BNZ Weekly Overview

31 July 2008

Mission Statement

To help Kiwi businesspeople and householders make informed financial decisions by discussing the economy and its implications in a language they can understand.

In this week's issue….

- **Petrol prices have pulled back but most data releases show continuing weakness in the NZ economy. Page 2**
- **We consider someone's statement to us that house prices never fall in Taupo. Page 3**
- **Interest rates are falling but it is not time to go floating. We discuss. Page 9**

The Weekly Overview is written by Tony Alexander. The views expressed are my own and do not purport to represent the views of the BNZ. To receive the WO and Offshore Overview each Thursday night email me at tony.alexander@bnz.co.nz with 'Subscribe" in the Subject line. You do not have to be a BNZ customer to receive the WO. To get off the list email 'Unsubscribe".

Travel Industry Query

Over the past week a couple of people have emailed offering information on New Zealand's inward and outward travel industry and suggesting we take a deeper look at the sector. That sounds like a good idea because there are some interesting issues involved. As the Kiwi dollar declines presumably fewer Kiwis will travel overseas and more will travel domestically. But then with petrol costs rising so high will people cut back on long car journeys? And to what extent is the weakness in overseas economies eating into future orders for people looking to travel here and are there any indications that rising airfares are having an impact?

So before we dive into the issue ourselves this is an opportunity for readers of the Weekly Overview involved in the travel industry to give us their thoughts on what is happening. If the response is good then maybe this is an exercise we can do for other sectors every now and then. If you have something you think it is valuable for us to know please email your comments direct to me at tony.alexander@bnz.co.nz

If you are not in the industry we would still very much welcome a comment on the following question suggested by one of our correspondents. "Due to the ongoing economic downturn plus high fuel costs, do you see your holiday plans being shelved, or are you planning on taking a shorter overseas holiday to a closer destination, or is a NZ holiday more likely to be considered? Many thanks to those who reply.

Most Data Releases As Negative As Expected

A few weeks ago we noted that rather than running through the gory details of various weak economic data releases we would look at things in terms of whether they indicate the outlook for our economy is getting worse than expected or if there may be some signs of improvement. In that regard the fact that this week we learnt dwelling consent numbers fell 20% in June is not so shocking - even though this followed a 40% decline in May - because consent numbers went through the roof 80% in April due to a fluctuation in apartment consents and perhaps developers beating some code changes.

It was also not surprising that the National Bank's monthly survey released this afternoon recorded a small deterioration in business confidence given that we had already picked this up in our monthly survey of Weekly Overview readers four weeks ago.

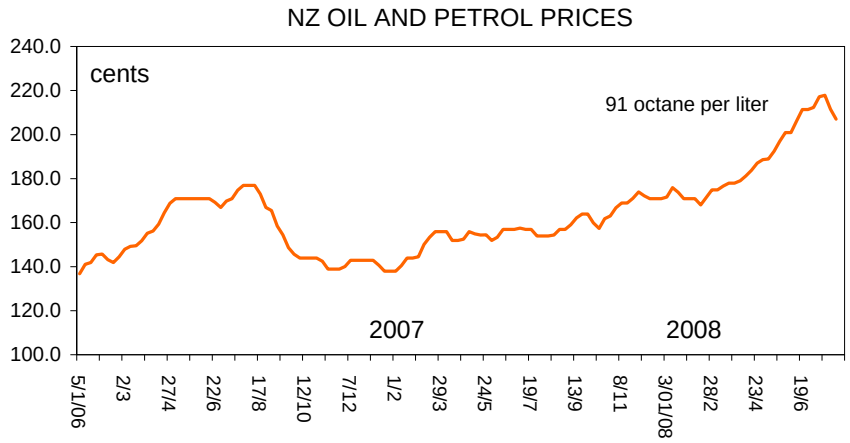
There was a positive surprise of course seven days ago when the Reserve Bank cut their official cash rate and made comments indicating they plan to keep on cutting unless the exchange rate falls out of bed and perhaps that is quite significant. Although our outlook for the economy has been based on the official cash rate falling away to near 6% late next year the easing cycle has started slightly sooner than we expected and so far the feed through into fixed mortgage rate has been far greater than we expected. Put that down to competitive pressures rather than the funding cost to us banks declining all that much.

The important thing is that this stabilising measure for our economy is kicking into life but be very careful about those who may try to convince you the worst for the housing sector is over. First of all we are only talking about interest rates moving from well above average to less painfully above average. Given that the average level for the two-year fixed mortgage rate over the past five years has been 8.2% and rates are now only just below 9% the housing market is still facing a depressing influence from interest rates, not a stimulatory one. That stimulus is unlikely to appear until perhaps the middle of next year.

And remember that over the coming year on average fixed rates mature at 8.2% so for the remainder of this year the debt servicing burden for the household sector will get worse - not better.

News from offshore regarding the state of financial institutions has continued to be bad and so far around the world banks exposed to the subprime crisis and the collapsing US housing market have written off about US$470 bn worth of their capital but have recapitalised by US$345 bn. Oil prices have fallen a bit and this has led to some minor relief at the petrol pumps. But reports are coming in that the summer drought has cut severely into lambing rates in some parts of the country and the bad weather will have affected the survival rate of newborn lambs as well.

Petrol prices have fallen away ten cents from their mid-July peak and this is a very significant development. But one has to remember prices are still at unusually high levels and it would seem unwise to assume at this point that global oil prices will continue to decline while the situation remains tense in the Middle East and prices are highly sensitive to any negative news regarding supply from the likes of Nigeria and sometimes Venezuela.

