

New Zealand Weekly Data Wrap

6 May 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 us

See [page 5](#).

Forecast updates

Recent ANZ NZ Forecast Updates can be found [here](#).

- [NZ Forecast Update: farmgate milk price forecasts revised down](#)
- [NZ Property Focus: regional rollercoaster](#)
- [NZ Weekly Data Wrap: has inflation peaked?](#)
- [NZ GDP Forecast Update: walking the tightrope](#)
- [NZ OCR Call Change: back-to-back 50bp hikes in April and May](#)

Our other recent publications are on [page 2](#).

What's the view?

- GDP constrained by supply more than demand
- Labour market tighter than ever, and very inflationary
- Inflation way above target, but may have peaked
- Aggressive OCR hikes towards 3.5% in April 2023 needed to contain inflation

Our forecasts are on [page 4](#).

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

Key risks to our view



Falling consumer and business sentiment derail momentum.



Falling house prices could have a more significant impact on the economy than expected.



Surging commodity prices cause inflation expectations to become unanchored.



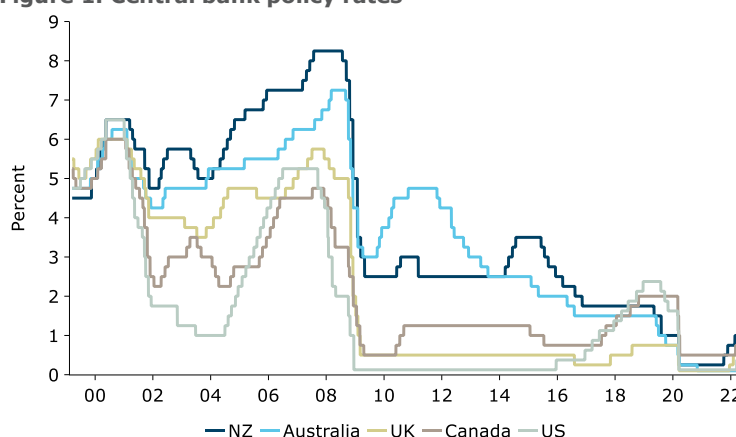
Global inflation pressures push inflation up more than expected in NZ over 2022.

What happened this week?

This week was packed full of central bank meetings and fiscal policy announcements (not to mention data showing the strongest wage growth for Kiwis since 2009 – see next page). Here at home, the Government unveiled [new fiscal rules and a new measure of net debt](#) ahead of Budget 2022 later this month. The new rules appear to be prudent and binding enough to make sure we rebuild fiscal buffers over time, while providing flexibility (particularly on the capex side) to address New Zealand's infrastructure deficit. The new rules do appear to be a loosening from the pre-pandemic debt-targeting era.

Global central banks were also busy this week, as the campaign against high inflation began in earnest. Across the Ditch, the Reserve Bank of Australia lifted the cash rate 25bps to 0.35% in the wake of Q1's surprisingly strong 5.1% annual inflation print. Governor Lowe noted they would keep moving in 25bp increments unless there was a "very strong argument" for something bigger. The arguments are already strong in the US, where 8.5% CPI inflation (plus multi-decade highs in wage growth) saw the Federal Reserve deliver a 50bp increase in the fed funds rate yesterday morning. With inflation so far above target, markets are pricing in multiple additional 50bp moves as the Fed looks to "expeditiously" bring inflation back down to acceptable levels. And finally, moving across the Pond to the UK, the Bank of England (BoE) lifted their base rate another 25bps to 1.0%. Inflation is running at 7% in the UK, and the BoE expects it to rise to a shocking 10.25% in Q4 this year. With global policy rates still very low by historical standards (figure 1), there's an increasing sense of urgency amongst central banks around normalising policy settings. The RBNZ has a head start, but with wage pressures mounting, it'll take ongoing OCR hikes over this year (including another 50 pointer in May) to bring domestic inflation pressures back down.

Figure 1. Central bank policy rates



Source: RBNZ, RBA, BoE, BoC, Fed, Macrobond, ANZ Research

Interestingly, this week we also got new data on building consents, which were up 5.8% m/m in March, reaching yet another record high of 50,858 for the year. Given that the housing market is [in retreat](#) and interest rates are rising rapidly, we continue to wait for the inevitable turnaround in consenting activity, after what's been a year of incredibly strong growth. Indeed, risks are firmly to the downside for the construction industry. Residential building intentions tanked in our latest [Business Outlook](#) survey. Construction [costs in the CPI](#) were up 18% y/y in Q1, while house sales and prices are falling. That's not an enticing mix for property developers.



