

ANZ New Zealand Business Outlook

31 August 2022



This is not personal advice nor financial advice about any product or service. It does not take into account your financial situation or goals. Please refer to the Important Notice.



Contact

Sharon Zollner for more details.

See page 7.

The next release of the ANZ *Business Outlook* is due on **28 September at 1pm.**

If you would like to be a part of our survey, please click [here](#).

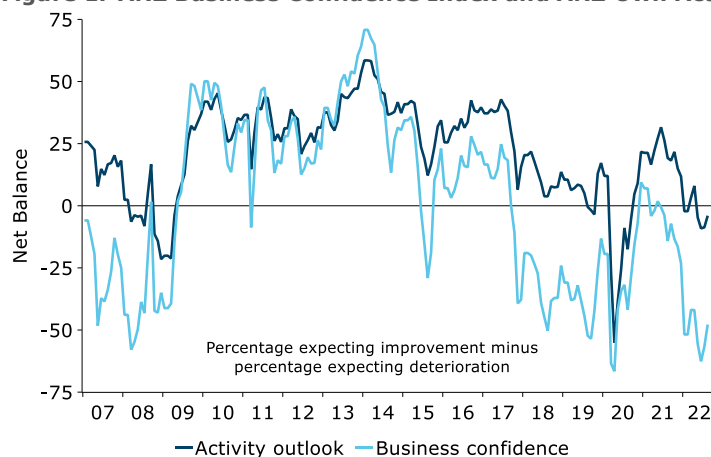
Confused by acronyms or jargon? See a glossary [here](#).

Off the floor

Key points

- Business confidence lifted 9 points in August to -48, while expected own activity rose 5 points to -4.
- Most activity indicators lifted for a second month, with capacity utilisation a marked exception.
- Inflation pressures remain intense. Inflation expectations were all but unchanged at their highs, and the net proportion of firms expecting higher costs was steady. However, pricing intentions eased 4 points.

Figure 1. ANZ Business Confidence Index and ANZ Own Activity Index



Source: Macrobond, ANZ Research

Table 1: Results versus last month

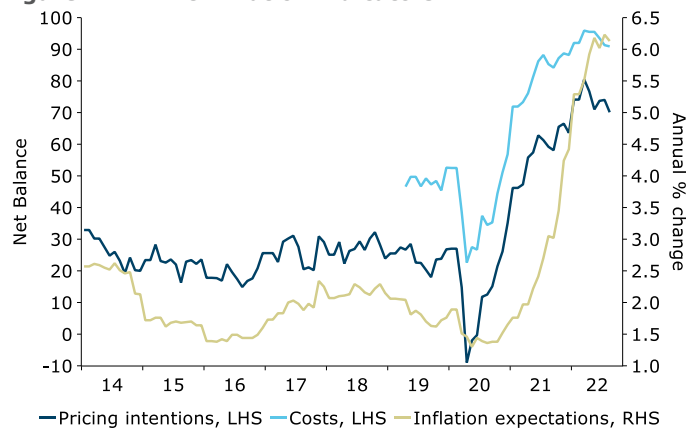
Net Balance	August	July	Comment
Business Confidence	-47.8	-56.7	Second month of improvement
Own Activity Outlook	-4.0	-8.7	Gradually lifting
Export Intentions	3.9	-2.7	Back in the black
Investment Intentions	-2.0	-2.6	Holding at subdued levels
Cost Expectations	90.9	91.3	All but unchanged
Capacity Utilisation	0.3	7.2	Weakest since August 2020
Residential Construction	-65.0	-73.7	A decent bounce but still extremely low
Commercial Construction	-4.3	-5.9	Creeping higher
Employment Intentions	3.4	1.1	A smidgen higher
Profit Expectations	-35.5	-34.1	Little changed at subdued levels
Pricing Intentions	70.1	74.0	Lowest read this year, though still high
Ease of Credit	-50.8	-63.8	Big jump - highest in 11 months
Inflation Expectations	6.13%	6.23%	Holding up at highs
Activity – vs. same month one year ago	2.3	2.9	Mixed bag behind the scenes
Employment – vs. same month one year ago	4.1	0.7	Higher for all sectors except retail

The key themes of the August survey were:

- Activity measures generally lifted modestly, including business confidence, own activity, export intentions, investment intentions and construction intentions. The exception was capacity utilisation, with more firms reporting that the “operating rate of existing capital equipment, ignoring seasonal factors” had decreased.
- Inflation pressures remain intense. The services-led fall in pricing intentions is encouraging, but inflation expectations eased only slightly.
- A mood lift is evident amongst manufacturing, agriculture and services firms. Retail firms continue to get more pessimistic.

Economy-wide inflation pressures are still very strong. Pricing intentions, cost expectations and inflation are at best a little off their peaks, and remain very high.

