Bank of New Zealand

BNZ Weekly Overview

7 August 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….

- **People are slightly changing their travel plans due to rising costs – but wholesale changes do not appear to be underway. Page 3**
- **As we suspected – the March quarter employment numbers were trashed by statistical fluctuations. Job numbers have bounced back in the June quarter. Page 6**

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".

Survey Time

It's time for our monthly survey again. If you have not already done so in the email used for sending out the Weekly Overview Please cut and paste the URL below into your browser, click on it, and let us know whether you think the economy is likely to get better or worse over the coming year. More importantly if time permits let us know how things are in your industry at the moment specifying what the industry is. Many thanks to those who have contributed in the past.

http://survey.usuite.com/survey/7f801dd05f3742619b046cc119c15106.sur

It's been a week of mainly good news for the New Zealand economy. International oil prices have fallen to their lowest level in 3 1/2 months just over $118 from $125 last week and a peak of $147 early in July. The Reserve Bank Governor has again made a point of emphasising interest rates are going to be cut and competitive forces have encouraged most banks to reduce fixed housing rates. The exchange rate has fallen below 72.0 US cents for the first time since September last year, the Ministry of Agriculture and Forestry released an upbeat assessment of the primary sector's prospects in their six monthly report: and employment soared 1.3% in the June quarter after falling 1.3% in the March quarter. The opinion polls and National Party policy also strongly suggest tax cuts in April to follow the round coming in October.

We even saw a small rise in consumer confidence and the release of some positive housing numbers for the Auckland market in July from Barfoot and Thompson. But the housing market strength we can probably put down to vendors increasingly taking their properties off the market and those who are left meeting buyer price expectations. The pullback in oil prices does not in any way give any greater certainty about where oil prices will be in a years time and we could quite easily see a rebound before the end of the year or at least when prospects for world growth start to approve. The exchange rate falling is good news with regard to rebalancing of the economy but it will add to inflationary pressures in some degree.

Our theme for the economy over the remainder of this year into the first half of 2009 remains decidedly downbeat and there is nothing to suggest business operators should be pulling back from the measures aimed at correcting cash flow deficiencies.

Reason for a Different Answer

Possibly for the first time this week we were provided with a reason for saying something other than "essentially nothing" in response to questions regarding what the impact of a change in government will have at the coming general election. Up to now policies announced by the National Party have largely involved promising not to undo what Labour has already done or with some very minor alterations.

But over the weekend National have outlined a policy of bringing forward the currently planned tax cuts for October 2010 into April 2009 with another round of cuts in April 2010. In addition there are plans to boost infrastructure spending $5 billion above what Labour have already planned by 2014 while overhauling to some uncertain degree the resource management act.

Confirmation that fiscal policy will be looser implies slightly stronger growth over 2009 and 2010 than would otherwise be the case though there may be some offset from interest rates being at slightly higher levels than would otherwise be the case especially if financial markets become concerned about the New Zealand government running deficits.

Deficits are likely to be forecast when Treasury release their pre-election economic and fiscal update at least six weeks before the election date - which we do not know yet. However it seems extremely unlikely that National will be left with anything close to the fiscal time bomb the last outgoing Labour government left in 1990 and in an environment of weak economic growth it is highly unlikely investors offshore will look askance at a set of policies involving reducing what has been a rising tax burden in recent years and investing in the country's future especially when infrastructure is such a glaring problem in the economy.

For every one year out of two now we citizens are asked to switch off our heaters and lights to make up for the fact that inadequate investment has been made in electricity generation and distribution. The country's roads are creaking at the seams with our major city an international embarrassment - not so much because of the burden placed upon regular commuters which is actually quite low by foreign standards, but the appallingly embarrassing trip between the CBD and Auckland airport.

Flower Industry Problems

Do you think you have it bad in your industry? Here are some comments emailed in during the week about woe in the shrinking floriculture sector which illustrate the vulnerability of time-dependent exports to interruptions in travel.

"We are in the flower sector and mainly grow for export. We also grow tubers from tissue culture to sell to other growers who grow for export. So many people have now exited the industry that we find ourselves not able to make ends meet as one two thirds of our operation no longer has a market!? The knock on effect with so many people leaving the industry is that the freight companies now find us a nuisance and it is a struggle to find transporters who will not only give you a competitive rate but also give your product the respect it deserves.

