| Productivity (an av %) 1.7 0.5 -2.2 0.2 1.0 3.6 0.2 -2.4 -0.1 1.0 Unit Labour Costs (ann av %) 4.6 6.5 8.3 3.6 1.9 2.4 6.5 8.9 4.5 2.0 House Prices (stratified, qtr) 9.1 12.8 2.8 -0.6 7.0 22.5 -13.8 0.6 -1.0 6.5 External Balance U U 24.5 3.3.8 -6.7 -26.8 -22.1 -21.3 -35.6 -28.6 -27.9 -23.1 Current Account - \$0 d GDP -6.7 -2.4 -3.1 -3.5 -2.3 -7.1 -6.7 -6.7 -6.4 -5.0 -6.0 -9.4 -7.1 -6.7 -6.3 DEGGAL (core operating balance) -2.7 -2.4 -3.1 -3.5 -2.3 -2.4 -3.1 -3.5 -2.3 Net Core core operating balance) -2.7 -2.4 -3.1 -3.6 0.0 -3.0 0.0 0.0 | | | | | | | | | | | | | |
| Unit Labour Costs (ann av%) 4.6 6.5 8.3 3.6 1.9 2.4 6.5 8.9 4.5 2.0 House Prices (stratified, qtr) 9.1 -12.8 2.8 -0.6 7.0 22.5 -13.8 0.6 -1.0 6.5 External Balance Current Account - \$ of GDP -24.5 -33.8 -27.6 -26.8 -22.1 -21.3 -35.6 -28.6 -27.9 -23.1 Current Account - \$ of GDP -6.8 -8.7 -6.7 -6.4 -5.0 -6.0 -9.4 -7.1 -6.7 -6.3 Bond Programme - \$ of GDP -2.7 -2.4 -3.1 -3.5 -2.3 -7.1 -5.7 -5.3 Bond Programme - \$ of GDP 5.6 7.2 9.3 9.0 8.1 -7.1 -6.7 -6.7 NZDUSD 0.69 0.62 0.61 0.58 0.62 0.68 0.63 0.62 0.61 0.59 0.62 0.61 1.05 1.01 1.05 1.07 0.09 <td></td> | | | | | | | | | | | | | |
| House Prices (stratified, qtr) 9.1 9.1 9.28 2.8 9.06 7.0 2.25 9.38 0.6 9.10 9.5 External Balance Current Account - \$bn -24.5 3.38 27.6 -26.8 -22.1 -21.3 -3.5 -27.9 -23.1 Current Account - \$0 d GDP -6.8 -6.7 -6.7 -26.8 -22.1 -21.6 -26.6 -27.9 -25.3 | | | | | | | | | | | | | |
| Current Account - \$bn -24.5 -3.8 -27.6 -26.8 -22.1 -21.3 -3.5.6 -28.6 -27.9 -23.1 Current Account - % of GDP -6.8 -8.7 -6.7 -6.4 -5.0 -6.0 9.4 -7.1 -6.7 -5.3 Obecont Count - % of GDP -27.7 -2.4 -3.1 -3.5 -2.3 -2.5 -2 | | | | | | | | | | | | | |
| Current Account - \$bn -24.5 -3.8 -27.6 -26.8 -21.1 -3.6 -28.6 -27.9 -23.1 Current Account - % of GDP -6.8 -8.7 -6.7 -6.4 -5.0 -6.0 9.4 -7.1 -6.7 -5.3 Government Accounts - June Yr, % of GDP -27.7 -2.4 -3.1 -3.5 -2.3 -2.5 2.5 -2.5 2.5 | | | | | | | | | | | | | |
| Current Account - % of GDP 6.8 -8.7 -6.4 -5.0 -6.0 -9.4 -7.1 -6.7 -5.3 Government Accounts - June Yr, % of GDP 27 -2.4 -3.4 -4.1 -3.3 -4.1 -5.3 -5.5 -5.3 -5.5 -5.3 -5.5 -5.3 -5.5 -5.3 -5.5 -5 | External Balance | | | | | | | | | | | | |
| Government Accounts - June Yr, % of GDP -2.7 -2.4 -3.1 -3.5 -2.3 Net Core corown Debt (ex NZS) 35.5 39.3 42.5 44.3 44.1 Bond Programme - \$bon (Treasury forecasts) 20.0 28.0 38.0 36.0 36.0 Bond Programme - % of GDP 5.6 7.2 9.3 9.0 8.1 | Current Account - \$bn | -24.5 | -33.8 | -27.6 | -26.8 | -22.1 | | -35.6 | -28.6 | -27.9 | -23.1 | | |
| OBEGAL (core operating balance) -2.7 -2.4 -3.1 -3.5 -2.3 Net Core Crown Debt (ex NZS) 35.5 39.3 42.5 44.3 44.1 Bond Programme - \$\other GDP 20.0 28.0 38.0 36.0 36.0 Bond Programme - \$\other GDP 5.6 7.2 9.3 9.0 8.1 Financial Variables ⁽¹⁾ T 1.34 150 155 144 114 135 144 153 150 USD/JPY 119 134 150 155 144 114 135 144 153 150 UR/USD 0.69 0.62 0.61 0.58 0.62 0.68 0.63 0.62 0.60 0.61 USD/JPY 119 134 150 155 144 114 135 144 153 160 VD/USD 0.52 0.51 0.48 0.48 0.45 0.49 0.47 0.47 NZD/GBP 0.52 0.56 | Current Account - % of GDP | -6.8 | -8.7 | -6.7 | -6.4 | -5.0 | -6.0 | -9.4 | -7.1 | -6.7 | -5.3 | | |
