

BNZ Weekly Overview

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.

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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 Weekly Overview each Thursday night please click here.

http://feedback.bnz.co.nz/forms/Fx-l8plokSGWgjN_7WOAw

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Heading Downhill

For your guide here are some of the key trends underway around the planet at the moment.

The European debt crisis is getting worse in spite of new technocrat governments in Italy and Greece with highly indebted countries having to pay more to fund their deficits and roll over maturing debt, worries growing about the European banking sector, worries rising about American banks exposed to Europe, and continuing very strong unwillingness by the Germans to countenance two proposals aimed at slamming the crisis – jointly issued Eurobonds and opening the ECB printing presses. Risks lie strongly on the downside with a break-up of the Euro increasingly likely.

Economic data in the United States have been coming in mainly better than expected and few people now speak of a double dip recession while some talk of 4% annualised growth in the latter part of this year. But it is not clear that either the housing market has bottomed or the labour market turned though the corporate sector is highly cashed up and consumers have shown increased willingness recently to spend. The Federal government debt problem has worsened with a special committee unable to reach agreement on how to cut the deficit and although large automatic cuts may occur from 2013 the chances are Congress will alter legislation to water them down and somewhere down the track investors will dump US debt as rating agencies cut their credit ratings. Such moves are not imminent however as investors are flooding to the perceived security (for now) of US assets.

China's growth rate is slowing via reduced growth in exports, infrastructure spending and retailing, but the big concern is the extent of the turnaround in the housing sector and the release Wednesday of a very weak manufacturing report. Property prices have started falling in some cities, (-5.1% in Beijing for new apartments) developers are discounting stock, investors are getting angry and there are worries about bank bad debts following a huge lending surge over 2009-10. Vulnerability to the European crisis is high as 24% of China's exports go to Europe. But the authorities have strong weapons in hand to fight any major slowing in export growth and the common expectation is that in extremis the monetary spigots would again be vastly loosened if necessary – therefore setting the scene for short term insulation and growth but medium term huge vulnerability to a property sector correction.

Australia is continuing to grow strongly on the back of the minerals boom with mining, infrastructure, and service sectors doing well. But retailing, housing, manufacturing and tourism are weak. For the moment there is some frictional unemployment as those made redundant from the weak sectors (such as 130,000 from manufacturing in the past three years) slowly migrate to the booming sectors.

But come mid-2012 if Europe holds up the unemployment rate is likely to be trending down again thus limiting short term scope for much extra easing of monetary policy. But with a cash rate at 4.5% the RBA has ample scope to respond if Europe falls over. Union militancy however is soaring and the probable surge in wages and then inflation will likely drive a lot of extra monetary policy tightening come 2013 – 14 which will push the AUD higher and crimp even further the non-minerals exporting sector. Opportunities for the relocation of manufacturers to New Zealand grow by the day.

In the Middle East troubles are growing with rioting again in Egypt as the military attempt to entrench their position in Egyptian society and government. Sanctions on Iran are increasing but given that they have failed to deter nuclear capability development so far the chances of direct Israeli action against Iranian facilities are growing by the month. The upshot is a rising risk of interruption to oil flows.

Here in NZ some of our recent numbers have been strong but there has been upward distortion from the Rugby World Cup effect which has now ended plus data have been messed up and seasonal adjustments called into question by events such as changing school holidays, the February 22 earthquake, Japan earthquake, and GST introduction. Commodity prices have held up well as the world slips toward potential recession but the easing NZD and falling wholesale interest rates are delivering a monetary policy boost which will help insulate our economy to a good degree next year.

This week the following material has been added to www.tonyalexander.co.nz

Weekly Newspaper Column <http://tonyalexander.co.nz/newspaper-column/>

Events overseas still.

Other Website Material

- **Weekly syndicated newspaper column** <http://tonyalexander.co.nz/newspaper-column/>
- **BNZ-REINZ Residential Market Survey** Released second week of each month. <http://tonyalexander.co.nz/bnz-reinz-survey/>
- **Real Estate Overview** Updated mid-late each month. <http://tonyalexander.co.nz/bnz-reinz-survey/>
- **Archived Weekly Overviews** www.bnz.co.nz/tonyalexander

Is Our Economy Getting Better or Worse?

In this section we look only at what the data are actually telling us and pay no attention to forecasts or intentions measures.

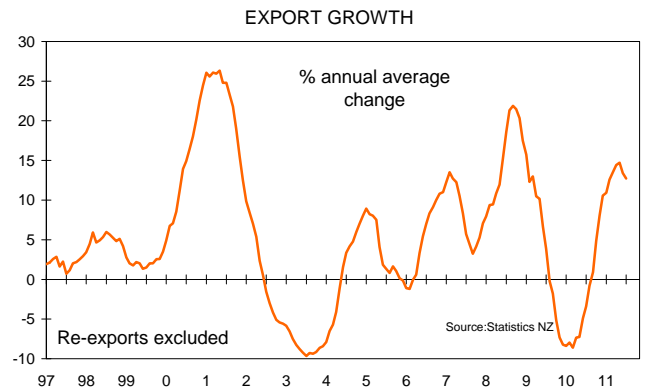
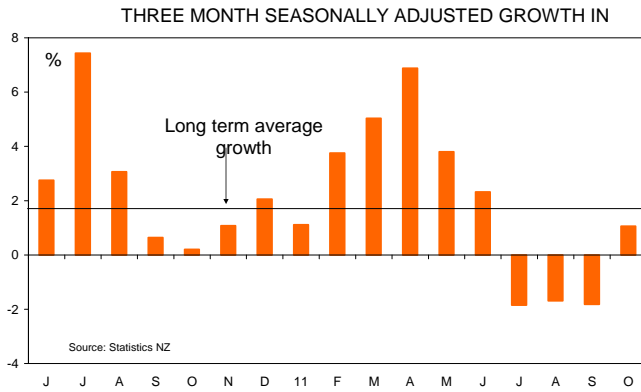
Only one useful data release occurred this week in the form of monthly merchandise trade data which showed exports up a seasonally adjusted 5.3% in October. This is a good result in the context of a weakening world.

