Bank of New Zealand

BNZ Weekly Overview

11 May 2006

FINANCIAL MARKETS DATA

	This week	Week ago	4 wks ago	3 maths ago	Yr ago	10 yr average
Official Cash Rate	7.25%	7.25	7.25	7.25	6.75	6.3
90-day bank bill	7.51%	7.52	7.44	7.60	7.08	6.6
10 year govt. bond	5.83%	5.82	5.74	5.70	5.86	6.5
1 year swap	7.39%	7.35	7.24	7.39	7.02	6.7
5 year swap	6.87%	6.77	6.58	6.75	6.62	7.1
NZD/USD	0.622	0.638	0.61	0.678	0.732	.57
NZD/AUD	0.807	0.832	0.83	0.916	0.94	.86
NZD/JPY	69.2	72.5	72.2	80.5	77.2	66.0
NZD/GBP	0.335	0.347	0.35	0.39	0.389	.35
NZD/EURO	0.489	0.505	0.504	0.566	0.57	.509

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Policy Focus Needs to Be on Resources

The traditional way of thinking when it comes to company profit growth and economic growth is that most of the focus should be on getting more customers. This might mean overseas marketing campaigns for a country, occasionally job creation schemes in a downturn, and for companies it means a strong focus on advertising and market acquisition. These things are fine when your economy has an abundance of spare resources in the form of roads, electricity, telecommunications, and/or labour. But that is no longer the case in New Zealand. We are resource deficient in all of these areas and the focus of economic policy needs to be on building the resource base while company attention needs to shift more towards margin management and productivity growth rather than simple customer acquisition.

This shortage of resources has manifested itself recently in a change in the way some businesses are reining their costs in to prepare for a weaker economic environment. In the past in New Zealand when weak conditions beckoned companies which were looking forward would tend to focus on shedding staff. That is not a viable option this time around because if a company lays off 10% to 15% of its workforce it will have major difficulty getting people back again when the economy eventually picks up. It is probably because businesses are aware of the structural tightness in the labour market that over the past few months we have seen a reasonably strong reduction in capital spending and only limited evidence of labour shedding. In fact we learned this morning that job numbers grew by 1.1% in seasonally adjusted terms during the March quarter. That is not what one would expect to see if firms were engaging in widespread layoffs. Businesses are choosing to get their cash flows under control by reducing what have been quite high levels of capital expenditure recently rather than laying off valuable staff.

This has a very positive effect in the short term of keeping the labour market relatively tight, delivering still acceptable job security, and underpinning the likes of the retailing and housing sectors to a certain extent. But it has the seriously negative effect of retarding the rate of growth in productivity in our economy.

This is particularly worrying when we do a comparison of New Zealand with Australia as many people are doing this week in the context of the tax cuts delivered in Australia's Federal budget this week. Across the Tasman businesses are ramping up their expenditure plans in an environment of positive growth expectations and rising export commodity prices. In contrast here in New Zealand business capital spending is falling away.

This difference in capital spending in the immediate future will widen further the absolute difference between productivity levels in New Zealand and Australia and therefore produce a widening gap between average remuneration levels. But this gap is also being widened by the tax cuts announced by the Federal government this week. While they do not represent a king hit as such when it comes to tax relativities they do make it increasingly attractive for people wanting to raise their incomes through their own efforts rather than relying on government handouts to cross the ditch. In addition, research shows that in the past differences between the growth rates of our economy and economies overseas can have a large impact on migration flows. In that light with our economy expected to grow at about 1.2% this year and 1.6% next year while we are looking at growth of 3% to 3.5% in Australia it is likely that we will see a lift in the number of Kiwis going across the ditch and a decline in the number of people coming back in our direction.

This is why we remain highly cautious on prospects in the next two years for the retailing sector in particular in New Zealand and expect the housing market to go through a flat period also to the next couple of years.

Australia appears to be more successfully focusing on what needs to be done when you get a large structural change in resource availability. By cutting taxes the Australian government is saying to the increasingly internationally mobile workforce that working in Australia may be more attractive than working in other countries. Given the existing shortage of employees in New Zealand this represents quite a threat to our long-term economic growth prospects. While we can see evidence that the New Zealand government recognises resource constraints in the economy in the likes of increased funding for roading and the recent moves in telecommunications, there still seems to be a blind spot when it comes to attracting labour - in particular people wanting to earn increasing wages rather than relying on middle-class welfare. We are increasingly creating a workforce with low incentive to undertake extra education, work longer hours, and shift employers to get higher wages. But in Australia the government's focus is explicitly on creating a progressive tax system which increases the incentive to upskill and get ahead.