Figure 2. ANZBO inflation indicators

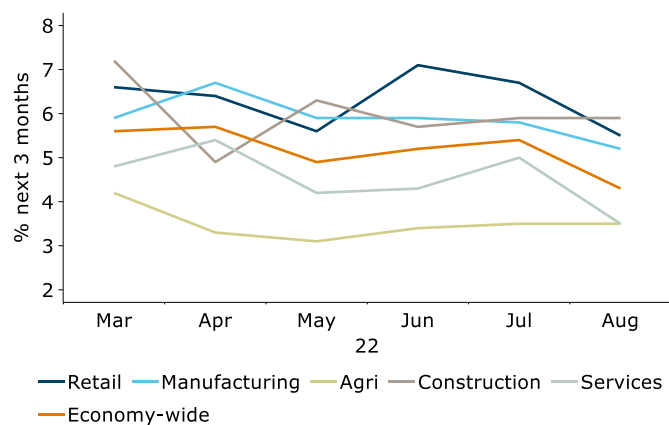


Source: Macrobond, ANZ Research

By sector, an intention to raise prices is most widespread in the retail sector (90.2% of firms intend to raise their prices in the next three months, versus a peak of 96.1% in June) and construction (87.5%, versus a peak of 93.8% in March). The lowest (still very high!) proportions of firms intending to raise prices imminently were in agriculture (52.4%) and services (63.3%).

The new questions added in March ask for a specific numerical estimate of where firms’ own selling prices will be in three months’ time (figure 3). The strongest average pricing intentions were in construction (+5.9%, down from the first read of 7.2% in March) and retail (+5.5% versus a peak of 7.1% in June).

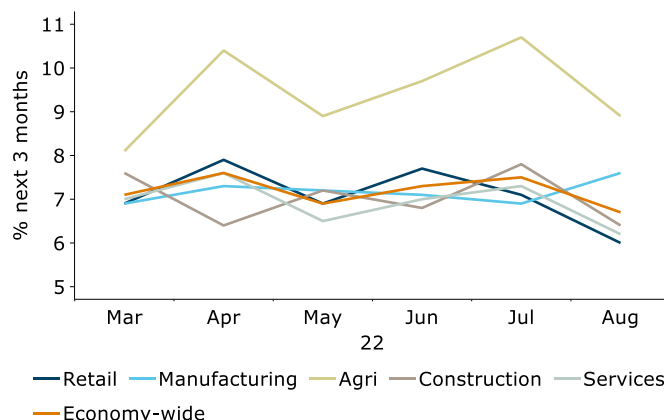
Figure 3. Pricing intentions by sector



Source: Macrobond, ANZ Research

We also now ask for estimates of firms' costs in three months' time (figure 4). Here, all sectors except manufacturing showed a fall in expected cost growth (while it remains very high across the board). Retail, encouragingly, has the lowest cost growth expectation, though context matters: an expected 6.0% increase in costs in the next three months is hardly good news for the Reserve Bank.

Figure 4. Cost expectations by sector

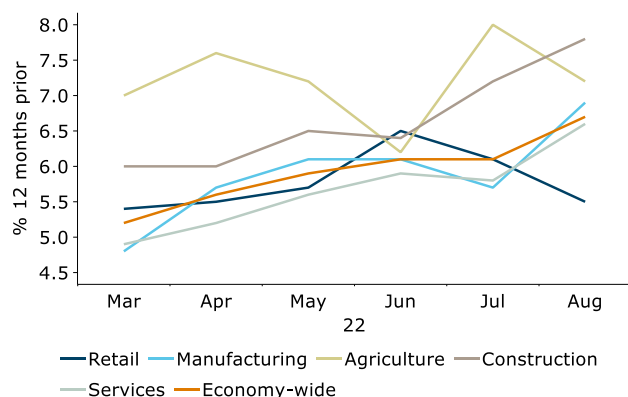


Source: Macrobond, ANZ Research

Wage growth is a crucial determinant of non-tradable inflation. In terms of past wage settlements, agriculture and retail eased, but other sectors rose. Construction took top spot from agri. By sector, the clearest upward trend in reported past wage growth is evident in construction, manufacturing and services (figure 5).

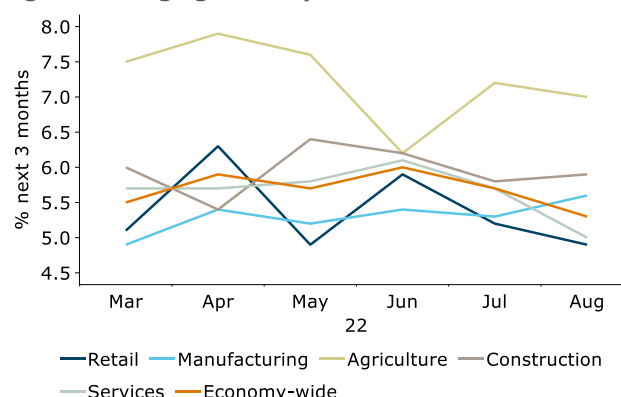
Turning to expectations for wage settlements for the next 12 months, manufacturing and construction rose, but the other sectors eased (figure 6). Trends are more difficult to discern in the expectations data. The Reserve Bank would no doubt prefer to see firms' wage expectations move downward, but for now, the labour market remains exceptionally tight, and firms are anticipating having to pay up – though not as much as in the 12 months just gone.

