14 November 2022

# RBNZ MPS Preview

- **50 point hike a very real option**
- **Market pricing might be the determining factor**
- **Starting point surprises say hike 75**
- **Leading indicators say nothing of the sort**
- **Terminal rate sub 5.0%**

The Reserve Bank's decision as to what it does with its cash rate on November 23 again rests with the relative weight it places on historical outturns as opposed to the suite of leading indicators, both published and anecdotal, that are available.

Recently published data clearly argue the Reserve Bank should present a more aggressive face than it did at both the August Monetary Policy Statement and the October Monetary Policy Review. But forward indicators are arguing a much more cautious approach.

When we wrote our October MPR preview we said much the same thing and concluded the cautious approach would be adopted. We were wrong! The RBNZ came out with fists flying, hiking 50 basis points and arguing for more of the same ahead. This time around we have even greater conviction that caution is warranted yet, given the recent past decisions of the central bank, we are not convinced we can forecast this outcome with any confidence.

On a number of occasions the RBNZ has changed its view of the world almost exclusively on the basis of starting point deviations i.e published data outcomes that differed from its expectations. Over the last few weeks it is fair to say most key domestic indicators have come out on the more inflationary side of the spectrum.

The push for a more aggressive stance gained most traction with the release of the Q3 CPI on October 18. From a Reserve Bank perspective, the annual increase in prices of 7.2% was an absolute shocker, given it had assumed a 6.4% increase for the period. Sure, a lot of the "miss" was due to airline fares but core measures of inflation, and non-tradable inflation, remained more elevated than would provide the RBNZ comfort.

All other things being equal, the starting point shift also means annual forecasts for the CPI will stay above the RBNZ's original estimate for some time. This is problematic because inflation expectations are more often than not set by actual inflation. The RBNZ doesn't like it when inflation expectations are elevated as this impacts wage and price setting behaviour. But they are, as evidenced by the recent RBNZ inflation expectations survey, and they will impact behaviours. The only good news on this front is that business pricing intentions do appear to have turned the corner albeit remaining at highly elevated levels.

And then along came the Q3 labour market report on November 2. At the headline level one could conclude the data indicated a labour market that was softer than the RBNZ had assumed. The unemployment rate was an as-expected 3.3% and the private sector labour cost index was a smidgen weaker than RBNZ expectations.

But the devil was in the detail. The 1.3% increase in employment reported for the quarter was miles above RBNZ expectations of 0.1%. This pushed the employment rate to 69.3% compared to the Bank's forecast of 68.0%. And the unemployment rate was only held up by a dramatic surge in the participation rate to an unprecedented 71.7%, from an already-elevated 70.9% a quarter earlier. The truth of the matter is that the demand for labour is clearly stronger than anticipated largely, we think, due to the resurgence in the labour-intensive service sector.

And the Quarterly Employment Survey showed that wage pressure on businesses continued to accelerate with private sector average hourly earnings up 2.6% for the quarter, 8.6% for the year.

As if this wasn't enough to get the hawks flying: household spending data suggest the RBNZ may be underestimating the level of private consumption in Q4; the NZD, albeit having bounced solidly lately, has been weaker on average than had been anticipated; the services sector continues to grow at pace.

Looking at these factors in isolation, it would seem reasonable to assume the RBNZ would want to throw the book at inflation by raising interest rates 75 basis points at this meeting and intimating much more to come. The likelihood of this is bolstered by the fact that it would appear more than one Monetary Policy Committee member was keen to hike rates 75 basis points at the October meeting.

But, surely, the Reserve Bank can't ignore what many of the leading indicators are telling us:

- Consumer confidence is moribund and consistent with an economy going into recession.
- Business own-activity readings are not so negative but the direction of expected outcome is the same.

- Profit expectations have traditionally been a good indicator of economic activity. They too portend recession.
- The Performance of Manufacturing Index has turned contractionary.
- Global growth forecasts continue to be revised lower and lower.
- Builders are reporting forward orders are coming under pressure.
- An increasing number of households are saying they expect to spend less.
- Not only have new mortgage rates risen but existing fixed-rate mortgage holders are progressively moving onto higher rates. The Reserve Bank itself estimated, in its recent Financial Stability Report, that "among households with mortgages, the average percentage of disposable income dedicated to debt servicing is expected to rise from a recent low of 9 percent to 20 percent based on **current** mortgage rates. Surely this must impact aggregate household spending.

In addition:

- Dairy prices are in retreat. Our 2022/23 milk price forecast remains at $8.90, as it has since February. But the risks are now firmly tilted to the downside. As a point of reference, last year's payout was $9.30. Not only does a 40 cents drop in revenue hurt, but farm earnings are also coming under significant pressure from rising costs at the same time.
- Commodity prices, generally, especially oil, have fallen.
- The NZD may be lower than where it was expected to be when the August MPS was put together but it is also substantially higher than where it was when the October hawkish tilt was delivered.
- House prices are falling rapidly.

And last but not least:

- Does the Reserve Bank really want to accelerate the tightening cycle this late in the piece?
- Recall that the Governor has said that we are now most of the way there in terms of tightening. A 75 basis points move would not really be consistent with that thinking.

Cognisant of the lags between raising interest rates and the economic impact thereof, if we were the central bank we would raise interest rates 50 basis points at the upcoming meeting, take the time between now and the next meeting in February to reassess, but probably throw in another couple of 25 basis points rate increases into the track, say February and May, to signal the direction of risk.

We're not, however, convinced the RBNZ sees things quite like we do.

When push comes to shove, the determining factor for the Bank may well be what the market is pricing in the run up to the decision. We still reckon the RBNZ would prefer to go 50 if it could get away with it but it won't want the currency to reverse its recent recovery and will not want to appear to be going soft on inflation.

A few weeks ago when we changed our call to a 75 point hike the market was not only fully pricing such a move but even a decent chance of 100. Today the market sees a 55% likelihood of a 75 point hike.

In support of our view that the RBNZ will look at the market closely Governor Orr, in his post Monetary Policy review press briefing, on November 10 said, in response to a question: "The interest rates that matter are those provided by financial markets".

The biggest issue we are grappling with, were the RBNZ to hike 75, is what would it do with its interest rate track? It would seem a bit odd to indicate no further move in February or even just 25 basis points for that matter. But were it to indicate 50 for February this would be a very brave call seeing that we could be staring down the barrel of a recession at that stage and, if the IMF is right, the rest of the world might not be that far behind us.

Moreover, if you penciled in 50 for February would you not have to throw another 25 into May for good measure? A track of 75,50,25 would put the terminal cash rate at 5.0%. We can't help but think such a terminal rate would provide encouragement to a market already pricing in a peak of 5.1%. Would the Reserve Bank really want this?

In its FSR, the Bank said that "The number of households in financial difficulty will grow as more fixed-rate mortgages reprice, and could increase significantly if mortgage rates rise materially above the servicing assessment rates of around 6 percent that banks applied through the pandemic period". In our opinion, if the cash rate was to peak at 5.0%, substantially higher mortgage rates would almost be a certainty, especially given banks funding costs will also be pushed higher by increasing competition for term deposits due largely to the end to the Funding for Lending Programme.

