

# New Zealand Weekly Data Wrap

23 September 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 OCR Call Change: more work to do](#)
- [NZ Forecast Update: farmgate milk price forecasts revised up](#)
- [NZ Property Focus: no place for green shoots](#)
- [NZ Quarterly Economic Outlook: on the edge](#)

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

## What's the view?

- GDP currently constrained by supply more than demand
- Labour market still extremely tight, and very inflationary
- Inflation way above target, but likely peaked in Q2
- OCR hikes to 4.75% by mid-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



Global growth risks abound, not least in China, our key trading partner.



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



The neutral OCR could be increasing faster than estimated.



Global inflation pressures may not decline as quickly or as far as anticipated.

## Recalibrating what it will take

We've changed our OCR call, adding another 75 basis points to our previous expected peak, taking the OCR to 4.75% come mid-2023. That's two more 50 basis point hikes this year (as before), followed by three 25 basis point "top up" hikes in each of the first three meetings of 2023.

We've been highlighting for some time now that there's a significant risk that domestic and core inflation will prove too sticky for the RBNZ's liking. And in large part, that's owing to the fact that the current rapid pace of wage growth, courtesy of the extremely tight labour market, is taking some of the sting out of rate hikes delivered to date. In macroeconomic terms, we think the neutral OCR is under upwards pressure, and well above the 2% central estimate the RBNZ have recently clocked it at. For those unfamiliar with the concept, the neutral OCR is the OCR at which monetary conditions are neither adding to nor subtracting from inflation pressure. That is, if inflation is looking like it'll be stable at 2%, then it's time for the RBNZ guide the OCR to neutral so it doesn't end up over- or undershooting its target. Or more pertinently for today, if the neutral OCR goes up, the actual OCR needs to go up in step just for monetary conditions to maintain their previous traction.

But estimating neutral is no easy feat:

- it's unobservable;
- estimates tend to be backwards-looking (ie core inflation did X with the OCR at Y, suggesting neutral must have been around Z); and
- it's time varying, moving with both shorter-term (cyclical) shocks, such as COVID impacts on productivity, and with structural change, such as the impacts on demand for savings relative to investment as New Zealand's demographic profile changes. And with longer-run inflation expectations.

Add the ongoing and significant COVID-induced wobbles to the data and it's a tough nut to crack. But the RBNZ has to make an assumption. The RBNZ has signalled that it is reviewing its modelling of the neutral OCR, but that this is a very big piece of work that's unlikely to be completed before year-end.

From an RBNZ strategy perspective, we're not convinced this speaks to a sudden (hawkish) change. While we certainly can't rule it out, we're not expecting the RBNZ to come out at an MPS with a sharply higher neutral assumption (ie something greater than 3%) that would suggest they've suddenly decided a lot more hikes are needed to deliver the contractionary impulse required to bring inflation down.

Rather, we think it'll be more gradual than that, with indicators of inflation pressure (including labour market tightness) holding up for too long for the RBNZ to be convinced that inflation will return to target in an acceptable timeframe, and that wage-price spiral risks are appropriately mitigated. That is, a series of starting-point shocks. Persistently elevated inflation pressures could just as easily feed into a lower potential GDP estimate by the RBNZ as a higher neutral assumption. But regardless of how they square their economic outlook, we think they'll conclude (as we have) that the OCR will need to go higher than marginally north of 4% as they signalled in August.

Regarding [our broad economic outlook](#), our call change has very few immediate implications. In the absence of a very significant supply or productivity miracle, the RBNZ needs to drive domestic demand lower in order to take the pressure off currently stretched resources and see inflation slow. As we've been saying for a while now, that will happen, it's just a question of how high the OCR will need to go to achieve it.



## Looking ahead



### Recent Publications

ANZ produces a range of in-depth insights.

- NZ Insight: The inflation outlook and the balance of risks
- NZ Insight: 2020 hindsight
- NZ Agri Insight: feeding the world sustainably
- NZ Agri Focus: it's raining, it's pouring
- NZ Insight: the Australian labour market and the RBNZ
- NZ Property Focus: hardening headwinds and soft landings
- NZ Insight: the low consumer confidence puzzle
- NZ Property Focus: when, not if
- NZ Insight: He Waka Eke Noa recommendations
- Agri Insight: global food crisis to worsen
- NZ Budget Review: Big Budget
- NZ Insight: Emissions Reduction Plan
- NZ Insight: new fiscal rules
- NZ Property Focus: regional rollercoaster
- NZ Insight: how widespread is labour market tightness?
- NZ Insight: the RBNZ's inflation expectations headache
- NZ Insight: how is NZ's agri sector impacted by the Russian invasion
- NZ Insight: Endemic COVID-19 and labour supply

Click [here](#) for more.



