

# New Zealand Weekly Data Wrap

27 October 2023



This is not personal advice nor financial advice about any product or service. It does not take into account your financial situation or goals. Please refer to the Important Notice.



Contact us

See page 5.

## Forecast updates

Recent ANZ NZ Forecast Updates can be found [here](#).

- NZ Property Focus: going up
- NZ Forecast Update: milk price revised down further
- NZ Forecast Update: the much-needed adjustment
- NZ Forecast Update: milk price forecasts trimmed further

Our other recent publications are on [page 2](#).

## What's the view?

- GDP transitioning from acute supply constraints to a softening demand pulse.
- Labour market still tight, but cooling.
- Inflation way above target and looking sticky.
- OCR on hold at 5.50% until February 2024, then higher.

Our forecasts are on [page 4](#).

Confused by acronyms or jargon? See a glossary [here](#).

## Key risks to our view



Global growth and financial market risks persist, with China in focus.



Soaring net migration could see rents and house prices start to rise more quickly.



Booming migration plus fiscal stimulus could see demand hold up for longer.

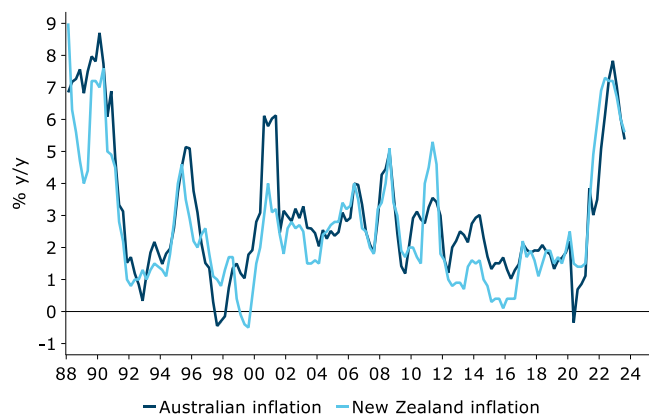


NZ's large external imbalances could see the market impose a more abrupt adjustment path.

## Too hot to hold

Inflation in both Australia and New Zealand remains too high and we now expect both the RBA and RBNZ to hike their policy rates further. This week Australia's inflation for Q3 printed at 5.4%, only marginally below NZ's rate of 5.6% (figure 1). Inflation in both countries is looking like it will hang around longer than either central bank is comfortable with, because core inflation continues to be far too high.

Figure 1: New Zealand and Australia CPI inflation



Source: ABS, Stats NZ, Macrobond, ANZ Research

In Australia there was a broad-based reacceleration on a quarterly basis across several important measures.

- Non-tradables inflation reaccelerated to 1.3% q/q, pointing to an ongoing mismatch between domestic demand and supply.
- Services inflation picked up to 1.0% q/q and the reacceleration in goods inflation to 1.2% q/q is also a concern, even accounting for the sharp rise in fuel prices.
- Non-discretionary inflation jumped back up to 1.4% q/q, which is worrying given the disproportionate impact on lower-income households.

New Zealand's inflation numbers last week pointed to similar problems, despite a reasonable tick down in headline CPI. In both countries core inflation remains too high and is falling only gradually. Australia's trimmed mean inflation fell to 5.2% and the same measure in New Zealand's fell to 5.5%, still around double where the central banks would like it to be. As in Australia, non-tradeable and services inflation in New Zealand remains at levels well above what's consistent with CPI being in the target range and labour market pressures look likely to keep it there for a while yet.

In many ways, New Zealand and Australia have a shared labour market and so have a shared services inflation problem. Citizens from either country can work in the other one, meaning people head across the ditch when there are large wage differences. Right now, wages in Australia in many professions are higher than in New Zealand, meaning trained workers are leaving. This puts upward pressure on New Zealand wages as employers attempt to retain talent. This impact is being offset by record inbound migration. Nonetheless, our joint labour market will make it challenging for the RBNZ to fully resolve persistent core inflation until Australia's labour market and services inflation cools. Next week we find out how much progress the RBNZ has made on its journey back to maximum sustainable employment (MSE).



## Looking ahead



### NZ Insights and Analysis

ANZ produces a range of in-depth insights.

- NZ Insight: macro impacts in New Zealand from an increase in global term rates
- NZ Insight: finding external balance
- NZ Agri Focus: regaining ground
- NZ Property Focus: going up
- NZ Property Focus: regional revelations
- NZ Economic Outlook: waiting on the last domino
- NZ ETS: Change of price and volumes settings
- NZ Agri Focus: winter chill
- NZ Insight: divergence across the Tasman, recession for NZ but not for Oz
- NZ Insight: Inflation rotation



### NZ Economic News

View latest data and policy releases

- NZ GDP: what recession ... but one looming?
- NZ REINZ housing data: on ice
- RBNZ MPR Review: a more sustained period of time
- NZ CPI and OCR call change: progress buys time
- NZ labour market: relatives and absolutes
- NZ PREFU 2023: more debt, more bonds, more deficits

Click [here](#) for more.