Don't underestimate the impact of such elevated rates. In the words of the Reserve Bank, "at an interest rate of 7 percent, we estimate that around 46 percent of 2021's mortgage borrowers would need to spend at least half of their after-tax income on interest payments."!

So the long and short of it is that a 75 point increase would result in a messaging headache for the Reserve Bank. This is a very good reason to avoid making such a move if at all possible.

Given all the information we currently have, we are really struggling to get off the fence between 75 and 50. Right here and now we plum for 75 but this is a line ball call. For what it's worth, the BNZ Research's "Monetary Policy Committee" voted 4-2 in favour of 75. We'd like to think of it as a 55%/45% call.

With this in mind, we reiterate that market pricing could easily change these odds between now and November 23.

For everyone, apart from those in markets, the bigger point of interest is when does this all end? In August the RBNZ published a model-based terminal cash rate of 4.1%. Our back of the envelope estimates indicate the starting point surprises could add between 50 and 75 basis points to that outcome, putting the peak at 4.60% to 4.85%. But, if the dovish indicators are also taken into consideration then there will be some offset. This suggests that the Bank should settle on a figure around 4.6% but it could really only do this if it raised the cash rate 50 basis points. If it goes 75 then the upper end of this range would probably have to be utilised. Either way, this would achieve three things. It would disavow the expectation that the cash rate is likely to head over 5.0%, it would leave a distinct tightening bias irrespective of whether the Bank goes 50 or 75 at the November meeting, and it would leave the Bank plenty of wriggle room in terms of next year’s decision making.

This week ahead there are a number of indicators the Reserve Bank will pay at least a passing interest too. Probably most important was today’s release of the Performance of Services Index.

Last Friday’s PMI showed the manufacturing sector coming under increasing pressure, even to the extent the demand for labour might soon diminish. Todays’ PSI, in stark contrast, shows a services sector in extremely fine fettle which is somewhat problematic given how labour intensive it is.

On Tuesday we get September’s travel and migration data. The return of international tourism is a major driver of the current rebound in services, we should get confirmation that this is ongoing with September’s travel release.

Over the last few months there have also been signs that net migration may be turning positive. We’ll get to see whether the momentum is building or whether recent data have been an aberration. Either way, the migration data are unlikely to denote any marked easing in New Zealand’s labour supply issues.

On Thursday the Business Price Indices for Q3 are released. With commodity prices coming off the boil, freight costs starting to ease and supply chain issues improving (albeit modestly), we would expect some indication that both input and output cost inflation should soon peak. That said, unless there is a surprisingly small movement in input costs for the quarter, annual input price inflation could push through 10.0% and output price inflation will likely remain above 8.0%. We are forecasting a rapid decline in annual business price inflation through calendar 2023.

Rounding the week out are vehicle registrations for October, released on Friday. We anticipate these will reveal a marked decline from year earlier levels, particularly in the used car sector. The slump in demand for used cars and the increased availability of new cars is also likely to show up in declining used car prices in the CPI in due course.

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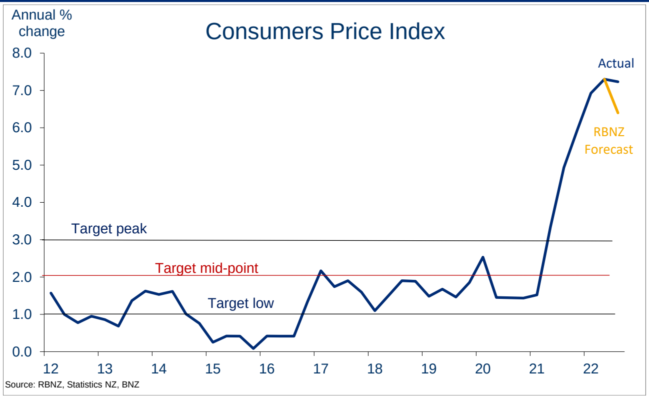
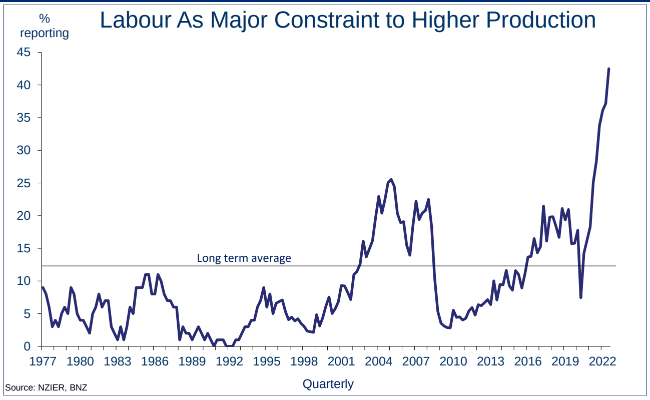
# Why the RBNZ should go 75

