

# New Zealand Weekly Data Wrap

29 July 2022



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: hardening headwinds and soft landings](#)
- [NZ CPI Q2 2022 and OCR call change](#)
- [NZ Quarterly Economic Outlook: rebalancing act](#)
- [NZ Forecast Update: farmgate milk price forecasts revised down](#)

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

## What's the view?

- GDP constrained by supply more than demand
- Labour market tighter than ever, and very inflationary
- Inflation way above target, but may have peaked in Q2
- Aggressive OCR hikes towards 4.0% in November 2022 needed to contain inflation

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

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

## Key risks to our view



Falling consumer and business sentiment derail momentum.



Falling house prices could have a more significant impact on the economy than expected.



Inflation expectations become unanchored, possibly as the labour market remains very tight.

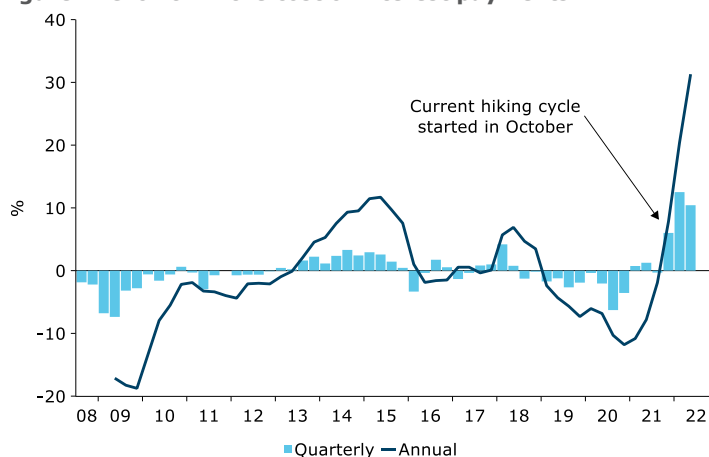


Global inflation pressures push inflation up more than expected in NZ over 2022.

## What happened this week?

This week the Q2 Household Living-costs Price Index (HLPI) gave us a deeper level of detail on how the higher cost of living is impacting different Kiwi households. As we've noted [in a previous insight](#), the rising cost of living has historically been worse for Kiwi households in the bottom 20% of the income distribution. However, in recent quarters that pattern has reversed, with living costs for the lowest 20% of households by income rising (a still substantial) 6.8% y/y in Q2, versus 7.7% y/y for the top 20% of households. A key driver of the difference is interest payments – at the last HLPI reweighting these made up 6.2% of the expenditure basket for the top 20% of households, versus just 2.7% for the bottom 20% (who spend much more on rent). With the RBNZ in inflation-fighting mode, the cost of interest payments has increased 31.3% over the past 12 months (figure 1). That's going to hurt. If it brings inflation across the wider consumption basket back down, households will end up better off for it in the medium term. But it's very bitter medicine.

Figure 1. Growth in the cost of interest payments



Source: Stats NZ, Macrobond, ANZ Research

In the July edition of our [Property Focus](#), released this week, we took the opportunity to review our house price forecast. Last week's CPI inflation print, which showed a [further intensification](#) in domestic (non-tradables) inflation, prompted us to revise up our forecast for the OCR. We're now anticipating the OCR will reach 4% at the November MPS (versus 3.5% previously). Basically, the RBNZ has more work to do than we previously thought to bring inflation down within an acceptable time horizon. That means a higher OCR, higher mortgage rates, and more downwards pressure on house prices than otherwise. As such, we're now anticipating a 15% fall in house prices from peak to trough (previously 12%). Timely housing market indicators continue to point to further softening, with real estate inventories now at a 6-year high as sales drop further below pre-COVID levels. We would still describe our housing market outlook as a 'soft landing', as even a 15% fall in house prices from their November 2021 peak would leave them about 25% higher than 2019 levels – which we all can agree, were already pretty unaffordable! Monthly house price inflation numbers have ranged from -1.4% to -0.6% (ANZ seasonal adjustment) since the November 2021 peak – that's hardly a drastic collapse. But, forecast uncertainty is very high, and we're in uncharted territory with the RBNZ hiking the OCR at double speed during a housing slowdown. A sharper 'correction' is possible – especially if the labour market weakens significantly. But that's not our forecast (see next page).