New Zealand has employed a boom in recent years but the days of easy growth are now over. With economic policy going in the wrong direction and resources already in short supply we anticipate a sustained period when growth will run at relatively low levels by world standards with deleterious implications for incomes, migration flows, inflation, productivity growth, the current account deficit, and interest rates. Will concerns about these developments be enough to change the direction of government policy away from middle-income welfare dependency toward growth promoting tax cuts? As an Australian would tell you the chances appear to be nil and Buckleys. (No we don't know who Buckley was but by all accounts whatever he was up to he had no chance.)

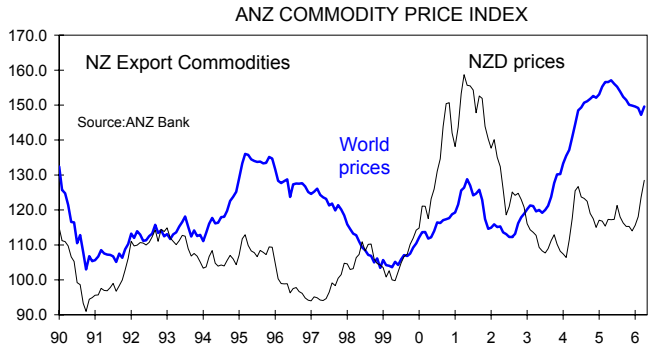
THE WEEK'S ECONOMIC DEVELOPMENTS

Friday 5

Commodity Prices Rebound

The ANZ commodity price index in world price terms rose by 1.6% in April. This is the first monthly gain for the index since May last year and the improvement means that it now sits just 4.8% below the record level for this index reached back in May 2005. When movements in the Kiwi dollar are taken into account the index improved by a strong 4% in April to be 10% higher than a year earlier. The improvement in commodity prices reflects recent upward revisions to expected growth rates in the world economy and backs up our view that there remains very good insulation during this period of weak growth in the New Zealand economy from strong growth overseas. This manifests itself not just as acceptable commodity prices but also, as we

have seen, a quick response from overseas buyers to the fall in the currency which has brought increased orders to New Zealand manufacturers and sharply lifted the confidence of these manufacturers. This quick response is likely to manifest itself later this year in the form of improved numbers of tourists visiting New Zealand.



Government Accounts Remain in Good Shape

The government ran an operating surplus excluding revaluations and accounting changes in the first nine months of this fiscal year of $6.1 billion. This was slightly better than Treasury's expectation of a $5.9 billion surplus and indicates that the government is yet again on track to record a very large surplus this year. In future years the surpluses are likely to be lower as a result of slower growth in the economy. The total net worth of the government now stands at $59 billion compared with $50 billion in June last year. These numbers don't really have any implications for the financial markets and it has been a great number of years since there were any true worries about the government running a budget deficit. What they do highlight however is the fact that the high level of indebtedness in New Zealand comes from the private sector not from the government. We bank's have to get about one third of the funding we require for lending to New Zealand businesses and households from foreigners because of a deficiency in savings in New Zealand. That deficiency is not on the part of the government but on the part of New Zealand households primarily who run the worst household savings rate in the OECD at around -15%.

Monday 8

Wages Growth High

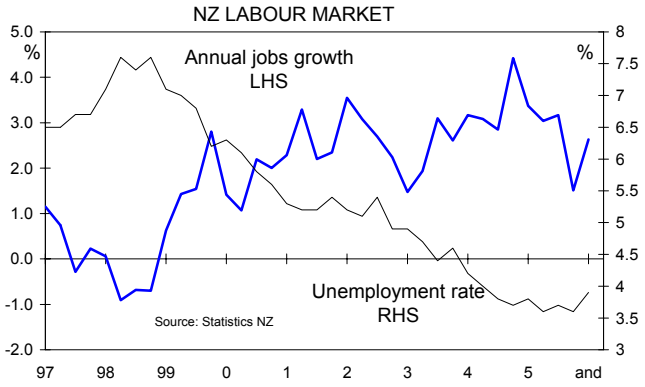
The labour cost index measuring growth in private sector ordinary time earnings rose by 0.7% during the March quarter to sit 3% ahead of a year ago. This measure doesn't usually change by all that much and while it does not suffer the distortions of the earnings measure from the Quarterly Employment Survey it does tend to suffer through the exclusion of bonuses and other irregular payments. The 3% annual rate of change is the highest for this particular series since it started in 1992 with this rate of growth at from 2.5% a year ago. An experimental wages series being compiled by statistics New Zealand suggests that pay rates for the same jobs on average rose by 5.5% in the March quarter compared with a year ago after growth of 5.3% in the December quarter and 4.8% a year ago. This is the highest rate of growth for this particular series which is being compiled since 2001.