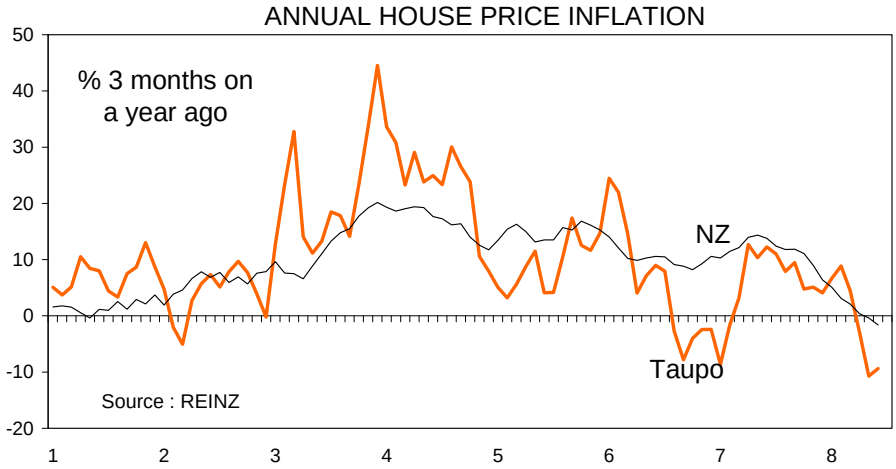


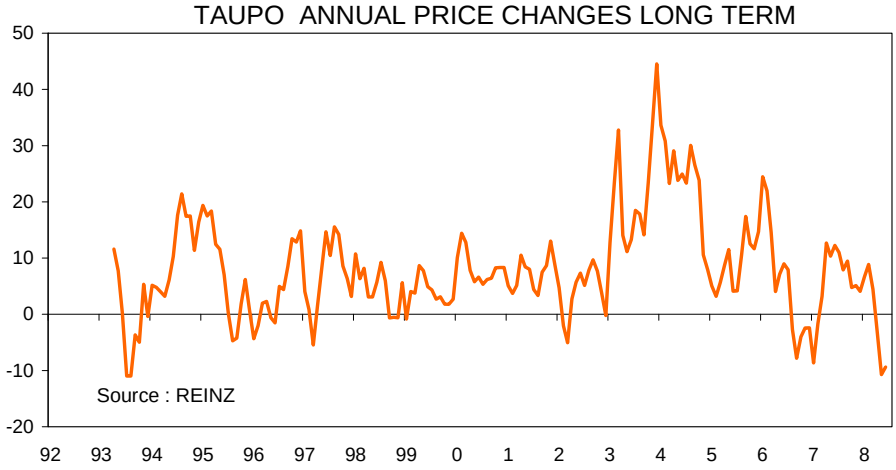
Do House Prices Fall in Taupo?

Some people say that in places like Taupo house prices do not decline. Based on REINZ data they most certainly do. But what if we use the more accurate Quotable Value NZ numbers?

Even now with evidence of house prices pulling back there are people around the country who contend that in their particular special area prices always rise. They allege there is something special about their location which means the normal forces of supply and demand do not work or that demand only ever changes in one direction which is upward. One such location encountered this week on one's travels giving talks is Taupo. Do average house prices ever fall in Taupo? Yes they do, but researching this location yields some interesting results.

First, lets use the most up to date source of data on the housing market which comes from the monthly REINZ release. The median dwelling sale price in Taupo on average over the June quarter was $331,000. This was down by 9.4% from a year earlier. The graph below shows this decline and also shows that prices fell late in 2006 and early in 2002. In fact a graph starting in 1993 shows prices have fallen quite frequently.

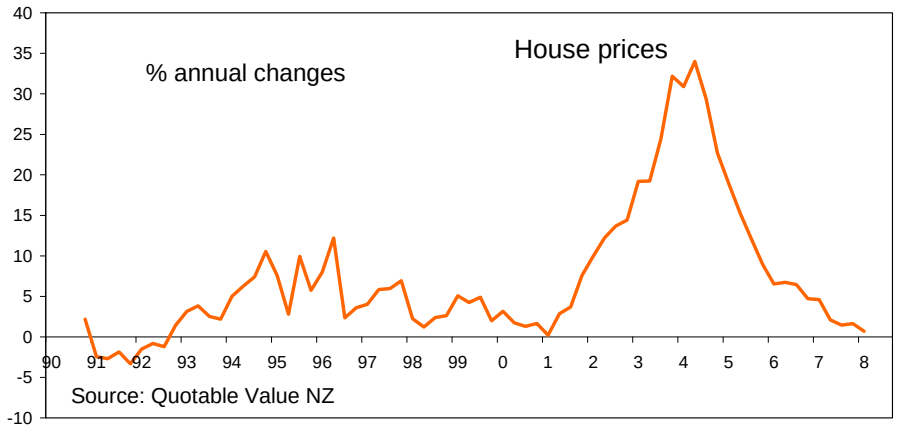




But as we have noted previously when looking at house price changes for other than the most recent months it pays to use the Quotable Value New Zealand numbers. This is because the REINZ numbers only show measures related to properties transacted on the real estate market. In contrast the QVNZ numbers are not distorted by changes in the mix of properties sold month-to-month or quarter to quarter because they compare sales prices for different property types with government valuations and apply that difference to all houses in the relevant housing stock.

So if we look at the Quotable Value New Zealand numbers what do we find? The Quotable Value New Zealand data start in 1991 on a quarterly basis and show that average house prices in Taupo have only fallen over 1991 into 1992. In the March quarter of this year they were 0.7% ahead of a year earlier.