## Looking ahead



### Recent Publications

ANZ produces a range of in-depth insights.

- NZ Property Focus: hardening headwinds and soft landings
- NZ Insight: the low consumer confidence puzzle
- NZ Property Focus: when, not if
- NZ Insight: He Waka Eke Noa recommendations
- Agri Insight: global food crisis to worsen
- NZ Property Focus: better fundamentals mean softer prices
- NZ Budget Review: Big Budget
- NZ Insight: Emissions Reduction Plan
- NZ Insight: new fiscal rules
- NZ Property Focus: regional rollercoaster
- NZ Insight: how widespread is labour market tightness?
- NZ Agri Focus: mixed blessings
- NZ Insight: the RBNZ's inflation expectations headache
- NZ temp fuel tax changes knock 0.5% off Q2 CPI
- NZ Insight: how is NZ's agri sector impacted by the Russian invasion
- NZ Insight: The Reopening II – shifting economic sands
- NZ Agri Focus: heating up
- NZ Insight: Endemic COVID-19 and labour supply
- NZ Insight: The real cost of inflation

[Click here for more.](#)



### ANZ Proprietary data

Check out our latest releases below.

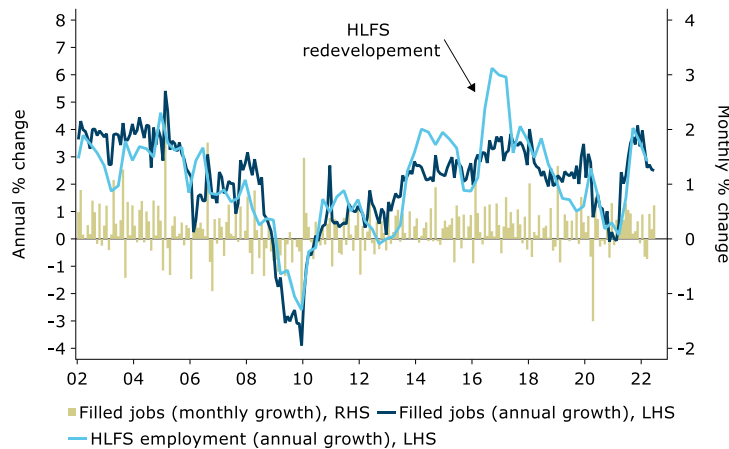
- ANZ Business Outlook
- ANZ-Roy Morgan Consumer Confidence
- ANZ Truckometer
- ANZ Commodity Price Index

### What are we watching?

Next week, attention turns to the other side of the RBNZ's dual mandate – the labour market. Here, too, things are looking pretty uncomfortable for the RBNZ. Labour demand remains far ahead of labour supply – despite what's close to record-high labour force participation. **We're forecasting** that a 0.8% q/q increase in employment helped send the unemployment rate to a fresh record low of 2.8% in Q2 (versus 3.2% in Q1). Finding workers remains the #1 constraint facing Kiwi businesses. With the Australian labour market heating up significantly in recent months, the difficulty associated with finding labour seems unlikely to ease in the near term.

Particularly notable this week was the increase in monthly filled jobs over June – up 0.6% m/m (2.5% y/y). The data show that after falling in February and March, hiring has bounced back solidly in the three months to June. And it's been a reasonably broad-based increase in jobs, with the number of filled jobs in the services and goods-producing industries both up by 0.7% m/m (although primary sector employment fell 0.3% m/m). The filled jobs numbers don't track HLFS employment figures exactly, but they're a good steer on the underlying trend (figure 2). Combining this strong data print with other solid prints like the Q2 QSBO and job vacancies brings us to our forecast for a 0.8% q/q lift in employment in Q2 (versus 0.1% in Q1). However, uncertainty is high – and the HLFS employment numbers are nothing if not volatile. Whatever the headline, we expect the details of the jobs report will confirm the message of surveys and anecdotes: labour is a critical constraint, and that constraint probably worsened in Q2 2022.