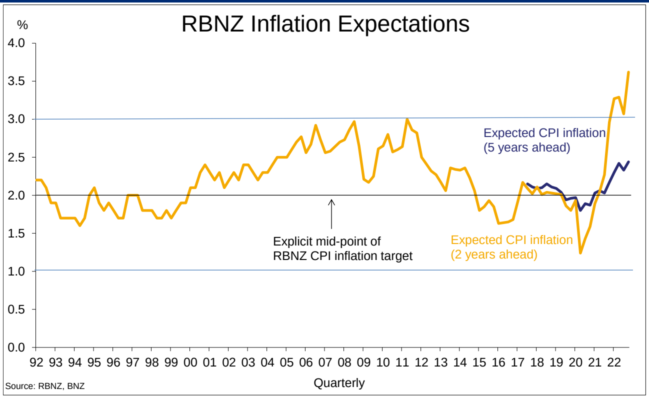
## CPI exceeds expectations



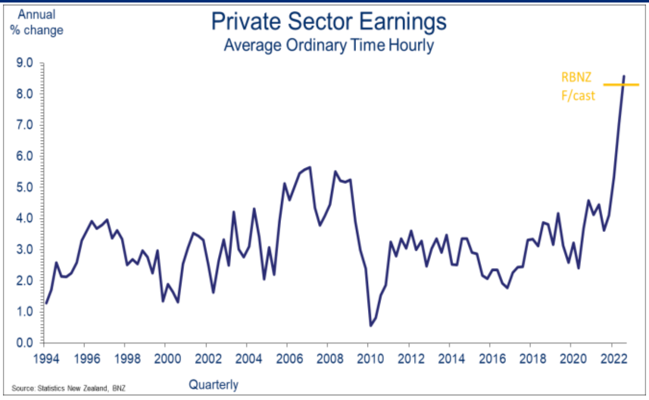

## Labour shortages ridiculous




## Inflation expectations elevated




## Earnings growth accelerates

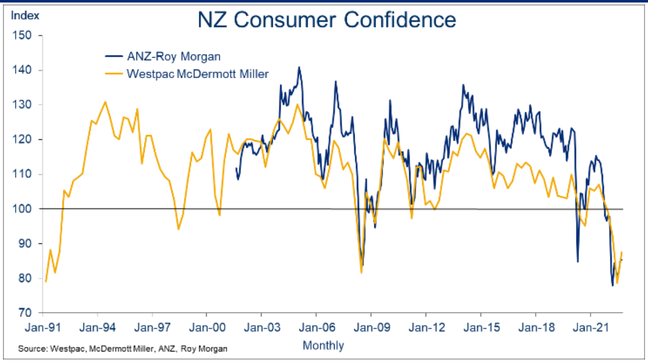



## Employment exceeds expectations


## NZD Unhelpful

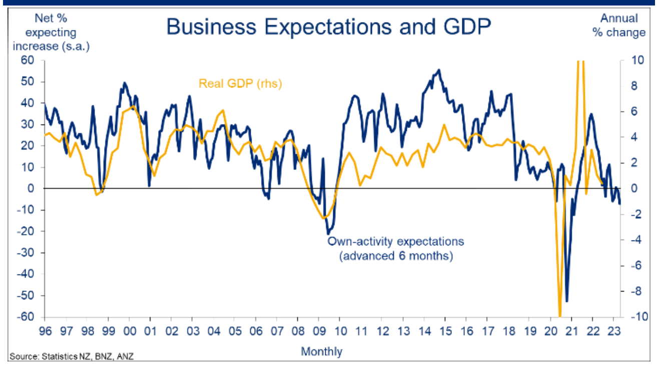
# Why the RBNZ should go 50

## Consumer confidence recessionary

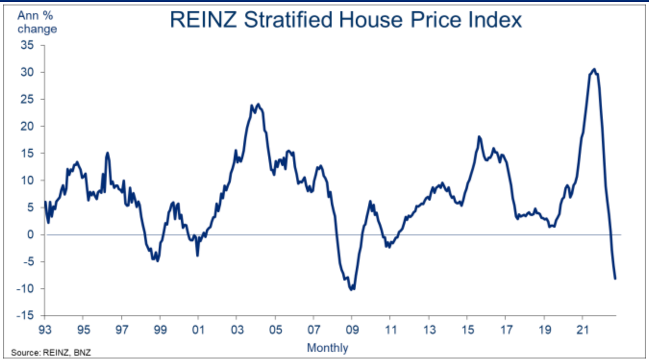



## Global growth slumping

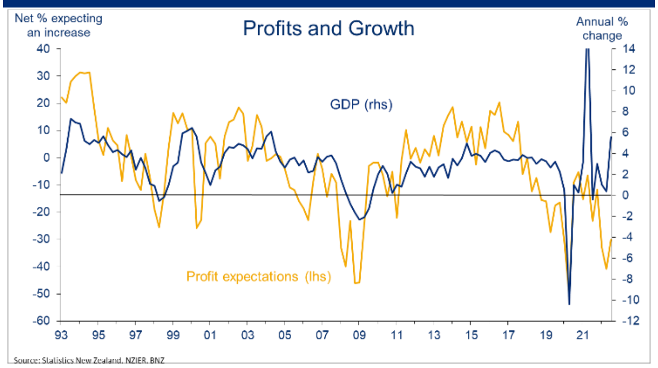

## Business confidence recessionary



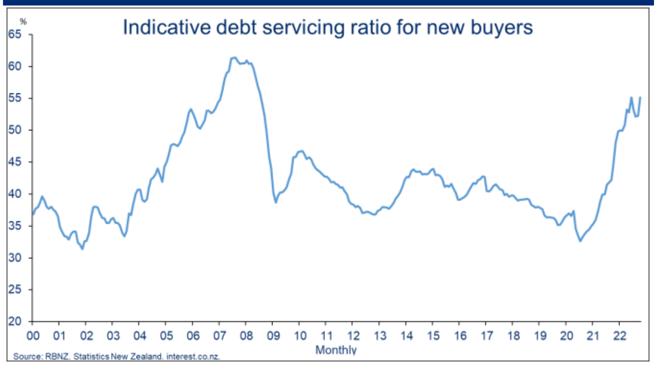

## House prices are falling




## Profit expectations recessionary




## Debt servicing costs are skyrocketing



# Global Watch

- **China Covid policy sees incremental change**
- **China announces support for property sector**
- **China monthly data to show further slowing**
- **Xi to meet Biden at G20 this week**
- **UK Chancellor's Autumn Statement in focus**
- **UK employment, CPI, retail sales due**
- **US second-tier inflation indicators to monitor**
- **AU unemployment rate seen ticking higher**
- **AU Q3 wages, RBA minutes due**

**Australia**

The RBA's November Minutes may garner slightly more attention than usual to see whether they align with the RBA Deputy Governor's Senate Estimates remarks of getting to the point where "maybe, there might be an opportunity to sit and wait and look a little bit".

On careful listen, the remark was in response to a Senator suggesting interest rate hikes were counterproductive, clarified with "we think interest rates probably have to go up a little bit further" and in that context are consistent with a string of 25bp increases. The SOMP was conditioned on a peak cash rate of around 3½% and which still had core inflation above target at 3¼% y/y by the end of 2024.

The other area where NAB will be watching carefully is whether the Minutes reveal that a reacceleration to 50bp was considered after the high and broad based Q3 inflation data, and, if so, whether the decision to hike by 25bps was closely balanced. If it was, then a string of 25bp increases is more likely than a near-term pause.

In its write-up on the SoMP forecasts, NAB wrote that the RBA forecasts inflation above the target band until at least the end of their 2024 forecast horizon but didn't seem to mind, with the RBA on balance appearing more sensitive to downside risks to activity and less sensitive to the risks of price-wage persistence than other central banks.

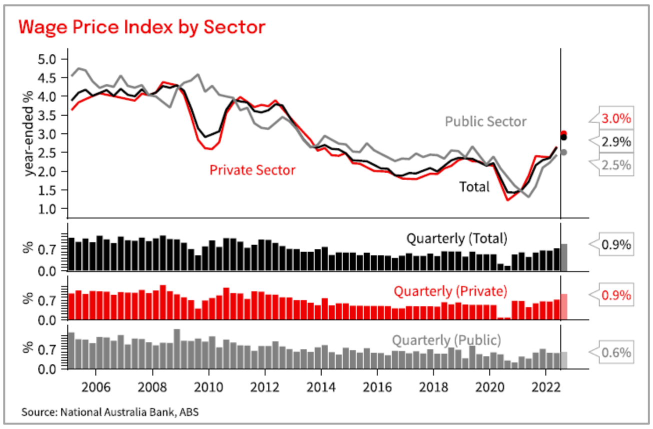
NAB expects the RBA to raise rates by 25bp in December, with two more hikes pencilled in in February and March to a peak at 3.6%. If activity and employment data is more resilient than NAB expects and there are signs of a faster acceleration in wages growth and more persistent inflation than the RBA expects, the hiking cycle could extend higher through 2023.