Looking ahead



Recent Publications

ANZ produces a range of in-depth insights.

- [NZ Insight: new fiscal rules](#)
- [NZ Property Focus: regional rollercoaster](#)
- [NZ Insight: how widespread is labour market tightness?](#)
- [NZ Agri Focus: mixed blessings](#)
- [NZ Insight: the RBNZ's inflation expectations headache](#)
- [NZ Property Focus: A soft landing as headwinds gather](#)
- [NZ temp fuel tax changes knock 0.5% off Q2 CPI](#)
- [NZ Insight: how is NZ's agri sector impacted by the Russian invasion](#)
- [NZ Insight: The Reopening II – shifting economic sands](#)
- [NZ Property Focus: At your service](#)
- [NZ Insight: Terms of trade: risks and opportunities](#)
- [NZ Agri Focus: heating up](#)
- [NZ Insight: Endemic COVID-19 and labour supply](#)
- [NZ 2021 HYEPU: Wind change](#)
- [NZ Agri Focus: Higher prices for Christmas](#)
- [NZ Insight: The real cost of inflation](#)
- [NZ Insight: The Reopening](#)

[Click here for more.](#)



ANZ Proprietary data

Check out our latest releases below.

- [ANZ Business Outlook](#)
- [ANZ-Roy Morgan Consumer Confidence](#)
- [ANZ Truckometer](#)
- [ANZ Commodity Price Index](#)

What are we watching?

Not surprisingly, this week's [labour market report](#) for Q1 showed symptoms of COVID. Unemployment remained at its record low of 3.2% (versus our expectation for a slight fall to 3.1%). Underutilisation rose a touch to 9.3% (9.2% previously), and hours worked dropped 0.2% q/q as Omicron disruption over the quarter took its toll. However, we're expecting this to be a temporary blip. Looking at the RBNZ's suite of maximum sustainable employment indicators, the labour market is clearly extremely tight (figure 2), with the only soft spot now being average hours worked – reflecting the impact of COVID on worker absenteeism and business operating hours.

Figure 2. RBNZ maximum sustainable employment indicators

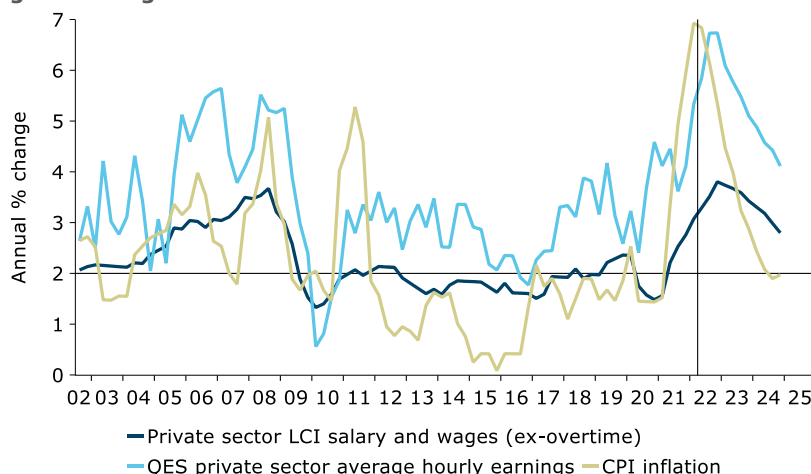
	2019 Q4	2020 Q2	2020 Q3	2021 Q4	2022 Q1
Medium term unemployment rate (%)	2.3	2.5	3.4	1.8	1.8
Youth unemployment rate (15-24 years, %)	11.1	10.8	13.5	8.7	9.3
Total unemployment rate (%)	4.1	4.0	5.3	3.2	3.2
Underemployment rate (%)	3.2	4.3	4.5	3.4	3.2
Underutilisation rate (%)	10.1	12.0	13.2	9.2	9.3
Average hours worked gap (% pts)	0.6	-6.9	0.3	-0.1	-0.3
Job finding rate (%)	32.7	31.0	38.8	36.3	37.6
Job separation rate (%)	1.0	1.3	1.4	0.7	0.8
Vacancy-unemployment ratio (Index)	100.0	51.8	61.7	161.8	176.4
Difficulty finding skilled labour (Net %)	42.9	-18.9	18.6	72.8	70.4
Difficulty finding unskilled labour (Net %)	24.8	-43.0	-6.1	57.8	67.4
Labour as a limiting factor (%)	15.3	6.4	15.3	33.5	36.7
Maori unemployment rate (%)	8.3	6.8	9.1	6.8	6.0
Pasifika unemployment rate (%)	7.4	6.5	8.6	5.5	5.8

