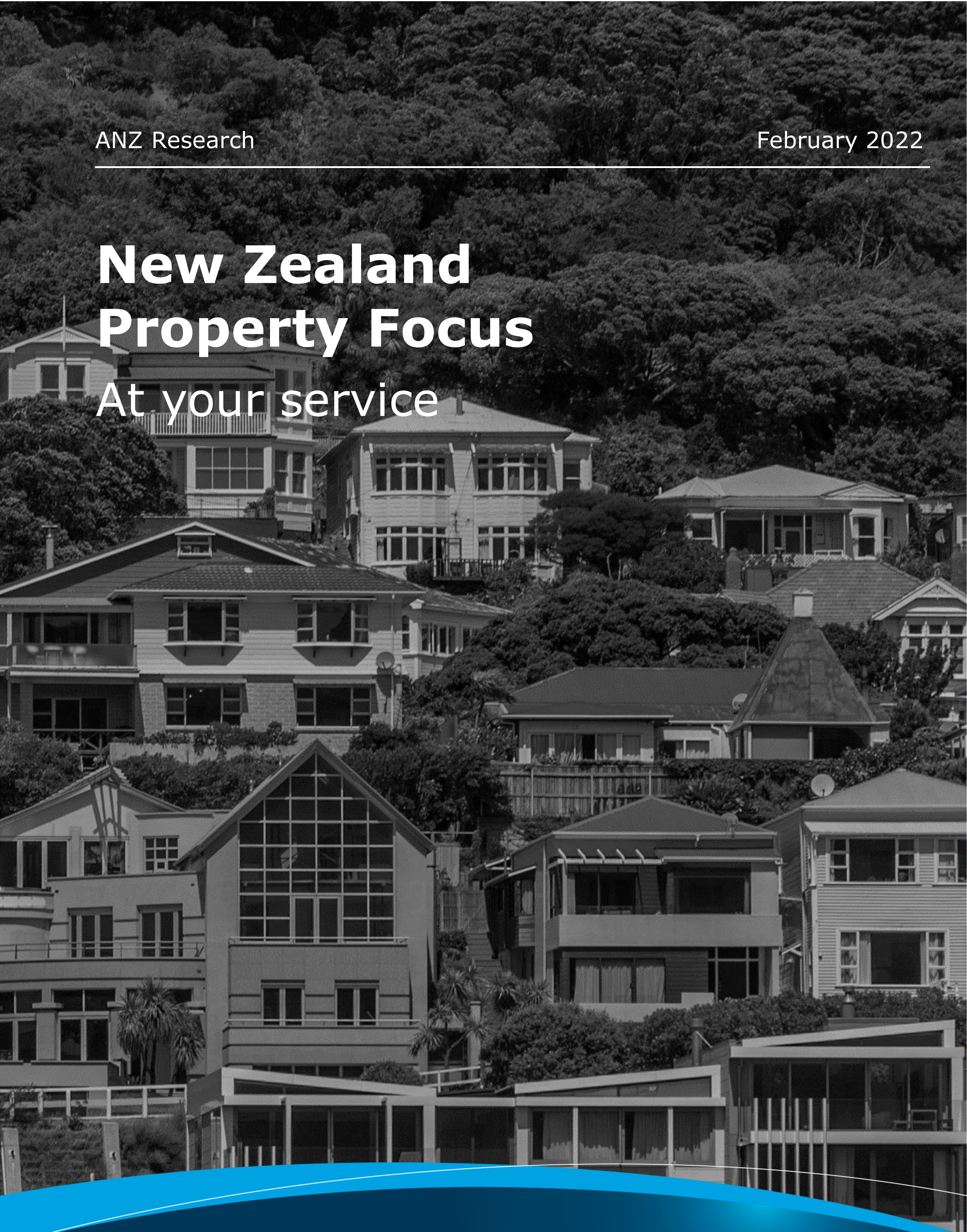
ANZ Research

February 2022

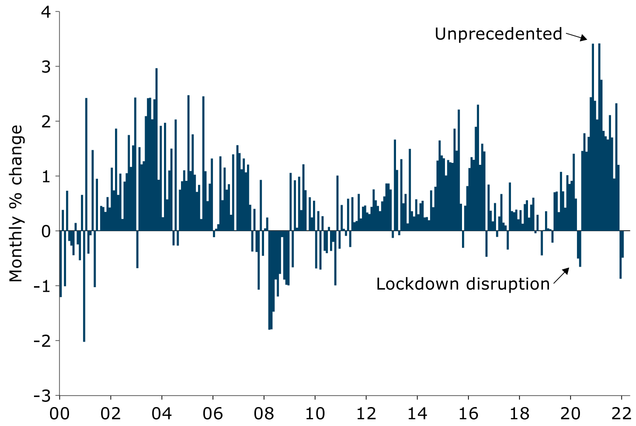
New Zealand Property Focus

At your service

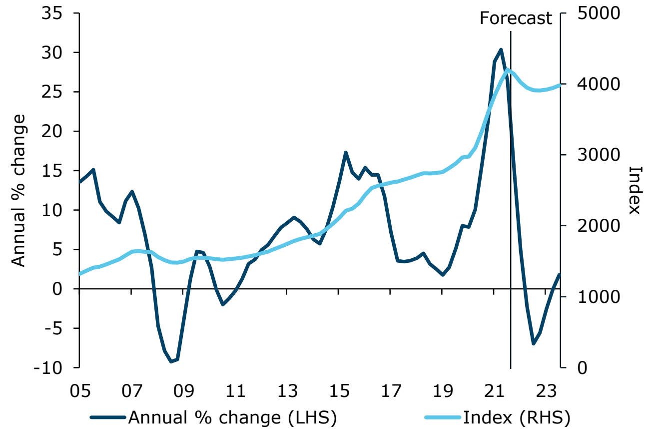


At a glance

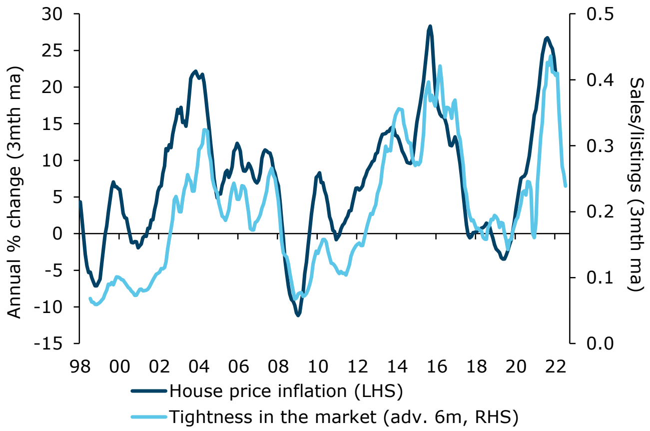
Monthly house price falls in December and January…



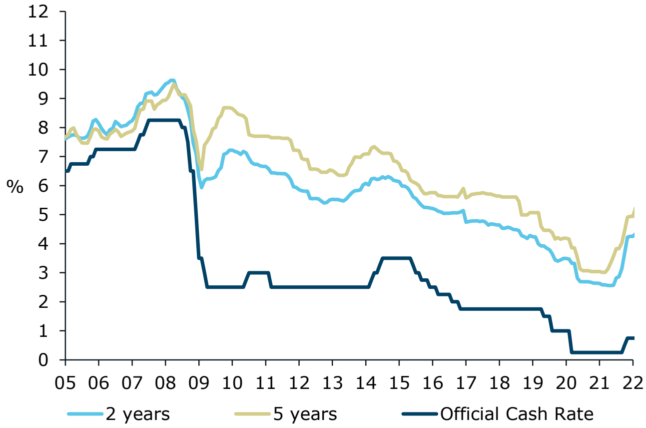
…were in line with our forecast for around a 7% fall over 2022



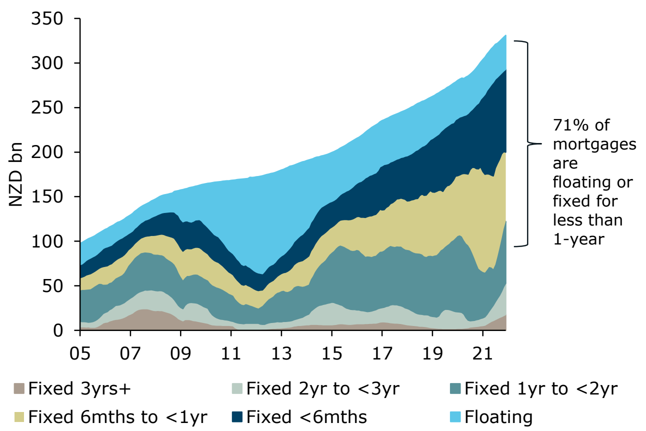
Forward indicators continue to soften…



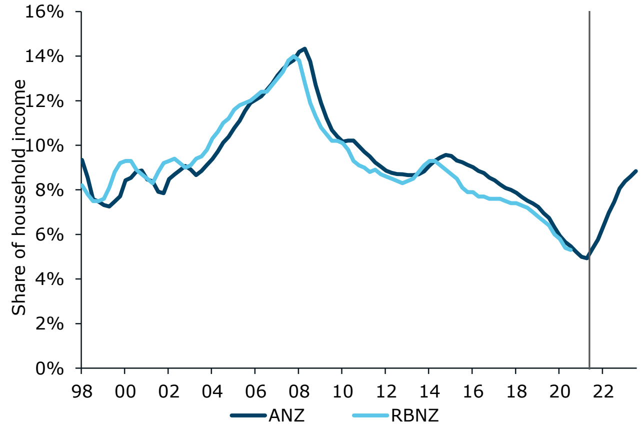
…as interest rates rise



With most mortgage holders fixed for less than a year…



…debt servicing will soon be eating up a larger share of income



Source: RBNZ, REINZ, Stats NZ, Macrobond, Bloomberg, ICAP, RealEstate.co.nz, ANZ Research

Contact

Sharon Zollner, Miles Workman, or David Croy for more details.

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Summary

Our monthly *Property Focus* publication provides an independent appraisal of recent developments in the residential property market.

Housing market overview

January saw house prices fall for a second month in a row, and forward indicators continue to soften. So far, the housing market has been moving very much in line with our expectation for around a 7% fall over 2022 (which we continue to characterise as a soft landing). But there's a lot of water to flow under the bridge between now and the end of the year. We're keeping a close eye on the likes of anecdote, auction clearance rates, and sales-to-listings ratios in order to gauge the pace and magnitude of the slowdown. See our Market Overview.

Feature Article: At your service

How much will OCR hikes hurt household balance sheets? The answer to this question is a function of three key factors: the degree of interest rate rises, growth in household incomes, and growth in household debt. We put all these together on a path consistent with our broader economic outlook to investigate the likely looming change in household debt burdens. There are certainly tougher times ahead for borrowers, but based on our forecast for a 3% OCR, we don't yet see flashing red lights. However, our aggregate analysis likely understates debt concentration risks. That is, there are a lot of highly indebted recent first home buyers out there who will feel the pinch of rising rates a lot more than the average mortgage borrower. See this month's Feature Article.