**Figure 2. Monthly filled jobs versus HLFS employment**

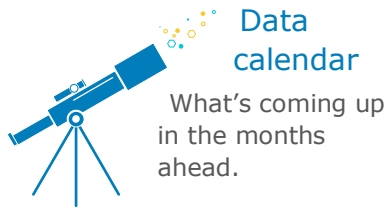


Source: Stats NZ, Macrobond, ANZ Research

For the RBNZ, good news will be bad news when looking at next week's labour market report. Every incremental tightening in the labour market locks in more domestic inflation pressure. At the May MPS, the RBNZ expected unemployment to dip slightly to 3.1% in Q2, before rising thereafter to just under 5% in 2025. If we're right that the unemployment rate fell to 2.8%, that will lower the bar for ongoing 50bp OCR hikes. We're expecting 50s at the August, October, and November meetings, bringing the OCR to 4% by year-end (vs. 2.5% currently). However, we continue to expect that signs of slowing demand in the economy over the second half of 2022 will be increasingly hard to discount – and should give the RBNZ the leeway to pause interest rate hikes after a final 50bp hike at the November MPS. By that point we will be well over a year past the 2021 trough in mortgage rates, and the RBNZ will (we think) have delivered 375bps of rate hikes in just 13 months. It takes time for the full impact of monetary policy to flow through the economy, and we haven't seen that full impact yet. When it hits, we'll certainly feel it.



## Financial markets update



Date	Data/event
Mon 1 Aug (10:45am)	Building Permits – Jun
Wed 3 Aug (early am)	GlobalDairyTrade auction
Wed 3 Aug (10:45am)	<b>Labour Market – Q2</b>
Wed 3 Aug (1:00pm)	<a href="#">ANZ Commodity Price Index – Jul</a>
Mon 8 Aug (3:00pm)	RBNZ 2Yr Inflation Expectation – Q3
Tue 9 Aug (10:00am)	<a href="#">ANZ Truckometer – Jul</a>
Tue 9 Aug (10:45am)	Electronic Card Transactions – Jul
Thu 11 Aug (10:45am)	Net Migration – Jun
Fri 12 Aug (10:30am)	BusinessNZ Manuf PMI – Jul
Fri 12 Aug (10:45am)	Food Price Index – Jul
Fri 12 Aug (10:45am)	Rental Price Index – Jul
Mon 15 Aug (10:30am)	Performance Services Index – Jul
Wed 17 Aug (early am)	GlobalDairyTrade auction
Wed 17 Aug (2:00pm)	<b>RBNZ Monetary Policy Statement</b>
Fri 19 Aug (10:45am)	Merchandise Trade – Jul
Thu 25 Aug (10:45am)	Retail Sales – Q2
Fri 26 Aug (10:00am)	<a href="#">ANZ-RM Consumer Confidence – Aug</a>
Wed 31 Aug (10:45am)	Building Permits – Jul
Wed 31 Aug (1:00pm)	<a href="#">ANZ Business Outlook – Aug</a>
Wed 31 Aug (3:00pm)	RBNZ Sectoral Lending – Jul
Fri 2 Sep (10:45am)	Terms of Trade – Q2
Mon 5 Sep (10:45am)	Building Work Put in Place – Q2
Mon 5 Sep (1:00pm)	<a href="#">ANZ Commodity Price Index – Aug</a>
Wed 7 Sep (early am)	GlobalDairyTrade auction
Thu 8 Sep (10:45am)	Economic Survey of Manufacturing – Q2
Fri 9 Sep (10:00am)	<a href="#">ANZ Truckometer – Aug</a>
Fri 9 Sep (10:45am)	Electronic Card Transactions – Aug