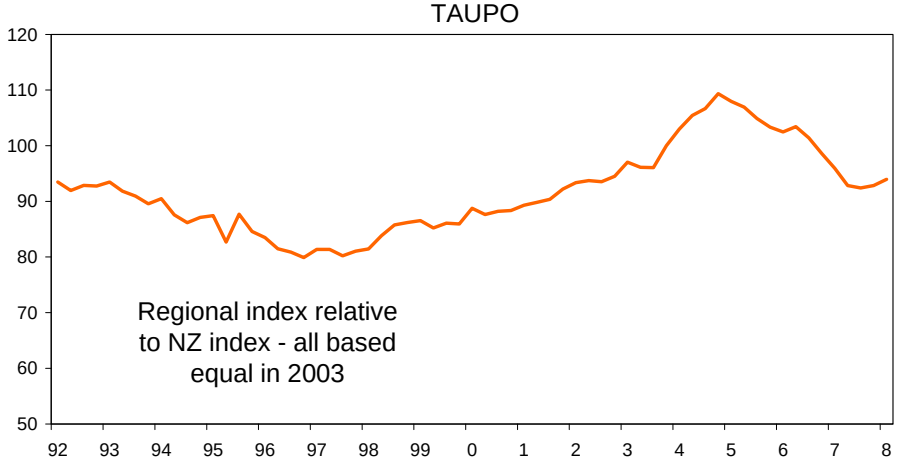
TAUPO HOUSE PRICE INFLATION



The key point here is that while at a national level we feel it is valid to use REINZ numbers to get a good up-to-date feel for what is happening in the real estate market, when one gets to small locations such as Taupo it's probably only the QVNZ numbers which one should be using for indications of price changes.

While we end up agreeing with the Taupo local's comment that house prices practically always go up in Taupo we can however refute the other statement they made to us that Taupo house prices keep rising relative to the New Zealand average. The graph below starts in 1993 and uses the index numbers calculated by Quotable Value New Zealand to show how the Taupo average house price has changed as a proportion of the New Zealand average. It declined over the early to mid-1990s then rose strongly until early 2005 but since then has been broadly declining although with a small improvement recently. There is not a trend increase under way.

TAUPO

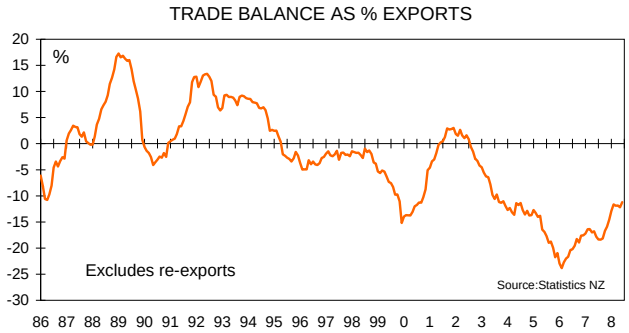


NZ ECONOMIC DEVELOPMENTS

Monday 28

Trade Account Improves

In June the merchandise trade account recorded a deficit of $223 million. This was better than the deficit a year earlier of $518 million and took the annual balance to a deficit of $4.5 billion compared with $6.2 billion a year ago and a peak of $7.3 billion in February 2006. The first graph below shows that the deficit has been improving relative to exports for over two years now. But it is going to take a substantial amount of change to interrupt what seems to be a fairly clear downward trend in the balance over the past two decades. Is such an improving trend really in place? Not necessarily. In seasonally adjusted terms the merchandise trade account recorded a deficit over the June quarter of $1.9 billion compared with $0.9 billion over the March quarter and $0.8 billion over the December quarter. Even if one removes almost $0.5 billion worth of oil-related stuff imported in April a deterioration has occurred.



The underlying problem is that even if the trade balance does move back into surplus - which is unlikely on a sustained basis -the continuing cost of servicing past deficits means the overall current account balance that takes into account net dividend and investment flows is going to remain negative and worryingly so. Eventually the high current account deficit is likely to produce a sustained depreciation in the Kiwi dollar. That is, a structural shift down to movements over the economic cycle in a range lower than what we have seen over the past 23 years of a floating exchange rate.

But there is no way of predicting when the structural change will happen and those who have used current account forecasts to generate currency predictions over the past couple of decades are still waiting to get one of their forecasts right. In the immediate future with a growing world population increasingly hungry for the food we produce it does not seem reasonable to expect foreign investors will deserve our shores.

The monthly Statistics New Zealand release on merchandise trade flows now contains more data than it used to and one of the things it shows is net trade for different classifications of items. For instance the following may be useful in clearing something up. A number of people are of the opinion that with the Tui oilfield coming on stream New Zealand is getting close to being self-sufficient in oil. Not by a long stretch.

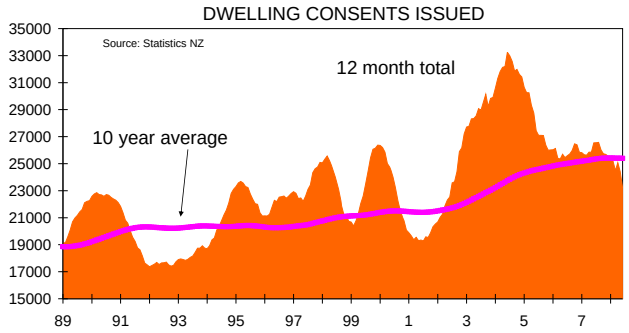
In the year to June 2007 New Zealand's balance on trade in mineral fuels and lubricants was a deficit of $5.7 billion. The deficit in the year to June 2008 had improved to only $4.5 billion. In the year to June 2008 we ran a surplus on trade in food and beverages plus live animals of $16.3 billion. Given that the total balance for all items in the year to June was a deficit of $4.5 billion what were the other big negatives? Apart from the mineral fuels mentioned above at $4.5 billion there was a net deficit of $2.7 billion for chemicals, $4.1 billion for manufactured goods, and $12.5 billion for machinery including vehicles. We export primary products and we import manufactured goods and fuel.

