BNZ Weekly Overview

10 December 2009

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….

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 email me at tony.alexander@bnz.co.nz with 'Subscribe" in the Subject line.

Merry Christmas

This will be the last issue of the Weekly Overview for 2010. Normally there would be one more but next week I'll be sweltering at the theme parks and beaches of the Gold Coast with the five children so that's it for the year. This week we shall paint a broad picture of what we think 2010 is going to look like, but before doing that we need to take a look at how our picks for this year have gone. We'll start with the successes then move to the not so good.

For those who have been reading this publication for at least the past two years, and those who sent in disbelieving emails last year especially, there is only one place to start and that is with the housing market. Our view from over 18 months ago was that there would not be a collapse in house prices in New Zealand because of rapidly falling construction, improving net migration inflows, sharp interest rate falls, and the fact NZ started the big global decline with a shortage rather than an over-supply of housing. A few people felt that because we could not put a number on the shortage it could not exist. But one does not need to count the number of teeth in a crocodile's mouth to know sticking your head in there will get it bitten off.

We said four things. First, we forecast house prices would decline on average 10% - 15%. They fell at worst 11%. Second, rather than say we then expected house prices to rise (people were just too sensitive toward such positive talk) we invited people to read between the lines from our comment that if one wanted to make a "canny" purchase in the housing market then one should get it done before the middle of this year. Since January average house prices around NZ have risen 9.4% and by some measures are back to where they were late in 2007.

Third, we advised that if one had the funds then it would be a good idea to take advantage of the excess supply of tradespeople to get one's house built. It is hard to judge whether this comment was right or wrong but it is one we still make given our belief tradespeople will once again become precious items from mid-2010.

Fourth, we forecast that in the second half of this year the debate about affordable housing would flare up again. It has not yet flared but the issue is starting to be discussed again as we noted here two weeks ago.

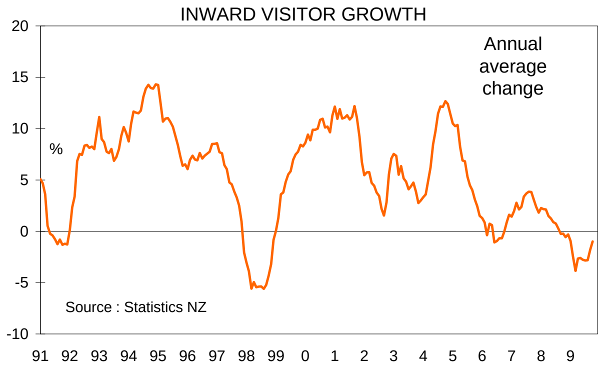
So with regard to the housing market we are going to claim a really big tick.

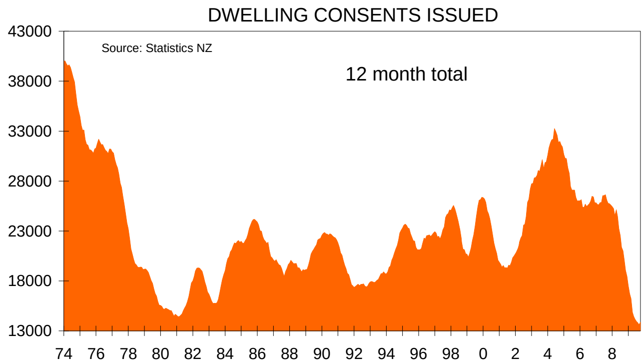
We will claim a huge tick also for interest rates. Last year we explicitly set and wrote as a goal for 2009 picking when fixed housing rates would be at their cyclical lows and calling it. We did in the March 19 issue with two words 'Fix now". We achieved the goal by one day because on Friday 20 March as every person and their animal came out of the woodwork to switch from a floating rate to a fixed rate banks found they could not in turn switch funding from floating to fixed so in order to curtail a soaring risk position the fixed housing rates shot up on Monday 23. We therefore achieved our goal by one day. Many thanks to those who have since emailed thanking us for the March 19 commentary. Enjoy your 6.49% five year rates.

So now lets look at some stuff which turned out not to be what we expected. First, like everyone else we did not pick that the NZD would hit US 76 cents a few weeks ago. The NZD staged a record six month gain against the greenback driven upward by increased global risk tolerance initially then soaring commodity prices and some USD weakness. That does not bother us all that much because as we have noted for many years now we consider exchange rates to largely be unforecastable.

But the trick with exchange rates and other things moving not as you thought they would is to recognise when the ground has shifted under you and to change what you say and do. So we will claim success from about May with regard to suggesting reasonably strongly to exporters that they should get extra hedging on board.