Figure 5. Wage growth by sector: last 12 months



Source: Macrobond, ANZ Research

Figure 6. Wage growth by sector: next 12 months



Source: Macrobond, ANZ Research

The monthly change matrix in our heatmap of indicators by sector has brightened up considerably, with more orange (lifts). And it's across the activity indicators, not the pricing ones. The levels remain subdued, however, as highlighted by a good deal of blue in the left-hand panel.

Points of interest:

- The monthly bounce in expectations was most marked for the agriculture sector, followed by manufacturing. It's less clear that retail and construction have found a bottom. Though the bounce in the construction sector's own activity outlook looks large, the level remains dire.
- By question, the biggest lift was in perceived ease of credit, though levels remain very low. The precise question is, "Will it be easier or harder to get credit in New Zealand in 12 months' time?"
- In levels terms, construction remains the most downbeat sector. On the plus side, their expected costs fell sharply. By question, pricing intentions remain the most dramatically above their historical average, and business confidence, profit expectations and expected ease of credit the furthest below historical averages.

Table 2. Heatmap

	Levels					Monthly changes				
	Retail	Mfg	Agric	Constrn	Serv	Retail	Mfg	Agric	Constrn	Serv
Business Confidence	-44.7	-51.8	-66.7	-70.8	-42.2	-1.8	10.2	9.5	-6.8	12.4
Own activity outlook	-14.9	-8.8	14.3	-24.0	1.4	3.5	5.2	4.8	12.0	2.2
Activity vs. same month one year ago	-4.3	1.8	14.3	-4.2	4.8	3.9	-10.2	4.8	-12.2	4.0
Exports	0.0	8.2	5.0	-23.1	5.7	-2.9	15.3	5.0	-4.9	8.4
Investment	-4.4	5.6	-4.8	-16.0	-2.1	-8.7	1.6	23.8	0.0	-0.5
Capacity Utilisation	-2.3	5.4	4.8	-4.2	-1.4	-15.3	-4.6	-4.7	4.1	-8.0
Residential Construction	...	...	...	-65.0	...	...	...	...	8.7	...
Commercial Construction	...	...	...	-4.3	...	...	...	...	1.6	...
Employment	0.0	5.3	14.3	-16.0	4.9	6.2	5.3	14.3	-8.0	-0.5
Employment vs. same month one year ago	4.3	12.5	0.0	13.0	0.7	-8.5	6.4	9.5	13.0	5.4
Profits	-31.9	-36.8	-28.6	-52.0	-34.2	0.8	1.2	19.0	-12.0	-4.2
Ease of Credit	-55.3	-57.9	-52.4	-44.0	-48.6	10.0	16.1	19.0	16.0	9.9
Costs	97.6	89.3	95.2	83.3	90.0	1.9	4.2	-4.8	-12.2	0.4
Pricing Intentions	90.2	71.4	52.4	87.5	63.3	-1.1	-0.3	4.8	10.2	-8.9

Note: Shades of orange indicate high, and shades of blue, low, becoming more intense at the extremes. The colour coding is based on standardised values that take into account the historical average and variation in each series. For example, a series may be low compared to others but if that's not unusual, it may not be in blue. The history of the activity and employment versus a year ago is unfortunately too short for historical comparisons to be particularly meaningful but the data is included for completeness.

Our take

New Zealand businesses are well aware that the Reserve Bank is on a mission to cool demand to bring it back into line with – indeed, below – the economy's ability to meet it, in order to reduce inflation.

In that context, while mildly rebounding activity indicators are ostensibly good news, today's survey was not particularly encouraging for the RBNZ. The impact of higher rates on the housing market and the construction sector is hard to miss, but there's more to slowing inflation than just that. Business inflation indicators have been very reliable in terms of predicting where inflation is heading. They are a smidgen lower at best, but remain far too high. And firms outside of the retail sector seem to be feeling more confident about the activity outlook. Employment intentions actually lifted and are still net positive across retail, manufacturing and agriculture.

Of course, monetary policy takes time to impact the economy, as people gradually roll onto higher fixed mortgage rates. However, it would make sense that with inflation and wage inflation running so high, the neutral Official Cash Rate is creeping higher, meaning the sting of a given interest rate wears off. Risks are tilted towards the RBNZ having to continue on with OCR hikes next year to cool the economy sufficiently to feel comfortable they're getting on top of the inflation problem.