For example we had 18,000 stems shipped down to ChCh from Nelson and the driver of the truck says he felt tired and decided to sleep on his over night trip to CHCH and did not deliver our flowers to the airport on time so they missed the flight and since space was a premium had to wait 3 days and then arrive as compost. This happened twice in our short season of 8 weeks! The next thing that's happening is that now MAF are allowing importers to import flowers much cheaper than we can produce them thus pushing locally grown flowers out the door. Another industry bites the dust!."

Travel Impact Of Rising Costs

New Zealand has recently been voted one of the top five travel destinations in the annual Lonely Planet survey, 2.5 million people visited New Zealand in the year to June compared with 1.5 million 10 years earlier, but the increase from the year to June 2007 was only 22,000 people. The Ministry of Tourism have just reduced their projections for visitor numbers out to 2014 and there are concerns that with rising international air fares and concerns about CO2 emissions New Zealand's travel industry is vulnerable. However the Kiwi dollar has started falling and history shows this leads first of all to higher spending and longer visits by those coming here then an outright increase in visitor numbers.

To say that there is plenty of material available on the tourism industry in New Zealand would be an understatement and we don't plan doing an overall view of the sector here. The Ministry of Tourism have just done that. http://www.tourism.govt.nz/

Instead last week we decided to take a look at what appears to be happening with regard to people's travel plans right now in response mainly to rising air fares. We invited companies in the travel industry to let us know what they are seeing at the moment. We also invited people generally to let us know if they have made any changes to their travel plans in light of the rise in travel charges. Many thanks to all those who responded and here are the main results.

A few respondents noted that they are booking their foreign travel further out in time presumably to get in ahead of the airfare increases due to the falling Kiwi dollar and rising aviation charges. They also noted that they are less prepared to take a drive to the middle of the North Island and instead have opted for the higher quality experience available in Queenstown. Presumably this means flying there as one respondent noted they have put on hold plans to take a driving holiday in the South Island from their home base in the North Island.

One family with close relations in Australia noted that they expect more visits from their relatives to New Zealand in future rather than the other way around.

One respondent noted that they had long been planning a trip to France and Italy but because of the increase in costs expected while there rather than the airfares as such they have decided to go to Mexico and Cuba instead.

One person noted that they will still travel internationally but take fewer and longer holidays. Another noted that they still plan travelling overseas as often as in the past but will stay fewer days.

A reasonable number noted that they plan making no changes in their travel arrangements basically on the premise that you only live once with one person noting they are 70 years old and had better do it now or health problems would probably soon prevent them from doing anything.

Three respondents noted that because of the increased cost of international travel they are not going to go overseas and instead will take a holiday within New Zealand.

One person involved in training people to work in the travel industry noted that there is high demand for trained flight attendants still in New Zealand with some recent domestic airline expansion but that more existing trained staff and the travel industry are applying for positions to train other people.

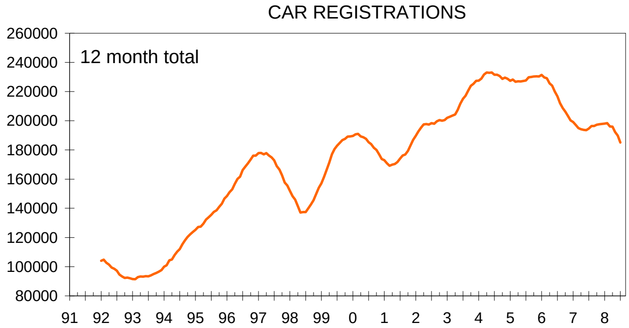
One person in the travel industry noted that air fares are still a declining percentage of total offshore travel costs usually making up at most 50% and usually 30%. Costs while on the ground overseas are more significant and the falling Kiwi dollar is therefore likely to have a greater impact on outbound travel than increases in international airfares.