Are householders opening their wallets more?

Nothing worth commenting on.

Is business output rising?

Exports in October were ahead 5.3% from a year ago and up in seasonally adjusted terms by 5.3% in the month after gaining 2.2% in September. Over the three months to October exports were ahead 1.1% after being down by 1.9% three months before. So there is a recovery in export receipts underway but the underlying trend is one of slowing growth as shown in the second graph below.



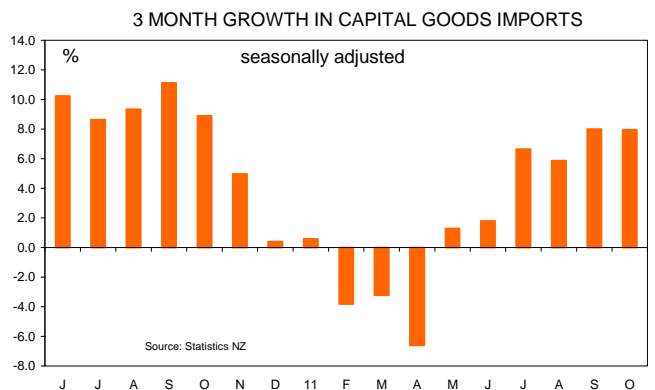
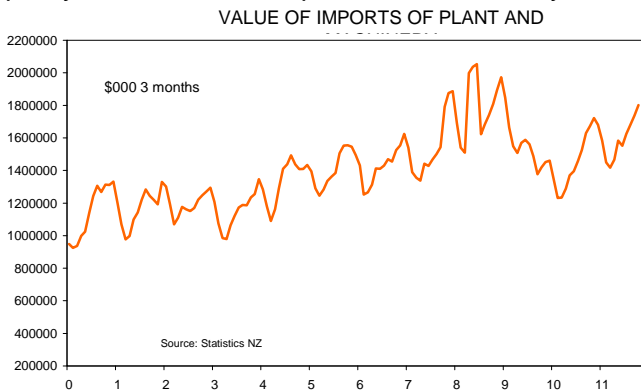
Are businesses hiring more people?

Nothing new.

Are businesses boosting their capital spending?

To see how businesses are feeling right now one can read our monthly BNZ Confidence Survey here. <http://tonyalexander.co.nz/bnz-confidence-survey/>

The value of plant machinery and equipment imports in seasonally adjusted terms has risen by 8% over the past three months after gaining 6.6% three months earlier. After adjusting (roughly) for exchange rate changes the value of imports is ahead some 14% from a year ago. So there is evidence that businesses are investing and this is very positive for productivity growth in the near future – as long as staff of sufficient quality can be found to operate the machinery.



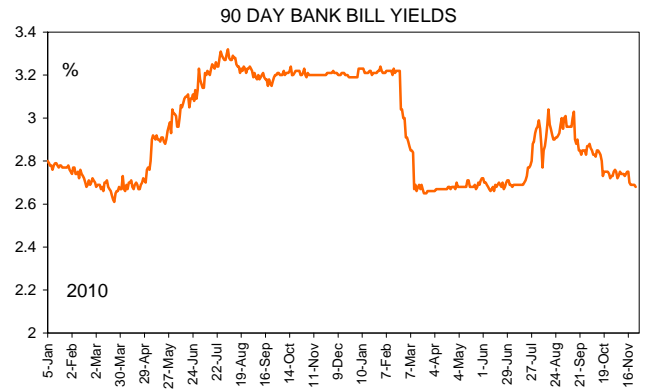
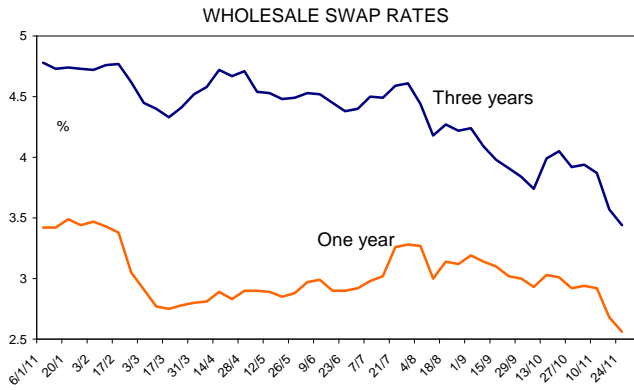
What Do The Leading Indicators Say?

In this section we look only at the factors which can at times give insight into where the economy is headed. Generally we will only cover newly released information.

Nothing new this week.

INTEREST RATES

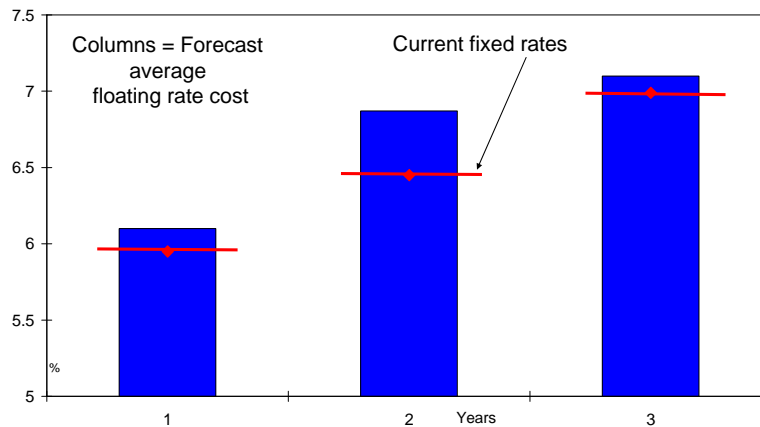
Wholesale interest rates have fallen away even further this week in continuing response to the deteriorating outlook for world growth due to Europe's deepening debt crisis. The markets are pricing in an easing in NZ monetary policy over the coming year and while this is not our official expectation the risk is that because the chances are Europe gets worse rather than better we could easily see an easing.