We thought inward visitor numbers would fall by at least 10% in the past year rather than declining only 1%. For that far better than expected performance we have the Australians to thank. Courtesy of their fiscal stimulus package coinciding with great snow in NZ the number of Aussies visiting here over the past year increased by 10%. For all other countries there was a decline of 8%. Thanks Kevin.





We did not pick the huge volatility in dairy prices – no-one did. Good luck picking where things will settle down from here because although underlying demand looks good there is always the chance of higher exports from the US in particular.

Early last year we forecast a decline in annual dwelling consent numbers to 18,000. Then we forecast 16,000. The low point was about 13,500 a couple of months ago. The collapse in the number of dwelling consents to the lowest in four decades has badly affected many people given the large and widespread multiplier effect of the residential construction sector.

Good Growth Beckons Over 2010

So what can reasonably be expected for 2010? We have discussed this issue over recent weeks so will not give a detailed fully derived overlook here. Instead suffice to say we think the following broad trends will occur in an economy growing 2.5%+ in 2010 then potentially 3.5%+ over 2011.

- House building will recover firmly bringing increasing business for builders, council inspectors, manufacturers of building materials, distributors of such materials, and manufacturers and retailers of furniture & furnishings.
- House prices are likely to creep up between 5% and 10% but could go nowhere for the next few months now there is evidence of some buyer resistance to rising prices. As with the sharemarket, long term interest rates and the exchange rate, the big movements have probably already happened this cycle for

house prices. But remember the shortage of housing which will get worse as builders go to Australia next year and subdivision development is curtailed by lack of finance.

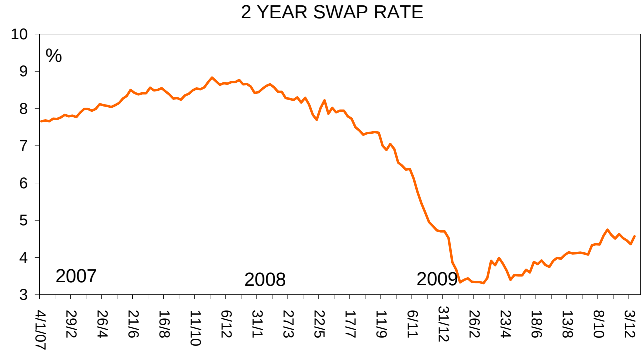
- Farm land prices will hold steady as ability to buy is capped by more restricted credit and the continuing firm NZD crimps competitiveness for most. In addition those with good cash flows – dairy farmers – are likely to concentrate hard on getting debt levels down.
- The NZD is likely to be as volatile as ever and at some point exceed US 80 cents. When it does that unless something really important has changed it will be time to sell it on a five year expectation of eventually hitting 50 cents again. Good luck if you think you have any idea on the timing of these things.
- We expect the RB to start raising the official cash rate in the middle of the year with the rate approaching 6% late in 2011. Floating rate housing and business borrowing costs will therefore rise about 3% from mid-2010 to the end of 2011 along with short-dated term deposit rates. Long dated rates will rise less but they are still highly likely to rise as banks increase competition for domestic funds to meet increasing RB requirements for domestic funding. The risk we have long noted is that the RB moves before mid-2010.
- The labour market is likely to prove stronger than generally thought and astute employers will have rejigged their workforces well before the middle of the year and elements of a labour scramble will appear for skilled people well before the end of the year.
- Global commodity prices are likely to drift upward as global growth prospects continue to improve. However there will be more Dubai-like bumps along the way especially as governments and central banks start taking away stimulatory measures.
- The NZ Government's May 2010 Budget may or may not be worth the paper it is printed on. We know there will be lots of spending restraint. The question however is whether we will see some bold tax system changes. One hopes so.
- Net annual migration flows will improve from near 18,500 at the moment to between 20,000 and 25,000 in the next few months then start drifting down again over the second half of 2010 as outflows to the booming Australian economy pick up again.
- Retail activity levels will pick up at a healthy pace from mid-2010 at the latest as employment prospects improve, cash flows are good because of a big switch to four decade low floating rates, furnishing of new houses picks up, and we get stuck into replacing our worn out cars (already happening) and couches.
- Commercial property vacancy rates will generally rise and rents ease, but late in the year the growing economy will bring forward more leasing interest and we have the view that reduced availability of finance may encourage awareness of new supply constraint further out that could imply firm rental and price gains for some years.