| OBEGAL (core operating balance) -2.7 -2.4 -3.1 -3.5 -2.3 Net Core Crown Debt (ex NZS) 35.5 39.3 42.5 44.3 44.1 Bond Programme - \$\other GDP 20.0 28.0 38.0 36.0 36.0 Bond Programme - \$\other GDP 5.6 7.2 9.3 9.0 8.1 Financial Variables ⁽¹⁾ T 1.34 150 155 144 114 135 144 153 150 USD/JPY 119 134 150 155 144 114 135 144 153 150 UR/USD 0.69 0.62 0.61 0.58 0.62 0.68 0.63 0.62 0.60 0.61 USD/JPY 119 134 150 155 144 114 135 144 153 160 VD/USD 0.52 0.51 0.48 0.48 0.45 0.49 0.47 0.47 NZD/GBP 0.52 0.56 | Government Accounts - June Yr. % of GDP | | | | | | | | | | | | |
| Net Core Crown Debt (ex NZS) 35.5 39.3 42.5 44.3 44.1 Bond Programme - \$bn (Treasury forecasts) 20.0 28.0 38.0 38.0 36.0 38.0 36.0 Bond Programme - \$ of GDP 5.6 7.2 9.3 9.0 8.1 | | -2.7 | -2.4 | -3.1 | -3.5 | -2.3 | | | | | | | |
| Bond Programme - \$bn (Treasury forecasts) 20. 28.0 38.0 36.0 Bond Programme - % of GDP 5.6 7.2 9.3 9.0 8.1 Financial Variables ⁽¹⁾ | | | | | | | | | | | | | |
| Bond Programme - % of GDP 5.6 7.2 9.3 9.0 8.1 Financial Variables (*) NZD/USD 0.69 0.62 0.61 0.58 0.62 0.68 0.63 0.62 0.60 0.60 USD/USD 0.69 0.62 0.61 0.58 0.62 0.68 0.63 0.62 0.60 0.60 USD/USD 119 134 150 145 144 114 135 144 153 150 EUR/USD 1.10 1.07 1.09 1.04 1.08 1.13 1.06 1.09 1.05 1.07 NZD/AUD 0.93 0.93 0.93 0.89 0.89 0.95 0.94 0.93 0.90 0.89 NZD/GBP 0.52 0.51 0.48 0.46 0.48 0.51 0.52 0.57 0.60 0.60 0.57 0.57 0.50 NZD/FENR 81.5 83.0 91.1 89.9 88.6 77.4 85.6 89.5 91.0 89.3 Overright Cash Rate (end qtr) 1.00 4.57 | | | | | | | | | | | | | |
| NZD/USD0.690.620.610.580.620.680.630.620.600.60USD/JPY119134150155144114135144153150EUR/USD1.101.071.091.041.081.131.061.091.051.07NZD/AUD0.930.930.930.890.890.950.940.930.900.89NZD/GBP0.520.510.480.460.480.510.520.490.470.47NZD/FUR0.620.580.560.570.600.600.570.570.500.570.570.55NZD/YEN81.583.091.189.988.677.485.689.591.089.3TWI73.971.071.269.071.573.072.972.070.070.1Overnight Cash Rate (end qtr)1.004.755.504.002.750.754.255.504.252.5590-day Bank Bill Rate1.455.165.643.703.702.204.304.503.953.5510-year Govt Bond2.904.404.603.703.702.225.214.933.553.5590-gar Swap3.005.154.913.203.452.225.214.933.553.5510-year Govt Bonds2.003.204.504.403.553.702.5 | | | | | | | | | | | | | |
| NZD/USD0.690.620.610.580.620.680.630.620.600.60USD/JPY119134150155144114135144153150EUR/USD1.101.071.091.041.081.131.061.091.051.07NZD/AUD0.930.930.930.890.890.950.940.930.900.89NZD/GBP0.520.510.480.460.480.510.520.490.470.47NZD/FUR0.620.580.560.570.600.600.570.570.500.570.570.55NZD/YEN81.583.091.189.988.677.485.689.591.089.3TWI73.971.071.269.071.573.072.972.070.070.1Overnight Cash Rate (end qtr)1.004.755.504.002.750.754.255.504.252.5590-day Bank Bill Rate1.455.165.643.703.702.204.304.503.953.5510-year Govt Bond2.904.404.603.703.702.225.214.933.553.5590-gar Swap3.005.154.913.203.452.225.214.933.553.5510-year Govt Bonds2.003.204.504.403.553.702.5 | | | | | | | | | | | | | |