### ANZ Proprietary data

Check out our latest releases below.

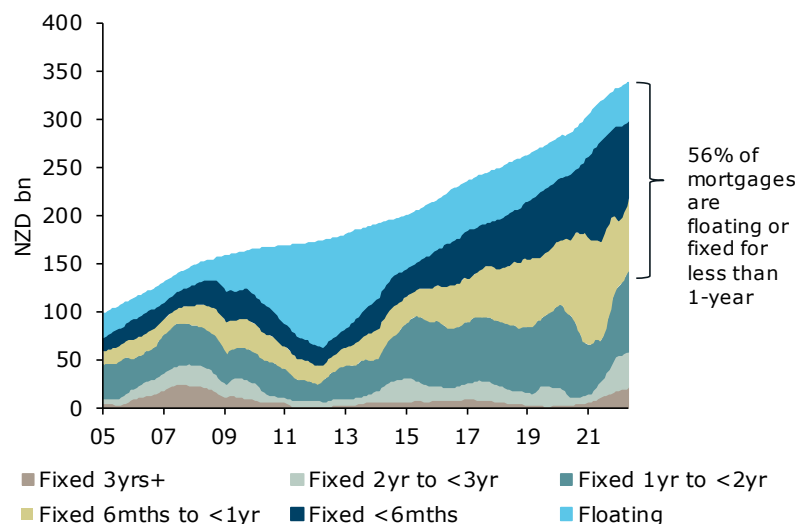
- ANZ Business Outlook
- ANZ-Roy Morgan Consumer Confidence
- ANZ Truckometer
- ANZ Commodity Price Index

### Flip-flops or running shoes?

The economy is a pretty complicated and fickle beast. While we will always do our darndest, perfect economic foresight and forecast accuracy will always be unattainable. Big parts of our outlook, including our OCR call, are always going to represent what we think is most likely to happen, predicated on a suite of "most-likely" assumptions (informed by our own analysis and monitoring etc). To our minds, our updated OCR call better balances the risks around whether the OCR is likely to end up higher or lower than our forecast. But we would never claim that a 4.75% peak is a lock!

Monetary policy acts with long and variable lags, and there absolutely is a plausible scenario where a 4% OCR is all it will take to squeeze households enough to drive inflation lower. Mortgages are key. The share of loan fixes tends to vary (figure 1), meaning changes in mortgage rates will have varying lags at different times in terms of how they impact the aggregate debt-servicing burden, depending on collective behaviour.

**Figure 1. Residential mortgages by fixed term**



Source: RBNZ, ANZ Research

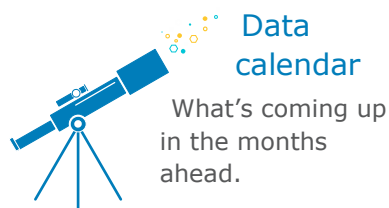
Take the one-year rate as an example. If you locked in a \$500k mortgage at the low of around 2.2% in June 2021, you would have been faced with a one-year rate of around 5.1% come June 2022. Depending on how fast you were paying down principal, rolling over for one year in June 2022 would have added around \$14k to your annual debt-servicing cost. Come June 2023, the one-year rate will likely be higher still.

A sizable chunk of loans is yet to fully transition to higher rates, and that could mean that we just need to be patient to see the impacts on household spending and inflation. But wages are rising strongly too, taking out some of the sting. We'll have more to say on this in our upcoming Property Focus. Suffice it to say that we think that robust household spending, strong PSI, sky-high job ads, lifting house sales, and recovering business and consumer confidence suggest that monetary tightening isn't quite getting the traction the RBNZ needs it to – more than a year since mortgage rates troughed.

In fact, there's a decent risk that if wage inflation remains stronger for longer, the OCR will need to go higher than 4.75%. That's partly why we haven't added eventual OCR cuts to our forecast: it's simply not clear that 4.75% will be enough to bring inflation down fast or far enough. Cuts are expected eventually (we think neutral is below 4.75%), but possibly from a higher peak and/or outside our forecast horizon. So while our updated call means we might have to flip flop if the data surprise to the downside, there's also a decent risk the OCR will need to run higher for longer.



## Financial markets update



### Data calendar

What's coming up in the months ahead.

