

Data and event previews - Australia and New Zealand

Date ^(a)	Data/event	Forecast			Comment
		JPMorgan	Consensus	Previous	
Tuesday, 26 August (8.45am)	NZ trade balance (NZ\$ mil, Jul.)	-425.0	-538.0	-223.0	The trade deficit should have widened in July, marking the fifth straight monthly deficit. Export growth should benefit from weaker NZD and higher dairy and oil exports; the latter reflecting increased production from the Tui oil field and elevated prices of dairy products and crude oil. Import growth should have slowed from a year ago on the back of weaker domestic demand.
Tuesday, 26 August (3.00pm)	RBNZ inflation expectations (%q/q, Q3)	na	na	2.9	Inflation expectations should remain elevated in 3Q at the top end of the RBNZ's 1-3% target range. In 2Q, the RBNZ's survey of 80 business managers showed that inflation is expected to average 2.9% in two years' time. On our and the RBNZ's forecast, inflation has yet to peak. The RBNZ expects inflation to peak at 5% oya in 3Q, but we expect it to peak at 5.2% in 4Q given the recent surge in producer prices and the sharp decline in NZD.
Wednesday, 27 August (11.30am)	Aust. construction work done (%q/q, Q2)	2.2	1.5	2.3	Construction work done probably expanded by 2.2%q/q in the June quarter, after a similar-sized rise in Q1. The resulting positive contribution to GDP growth will help offset the hole left by consumer spending.
Thursday, 28 August (11.30am)	Aust. private business investment survey (%q/q, Q2)	4.0	2.0	-2.5	Private investment spending probably rebounded 4%q/q in Q2, despite higher funding costs, lower confidence and increased doubts about the resilience of the global economy. More importantly, there will be an update of firms' investment spending plans for the year ended June 2009. In the last survey in May, managers estimated that they would boost capex by 24% in the current fiscal year, down only slightly from the 25% rise expected in the previous survey. To maintain this impressive growth rate, the third spending estimate for 2008-09 needs to print at A\$94 bn. The final estimate for 2007-08 probably will come in at A\$86.3 bn. The latest Access Economics survey of the investment plans shows a pipeline of spending worth more than A\$600 bn - the pipeline has expanded by 19% over the past year.
Thursday, 28 August (3.00pm)	NBNZ business confidence (% , Aug.)	-40.0	na	-43.2	The NBNZ business confidence survey likely improved slightly in August in the wake of the RBNZ's rate cut. Watch out for the reading of firms' own activity expectations, which dropped sharply in July to -8.2 from -4.0 in June and pointed to a contraction in GDP growth in 2Q. Corporate profitability continues to suffer amid high interest rates and tighter credit conditions, but rate cuts should help support economic growth in late 2008, helping to pull the struggling economy out of recession.
Friday, 29 August (8.45am)	NZ building consents (%m/m, Jul.)	na	na	na	na
Friday, 29 August (11.30am)	Aust. private sector credit (%m/m, Jul.)	0.4	0.5	0.4	Credit growth has dropped sharply since the RBA's rate hikes earlier this year. Credit likely expanded just 0.4% m/m in July, only one third the growth rate of the last quarter of 2007. Personal credit probably contracted again, and housing and business credit likely rose 0.5% m/m and 0.4%, respectively. The annual growth rate in total credit probably dropped to 11% - the weakest growth rate since 2002.

(a) Australian Eastern Standard Time.