| USD/JPY119134150155144114135144153150EUR/USD1.001.071.091.041.081.131.061.091.051.07NZD/AUD0.930.930.930.890.890.890.950.940.930.900.89NZD/GBP0.620.510.480.460.480.510.520.490.470.47NZD/FUR0.620.580.560.570.600.600.570.570.570.57NZD/YEN81.583.091.189.988.677.485.689.591.089.3TWI73.971.071.269.071.573.072.972.070.070.1Overnight Cash Rate (end qtr)1.004.755.504.002.750.754.255.504.252.9090-day Bank Bill Rate1.455.165.643.703.702.204.304.503.953.5510-year Govt Bond3.204.354.604.302.354.254.504.504.502-year Swap3.005.154.913.203.452.225.214.933.503.155-year Swap3.024.504.403.553.702.564.624.433.753.50US 10-year Spread1.100.700.400.200.300.900.650.65 | | | | | | | | | | | | | |
| EUR/USD1.101.071.091.041.081.131.061.091.051.07NZD/AUD0.930.930.930.930.890.890.890.950.940.930.900.89NZD/GBP0.520.510.480.460.480.510.520.490.470.47NZD/FUR0.620.520.510.480.560.570.600.600.570.570.56NZD/YEN81.583.091.189.988.677.485.689.591.089.3TWI73.971.071.269.071.573.072.972.070.070.1Overnight Cash Rate (end qtr)1.004.755.504.002.750.754.255.504.252.9090-day Bank Bill Rate1.455.165.643.703.702.204.304.503.953.5510-year Govt Bond3.204.354.604.504.302.354.524.554.504.502-year Swap3.005.154.913.203.452.225.214.933.503.155-year GovtBonds2.103.654.204.304.603.553.702.564.624.303.553.505-year Swap3.204.504.403.553.702.564.624.303.753.604.004.304.504.304.5 | | | | | | | | | | | | | |
| NZD/AUD0.930.930.930.930.890.890.890.950.940.930.900.89NZD/GBP0.520.510.480.460.480.510.520.490.470.47NZD/EUR0.620.580.560.560.570.600.600.570.560.57NZD/YEN81.583.091.189.988.677.485.689.591.089.3TWI73.971.071.269.071.573.072.972.070.070.1Overnight Cash Rate (end qtr)1.004.755.504.002.750.754.255.634.252.9090-day Bank Bill Rate1.455.165.643.703.702.204.304.503.953.9510-year Govt Bond2.904.354.604.504.302.354.254.654.504.502-year Swap3.005.154.913.203.452.225.214.933.503.155-year Govt Bonds2.103.654.204.304.001.453.604.004.303.555-year Swap3.005.154.913.203.452.225.214.933.503.155-year Swap3.005.154.913.203.401.453.604.004.303.753.55US 10-year Bonds2.103.654.204.3 | | | | | | | | | | | | | |
| NZD/GBP0.520.510.480.460.480.510.520.490.470.47NZD/EUR0.620.580.560.560.570.600.600.570.570.57NZD/YEN81.583.091.189.988.677.485.689.591.089.3TWI73.971.071.269.071.573.072.972.070.070.1Overnight Cash Rate (end qtr)1.004.755.504.002.750.754.255.634.252.9090-day Bank Bill Rate1.455.165.643.703.702.204.304.503.953.9510-year Govt Bond2.904.404.603.703.702.224.654.504.504.502-year Swap3.005.154.913.203.452.225.214.933.503.155-year GovtBonds3.204.504.403.553.702.564.624.303.155-year Swap3.204.504.403.553.702.564.624.303.753.50US 10-year Bonds2.103.654.204.304.001.453.604.004.304.004.304.00N2-US 10-year Spread1.100.700.400.200.300.900.650.650.200.200.30 | | | | | | | | | | | | | |
| NZD/EUR0.620.580.560.560.570.600.600.570.570.58NZD/YEN81.583.091.189.988.677.485.689.591.089.3TWI73.971.071.269.071.573.072.972.070.070.1Overnight Cash Rate (end qtr)1.004.755.504.002.750.754.255.504.252.9090-day Bank Bill Rate1.455.165.643.752.900.924.555.634.252.905-year Govt Bond2.904.404.603.703.702.204.304.503.953.5510-year Govt Bond3.204.354.604.504.302.354.254.654.504.302-year Swap3.005.154.913.203.452.225.214.933.503.155-year Swap3.204.504.403.553.702.564.624.303.753.50US 10-year Spread1.100.700.400.200.300.900.650.650.200.30 | | | | | | | | | | | | | |