### ANZ Proprietary data

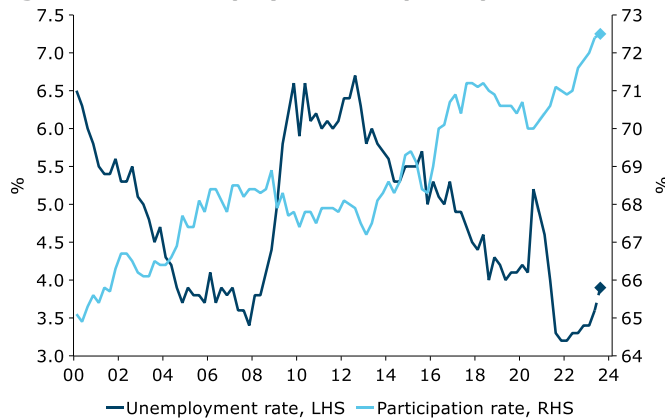
Check out our latest releases below.

- ANZ Business Outlook
- ANZ-Roy Morgan Consumer Confidence
- ANZ Truckometer
- ANZ Commodity Price Index
- ANZ NZ Merchant and Card Spending: September 2023

### A gradual ascent

Next week brings **Q3 labour market data**. We expect the unemployment rate lifted 0.3%pt to 3.9% in Q3, unchanged from our previous forecast. While we expect employment growth of 0.4% q/q (stronger than our previous forecast of 0.2% q/q), labour supply has grown by more than that – and by more than previously expected. The working age population rose 0.6% in Q3, and we also expect that the participation rate lifted 0.1%pt to a fresh record high of 72.5% (figure 2).

**Figure 2. Our unemployment and participation rate forecast**



Source: Stats NZ, Macrobond, ANZ Research

Employment growth has moderated from earlier in the year, but has proven more robust than anticipated in recent months. We attribute that to a stronger supply-side recovery. The massive influx of new migrants has likely enabled firms to finally work through previously unmet labour demand. The proportion of firms reporting labour as the primary constraint for their business has eased sharply this year, but has only returned to around pre-COVID levels, and we suspect employment levels were still recovering to some degree in Q3.

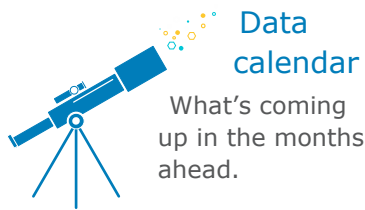
Capacity pressures in the labour market have certainly eased this year and wage growth looks to be past its peak. But the lagged response of wages is likely to result in persistent wage pressures for some time. We expect the private sector Labour Cost Index rose 1.0% q/q (4.2% y/y), and private sector average hourly earnings (ordinary time) 2.0% q/q (7.1% y/y).

The labour market has continued to ease over the past three months and is approaching sustainable levels – the level of employment that is consistent with stable inflation outcomes – though we estimate that we aren't quite there yet. However, getting to sustainable levels isn't likely to be enough for the RBNZ. The RBNZ ultimately requires a sustained period of employment *below* sustainable levels to return core inflation to target. That's hardly an appealing proposition. But if the labour market remains beyond sustainable levels for too long, we run the risk of inflation normalising above target, via stubborn inflation expectations becoming embedded in wage- and price-setting behaviour. In the long run, that's likely to be far costlier for the economy and result in worse employment outcomes for households.

We see the risks as skewed to current policy settings not being sufficient for the RBNZ to return inflation to target in an appropriate timeframe. By February, the RBNZ will have the Q4 CPI and labour market and Q3 GDP data. We expect these data to highlight continued persistence in domestic inflation, a labour market that, while meaningfully cooler, remains inflationary and an economy that is slowing, but not rolling over. We think that suite of data will prove enough evidence that there is more work to do, drawing the RBNZ back to the hiking table.