Thursday 11

Employment Growth Rebounds

The Household Labour Force Survey revealed that during the March quarter employment in the New Zealand economy grew by a relatively strong 1.1% in seasonally adjusted terms. This followed zero growth during the December quarter and expected growth of just 0.2% and as such was a much stronger than anticipated result. Compared with a year ago job numbers were up by 2.6% after being up 1.5% in the December quarter compared with a year earlier. The unemployment rate rose from 3.6% to 3.9% which was above the expected rate of 3.7%. This came about because the participation rate jumped to a record level of 68.5% from 67.9% in the December quarter. This means that of the working age population a heck of a lot of people either are already in work or actively looking for it and that scope for further growth in

employment is very limited. One interesting point to note is the fact that the total number of hours worked in seasonally adjusted terms during the March quarter fell by 1% after falling 1.1% during the December quarter. This particular measure tends to be highly volatile and we believe a number of people took voluntary holidays during the March quarter rather than continue working at the fierce pace they have been doing over the past few years. Because of the rise in job numbers the labour market data imply continued reasonable support for areas like retailing and housing in the very near future along with continued upward pressure on wages growth. This will tend to keep the Reserve Bank very wary of inflation and suggests any easing of monetary policy remains a long way off.

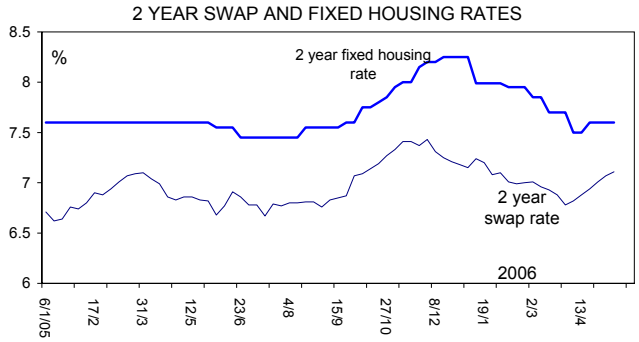


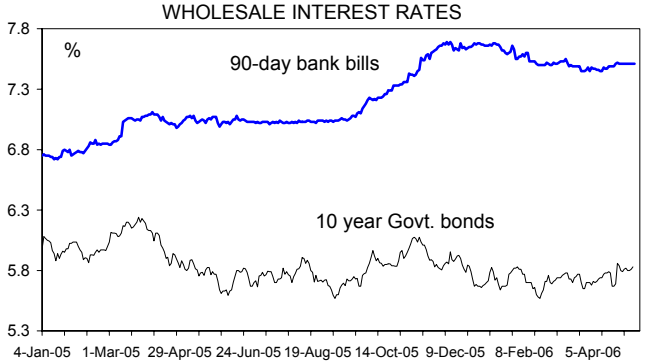
INTEREST RATES

As had been widely expected in the financial markets the Federal Reserve raised their funds rate by 0.25% last night and it now sits at 5% compared with 1% a couple of years ago. The markets had been hoping for some reasonable indication from the Open Market Committee that the end of the tightening cycle was at hand. However the wording of the announcement was virtually the same as six weeks ago when the rate was last increased with phrases such as "**The Committee judges that some further policy firming may yet be needed.**" And "**the extent and timing of any such firming will depend importantly on the evolution of the economic outlook as implied by incoming information**".

Because the news last night was fairly much on market expectations we have seen the United States 10 year government bond yield in the week at 5.12% from 5.15% last week. Our own 10 year yield has ended virtually unchanged from a week ago at 5.83%. Not that these particular interest rates really matter all that much. When it comes to financing fixed rate lending we banks are borrowing in the swaps market which is completely different from the government bond market where Dr Cullen may be raising some money - not to finance tax cuts of course.

This morning's data on the labour market came in stronger than expected with jobs growth of 1.1% seasonally adjusted versus an expected growth rate of 0.2%. The firm growth implies upside risk to short-term expectations for retail spending and the housing market and therefore reduces even further the chances that the Reserve Bank will be easing monetary policy this year. This means that in the short term we can expect to see some further increase in wholesale fixed borrowing costs. The two year swap rate at which we banks borrow to lend money fixed at two years has ended this afternoon near 7.11% from 7.07% a week ago. This rate is up from 6.78% about six weeks ago in the margins across all fixed housing rates are relatively low and at the moment - hence some of the small increases we have seen recently. The 90 day bank bill yield has ended this afternoon near 7.51% which is unchanged from a week ago.





If I Were a Borrower What Would I Do?