| NZD/YEN81.583.091.189.988.677.485.689.591.089.3TWI73.971.071.269.071.573.072.972.070.070.1Overnight Cash Rate (end qtr)1.004.755.504.002.750.754.255.504.252.7590-day Bank Bill Rate1.455.165.643.752.900.924.555.634.252.905-year Govt Bond2.904.404.603.703.702.204.304.503.953.5510-year Govt Bond3.204.354.604.504.302.354.254.654.504.302-year Swap3.005.154.913.203.452.225.214.933.503.155-year Bonds3.204.504.403.553.702.564.624.303.155-year Swap3.204.504.403.553.702.564.624.333.753.50US 10-year Bonds2.103.654.204.304.001.453.604.004.304.304.30NZ-US 10-year Spread1.100.700.400.200.300.900.650.650.200.30 | | | | | | | | | | | | | |
| TWI73.971.071.269.071.573.072.972.070.070.1Overnight Cash Rate (end qtr)1.004.755.504.002.750.754.255.504.252.7590-day Bank Bill Rate1.455.165.643.752.900.924.555.634.252.905-year Govt Bond2.904.404.603.703.702.204.304.503.953.5510-year Govt Bond3.204.354.604.504.302.354.254.654.504.302-year Swap3.005.154.913.203.452.225.214.933.503.155-year Bonds3.204.504.403.553.702.564.624.433.753.50US 10-year Bonds2.103.654.204.304.001.453.604.004.304.004.304.00N2-US 10-year Spread1.100.700.400.200.300.900.650.650.200.30 | | | | | | | | | | | | | |
| Overnight Cash Rate (end qtr)1.004.755.504.002.750.754.255.504.252.7590-day Bank Bill Rate1.455.165.643.752.900.924.555.634.252.905-year Govt Bond2.904.404.603.703.702.204.304.503.953.9510-year Govt Bond3.204.354.604.504.302.354.254.654.504.502-year Swap3.005.154.913.203.452.225.214.933.503.155-year Swap3.204.504.403.553.702.564.624.433.553.50US 10-year Bonds2.103.654.204.304.001.453.604.004.304.00NZ-US 10-year Spread1.100.700.400.200.300.900.650.650.200.30 | | | | | | | | | | | | | |
| 90-day Bank Bill Rate1.455.165.643.752.900.924.555.634.252.905-year Govt Bond2.904.404.603.703.702.204.304.503.953.5510-year Govt Bond3.204.354.604.504.302.354.254.654.504.302-year Swap3.005.154.913.203.452.225.214.933.503.155-year Swap3.204.504.403.553.702.564.624.433.753.50US 10-year Bonds2.103.654.204.304.001.453.604.004.304.30NZ-US 10-year Spread1.100.700.400.200.300.900.650.650.200.30 | | | | | | | | | | | | | |
| 5-year Govt Bond2.904.404.603.703.702.204.304.503.953.5510-year Govt Bond3.204.354.604.504.302.354.254.654.504.302-year Swap3.005.154.913.203.452.225.214.933.503.155-year Swap3.204.504.504.303.553.702.564.624.433.753.50US 10-year Bonds2.103.654.204.304.001.453.604.004.304.00NZ-US 10-year Spread1.100.700.400.200.300.900.650.650.200.30 | | | | | | | | | | | | | |
| 10-year Govt Bond3.204.354.604.504.302.354.254.654.504.302-year Swap3.005.154.913.203.452.225.214.933.503.155-year Swap3.204.504.403.553.702.564.624.433.753.50US 10-year Spread2.103.654.204.304.001.453.604.004.304.00NZ-US 10-year Spread1.100.700.400.200.300.900.650.650.200.30 | - | | | | | | | | | | | | |
| 2-year Swap3.005.154.913.203.452.225.214.933.503.155-year Swap3.204.504.403.553.702.564.624.433.753.50US 10-year Bonds2.103.654.204.304.001.453.604.004.304.00NZ-US 10-year Spread1.100.700.400.200.300.900.650.650.200.30 | • | | | | | | | | | | | | |