## Financial markets update



Date	Data/event
Tue 31 Oct (10:45am)	Building Permits – Sep
Tue 31 Oct (1:00pm)	<a href="#">ANZ Business Outlook – Oct</a>
Tue 31 Oct (3:00pm)	RBNZ Sectoral Lending – Sep
Wed 1 Nov (9:00am)	RBNZ Financial Stability Report
Wed 1 Nov (10:45am)	<b>Labour Market – Q3</b>
Mon 6 Nov (1:00pm)	<a href="#">ANZ Commodity Price Index – Oct</a>
Wed 8 Nov (early am)	GlobalDairyTrade auction
Wed 8 Nov (10:45am)	RBNZ Inflation Expectations – Q4
Fri 10 Nov (10:30am)	BusinessNZ Manuf PMI – Oct
Mon 13 Nov (10:30am)	Performance Services Index – Oct
Tue 14 Nov (10:45am)	Food Price Index – Oct
Tue 14 Nov (10:45am)	Rental Price Index – Oct
Wed 15 Nov (10:45am)	Electronic Card Transactions – Oct
Wed 15 Nov (10:45am)	Net Migration – Sep
Tue 21 Nov (10:45am)	Merchandise Trade – Oct
Wed 22 Nov (early am)	GlobalDairyTrade auction
Fri 24 Nov (10:00am)	<a href="#">ANZ Truckometer – Oct</a>
Fri 24 Nov (10:45am)	Retail Trade – Q3
Wed 29 Nov (2:00pm)	<b>RBNZ MPS</b>
Thu 30 Nov (10:45am)	Building Permits – Oct
Thu 30 Nov (1:00pm)	<a href="#">ANZ Business Outlook – Nov</a>
Thu 30 Nov (3:00pm)	RBNZ Sectoral Lending – Oct
Fri 1 Dec (10:00am)	<a href="#">ANZ-RM Consumer Confidence – Nov</a>
Mon 4 Dec (10:45am)	Terms of Trade – Q3
Tue 5 Dec (10:45am)	Volume of All Buildings – Q3
Tue 5 Dec (1:00pm)	<a href="#">ANZ Commodity Price Index – Nov</a>
Wed 6 Dec (early am)	GlobalDairyTrade auction

### Interest rate markets

While both short and long-end NZ interest rates are lower than a week ago, both ends of the yield curve have been whippy, ebbing and flowing with volatile global rates. The US 10yr Treasury bond yield (often regarded as the global bellwether financial market indicator) traded to a high of 5.02% on Monday night, only to correct down to 4.84% later in the same session, before spending the rest of the week oscillating. Positioning has clearly played a role in driving volatility, but it has been encouraging to see that local interest rates have been less reactionary. One other factor suppressing both volatility and the level of local long-term interest rates was the lack of any signal of an NZGB syndication in November. We didn't expect it, but many others did, and the upshot is that the window for a deal has now effectively closed for 2023, and investors must now wait until next year for new, large-scale issuance. Amid signs that some investors were short, expecting a deal, we've seen NZGB outperform global peers. Looking further out, we still believe it'll be a challenging time for bond markets; the fiscal outlook tends to take a long time to turn, and higher yields imply higher funding costs, all of which speaks to elevated issuance. Short-end rates have been far less interesting (no pun intended), and what happens next depends on next week's labour market data, and via correlations, the following week's RBA meeting (at which we now expect a hike). Markets seem confident that the labour market has turned the corner and are now starting to ask whether another rate hike is necessary. We think one is, but even if [higher term yields](#) do some work for the RBNZ, we still think it'll be a long time before we see cuts, leaving short-end rates elevated for some time.

### FX markets

The Kiwi made a new cycle low this week, falling to 0.5774 at one stage before mounting a tepid recovery. Part of the bounce can arguably be attributed to a lift in the AUD following calls for a hike there next month (suggesting that if we see an RBA hike on 7 November the Kiwi may spike higher). The big picture remains very USD-centric, and ongoing resilient US data (and an emerging 'goldilocks' vibe as growth surprises to the upside but inflation measures moderate) risks the USD remaining stronger for longer. We see that as the main threat to the Kiwi going forward.

### Key data summary

**Overseas Merchandise Trade – September.** Goods exports fell to \$4.9bn (-18% y/y) and goods imports fell to \$7.2bn (-15% y/y)

**ANZ Truckometer – September.** The Light Traffic Index fell 1.3% m/m, while the [Heavy Traffic Index](#) fell 3.5% m/m.

**ANZ-Roy Morgan Consumer Confidence – October.** [Rose 2 points](#) to 88.1. Inflation expectations rose 0.3ppt to 4.5%, undoing much of last month's fall.

### The week ahead

**Building Permits – September (Tuesday 31 October, 10:45am).** Likely to continue their recent downwards trend, although watch for volatility.

**ANZ Business Outlook – October (Tuesday 31 October, 1:00pm).**

**RBNZ sectoral lending data – September (Tuesday 31 October, 3:00pm).** Will mortgage lending pick up with the turned housing market?

**RBNZ Financial Stability Report - November (Wednesday 1 November, 9:00am).** Looking for commentary on housing market risks, which could inform debt-to-income (DTI) regulations in 2024.

**Labour Market Statistics – Q3 (Wednesday 1 November, 10:45am).** Unemployment slowly rising and wages slowly falling. See our [Preview](#).