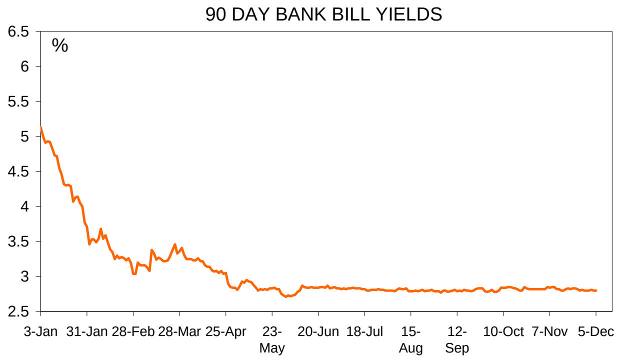
The environment overall then is expected to be one of accelerating growth in the economy supporting the NZD and causing interest rates to rise as the labour market tightens up. There is likely to be continuing high volatility in financial markets given the 0% chance that offshore central banks and governments will be able to remove their stimulatory and unsustainable policy settings in the optimal manner.

All the best to everyone for Christmas and the New Year and a big thank you to those who have contributed replies in our surveys this year. The first edition of the Weekly Overview for 2010 is tentatively planned for January 21 but could appear on the 14th.

INTEREST RATES

The Reserve Bank reviewed their official cash rate this morning and as expected left it unchanged at 2.5%. But their comments were more hawkish than expected and wholesale interest rates have jumped today. Rather than saying they anticipate raising the cash rate in the second half of 2010 – which was a step back in October from saying the "latter part" of 2010 – they now say "conditions may support beginning to remove monetary stimulus around the middle of 2010". The markets were not ready for this change – though it is the risk we have highlighted for many months now – and the one year swap rate has ended the day near 3.59%% from 3.42% last week. The five year rate has increased to near 5.55% from 5.50%. Yields on 90-day bank bills have as ever remained close to 2.8%.





Our expectation is that the first tightening will come in mid-2010 but that the risk is the tightening starts a tad sooner than this. We are forecasting that the cash rate will reach 5.75% at the end of 2011 which will represent a 3.25% rise from current levels. Where it goes after that is near impossible to reasonably predict given the huge uncertainties in play overseas and in NZ. But the risk is the rate rises further over 2012 and it is interesting to ponder on the comments below contained in this morning's Monetary Policy Statement from the RB.

"Through the recession, we were surprised by the extent to which non-tradable prices held up. Construction costs, for instance, hardly declined"
"It seems the recession simply took the heat out of inflation, rather than driving it to an especially low rate."

By the time we get to 2012 all the benefit of the rising NZD on inflation will have been captured, capacity pressures will be much greater, wages growth will be accelerating along with commercial property rents and residential property rents, and global inflation will be lifting. But the big offset to any talk about the cash rate going back above 7% is the fact that with so many NZ borrowers now on floating rates the potency and timeliness of the RB's cash rate increases will be strengthened. In addition, because the relationship between the OCR and bank funding costs has drastically changed (higher offshore borrowing premiums, higher NZ term deposit rates), an OCR of 5.75% is more like something perhaps approaching 7% in the old environment. Like we say – there is a lot of uncertainty.

Key Forecasts

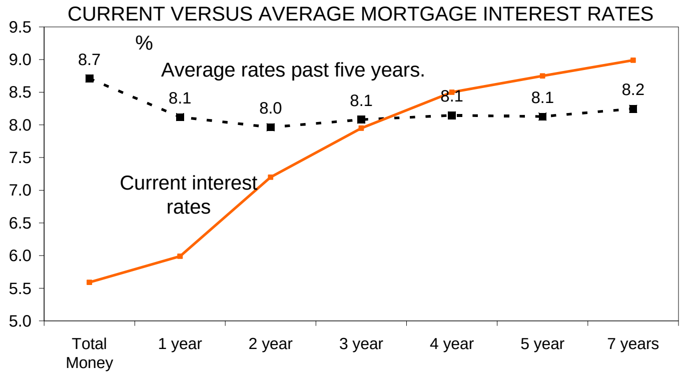
- Tightening by mid-2010.
- Medium to long term housing rates to keep on rising.

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	6.50	6.2
90-day bank bill	2.80%	2.82	2.80	2.79	5.39	6.5
10 year govt. bond	5.60%	5.68	5.70	5.60	4.84	6.2
1 year swap	3.42%	3.50	3.49	3.14	4.80	6.7
5 year swap	5.50%	5.60	5.70	5.43	5.32	7.0

If I Were a Borrower What Would I Do?

Have a good Christmas because I would have fixed everything for seven years at 6.79% back on March 20. But ignoring that smart-alec comment, I would stick with floating because the jump to fixing is just too great. I would budget for my floating rate rising 3% starting in the middle of 2010 and ending near the end of 2011. I would not pencil in any solid numbers for what that rate may do over 2012 given the high uncertainty regarding so many things, but I would tattoo on my hand the simple rule DON'T FIX AT THE PEAK OF THE FLOATING RATE CYCLE because that is the next big challenge coming people's way.