Our expectation is that when the Reserve Bank gets around to easing monetary policy we will see declines in fixed borrowing costs especially in the one-year out to three year area. This means that in a year's time rates for these terms are likely to be slightly lower than they are at the moment. How much lower depends significantly on what happens with competition in the marketplace. That competition is particularly intense at the moment with well below average margins. This is partly why we still perceive a risk that fixed borrowing costs will be increasing over the next few weeks and if I was looking to fix my housing rate in the very near future - say within the next month - I would be inclined to get the rate locked in now rather than take a punt with the rate on the day.

I personally don't feel that the eventual decline in fixed rates will be enough to justify taking a one-year rate at 8.15% at the moment. I have a view that world growth will be slightly slower a couple of years out and with the official cash rate in New Zealand sitting near 5.75% from 7.25% I'd expect fixed interest rates to be more attractive than they are at the moment. If the three year and beyond fixed interest rates were unusually low at the moment - say half a percent less than they are currently - I might be inclined to choose one of those longer term rates and sleep easy at night knowing I wouldn't have to be making another interest rate management decision for a long period of time. But the rates are practically all the same for two years and beyond so I don't feel an incentive to go longer than two years at the moment. Instead if I were borrowing currently I would probably fix two years at 7.6% feeling very happy at the way in which in spite of a near 0.3% increase in the wholesale cost of borrowing recently the likes of the two year fixed interest rate had not been pushed up as yet. But I wouldn't muck around because the short-term pressure on these rates is upward.

BNZ Fixed Lending Interest Rates

	Housing	Average Past 5 yrs	Low Past	High 5 years
Float	9.55%	8.00%	6.70%	9.55%
1 yr	8.15	7.16	5.95	8.45
2	7.60	7.28	5.99	8.25
3	7.70	7.49	6.30	8.30
4	7.65	7.62	6.40	8.40
5	7.60	7.65	6.50	8.60
7	7.60	7.83	6.75	8.80

Note: Conditions may apply to these rates.

BNZ Term Deposit Rates

Days	$10-50K	$50-100K	$100-250k
30	3.00	3.00	5.25
90	6.20	6.25	6.30
180	6.80	6.85	6.90
1 yr	6.60	6.65	6.70
5 yr	6.10	6.15	6.20

HOUSING MARKET UPDATE

This week I gave my annual talk to the Auckland Property Investors Association and this is the handout taken along.

We continue to receive indications that the New Zealand housing market is pulling back however there is still as yet nothing to indicate that this pullback is severe. Signs of the pullback include the following.

- In March the number of dwellings sold around the country was down by 3% from a year earlier and the lowest March total since 2002. Dwelling sales in the year to March total 101,277 which was down from 105,001 a year earlier and a peak for this cycle of 121,623 back in April 2004.
- On average in March it took 33 days to sell a dwelling. This was five days longer than a year ago. However this was still 3.6 days shorter than the average time to sell in March since 1997.
- During the March quarter the median dwelling sale price rose by just 0.8%. This followed a rise of 3.5% during the December quarter, 3.4% during the September quarter, and 2.2% during last year's June quarter. The quarterly rise was in fact the weakest since the three months to October 2002.
- The number of consents being issued for the construction of new houses fell in seasonally adjusted terms during the March quarter by 4% to be 6% down from a year earlier.

Forces which are causing the housing market to ease off include migration flows just below 10,000 in the past year from 43,000 in the year to May 2003, floating mortgage rates near 9.5% compared with 7.25% just over two years ago, consumer confidence at below average levels, investor caution about capital gains, movement of funds into the sharemarket over the past year, reduced offshore interest due to the high New Zealand dollar and perhaps fear of currency depreciation, reduced farm incomes, and one other factor which investors should definitely not overlook.

Over the past six years employment in the New Zealand economy has risen by 316,000 people. This was made possible by the unemployment rate six years ago starting the strong growth cycle for our economy at 6.2%. That rate is now 3.9% so the scope for many unemployed people to be dragged into the workforce is absolutely minimal.

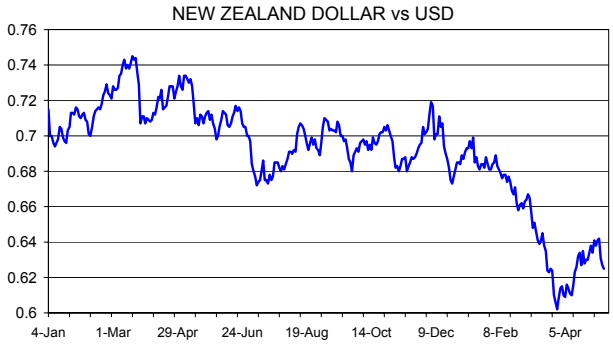
This point has strong relevance for the speed with which the housing market will rise once we get through this period of cyclical weakness. The boom in the New Zealand housing market between 2002 and 2005 was attributable to many factors.