## Key forecasts and rates

	Actual			Forecast (end month)					
	Aug-23	Sep-23	Today	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
<b>FX rates</b>									
NZD/USD	0.594	0.600	0.582	0.590	0.610	0.610	0.620	0.630	0.630
NZD/AUD	0.919	0.932	0.920	0.908	0.897	0.897	0.886	0.875	0.875
NZD/EUR	0.547	0.567	0.551	0.541	0.550	0.540	0.544	0.543	0.543
NZD/JPY	86.7	89.6	87.6	85.6	85.4	83.0	81.8	80.6	80.6
NZD/GBP	0.469	0.492	0.480	0.465	0.473	0.462	0.463	0.463	0.463
NZ\$ TWI	69.8	71.5	69.4	68.7	69.8	69.1	69.4	69.5	69.4
<b>Interest rates</b>									
NZ OCR	5.50	5.50	5.50	5.50	5.75	5.75	5.75	5.50	5.25
NZ 90 day bill	5.65	5.74	5.64	5.83	6.07	6.10	5.93	5.82	5.57
NZ 2-yr swap	5.44	5.72	5.86	5.68	5.64	5.48	5.35	5.25	5.17
NZ 10-yr bond	4.87	5.31	5.48	5.70	5.75	5.65	5.50	5.35	5.25

### Economic forecasts

	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
GDP (% qoq)	0.9	<b>0.3</b>	<b>0.3</b>	<b>-0.1</b>	<b>0.1</b>	<b>0.3</b>	<b>0.3</b>	<b>0.4</b>	<b>0.5</b>
GDP (% yoy)	1.8	<b>0.6</b>	<b>1.5</b>	<b>1.4</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	<b>1.1</b>	<b>1.5</b>
CPI (% qoq)	1.1	1.8	<b>0.9</b>	<b>0.7</b>	<b>0.6</b>	<b>0.9</b>	<b>0.4</b>	<b>0.4</b>	<b>0.5</b>
CPI (% yoy)	6.0	5.6	<b>5.1</b>	<b>4.5</b>	<b>4.0</b>	<b>3.1</b>	<b>2.7</b>	<b>2.4</b>	<b>2.3</b>
Employment (% qoq)	1.0	<b>0.4</b>	<b>0.0</b>	<b>-0.2</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>	<b>0.3</b>	<b>0.3</b>
Employment (% yoy)	4.0	<b>3.1</b>	<b>2.3</b>	<b>1.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.3</b>	<b>0.8</b>	<b>1.0</b>
Unemployment Rate (% sa)	3.6	<b>3.9</b>	<b>4.2</b>	<b>4.6</b>	<b>4.7</b>	<b>4.8</b>	<b>4.9</b>	<b>5.1</b>	<b>5.1</b>

Figures in bold are forecasts. mom: Month-on-Month; qoq: Quarter-on-Quarter; yoy: Year-on-Year. [Click here for full ANZ forecasts](#)

Figure 3. GDP level

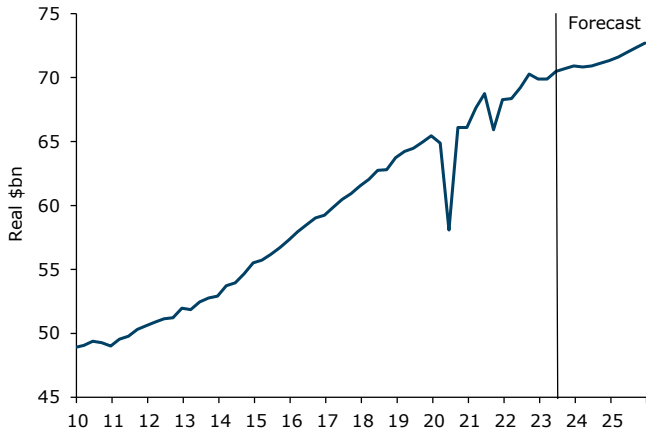
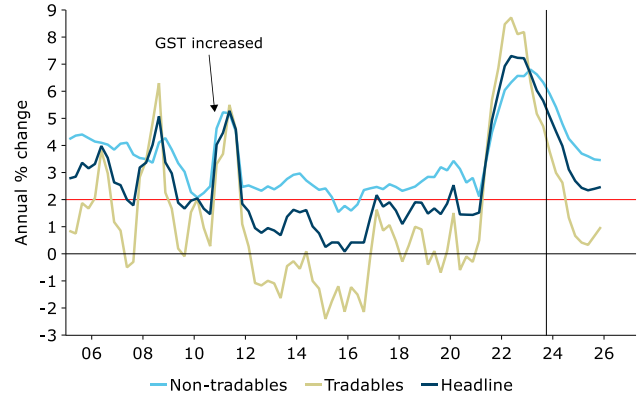
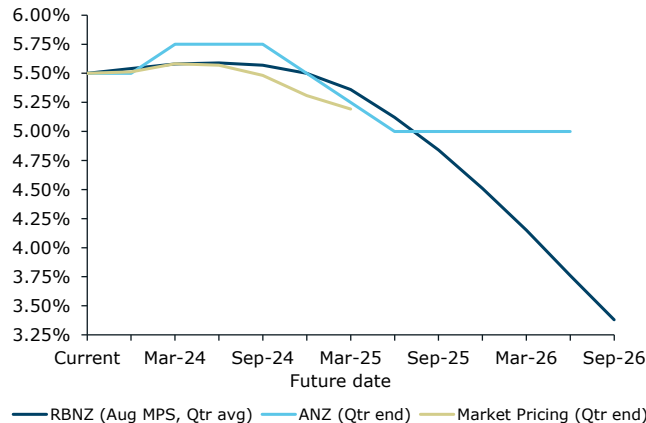