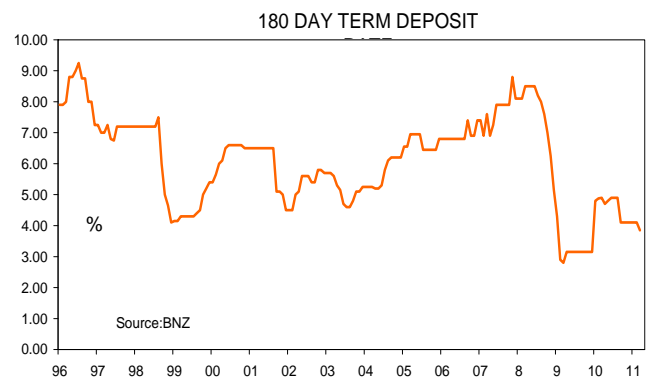
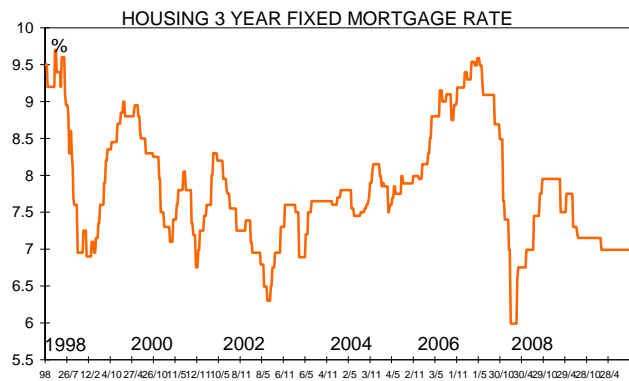
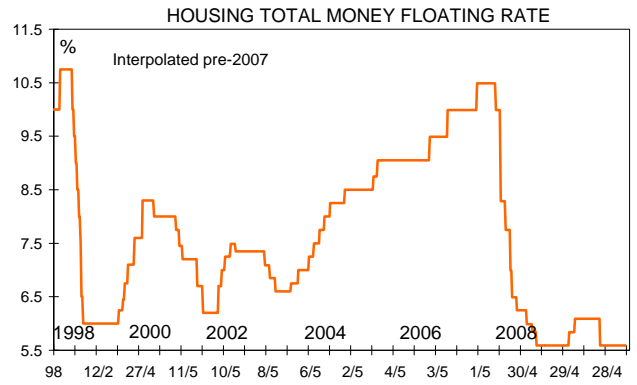
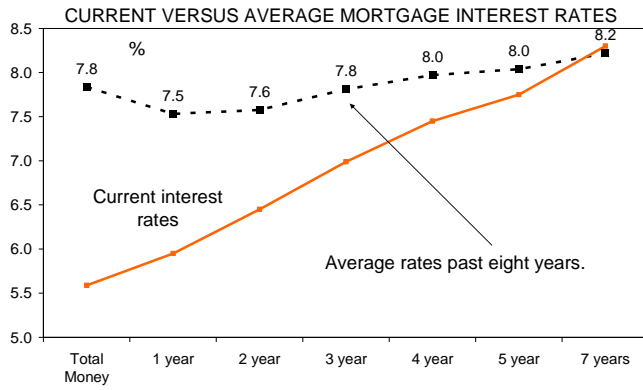


FINANCIAL MARKETS DATA						
	This week	Week ago	4 wks ago	3 months ago	Yr ago	10 yr average
Official Cash Rate	2.50%	2.50	2.50	2.50	3.00	5.9
90-day bank bill	2.68%	2.70	2.75	2.91	3.20	6.2
1 year swap	2.56%	2.68	2.92	3.12	3.52	6.0
3 year swap	2.92%	3.07	3.38	3.68	4.32	6.2
5 year swap	3.44%	3.57	3.92	4.22	4.81	6.4
180-day term depo	4.00%	4.00	4.50	3.60	4.90	6.0
Five year term depo	6.00%	6.00	6.00	6.00	6.75	6.5

If I Were a Borrower What Would I Do?

Last week's simple comment here "Not sink" proved too cryptic for some sleepy folk. To not sink means to float. Same comment this week. The world is looking worse and worse and now for the first time this year I am even thinking that fixing two years near 6% or three years near 6.25% may not be worth it. I would stay floating. But for business borrowers there may be an opportunity to secure some low cost two or three year fixed rate funding and remove uncertainty regarding at least cash movements.



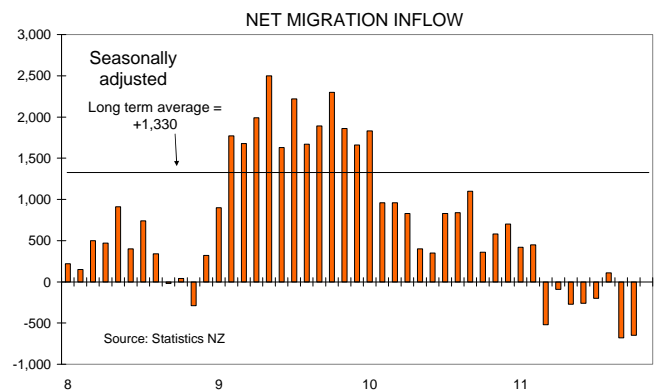
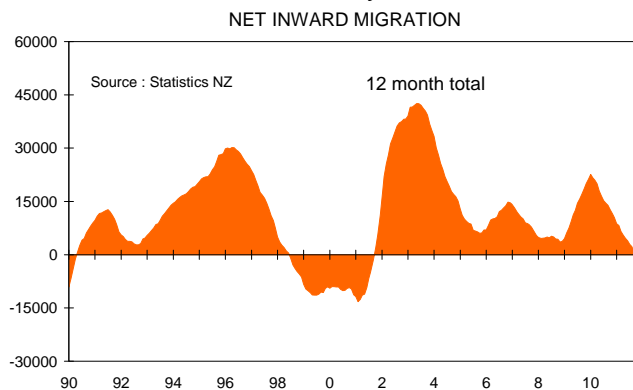