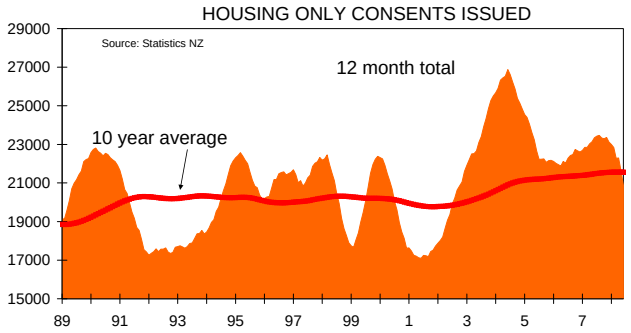
Tuesday 29

Residential Construction Falling Away

In seasonally adjusted terms the number of consents issued for the construction of new dwellings in June was down by 20% from the previous month following a 41% decline in May. This sounds horrible. But

because of an unusual blip in apartment consents and perhaps some developers acting to beat building code changes consent numbers soared 81% in April. So the latest result is just a continuation of the pullback from that earlier unsustainable jump. Nevertheless, statistics New Zealand calculate that a downward trend in consent issuance has been solidly in place since July last year with a decreases this past month of 1%. The annual number of consents issued now stands at 23,197 which is 13% down from a year earlier and 9% below the average for the past decade as shown in the graph below.

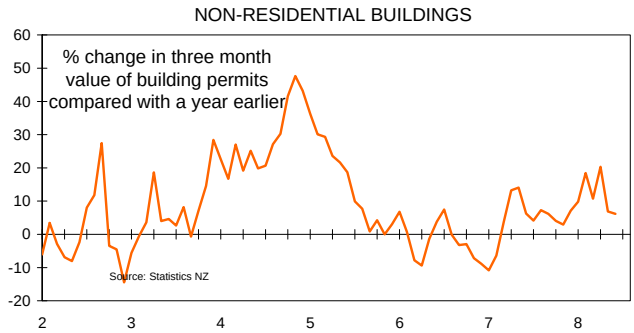


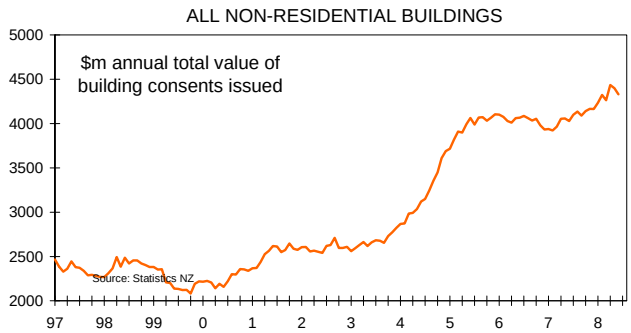


Non-Residential Construction Takes a Breather

In June the value of consents issued for the construction of non-residential buildings amounted to $313 million. This was an 18% decline from a year earlier following a 9% decline in May. These numbers can be exceedingly volatile and lumpy so it is not wise to judge what is happening simply by looking at annual changes. If we look at the June quarter then the value of consents was ahead by 6.2% from a year earlier but the fact that two months now have registered annual declines suggests things are definitely pulling back.

To get around the inherent volatility in the numbers we like to look at six-month aggregates when considering individual building types. Doing that we see in the first half of the year the total value of non-residential building consents was up by 8.3% from a year ago. There was a 38% increase for education buildings, 6% rise for office buildings, 30% rise for factories, 16% rise for warehouses, and a 64% rise for farm buildings. But there was a 28% fall in shops and restaurants.





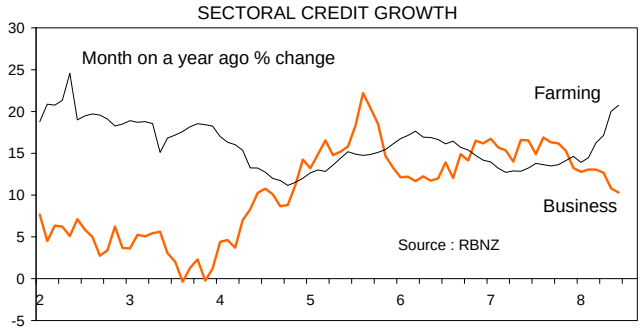
One way to get a feel for where spending in this area will go is to look at the NZIER's Quarterly Survey of Business Opinion. This showed that in the June quarter a net 18% of businesses outside the farming sector expected to cut their investment in buildings over the coming quarter. The average reading for this measure is a net 9% expecting to reduce spending so there is an inherent and relatively silly downward bias in this reading but the fact that it is below average suggests some caution but not necessarily an overwhelming amount of pessimism.

Note that there will be plenty of people feeling quite happy that residential construction is now falling away quite quickly because it will make people available to work in other areas. Companies servicing the farming sector will fall into this category and exporters more generally will do so over the next two years.

Wednesday 30

Business Debt Growth Slows but Farmers Powering Ahead

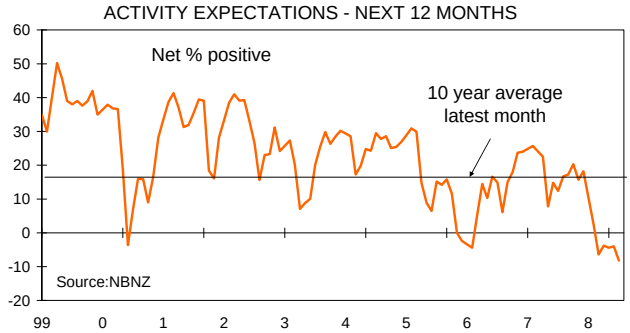
The annual rate of growth in lending to the business sector eased slightly in June to 10.3% from 10.8% in May. Growth has averaged 13% per annum over the past five years so lending growth is now below average. Growth in business debt in the June quarter totalled $2.1 billion compared with $3.5 billion for the same period in 2007. However these numbers can be massively distorted by large one financing deals so it is best to take them with a grain of salt. Data for lending to the farming sector however do tend to be quite accurate and the annual rate of growth there in June lifted to 20.7% from 20% in May and average growth in the past five years of 15.8% per annum. Over the June quarter farm debt grew by $3.5 billion which was more than twice growth of $1.7 billion in the June quarter of 2007. There is a structural expansion in the farming sector under way with rising dairy incomes encouraging investment in that sector and its likely that with sheepmeat and beef prices now rising we could see some extra investment in that sector in the near future as well although it will tend to be less capital intensive than for dairying.