Date	Data/event
Thu 29 Sep (1:00pm)	<a href="#">ANZ Business Outlook – Sep</a>
Fri 30 Sep (10:45am)	Building Permits – Aug
Fri 30 Sep (10:00am)	<a href="#">ANZ-RM Consumer Confidence – Sep</a>
Fri 30 Sep (3:00pm)	RBNZ Sectoral Lending – Aug
Tue 4 Oct (10:00am)	NZIER QSBO – Q3
Wed 5 Oct (early am)	GlobalDairyTrade auction
Wed 5 Oct (2:00pm)	<b>RBNZ Monetary Policy Review</b>
Thu 6 Oct (1:00pm)	<a href="#">ANZ Commodity Price Index – Sep</a>
Tue 11 Oct (10:00am)	<a href="#">ANZ Truckometer – Sep</a>
Tue 11 Oct (10:45am)	Electronic Card Transactions – Sep
Wed 12 Oct (10:45am)	Net Migration – Aug
Thu 13 Oct (10:45am)	Food Price Index – Sep
Thu 13 Oct (10:45am)	Rental Price Index – Sep
Fri 14 Oct (10:30am)	BusinessNZ Manuf PMI – Sep
Mon 17 Oct (10:30am)	Performance Services Index – Sep
Tue 18 Oct (10:45am)	<b>CPI – Q3</b>
Wed 19 Oct (early am)	GlobalDairyTrade auction
Fri 21 Oct (10:45am)	Merchandise Trade – Sep
Wed 26 Oct (1:00pm)	<a href="#">ANZ Business Outlook – Oct</a>
Fri 28 Oct (10:00am)	<a href="#">ANZ-RM Consumer Confidence – Oct</a>
Tue 1 Nov (10:45am)	Building Permits – Sep
Wed 2 Nov (early am)	GlobalDairyTrade auction
Wed 2 Nov (10:45am)	<b>Labour Market – Q3</b>
Thu 3 Nov (1:00pm)	<a href="#">ANZ Commodity Price Index – Oct</a>
Tue 8 Nov (10:00am)	<a href="#">ANZ Truckometer – Oct</a>
Tue 8 Nov (3:00pm)	RBNZ 2Yr Inflation Expectation – Q4
Wed 9 Nov (10:45am)	Electronic Card Transactions – Oct

### Interest rate markets

It has been another volatile week in global interest rate markets, with US bond yields leading the way higher into this week's Fed decision (which saw a third 75bp hike), only to correct lower in its immediate aftermath, before resuming rising again. The yield on the bellwether US 10yr Treasury is currently at a post-COVID high of 3.7%. US short-end interest rates have also surged in reaction to a trio of factors: a resolute Fed, a much higher set of "dot plot" projections for where the Fed thinks its policy rate needs to go, and more robust US economic data. None of this is directly relevant to short-end rates here, but it has increased the degree of nervousness in markets, especially with the Fed flagging a 4½% - 4¾% peak in their policy rate, which markets are reading as making it "easier" for the RBNZ to get to take the OCR to 4¾%, as we now expect. This has only been further reinforced by the much lower NZD TWI, which both adds to the cost of imports and boosts the export and tourism sectors. Without doubt, markets have had a wake-up call this week insofar as central bank resolve is concerned, and although this week's moves have been sharp, we see no scope for any meaningful correction. In line with that, we have made further upgrades to our already highest-in-market interest rate forecasts. Although it's hurting, things are panning out broadly as we expected they would, and as they need to if inflation is to be brought under control within an acceptable time frame, here and abroad.

### FX markets

The USD juggernaut continues to bulldoze its way higher, taking the USD DXY index to a fresh 20yr high in the lead-up to this week's Fed meeting. While it did wobble immediately after the Fed hiked as the bulls took profit, and has been held back a touch by yen intervention overnight, the USD continues to post strong gains against most other currencies, including the NZD. This partly reflects the USD's customary appeal during periods of turbulence and slower global growth, and the fact that the US (and Canada) now sport the highest policy rates in the G10. New Zealand isn't far behind, but our new Fed and RBNZ forecasts (both published well before the Fed) now have the Fed out-hiking the RBNZ from here on in. That could be a challenge to the Kiwi, as might be the perception (vs AUD) that Australia is generally in better shape.

### Key data summary

**Performance of Services Index - August.** After lifting a whopping 4.2 points to 58.6, this indicator suggests services industries are gaining momentum.

**GlobalDairyTrade auction.** Dairy prices lifted 2.0%, with the price index for whole milk powder up 3.7%.

**Overseas Merchandise Trade – August.** The annual deficit continued to widen as imports continue to outpace exports. Consumption goods imports do appear to be plateauing, but certainly not rolling over. In other words, domestic demand still looks robust in these data.