HOUSING MARKET UPDATE

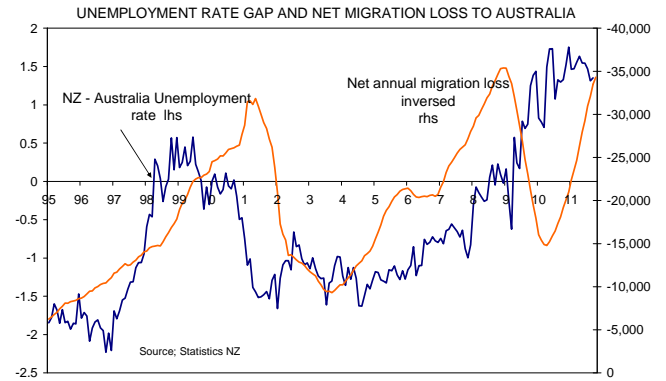
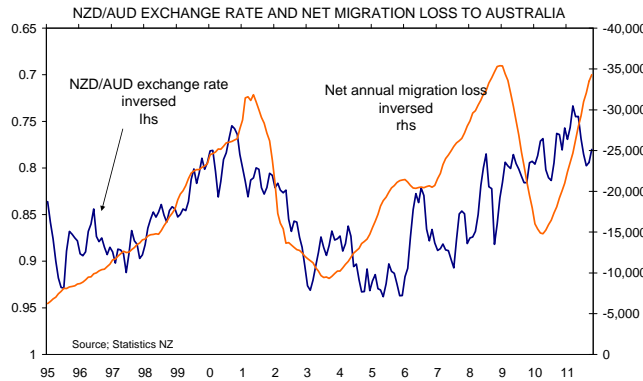
To view the most recent results of our monthly BNZ-REINZ Residential Market Survey click here. <http://tonyalexander.co.nz/bnz-reinz-survey/>

Migration Drags On The Housing Market

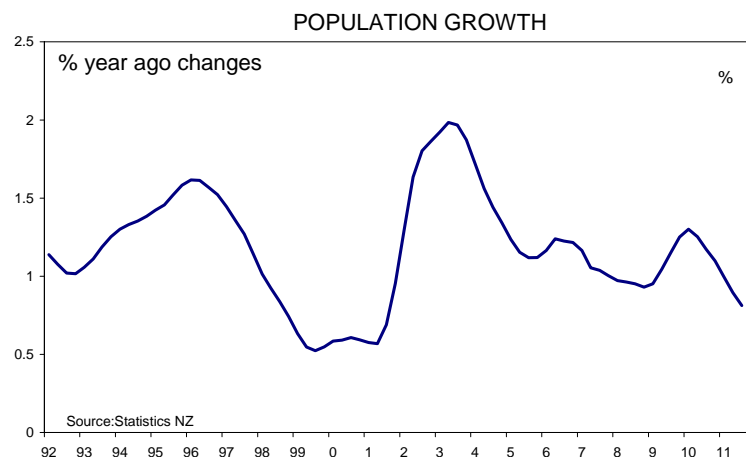
This week we learnt that net annual migration flows have shifted into negative territory for the first time since late-2001 with a net loss of 103 people in the year to October compared with a net gain of 12,610 a year ago and an average gain per annum over the past ten years of 16,275. The deterioration in the past year results from a 1.9% rise in the number of immigrants being exceeded by a 20.4% rise in the number of emigrants. The outflow of people is due largely to a lift in the gross flow to Australia to 48,800 from 34,994 a year ago. The net flow with Australia is now a loss of 34,297 compared with 19,182 a year ago, an average of almost 20,000 over the past decade, and a record annual net loss of 35,295 recorded over calendar 2008. Within two months that record is likely to be broken.



As we discussed very early this year, the massive 39% rise in gross outflows to Australia over the past year is being driven by three main factors. First there is the low level of the NZD against the AUD which makes Australian incomes look extremely attractive in NZD terms. Second there is the 6.5% unemployment rate in NZ compared with the low 5.1% rate in Australia. Third, we are going through a period of catch-up departures of people who did not leave NZ over 2009 into 2010 because perhaps of uncertainty about the world environment.



The relevance of the migration flows for the NZ housing market is that they take some of the steam out. In fact, courtesy of slowing migration inflows the country's population growth slowed to just 0.8% ahead of a year ago in the September quarter compared with 1.2% a year earlier and average population growth for the past ten years of 1.3% per annum. This slower population growth implies less need for housing construction.



Are You Seeing Something We Are Not?

If so, email us at tony.alexander@bnz.co.nz with Housing Comment in the Subject line and let us know.

MAJOR OFFSHORE ISSUES

European Debt

Same old – getting worse.