Mortgage borrowing strategy

Average mortgage rates are up this month, having held steady over January. The latest round of mortgage rate increases largely reflects the significant lift in short term wholesale interest rates, with the 1-year swap rates up around 0.35%pts since the end of last year. Further rises are likely as the year unfolds, but equally, fixing for longer (which is the only real way to protect against increases) has become much more expensive. With upcoming expected rises in the OCR already largely "baked into" market pricing (and thus mortgage rates), the choice facing most borrowers is either to fix longer now and pay more, but lock in certainty, or fix for a shorter time, pay less and take your chances. Breakeven analysis shows that rates need to rise a long way over the next year or so to make fixing for longer economic in the long run. But those breakevens are in line with our forecasts, so it all comes down to the desire for certainty. See our Mortgage Borrowing Strategy.

Housing market overview

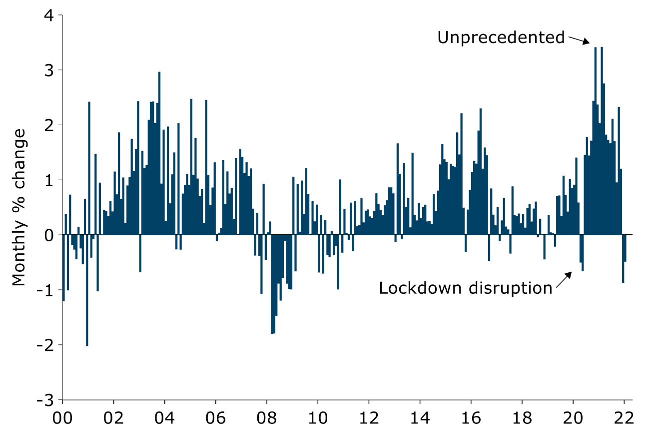
Summary

January saw house prices fall for a second month in a row, and forward indicators continue to soften. So far, the housing market has been moving very much in line with our expectation for around a 7% fall over 2022 (which we continue to characterise as a soft landing). But there's a lot of water to flow under the bridge between now and the end of the year. We're keeping a close eye on the likes of anecdote, auction clearance rates, and sales-to-listings ratios in order to gauge the pace and magnitude of the slowdown.

The worm has turned

House prices fell for a second consecutive month in January, with a 0.6% m/m decline following a 0.8% m/m fall in December. Annual inflation is running at a still-high 23.3% (3mma), but that's around 7%pts slower than the cycle peak (30.4%) back in September 2021. And there's a lot more slowing to come.

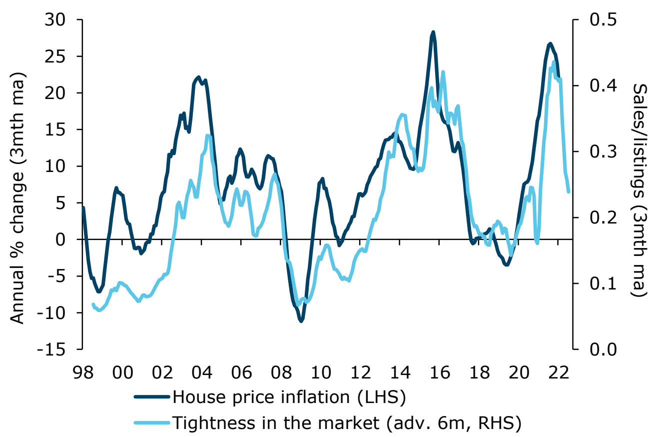
Figure 1. Monthly house price inflation (sa)



Source: REINZ, Macrobond, ANZ Research

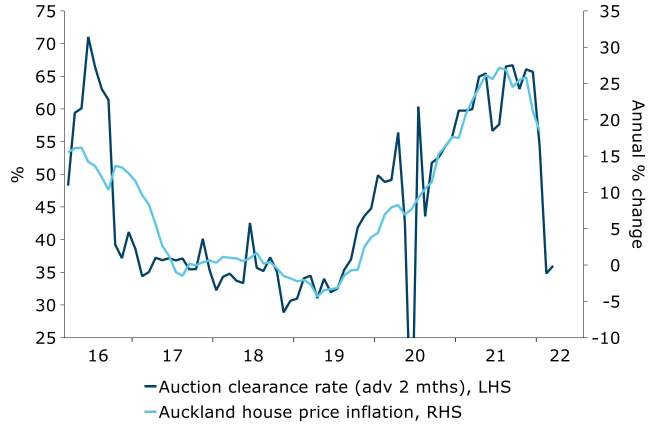
Forward indicators continue to show price pressures easing. We're monitoring sales-to-listings ratios (figure 2), auction clearance rates (figure 3) and general anecdote – they're all telling much the same story.

Figure 2. Auckland sales to listings ratio and prices



Source: Barfoot & Thompson, REINZ, ANZ Research

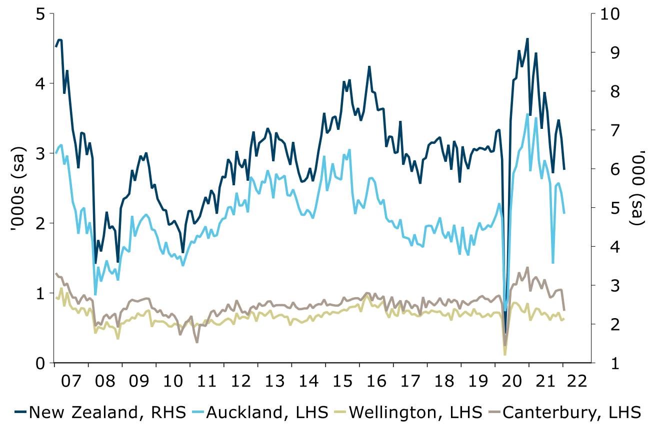
Figure 3. Auction clearance rates



Source: REINZ, interest.co.nz, Barfoot & Thompson, Macrobond, ANZ Research

Growth in house sales has been a particular weak spot in the data of late. But while the 28.6 y/y (-23.2% 3mma) decline in sales as at January certainly sounds dramatic, it is important to note that this is off the post-lockdown overshoot. Sales are sitting close to pre-pandemic levels – but they're trending down.