NAB expects Q3 WPI to print 0.9% q/q and 2.9% y/y on Wednesday. The larger minimum and award wage decision that took effect for most awards on July 1 will help boost wages growth in the quarter, though increases for workers in hospitality, tourism and aviation were delayed. The staggered timing means some of those increases will be measured in Q4 when fewer workers ordinarily see wages adjustments, but some employers moved ahead of the effective date amid tight labour markets.

The RBA's implied Q3 forecast from the November SoMP is for a print of 0.8-9% q/q and 2.9% y/y. The market consensus is for 0.9% q/q and 3.0% y/y.

NAB thinks a small upside surprise would still be consistent with the RBA moving in 25bp increments at the next few meetings as it assesses incoming data for signs of slowing in consumer demand. The RBA expects wages growth of 3.7% y/y by mid next year and Governor Lowe has previously said WPI wages growth of 3.5-4.0% is consistent with at target inflation, with a 1% productivity assumption.

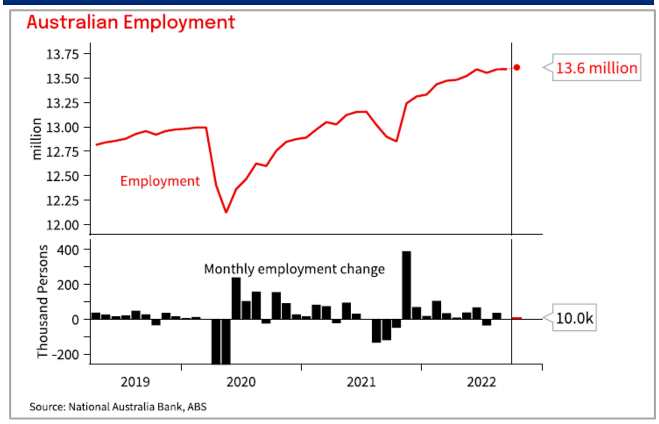
WPI seen at 0.9% q/q




NAB expects employment growth of 10k in October, with the unemployment rate ticking up a tenth to 3.6% from 3.5% (3.54 unrounded).

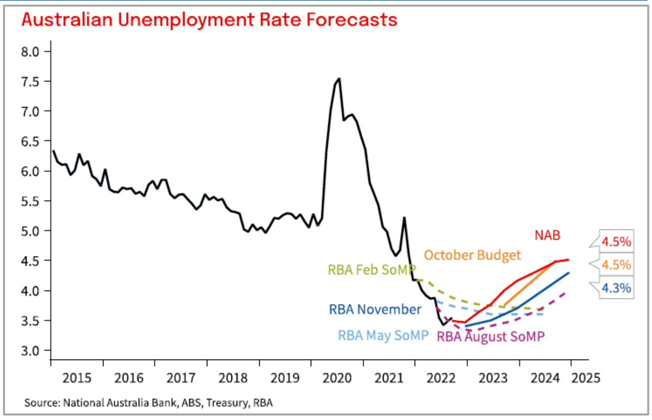
Trend employment growth has slowed in the past few months and monthly growth was close to flat in September. Volatility in the jobs data has made interpretation difficult over recent months and some technical factors means October's numbers could also be challenging to interpret with clarity.

Employment growth has slowed



It is unlikely recent slowing in employment growth signals a material easing in labour market tightness given still strong labour demand indicators as seen in the NAB Business Survey employment intentions and record high measures of availability of suitable labour as a constraint on output at record highs. That said, SEEK New Job Ads have fallen 13.5% from their May peak, suggesting some moderation in the exceptional levels of unmet labour demand seen through the post-pandemic rebound and expansion, but remain at still elevated levels.

Unemployment to rise through 2023




### US

Markets have moved a lot following the lower-than-expected inflation figures with Fed Funds pricing moving sub 5% from over 5% last week. A downshift to a 50bp hike at the December meeting looks more certain. This week markets will keep an eye out for other inflation indicators to see whether the tentative moderation in the pace of inflation is the start of a new trend – the PPI is on Tuesday, Import Prices are on Wednesday, while the Empire and Philly Fed manufacturing surveys also have price-related questions. The other focal point is the health of the consumer with Walmart reporting results on Tuesday, Target on Wednesday, all coming ahead of the official measure of Retail Sales on Wednesday. Fed speak shifts into overdrive with a bevy of speakers, including heavy hitters Brainard, Williams, Waller and Bullard.

### China

A busy data week with the monthly activity indicators of Industrial Production, Retail Sales and Fixed Asset Investment on Tuesday. Expect retail sales growth to soften further to 0.7% y/y. China's zero-Covid policy also remains under focus with local COVID cases recently breaching 10,000, the most since April. China has announced incremental easing of Covid restrictions further fuelling market speculation around a future pivot away from the zero-Covid policy. New guidance released by the Chinese authorities on Friday confirmed that international visitors and close contacts would now need to spend 5 days in a quarantine facility and 3 days at home (down from the current 10-day requirement) while airlines would no longer be penalised for bringing Covid-positive passengers to the country. Bloomberg reported that cities were scaling back mass testing and releasing close contacts from quarantine facilities, in response to new guidance. Analysts don't expect any wholesale changes to the zero Covid policy until after winter, but markets see enough straws in the wind to speculate China could be lining up a pivot to living with Covid from March/April 2023. An eventual shift away from the Covid-zero policy would remove a major headwind to global growth over the medium term, although it will not be without its challenges in the short term as many countries have shown.

China also announced a series of measures aimed at helping the beleaguered property industry, including reducing deposit requirements for mortgages and easing restrictions on bank lending to developers. Bloomberg reported that an index of Chinese developers' stocks jumped by a record 18% Friday.

On the geopolitical front, the G20 is in Bali on Tuesday-Wednesday with President Xi meeting President Biden, a potential opportunity to discuss a range of topics including Taiwan, Ukraine, and semi-conductors. Note President Putin is not attending the summit.

### UK

Central to market attention will be the Chancellor's Autumn Statement on Thursday with its mooted £50-60bn in Budget cuts to ensure that the debt to GDP ratio stabilises and impress markets the Government has embraced non-inflationary fiscal policy. The extent of savings should lower Bank rate expectations, the market currently pricing in a terminal rate of around 4½%. NAB thinks that looks high given the already arriving slowdown into recession through next year and recent BoE comments their forecasts were closer to a 3% unchanged Bank rate than a 5% "market rate" assumption. NAB forecasts 50bps in December, then a pause. It's also a big week for key economy reports with Employment on Tuesday (unemployment rate seen steady at 3.5%), CPI on Wednesday (market sees 10.7% y/y in October, up from 10.1%), and Retail Sales on Friday (market consensus is for -6.5% y/y in October from -6.9% in September).