When floating rates next peak (don't know when or at what levels but best guess = 2012-13 above 10%) don't jump into fixing at a rate one would not touch now simply to save cash flow. The only reason floating rates soar and look better than fixed rates (which will be higher than they are now) is because the RB is trying to aggressively slow growth and inflation. They always win and as their victory unfolds both floating and fixed rates tumble. Those who have fixed above 9% for five years to avoid floating above 10% then jump up and down looking to break their fixed rate. If you plan being one of those people remember that lots of lessons were learned when this happened in 1998 and the documentation all signed over 2008 when doing the same thing stated clearly that there would be break costs. These costs arise because when we banks lend fixed we borrow fixed and the people we borrow from definitely do not let us pay them back their money so we can shift to funding floating.

I would float and I would take the cash flow advantage for the next year or so to get my principal down as much as possible. If I were a first home buyer I would refrain from buying any new furniture, I would have no store debt (a big trap for the new home buyer), I would run my car into the ground, watch free to air television, have only one mobile (probably prepaid), cut out the coffees, not travel overseas for holidays – basically act they way my generation did when buying first homes back in the 1980s and earlier.

Do You Still Want To Fix?

Note that for many borrowers – and business borrowers in particular – the period we have written about just above is not going to be their next major challenge. For them the challenge will be when the gap between floating and fixing shrinks about 1.5% or so from where it is now and the "cost" of jumping from floating to fixed is much less. When that happens many will switch to fixing and there is a chance many decide to do this at the same time so fixed borrowing costs will soar in a lesser version of what happened in March and April this year.

If you are only floating because you are hoping fixed rates will undergo a decent pullback then you are probably going to find yourself fixing at levels much higher than you can get currently at some stage next year. Your desire is to fix and you are only reluctantly floating. If this is you then your incentive is to fix now and sleep easy knowing your cash outflows for debt servicing will be steady. You will pay more than if you just sit floating for the next 3-4 years, but you will pay less than jumping in panic into a high fixed rate next year. There is very little chance that fixed rates will decline from current levels apart from usual short term volatility.

HOUSING MARKET UPDATE

Little New This Week

Just for your guide, their forecasting in this area has been driven more by what they want to see than what is most likely in recent years, but the Reserve Bank predict firm house price gains over the next few years. They pick average NZ house prices rising by 8.5% over 2010 and 5% over 2011. These numbers sound about right to us and probably also to the many people who took advantage of the buyers market earlier this year to get their first home or increase their investment exposure. If you are still waiting for house prices to collapse 40% - best go to one of those islands expected to be swamped as sea levels rise.

The RB's forecasts are underpinned by their expectation that the economy will grow 3% over 2010 and 4% over 2011 with the unemployment rate rising from 6.5% in the September quarter to only 6.7% next year with jobs growth appearing early next year.

These numbers are stronger than we have in our forecasts but they are not outrageously optimistic.

Consent Processing

There is nothing we humans seem to like more than finding a way around the system, maybe even gaming the system so what gets measured does not necessarily capture what is happening. Here is some excellent commentary from another X property development group regarding their interaction with the X Council. The upshot of what they write is that processing delays endemic under the old RMA are now being hidden and the cost and time impost for those trying to boost the housing stock remains.

"Anyway, the purpose of this email is to note what is happening on the ground with X Council and the recent Resource Management Act changes that came into effect on 1 October 2009. As you maybe aware the reason for the changes was to place more onus on Council's to meet their statutory timeframes of 20 working days to process resource consents. At a meeting prior to October … at X Council clearly stated that to assist in achieving their statutory timeframes, which will ensure they don't 'look bad' when the Ministry for the Environment (MFE) do their audits they openly claimed that they will start tightening up acceptance on what applications met their standards. This means by rejecting consents up front they won't go into their system and therefore the 20 working day clock won't start ticking and extra delays are now occurring prior to lodgement. Just another way for Council's to work around the rules and fudging the working days that are actually counted for their MFE audits.

Since making that comment prior to October we are now two months into the new changes to the Act. So far X Council have gone from accepting 70% of resource consents prior to 1 October 2009 to now accepting 30% of resource consents. All that has happened is X City have pushed the delay in most resource consents from during the processing of the consent to prior to lodgement asking for more expert reports and being extra risk adverse in their decision making so the process of lodgement is more onerous, expensive and once again delays!!! "

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.