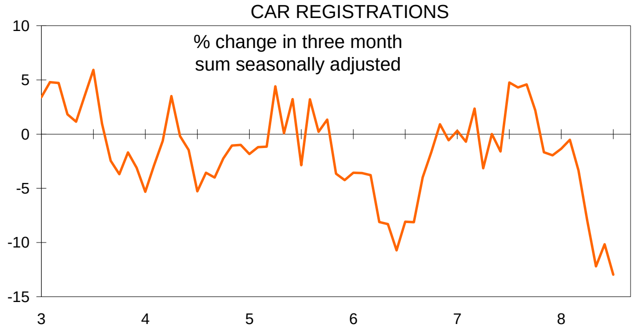
NZ ECONOMIC DEVELOPMENTS

Monday 4

Tractor Registrations Booming - Not so for Cars

In July there were 12,718 cars registered around New Zealand. This was a rather large 27% decline from a year earlier and means that in the three months to July registrations were 21% down on a year ago. In rough seasonally adjusted terms over the past three months car registrations have fallen by 13% after falling 8% in the three months to April and 1% in the three months to January. There is a very strong downward trend in place here which is completely unsurprising. Consumer confidence is at extremely low levels, interest rates are above average, house prices are falling on average, businesses are cutting back on some of their capital expenditure which would involve reduced fleet purchases, and petrol prices have risen substantially making the cost of travelling by car relatively expensive compared with other areas of household consumption such as staying at home and watching the TV.

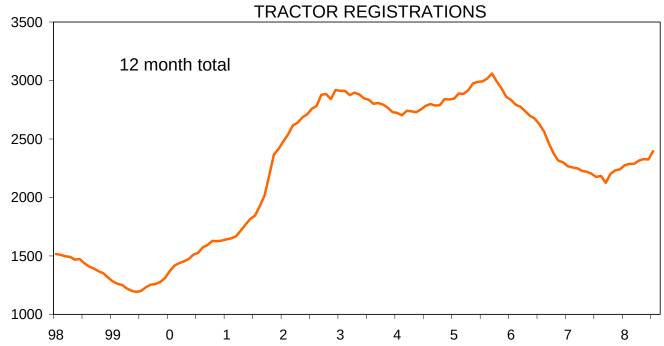


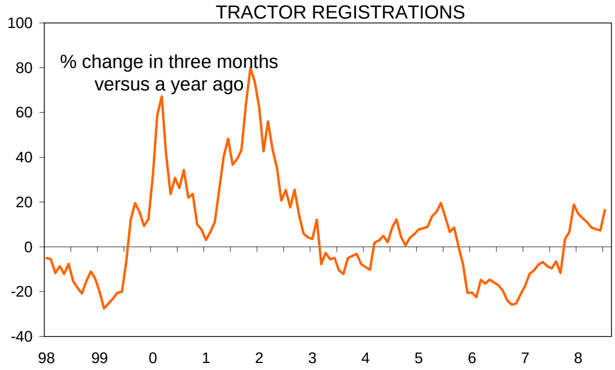


One of the sectors being hardest hit in the economy at the moment is motor vehicle dealerships and there is nothing in these numbers to indicate that the extent of the deterioration facing the sector is as yet easing.

A month ago we reported that in June the number of commercial vehicles registered around the country was at a record high of 4,821. We noted that this was because of dealers registering trucks in order to beat a change in braking standards effective from July 1. With that in mind it is completely unsurprising that after an annual increase in commercial vehicle registrations in June of 41% there was a 32% decline in July. A better indication of what is happening can be gained by looking at the three months to July where registrations were unchanged from a year ago and unchanged in seasonally adjusted terms from the three months to April. There may still be some upward distortion in this number therefore it is likely that in an environment where we know businesses are delaying some capital expenditure in order to get cash flows under control there is underlying weakness in commercial vehicle registrations.

And so we get to tractors. In contrast to underlying weakness in commercial vehicle registrations and the outright decline for car registrations there is a boom under way in tractor sales. The number of tractors registered in July was ahead by a massive 50% from a year ago and in the three months to July the rise from a year earlier was 17% and in seasonally adjusted terms 6%. Although farmers remain the most pessimistic group in the economy according to the recently released NBNZ Business Outlook survey their pessimism - which seems to go hand-in-hand with working the land - is not being reflected in a cutback in capital expenditure. This is understandable considering the boom under way in the dairy sector and recent improvements in sheepmeat, beef, and venison prices. A falling currency is also likely to engender greater confidence in the farming sector and provide ongoing support for tractor dealers. The question then becomes how quickly can car dealers from areas such as Remuera relocate to sell rural as opposed to urban tractors in the countryside.