Source: Stats NZ, NZIER, MBIE, Macrobond, ANZ Research

Note: The heatmap indicates how strong each labour market indicator is relative to its own historical average since 2000. The more orange (blue) the cell is, the stronger (weaker) the labour market indicator is. We've shown 2019 Q4 since the RBNZ saw the labour market as being "at or slightly above" maximum sustainable employment at this time. Showing 2020 Q2 and Q3 captures the impact of the first lockdown. For a full explanation of the indicators, see this [RBNZ note](#).

This labour market tightness is reflected in wage outcomes, with private sector labour costs up 3.1% y/y and average hourly earnings rising 5.3% y/y – comfortably hitting post-2009 highs. The evidence is that the strong wage rises you'd expect to see in a labour market this tight are finally starting to come through. Both wage prints are still well below Q1's 6.9% [inflation print](#), but with hourly earnings rising fast, our freshly updated forecasts imply that earnings growth could start to exceed inflation as early as the second half of this year. Previously we were looking at early 2023. Given the strength in labour demand, we continue to expect a further fall in the unemployment rate to 2.9%, especially with peak COVID disruption hopefully in the rear-view mirror (see [forecasts](#)).

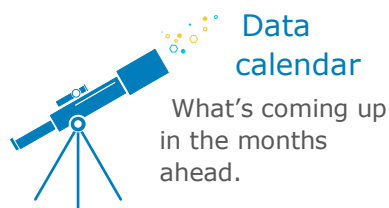
Figure 3. Wages and inflation forecasts



Source: Stats NZ, Macrobond, ANZ Research



Looking ahead



Date	Data/event
Tue 10 May (10:00am)	ANZ Truckometer – Apr
Tue 10 May (10:45am)	Electronic Card Transactions – Apr
Thu 12 May (10:45am)	Food Price Index – Apr
Thu 12 May (10:45am)	Rental Price Index – Apr
Thu 12 May (10:45am)	Net Migration – Mar
Thu 12 May (3:00pm)	RBNZ 2Yr Inflation Expectation – Q2
Fri 13 May (10:30am)	BusinessNZ Manuf PMI – Apr
Mon 16 May (10:30am)	Performance Services Index – Apr
Wed 18 May (early am)	GlobalDairyTrade auction
Thu 19 May (2:00pm)	NZ Budget 2022
Tue 24 May (10:45am)	Merchandise Trade – Apr
Tue 24 May (10:45am)	Retail Trade – Q1
Wed 25 May (2:00pm)	RBNZ Monetary Policy Statement
Fri 27 May (10:00am)	ANZ-RM Consumer Confidence – May
Tue 31 May (10:45am)	Building Permits – Apr
Tue 31 May (1:00pm)	ANZ Business Outlook – May
Thu 2 Jun (10:45am)	Terms of Trade – Q1
Fri 3 Jun (10:45am)	Building Work Put in Place – Q1
Tue 7 Jun (1:00pm)	ANZ Commodity Price Index – May
Wed 8 Jun (early am)	GlobalDairyTrade auction
Thu 9 Jun (10:00am)	ANZ Truckometer – May
Fri 10 Jun (10:45am)	Manufacturing Activity – Q1
Fri 10 Jun (10:45am)	Electronic Card Transactions – May
Mon 13 Jun (10:45am)	Net Migration – Apr
Tue 14 Jun (10:45am)	Food Price Index – May
Tue 14 Jun (10:45am)	Rental Price Index – May
Wed 15 Jun (10:45am)	Balance of Payments – Q1

Interest rate markets

This week has been an extraordinarily volatile week in global interest rate markets as is clear by the ~28bp trading range seen in the bellwether US 10-year Treasury bond yield since our last *Data Wrap* was published. Most of the volatility was centred on yesterday's Fed meeting, with yields falling sharply as chair Powell ruled out 75bp hikes (which markets had been toying with), only to rise sharply overnight on market fears that upon deeper reflection, a string of 50bp hikes may not be enough to contain inflation. And don't expect any let up in volatility, with US non-farm payroll data for April due tonight. Closer to home, the RBA's 25bp hike shocked a market expecting a 15bp hike (their cash rate was at 0.10%). All of this has overshadowed local factors, and we are in a situation where local rates remain vulnerable to global moves, and that is stretching valuations. At some point, enough will be enough and investors will call time, but that time hasn't come yet and amid global turmoil, few are prepared to call a top in local rates.