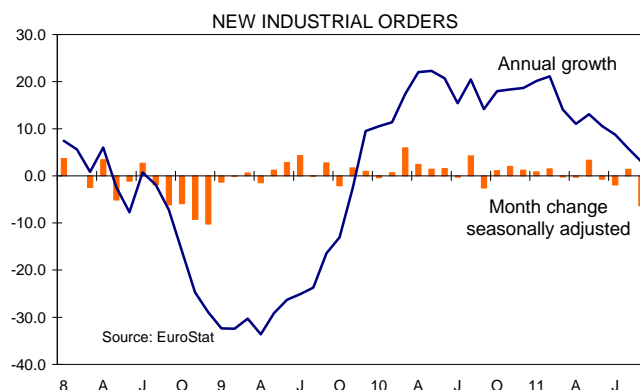
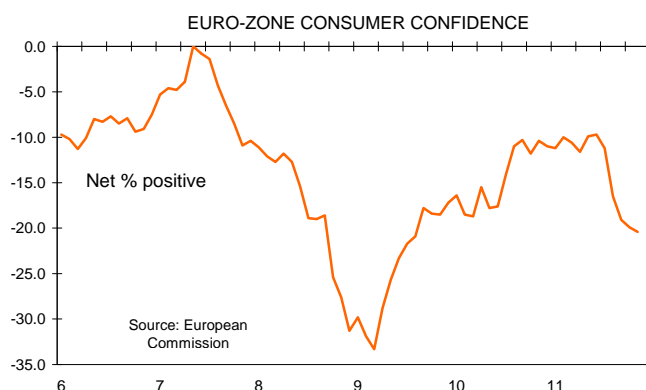
Moodys cut the credit ratings of ten German banks this week because of concerns about their losses on European sovereign debt. They also issued a warning that France's AAA credit rating is threatened by the weakening growth outlook and exposure of French banks to the sovereign debt crisis.

In France an auction of five year government bonds produced an average yield of 2.82% which was 0.5% higher than at the end of October – indicating very clearly that worries about the peripheral European

economies and their public finances are spreading to the core. That even includes Germany where an auction of German bunds last night was only 60% successful with a bid/offer ratio of just 1.07 which is extremely low in the context of investors deserting other countries' bond markets.

One economist in France has calculated that if all European governments carry out the fiscal tightening they have announced then the Euro-zone will shrink by 1.7% over 2012. This would be better than the 2.6% shrinkage recorded in 2009 but much worse than the current common pick of just 0.1% shrinkage.

The troubles in Europe are taking a heavy toll on consumer sentiment with the monthly confidence gauge compiled by the European Commission falling to its lowest reading since August 2009 at -20.4 from -19.9 in October. This bodes very poorly for retail spending in the near future. Plus the manufacturing sector is suffering with industrial orders down by a large 6.4% in September.



Many people talk in terms of the “big bazooka”. This weapon, so artfully employed in many movies including the recent “Kick Ass” is meant to end all discussion. It wasn't a bazooka but what other opportunity will ever open up to write here “Say hello to my little friend.”

In the current context it is either the issuing of joint Euro bonds or forcing the ECB to print money. The Germans however strongly oppose both. The former in particular would mean taking the pressure off delinquent European economies to reform their fiscal policies, procedures and economies. The latter would mean risking a repeat of the 1920s surge in inflation – which is a bit of an extreme expectation admittedly because printing money only drives inflation if people actually spend it and as has been seen in the US that is not the case at the moment. Instead the extra money tends to go into assets such as commodities or maybe shares, or simply cash in banks which as has happened in the US simply ends up back on deposit at the central bank.

What are the chances that the Germans will sacrifice the very values which have made their economy so great in the interests of European unity and bailing out the malcontents and their racist cartoons down south? Buckleys for sure, but nil maybe not quite. The Euro-Zone may have to be taken to the point of breaking up before the Germans relent. What is that point? When some industrial spy reveals that Greece or another country has secretly ordered the printing of a few billion drachmas or similar and chartered a few dozen airplanes to fly them in by a specific date. Is it any wonder that depositors are moving funds out of southern country banks. Non-retail customers have cut deposits in Spanish banks 20% over the September quarter while even in France two large banks have reported near 7% drops. Frankly it sounds like our situation in NZ some 5 – 7 years ago when the canny people did not renew their debentures with finance companies when they matured.

With regard to rising expectations that the Euro will break up, Nomura Securities in Japan has advised clients to check the fine print on their bonds to see if they must be repaid in Euros or if another currency can be inserted. Barclays Capital have surveyed 1,000 clients and found almost half expect at least one country to leave the Euro while only 3% expect a workable solution to be found in the next three months. Various lawyers are advising people to check where their securities are registered and if possible have them switched to the UK jurisdiction away from Greece in particular. CLS Bank International which ensures

currency deals get completed is testing how its systems would handle a Euro collapse. Travel company TUI has written to Greek hotels asking if they would take payment in drachma should it return.

Chinese Inflation

With regard to China the general themes at the moment are as follows. Growth is slowing following the rapid tightening of monetary policy over 2010 into early this year with not too many major concerns that growth will fall a long way below 9%. However the after-effects of the massive credit boom over 2009 – 2010 linger in the form of over-valued residential property which is now slowly falling in price, excess construction, and potentially very large bad debts for banks from their exposure to property developers. There is also the long term lingering worry about how to hold China's massive society together as incomes on average rise but income disparity soars. This in spite of the latest five year plan targeting 13% per annum increases in minimum wages and 7% average annual rises in overall household incomes.

The Government is attempting to address this with efforts to extend infrastructure into the central and western regions but for now the expansion of the high speed rail network (some 35,000 kilometres) has been put on hold as construction and perhaps operational quality are addressed following some serious crashes.

China has strong capacity to react and insulate its economy should the European debt crisis result in default and the break-up of the Euro. But because 24% of China's exports go to Europe the effect could be quite strong and there is little chance that credit would be allowed to expand anywhere near the extent it did last time the global depression scenario was fought.

This week we in fact received evidence that European weakness may be seeping into China more than earlier thought. The early estimate of the Purchasing Managers Index compiled by HSBC – which is not the official index – came in at a 32 month low of 48 from 51 in October where a result of 50.1 had been expected. The much weaker than expected result has raised concerns about the extent to which China is slowing, especially as the manufacturing component of the index fell to very low levels. Perhaps with the manufacturing weakness in mind the People's Bank of China this week cut the reserve ratio requirements by 0.5% to 16% for a handful of rural banks – though left the ratio for big banks at the record high of 21%.