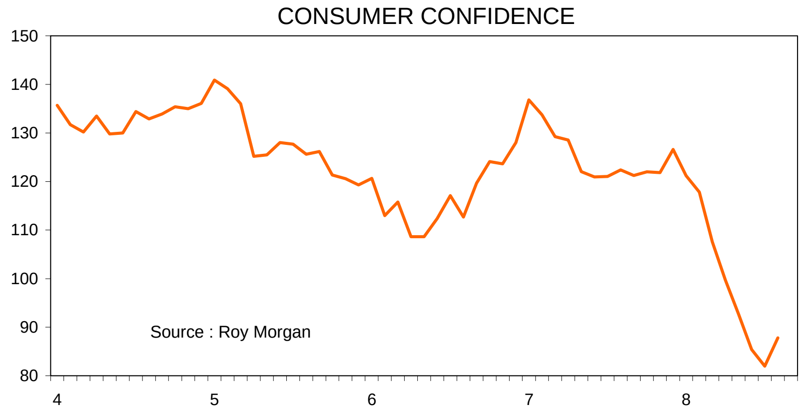




Tuesday 5

Consumers Become Marginally Less Pessimistic

Perhaps in response to the Reserve Bank's easing of monetary policy and maybe the 10 cent fall in petrol prices we have seen a small improvement in consumer confidence over the past week measured in the fortnightly Roy Morgan survey. Their index improved to a reading of 87.8 from 85.7 in late-July and the all-time low for the survey of 82 in early-July. The important point to note however is that the bounce is a relatively insipid affair and conditions still remain firmly in pessimistic territory. Retailers therefore should not be optimistic about spending in the near future especially as a net 4% of people still feel it is a bad time to buy a major appliance. And we remain of the opinion that the broadly defined retailing sector will experience outright negative conditions for the rest of winter and early spring in a plateauing with slight improvement over 2009. A firm environment as such is unlikely until either very late in 2009 the optimistic will more likely to thousand 10.

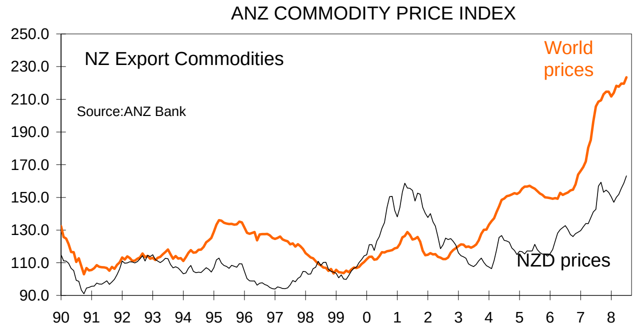


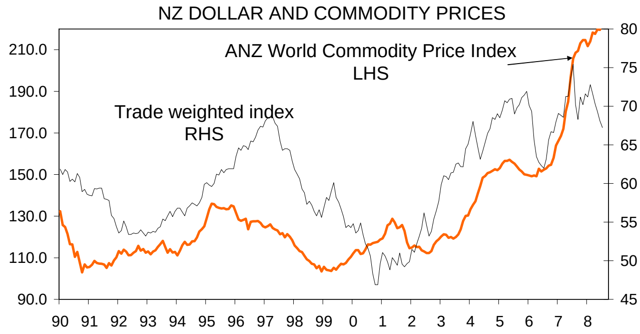
Of course if the tax cuts in October are followed by another round of tax cuts in April next year this could change the equation somewhat. http://www.roymorgan.com/news/polls/2008/785/

Wednesday 6

New Zealand Commodity Prices Keep Rising

The ANZ Commodity Price Index in world price terms improved by a strong 1.8% in August to reach a record high up 8.7% from a year ago and 63% above its average level over the past 10 years. Price increases during the month were led by beef up by 10% which is now 38% higher than a year earlier. In New Zealand dollar terms, which is all that really matters to commodity exporters, prices rose 28% in the month, have gained 8.7% over just the past four months, and were 14.4% ahead from a year ago and 31% above the 10 year average. Rising commodity prices are a key source of insulation for the New Zealand economy against the impact of a large correction in household spending and the housing market, squeezed household budgets because of higher food and petrol prices along with above average interest rates, the effects of slowing world growth and the international credit crisis, and drought.