| 5-year Swap3.204.504.403.553.702.564.624.433.753.50US 10-year Bonds2.103.654.204.304.001.453.604.004.304.00NZ-US 10-year Spread1.100.700.400.200.300.900.650.650.200.30 | | | | | | | | | | | | | |
| US 10-year Bonds 2.10 3.65 4.20 4.30 4.00 1.45 3.60 4.00 4.30 4.00 NZ-US 10-year Spread 1.10 0.70 0.40 0.20 0.30 0.90 0.65 0.65 0.20 0.30 | | | | | | | | | | | | | |
| NZ-US 10-year Spread 1.10 0.70 0.40 0.20 0.30 0.90 0.65 0.65 0.20 0.30 | | | | | | | | | | | | | |
| | - | | | | | | | | | | | | |
| Average for the last month in the quarter | | 1.10 | 0.70 | 0.40 | 0.20 | 0.30 | 0.90 | 0.65 | 0.65 | 0.20 | 0.30 | | |
| | Average for the last month in the quarter | | | | | | | | | | | | |

Source: Statistics NZ, BNZ, NZ Treasury

Key Upcoming Events

All times and dates NZT

| Monday 16 December | | | | EC | CPI Core YoY Nov F | 2.70% | | 2.70% |
|---|--|---|--|---|--|---|---|--|
| Core Machine Orders MoM Oct | 1.10% | | -0.70% | | Thursday 19 December | | | |
| Rightmove House Prices YoY Dec | | | 1.20% | UK | CBI Trends Total Orders Dec | -22 | | -19 |
| Used Home Prices MoM Nov | | | -0.48% | UK | CBI Trends Selling Prices Dec | | | 11 |
| Industrial Production YoY Nov | 5.40% | | 5.30% | EC | Bundesbank Publishes Monthly Report | | | |
| Retail Sales YoY Nov | 5.00% | | 4.80% | US | Housing Starts Nov | 1343k | | 1311k |
| Fixed Assets Ex Rural YTD YoY Nov | 3.50% | | 3.40% | US | Current Account Balance 3Q | -\$287.1b | - | -\$266.8b |
| Surveyed Jobless Rate Nov | 5.00% | | 5.00% | US | FOMC Rate Decision (Upper Bound) Dec-18 | 4.50% | 4.50% | 4.75% |
| ECB's Lagarde, Simkus, Guindos speak | | | | NZ | GDP SA QoQ 3Q | -0.20% | -0.40% | -0.20% |
| HCOB Germany Services PMI Dec P | 49.3 | | 49.3 | NZ | ANZ Business Confidence Dec | | | 64.9 |
| HCOB EZ Manufacturing PMI Dec P | 45.3 | | 45.2 | GE | GfK Consumer Confidence Jan | -22.8 | | -23.3 |
| HCOB Eurozone Services PMI Dec P | 49.5 | | 49.5 | SW | Riksbank Policy Rate Dec-19 | 2.50% | | 2.75% |
| S&P Global UK Manufacturing PMI Dec P | 48.5 | | 48 | JN | BOJ Target Rate Dec-19 | 0.25% | | 0.25% |
| S&P Global UK Services PMI Dec P | 51 | | 50.8 | | Friday 20 December | | | |
| Labour Costs YoY 3Q | | | 4.70% | UK | Bank of England Bank Rate Dec-19 | 4.75% | 4.75% | 4.75% |
| Tuesday 17 December | | | | US | GDP Annualized QoQ 3Q T | 2.80% | | 2.80% |
| ECB's Wunsch, Escriva speak | | | | US | Philadelphia Fed Business Outlook Dec | 2.9 | | -5.5 |
| Empire Manufacturing Dec | 10 | | 31.2 | US | Initial Jobless Claims Dec-14 | 229k | | 242k |
| S&P Global US Manufacturing PMI Dec P | 49.5 | | 49.7 | US | Continuing Claims Dec-07 | | | 1886k |
| S&P Global US Services PMI Dec P | 55.8 | | 56.1 | US | Existing Home Sales Nov | 4.08m | | 3.96m |
| ECB's Schnabel speaks | | | | NZ | ANZ Consumer Confidence Index Dec | | | 99.8 |
| Bank of Canada Governor Tiff Macklem | speaks | | | NZ | Trade Balance NZD Nov | | 1075m | -1544m |
| Half-Year Economic & Fiscal Update | | | | JN | Natl CPI YoY Nov | 2.90% | | 2.30% |
| | 4.30% | | 4.30% | AU | Private Sector Credit MoM Nov | 0.50% | | 0.60% |
| | -5k | | -5k | UK | Retail Sales Inc Auto Fuel MoM Nov | 0.50% | | -0.70% |