### Interest rate markets

Wholesale interest rates are down across the curve in what's largely been a US story. Weak activity numbers and what markets saw as a dovish tilt from the Fed raised expectations that a slowing US economy might see the Fed hiking by less (and cutting rates earlier) than expected. The US Fed hiked the fed funds rate another 75bps yesterday (to a target range of 2.25-2.5%), but noted that further outsized hikes would be data dependent, and that it would be appropriate to slow hikes "at some point". But the biggest contributor to the drop in interest rates this week was Q2 GDP data for the US, which showed the economy contracted for a second quarter in a row, down 0.9% (seasonally adjusted annualised rate). Other soft data throughout the week, including US housing market data, helped reinforce the idea of a lower peak in the Fed funds rate. US data on wages, core inflation, and inflation expectations out tonight will be key for markets as the trade-off between supporting growth and controlling inflation gets ever starker. In New Zealand, the 10-year yield was 3.40% at the time of writing, after opening the week at 3.69%. Next week's NZ Q2 labour market report will be watched closely. [We're expecting](#) unemployment fell to a new record low of 2.8%, which would keep our expectation for a peak OCR of 4% firmly alive despite continued weakness in the timely activity indicators, such as our [Business Outlook](#).

### FX markets

The NZD made gains against the AUD and USD this week, with weaker-than-expected data prints in both countries seeing markets revise down expectations for rate hikes from both the RBA and US Fed. The DXY continues to lose its lustre, now back down to levels seen in the first week of July. In Australia, Q2 annual CPI inflation came in at 'just' 6.1%, versus market expectations for a 6.3% lift. That saw markets move away from the idea of a 75bp cash rate hike from the RBA next week, with around 43bps currently priced (versus 58bps before the data). The NZD/AUD was back around 0.90 this morning, after dropping below 0.895 earlier. However, we see downside to the NZD/AUD as the inflation and interest rate gaps between the two countries continue to close.

### Key data summary

**ANZ Business Outlook – July.** [Business confidence](#) lifted 6 points to -56.7, but remains very weak. Residential construction intentions continue to plumb new lows, and inflation pressures remain intense (although they show signs of topping out).

**ANZ Roy Morgan Consumer Confidence – July.** [Consumer confidence](#) lifted 1.4 points in July to 81.9, still very low. Consumer inflation expectations eased to 4.9% (5.6% previously) – that's a win.

### The week ahead

**RBNZ sectoral lending data – March (Friday 29 April, 3:00pm).** Housing lending is gradually slowing, while business lending has been on a tear – it's comfortably above pre-COVID levels.

**Building Permits – June (Monday 1 August, 10:45am).** Further declines (from high levels) are likely as higher interest rates and a cooling housing market ease construction demand. But the monthly data are noisy.

**GlobalDairyTrade auction (Wednesday 3 August, early am).** Retracing from recent highs.

**Labour Market Statistics – Q2 (Wednesday 3 August, 10:45am).** We expect unemployment fell to 2.8% in Q2 (3.2% in Q1). See our [Preview](#).