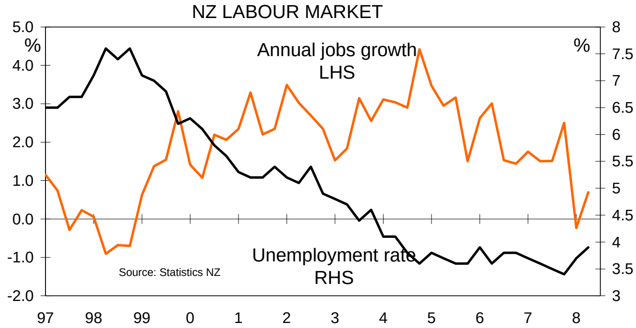


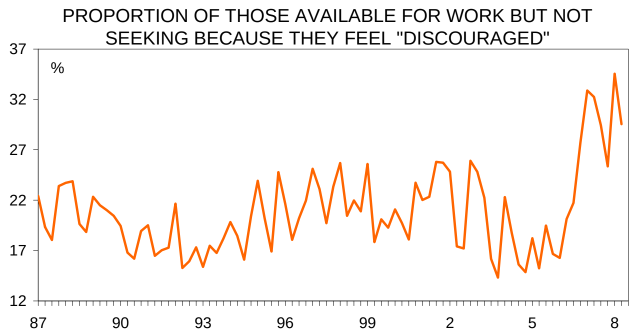


Thursday 7

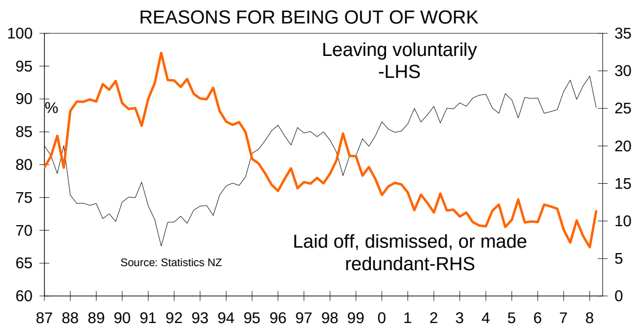
Employment Rebounds Strongly

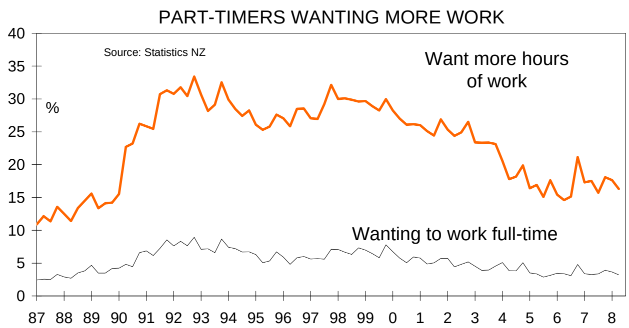
Three months ago when Statistics New Zealand released their Household Labour Force Survey and it showed a 1.3% decline in job numbers over the March quarter we expressed some disbelief in the numbers. We noted that there is a tendency for the numbers to sometimes move around quite violently on a quarterly basis and felt the reported decline was massively overstating what was actually happening in the labour market. The 1.3% fall in job numbers did not gel with the anecdotes we were receiving. And so it has turned out to be. The June quarter numbers released today showed that job numbers increased by - wait for it - 1.3%. There has been no growth in job numbers over the first half of the year and that sounds perfectly reasonable and well in line with the anecdotes we have been picking up of some lay-offs occurring but many businesses still finding it very difficult to get the people they want.





Job numbers are now 0.7% ahead of the year earlier. The unemployment rate in seasonally adjusted terms has increased to 3.9% for the June quarter from 3.7% in the March quarter and 3.6% a year ago. This is the highest unemployment rate since the March quarter of 2006 when businesses were last expressing strong intentions to reduce staff numbers.





Reinforcing the interpretation that the labour market is weak but not collapsing was a change in the proportion of those out of work but not actively looking for a job because they feel discouraged about finding employment to 29.5% in the June quarter from 34.5% in the March quarter. But there has been an increase to an almost 2 year high in the proportion of those people out of work because they were laid off to 11.9% from 6.5% in the March quarter. But still only a relatively low 16.3% of part-timers what more hours of work and only 3.2% of them want to work full-time.

Our overall interpretation of the numbers is that they show the labour market weakening off but not at a horrible pace. We still struggle to see that things will be weak enough to push the unemployment rate above 5% and the reserve bank's forecast of a peak at 6% still seems very unlikely given the continuing anecdotes we are receiving of labour shortages.