### The week ahead

**ANZ Business Outlook – September (Thursday 29 September, 1:00pm).**

**Building Permits – August (Friday 30 September, 10:45am).** After lifting 5% m/m in July, further strength in August would indicate this "interest rate sensitive" part of the economy is going against the grain. We expect residential investment to contract over 2023 (from very elevated levels).

**ANZ Roy Morgan Consumer Confidence – September (Friday 30 September, 10:00am).**



## Key forecasts and rates

		Actual			Forecast (end month)				
FX rates	Jul-22	Aug-22	Today	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
NZD/USD	0.628	0.612	0.585	0.620	0.620	0.630	0.630	0.630	0.630
NZD/AUD	0.900	0.893	0.880	0.886	0.886	0.875	0.863	0.863	0.863
NZD/EUR	0.614	0.613	0.594	0.626	0.633	0.649	0.630	0.618	0.600
NZD/JPY	83.7	84.9	83.2	86.8	88.0	89.5	88.2	85.1	81.9
NZD/GBP	0.516	0.527	0.519	0.534	0.539	0.553	0.548	0.538	0.534
NZ\$ TWI	71.1	70.7	69.0	71.5	71.9	72.6	71.9	71.4	70.8
Interest rates	Jul-22	Aug-22	Today	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
NZ OCR	2.50	3.00	3.00	3.00	4.00	4.25	4.75	4.75	4.75
NZ 90 day bill	3.14	3.47	3.74	3.93	4.27	4.77	4.85	4.85	4.85
NZ 2-yr swap	3.74	4.32	4.60	4.55	4.80	4.95	4.95	4.95	4.95
NZ 10-yr bond	3.42	3.98	4.11	4.25	4.50	4.75	4.75	4.75	4.75

### Economic forecasts

	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24
GDP (% qoq)	1.7	<b>0.4</b>	<b>0.2</b>	<b>0.3</b>	<b>0.7</b>	<b>0.2</b>	<b>0.2</b>	<b>0.3</b>	<b>0.4</b>
GDP (% yoy)	0.4	<b>5.0</b>	<b>2.1</b>	<b>2.6</b>	<b>1.6</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>1.1</b>
CPI (% qoq)	1.7	<b>1.6</b>	<b>0.9</b>	<b>0.7</b>	<b>0.6</b>	<b>0.8</b>	<b>0.4</b>	<b>0.4</b>	<b>0.3</b>
CPI (% yoy)	7.3	<b>6.7</b>	<b>6.1</b>	<b>5.0</b>	<b>3.9</b>	<b>3.1</b>	<b>2.5</b>	<b>2.3</b>	<b>2.0</b>
Employment (% qoq)	0.0	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>-0.3</b>	<b>-0.4</b>	<b>-0.4</b>	<b>0.1</b>
Employment (% yoy)	1.6	<b>-0.1</b>	<b>0.1</b>	<b>0.3</b>	<b>0.3</b>	<b>0.0</b>	<b>-0.5</b>	<b>-1.0</b>	<b>-1.0</b>
Unemployment Rate (% sa)	3.3	<b>3.3</b>	<b>3.4</b>	<b>3.4</b>	<b>3.6</b>	<b>4.0</b>	<b>4.5</b>	<b>4.8</b>	<b>4.9</b>

Figures in bold are forecasts. mom: Month-on-Month; qoq: Quarter-on-Quarter; yoy: Year-on-Year. Click [here](#) for full ANZ forecasts