Key Forecasts

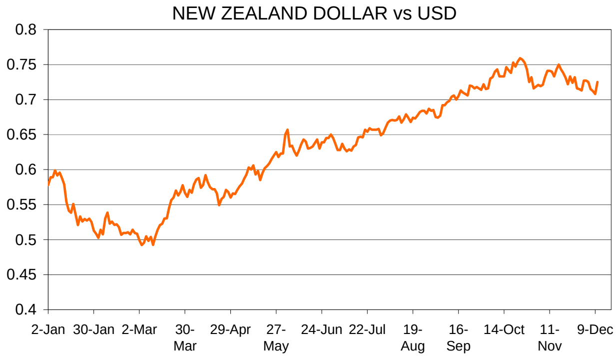
- Dwelling consent numbers to recover now with potentially good activity from mid-2010.
- Real estate sales continuing to increase but the rise limited by listings shortages.
- House prices edging higher.

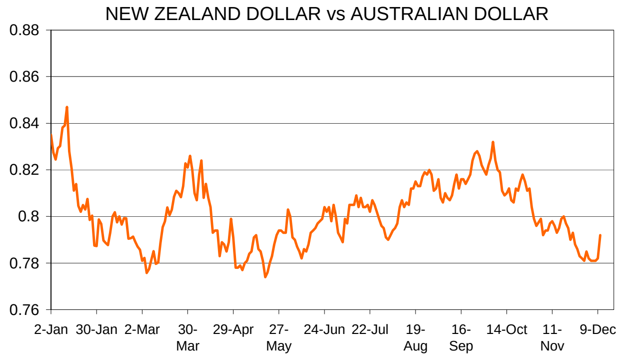
Exchange Rates & Foreign Economies

Exchange Rates	This Week	Week Ago	4 wks ago	3 mths ago	Yr ago	Consensus Frcsts yr ago*	10 yr average
NZD/USD	0.725	0.727	0.741	0.698	0.545	0.573	0.592
NZD/AUD	0.792	0.782	0.797	0.809	0.827	0.848	0.856
NZD/JPY	63.900	63.800	66.700	64.300	50.4	59.0	66.8
NZD/GBP	0.444	0.436	0.442	0.422	0.369	0.358	0.345
NZD/EUR	0.491	0.482	0.494	0.479	0.421	0.448	0.51
USD/JPY	88.138	87.758	90.013	92.120	92.477	103.0	113.9
USD/GBP	1.633	1.667	1.676	1.654	1.477	1.601	1.709
USD/EUR	1.477	1.508	1.500	1.457	1.295	1.278	1.156
AUD/USD	0.915	0.930	0.930	0.863	0.659	0.676	0.69

NZD At Three Month Low – Blink And You Missed It

Exporters received some good news early this week with the NZD falling away against the greenback to its lowest level in three months near US 70.8 cents from 72.7 cents last week. The decline was driven by a range of things reducing risk tolerance including a downgrading of Greece's credit rating, new worries about the banking sector in the UK, some weaker than expected data out of Europe, and the decision of the Bank of Canada not to raise its cash rate at the moment. In addition the greenback has strengthened to a two month high against the Euro and pound following Friday nights far better than expected US employment data.





Usually when a positive piece of economic data appears in the United States the greenback weakens and the NZD rises on the back of improving risk tolerance. But on Friday night even though the US unemployment rate unexpectedly fell to 10% from 10.2%, job losses in November totalled only 11,000 and not the expected 125,000, and job losses in the previous three months were reduced by 159,000, the greenback actually rose and the NZD fell.

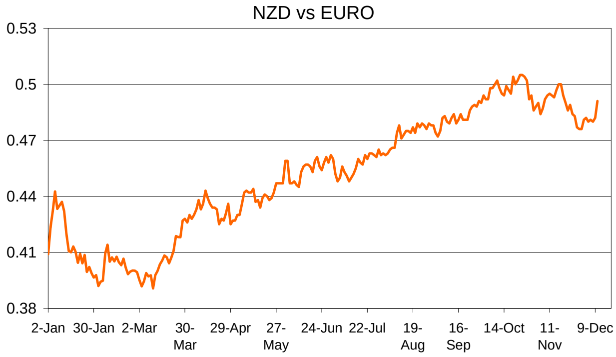
These movements happened because the markets have started to think the US Federal Reserve will now be more inclined to start removing its 0% - 0.2% funds rate around the middle of the year rather than late in the year as previously expected.