FX markets

FX markets have been just as volatile as rates, with the Kiwi trading a ~170bp range this week, and the bulk of the volatility also centred around yesterday's Fed announcement. The USD typically fades early on in tightening cycles, but we are wary that this tendency will be severely delayed this cycle thanks to (1) the Ukraine crisis and potential for more sanctions adding to recession risks in Europe, (2) the BoJ doubling down on easy policy, and (3) increased volatility feeding safe-haven demand for the USD. NZD/AUD has broken lower, but is consolidating rather than collapsing at new, lower levels. We think the correction was warranted given changes in interest rate spreads and relative RBNZ/RBA expectations, but with more hikes now priced into Australia (~240bps, albeit off a lower base) than NZ (~212bps) by November, the onus is on the RBA to deliver.

Key data summary

RBNZ sectoral lending data – March. Business and housing lending slowed on a monthly basis – but both remain strong on an annual basis.

Building Permits – March. Building consents lifted 5.8% m/m.

GlobalDairyTrade auction. The Global Dairy Trade Price Index fell 8.5%.

Labour Market Statistics – Q1. Wage growth accelerated. See our [Review](#).

ANZ Commodity Price Index – April. The [world price index](#) fell 1.9% m/m.

The week ahead

ANZ Truckometer – April (Tuesday 10 May, 10:00am).

Electronic Card Transactions – April (Tuesday 10 May, 10:45am). Our ANZ card data suggests growth held up around 1-3% m/m (sa) in April.

Food Prices – April (Thursday 12 May, 10:45am). We've pencilled in a seasonal 0.5% m/m (6.9% y/y) lift in food prices.

Rental Price Index – April (Thursday 12 May, 10:45am). We expect a 0.3% m/m (3.7% y/y) lift in overall rent prices.

Net Migration – March (Thursday 12 May, 10:45am). Remaining low.

RBNZ Inflation Expectations – Q2 (Thursday 12 May, 3:00pm). Near-term expectations may lift further, given Q1's [strong CPI print](#).

Performance of Manufacturing Index – April (Friday 13 May, 10:30am). Has remained expansionary since September 2021.

REINZ House Prices – April (10-17 May, 9:00am). We expect further declines, with a 10% fall in prices [pencilled in](#) for 2022.



Key forecasts and rates

FX rates	Actual			Forecast (end month)					
	Mar-22	Apr-22	Today	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23
NZD/USD	0.694	0.646	0.643	0.670	0.670	0.690	0.680	0.680	0.670
NZD/AUD	0.926	0.914	0.903	0.905	0.882	0.885	0.883	0.883	0.882
NZD/EUR	0.625	0.612	0.610	0.615	0.609	0.616	0.602	0.596	0.583
NZD/JPY	84.4	83.8	83.7	90.5	90.5	89.7	86.4	85.0	81.7
NZD/GBP	0.529	0.514	0.520	0.515	0.515	0.523	0.507	0.504	0.496
NZ\$ TWI	74.4	72.4	71.7	73.4	72.8	73.7	72.3	71.9	70.6
Interest rates	Mar-22	Apr-22	Today	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23
	NZ OCR	1.00	1.50	1.50	2.00	2.50	3.00	3.25	3.50
	NZ 90 day bill	1.61	1.97	2.12	2.52	3.02	3.27	3.60	3.60
	NZ 10-yr bond	3.22	3.64	3.82	3.40	3.60	3.70	3.90	4.00

Economic forecasts

	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
GDP (% qoq)	3.0	0.5	0.2	0.4	0.7	0.8	0.4	0.5	0.6
GDP (% yoy)	3.1	2.3	0.0	4.1	1.8	2.1	2.3	2.4	2.3
CPI (% qoq)	1.4	1.8	1.2	1.5	0.7	0.9	0.7	0.8	0.4
CPI (% yoy)	5.9	6.9	6.8	6.1	5.3	4.5	4.0	3.2	2.9
Employment (% qoq)	0.0	0.1	0.6	0.3	0.3	0.3	0.3	0.3	0.3
Employment (% yoy)	3.5	2.8	2.5	1.0	1.3	1.6	1.3	1.3	1.3
Unemployment Rate (% sa)	3.2	3.2	2.9	2.9	2.9	3.0	3.2	3.3	3.4