| IFO Expectations Dec | 87.5 | | 87.2 | | Saturday 21 December | | | |
| | | | | US | - | | | |
| | 6.6 | | 7.4 | US | Personal Income Nov | 0.40% | | 0.60% |
| Trade Balance SA Oct | 10.0b | | 13.6b | US | Personal Spending Nov | 0.50% | | 0.40% |
| Wednesday 18 December | | | | | | 0.30% | | 0.10% |
| Retail Sales Advance MoM Nov | 0.50% | | 0.40% | US | PCE Price Index YoY Nov | 2.50% | | 2.30% |
| Retail Sales Ex Auto and Gas Nov | 0.40% | | 0.10% | US | Core PCE Price Index MoM Nov | 0.20% | | 0.30% |
| Retail Sales Control Group Nov | 0.40% | | -0.10% | US | Core PCE Price Index YoY Nov | 2.90% | | 2.80% |
| New York Fed Services Business Activity | Dec | | -0.5 | EC | Consumer Confidence Dec P | -14 | | -13.7 |
| Manufacturing (SIC) Production Nov | 0.50% | | -0.50% | US | U. of Mich. Sentiment Dec F | 74 | | 74 |
| GDT dairy auction | | | 1.20% | US | Kansas City Fed Services Activity Dec | | | 9 |
| Business Inventories Oct | 0.10% | | 0.10% | | Monday 23 December | | | |
| NAHB Housing Market Index Dec | 47 | | 46 | NZ | Household credit Nov | | | 3.40% |
| Westpac Consumer Confidence 4Q | | | 90.8 | NZ | New residential lending Nov | | | 30.40% |
| Current Account GDP Ratio YTD 3Q | -6.60% | -6.70% | | | 0 | | | -28.4b |
| | | | | | | | | 0.10% |
| | -¥688.8b | | | | Tuesday 24 December | | | |
| | | | | US | | | | -0.4 |
| | | | | | | 113 | | 111.7 |
| | | | | | | - | | - |
| Riksbank monetary policy meeting | | | | | RBA Minutes of Dec. Policy Meeting | | | |
| | | | | | | | | |
| | Core Machine Orders MoM Oct Rightmove House Prices YoY Dec Used Home Prices MoM Nov Industrial Production YoY Nov Retail Sales YoY Nov Fixed Assets Ex Rural YTD YoY Nov Surveyed Jobless Rate Nov ECB's Lagarde, Simkus, Guindos speak HCOB Germany Services PMI Dec P HCOB EZ Manufacturing PMI Dec P HCOB Eurozone Services PMI Dec P S&P Global UK Manufacturing PMI Dec P S&P Global UK Services PMI Dec P Labour Costs YoY 3Q Tuesday 17 December ECB's Wunsch, Escriva speak Empire Manufacturing Dec S&P Global US Services PMI Dec P S&P Global US Services PMI Dec P S&P Global US Services PMI Dec P ECB's Schnabel speaks Bank of Canada Governor Tiff Macklem Half-Year Economic & Fiscal Update ILO Unemployment Rate 3Mths Oct Payrolled Employees Mthly Chnge Nov IFO Expectations Dec ECB's Kazimir, Rehn speak ZEW Survey Expectations Dec Trade Balance SA Oct Wednesday 18 December Retail Sales Advance MoM Nov Retail Sales Ex Auto and Gas Nov Retail Sales Ex Auto and Gas Nov Retail Sales Ex Auto and Gas Nov Retail Sales Control Group Nov New York Fed Services Business Activity Manufacturing (SIC) Production Nov GDT dairy auction Business Inventories Oct NAHB Housing Market Index Dec Westpac Consumer Confidence 4Q Current Account GDP Ratio YTD 3Q Westpac Leading Index MoM Nov Trade Balance Nov CPI YoY Nov CPI Services YoY Nov ECB's Muller, Land, Nagle, speak | Core Machine Orders MoM Oct1.10%Rightmove House Prices YoY DecUsed Home Prices MoM NovIndustrial Production YoY Nov5.40%Retail Sales YoY Nov5.00%Fixed Assets Ex Rural YTD YoY Nov3.50%Surveyed Jobless Rate Nov5.00%ECB's Lagarde, Simkus, Guindos