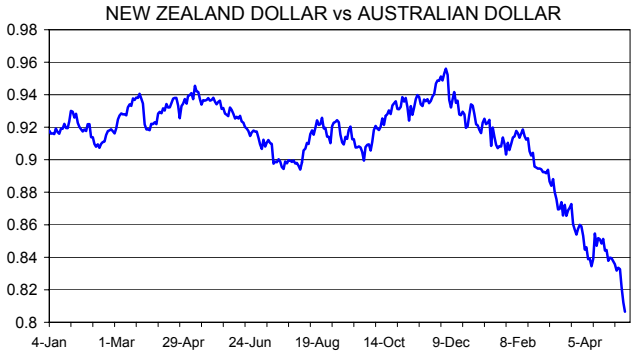
- The 18% jobs growth between 2000 and 2005 will not be repeated again and this means a weaker cyclical rise in disposable income available for investment and home occupancy.
- Foreign buyers attracted by the New Zealand dollar's low level near 42 cents from 2000-2001 and strong rise bringing capital gains through to 2005. We think the New Zealand dollar will struggle to fall below 55 US cents this cycle therefore our properties will look less attractively priced to foreign buyers and potential for a strong cyclical currency rise will be much less.
- As of June last year the ratio of the average house price to annual household income was 9.1 compared with seven in 2002. Given that many low income people have already been priced out of the housing market we see little scope for this ratio to jump sharply again unless we are wrong about the housing market in the next two years and prices fall 10%.
- Net migration inflows hit a record 43,000 in the year to May 2003 and boosted the population by a cumulative 110,000 between mid-2001 and the end of 2005. At this stage we have nothing to indicate that the next cyclical rise in migration numbers will be as strong as the last rise.
- The government is making moves to improve the relative attractiveness of alternative investments such as managed funds and the Kiwi Saver scheme.
- Fixed housing rate margins have undergone a structural decline in the past three years while at the same time borrowing costs have been unusually low because of the very low levels of interest rates in the United States, Japan, and Europe. These special low rate environments are now disappearing.

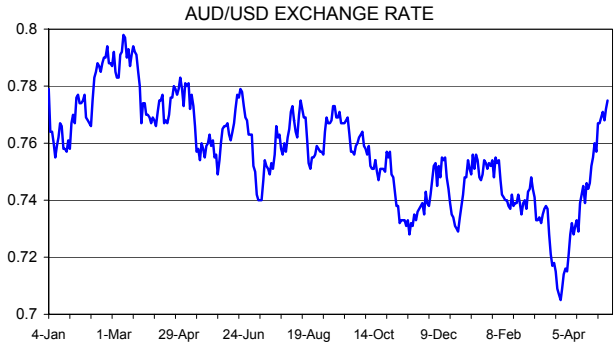
There are some other factors to consider but the upshot of all of them is that while we feel we have a positive story to tell in regard to the cyclical weakness in the housing market being mild this time around, we have a warning to investors not to get over optimistic about what the next upturn will look like. It will arrive but it won't be a repeat of the 2002 to 2005 average 85% capital gain.

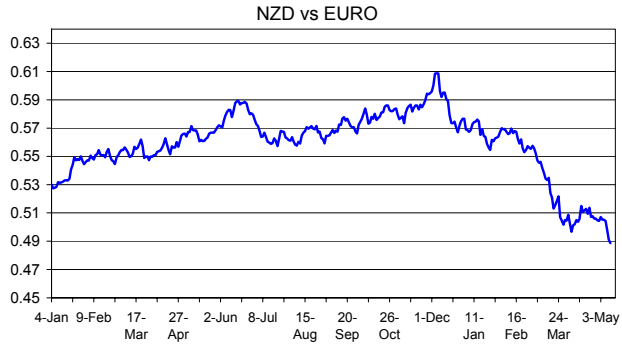
EXCHANGE RATES

It's been a good week for exporters with the New Zealand dollar falling sharply against all other currencies assisted by the budget in Australia making their economy and labour market look a lot more attractive than our own where slow growth is going to be the dominant theme for the next couple of years. Against the greenback the New Zealand dollar has finished this afternoon near 62.2 cents compared with 63.8 cents a week ago. Against the Australian dollar we have finished at a 5 1/2 year low near 80.7 cents compared with 83.2 cents a week ago with the Australian dollar itself rising on the back of their budget and rising commodity prices. The Australian dollar has ended the week against the greenback near 77 cents from 76.7 cents a week ago and 73.1 cents a month ago.