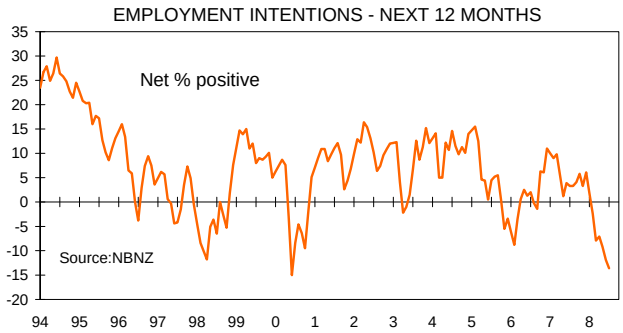


Thursday 31

Business Confidence Deteriorates

As had been foreshadowed by our monthly survey four weeks ago business sentiment measured in the NBNZ Business Outlook survey deteriorated anew in July with a net 43% of respondents expecting the economy will deteriorate over the coming year from a net 39% in June. Activity expectations worse fell to their lowest level since 1991 with a net 8.2% of businesses expecting their own firm levels of activity will decrease in the coming year from a net 4% in June. Employment intentions worsened to a net 13.6% planning layoffs from 11.9% in June and a ten year average reading of positive 2.8%. Investment intentions also deteriorated to a net 3.8% planning to cut investment from 2.6% in June and an average of 10.7% planning an increase.





The results of the survey came in before the Reserve Bank eased monetary policy last week, before an extra pullback in the exchange rate, and before the recent $.10 fall in petrol prices. So it is likely the next survey will show slightly better results. However because the numbers are so poor they will reinforce market expectations of continued easing in monetary policy by the Reserve Bank and apply continued downward pressure on the Kiwi dollar.

Feedback & Queries

If there are any issues in the Weekly Overview you wish to comment on or you have a query about the economy, send me an email at tony.alexander@bnz.co.nz Useful issues will be discussed in the WO.

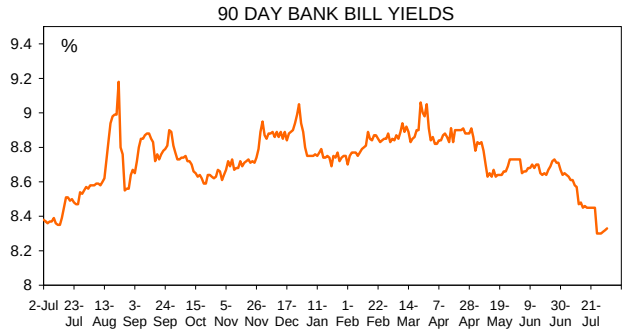
INTEREST RATES

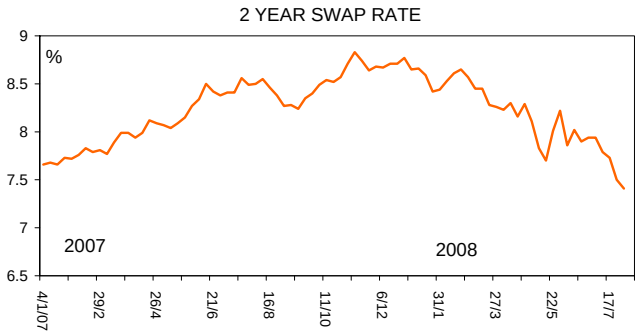
Last week's cut in the official cash rate generated a fall in wholesale interest rates as discussed in the last issue but the most important thing surrounding the cut was the dovish commentary used by the Reserve Bank. They pretty much said the only thing to stand in the way of further reductions in the official cash rate would be an undefined "excessive" fall in the New Zealand dollar. There is no sign of such a decline under way in our currency and although we do believe the trend for the Kiwi dollar is downward it is rather hard to build a case for a major short term decline.

In fact over the week we saw the Economist magazine release their annual calculation of the Big Mac index showing the Kiwi dollar to be only 4% overvalued. It is not as if these calculations really drive exchange rates but they do illustrate the Kiwi dollar may not be the focus of attention by traders offshore looking for the next big currency swings and roundabouts.

News items and data releases this week have not been significant enough to generate any change in market sentiment regarding what will be happening with New Zealand monetary policy and interest rates over the next few months. The general expectation is that the Reserve Bank will be cutting the official cash rate at every review until the end of the year but after that opinion starts to split with some seeing no further reductions and ourselves seeing scope for the cash rate to possibly fall below 6% later in the year.

The yield on 90 day bank bills as ended near 8.33% from 8.3% last week while the two year swap rate has finished near 7.41% from 7.46% last Thursday afternoon.





Key Forecasts

- Monetary policy easing pre-election with the official cash rate below 6% come late 2009.
- The two year fixed housing rate falling below 8.75% at a stretch late 2008, hitting the five year average of 7.8% late in 2009 optimistically, but going lower will require weaker data on the NZ economy and decent easing of global credit tensions – possible late in 2009. Falling to the 6.5% low of 1999, 2001 and 2003 is very unlikely this cycle.