For us here in New Zealand there is little indication that events in the China are tracking badly for our export growth. Demand for quality food products, primary sector technology etc. remains strong and is expected to stay so for a great number of years. International dairy, meat and wool prices have held up astoundingly well recently considering the global turmoil and perhaps this reflects the long term strong underlying product demand factor dominating the traditional short term factors of speculators being long or short, inventories being run up or down, and in the case of venison supply from NZ farmers moving rapidly up or down depending upon expected prices in the next few years and the need or lack of it for building herds.

But if Chinese growth is slowing rapidly then it is likely that just as the Chinese a few months ago slashed orders for logs and have recently cut back on iron ore demand, we could also see a weakening of demand for our food products. The risks are that fortnightly dairy auction prices soon start moving downward.

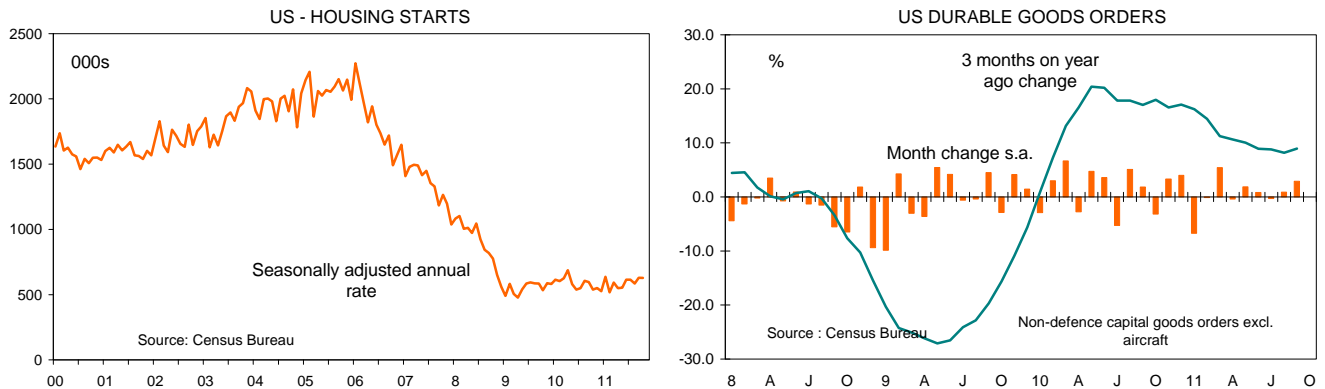
The World Bank this week became the latest large international institution to downgrade their economic forecasts. Specifically they have cut their forecast for Chinese growth over 2012 to 8.4% from 8.7% amidst concerns about the effects of Europe's still worsening debt crisis.

US Growth Momentum

The central US theme for the moment is growth recovering better than earlier thought, strong demand from investors for US assets in light of deepening worries about Europe, mild signs (again) that the housing market may have bottomed out, a labour market which is not getting worse but is not yet strong enough to debt unemployment, worries about exposure of US banks to Europe, and a lingering huge Federal deficit and debt problem which for the moment is being clouded by the ease with which Treasury can finance the debt.

Consumer confidence has recovered slightly in the various monthly indicators over the past 2 – 3 weeks. The latest measure to record a gain was the Bloomberg Consumer Comfort Index which improved to -32 in November from -45 in October. This is the best result since July but is still very negative and not suggestive of a lot of strength in consumer spending.

House construction in the United States still remains at very low levels with the annualised number of starts in October coming in 0.3% below September's levels and less than one-third of levels back in 2005.



Orders placed by companies for durable goods declined 0.6% in October to lie 2.5% ahead of a year ago. But excluding the defence sector and aircraft there was a strong 2.9% rise in the month and 8.9% gain from a year ago and this is strongly suggestive of rising business capital expenditure which is good for productivity growth.

Beyond the latest economic data the main area of focus in the US currently is the extent to which worsening weakness in Europe will feed through in terms of reduced demand for exports, lower confidence, and the impact on US banks. Last week Fitch Ratings agency explicitly warned about the threat to US banks from their exposure to Europe.

Australian Growth

Hopefully I will have time to write here next week.

Exchange Rates

Exchange Rates	This Week	Week Ago	4 wks ago	Mths Ago	Yr ago	Consensus Frcsts yr ago*	10 yr average
NZD/USD	0.742	0.767	0.807	0.835	0.7587	0.689	0.629
NZD/AUD	0.763	0.759	0.773	0.793	0.7804	0.773	0.855
NZD/JPY	57.200	59.100	61.400	64.000	63.1	67.7	68.4
NZD/GBP	0.477	0.488	0.506	0.506	0.4812	0.448	0.368
NZD/EUR	0.555	0.569	0.581	0.578	0.5676	0.52	0.511
NZDCNY	4.718	4.867	5.145	5.335	5.040		4.83
USD/JPY	77.089	77.053	76.084	76.647	83.169	98.3	109.9
USD/GBP	1.556	1.572	1.595	1.650	1.577	1.54	1.705
USD/EUR	1.337	1.348	1.389	1.445	1.337	1.33	1.229
AUD/USD	0.97	1.01	1.04	1.05	0.97	0.891	0.737

*Sourced from Consensus Economics. <http://www.consensuseconomics.com/>

Risk Rises, Kiwi Falls

We have written here about the way in which periods of rising risk tolerance cause the NZD to rise and periods of the heebie geebies cause the Kiwi dollar to go down. But there is another force in play directly related to risk changes which could have the opposite effect. We saw it last week in the government bond and swap markets. Investors who want or must place portions of their funds into government bonds are rightfully increasingly wary of European government bonds. These bonds face a new currency risk associated with the possible falling apart of the Euro and return of (some) individual currencies. The new unelected governments in Italy and Greece will inevitably attract the ire of voters who feel their voices are not being heard and the chances that the technocrats will be able to implement and have accepted the reforms they know must be applied are a lot less than people may be thinking at the moment. When voters feel their opinion does not matter you get revolutions as we have seen throughout the Middle East and North Africa this year.

On top of that the outlook for European growth continues to deteriorate so tax receipts for European governments risk coming in weaker than projected, meaning fiscal deficit and debt profiles will likely turn out to be worse than those governments are currently using to set their policies.