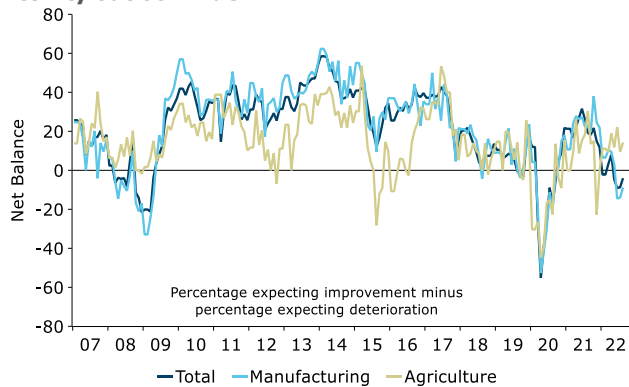
Survey Results August 2022

Net Balance	August	Previous (July)	Retail	Mfg	Agric	Constrn	Services
Business Confidence	-47.8	-56.7	-44.7	-51.8	-66.7	-70.8	-42.2
Own Activity Outlook	-4.0	-8.7	-14.9	-8.8	14.3	-24.0	1.4
Export Intentions	3.9	-2.7	0.0	8.2	5.0	-23.1	5.7
Investment Intentions	-2.0	-2.6	-4.4	5.6	-4.8	-16.0	-2.1
Cost Expectations	90.9	91.3	97.6	89.3	95.2	83.3	90.0
Capacity Utilisation	0.3	7.2	-2.3	5.4	4.8	-4.2	-1.4
Residential Construction	-65.0	-73.7	...	...	...	-65.0	...
Commercial Construction	-4.3	-5.9	...	...	...	-4.3	...
Employment Intentions	3.4	1.1	0.0	5.3	14.3	-16.0	4.9
Profit Expectations	-35.5	-34.1	-31.9	-36.8	-28.6	-52.0	-34.2
Pricing Intentions	70.1	74.0	90.2	71.4	52.4	87.5	63.3
Ease of Credit Expectations	-50.8	-63.8	-55.3	-57.9	-52.4	-44.0	-48.6
Inflation Expectations (%)	6.13	6.23	6.04	6.38	7.04	6.12	5.94
Activity – same month one year ago	2.3	2.9	-4.3	1.8	14.3	-4.2	4.8
Employment – same month one year ago	4.1	0.7	4.3	12.5	0.0	13.0	0.7
Price Expectations – 3 months from now (%)	4.3	5.4	5.5	5.2	3.5	5.9	3.5
Cost Expectations – 3 months from now (%)	6.7	7.5	6.0	7.6	8.9	6.4	6.2
Wages/Salaries – next 12 months (%)	5.3	5.7	4.9	5.6	7.0	5.9	5.0
Wages/Salaries – same month a year ago (%)	6.7	6.1	5.5	6.9	7.2	7.8	6.6