FINANCIAL MARKETS DATA

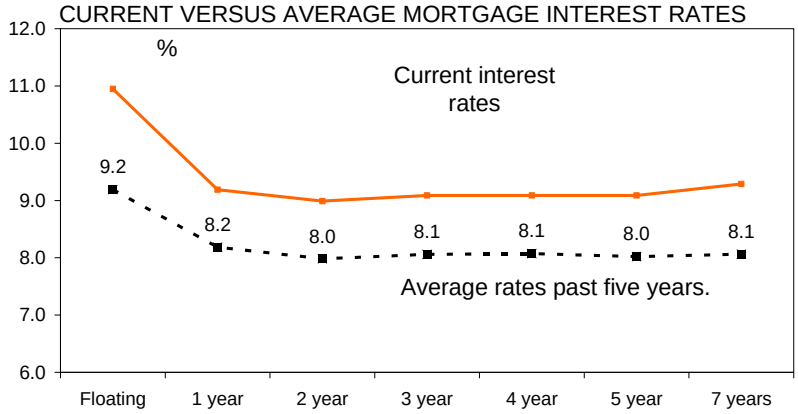
	This week	Week ago	4 wks ago	3 months ago	Yr ago	10 yr average
Official Cash Rate	8.00%	8.00	8.25	8.25	8.25	6.2
90-day bank bill	8.33%	8.35	8.67	8.86	8.57	6.4
10 year govt. bond	6.13%	6.10	6.32	6.56	6.66	6.5
1 year swap	7.77%	7.88	8.32	8.55	8.66	6.6
5 year swap	7.22%	7.33	7.60	7.68	8.10	7.0

If I Were a Borrower What Would I Do?

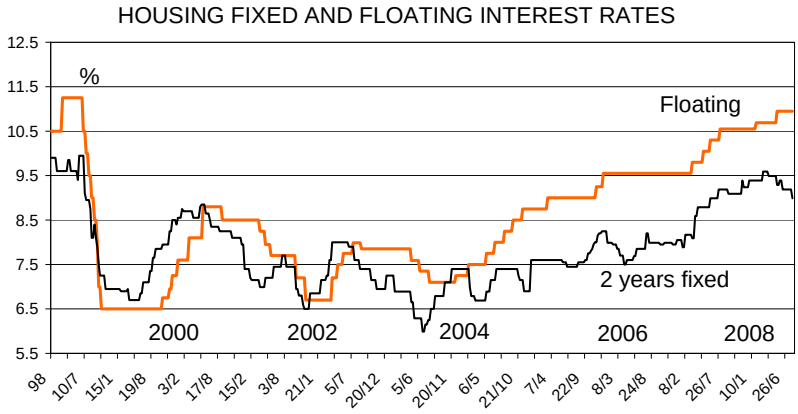
Free markets are wonderful. They mean there is no automatic relationship between changes in the cost of production facing a business and the change in their selling price. It all comes down to what other operators in any industry are doing - hence the need to use government regulation to kill off any monopolistic structures or behaviour as soon as they appear.

In the housing market over the past year the cost of production to us banks has gone through the roof as a result of the international credit crisis aggressively boosting the cost of borrowing fixed rate money offshore. However competitive pressures have prevented these cost increases from fully feeding through into the selling price for our product which in this case is fixed rate mortgages.

Last Thursday morning the Reserve Bank reduced their official cash rate by 0.25% yet in spite of warnings from most of us economists that the change in fixed mortgage rates would be minimal we have seen full 0.25% to 0.2% reductions in the two-year rate offered by lenders. This is what competition for market share is all about and long may it continue.



Would I fix at a two-year rate of 8.99%? No. The rate is still well above average and although we do not expect coming reductions in the official cash rate to produce lock-step reductions in fixed mortgage rates we do envisage further interest rate declines. We are not yet at the point of going floating and riding interest rates down because the cost of floating is simply too high compared with fixing.



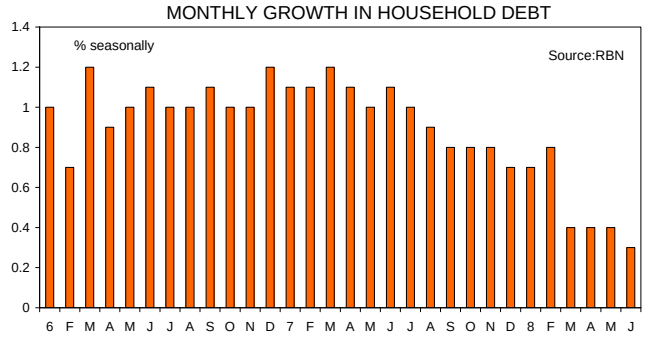
If I were borrowing at the moment I would fix for a one-year period anticipating a much lower cost in a years time and 12 months from now I would judge whether to go floating and ride further declines or perhaps fix for another six months or one-year period.

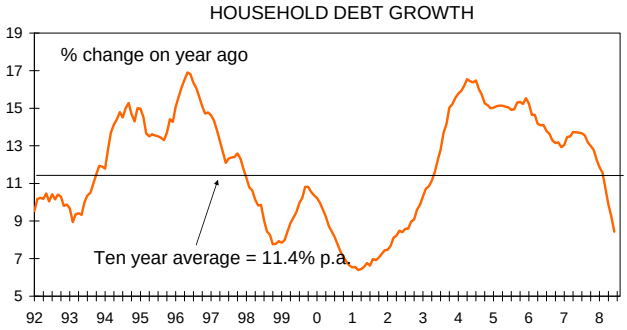
HOUSING MARKET UPDATE

Nothing much new this week. July data start appearing next week.

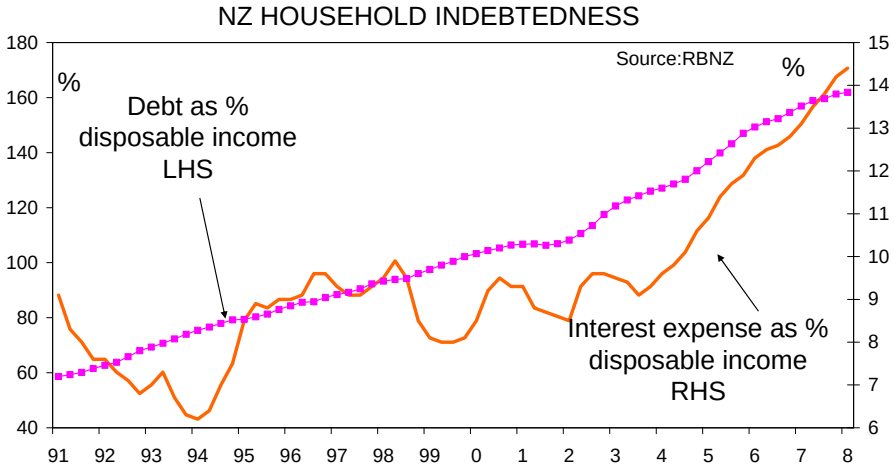
Borrowing Growth Slows in Correlation with the Housing Downturn

Reflecting the very weak state of the New Zealand housing market the annual rate of growth in lending to the household sector fell to 8.4% in June from 9.3% in May and 13.7% a year ago. This is the lowest the annual rate of growth has been since June 2002. In seasonally adjusted terms lending to the household sector grew only 0.3% in June after rising 0.4% over the previous three months. These numbers show quite clearly something we have pointed out before which is that the housing market took an extra step downward in the month of March when people became aggressively concerned about what was happening with prices, potential recession in the economy, and fixed housing rates heading towards 10%.