### Eurozone

A quiet week with only Industrial production on Monday and the German ZEW on Tuesday. There's also a second-read on Q3 GDP and a final-read on CPI, but both are not expected to be revised from their initial estimates. There is plenty of ECB speak, but it is not likely to be different to the extensive comments from ECB officials to date.

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# Fixed Interest Market

**Reuters: BNZL, BNZM Bloomberg:BNZ**

Last week saw a big fall in global rates, which ricocheted to the New Zealand curve, following a downside surprise to US CPI data. The market has significantly pared back its RBNZ OCR rate hike expectations, now pricing only around a 50% chance of a 75bps RBNZ hike next week.

Last week saw a material downside surprise to US core CPI, with the 0.27% monthly increase coming in well under the consensus for 0.5%. Investors have been waiting for the turn in US inflation for several months now, only to have been disappointed by a relentless string of upside surprises. This release provided the first tangible sign that core inflation has likely peaked and several leading indicators, including pricing intentions from the ISM surveys, suggest annual core inflation should continue to moderate from here, although the Fed's 2% target is still a long way off.

The CPI data prompted a major market reaction, with US Treasury bond rates falling by as much as 25bps on Thursday night. The market significantly scaled back the likelihood of a 75bps Fed hike next month, with only around a 10% chance of this now priced in. The market now expects the peak in the Fed funds rate to be below 5%. The US 10-year rate has fallen back to around 3.80%, down around 50bps from its peak late last month. It's worth remembering last week's move came after the US 10-year had rate surged 180bps in just three months, so a pullback was arguably overdue.

Naturally, the US CPI surprise had major ripple effects to other markets, including New Zealand, with the market figuring that the RBNZ likely has less tightening work to do if we are indeed past the peak in global inflation. The market is now split almost 50-50 between a 50bps hike and a 75bps move for the RBNZ's MPS next week. Likewise, the market is pricing a peak in the OCR of around 5.10%, having been as high as 5.40% earlier in the week. NZ swap rates were 22-25bps lower last week, with the 2-year swap rate falling back below the 5% mark once again.

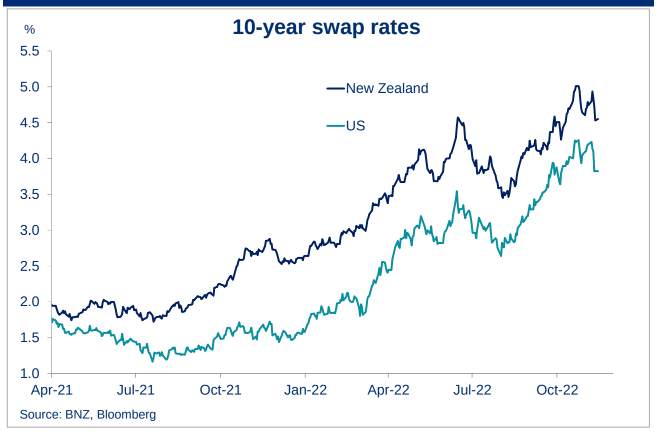
The question is whether this is the start of a more sustained correction in US (and therefore NZ) rates, or whether it is just another pullback within the broader uptrend. Ultimately, what happens to US inflation from here will be crucial (US inflation data are timelier than in NZ, being a monthly release). Given leading indicators of US core inflation point towards further moderation over the coming months, we think the repricing in US rates since the CPI data is justified and consistent with the Fed pausing its tightening cycle early next year. The bigger question is where inflation ultimately settles – does it revert all the way back to 2% or linger above 3%? – but we think markets will probably focus on the likely normalisation in core inflation in the coming months.

The US 10-year rate typically peaks around the time of the last (or penultimate) hike of the cycle before falling away. However, this cycle has been unusual in many ways. We think there is a chance that the US 10-year (and therefore the NZ 10-year) has peaked for the cycle, although rates are likely to remain volatile for some time.

Market pricing for the RBNZ has come back significantly from its highs, but with a terminal rate of around 5.10% we still think the risks are tilted to the RBNZ doing less tightening than this, rather than more. The November MPS is a key upcoming risk event for the NZ market. We're expecting a 75bps hike but see a significant risk the RBNZ could opt to hike by 50bps again. Either way, the downside surprise to US inflation data is likely to help restrain the market reaction to a hawkish MPS scenario, with markets likely to anticipate that the RBNZ will eventually fall into line with other major central banks. Our forecasts have the 2-year swap rate remaining elevated in the near term but falling away next year.

The other big news in the domestic rates market was the government's announcement last week that Kāinga Ora's funding programme will be folded into NZDM's government bond programme going forward. Kāinga Ora, through its subsidiary Housing New Zealand Limited (HNZL), has been issuing bonds in capital markets since 2018 and now has $7.6b of nominal bonds outstanding, making it the third largest high-grade issuer in the domestic bond market outside the government. Spreads on HNZL bonds collapsed by 30-45bps on Friday, reflecting both the complete stop to bond supply (also reflected in LGFA spreads, which were 5-7bps tighter) and the market's perception that the change effectively confirms HNZL as government risk. With NZDM taking on HNZL's borrowing duties, it would imply the government bond programme, currently set at $25b for this fiscal year, will be increased by $2-3b per year, all else equal.

NZ and global rates pull back last week after US CPI data

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# Foreign Exchange Market

Reuters pg BNZWFWDS Bloomberg pg BNZ9

Last week was a pivotal one for currency markets, with the USD crashing over 4% on the DXY index, the largest fall since the GFC, barring one week during the volatile March 2020 period. The NZD rose over 3% to pierce 0.61, recording a high of 0.6130. Apart from a 1½% gain against CAD, the NZD was weaker on the other key major crosses, including a fall of over 2% against JPY, with the yen supported by some closing of US-JP yield spreads following a 35bps tumble in the US 10-year Treasury yield.

The big news last week was a significant downside miss for the US CPI, with the monthly core reading (ex food and energy) at 0.27% (on unrounded figures) compared to the consensus estimate of 0.5%. Leading indicators of inflation have been pointing down for some time and that this is finally being measured by the official CPI data stoked a significant market reaction, including a sharp lift in equities, tumbling bond yields and a large fall in the USD.

A number Fed officials noted the welcome news on inflation and backed a step down in rate hikes, but they clearly saw the news as too early to celebrate and stressed that policy needs to tighten further. The market is taking a view that US inflation is likely to fall a lot further and, combined with weaker activity data and a softer labour market, the Fed will eventually have to change its rhetoric.

We have noted on many occasions the high valuation of the USD. The average level of the DXY Index in October was 36% "over-valued" on our long-term fair value (PPP) model, the largest value gap since Feb-Mar 1985. Back then the value gap reached 38% and triggered the Plaza Accord and a subsequent 48% fall over two years. In early 2001 when the value gap got as high as 32%, the USD fell by 30% over following two years. These historical precedents show how much the USD can fall following a major turning point, which we look to have passed in this current cycle.