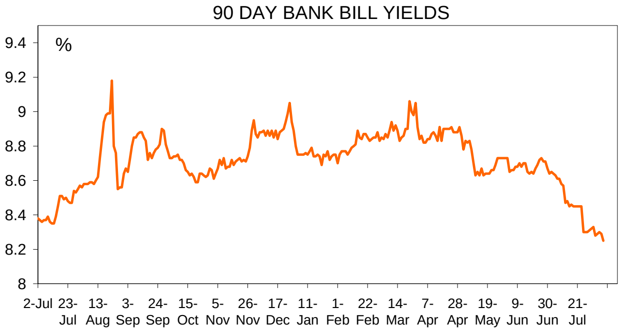
Feedback & Queries

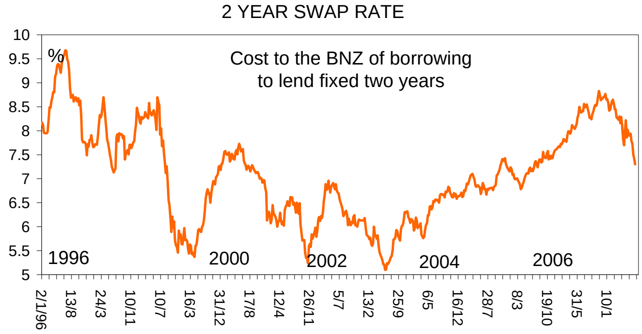
If there are any issues in the Weekly Overview you wish to comment on or you have a query about the economy, send me an email at tony.alexander@bnz.co.nz Useful issues will be discussed in the WO.

INTEREST RATES

The New Zealand Treasury released their monthly overview of the New Zealand economy this week and concluded that the economy is probably in recession with the shrinkage in GDP during the March quarter of 0.3% likely followed by further shrinkage in the June quarter. There is nothing necessarily significant in their comments because they merely agree with the market view. But what is significant is that the Reserve Bank Governor allowed himself to be interviewed about the commentary after the release and noted that the weakness provides scope for interest rates to be cut. http://www.treasury.govt.nz/economy/mei/jul08/

What the Governor has done is a repeat version of his comments in a speech last week which were interpreted as sending a signal to the markets that they should expect a continuing series of interest rate cuts. As such his comments have helped place further downward pressure on wholesale interest rates this week. The two year swap rate has ended at a two year low near 7.3% from 7.4% last week and 7.9% a month ago. The yield on 90 day bank bills has ended near 8.25% from 8.33% last week and 8.61% month ago.





So where do wholesale rates go from here? Downward.

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 8.50% at a stretch late 2008, hitting the five year average of 7.8% in mid-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	8.25%	8.33	8.61	8.78	8.59	6.4
10 year govt. bond	6.12%	6.13	6.29	6.44	6.48	6.5
1 year swap	7.67%	7.77	8.24	8.18	8.69	6.6
5 year swap	7.12%	7.22	7.48	7.53	8.17	7.0

If I Were a Borrower What Would I Do?

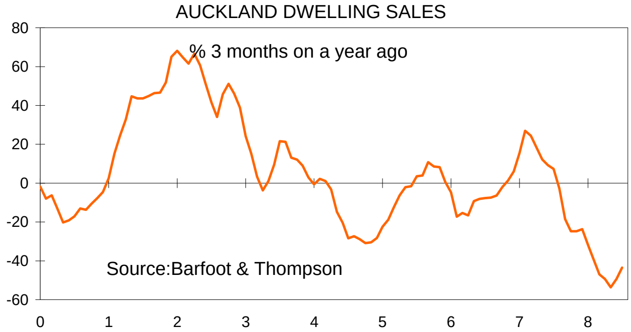
I would still fix one year.

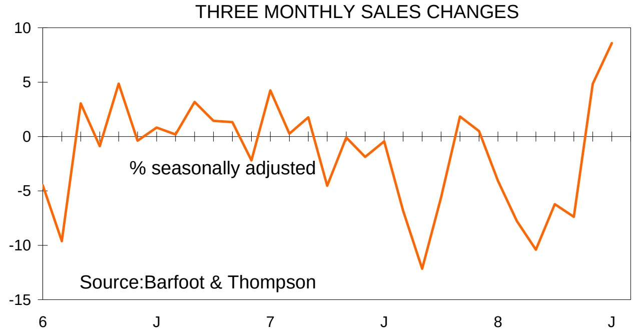
HOUSING MARKET UPDATE

Monthly data from Barfoot & Thompson show vendors backing away rapidly from listing their properties, prices easing, but turnover up firmly for the second month.