Figure 4. CPI inflation components



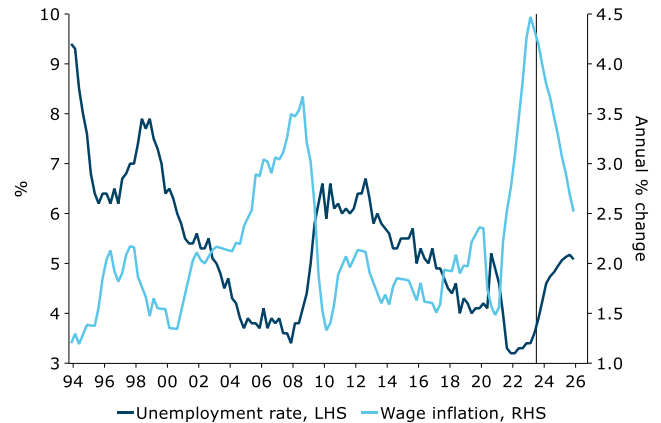
Source: Stats NZ, Macrobond, ANZ Research

Figure 5. OCR forecast



Source: Stats NZ, Bloomberg, RBNZ, Macrobond, ANZ Research

Figure 6. Unemployment and wage inflation





## Contact us

---

### Meet the team

We welcome your questions and feedback. Click [here](#) for more information about our team.



**Sharon Zollner**  
Chief Economist

Follow Sharon on X  
@sharon\_zollner

Telephone: +64 9 357 4094  
Email: [sharon.zollner@anz.com](mailto:sharon.zollner@anz.com)

General enquiries:  
[research@anz.com](mailto:research@anz.com)

Follow ANZ Research  
@ANZ\_Research (global)



**David Croy**  
Senior Strategist

Market developments, interest rates, FX, unconventional monetary policy, liaison with market participants.

Telephone: +64 4 576 1022  
Email: [david.croy@anz.com](mailto:david.croy@anz.com)



**Susan Kilsby**  
Agricultural Economist

Primary industry developments and outlook, structural change and regulation, liaison with industry.

Telephone: +64 21 633 469  
Email: [susan.kilsby@anz.com](mailto:susan.kilsby@anz.com)



**Miles Workman**  
Senior Economist

Macroeconomic forecast co-ordinator, fiscal policy, economic risk assessment and credit developments.

Telephone: +64 21 661 792  
Email: [miles.workman@anz.com](mailto:miles.workman@anz.com)



**Henry Russell**  
Economist

Macroeconomic forecasting, economic developments, labour market dynamics, inflation and monetary policy.

Telephone: +64 21 629 553  
Email: [henry.russell@anz.com](mailto:henry.russell@anz.com)



**Andre Castaing**  
Economist

Macroeconomic forecasting, economic developments, housing and monetary policy.

Telephone: +64 21 199 8718  
Email: [andre.castaing@anz.com](mailto:andre.castaing@anz.com)



**Kyle Uerata**  
Economic Statistician

Economic statistics, ANZ proprietary data (including ANZ Business Outlook), data capability and infrastructure.

Telephone: +64 21 633 894  
Email: [kyle.uerata@anz.com](mailto:kyle.uerata@anz.com)



**Natalie Denne**  
PA / Desktop Publisher

Business management, general enquiries, mailing lists, publications, chief economist's diary.

Telephone: +64 21 253 6808  
Email: [natalie.denne@anz.com](mailto:natalie.denne@anz.com)

# Important notice

---

Last updated: 18 April 2023

**The opinions and research contained in this document (which may be in the form of text, image, video or audio) are (a) not personal financial advice nor financial advice about any product or service; (b) provided for information only; and (c) intended to be general in nature and do not take into account your financial situation or goals.**

This document may be restricted by law in certain jurisdictions. Persons who receive this document must inform themselves about and observe all relevant restrictions.