**ANZ Commodity Price Index – July (Wednesday 3 August, 1:00pm).**



## Key forecasts and rates

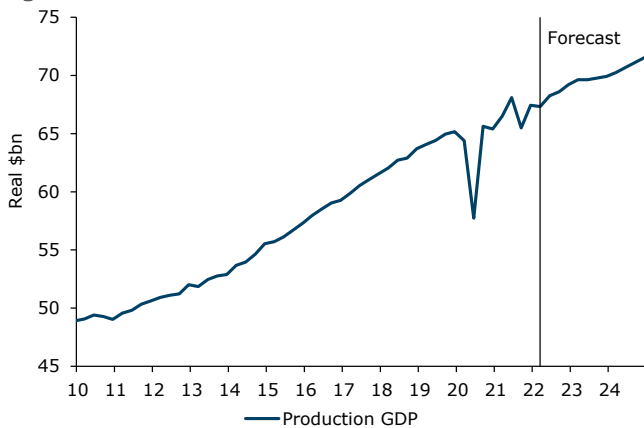
FX rates	Actual			Forecast (end month)					
	May-22	Jun-22	Today	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
NZD/USD	0.652	0.621	0.629	0.650	0.660	0.660	0.660	0.650	0.650
NZD/AUD	0.907	0.904	0.900	0.890	0.880	0.868	0.868	0.867	0.867
NZD/EUR	0.609	0.597	0.617	0.619	0.600	0.589	0.584	0.570	0.560
NZD/JPY	83.4	84.7	84.6	84.5	84.5	83.8	83.2	81.3	79.3
NZD/GBP	0.517	0.513	0.517	0.537	0.537	0.532	0.524	0.512	0.508
NZ\$ TWI	72.3	70.5	71.4	71.9	71.9	71.3	70.9	69.7	69.3
Interest rates	May-22	Jun-22	Today	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
NZ OCR	2.00	2.00	2.50	3.00	4.00	4.00	4.00	4.00	4.00
NZ 90 day bill	2.47	2.86	3.14	3.93	4.10	4.10	4.10	4.10	4.10
NZ 2-yr swap	3.92	4.06	3.75	4.37	4.21	3.99	3.93	3.82	3.76
NZ 10-yr bond	3.61	3.86	3.40	4.25	4.00	4.00	3.75	3.75	3.75

### Economic forecasts

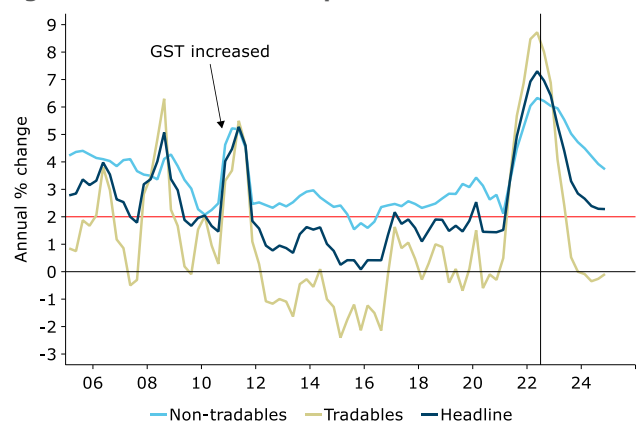
	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
GDP (% qoq)	-0.2	<b>1.4</b>	<b>0.5</b>	<b>0.9</b>	<b>0.6</b>	<b>0.0</b>	<b>0.2</b>	<b>0.2</b>	<b>0.5</b>
GDP (% yoy)	1.2	<b>0.3</b>	<b>4.8</b>	<b>2.7</b>	<b>3.4</b>	<b>2.0</b>	<b>1.7</b>	<b>1.0</b>	<b>0.9</b>
CPI (% qoq)	1.8	1.7	<b>1.9</b>	<b>0.9</b>	<b>0.7</b>	<b>0.7</b>	<b>0.8</b>	<b>0.5</b>	<b>0.6</b>
CPI (% yoy)	6.9	7.3	<b>7.0</b>	<b>6.4</b>	<b>5.3</b>	<b>4.4</b>	<b>3.3</b>	<b>2.8</b>	<b>2.7</b>
Employment (% qoq)	0.1	<b>0.8</b>							
Employment (% yoy)	2.8	<b>2.6</b>	<i>Under review</i>						
Unemployment Rate (% sa)	3.2	<b>2.8</b>							

Figures in bold are forecasts. mom: Month-on-Month; qoq: Quarter-on-Quarter; yoy: Year-on-Year