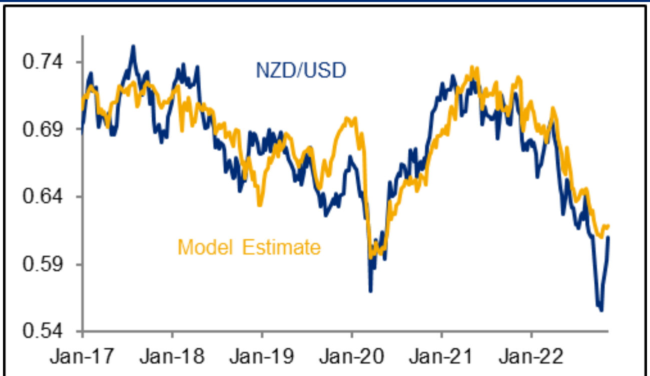
Over the last six weeks we have noted the upside potential for the NZD after reaching an oversold level. In late September the NZD was close to 10% "cheap" on our short-term fair value model, the greatest deviation since the GFC. The strong recovery in the NZD has been at a time when fair value has only nudged a little higher, closing the value gap to within about 1%, statistically insignificant (see chart).

Thus, using our short-term model as a guide, the near-term outlook for the NZD is no longer a one-way bet and it is fair to say that a big squeeze in long-USD positioning was evident last week, exacerbating the moves. But NZD sentiment will be helped by further evidence last week that China's government is looking to pursue its zero-COVID policy with softer restrictions. Furthermore, on Friday Bloomberg reported that the government will unveil its most sweeping rescue package to support the ailing property market, that includes extending loans, supporting home buyers and addressing the liquidity crisis faced by developers. A downbeat assessment of China has been a key headwind for the NZD this year, and a fading of this dynamic is NZD-positive.

This news could give further support to the NZD over the coming week or two. The combination of more confidence that the USD has now turned down and intent of the Chinese government to support its economy means that the recovery of the NZD is moving at a faster pace than our prevailing projections – which didn't have the NZD sustainably breaking above 0.60 until early next year, and onwards and upwards thereafter. We flag a broadly based downward revision to our USD projections, which will see our NZD projections revised higher, something we'll look to do within the next two weeks.

In the week ahead, there is nothing on the domestic calendar to move the market. In the US there will be a number of Fed speakers on the circuit, likely to parrot what we heard last week – welcoming the lower inflation print but not ready to endorse the market reaction. Retail sales is the key release in the US. Monthly Chinese activity data and labour market data (wages and employment) in Australia are the other key economic releases. The UK focus will be on the mini-Budget that is likely to see some significant fiscal austerity ahead.

NZD sharply recovers from an oversold level




Source: BNZ, Bloomberg

Cross Rates and Model Estimates

| | Current | Last 3-weeks range* |
|---|---|---|
| NZD/USD | 0.6110 | 0.5660 - 0.6130 |
| NZD/AUD | 0.9096 | 0.8950 - 0.9240 |
| NZD/GBP | 0.5172 | 0.5000 - 0.5230 |
| NZD/EUR | 0.5895 | 0.5740 - 0.5980 |
| NZD/JPY | 84.66 | 83.90 - 87.20 |

*Indicative range over last 3 weeks, rounded figures

**BNZ Short-term Fair Value Models**

| | Model Est. | Actual/FV |
|---|---|---|
| NZD/USD | 0.6190 | -1% |
| NZD/AUD | 0.9220 | -1% |

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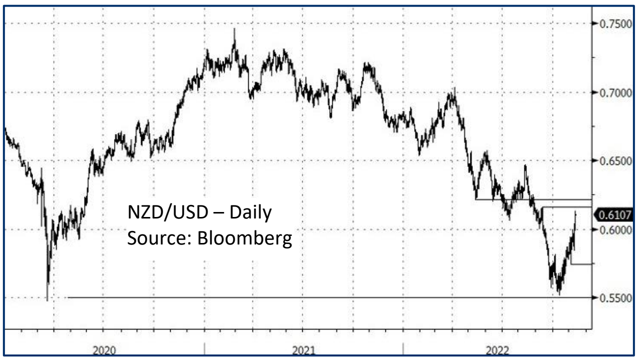
# Technicals

**NZD/USD**

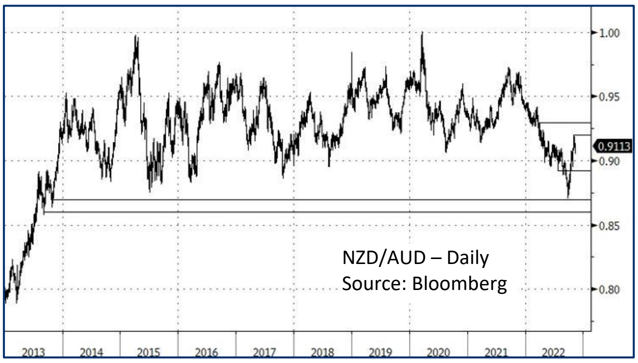
| | |
|---|---|
| Outlook: | Upside risk |
| ST Resistance: | 0.6160 (ahead of 0.62) |
| ST Support: | 0.60 (ahead of 0.5750) |




The sharp recovery in the NZD has blown away all prior resistance levels. The next area of interest is around 0.6160-0.62

**NZD/AUD**

| | |
|---|---|
| Outlook: | Trading range |
| ST Resistance: | 0.92 (ahead of 0.93) |
| ST Support: | 0.89 (ahead of 0.87) |




After another week of trading, resistance looks to be clearer at 0.92. Support at 0.89.

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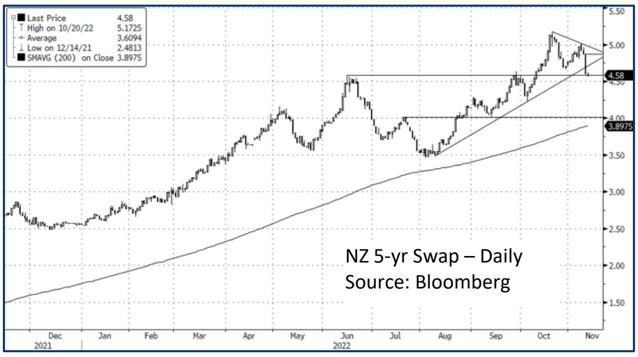
**NZ 5-year Swap Rate**

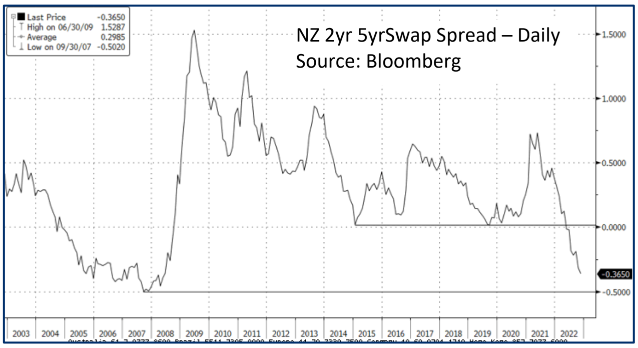
| | |
|---|---|
| Outlook: | Neutral |
| MT Resistance: | 4.87 |
| MT Support: | 4.03 |




Trendline breach on Friday is a strong signal. Given the magnitude of the move put half position on now and any back up towards 4.70 (trendline) put remaining on. 4.87 is stop level. Top of benchmark Candle, potential target is 4.03.