**Disclaimer for all jurisdictions:** This document is prepared by ANZ Bank New Zealand Limited (ANZ Centre, 23-29 Albert Street, Auckland 1010, New Zealand). This document is distributed in your country/region by Australia and New Zealand Banking Group Limited (ABN11 005 357 522) (**ANZ**), a company incorporated in Australia or (if otherwise stated), by its subsidiary or branch (herein collectively referred to as **ANZ Group**). The views expressed in this document are those of ANZ Economics and Markets Research, an independent research team of ANZ Bank New Zealand Limited.

This document is distributed on the basis that it is only for the information of the specified recipient or permitted user of the relevant website (**recipients**).

This document is solely for informational purposes and nothing contained within is intended to be an invitation, solicitation or offer by ANZ Group to sell, or buy, receive or provide any product or service, or to participate in a particular trading strategy.

Distribution of this document to you is only as may be permissible by the laws of your jurisdiction, and is not directed to or intended for distribution or use by recipients resident or located in jurisdictions where its use or distribution would be contrary to those laws or regulations, or in jurisdictions where ANZ Group would be subject to additional licensing or registration requirements. Further, any products and services mentioned in this document may not be available in all countries.

ANZ Group in no way provides any personal financial, legal, taxation or investment advice to you in connection with any product or service discussed in this document. Before making any investment decision, recipients should seek independent financial, legal, tax and other relevant advice having regard to their particular circumstances.

Whilst care has been taken in the preparation of this document and the information contained within is believed to be accurate, ANZ Group does not represent or warrant the accuracy or completeness of the information, except with respect to information concerning ANZ Group. Further, ANZ Group does not accept any responsibility to inform you of any matter that subsequently comes to its notice, which may affect the accuracy of the information in this document.

Preparation of this document and the opinions expressed in it may involve material elements of subjective judgement and analysis. Unless specifically stated otherwise: they are current on the date of this document and are subject to change without notice; and, all price information is indicative only. Any opinions expressed in this document are subject to change at any time without notice.

ANZ Group does not guarantee the performance of any product mentioned in this document. All investments entail a risk and may result in both profits and losses. Past performance is not necessarily an indicator of future performance. Any products and services described in this document may not be suitable for all investors, and transacting in these products or services may be considered risky.

ANZ Group expressly disclaims any responsibility and shall not be liable for any loss, damage, claim, liability, proceedings, cost or expense (**Liability**) arising directly or indirectly and whether in tort (including negligence), contract, equity or otherwise out of or in connection with this document to the extent permissible under relevant law. Please note, the contents of this document have not been reviewed by any regulatory body or authority in any jurisdiction.

ANZ Group may have an interest in the subject matter of this document. They may receive fees from customers for dealing in any products or services described in this document, and their staff and introducers of business may share in such fees or remuneration that may be influenced by total sales, at all times received and/or apportioned in accordance with local regulatory requirements. Further, they or their customers may have or have had interests or long or short positions in any products or services described in this document, and may at any time make purchases and/or sales in them as principal or agent, as well as act (or have acted) as a market maker in such products. This document is published in accordance with ANZ Group's policies on conflicts of interest and ANZ Group maintains appropriate information barriers to control the flow of information between businesses within the group.

Your ANZ Group point of contact can assist with any questions about this document including for further information on these disclosures of interest.

**Australia.** ANZ holds an Australian Financial Services licence no. 234527. For a copy of ANZ's Financial Services Guide please [click here](#) or request from your ANZ point of contact.

**Brazil.** This document is distributed on a cross border basis and only following request by the recipient. No securities are being offered or sold in Brazil under this document, and no securities have been and will not be registered with the Securities Commission - CVM.

**Brunei, Japan, Kuwait, Malaysia, Switzerland, Taiwan.** This document is distributed in each of these jurisdictions by ANZ on a cross-border basis.

**Cambodia.** The information contained in this document is confidential and is provided solely for your use upon your request.

This does not constitute or form part of an offer or solicitation of any offer to engage services, nor should it or any part of it form the basis of, or be relied in any connection with, any contract or commitment whatsoever. ANZ does not have a licence to undertake banking operations or securities business or similar business, in Cambodia. By requesting financial services from ANZ, you agree, represent and warrant that you are engaging our services wholly outside of Cambodia and subject to the laws of the contract governing the terms of our engagement.

**Canada.** This document is general information only, is intended for institutional use only – not retail, and is not meant to be tailored to the needs and circumstances of any recipient. In addition, this document is not intended to be an offer or solicitation to purchase or sell any security or other financial instrument or to employ a specific investment strategy.

**Chile.** You understand and agree that ANZ is not regulated by Chilean Authorities and that the provision of this document is not subject to any Chilean supervision and is not guaranteed by any regulatory or governmental agency in Chile.

**Fiji.** For Fiji regulatory purposes, this document and any views and recommendations are not to be deemed as investment advice. Fiji investors must seek licensed professional advice should they wish to make any investment in relation to this document.