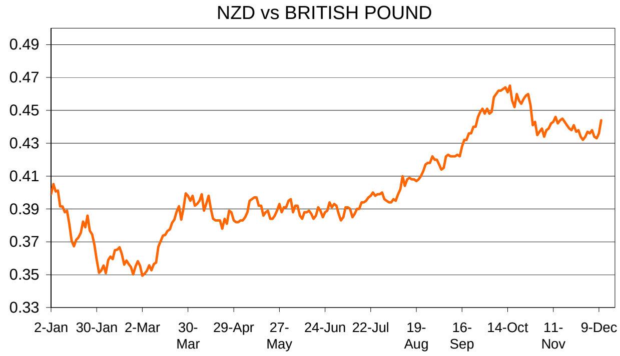
The question then is whether the trend in the greenback has changed and it will now firm and the NZD drift lower. Anything is possible of course in the unforecastable world of exchange rates, but the chances are this is just a profit-taking type upward blip in the greenback which will be reversed once the next decent piece of weak data comes out and policy tightening expectations get shifted back out. Or, more likely, the USD will weaken anew after the Fed. Chairman next re-emphasises his determination to keep stimulatory measures in place for a long time.

But whatever happens, while we think the USD drift remains downward for the coming year and the NZD drift upward, we emphasise that high volatility is near guaranteed given the huge uncertainties surrounding economic and financial recoveries around the world. One of the key areas of uncertainty is the plans of central banks regarding the currencies they hold their FX reserves in. The prevalent view is that “surely” over time these central banks will reduce their USD holdings in favour of other currencies - which is where things start to get a bit unstuck because the alternatives can also look a bit dodgy as in will the Euro survive, what role for the Yen given Japan’s two decades of mediocre economic performance, what future for the British pound given major fiscal and banking sectors problems – and that is about it for the alternatives. Maybe that is why gold prices have surged. Note though that one reason for greenback strength this week is clearly a bout of profit-taking in the gold market after a record price above US$1,200 was reached a few days ago.

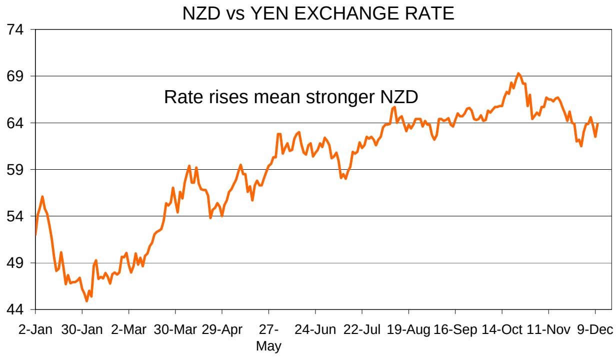
Over the weekend there was an indication out of China that diversification away from the USD is not planned – and this helped the greenback remain firm on Monday.

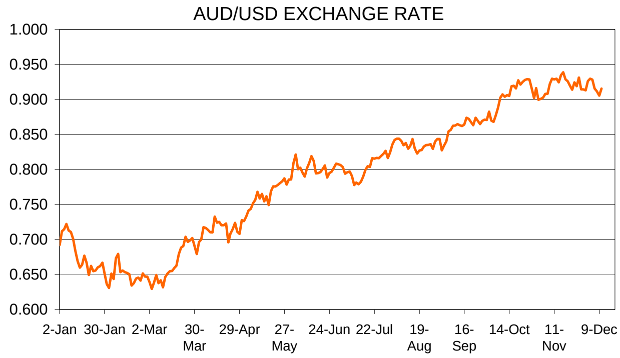
But the big thing of interest for the Kiwi dollar happened this morning when the RB left their official cash rate unchanged at 2.5% but altered their projection of when they will start raising the rate to the middle of 2010 from sometime during the second half. This change was more than the markets expected so expectations have increased that the RB will raise rates early in 2010 and this has caused the NZD to go back almost to the US 72.7 cent level it was at a week ago and this afternoon it is near 72.5 cents. One hopes exporters took advantage of the fall below US 71 cents to get some extra hedging on board.





Against the Aussie dollar the NZD has ended one cent higher than last Thursday near 79.2 cents, unchanged against the Yen just below 64, but stronger against both the pound and Euro at 44.4 pence from 43.6 pence, and 49.1 centimes from 48.2.