Figure 4. House sales

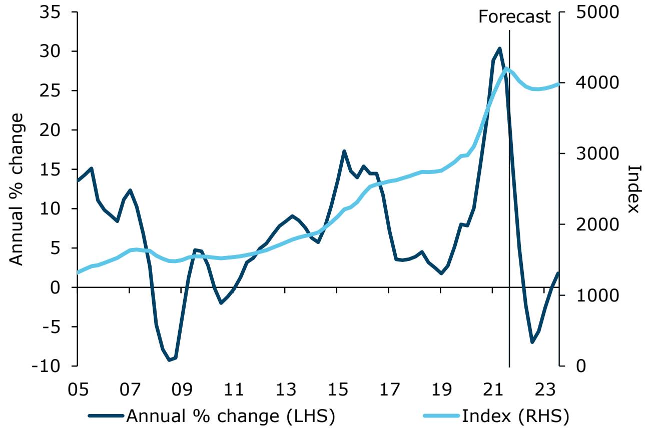


Source: REINZ, Macrobond, ANZ Research

Putting it all together, the evolution of the data flow and anecdote remains consistent with our outlook for a 7% fall in house prices over 2022. While this might look gnarly in growth terms, it's very much a soft landing in level terms (figure 5).

Feature Article: At your service

Figure 5. House price forecast



Source: REINZ, ANZ Research

But while monthly house price inflation has recently been evolving in line with our expectation, uncertainty around the outlook remains high. There are multiple forces pushing and pulling on the housing market at present. While these haven't really changed since our last edition, it's still difficult to be precise about how these are likely to net out. Pitting the many headwinds against a very short list of tailwinds one can quite safely assume the housing cycle has turned a corner, and a second wind looks unlikely anytime soon. However, we continue to think that the tight labour market (robust household sector) will put a floor under things. In other words, unless we see a negative household income shock, or a much steeper-than-expected path for rate rises, then we shouldn't see too many forced house sales and therefore a more material contraction in house prices.

That begs the question: at what point will households really feel the pinch of higher mortgage rates? Will our forecast of a 3% OCR by April 2023 significantly stress household balance sheets? See our feature article for more on this.

Housing market indicators for January 2022 (based on REINZ data seasonally adjusted by ANZ Research)

	Median house price			House price index		# of monthly sales	Monthly % change	Average days to sell
	Level	Annual % change	3-mth % change	Annual % change	3-mth % change			
Northland	$805,251	29.1	10.9	28.2	5.5	158	-21%	39
Auckland	$1,256,556	20.6	5.4	18.5	3.3	2,133	-12%	30
Waikato	$841,598	25.5	6.3	22.8	3.3	566	-14%	32
Bay of Plenty	$930,244	22.2	3.2	23.5	3.8	361	-14%	35
Gisborne	$665,102	29.0	18.1	14.6	0.9	44	-21%	34
Hawke's Bay	$763,475	13.1	2.9	14.6	0.9	189	-17%	37
Manawatu-Whanganui	$600,430	14.0	0.4	19.8	2.1	267	-16%	32
Taranaki	$612,857	21.4	4.9	23.2	4.3	146	-15%	28
Wellington	$973,830	14.2	5.4	12.2	-1.0	636	+5%	38
Tasman, Nelson & Marlborough	$772,718	14.2	3.7			184	-12%	31
Canterbury	$671,156	28.2	4.0	32.8	5.9	745	-29%	26
Otago	$717,860	13.6	1.6	14.1	1.4	321	-11%	36
West Coast	$361,432	31.9	24.3	19.6	2.3	32	-38%	34
Southland	$431,260	9.5	1.7	20.1	6.7	138	-13%	27
New Zealand	**$910,403**	**20.5**	**5.9**	**19.8**	**2.3**	**5,971**	**-12%**	**32**

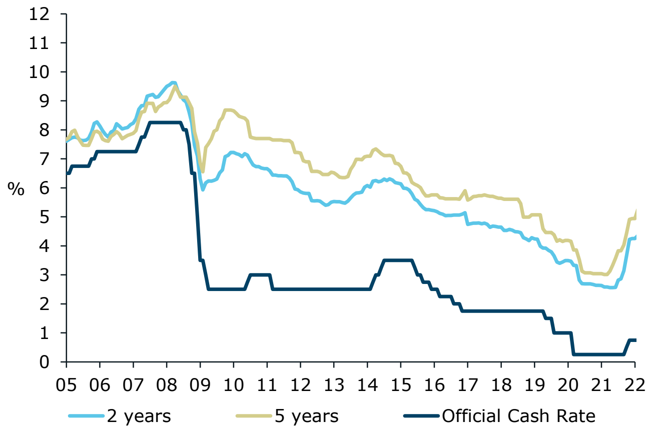
Feature Article: At your service

Summary

How much will OCR hikes hurt household balance sheets? The answer to this question is a function of three key factors: the degree of interest rate rises, growth in household incomes, and growth in household debt. We put all these together on a path consistent with our broader economic outlook to investigate the likely looming change in household debt burdens. There are certainly tougher times ahead for borrowers, but based on our forecast for a 3% OCR, we don't yet see flashing red lights. However, our aggregate analysis likely understates debt concentration risks. That is, there are a lot of highly indebted recent first home buyers out there who will feel the pinch of rising rates a lot more than the average mortgage borrower.

The OCR is going up – to 3% by April 2023, providing the economy evolves as we expect. The future is of course uncertain and the OCR may well go higher than that, or stop short of 3%. But for now, that's both our forecast and roughly the amount of hiking financial markets are anticipating. Swap rates have already moved in anticipation of steady OCR hikes, and that's seen fixed mortgage rates rise by considerably more than the OCR itself has so far (figure 1).