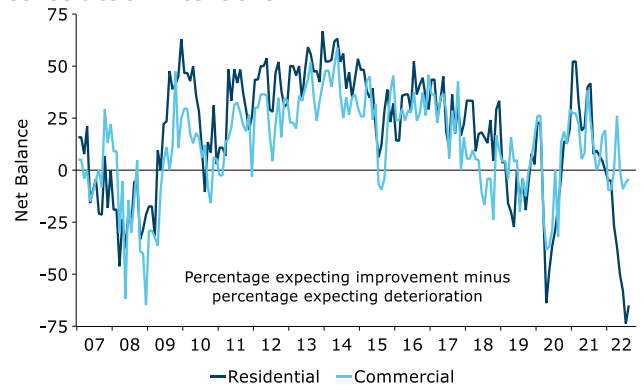


Charts

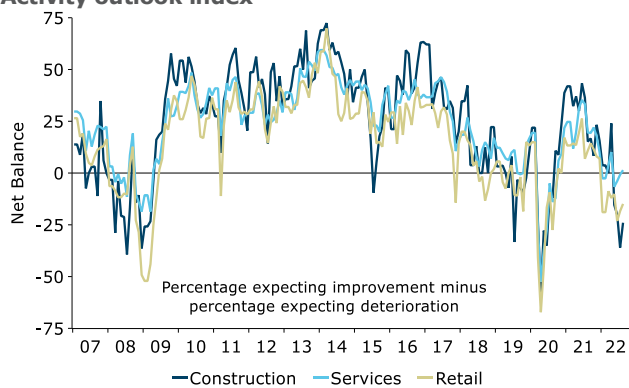
Activity outlook index



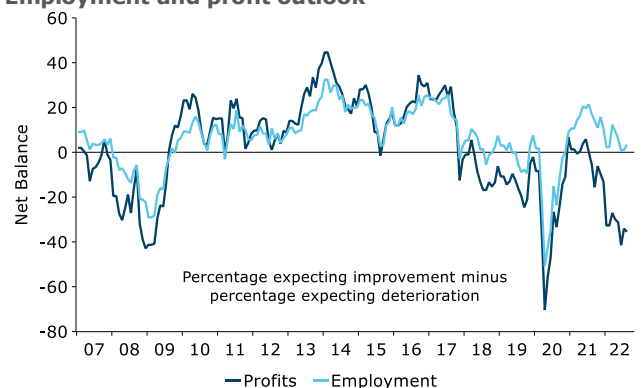
Construction intentions



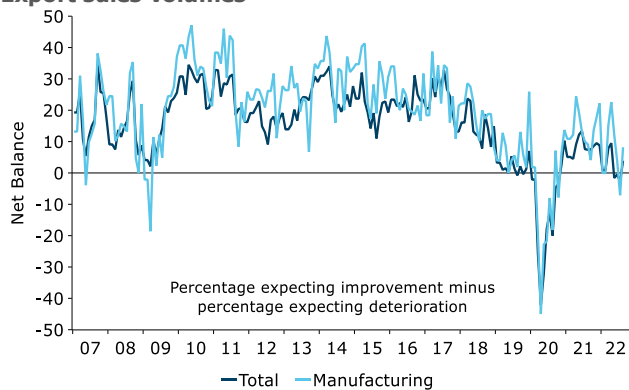
Activity outlook index



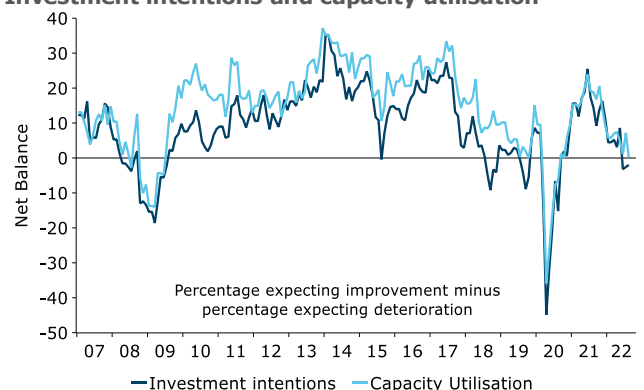
Employment and profit outlook



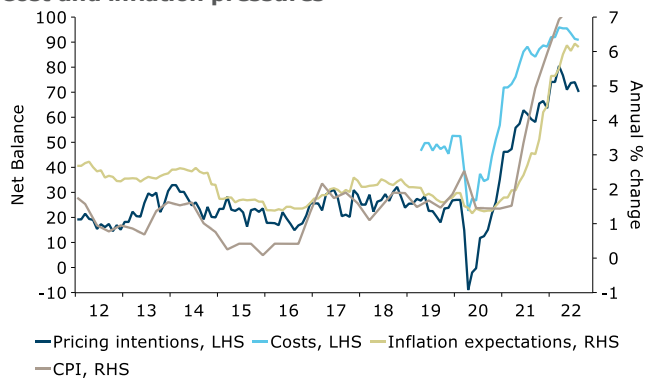
Export sales volumes



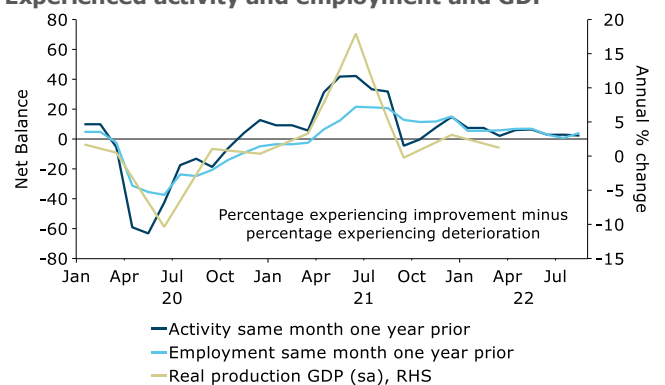
Investment intentions and capacity utilisation



Cost and inflation pressures



Experienced activity and employment and GDP



Source: ANZ, Statistics NZ, Macrobond



Contact us

Meet the team

We welcome your questions and feedback. Click [here](#) for more information about our team.



Sharon Zollner
Chief Economist

Follow Sharon on Twitter
@sharon_zollner

Telephone: +64 9 357 4094
Email: sharon.zollner@anz.com

General enquiries:
research@anz.com

Follow ANZ Research
@ANZ_Research (global)



David Croy
Senior Strategist

Market developments, interest rates, FX, unconventional monetary policy, liaison with market participants.

Telephone: +64 4 576 1022
Email: david.croy@anz.com



Susan Kilsby
Agricultural Economist

Primary industry developments and outlook, structural change and regulation, liaison with industry.

Telephone: +64 21 633 469
Email: susan.kilsby@anz.com



Miles Workman
Senior Economist

Macroeconomic forecast co-ordinator, fiscal policy, economic risk assessment and credit developments.

Telephone: +64 21 661 792
Email: miles.workman@anz.com



Finn Robinson
Economist

Macroeconomic forecasting, economic developments, labour market dynamics, inflation and monetary policy.