speak49.3HCOB Germany Services PMI Dec P49.3HCOB EZ Manufacturing PMI Dec P48.5S&P Global UK Manufacturing PMI Dec P48.5S&P Global UK Services PMI Dec P49.5Labour Costs YoY 3Q10S&P Global US Services PMI Dec P49.5S&P Global US Services PMI Dec P49.5S&P Global US Manufacturing PMI Dec P49.5S&P Global US Manufacturing PMI Dec P49.5S&P Global US Services PMI Dec P49.5S&P Global US Services PMI 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Manufacturing PMI Dec P49.5S&P Global US Services PMI Dec P51.8ECB's Schnabel speaks8Bank of Canada Governor Tiff Macklem speakHIF Year Economic & Fiscal Update10.0ILO Unemployment Rate 3Mths Oct4.30%Payrolled Employees Mthly Chnge Nov-5kIFO Expectations Dec6.6Trade Balance SA Oct0.00Wednesday 18 December4.30%Retail Sales Control Group Nov0.40%Retail Sales Control Group Nov0.40%New York Fed Services Business | Core Machine Orders MoM Oct 1.10% -0.70% Rightmove House Prices YoY Dec 1.20% Used Home Prices MoM Nov -0.48% Industrial Production YoY Nov 5.40% 5.30% Retail Sales YoY Nov 5.00% 4.80% Surveyed Jobless Rate Nov 5.00% 5.00% ECB's Lagarde, Simkus, Guindos speak 49.3 49.3 HCOB Germany Services PMI Dec P 49.3 45.2 HCOB Eurozone Services PMI Dec P 45.3 45.2 HCOB Eurozone Services PMI Dec P 45.3 45.2 Babour Costs YoY 3Q 4.70% 50.8 Labour Costs YoY 3Q 4.70% 1.10% Tuesday 17 December 51 50.8 ECB's Wunsch, Escriva speak 50.1 24.70% Empire Manufacturing Dec 10 31.2 S&P Global US Manufacturing PMI Dec P 49.5 49.7 S&P Global US Manufacturing PMI Dec P 49.5 49.7 S&P Global US Services PMI Dec P 55.8 56.1 ECB's Schnabel speaks 56.1 56.1 ECB's Schnabel speaks 58 66.1 Pa | Core Machine Orders MoM Oct1.10%-0.70%Rightmove House Prices YoY Dec1.20%UKUsed Home Prices MoM Nov-0.48%UKIndustrial Production YoV Nov5.40%5.30%ECRetail Sales YoY Nov5.00%4.80%USSirveyed Jobless Rate Nov5.00%5.00%USECB's Lagarde, Simkus, Guindos speakNZNZHCOB Germany Services PMI Dec P49.349.3NZHCOB Ez Manufacturing PMI Dec P45.345.2GELabour Costs YoY 3Q4.70%UKJNS&P Global UK Manufacturing PMI Dec P48.548JNS&P Global UK Services PMI Dec P5150.8ILLabour Costs YoY 3Q4.70%UKUKUSTuesday 17 DecemberUSS&P Global US Services PMI Dec P49.549.7USS&P Global US Manufacturing PMI Dec P55.856.1USUSS&P Global US Services PMI Dec P55.856.1USECB's Wunsch, Escriva speakINILIL Ounemployment Rate 3Mths Oct4.30%4.30%AUPayrolled Employees Mthly Chnge Nov-55.855.8UKINIEO Skazimir, Rehn speakISISISIS <td< td=""><td>Core Machine Orders MoM Oct1.10%-0.70%Thursday 19 DecemberRightmove House Prices MoM Nov1.20%UK CBI Trends Total Orders DecUsed Home Prices MoM Nov5.40%5.30%ECIndustrial Production YoY Nov5.40%5.30%ECRetail Sales YoY Nov5.00%4.80%USFixed Assets R Rural YTD YOY Nov5.00%5.00%USSurveyed Jobless Rate Nov5.00%5.00%USFCOB Strangy Services PMI Dec P49.349.3NZAPCOB Germany Services PMI Dec P49.349.3NZAPCOB EZ Manufacturing PMI Dec P45.345.2GE GrK Consumer Confidence JanHCOB EZ Manufacturing PMI Dec P48.548INBOI Target Rate Dec-19S&P Global UK Services PMI Dec P5150.8Friday 20 DecemberLabour Costs YOY 3Q4.70%UKBank of England Bank Rate Dec-19Tuesday 17 DecemberUSContinuing Claims