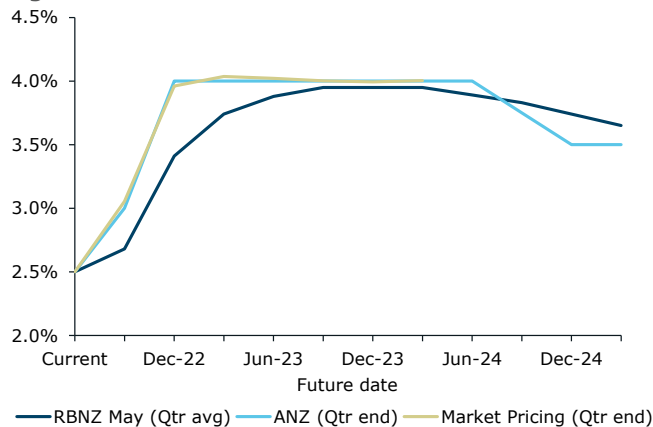
**Figure 4. Production GDP**



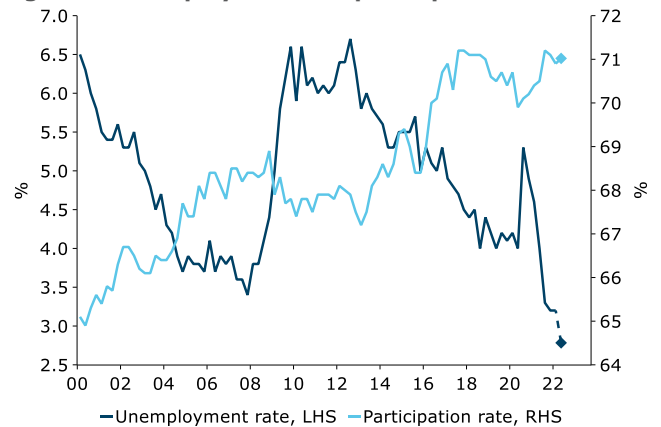
**Figure 5. CPI inflation components**



**Figure 6. ANZ OCR forecast**



**Figure 7. Unemployment and participation rate**



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



## 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 Twitter  
[@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)



**Finn Robinson**  
Economist

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

Telephone: +64 21 629 553  
Email: [finn.robinson@anz.com](mailto: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](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: 22 June 2022

**This document (which may be in the form of text, image, video or audio) is intended for ANZ's Institutional, Markets and Private Banking clients. It should not be forwarded, copied or distributed. The opinions and research contained in this document are (a) not personal advice nor financial advice about any product or service; (b) provided for information only; and (c) intended to be general in nature and does 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 and distributed in your country/region by either: Australia and New Zealand Banking Group Limited (ABN11 005 357 522) (**ANZ**); or its relevant subsidiary or branch (each, an **Affiliate**), as appropriate or as set out below.

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 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 would be subject to additional licensing or registration requirements. Further, the products and services mentioned in this document may not be available in all countries.

ANZ in no way provides any 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 does not represent or warrant the accuracy or completeness of the information. Further, ANZ 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 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. The 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 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 and its Affiliates may have an interest in the subject matter of this document. They may receive fees from customers for dealing in the 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 the 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's policies on conflicts of interest and ANZ maintains appropriate information barriers to control the flow of information between businesses within it and its Affiliates.

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

**Country/region specific information:** Unless stated otherwise, this document is distributed by Australia and New Zealand Banking Group Limited (**ANZ**).

**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.

**Brunei, India, 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 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 Banking Group Limited 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.

**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.

**Macau.** Click [here](#) to read the disclaimer for all jurisdictions in Mandarin. 澳门. [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).

**New Zealand.** This material is for information purposes only and is not financial advice about any product or service. We recommend seeking financial advice about your financial situation and goals before acquiring or disposing of (or not acquiring or disposing of) a financial product.

## Important notice

**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 or Oman's Capital Market Authority. 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. Accordingly, 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.** 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 Cap. 289 of Singapore). ANZ is licensed in Singapore under the Banking Act Cap. 19 of Singapore and is exempted from holding a financial adviser's licence under Section 23(1)(a) of the Financial Advisers Act Cap. 100 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**) 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.

This document has been prepared by ANZ Bank New Zealand Limited, Level 26, 23-29 Albert Street, Auckland 1010, New Zealand, Ph 64-9-357 4094, e-mail [nzeconomics@anz.com](mailto:nzeconomics@anz.com), <http://www.anz.co.nz>