**Hong Kong.** This document is issued or distributed in Hong Kong by the Hong Kong branch of ANZ, which is registered at the Hong Kong Monetary Authority to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities. The contents of this document have not been reviewed by any regulatory authority in Hong Kong. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

**India.** If this document is received in India, only you (the specified recipient) may print it provided that before doing so, you specify on it your name and place of printing.

**Israel.** ANZ is not a holder of a licence granted in Israel pursuant to the Regulation of Investment Advising, Investment Marketing and Portfolio Management Law, 1995 ("Investment Advice Law") and does not hold the insurance coverage required of a licensee pursuant to the Investment Advice Law. This publication has been prepared exclusively for Qualified Clients as such term is defined in the First Schedule to the Investment Advice Law. As a prerequisite to the receipt of a copy of this publication a recipient will be required to provide confirmation and evidence that it is a Qualified Client. Nothing in this publication should be considered Investment Advice or Investment Marketing as defined in the Investment Advice Law. Recipients are encouraged to seek competent investment advice from a locally licensed investment adviser prior to making any investment.

**Macau.** Click [here](#) to read the disclaimer for all jurisdictions in Mandarin. 澳門。点击[此处](#)阅读所有司法管辖区的免责声明的中文版。

**Myanmar.** This document is intended to be general and part of ANZ's customer service and marketing activities when implementing its functions as a licensed bank. This document is not Securities Investment Advice (as that term is defined in the Myanmar Securities Transaction Law 2013).

# Important notice

**New Zealand.** This document is distributed in New Zealand by ANZ Bank New Zealand Limited. The material is for information purposes only and is not financial advice about any product or service. We recommend you seek advice about your financial situation and goals before acquiring or disposing of (or not acquiring or disposing of) a financial product.

**Oman.** ANZ neither has a registered business presence nor a representative office in Oman and does not undertake banking business or provide financial services in Oman. Consequently ANZ is not regulated by either the Central Bank of Oman (**CBO**) or Oman's Capital Market Authority (**CMA**). The information contained in this document is for discussion purposes only and neither constitutes an offer of securities in Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Law of Oman (Royal Decree 80/98), nor does it constitute an offer to sell, or the solicitation of any offer to buy non-Omani securities in Oman as contemplated by Article 139 of the Executive Regulations to the Capital Market Law (issued vide CMA Decision 1/2009). ANZ does not solicit business in Oman and the only circumstances in which ANZ sends information or material describing financial products or financial services to recipients in Oman, is where such information or material has been requested from ANZ and the recipient understands, acknowledges and agrees that this document has not been approved by the CBO, the CMA or any other regulatory body or authority in Oman. ANZ does not market, offer, sell or distribute any financial or investment products or services in Oman and no subscription to any securities, products or financial services may or will be consummated within Oman. Nothing contained in this document is intended to constitute Omani investment, legal, tax, accounting or other professional advice.

**People's Republic of China (PRC).** This document may be distributed by either ANZ or Australia and New Zealand Bank (China) Company Limited (**ANZ China**). Recipients must comply with all applicable laws and regulations of PRC, including any prohibitions on speculative transactions and CNY/CNH arbitrage trading. If this document is distributed by ANZ or an Affiliate (other than ANZ China), the following statement and the text below is applicable: No action has been taken by ANZ or any affiliate which would permit a public offering of any products or services of such an entity or distribution or re-distribution of this document in the PRC. So, the products and services of such entities are not being offered or sold within the PRC by means of this document or any other document. This document may not be distributed, re-distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations. If and when the material accompanying this document relates to the products and/or services of ANZ China, the following statement and the text below is applicable: This document is distributed by ANZ China in the Mainland of the PRC.

**Peru.** The information contained in this document has not been, and will not be, registered with or approved by the Peruvian Superintendency of the Securities Market (Superintendencia del Mercado de Valores, **SMV**) or the Lima Stock Exchange (Bolsa de Valores de Lima, **BVL**) or under the Peruvian Securities Market Law (Legislative Decree 6 861), and will not be subject to Peruvian laws applicable to public offerings in Peru. To the extent this information refers to any securities or interests, it should be noted the securities or interests may not be offered or sold in Peru, except if (i) such securities or interests were previously registered with the Peruvian Superintendency of the Securities Market, or (ii) such offering is considered a private offering in Peru under the securities laws and regulation of Peru.

**Qatar.** This document has not been, and will not be:

- lodged or registered with, or reviewed or approved by, the Qatar Central Bank (**QCB**), the Qatar Financial Centre (**QFC**) Authority, QFC Regulatory Authority or any other authority in the State of Qatar (**Qatar**); or
- authorised or licensed for distribution in Qatar, and the information contained in this document does not, and is not intended to, constitute a public offer or other invitation in respect of securities in Qatar or the QFC.

The financial products or services described in this document have not been, and will not be:

- registered with the QCB, QFC Authority, QFC Regulatory Authority or any other governmental authority in Qatar; or
- authorised or licensed for offering, marketing, issue or sale, directly or indirectly, in Qatar.