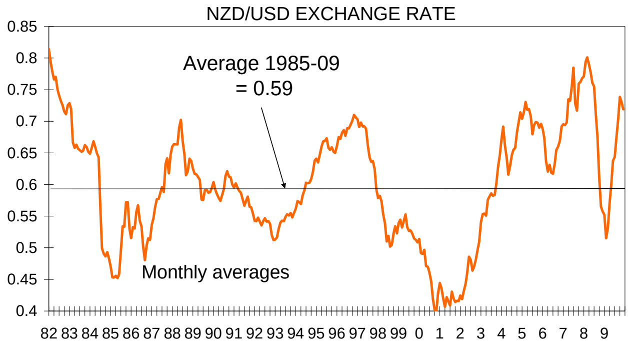
Over the next couple of weeks we will learn about the latest state of the NZ government’s accounts and projections for the next few years, along with September quarter current account and GDP numbers. None of these things generally cause much of an impact in the financial markets and when they are done and dusted things will settle down until maybe the middle of January.

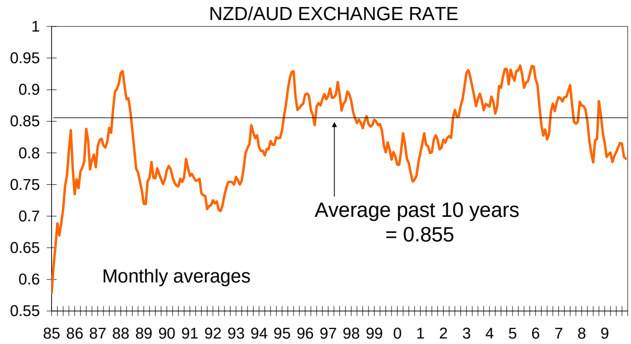
If I Were An FX Receiver What Would I Do?

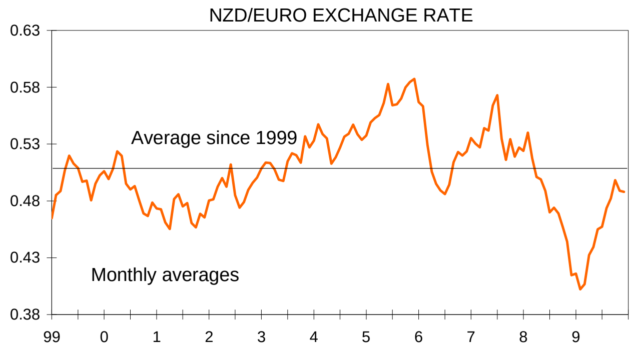
Growth projections for the NZ economy are being revised upward – by the RBNZ today. Other countries are having their credit ratings cut or put on negative credit watch. Other countries have fiscal problems which will take years to solve. Our export commodity prices have jumped around 35% since early this year. The RBNZ is likely to start raising interest rates before the US Federal Reserve, Bank of England, Bank of Japan, and European Central Bank. As world growth improves investor risk tolerance will rise.

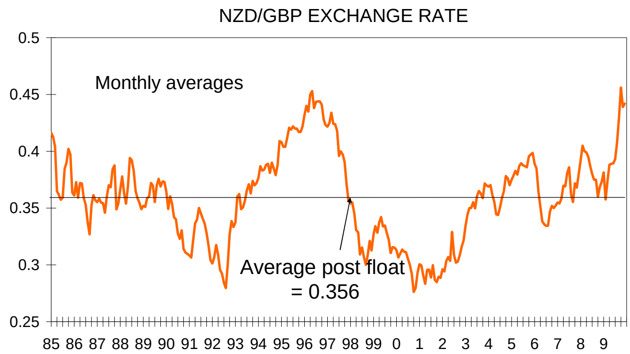
All of these things and the likelihood that the greenback is undergoing a structural decline of limited magnitude suggest the direction for the NZD is still upward – with lots of volatility. At some point there will be a reversal and we will head back to US 60 cents and one day again 50 cents. But it is impossible to reasonably pick when this will happen.

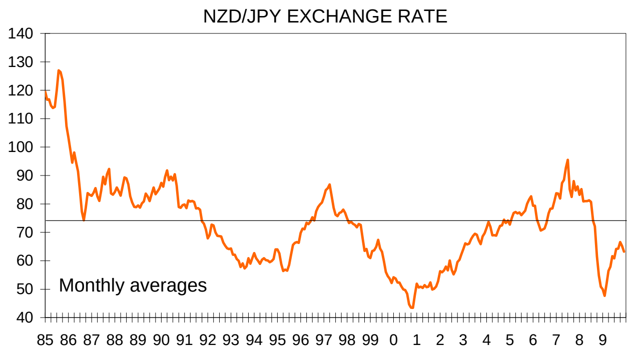
So as an exporter I would take advantage of periods of weakness in the NZD – as we have just had – to boost my cover.