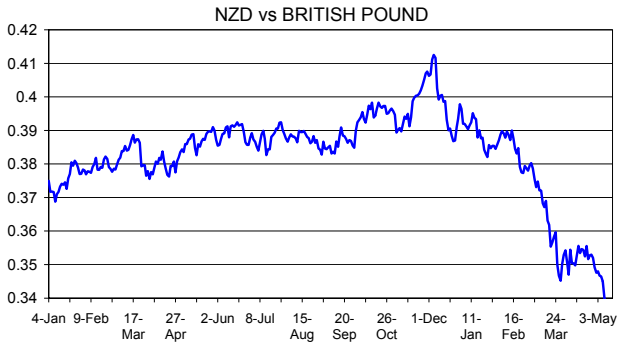


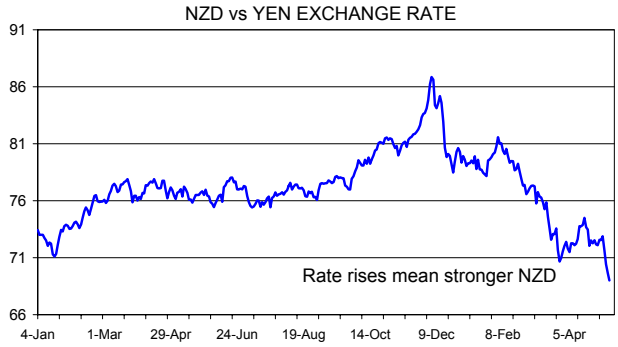




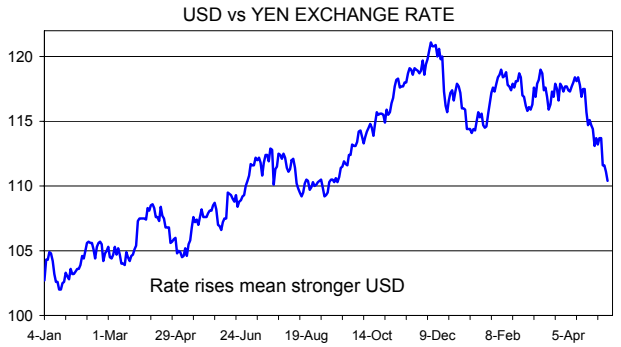


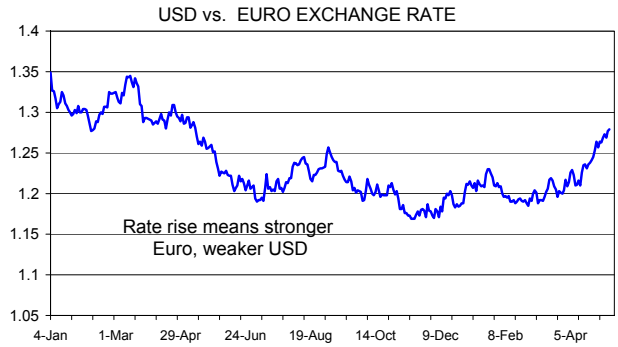
Against the British pound we have finished at the lowest level since February 2003 at 33.5 pence compared with 34.7 pence a week ago. Against the euro we have ended near 48.9 cents compared with 50.5 cents a week ago while against the Japanese yen we are well down near 69.2 from 72.5 week ago. This latter exchange rate is the lowest it has been since June 2004. We believe the trend for the NZD remains downward in fits and starts over the coming year or so.