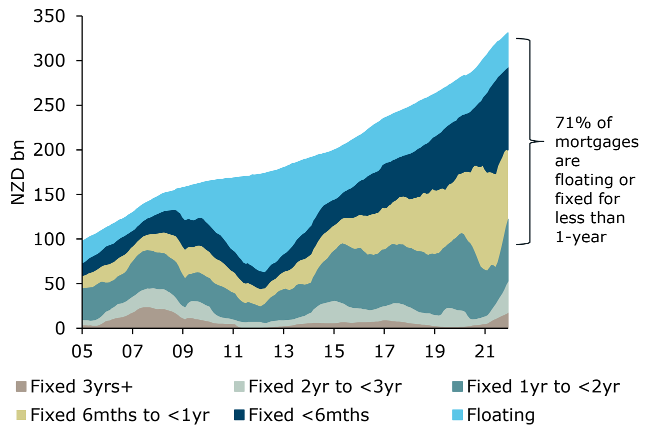
Figure 1. OCR vs 2-year and 5-year fixed mortgage rates



Source: RBNZ, ANZ Research

Rising mortgage rates tends to impact the housing market relatively quickly, and we're certainly seeing that (alongside other impacts such as from the CCCFA and tighter RBNZ macroprudential restrictions) in falling house sales – and in the last two months, falling prices. However, for households with a fixed loan, there's a delay before the impacts of higher rates pass through. The majority of housing loans in New Zealand are fixed for less than one year (figure 2), so the peak impact on households shouldn't lag by much more than that.

Figure 2. Mortgages by fixed term



Source: RBNZ, ANZ Research

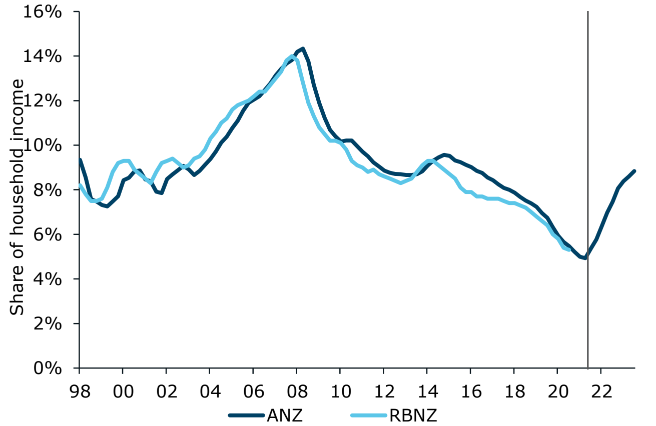
As the RBNZ continues to lift the OCR in an attempt to dampen the demand pulse and achieve its inflation target, they will be very vigilant of the impacts this is having on households. Debt levels have lifted significantly over the past year or so, and the last thing the RBNZ will want to do is oversteer and tip households into insolvency. Of course, there will always be unfortunate individual cases where highly leveraged households struggle in the face of even moderate rate hikes, particularly if they've had some kind of interruption to their incomes – but even if they haven't, inflation at 6% is now making a meaningful dent in households cash-flow buffers. In a briefing to the Minister of Finance, the RBNZ noted that their "analysis indicates that if mortgage rates were to rise to 5 percent, close to 20 percent of recent first-home buyers (in the year to June 2021) would face some serviceability stress. At 6 percent, this would rise to close to 50 percent. Investors, and to a lesser extent existing owner-occupiers, would also face serviceability stress at these levels".

In aggregate, however, there are a lot more existing owner occupiers than recent first home buyers. These less recent buyers have seen significant capital gains, have paid back some principal, and have generally seen their nominal incomes grow. Our analysis that follows, for better or worse, bundles these households together with recent first home buyers to assess the aggregate picture, and potency of OCR hikes. And indeed, the big picture is the realm that macroeconomic policy (such as the OCR) operates in. Failure to acknowledge that, by focusing too heavily on the recent highly indebted, highly political, first home buyer, would risk the RBNZ not getting on top a very potentially damaging wage-price spiral in a timely fashion. However, the counter argument to this is that at some point, households at the highly indebted end of the spectrum are also the marginal households that tip the scale of broader economic momentum. So the RBNZ certainly needs a good handle on all angles, from both a monetary policy and financial stability perspective.

Setting the scene for the aggregate situation, the RBNZ provides some good data on household balance sheets and debt servicing. As at Q2 2021, despite record-high household debt, low interest rates meant debt servicing was accounting for a relatively small share of disposable income (just 5.3%). However, a lot has changed since the middle of last year. The 2-year mortgage rate has lifted around 170 basis points for starters!

We've recreated the RBNZ's serviceability metric, and have pushed it out into our forecast horizon. Figure 3 shows the RBNZ's measure next to ours. We use our expectation for a 3% OCR come April 2023 to project forward an effective mortgage rate.[1] We then input our forecast for household debt (which is expected to grow a little less than 5% y/y on average over the next couple of years) and assume household disposable incomes grow at their historical average (5% y/y). All of these forecasts and assumptions could be wrong, and indeed no doubt will be to some extent, but it's a useful illustrative example. Putting it all together suggests that by the end of our forecast horizon (to December 2023), debt servicing as a share of income will lift from a low of around 5% in late 2021, to about 8%. That's about where things stood in 2018, and well below the pre-GFC peak of 14%.