Figure 3. GDP forecast level

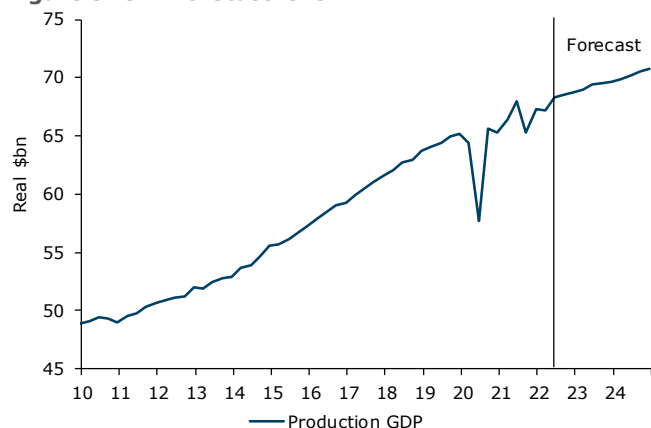


Figure 4. CPI inflation components

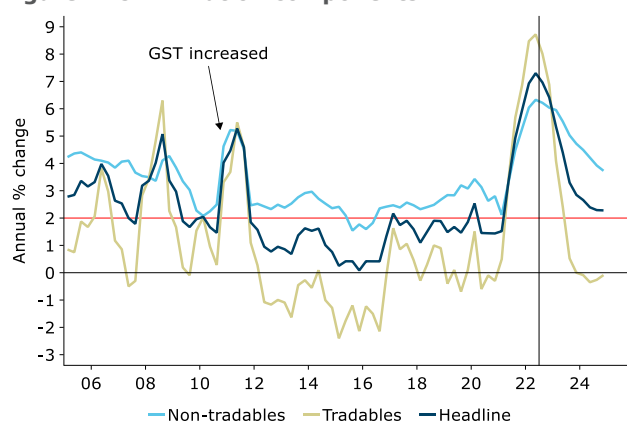


Figure 5. ANZ OCR forecast

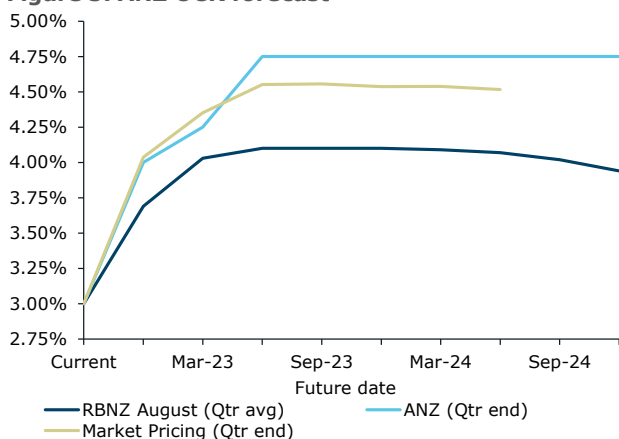
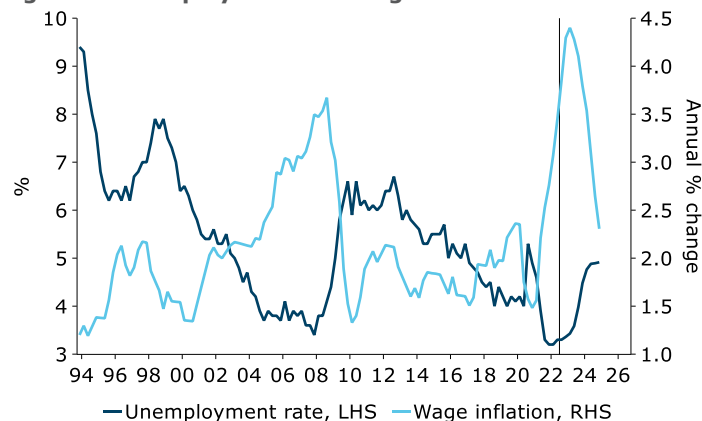


Figure 6. Unemployment and wage inflation



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 9 357 4094  
Email: [sharon.zollner@anz.com](mailto:sharon.zollner@anz.com)

General enquiries:  
[research@anz.com](mailto: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](mailto: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](mailto: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](mailto: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](mailto: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](mailto: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](mailto:natalie.denne@anz.com)

# Important notice

Last updated: 1 September 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. No securities are being offered or sold in Brazil under this document, and no securities have been and will not be registered with the Securities Commission - CVM.

**Brunel, 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, is intended for institutional use only – not retail, 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. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

**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.

**Israel.** ANZ is not a holder of a licence granted in Israel pursuant to the Regulation of Investment Advising, Investment Marketing and Portfolio Management Law, 1995 ("Investment Advice Law") and does not hold the insurance coverage required of a licensee pursuant to the Investment Advice Law. This publication has been prepared exclusively for Qualified Clients as such term is defined in the First Schedule to the Investment Advice Law. As a prerequisite to the receipt of a copy of this publication a recipient will be required to provide confirmation and evidence that it is a Qualified Client. Nothing in this publication should be considered Investment Advice or Investment Marketing as defined in the Investment Advice Law. Recipients are encouraged to seek competent investment advice from a locally licensed investment adviser prior to making any investment.

**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).

# Important notice

**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.

**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 (**CBO**) or Oman's Capital Market Authority (**CMA**). 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. So, 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](http://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](mailto:nzeconomics@anz.com), <http://www.anz.co.nz>