Dec-07S&P Global US Services PMI Dec P49.549.7USS&P Global US Services PMI Dec P55.856.1USS&P Global US Services PMI Dec P55.856.1USECB's Schnabel SpeaksNZANZ Consumer Confidence Index DecBark of Canada Governor Tiff Macklem speakVSSaturday 21 DecemberULO uremployment Rate 3Mths Oct4.30%4.30%AUVerineta Set 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Target Rate Dec-19 .25.6% Labour Costs YoY 3Q 4.05 43.0% VK SGDP Annualized QoQ 3Q T 2.80% <</td></td<> | Core Machine Orders MoM Oct1.10%-0.70%Thursday 19 DecemberRightmove House Prices MoM Nov1.20%UK CBI Trends Total Orders DecUsed Home Prices MoM Nov5.40%5.30%ECIndustrial Production YoY Nov5.40%5.30%ECRetail Sales YoY Nov5.00%4.80%USFixed Assets R Rural YTD YOY Nov5.00%5.00%USSurveyed Jobless Rate Nov5.00%5.00%USFCOB Strangy Services PMI Dec P49.349.3NZAPCOB Germany Services PMI Dec P49.349.3NZAPCOB EZ Manufacturing PMI Dec P45.345.2GE GrK Consumer Confidence JanHCOB EZ Manufacturing PMI Dec P48.548INBOI Target Rate Dec-19S&P Global UK Services PMI Dec P5150.8Friday 20 DecemberLabour Costs YOY 3Q4.70%UKBank of England Bank Rate Dec-19Tuesday 17 DecemberUSContinuing Claims Dec-07S&P Global US Services PMI Dec P49.549.7USS&P Global US Services PMI Dec P55.856.1USS&P Global US Services PMI Dec P55.856.1USECB's Schnabel SpeaksNZANZ Consumer Confidence Index DecBark of Canada Governor 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45.5 48 IN BOI Target Rate Dec-19 .25.0% SAP Global UK Services PMI Dec P 45.5 48 IN BOI Target Rate Dec-19 .25.6% Labour Costs YoY 3Q 4.05 43.0% VK SGDP Annualized QoQ 3Q T 2.80% < |

Historical Data

| | Today | Week Ago | Month Ago | Year Ago | | Today | Week Ago | Month Ago | Year Ago |
|---------------------|----------|----------|-----------|------------------|------------|--------|----------|-----------|----------|
| CASH AND BANK BILL | S | | | | SWAP RATES | | | | |
| Call | 4.25 | 4.25 | 4.75 | 5.50 | 2 years | 3.61 | 3.60 | 3.86 | 4.80 |
| 1mth | 4.38 | 4.38 | 4.51 | 5.58 | 3 years | 3.59 | 3.57 | 3.85 | 4.51 |
| 2mth | 4.39 | 4.39 | 4.44 | 5.61 | 4 years | 3.64 | 3.60 | 3.91 | 4.37 |
| 3mth | 4.29 | 4.30 | 4.42 | 5.63 | 5 years | 3.71 | 3.66 | 3.98 | 4.30 |
| 6mth | 4.04 | 4.06 | 4.20 | 5.59 | 10 years | 4.05 | 3.95 | 4.31 | 4.36 |
| GOVERNMENT STOCK | | | | FOREIGN EXCHANGE | | | | | |
| | | | | | NZD/USD | 0.5763 | 0.5864 | 0.5893 | 0.6212 |
| 04/27 | 3.76 | 3.76 | 4.02 | 4.45 | NZD/AUD | 0.9056 | 0.9106 | 0.9057 | 0.9262 |
| 05/30 | 4.04 | 4.00 | 4.34 | 4.43 | NZD/JPY | 88.59 | 88.66 | 91.14 | 88.68 |
| 05/32 | 4.29 | 4.22 | 4.54 | 4.50 | NZD/EUR | 0.5491 | 0.5557 | 0.5560 | 0.5687 |
| 05/35 | 4.51 | 4.42 | 4.74 | | NZD/GBP | 0.4569 | 0.4600 | 0.4649 | 0.4911 |
| 04/37 | 4.68 | 4.59 | 4.89 | 4.72 | NZD/CAD | 0.8205 | 0.8311 | 0.8259 | 0.8323 |
| 05/41 | 4.89 | 4.80 | 5.07 | 4.81 | | | | | |
| 05/54 | 5.06 | 4.96 | 5.22 | | TWI | 68.6 | 69.3 | 69.2 | 72.0 |
| GLOBAL CREDIT INDIC | ES (ITRX | X) | | | | | | | |
| Nth America 5Y | . 48 | . 47 | 49 | 58 | | | | | |
| Europe 5Y | 54 | 53 | 56 | 62 | | | | | |

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