

Data and event previews - Australia and New Zealand

Date ^(a)	Data/event	Forecast		Previous	Comment
		JPMorgan	Consensus		
Monday, 8 September (9.00am)	RBA Governor's testimony to the House of Representatives Standing Committee on Economics	na	na	na	RBA Governor Glenn Stevens will read a prepared statement that will echo the tone of last week's policy announcement. The Governor then will answer questions from Members of Parliament. As always, the latter will be of most interest to the market. The main points of interest will be whether the Governor refers to the implications of the sharp drop in AUD, whether last week's low GDP print means the RBA will have to lower its growth forecasts, and how much of a hurry RBA officials are in to move to a less restrictive policy stance. Also of interest will be the Governor's views on the global economy and the implications from the overnight developments in US financial markets.
Monday, 8 September (11.30am)	Aust. ANZ job advertisements (Aug, %m/m)	-0.6	na	-0.3	The number of newspaper job advertisements has fallen in five of the last seven months, and is likely to have fallen again in August. There probably was a further contraction in August as many of the economy's biggest employers - those in industries focused mainly on the domestic economy - are shedding jobs.
Tuesday, 9 September (11.30am)	Aust. housing finance approvals (%m/m, Jul.)	1.5	0.0	-3.7	The number of home loan approvals probably rose 1.5% in July, after four straight declines. There was no expectation of lower interest rates during July (that came later in August) and consumer confidence was very low. Also, most banks had tightened their lending standards, but there probably was something of a rebound after a plunge in June.
Tuesday, 9 September (11.30am)	Aust. retail sales (Jul, %m/m)	0.8	0.5	-1.0	Retail sales probably bounced back from the unexpected dive in June. Sales probably rose a healthy 0.8% m/m owing to the income tax cuts paid from 1 July, falling petrol prices, and the beneficial impact of the World Youth Day celebrations in Sydney. On the downside, though, consumer confidence slumped to recession-like lows in July. Anecdotes from key retailers, though, indicate that sales improved in July. All that said, this release is the first under the ABS's significantly reduced sample size, so the seasonally adjusted data will be even less reliable than in the past.
Tuesday, 9 September (11.30am)	Aust. NAB business survey (confidence, Aug.)	-5	na	-9	Business confidence likely improved in August, owing mainly to expectations that official interest rate cuts were on the way. The confidence index has been in negative territory since January, but probably improved to -5 in August. The rate of capacity utilization probably fell slightly.
Wednesday, 10 September (8.45am)	NZ terms of trade (%q/q, 2Q)	3.0	na	4.1	New Zealand's terms of trade has been soaring in recent quarters, partly on the back of soft import prices owing to previous NZD strength, but also because of some strength in export prices. We expect another 3.0% gain in Q2, after a 4.1% rise in Q1.
Wednesday, 10 September (10.30am)	Aust. WMI consumer confidence (% m/m)	8.0	na	9.1	Consumer confidence probably bounced another 8% in September, having already soared 9% in August on expectations the RBA was edging closer to a rate cut. Consumers will be relieved to get the first rate cut under their belt, and also will be happy that petrol prices have fallen. On the flipside, though, the drop in the AUD will drag on confidence, as will some high profile announcements of job losses in recent weeks.
Thursday, 11 September (9.00am)	RBNZ OCR announcement	7.75	7.75	8.0	We expect the RBNZ to cut the official cash rate (OCR) by 25bp on Thursday to 7.75%. The RBNZ also will issue a Monetary Policy Statement (MPS) next week which will include, among other things, the Bank's growth and inflation forecasts. In the last MPS in June, the RBNZ forecast growth at 3.1% in 2008; this forecast, we expect, will be severely downgraded given that the economy currently is in the midst of a recession. The RBNZ forecast for CPI growth to peak at 5% in 3Q will also likely be revised higher—we expect headline inflation to peak at 5.2% in 4Q—although the bank is still likely to forecast inflation returning to within the bank's 1-3% oya target range in the medium term.
Thursday, 11 September (8.45am)	NZ business PMI (index)	na	na	48.8	There was a surprise rise in the business PMI in July, although the index remained below the critical "break-even" point of 50. The RBNZ's rate cut may provide some support, but economic activity has weakened significantly.