The upshot is that traditional investors in bonds are seeking government bonds elsewhere and they have been flooding into German and US bonds, and now are diverting some of their cash our way as well. History shows that some of those doing this will get badly burnt when some year down the track they try to exit their positions quickly and find the liquidity is simply not there to move large quantities. But for now their demand for our bonds is a source of extra upward pressure on the NZD which can only work toward lessening the extent to which we decline as things get worse on the other side of the planet.

Then there is the next stage in this European collapse to think about. This is likely to involve the likes of Spain and Italy being unable to sell bonds at a regular auction, interbank lending markets seizing up as they did after the Lehmans collapse in September 2008 only probably to a greater extent, and then to counter this – if the Germans reluctantly agree – we will see massive printing of money by the European Central Bank. At the same time the Bank of England will also boost even further the supply of Pounds.

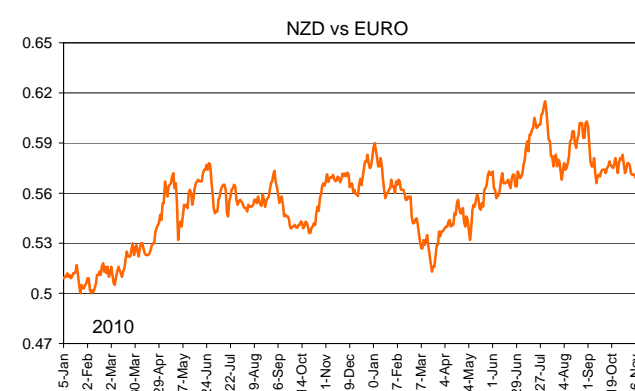
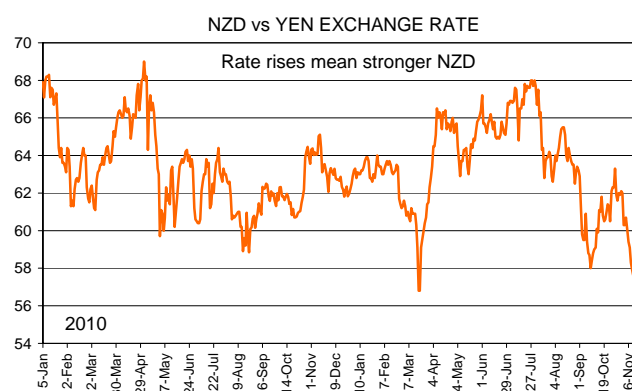
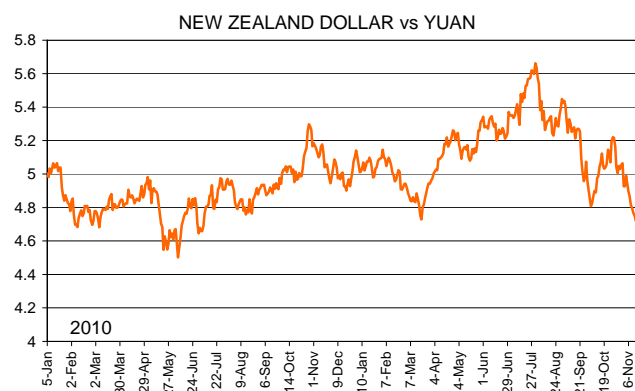
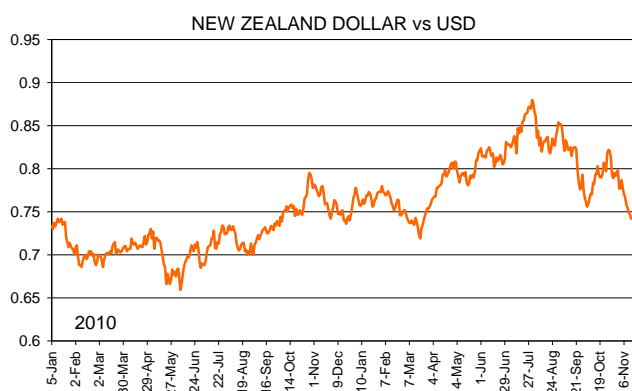
The outcome of these actions of increasing currency supplies will be that they depreciate against currencies like our own – though before that happens we will have been sold off to some unknown level as the possibility of a new Great Depression comes back onto the table.

Because the Germans are so vehemently against money printing either the printing does not happen and the collapse of the European banking system throws the world back into recession, or they agree then work

toward exiting the Euro themselves and reintroducing the deutschemark so they once again have a currency which will not be devalued through money printing aimed at financing government deficits.

There remains a long long way to go in the European debt crisis and from way down in this part of the planet reading the extensive material from offshore we see zero reason for even thinking about talking in terms of things settling down. The chance remains at least 50% that we see a repeat of the Lehmans collapse scenario. On that basis there is simply no way one can have any reasonable certainty about where the NZ dollar will be going over the next few months. Importers and exporters should recognise that and consider greater use of options (though they are expensive) when determining their optimal hedging strategies.

This past week the increasing worries about Europe have produced weakness in the NZD which this afternoon was trading against the USD near an eight month low of 74 cents from 77 cents a week ago. The NZD has also lost some ground against the Yen to reach also an eight month low. Plus we have fallen against the Euro, Pound, and the Chinese Yuan. Against the Yuan we now sit near 4.72 which is a 16 month low.