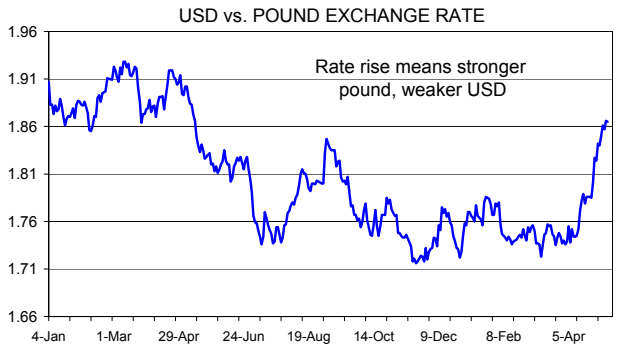


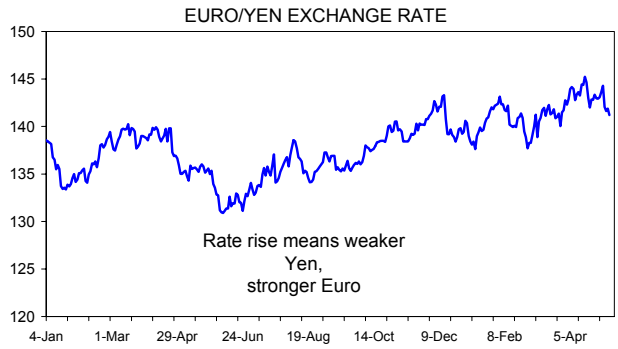
The greenback was sold heavily last Friday night following the release of the monthly non-farm payrolls report. This showed that job numbers in the United States in April rose by 138,000 whereas a gain of 200,000 had been expected. Not only that but the February and March increases were revised downwards slightly. The weaker than expected jobs growth has been interpreted as meaning the Federal Reserve may not raise its funds rate again this cycle or if they do they will require some surprisingly strong economic data. Because of the reduced expectations for United States interest rate levels support the US dollar is now less than previously thought and as a result the dollar weakened substantially following the report. Against the euro the greenback has ended this afternoon near $1.273 from $1.263 a week ago. Against the Japanese yen the US dollar has ended near 111.2 from 113.7. Against the British pound the rate is now near $1.855 from $1.84.





There was little impact on the dollar overnight from the expected decision of the Federal Open Market Committee to raise the funds rate 0.25% to 5%. The comments explaining the rise where largely as expected. The US dollar's decline against the euro has been accentuated by positive comments about growth and expressions of concern about inflationary pressures from the likes of the European Central Bank President and Chief Economist.





This week the Australian Federal budget was released. Summarised comments on the budget prepared by NAB economists in Melbourne run as follows.

In brief, the Treasurer has used the strong economy to implement some useful longer term reforms, but in the near term has added to the inflation risks - and may be enough to push the RBA into further action. We had previously rated the chance of another rate rise at around 40 percent – this Budget makes further monetary tightening a close call.

** This Budget contains some worthwhile longer-run structural reforms. In particular, the scrapping of taxation on superannuation for those aged 60 and above will clearly provide powerful incentive for older Australians to stay in the work force, while some modest attempt has been taken to help alleviate high marginal tax rates at lower income levels (raising thresholds). Lowering the top marginal tax rates and increasing the threshold will be more helpful in encouraging work and saving incentives. Increased funding for infrastructure, both physical (road, rail and water) and human (i.e. health and medical research) should help longer run productivity as will higher depreciation allowances via increased investment.

** That said, the stimulus is more than we had expected. We had factored in tax cuts of around $8b – whereas the actual cuts plus super benefits were closer to $10b per annum on an ongoing basis. Total additional policy stimulus is around $11b in 2006/07, rising to around $16b per annum in the out years (see Medium Term Fiscal Context). In a structural sense that is adding 1 to 1¼ percent of GDP to the economy and the structural surplus is now largely eroded. Basically the benefits of a stronger economy and high global commodity prices have again been all spent. While we don't expect commodity prices to fall dramatically, some will worry about the longer run fiscal outlook were that to happen.

** In a similar view, we were somewhat surprised at the Treasurer's lower growth forecasts – and especially those for consumption growth (given tonight's policy action). While weaker than expected public sector demand may help offset some of this, we think the Budget forecasts under-estimate the growth momentum currently and over the next 12-18 months. This clearly raises short term inflation risks.

One or two specific policy measures include the following.

Cuts to personal income tax from 1 July 2006 and superannuation tax from 1 July 2007 (costing $6.4b in 2006/07 – $35.9b over four years).
− The 30% marginal tax rate threshold will be raised to $25,001.
− The 42% marginal tax rate will fall to 40% and the threshold will be raised to $75,001.
− The 47% marginal tax rate will fall to 45% and the threshold will be raised to $150,001.
The tax on superannuation benefits paid from a fund to people aged 60 plus will be abolished.
• The diminishing value rate for determining depreciation deductions will increase from 150% to 200% for all eligible assets acquired on or after 10 May 2006 (costing $500m in 2006-07 – $3.7b in total).
• The Fringe Benefits Tax rate will be cut from 48.5% to 46.5% from 1 April 2006 (costing $260m in 2006-07 – $870m over four years).