Telephone: +64 21 629 553
Email: finn.robinson@anz.com



Kyle Uerata
Economic Statistician

Economic statistics, ANZ proprietary data (including ANZ Business Outlook), data capability and infrastructure.

Telephone: +64 21 633 894
Email: kyle.uerata@anz.com



Natalie Denne
PA / Desktop Publisher

Business management, general enquiries, mailing lists, publications, chief economist's diary.

Telephone: +64 21 253 6808
Email: natalie.denne@anz.com

Important notice

Last updated: 22 June 2022

This document (which may be in the form of text, image, video or audio) is intended for ANZ's Institutional, Markets and Private Banking clients. It should not be forwarded, copied or distributed. The opinions and research contained in this document are (a) not personal advice nor financial advice about any product or service; (b) provided for information only; and (c) intended to be general in nature and does not take into account your financial situation or goals.

This document may be restricted by law in certain jurisdictions. Persons who receive this document must inform themselves about and observe all relevant restrictions.

Disclaimer for all jurisdictions: This document is prepared and distributed in your country/region by either: Australia and New Zealand Banking Group Limited (ABN11 005 357 522) (**ANZ**); or its relevant subsidiary or branch (each, an **Affiliate**), as appropriate or as set out below.

This document is distributed on the basis that it is only for the information of the specified recipient or permitted user of the relevant website (**recipients**).

This document is solely for informational purposes and nothing contained within is intended to be an invitation, solicitation or offer by ANZ to sell, or buy, receive or provide any product or service, or to participate in a particular trading strategy.

Distribution of this document to you is only as may be permissible by the laws of your jurisdiction, and is not directed to or intended for distribution or use by recipients resident or located in jurisdictions where its use or distribution would be contrary to those laws or regulations, or in jurisdictions where ANZ would be subject to additional licensing or registration requirements. Further, the products and services mentioned in this document may not be available in all countries.

ANZ in no way provides any financial, legal, taxation or investment advice to you in connection with any product or service discussed in this document. Before making any investment decision, recipients should seek independent financial, legal, tax and other relevant advice having regard to their particular circumstances.

Whilst care has been taken in the preparation of this document and the information contained within is believed to be accurate, ANZ does not represent or warrant the accuracy or completeness of the information. Further, ANZ does not accept any responsibility to inform you of any matter that subsequently comes to its notice, which may affect the accuracy of the information in this document.

Preparation of this document and the opinions expressed in it may involve material elements of subjective judgement and analysis. Unless specifically stated otherwise: they are current on the date of this document and are subject to change without notice; and, all price information is indicative only. Any opinions expressed in this document are subject to change at any time without notice.

ANZ does not guarantee the performance of any product mentioned in this document. All investments entail a risk and may result in both profits and losses. Past performance is not necessarily an indicator of future performance. The products and services described in this document may not be suitable for all investors, and transacting in these products or services may be considered risky.

ANZ expressly disclaims any responsibility and shall not be liable for any loss, damage, claim, liability, proceedings, cost or expense (Liability) arising directly or indirectly and whether in tort (including negligence), contract, equity or otherwise out of or in connection with this document to the extent permissible under relevant law. Please note, the contents of this document have not been reviewed by any regulatory body or authority in any jurisdiction.

ANZ and its Affiliates may have an interest in the subject matter of this document. They may receive fees from customers for dealing in the products or services described in this document, and their staff and introducers of business may share in such fees or remuneration that may be influenced by total sales, at all times received and/or apportioned in accordance with local regulatory requirements. Further, they or their customers may have or have had interests or long or short positions in the products or services described in this document, and may at any time make purchases and/or sales in them as principal or agent, as well as act (or have acted) as a market maker in such products. This document is published in accordance with ANZ's policies on conflicts of interest and ANZ maintains appropriate information barriers to control the flow of information between businesses within it and its Affiliates.

Your ANZ point of contact can assist with any questions about this document including for further information on these disclosures of interest.

Country/region specific information: Unless stated otherwise, this document is distributed by Australia and New Zealand Banking Group Limited (**ANZ**).

Australia. ANZ holds an Australian Financial Services licence no. 234527. For a copy of ANZ's Financial Services Guide please [click here](#) or request from your ANZ point of contact.

Brazil. This document is distributed on a cross border basis and only following request by the recipient.

Brunei, India, Japan, Kuwait, Malaysia, Switzerland, Taiwan. This document is distributed in each of these jurisdictions by ANZ on a cross-border basis.

Cambodia. The information contained in this document is confidential and is provided solely for your use upon your request. This does not constitute or form part of an offer or solicitation of any offer to engage services, nor should it or any part of it form the basis of, or be relied in any connection with, any contract or commitment whatsoever. ANZ does not have a licence to undertake banking operations or securities business or similar business, in Cambodia. By requesting financial services from ANZ, you agree, represent and warrant that you are engaging our services wholly outside of Cambodia and subject to the laws of the contract governing the terms of our engagement.