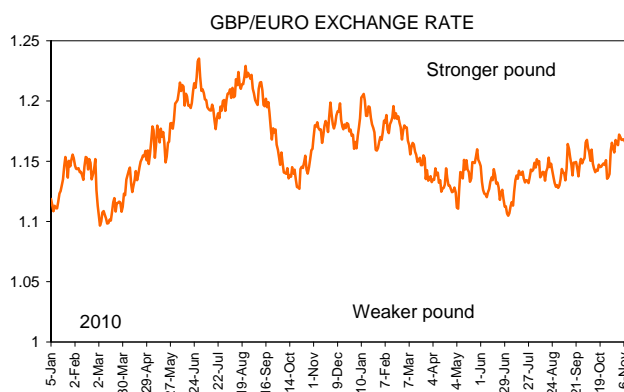
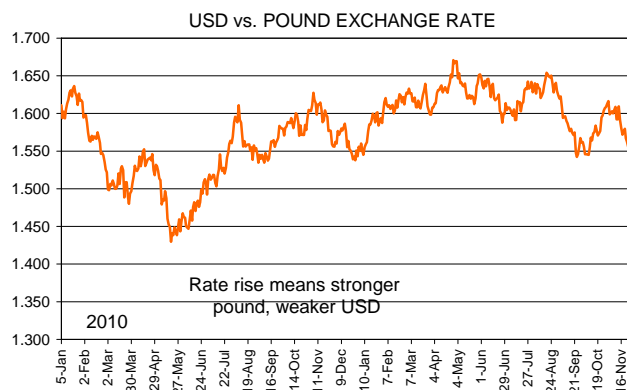
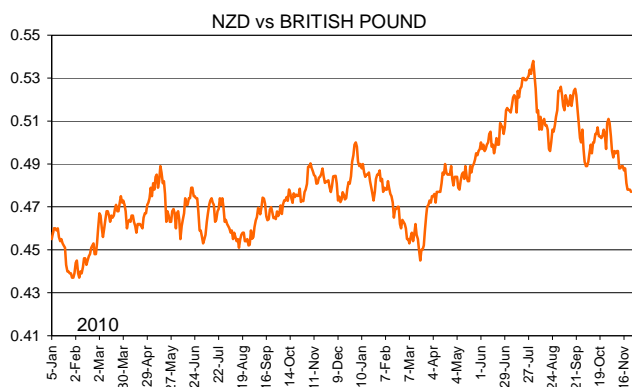


United Kingdom

Nothing much new has been learnt about the state of and pressures in the UK economy this week. UK retail sales grew by a better than expected 0.6% excluding autos in October. A fall of 0.3% had been commonly anticipated. The government appears to be making good progress in getting the budget deficit down with a result this year expected just over 7% of GDP. For your guide note that money printing by the Bank of England is financing some 75% of the deficit.

But with most of the UK's exports going to Europe growth prospects for 2012 look poor and the markets are focussed on when the Bank of England may undertake a fresh round of quantitative easing – printing money.

BNZ WEEKLY OVERVIEW



Exchange Rate Assumptions

Remember that exchange rates are impossible to forecast with reasonable accuracy. Treat the numbers below as assumptions for modelling purposes only.

Year end	2010	2011 Risk	2012 Risk
NZD/USD	0.73	0.70 - 0.8	0.84 Higher
NZD/AUD	0.74	0.73 - 0.79	0.85
NZD/YEN	64.2	56 - 63	72.0
NZD/GBP	0.44	0.45 - 0.50	0.52
NZD/EUR	0.51	0.54 - 0.58	0.60
USD/JPY	88	75 - 79	86 Lower
GBP/USD	1.66	1.52 - 1.62	1.62 Higher
EUR/USD	1.43	1.28 - 1.40	1.40 Higher
AUD/USD	0.99	0.95 - 1.05	0.99 Higher

ECONOMIC DATA

All %		Latest qtr only	Previous qtr only	Latest year	Year ago	2 Yrs ago
Inflation	RBNZ target is 1% - 3% on average	0.4%	1.0	4.6	1.5	1.7
GDP growth	Average past 10 years = 2.6%	0.1	0.9	+1.5	0.5	-2.4
Unemployment rate	Average past 10 years = 4.8%	6.6	6.5	6.4	6.5
Jobs growth	Average past 10 years = 1.9%	0.2	0.0	1.1	1.8	-1.8
Current a/c deficit	Average past 10 years = 5.5% of GDP	3.7	3.6	2.5	5.6
Terms of Trade		2.3	0.8	7.0	12.7	-13.5
Wages Growth	Stats NZ analytical series	0.6	1.0	3.6	2.5	5.2
Retail Sales ex-auto	Average past 9 years = 3.9%.	2.4	1.1	2.1	2.3	-2.5
House Prices	REINZ Stratified Index	1.5	-0.2	2.3	-1.3	4.3
Net migration gain	Av. gain past 10 years = 13,900	-103	2,867yr	12,610	18,560
Tourism – an. av grth	10 year average growth = 3.2%. Stats NZ	2.5	-0.6	2.5	3.2	-1.0
		Latest year rate	Prev mth year rate	6 mths ago	Year ago	2 yrs ago
Business confidence	BNZ survey	-2	7	42	28	50
Consumer confidence	ANZ-Roy Morgan 100=neutral	109	112	103	115	122
Household debt	10 year average growth = 10.3%. RBNZ	1.2	1.2	1.5	2.4	2.6
Dwelling sales	10 year average growth = 2.5%. REINZ	28.3	21.1	-4.2	-35.9	36.3
Floating Mort. Rate	(TotalMoney) 10 year average = 7.9%*	5.59	6.09	6.09	5.59	6.49
3 yr fixed hsg rate	10 year average = 7.8%	6.99	7.15	7.15	7.95	5.99

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

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Key Forecasts

Dec. year		2010	2011	2012	2013
GDP	annual average chg	1.4	2.0 – 2.5	3.0 – 3.5	3.5 - 4.0
CPI	on year ago	4.0	2.5 – 3.0	2.5 – 3.0	2.5 – 3.0
Official Cash rate	end year	3.0	2.5	3.0 – 4.0	4.00 – 4.50
Employment	on year ago	1.3	2.0 – 2.5	2.0 – 2.5	2.0 - 2.5
Unemployment Rate	end year	6.8	6.0 - 6.5	5.0 - 5.5	<5.0

*extrapolated back in time as TotalMoney started in 2007

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