Accordingly, the financial products or services described in this document are not being, and will not be, offered, issued or sold in Qatar, and this document is not being, and will not be, distributed in Qatar. The offering, marketing, issue and sale of the financial products or services described in this document and distribution of this document is being made in, and is subject to the laws, regulations and rules of, jurisdictions outside of Qatar and the QFC. Recipients of this document must abide by this restriction and not distribute this document in breach of this restriction. This document is being sent/issued to a limited number of institutional and/or sophisticated investors (i) upon their request and confirmation that they understand the statements above; and (ii) on the condition that it will not be provided to any person other than the original recipient, and is not for general circulation and may not be reproduced or used for any other purpose.

**Singapore.** To the extent that this document contains any statements of opinion and/or recommendations related to an investment product or class of investment product (as defined in the Financial Advisers Act 2001), this document is distributed in Singapore by ANZ solely for the information of "accredited investors", "expert investors" or (as the case may be) "institutional investors" (each term as defined in the Securities and Futures Act 2001 of Singapore). ANZ is licensed in Singapore under the Banking Act 1970 of Singapore and is exempted from holding a financial adviser's licence under Section 23(1)(a) of the Financial Advisers Act 2001 of Singapore. In respect of any matters arising from, or in connection with, the distribution of this document in Singapore, please speak to your usual ANZ contact in Singapore.

**United Arab Emirates (UAE).** This document is distributed in the UAE or the Dubai International Financial Centre (**DIFC**) (as applicable) by ANZ. This document does not, and is not intended to constitute: (a) an offer of securities anywhere in the UAE; (b) the carrying on or engagement in banking, financial and/or investment consultation business in the UAE under the rules and regulations made by the Central Bank of the UAE, the Emirates Securities and Commodities Authority or the UAE Ministry of Economy; (c) an offer of securities within the meaning of the Dubai International Financial Centre Markets Law (**DIFCML**) No. 12 of 2004; and (d) a financial promotion, as defined under the DIFCML No. 1 of 200. ANZ DIFC Branch is regulated by the Dubai Financial Services Authority (**DFSA**). The financial products or services described in this document are only available to persons who qualify as "Professional Clients" or "Market Counterparty" in accordance with the provisions of the DFSA rules.

**United Kingdom.** This document is distributed in the United Kingdom by Australia and New Zealand Banking Group Limited (**ANZ**) solely for the information of persons who would come within the Financial Conduct Authority (**FCA**) definition of "eligible counterparty" or "professional client". It is not intended for and must not be distributed to any person who would come within the FCA definition of "retail client". Nothing here excludes or restricts any duty or liability to a customer which ANZ may have under the UK Financial Services and Markets Act 2000 or under the regulatory system as defined in the Rules of the Prudential Regulation Authority (**PRA**) and the FCA. ANZ considers this document to constitute an Acceptable Minor Non-Monetary Benefits (**AMNMB**) under the relevant inducement rules of the FCA. ANZ is authorised in the United Kingdom by the PRA and is subject to regulation by the FCA and limited regulation by the PRA. Details about the extent of our regulation by the PRA are available from us on request.

**United States.** Except where this is a FX-related document, this document is distributed in the United States by ANZ Securities, Inc. (**ANZ SI**) which is a member of the Financial Regulatory Authority (**FINRA**) ([www.finra.org](http://www.finra.org)) and registered with the SEC. ANZSI's address is 277 Park Avenue, 31st Floor, New York, NY 10172, USA (Tel: +1 212 801 9160 Fax: +1 212 801 9163). ANZSI accepts responsibility for its content. Information on any securities referred to in this document may be obtained from ANZSI upon request. This document or material is intended for institutional use only – not retail. If you are an institutional customer wishing to effect transactions in any securities referred to in this document you must contact ANZSI, not its affiliates. ANZSI is authorised as a broker-dealer only for institutional customers, not for US Persons (as "US person" is defined in Regulation S under the US Securities Act of 1933, as amended) who are individuals. If you have registered to use our website or have otherwise received this document and are a US Person who is an individual: to avoid loss, you should cease to use our website by unsubscribing or should notify the sender and you should not act on the contents of this document in any way. Non-U.S. analysts may not be associated persons of ANZSI and therefore may not be subject to FINRA Rule 2242 restrictions on communications with the subject company, public appearances and trading securities held by the analysts. Where this is a FX-related document, it is distributed in the United States by ANZ's New York Branch, which is also located at 277 Park Avenue, 31st Floor, New York, NY 10172, USA (Tel: +1 212 801 916 0 Fax: +1 212 801 9163).

**Vietnam.** This document is distributed in Vietnam by ANZ or ANZ Bank (Vietnam) Limited, a subsidiary of ANZ.