Canada. This document is general information only and is not meant to be tailored to the needs and circumstances of any recipient. In addition, this document is not intended to be an offer or solicitation to purchase or sell any security or other financial instrument or to employ a specific investment strategy.

Chile. You understand and agree that ANZ Banking Group Limited is not regulated by Chilean Authorities and that the provision of this document is not subject to any Chilean supervision and is not guaranteed by any regulatory or governmental agency in Chile.

Fiji. For Fiji regulatory purposes, this document and any views and recommendations are not to be deemed as investment advice. Fiji investors must seek licensed professional advice should they wish to make any investment in relation to this document.

Hong Kong. This document is issued or distributed in Hong Kong by the Hong Kong branch of ANZ, which is registered at the Hong Kong Monetary Authority to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities. The contents of this document have not been reviewed by any regulatory authority in Hong Kong.

India. If this document is received in India, only you (the specified recipient) may print it provided that before doing so, you specify on it your name and place of printing.

Macau. Click [here](#) to read the disclaimer for all jurisdictions in Mandarin. 澳门. 点击[此处](#)阅读所有司法管辖区的免责声明的中文版。

Myanmar. This document is intended to be general and part of ANZ's customer service and marketing activities when implementing its functions as a licensed bank. This document is not Securities Investment Advice (as that term is defined in the Myanmar Securities Transaction Law 2013).

New Zealand. This material is for information purposes only and is not financial advice about any product or service. We recommend seeking financial advice about your financial situation and goals before acquiring or disposing of (or not acquiring or disposing of) a financial product.

Important notice

Oman. ANZ neither has a registered business presence nor a representative office in Oman and does not undertake banking business or provide financial services in Oman. Consequently ANZ is not regulated by either the Central Bank of Oman or Oman's Capital Market Authority. The information contained in this document is for discussion purposes only and neither constitutes an offer of securities in Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Law of Oman (Royal Decree 80/98), nor does it constitute an offer to sell, or the solicitation of any offer to buy non-Omani securities in Oman as contemplated by Article 139 of the Executive Regulations to the Capital Market Law (issued vide CMA Decision 1/2009). ANZ does not solicit business in Oman and the only circumstances in which ANZ sends information or material describing financial products or financial services to recipients in Oman, is where such information or material has been requested from ANZ and the recipient understands, acknowledges and agrees that this document has not been approved by the CBO, the CMA or any other regulatory body or authority in Oman. ANZ does not market, offer, sell or distribute any financial or investment products or services in Oman and no subscription to any securities, products or financial services may or will be consummated within Oman. Nothing contained in this document is intended to constitute Omani investment, legal, tax, accounting or other professional advice.

People's Republic of China (PRC). This document may be distributed by either ANZ or Australia and New Zealand Bank (China) Company Limited (**ANZ China**). Recipients must comply with all applicable laws and regulations of PRC, including any prohibitions on speculative transactions and CNY/CNH arbitrage trading. If this document is distributed by ANZ or an Affiliate (other than ANZ China), the following statement and the text below is applicable: No action has been taken by ANZ or any affiliate which would permit a public offering of any products or services of such an entity or distribution or re-distribution of this document in the PRC. Accordingly, the products and services of such entities are not being offered or sold within the PRC by means of this document or any other document. This document may not be distributed, re-distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations. If and when the material accompanying this document relates to the products and/or services of ANZ China, the following statement and the text below is applicable: This document is distributed by ANZ China in the Mainland of the PRC.

Peru. The information contained in this document has not been, and will not be, registered with or approved by the Peruvian Superintendency of the Securities Market (Superintendencia del Mercado de Valores, **SMV**) or the Lima Stock Exchange (Bolsa de Valores de Lima, **BVL**) or under the Peruvian Securities Market Law (Legislative Decree 6 861), and will not be subject to Peruvian laws applicable to public offerings in Peru. To the extent this information refers to any securities or interests, it should be noted the securities or interests may not be offered or sold in Peru, except if (i) such securities or interests were previously registered with the Peruvian Superintendency of the Securities Market, or (ii) such offering is considered a private offering in Peru under the securities laws and regulation of Peru.

Qatar. This document has not been, and will not be:

- lodged or registered with, or reviewed or approved by, the Qatar Central Bank (**QCB**), the Qatar Financial Centre (**QFC**) Authority, QFC Regulatory Authority or any other authority in the State of Qatar (**Qatar**); or
- authorised or licensed for distribution in Qatar, and the information contained in this document does not, and is not intended to, constitute a public offer or other invitation in respect of securities in Qatar or the QFC.

The financial products or services described in this document have not been, and will not be:

- registered with the QCB, QFC Authority, QFC Regulatory Authority or any other governmental authority in Qatar; or
- authorised or licensed for offering, marketing, issue or sale, directly or indirectly, in Qatar.