**NZ 2-year - 5-year Swap Spread (yield curve)**

| | |
|---|---|
| Outlook: | Neutral |
| MT Resistance: | 0.00 |
| MT Support: | -0.50 |




Look for a push more negative to around -0.42 bps to fade the move, with a stop on a close through -0.50.

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# Quarterly Forecasts

**Forecasts as at 14 November 2022**

## Key Economic Forecasts

Quarterly % change unless otherwise specified — Forecasts: Sep-22 to Sep-23 (shaded)

| | Jun-21 | Sep-21 | Dec-21 | Mar-22 | Jun-22 | Sep-22 | Dec-22 | Mar-23 | Jun-23 | Sep-23 |
|---|---|---|---|---|---|---|---|---|---|---|
| **GDP (production s.a.)** | 2.3 | -3.9 | 3.0 | -0.2 | 1.7 | 1.0 | 0.3 | 0.1 | -0.2 | -0.1 |
| **Retail trade (real s.a.)** | 3.1 | -8.4 | 8.5 | -0.9 | -2.3 | 0.5 | 0.8 | 0.0 | -0.1 | -0.3 |
| **Current account (ytd, % GDP)** | -3.4 | -4.8 | -6.0 | -6.8 | -7.7 | -8.2 | -8.3 | -7.8 | -8.0 | -8.4 |
| **CPI (q/q)** | 1.3 | 2.2 | 1.4 | 1.8 | 1.7 | 2.2 | 0.8 | 1.3 | 0.7 | 1.1 |
| **Employment** | 1.1 | 1.5 | 0.0 | 0.0 | 0.0 | 1.3 | 0.4 | 0.2 | -0.2 | -0.3 |
| **Unemployment rate %** | 3.9 | 3.3 | 3.2 | 3.2 | 3.3 | 3.3 | 3.2 | 3.1 | 3.3 | 3.5 |
| **Avg hourly earnings (ann %)** | 4.5 | 3.6 | 4.1 | 5.3 | 7.0 | 8.6 | 8.6 | 8.4 | 7.9 | 6.4 |
| **Trading partner GDP (ann %)** | 9.9 | 4.3 | 4.3 | 4.0 | 2.2 | 3.8 | 2.5 | 2.2 | 3.1 | 2.5 |
| **CPI (y/y)** | 3.3 | 4.9 | 5.9 | 6.9 | 7.3 | 7.2 | 6.6 | 6.0 | 5.0 | 3.9 |
| **GDP (production s.a., y/y))** | 17.9 | -0.4 | 3.0 | 1.0 | 0.4 | 5.6 | 2.8 | 3.1 | 1.1 | 0.0 |

## Interest Rates

| Historical data - qtr average<br>Forecast data - end quarter | Cash | Government Stock<br>90 Day Bank Bills | 5 Year | 10 Year | Swaps<br>2 Year | 5 Year | 10 Year | US Rates<br>Libor 3 month | US 10 yr | Spread<br>NZ-US Ten year |
|---|---|---|---|---|---|---|---|---|---|---|
| **2021 Jun** | 0.25 | 0.35 | 1.00 | 1.75 | 0.55 | 1.20 | 1.90 | 0.15 | 1.60 | 0.17 |
| **Sep** | 0.25 | 0.50 | 1.35 | 1.75 | 1.20 | 1.60 | 1.95 | 0.15 | 1.30 | 0.41 |
| **Dec** | 0.65 | 0.80 | 2.15 | 2.40 | 2.10 | 2.45 | 2.60 | 0.15 | 1.55 | 0.87 |
| **2022 Mar** | 0.90 | 1.25 | 2.60 | 2.75 | 2.65 | 2.95 | 3.00 | 0.50 | 1.95 | 0.83 |
| **Jun** | 1.83 | 2.24 | 3.55 | 3.68 | 3.83 | 3.92 | 3.95 | 1.50 | 2.90 | 0.76 |
| **Sep** | 2.83 | 3.33 | 3.65 | 3.77 | 4.12 | 3.95 | 3.95 | 3.00 | 3.10 | 0.67 |
| Forecasts | | | | | | | | | | |
| **Dec** | 4.25 | 4.55 | 4.55 | 4.55 | 5.00 | 4.80 | 4.80 | 4.90 | 4.00 | 0.55 |
| **2023 Mar** | 4.50 | 4.65 | 4.55 | 4.70 | 4.85 | 4.75 | 4.90 | 5.15 | 4.25 | 0.45 |
| **Jun** | 4.50 | 4.65 | 4.30 | 4.45 | 4.60 | 4.50 | 4.65 | 5.15 | 4.00 | 0.45 |
| **Sep** | 4.50 | 4.55 | 4.05 | 4.20 | 4.35 | 4.25 | 4.40 | 5.15 | 3.75 | 0.45 |
| **Dec** | 4.25 | 4.30 | 3.80 | 3.95 | 4.10 | 4.00 | 4.15 | 5.15 | 3.50 | 0.45 |
| **2024 Mar** | 4.00 | 4.05 | 3.65 | 3.85 | 3.85 | 3.85 | 4.05 | 4.90 | 3.50 | 0.35 |
| **Jun** | 3.75 | 3.80 | 3.50 | 3.75 | 3.60 | 3.70 | 3.95 | 4.65 | 3.50 | 0.25 |
| **Sep** | 3.50 | 3.55 | 3.35 | 3.60 | 3.40 | 3.55 | 3.80 | 4.40 | 3.25 | 0.35 |

## Exchange Rates (End Period)

### USD Forecasts

| | NZD/USD | AUD/USD | EUR/USD | GBP/USD | USD/JPY |
|---|---|---|---|---|---|
| **Current** | 0.61 | 0.67 | 1.04 | 1.18 | 139 |
| **Dec-22** | 0.57 | 0.65 | 0.96 | 1.10 | 145 |
| **Mar-23** | 0.60 | 0.68 | 0.99 | 1.13 | 135 |
| **Jun-23** | 0.62 | 0.70 | 1.00 | 1.16 | 130 |
| **Sep-23** | 0.64 | 0.71 | 1.02 | 1.18 | 125 |
| **Dec-23** | 0.65 | 0.72 | 1.04 | 1.20 | 121 |
| **Mar-24** | 0.64 | 0.71 | 1.06 | 1.22 | 119 |
| **Jun-24** | 0.65 | 0.72 | 1.08 | 1.23 | 117 |
| **Sep-24** | 0.67 | 0.73 | 1.11 | 1.27 | 115 |
| **Dec-24** | 0.68 | 0.74 | 1.14 | 1.30 | 114 |
| **Mar-25** | 0.69 | 0.75 | 1.16 | 1.32 | 112 |