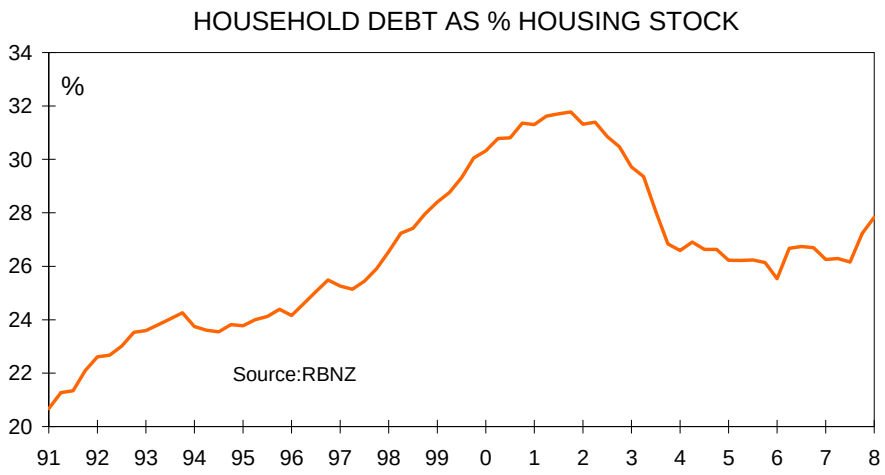




With debt growth slowing down it is likely that the pink dotted line below showing strong growth in the ratio of household debt to income since 1991 will flatten and perhaps fall a wee bit. It will probably take longer for the orange line showing the huge rise in the household debt servicing ratio to decline. This is because for all of the remainder of this year on average borrowers with fixed interest rates coming up for renewal will almost certainly roll onto a higher rate than they are currently on.



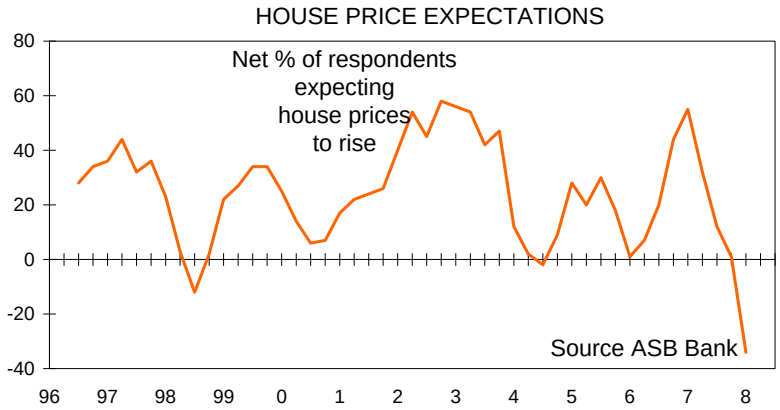
Note that with house price inflation now a thing of the past for a while the ratio of household debt to the size of the housing stock has gone up recently.



Apart from the debt growth numbers we have learnt little else new about the New Zealand housing market over the past week. But next week we should get the July numbers for Auckland from Barfoot and Thompson so will gain some insight into whether the seasonally adjusted increase in dwelling sales in June of about 13% continued into July.

After that perhaps our monthly survey in a week's time will reveal whether or not the cuts in fixed housing rates this week are being positively received by potential house buyers. It would be a surprise if there is a noticeable improvement given that the interest rate for the benchmark two-year rate is sitting only just below 9% and the average level for the past five years has been about 8.2%. Interest rates are still at painful levels and this week's declines would probably only have a positive impact in a market where buyers expect house prices to keep rising.

But house prices are not expected to rise and that is a result we can see quite clearly looking at the quarterly Housing Intentions survey from ASB. In the three months to April (latest result) a net 34% of respondents said they expect house prices to decline over the coming 12 months. This is the worst result on record and was down from a net 55% expecting prices to rise a year earlier.



Perhaps at a stretch there was one interesting piece of news released this week with regard to dwelling construction consents. In seasonally adjusted terms the number of consents issued for the construction of houses (excludes apartments) fell by 13% in June after falling 24% in May following an unusual and obviously unsustainable rise of 34% in April. Consent numbers fell 42% over the June quarter after falling 10% in the March quarter and 6.4% in the December quarter. Numbers were down 24% from a year earlier.

This is interesting because the availability of properties to house New Zealand's growing population is going to diminish over the next couple of years as these numbers continue to decline for the next few quarters with part of that decline attributable to many property developers no longer able to access easy money from finance companies. But the key fundamental in the New Zealand housing market is a shortage of

accommodation sought by a long queue of buyers. That queue of buyers has gone back into the bushes because interest rates are too high and they no longer feel a purchase has to be made at any cost now because prices are going to soar.

Probably only when buyers generally feel prices are no longer going to decline will they come out again in any number. We don't expect that to happen until some point next year and then from late 2009 think the general debate is going to swing back once again towards this shortage of properties.