Auckland Real estate Data Not Too Ugly

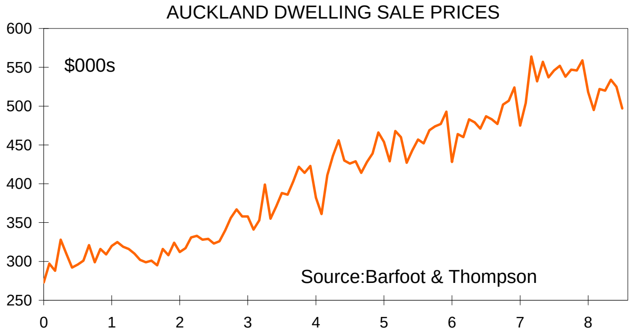
The highlight for the week as far as the housing market went was the release of monthly Barfoot and Thompson numbers for residential dwelling sales in Auckland. In July they sold 629 properties which was a decrease from a year earlier of 30% and this followed an annual decline of 44% in June. So at first glance one can say sales are still massively down from a year earlier but the extent of the decline appears to be easing.

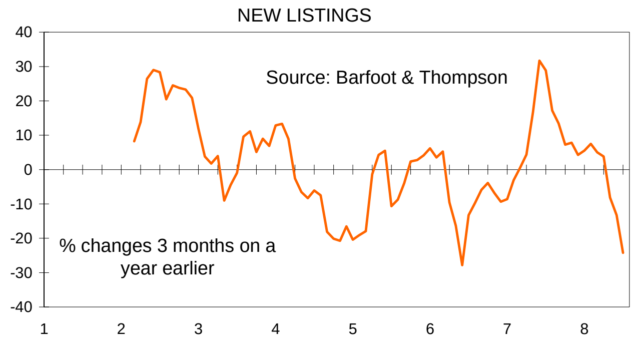




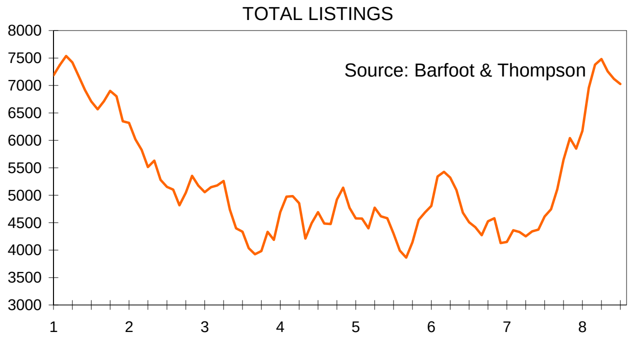
We can see this best if we make some rough seasonal adjustments to the numbers and see that in July sales improved 15% over the month following a 30% seasonally adjusted improvement in June. There is evidence that turnover in the housing market has improved recently in spite of the cold winter months.

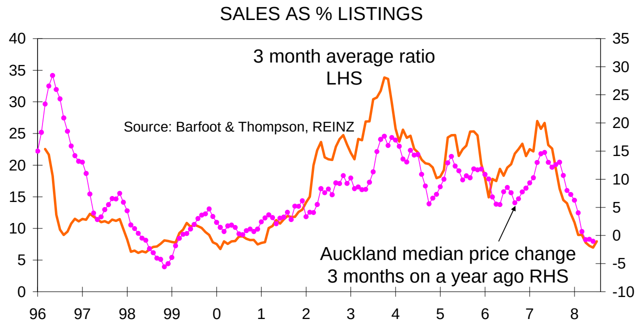
But then one might look at prices and note that the average dwelling sale price has fallen in July to $497,000 from $525,000 in June. One might conclude that house prices are falling away because after all this latest number is down from a year earlier by 9%. However as Barfoot and Thompson note in their release there was a block of 87 apartments sold during the month and this imparted a downward bias to the average sale price. This can be seen in the proportion of sales above $500,000 falling in July to 47.3% from 52% a year earlier and 51.6% in June.





The other really interesting number in their release was how many fresh listings were received during the month. In July the total was 1,171. This was a very large 30% decline from a year earlier and indicates quite clearly that vendors have little hope of selling their property at a good price at the moment and so are not bringing them forward to real estate agents. But there is still a large stock of property on the market standing at 7,028 at the end of July which was an increase from a year ago of a whopping 52%.





Overall the numbers show a weak housing market probably with prices slightly falling, sales activity at extremely weak levels, and a very large stock of properties available for buyers to peruse. But equilibrating forces are at work as evidenced by fewer vendors offering their properties for sale and in seasonally adjusted sales volumes in the past two months increasing relatively firmly from the appallingly weak conditions from the second half of March through all of May.