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

ECONOMIC DATA

All %		Latest qtr only	Previous qtr only	Latest year	Year ago	2 Yrs ago
Inflation	RBNZ target is 1% - 3% on average	1.3%	0.6	1.7	5.1	1.8
GDP growth	Average past 10 years = 3.0%	+0.1	-0.8	-1.8	2.5	2.3
Unemployment rate	Average past 10 years = 5.3%	6.5	6.0	......	4.3	3.6
Jobs growth	Average past 10 years = 1.9%	-0.7	-0.4	-1.8	1.1	1.6
Current a/c deficit	Average past 10 years = 5.5% of GDP	5.9	8.1	......	8.3	8.2
Terms of Trade		-8.9	-2.7	-13.1	10.7	2.3
Wages Growth	Stats NZ analytical series	0.6	0.8	4.6	5.6	4.6
Retail Sales ex-auto	Average past 9 years = 3.8%.	0.5	0.3	-0.9	0.4	5.5
House Prices	REINZ Stratified Index	3.3	2.2	5.0	-6.8	9.4
Net migration gain	Av. gain past 10 years = 11,700	+18,560	14,488yr	......	4,329	7,520
Tourism – an. av grth	10 year average growth = 5.0%. Stats NZ	-1.0	-2.8	-1.0	-0.2	3.1
		Latest year rate	Prev mth year rate	6 mths ago	Year ago	2 yrs ago
Consumer conf.	10 year average = 2%. Colmar survey	52	57	3	5	2
Business activity exps	10 year average = 26%. NBNZ	34	31	4	-14	16
Household debt	10 year average growth = 11.3%. RBNZ	2.6	2.3	2.6	6.0	13.1
Dwelling sales	10 year average growth = 3.5%. REINZ	36.3	43.7	39.1	-34.8	-22.6
Floating Mort. Rate	(Total Money) 10 year average = 7.6%*	5.59	5.59	6.49	10.49	9.99
3 yr fixed hsg rate	10 year average = 7.9%	7.95	7.45	6.59	8.69	8.75

ECONOMIC FORECASTS

Forecasts at Nov. 26 2009	March Years					December Years				
	2008	2009	2010	2011	2012	2007	2008	2009	2010	2011
GDP - annual average % change										
Private Consumption	3.2	-0.8	-0.2	1.8	2	4.1	-0.1	-1	1.6	2
Government Consumption	4.2	3.3	0.8	2.7	1.9	3.8	3.8	1.3	2.3	2.2
Investment	4.2	-8.8	-11.8	4.9	8.8	4.9	-5.2	-13.9	1.1	9.6
GNE	4.2	-2	-3.4	4	3.4	4.4	-0.1	-5	3.3	3.7
Exports	3.1	-3.3	-0.7	0.4	5	3.9	-1.3	-2	-0.6	4.7
Imports	10	-4.7	-13.5	3.2	5.9	8.9	2	-17	1.6	5.6
GDP	3.1	-1.1	-0.6	3.1	3.1	3.2	0	-1.6	2.4	3.4
Inflation – Consumers Price Index	3.4	3	2.6	1.2	2.6	3.2	3.4	2.7	1.9	2.1
Employment	-0.2	0.7	-1.5	2.6	3.2	2.4	0.9	-2.8	1.7	3.4
Unemployment Rate %	3.8	5	7.4	7.2	6.2	3.5	4.7	7	7.4	6.3
Wages	4.3	5.1	3.4	1.6	3.8	4	5	4.1	1.4	3.3
EXCHANGE RATE ASSUMPTIONS										
NZD/USD	0.8	0.53	0.78	0.78	0.7	0.77	0.56	0.76	0.79	0.72
USD/JPY	101	98	92	105	109	112	91	91	104	108
EUR/USD	1.55	1.31	1.48	1.44	1.4	1.46	1.34	1.49	1.45	1.41
NZD/AUD	0.87	0.8	0.82	0.84	0.82	0.88	0.83	0.81	0.83	0.83
NZD/GBP	0.4	0.37	0.45	0.44	0.41	0.38	0.37	0.45	0.44	0.42
NZD/EUR	0.52	0.41	0.53	0.54	0.5	0.53	0.41	0.51	0.54	0.51
NZD/YEN	81.1	51.8	71.8	81.9	76.3	86.3	50.9	69.2	82.2	77.8
TWI	71.6	53.8	69.7	72.4	67.2	71.6	55.1	67.9	72.7	68.5
Official Cash Rate	8.25	3	2.5	4.25	6.25	8.25	5	2.5	3.75	5.75
90 Day Bank Bill Rate	8.91	3.24	2.75	4.62	6.62	8.9	5.23	2.76	4.17	6.12
10 year Govt. Bond	6.36	4.77	5.8	6.3	7	6.4	4.88	5.8	6	6.8

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

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*extrapolated back in time as Total Money started in 2007