Accordingly, the financial products or services described in this document are not being, and will not be, offered, issued or sold in Qatar, and this document is not being, and will not be, distributed in Qatar. The offering, marketing, issue and sale of the financial products or services described in this document and distribution of this document is being made in, and is subject to the laws, regulations and rules of, jurisdictions outside of Qatar and the QFC. Recipients of this document must abide by this restriction and not distribute this document in breach of this restriction. This document is being sent/issued to a limited number of institutional and/or sophisticated investors (i) upon their request and confirmation that they understand the statements above; and (ii) on the condition that it will not be provided to any person other than the original recipient, and is not for general circulation and may not be reproduced or used for any other purpose.

Singapore. This document is distributed in Singapore by ANZ solely for the information of "accredited investors", "expert investors" or (as the case may be) "institutional investors" (each term as defined in the Securities and Futures Act Cap. 289 of Singapore). ANZ is licensed in Singapore under the Banking Act Cap. 19 of Singapore and is exempted from holding a financial adviser's licence under Section 23(1)(a) of the Financial Advisers Act Cap. 100 of Singapore. In respect of any matters arising from, or in connection with, the distribution of this document in Singapore, please speak to your usual ANZ contact in Singapore.

United Arab Emirates (UAE). This document is distributed in the UAE or the Dubai International Financial Centre (**DIFC**) (as applicable) by ANZ. This document does not, and is not intended to constitute: (a) an offer of securities anywhere in the UAE; (b) the carrying on or engagement in banking, financial and/or investment consultation business in the UAE under the rules and regulations made by the Central Bank of the UAE, the Emirates Securities and Commodities Authority or the UAE Ministry of Economy; (c) an offer of securities within the meaning of the Dubai International Financial Centre Markets Law (DIFCML) No. 12 of 2004; and (d) a financial promotion, as defined under the DIFCML No. 1 of 200. ANZ DIFC Branch is regulated by the Dubai Financial Services Authority (**DFSA**). ANZ DIFC Branch is regulated by the Dubai Financial Services Authority (**DFSA**). The financial products or services described in this document are only available to persons who qualify as "Professional Clients" or "Market Counterparty" in accordance with the provisions of the DFSA rules.

United Kingdom. This document is distributed in the United Kingdom by Australia and New Zealand Banking Group Limited (**ANZ**) solely for the information of persons who would come within the Financial Conduct Authority (**FCA**) definition of "eligible counterparty" or "professional client". It is not intended for and must not be distributed to any person who would come within the FCA definition of "retail client". Nothing here excludes or restricts any duty or liability to a customer which ANZ may have under the UK Financial Services and Markets Act 2000 or under the regulatory system as defined in the Rules of the Prudential Regulation Authority (**PRA**) and the FCA. ANZ considers this document to constitute an Acceptable Minor Non-Monetary Benefits (**AMNMB**) under the relevant inducement rules of the FCA. ANZ is authorised in the United Kingdom by the PRA and is subject to regulation by the FCA and limited regulation by the PRA. Details about the extent of our regulation by the PRA are available from us on request.

United States. Except where this is a FX-related document, this document is distributed in the United States by ANZ Securities, Inc. (**ANZ SI**) which is a member of the Financial Regulatory Authority (**FINRA**) (www.finra.org) and registered with the SEC. ANZSI's address is 277 Park Avenue, 31st Floor, New York, NY 10172, USA (Tel: +1 212 801 9160 Fax: +1 212 801 9163). ANZSI accepts responsibility for its content. Information on any securities referred to in this document may be obtained from ANZSI upon request. This document or material is intended for institutional use only – not retail. If you are an institutional customer wishing to effect transactions in any securities referred to in this document you must contact ANZSI, not its affiliates. ANZSI is authorised as a broker-dealer only for institutional customers, not for US Persons (as "US person" is defined in Regulation S under the US Securities Act of 1933, as amended) who are individuals. If you have registered to use our website or have otherwise received this document and are a US Person who is an individual: to avoid loss, you should cease to use our website by unsubscribing or should notify the sender and you should not act on the contents of this document in any way. Non-U.S. analysts may not be associated persons of ANZSI and therefore may not be subject to FINRA Rule 2242 restrictions on communications with the subject company, public appearances and trading securities held by the analysts. Where this is a FX-related document, it is distributed in the United States by ANZ's New York Branch, which is also located at 277 Park Avenue, 31st Floor, New York, NY 10172, USA (Tel: +1 212 801 916 0 Fax: +1 212 801 9163).

Vietnam. This document is distributed in Vietnam by ANZ or ANZ Bank (Vietnam) Limited, a subsidiary of ANZ.

This document has been prepared by ANZ Bank New Zealand Limited, Level 26, 23-29 Albert Street, Auckland 1010, New Zealand, Ph 64-9-357 4094, e-mail nzeconomics@anz.com, <http://www.anz.co.nz>