But no one should look at these numbers and start thinking about an upturn in the housing market. Buyers expect house prices will decline and interest rates are still at painful levels. The fact that fewer vendors are now bringing their properties forward to sell means that when general commentary about the housing market does start sounding positive they will likely swamp agents with properties they want to get rid of. In addition we are aware of many small business owners only now realising they have to sell their house or lose the business.

This means we don't think it is reasonable to speak in terms of a housing market upturn as such for a least two years. But we would advise buyers to keep an eye on what is happening with housing availability. The supply is strong at the moment and will remain so all this year. But by the middle of 2009 the rapid decline in construction we see under way now will start to show through and with probably two rounds of tax cuts in their hands and fixed housing rates falling from just below 9% at the moment to somewhere between 7.5% and 8% of the middle in next year, general debate may well turn back to New Zealand's underlying housing problem. This is one of a fundamental shortage of affordable accommodation not a massive oversupply has exists in the United States.

If I was looking to take advantage of the current weak state of the market to purchase a property I would want to have made that purchase before the middle of next year to take greatest advantage of price weakness along with high availability of properties on the market.

A point of interest to note during the week was the result of the annual AC Nielsen online survey showing that in these hard pressed times for the housing sector there has been an increased willingness of vendors to use real estate agents. 41% of vendors say they would definitely use an agent compared with 35% last year, and only 14% say they will try to sell their property by themselves.
http://www.nzherald.co.nz/section/1/story.cfm?c_id=1&objectid=10525282

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

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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%	3.9	3.7	......	3.6	3.6
Jobs growth	Average past 10 years = 1.9%	1.3	-1.3	0.7	1.5	3.0
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	8.4	9.3	12.3	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 July 31 2008	March Years					December Years				
	2007	2008	2009	2010	2011	2006	2007	2008	2009	2010
GDP - annual average % change										
Private Consumption	2.8	3.3	-1.1	1.4	2.3	2.6	4.1	-0.6	0.6	2.3
Government Consumption	4.4	4.2	3.7	3.2	3.3	4.7	4.2	3.8	3.3	3.2
Investment	-1.9	4.2	-0.2	-0.4	7.6	-1.5	4.7	0.6	-2	6.7
GNE	1.2	4.5	-0.4	1.4	3.8	1.1	4.7	0.4	0.5	3.5
Exports	3.1	2.3	0.6	4.6	3.1	1.7	3.4	0.5	4	3.2
Imports	-1.7	9.7	1.8	0.5	3.6	-2.8	8.8	4.1	-0.1	2.7
GDP	1.6	3	0	2.6	3.7	1.6	3.1	0.4	1.7	3.8
Inflation – Consumers Price Index	2.5	3.4	4.1	2.4	2.2	2.6	3.2	4.4	2.7	2
Employment	1.8	-0.2	-0.3	0.4	1.8	1.4	2.5	-1.4	-0.1	1.8
Unemployment Rate %	3.7	3.6	4.7	5.2	5	3.8	3.4	4.5	5.1	5
Wages	5.5	4.4	4.3	3	2.4	5.5	4	4.5	3.4	2.4
EXCHANGE RATE ASSUMPTIONS										
NZD/USD	0.7	0.8	0.68	0.63	0.61	0.69	0.77	0.7	0.64	0.62
USD/JPY	117	101	108	116	120	117	112	107	114	120
EUR/USD	1.32	1.55	1.47	1.34	1.3	1.32	1.46	1.5	1.37	1.34
NZD/AUD	0.88	0.87	0.77	0.76	0.77	0.88	0.88	0.78	0.76	0.76
NZD/GBP	0.36	0.4	0.37	0.36	0.36	0.35	0.38	0.37	0.36	0.36
NZD/EUR	0.53	0.52	0.46	0.47	0.47	0.52	0.53	0.47	0.47	0.46
NZD/YEN	81.9	81.1	73.4	73.1	73.3	81	86.3	74.9	73	74.4
TWI	68.6	71.6	63.1	61.5	61.1	68	71.6	64.1	61.7	61.2
Official Cash Rate	7.47	8.15	6.75	5.5	6	7.44	8.19	7.25	5.5	6
90 Day Bank Bill Rate	7.78	8.83	6.81	5.73	6.23	7.64	8.77	7.46	5.73	6.23
10 year Govt. Bond	5.91	6.35	6.1	6.1	6.3	5.77	6.38	6.1	6.1	6.25

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

The BNZ Weekly Overview is prepared by Tony Alexander, Chief Economist at the Bank of New Zealand. Ph 04 474-6744.