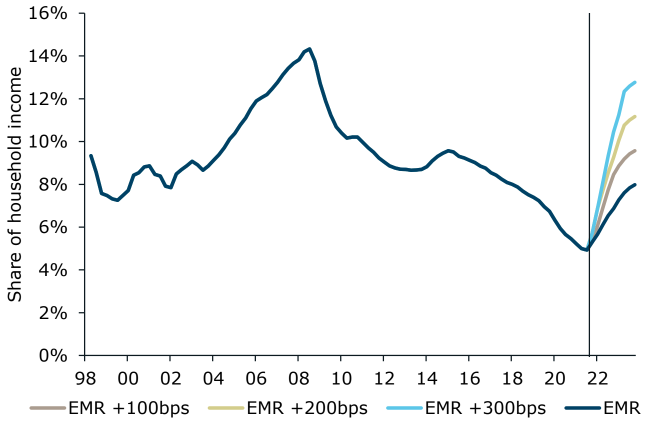
Figure 3. Household debt servicing



Source: RBNZ, ANZ Research

What if we're wrong about the OCR "only" going to 3%? Figure 4 shows what would happen if we add 100, 200, and 300 basis points to our EMR projection, ie the OCR reaches a peak of 4%, 5% or 6% (assuming no difference in spreads between scenarios). The latter in particular would, in practice, take much longer to achieve, unless the RBNZ wants to consider multiple 50bp hikes. But abstracting from that for simplicity, even in the worst case, debt servicing at 12.4% of household incomes by the end of our forecast horizon remains below the pre-GFC level.

Figure 4. Household debt-servicing scenarios



Source: Stats NZ, RBNZ, Bloomberg, ANZ Research

So far, however, we've ignored the fact that a rising debt-servicing burden on households is likely to weigh on household demand for goods and services, and therefore business's willingness to hire and invest. Weaker-than-otherwise labour demand means weaker-than-otherwise household incomes.

In other words, we've so far ignored the business cycle, which according to some, such as the RBNZ, is a pretty big deal! So let's factor some of that in.

In a soft landing, higher interest rates cool the economy and household income growth slows as a part of that. The resulting weaker demand pressure softens the inflation pulse, and the RBNZ can stop hiking – or may even cut rates if it's looking like things are going a bit far the other way.

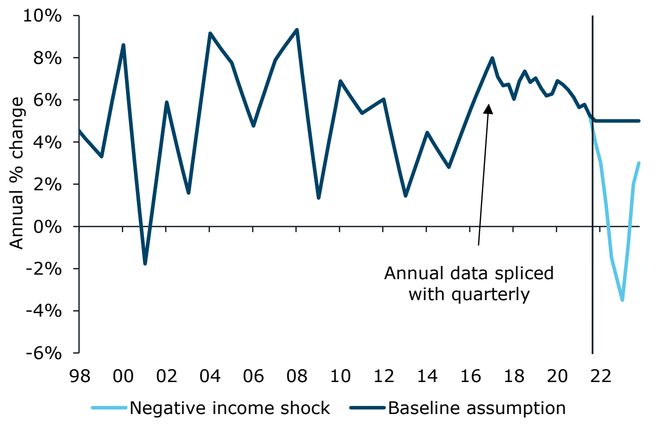
However, in the current, very inflationary economic environment, both the pandemic-induced supply shock and overstimulated demand are at play. It's pretty hard to separate out their relative contributions currently, let alone in the future, which isn't making the Reserve Bank's job any easier. But it's actually relatively easy to imagine a "worst of both worlds" scenario, where household incomes and demand soften meaningfully, but the COVID-induced

[1] Our effective mortgage rate (EMR) takes into account the roll-off profile of existing fixed mortgages. It rises and falls more slowly than current market rates, reflecting the fact that some borrowers are not due to roll off their fixed rate for a while yet. Our projections for the EMR assume fixing patterns continue, and that mortgage rates move broadly in line with our forecasts for wholesale interest rates. This is a slightly different interest rate than that feeding into the RBNZ's servicing estimates, which is the key reason why our debt-servicing share varies slightly to the RBNZ's.

supply shock nonetheless keeps pressure on CPI inflation. That would mean that even as growth and income growth slows, the RBNZ has to keep hiking to prevent a damaging wage-price cycle from bringing the entire economy to its knees.

So let's replicate the same interest rate scenarios but with a much weaker household income growth assumption – let's make this alarming scenario truly worthwhile by assuming it's even weaker than during the GFC (figure 5).

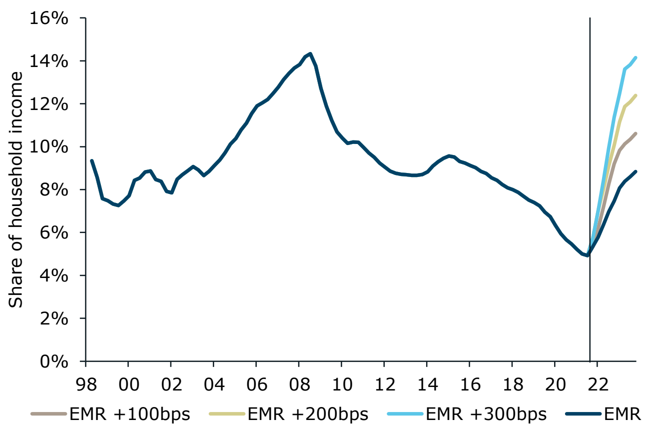
Figure 5. Alternative nominal household income scenarios



Source: Stats NZ, ANZ Research

In this scenario the change in the servicing burden on households is extremely sharp – worryingly so. However, even in the worst case (income shock + a 300bp shock to the EMR), the debt burden on households only just makes it to the pre-GFC peak (figure 6).