BNZ WEEKLY OVERVIEW

ECONOMIC DATA

All %		Latest qtr only	Previous qtr only	Latest year	Year ago	2 Yrs ago
Inflation	RBNZ target is 1% - 3% on average	0.6%	0.7	3.3	2.8	1.5
GDP growth	Average past 10 years = 3.3%	-0.1	0.1	2.2	4.4	3.4
Unemployment rate	Average past 10 years = 5.7%	3.9	3.6	.....	3.8	4.2
Jobs growth	Average past 10 years = 2.1%	1.1	0.0	2.6	3.4	3.2
Current a/c deficit	Average past 10 years = 4.9% of GDP	8.9	8.5	.....	6.7	4.3
Terms of Trade		-2.3	-0.4	-1.8	4.4	6.6
Wages Growth	Stats NZ experimental series	1.3	1.7	5.3	5.1	4.9
Retail Sales ex-auto	Average past 9 years = 4.2%.	0.9	1.8	5.1	7.8	5.9
House Prices	Long term average rise 4.2% p.a.	3.9	2.6	15.3	12.2	24.8
Net migration gain	Av. gain past 10 years = 13,000	+9,746	6,960yr	.....	10,013	27,978
		Latest year rate	Prev mth year rate	6 mths ago	Year ago	2 yrs ago
Consumer conf.	10 year average = 8%. Colmar survey	-29	-35	14	-3	-6
Business activity exps	10 year average = 27%. NBNZ	15	5	12	15	20
Household debt	10 year average growth = 11.4%. RBNZ	14.7	14.7	15.3	15.2	16.1
Dwelling sales	10 year average growth = 4.6%. REINZ	-2.9	-22	17	-8.6	5.8
Tourist numbers	10 year average growth = 6.1%. Stats NZ	-3.0	0.9	1.6	10.6	9.2
Floating Mort. Rate	10 year average = 8.5%	9.55	9.55	9.00	9.00	7.50
3 yr fixed hsg rate	10 year average = 8.2%	7.60	7.85	7.70	7.80	6.90

ECONOMIC FORECASTS

Forecasts at Apr 6 2006	**March Years**					**December Years**				
	2005	2006	2007	2008	2009	2004	2005	2006	2007	2008
GDP - annual average % change										
Private Consumption	5.8	3.7	0.8	0.4	1.1	6.5	4.6	1.0	0.5	0.8
Government Consumption	5.2	5.2	4.3	3.2	3.6	5.7	5.3	4.4	3.6	3.1
Investment	7.8	5.6	-0.1	1.8	3.6	13.2	4.3	0.7	1.4	3.1
GNE	6.5	4.1	1.0	1.3	2.3	8.2	4.5	1.2	1.4	1.9
Exports	3.9	0.9	1.8	3.7	4.8	5.6	-0.3	1.9	3.2	4.5
Imports	13.7	5.1	1.0	2.4	3.2	16.6	6.4	0.9	2.4	2.9
GDP	3.7	2.0	1.0	1.7	2.8	4.3	2.2	1.1	1.6	2.4
Inflation – Consumers Price Index	2.8	3.3	3.3	3.3	2.1	2.7	3.2	3.3	3.5	2.2
Employment	3.4	1.7	0.5	0.5	1.1	4.4	1.6	0.6	0.4	0.9
Unemployment Rate %	3.9	3.7	4.1	4.2	4.1	3.6	3.6	3.9	4.3	4.3
Wages	2.9	5.0	4.6	3.5	2.6	1.9	5.1	4.9	3.7	2.8
EXCHANGE RATE ASSUMPTIONS										
NZD/USD	0.73	0.64	0.54	0.59	0.62	0.71	0.70	0.55	0.57	0.61
USD/JPY	105	117	108	106	107	104	119	108	105	108
EUR/USD	1.32	1.20	1.21	1.24	1.23	1.34	1.19	1.21	1.23	1.24
NZD/AUD	0.93	0.88	0.79	0.82	0.84	0.93	0.94	0.81	0.80	0.83
NZD/GBP	0.38	0.36	0.31	0.34	0.36	0.37	0.40	0.32	0.33	0.35
NZD/EUR	0.55	0.53	0.45	0.48	0.50	0.53	0.59	0.46	0.46	0.50
NZD/YEN	76.8	74.6	58.3	62.5	66.3	74.2	82.7	59.4	59.9	66.1
TWI	70.7	65.6	55.6	59.5	62.4	69	71.9	56.7	57.6	61.8
Official Cash Rate	6.5	7.25	6.75	5.75	5.75	6.5	7.0	7.00	6.0	5.75
90 Day Bank Bill Rate	6.86	7.55	6.98	5.88	6.12	6.73	7.49	7.24	6.14	5.95
2 Year swap	6.82	7.0	6.20	6.06	6.20	6.61	7.24	6.35	6.04	6.17
10 Year Govt Bond	6.04	5.71	5.95	5.6	5.7	6.03	5.89	5.95	5.65	5.65

All actual data excluding interest & exchange rates sourced from Statistics NZ.

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