

## Data and event previews - Australia and New Zealand

Date	Time <sup>(a)</sup>	Data/event	Forecast		Previous
			JPMorgan	Consensus <sup>(b)</sup>	
Monday, May 4	10.30am	Aust. TD Securities Inflation Gauge (% oya, Apr.)	na	na	2.6
Monday, May 4	11.30am	Aust. house price index (%q/q, 1Q)	0.4	0.0	-0.8
Monday, May 4	11.30am	Aust. ANZ job advertisements (%m/m, Apr.)	-8.0	na	-8.5
Tuesday, May 5	11.30am	Aust. building approvals (%m/m, Mar.)	2.5	2.8	7.8
Tuesday, May 5	1.00pm	NZ ANZ Commodity Price Index (%m/m, Apr.)	na	na	1.0
Tuesday, May 5	2.30pm	RBA cash rate announcement (%)	3.0	3.0	3.0
Wednesday, May 6	11.30am	Aust. retail sales (%m/m, Mar.)	-0.5	0.5	-2.0
Wednesday, May 6	11.30am	Aust. trade balance (AUD mn, Mar.)	1,900	1,750	2,109
Wednesday, May 6	1.00pm	NZ wages including overtime (%q/q, 1Q)	0.6	0.6	0.7
Thursday, May 7	8.45am	NZ employment (%q/q, 1Q)	-1.0	-1.0	0.9
Thursday, May 7	11.30am	Aust. employment (ch. 000s, Apr.)	-40	-25	-34.7
Friday, May 8	11.30am	RBA's quarterly Monetary Policy Statement	na	na	na

(a) Australian Eastern Standard Time.

(b) Consensus based on Bloomberg survey.

### Australia

**Aust. house price index (%q/q, 1Q)** - House prices should rise 0.4%q/q in 1Q, owing to solid demand from first home buyers (FHBs), owing mainly to the expanded first home buyers' grant. The expanded grant has kept house prices at the lower end of the house price spectrum well supported, while those at the upper end have been falling.

**Aust. ANZ job advertisements (%m/m, Apr.)** - We expect the number of job ads to have fallen again in April, marking the twelfth straight monthly fall. This leading indicator of employment has collapsed in recent months, reaffirming our view that the unemployment rate will skyrocket in 2H09.

**Aust. building approvals (%m/m, Mar.)** - Building approvals should rise 2.5% m/m. Again, the expanded first home owners' grant will be the main driver; this should be evident in a solid rise in approvals for higher density apartments, rather than more expensive single dwellings.

## Data and event previews - Australia and New Zealand (cont.)

**RBA cash rate announcement (%)** - We expect the RBA to keep its policy powder dry this month. The minutes from the last Board meeting indicated that the April decision was a close call. Officials seemed split on whether to cut the cash rate or leave it steady. With this in mind, and with the green shoots of global recovery having grown since then, and recent inflation data showing a rise in core inflation, it would be a surprise for the RBA to back up so soon with a second rate cut. Finally, RBA officials probably want to give the Treasurer clear policy air ahead of the Budget next week.

**Aust. retail sales (%m/m, Mar.)** - Retail sales values should drop 0.5% m/m in March, amid low levels of confidence, a sharp drop in employment, and the RBA's decision to leave the cash rate steady in early March. The government announced another round of cash handouts in February, but these were not delivered until April.

**Aust. trade balance (AUD mn, Mar.)** - The trade surplus likely narrowed slightly in March to A\$1.9 billion. Preliminary data showed that goods imports fell 4% m/m. Weak global demand and a stronger AUD will weigh on exports, which we expect to fall some 4%. Bad weather in the north-west during the month hampered iron ore exports.

**Aust. employment (ch. 000s, Apr.)** - We expect a 40,000 drop in employment in April and an unemployment rate of 6.0%, up from 5.7% in March. Labour market conditions have deteriorated rapidly and the avalanche of anecdotal job losses announced recently, coupled with the collapse of all leading indicators of employment, point to sharply higher unemployment in coming months. We retain our forecast for a 9% jobless rate in 2010, but now with upside risks.

**RBA's quarterly Statement on Monetary Policy** - The SoMP probably will include a significant downgrade to projected GDP growth, but the inflation forecasts from the last statement are likely to be retained. The official commentary on the global economy probably will be more upbeat, but there will be some focus on the extent to which rising bank funding costs limited the degree to which the commercial banks passed on the April rate cut.

### New Zealand

**NZ private sector wages (%q/q, 1Q)** - Wage growth probably moderated in 1Q as labour market conditions continued to ease. We forecast private sector labour costs to grow 0.6% q/q in 1Q, slowing from 0.7% in 4Q,

**NZ employment (%q/q, 1Q)** - The jobless rate should have risen to 5.4% in 1Q as employment contracts 1.0%. Business confidence has been at multi-decade lows, meaning that companies have been reluctant to hire new staff, instead choosing to shed workers to cut costs.