Figure 6. Debt servicing with weaker income assumption



Source: Stats NZ, RBNZ, Bloomberg, ANZ Research

There are a few key take-outs from the above scenarios:

- As shown in figure 3, in the case of our central forecast and 5% household income growth assumption (which is broadly consistent with our economic outlook), the debt burden on households will intensify over 2022 and into 2023. But this is from a very low starting point and will plateau at a relatively low level.
- As shown in figure 6, the negative income shock plus our 3% OCR forecast suggests the debt-servicing burden on households would lift from about 5% currently to just under 9% by the end of our forecast horizon. That's about 2016 levels, but is starting to look uncomfortably steep.
- However, provided household debt doesn't shoot for the moon any time soon (this is the one variable we've decided not to pick on, as a cooling housing market would seem to make a sharp rise unlikely), it would likely take significantly higher rates (an OCR at 6%+) and possibly an income shock to boot before households face a debt servicing burden similar to that seen before the GFC. In the worst of all worlds scenario, it's taken a 300bp interest rate shock plus a negative income shock to see the servicing burden back at these levels.
- In practice, then, it's not likely to be the debt-servicing channel that makes the wheels fall off should the OCR go well beyond our 3% forecast. If we saw the OCR going to, say, 6%, we would be forecasting house price falls of considerably more than 7% from their current undeniably lofty levels. The impacts on household spending via the wealth channel, and on construction activity, would probably hit a macroeconomic crunch point before aggregate household debt-servicing did.
- Perhaps it's not surprising that aggregate income-focused housing analysis paints a relatively robust picture for households staring down the barrel of rising interest rates. For many, the hurdle to home ownership over the past decade or so has been in mustering up a deposit large enough to keep pace with house price growth and satisfy lending requirements. In other words, given a house deposit is for most a function of income, loan-to-value ratio restrictions have likely indirectly interrupted credit availability to lower-income households. That's locked some people out of the housing market, but also reduced vulnerabilities. That trade-off is unavoidable.

- But that's not to say there isn't debt concentration risk out there of which the RBNZ needs to be very wary as it lifts interest rates. Indeed, some first home buyers inherited or have been gifted their deposit, and don't necessarily have particularly high incomes – and those incomes might well not be keeping up with inflation. Households in this situation, and possibly those that derive their income from the likes of hospitality and international tourism (industries struggling in the wake of the pandemic) will likely have a much harder time of it over coming years.

All up, there are very significant limitations to the type of aggregate income analysis presented here, particularly given we bundle the recent, highly leveraged borrower into the aggregate. We are most certainly not saying that higher interest rates won't hurt. But it's a useful exercise nonetheless as it shows that, based on our economic forecasts, the economy shouldn't completely roll over as the OCR is hiked to 3%. That said, from an economic momentum perspective, the *change* in the debt-servicing burden is arguably more important for the demand outlook than the overall level. And that's a good argument for the RBNZ to continue to raise the OCR steadily but cautiously.

Mortgage borrowing strategy

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Summary

Average mortgage rates are up this month, having held steady over January. The latest round of mortgage rate increases largely reflects the significant lift in short term wholesale interest rates, with the 1-year swap rates up around 0.35%pts since the end of last year. Further rises are likely as the year unfolds, but equally, fixing for longer (which is the only real way to protect against increases) has become much more expensive. With upcoming expected rises in the OCR already largely "baked into" market pricing (and thus mortgage rates), the choice facing most borrowers is either to fix longer now and pay more, but lock in certainty, or fix for a shorter time, pay less and take your chances. Breakeven analysis shows that rates need to rise a long way over the next year or so to make fixing for longer economic in the long run. But those breakevens are in line with our forecasts, so it all comes down to the desire for certainty.

Our view

Average fixed mortgage rates quoted by the big-four banks are up this month. This has come on the back of fairly stiff increases seen wholesale (or "swap") rates. Average 6-month and 1-year rates have risen the most, while rates 2-years and up haven't changed by quite as much as shown in figure 1, with the increases seen this month the first since the end of last year.

While no borrower will welcome these increases, they were to be expected, and the majority of forecasters (including us) have been warning that this was likely to happen. Indeed, as we noted last month, given our expectation that the OCR will rise to 3% over the next 15 months, historic trends suggest that floating mortgage rates could reach 6%, and 1-year rates could get to 5% (that's around where they were in 2015, which was the last time the OCR was 3%). And the OCR could peak higher or lower than that in practice.

With global interest rates also on the move (which is important for the direction of long-term wholesale rates like 10-year bond yields) at the same time, the risk of rising mortgage rates can't be overstated, even from current levels, which look elevated compared to where they were last year. As such, we think it would be wise for borrowers to acknowledge the risks, and prepare and budget for the possibility of higher debt-servicing costs. Of course, it is not guaranteed that interest rates will rise – if another shock like the GFC or COVID came along, central banks may not need to hikes rates as much as forecasters and markets expect. But be careful what you wish for – it'd likely take a very big shock for central banks to be able to press the pause button, given inflation trends. Annual CPI is running at 5.9% in NZ and 7.5% in the US! The big picture, then, is thus one of interest rates likely continuing to rise.

The trouble is, there is nowhere left for borrowers to hide from rising rates. Fixing for longer gives certainty, but it costs more. Fixing for a shorter period would be cheaper, and leave more change in your pocket, but it leaves you exposed to rising rates (hence our comment about budgeting, should you elect to do that, or are have a fixed rate expiry coming up).

One thing higher 1-2 year rates do is make it less of a step up to fixing for, say, 3-5 years. That may make it more tempting for some borrowers. When considering the choices, we can use breakeven analysis, and compare the results with our projections and expectations. Let's consider, for example, the choice between a 3.80% 1-year fixed rate or a 4.35% 2-year rate. Over a 2-year horizon, back-to-back 1-year fixes will end up being cheaper if the 1-year rate is below 4.91% in a year (that's the 1 year/1year breakeven). That's a big increase, but when we think about where the 1yr rate might be if the OCR gets to 3% (recalling that the last time the OCR was at 3%, the 1-year mortgage rate was around 5%), it seems like less of a big ask. But it's close, and for many, the decision will end up being whether they prefer certainty, or a punt. Our mild preference is for certainty, but as always, borrowers need to decide what suits them best.