Figures in bold are forecasts. mom: Month-on-Month; qoq: Quarter-on-Quarter; yoy: Year-on-Year

Figure 4. Production GDP forecast

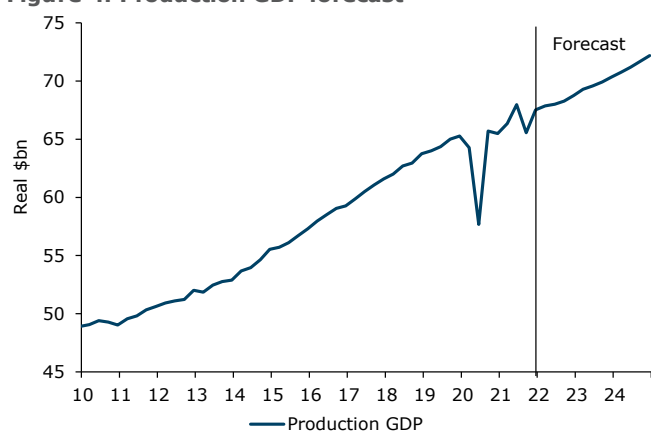


Figure 5. CPI inflation components

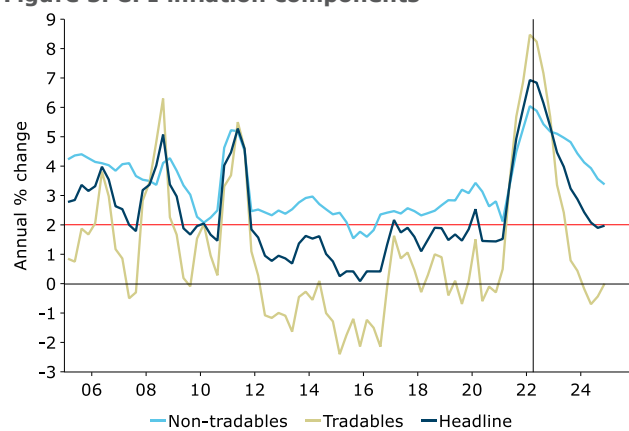


Figure 6. ANZ OCR forecast

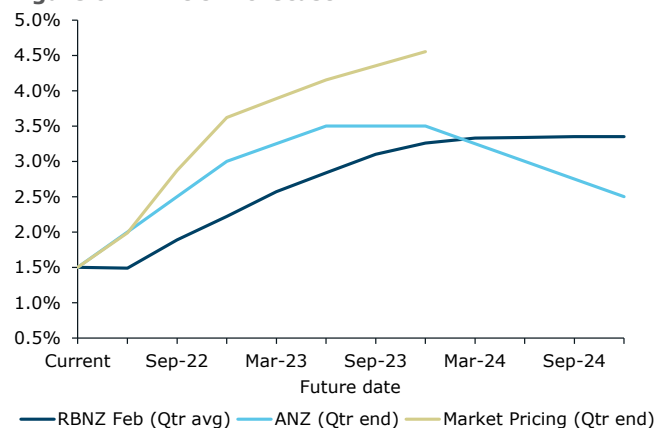
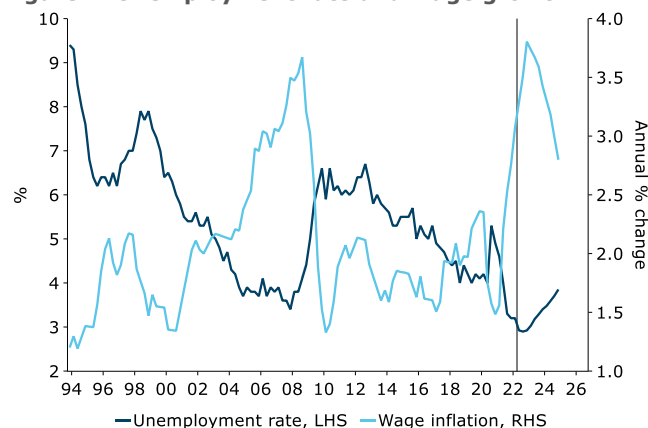


Figure 7. Unemployment rate and wage growth



Source: Stats NZ, Bloomberg, RBNZ, Macrobond, ANZ Research



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 27 664 3554
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: 28 February 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.

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>