Key Forecasts

- Dwelling consent numbers to fall from 24,500 in the year to March 2008 to below 18,000 in the year to March 2009 with a slight recovery to March 2010 then above average activity after that as attention turns to a shortage of dwellings late in 2009.
- Real estate sales falling from 77,130 in the year to April 2008 to between 55,000 and 65,000 come the end of this year then recovering back over 65,000 in calendar 2009 with further growth over 2010.
- House prices down 5%-10% by the end of 2008, flat over 2009, rising slightly over 2010, possibly earlier.

Exchange Rates & Foreign Economies

See the Offshore Overview.

Data Sources

Interest rates & exchange rates RBNZ at	http://www.rbnz.govt.nz/statistics/
House mortgage data – RBNZ	http://www.rbnz.govt.nz/statistics/monfin/rbssr/rbssrpartE/data.html
House price information - REINZ	http://www.reinz.org.nz/reinz/public/market-information/market-information_home.cfm
NZ economic data, most from Statistics NZ	http://www.stats.govt.nz
Government accounts, NZ Treasury at	http://www.treasury.govt.nz/financialstatements/
Parliament, select committees, publications etc.	http://www.parliament.nz/en-nz

ECONOMIC DATA

All %		Latest qtr only	Previous qtr only	Latest year	Year ago	2 Yrs ago
Inflation	RBNZ target is 1% - 3% on average	1.6%	0.7	4.0	2.0	4.0
GDP growth	Average past 10 years = 3.0%	-0.3	0.8	2.9	1.6	2.7
Unemployment rate	Average past 10 years = 5.3%	3.6	3.4	.....	3.7	3.9
Jobs growth	Average past 10 years = 1.9%	-1.3	0.9	-0.2	1.8	2.6
Current a/c deficit	Average past 10 years = 5.5% of GDP	7.8	7.9	.....	8.5	9.6
Terms of Trade		2.9	3.7	8.8	3.8	-1.9
Wages Growth	Stats NZ analytical series	1.2	1.3	5.5	4.5	5.5
Retail Sales ex-auto	Average past 9 years = 3.8%.	0.2	0.1	3.1	4.9	5.6
House Prices	Long term average rise 5% p.a.	-0.7	0.4	2.8	11.7	12.2
Net migration gain	Av. gain past 10 years = 10,400	+4,735	4,675yr	.....	10,080	10,690
Tourism – an. av grth	10 year average growth = 5.0%. Stats NZ	1.3	2.2	1.3	2.4	0.6
		Latest year rate	Prev mth year rate	6 mths ago	Year ago	2 yrs ago
Consumer conf.	10 year average = 2%. Colmar survey	-28	-25	-10	-10	-22
Business activity exps	10 year average = 26%. NBNZ	-8.2	-4.0	10.3	12.4	14.9
Household debt	10 year average growth = 11.3%. RBNZ	9.3	9.9	12.8	13.7	14.1
Dwelling sales	10 year average growth = 3.5%. REINZ	-42.4	-52.9	-32.1	-1.3	5.0
Floating Mort. Rate	10 year average = 8.1%	10.95	10.95	10.55	10.30	9.55
3 yr fixed hsg rate	10 year average = 7.9%	9.09	9.49	9.19	9.15	7.75

ECONOMIC FORECASTS

Forecasts at June 19 2008	**March Years**					**December Years**				
	2006	2007	2008	2009	2010	2005	2006	2007	2008	2009
GDP - annual average % change										
Private Consumption	4.7	2.7	3.4	-0.9	1.5	5	2.5	4.3	-0.6	0.9
Government Consumption	5.1	4.3	4.4	4.1	4.2	4.2	4.7	4.4	4.1	4.2
Investment	5.2	-2.3	5.2	1.4	3.1	3.9	-1.6	4.9	2.2	1.8
GNE	4.2	1	4.8	0.6	2.4	4.3	1	5	1.1	1.7
Exports	-0.1	3.1	3	1.7	2.4	-0.4	1.7	3.6	2.2	1.9
Imports	4.1	-1.7	9.5	3.1	2.8	5.4	-2.8	8.9	4.2	2.6
GDP	2.7	1.5	3.1	0.3	2.1	2.7	1.5	3.1	0.9	1.3
Inflation – Consumers Price Index	3.3	2.5	3.4	4.6	2.2	3.2	2.6	3.2	4.6	2.6
Employment	2.6	1.8	-0.2	0.3	0.6	1.5	1.4	2.5	-0.9	0.2
Unemployment Rate %	3.9	3.7	3.6	4.4	5	3.6	3.8	3.4	4.2	4.9
Wages	4.6	5.5	4.4	4.2	3.3	5.1	5.5	4	4.4	3.5
EXCHANGE RATE ASSUMPTIONS										
NZD/USD	0.64	0.7	0.8	0.68	0.64	0.7	0.69	0.77	0.69	0.65
USD/JPY	117	117	101	111	115	119	117	112	110	114
EUR/USD	1.2	1.32	1.55	1.47	1.34	1.19	1.32	1.46	1.5	1.37
NZD/AUD	0.87	0.88	0.87	0.77	0.77	0.94	0.88	0.88	0.77	0.77
NZD/GBP	0.36	0.36	0.4	0.37	0.36	0.4	0.35	0.38	0.37	0.37
NZD/EUR	0.53	0.53	0.52	0.46	0.48	0.59	0.52	0.53	0.46	0.47
NZD/YEN	74.6	81.9	81.1	75.5	73.6	82.7	81	86.3	75.9	74.1
TWI	65.6	68.6	71.6	63.5	62.5	71.9	68	71.6	63.6	62.8
Official Cash Rate	7.25	7.50	8.25	7	5.5	7.00	7.50	8.25	7.5	5.5
90 Day Bank Bill Rate	7.55	7.78	8.83	7.02	5.73	7.49	7.64	8.77	7.67	5.73
10 year Govt. Bond	5.71	5.91	6.35	6.15	6.1	5.89	5.77	6.38	6.2	6.1

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

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