Figure 1. Carded special mortgage rates^

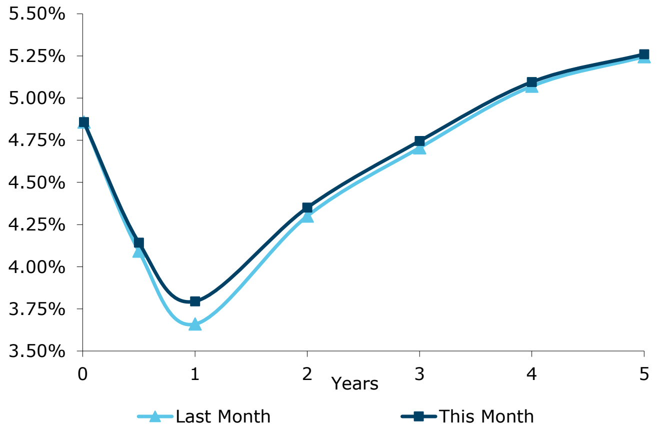

Table 1. Special Mortgage Rates

		Breakevens for 20%+ equity borrowers			
Term	Current	in 6mths	in 1yr	in 18mths	in 2 yrs
Floating	4.86%				
6 months	4.14%	3.45%	5.00%	4.82%	5.34%
1 year	3.80%	4.22%	4.91%	5.08%	5.54%
2 years	4.35%	4.65%	5.22%	5.46%	5.84%
3 years	4.75%	5.05%	5.53%	5.67%	5.87%
4 years	5.10%	5.31%	5.63%		
5 years	5.26%	#Average of "big four" banks			

^ Average of carded rates from ANZ, ASB, BNZ and Westpac.

Source: interest.co.nz, ANZ Research

Key forecasts

Weekly mortgage repayments table (based on 25-year term)

Mortgage Size ($000)	Mortgage Rate (%)													
	2.75	3.00	3.25	3.50	3.75	4.00	4.25	4.50	4.75	5.00	5.25	5.50	5.75	6.00
200	213	219	225	231	237	243	250	256	263	270	276	283	290	297
250	266	273	281	289	296	304	312	320	329	337	345	354	363	371
300	319	328	337	346	356	365	375	385	394	404	415	425	435	446
350	372	383	393	404	415	426	437	449	460	472	484	496	508	520
400	426	437	450	462	474	487	500	513	526	539	553	566	580	594
450	479	492	506	520	534	548	562	577	592	607	622	637	653	669
500	532	547	562	577	593	609	625	641	657	674	691	708	725	743
550	585	601	618	635	652	669	687	705	723	741	760	779	798	817
600	638	656	674	693	711	730	750	769	789	809	829	850	870	891
650	692	711	730	750	771	791	812	833	854	876	898	920	943	966
700	745	766	787	808	830	852	874	897	920	944	967	991	1,015	1,040
750	798	820	843	866	889	913	937	961	986	1,011	1,036	1,062	1,088	1,114
800	851	875	899	924	948	974	999	1,025	1,052	1,078	1,105	1,133	1,160	1,188
850	904	930	955	981	1,008	1,035	1,062	1,089	1,117	1,146	1,174	1,204	1,233	1,263
900	958	984	1,011	1,039	1,067	1,095	1,124	1,154	1,183	1,213	1,244	1,274	1,306	1,337
950	1,011	1,039	1,068	1,097	1,126	1,156	1,187	1,218	1,249	1,281	1,313	1,345	1,378	1,411
1000	1,064	1,094	1,124	1,154	1,186	1,217	1,249	1,282	1,315	1,348	1,382	1,416	1,451	1,486

Mortgage rate projections (historic rates are special rates; projections based on ANZ's wholesale rate forecasts)

	Actual			Projections						
Interest rates	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23
Floating Mortgage Rate	4.5	4.5	4.9	5.2	5.7	6.2	6.7	7.0	7.2	7.2
1-Yr Fixed Mortgage Rate	2.2	2.7	3.6	3.9	4.2	4.5	4.7	4.9	4.9	4.9
2-Yr Fixed Mortgage Rate	2.6	3.1	4.3	4.5	4.8	4.9	5.0	5.0	5.0	5.0
5-Yr Fixed Mortgage Rate	3.6	4.0	4.9	5.3	5.3	5.3	5.4	5.5	5.5	5.5

Source: RBNZ, ANZ Research

Economic forecasts

	Actual			Forecasts						
Economic indicators	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23
GDP (Annual % Chg)	3.3	17.9	-0.3	2.6	2.1	0.2	4.6	2.7	2.7	2.8
CPI Inflation (Annual % Chg)	1.5	3.3	4.9	5.9(a)	6.4	5.9	4.8	4.1	3.6	3.4
Unemployment Rate (%)	4.6	4.0	3.3	3.2(a)	3.1	3.0	2.9	2.9	2.9	3.0
House Prices (Quarter % Chg)	8.2	6.6	5.3	4.1(a)	-1.5	-2.8	-1.9	-0.9	0.0	0.3
House Prices (Annual % Chg)	21.3	28.8	30.4	26.4(a)	15.1	5.0	-2.3	-7.0	-5.6	-2.6

Interest rates	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23
Official Cash Rate	0.25	0.25	0.75	1.00	1.50	2.00	2.50	2.75	3.00	3.00
90-Day Bank Bill Rate	0.35	0.65	0.97	1.52	2.02	2.52	2.77	3.10	3.10	3.10
10-Year Bond	1.77	2.09	2.39	2.70	2.90	3.10	3.40	3.50	3.50	3.50

Source: ANZ Research, Statistics NZ, RBNZ, REINZ

Contact us

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Sharon Zollner
Chief Economist

Follow Sharon on Twitter
@sharon_zollner

Telephone: +64 27 664 3554
Email: sharon.zollner@anz.com

General enquiries:
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

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

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

Finn Robinson
Economist

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

Telephone: +64 21 629 553
Email: finn.robinson@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

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

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