### NZD Forecasts

| | NZD/USD | NZD/AUD | NZD/EUR | NZD/GBP | NZD/JPY | TWI-17 |
|---|---|---|---|---|---|---|
| **Current** | 0.61 | 0.91 | 0.59 | 0.52 | 84.6 | 71.1 |
| **Dec-22** | 0.57 | 0.88 | 0.59 | 0.52 | 82.7 | 67.9 |
| **Mar-23** | 0.60 | 0.88 | 0.61 | 0.53 | 81.0 | 69.5 |
| **Jun-23** | 0.62 | 0.89 | 0.62 | 0.53 | 80.6 | 70.3 |
| **Sep-23** | 0.64 | 0.90 | 0.63 | 0.54 | 80.0 | 71.7 |
| **Dec-23** | 0.65 | 0.90 | 0.63 | 0.54 | 78.7 | 71.9 |
| **Mar-24** | 0.64 | 0.90 | 0.60 | 0.53 | 76.2 | 70.4 |
| **Jun-24** | 0.65 | 0.90 | 0.60 | 0.53 | 76.1 | 70.9 |
| **Sep-24** | 0.67 | 0.92 | 0.60 | 0.53 | 77.1 | 72.4 |
| **Dec-24** | 0.68 | 0.92 | 0.60 | 0.52 | 77.5 | 72.9 |
| **Mar-25** | 0.69 | 0.92 | 0.60 | 0.52 | 77.3 | 73.6 |
| **TWI Weights** | 13.6% | 17.3% | 10.1% | 3.2% | 5.7% | |

Source for all tables: Statistics NZ, Bloomberg, Reuters, RBNZ, BNZ

# Annual Forecasts

| **Forecasts** as at 14 November 2022 | March Years Actuals 2021 | 2022 | Forecasts 2023 | 2024 | 2025 | December Years Actuals 2020 | 2021 | Forecasts 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| ***GDP -*** annual average % change | | | | | | | | | | |
| Private Consumption | 0.3 | 4.6 | 2.1 | 0.6 | 1.5 | -1.2 | 6.2 | 2.8 | 0.1 | 1.1 |
| Government Consumption | 7.5 | 10.2 | 4.9 | 1.0 | 0.6 | 6.9 | 9.9 | 7.2 | 1.1 | 0.6 |
| Total Investment | -4.8 | 7.9 | 1.4 | -1.1 | 1.2 | -7.0 | 9.0 | 2.5 | -1.1 | 0.2 |
| Stocks - ppts cont'n to growth | -0.2 | 0.7 | -0.4 | 0.2 | 0.0 | -0.8 | 1.5 | -0.7 | 0.2 | 0.0 |
| GNE | 0.2 | 7.2 | 2.8 | 0.4 | 1.3 | -1.9 | 9.2 | 3.3 | 0.5 | 0.8 |
| Exports | -17.7 | 1.4 | 15.3 | 7.1 | 3.7 | -12.7 | -3.6 | 4.5 | 15.1 | 3.8 |
| Imports | -16.1 | 17.3 | 6.5 | 5.9 | 0.8 | -16.0 | 14.9 | 5.3 | 8.1 | 0.9 |
| Real Expenditure GDP | -0.3 | 3.7 | 3.4 | 0.3 | 2.1 | -1.1 | 4.8 | 2.4 | 1.2 | 1.5 |
| **GDP (production)** | **-1.4** | **4.9** | **3.0** | **0.3** | **2.1** | **-2.1** | **5.5** | **2.4** | **1.0** | **1.5** |
| *GDP - annual % change (q/q)* | *3.2* | *1.0* | *3.1* | *0.3* | *2.5* | *0.3* | *3.0* | *2.8* | *-0.1* | *2.5* |
| | | | | | | | | | | |
| Output Gap (ann avg, % dev) | -1.5 | 1.1 | 1.7 | 0.0 | -0.2 | -1.8 | 1.2 | 1.6 | 0.4 | -0.2 |
| Nominal Expenditure GDP - $bn | 327 | 354 | 384 | 397 | 415 | 324 | 349 | 377 | 394 | 410 |
| | | | | | | | | | | |
| ***Prices and Employment -*** annual % change | | | | | | | | | | |
| CPI | 1.5 | 6.9 | 6.0 | 2.6 | 2.1 | 1.4 | 5.9 | 6.6 | 3.1 | 1.9 |
| Employment | 0.1 | 2.6 | 1.9 | -0.8 | 1.2 | 0.6 | 3.3 | 1.6 | -0.5 | 0.5 |
| Unemployment Rate % | 4.6 | 3.2 | 3.1 | 3.8 | 4.3 | 4.9 | 3.2 | 3.2 | 3.7 | 4.2 |
| Wages - ahote | 4.1 | 5.3 | 8.4 | 5.4 | 3.6 | 4.6 | 4.1 | 8.6 | 5.9 | 4.0 |
| Productivity (ann av %) | -2.0 | 2.1 | 0.7 | 0.2 | 1.8 | -3.3 | 3.4 | 0.0 | 0.1 | 1.8 |
| Unit Labour Costs (ann av %) | 4.6 | 4.3 | 6.6 | 6.2 | 2.3 | 5.7 | 2.5 | 6.7 | 7.0 | 2.8 |
| House Prices | 24.1 | 13.8 | -13.4 | 0.0 | 3.8 | 17.0 | 27.2 | -13.3 | -2.5 | 3.3 |
| | | | | | | | | | | |
| ***External Balance*** | | | | | | | | | | |
| Current Account - $bn | -8.4 | -24.3 | -29.9 | -31.4 | -26.7 | -2.8 | -21.1 | -31.3 | -32.4 | -27.6 |
| Current Account - % of GDP | -2.6 | -6.8 | -7.8 | -7.9 | -6.4 | -0.8 | -6.0 | -8.3 | -8.2 | -6.7 |
| | | | | | | | | | | |
| ***Government Accounts*** - June Yr, % of GDP | | | | | | | | | | |
| OBEGAL (core operating balance) | -1.4 | -2.7 | -1.7 | -0.6 | 0.6 | | | | | |
| Net Core Crown Debt (excl NZS Fund Assets) | 29.8 | 36.9 | 40.8 | 41.2 | 37.5 | | | | | |
| Bond Programme - $bn (Treasury forecasts) | 45.0 | 20.0 | 25.0 | 25.0 | 25.0 | | | | | |
| Bond Programme - % of GDP | 13.7 | 5.6 | 6.5 | 6.3 | 6.0 | | | | | |
| | | | | | | | | | | |
| ***Financial Variables*** (1) | | | | | | | | | | |
| NZD/USD | 0.71 | 0.69 | 0.60 | 0.64 | 0.68 | 0.71 | 0.68 | 0.57 | 0.65 | 0.65 |
| USD/JPY | 109 | 119 | 135 | 119 | 114 | 104 | 114 | 145 | 121 | 121 |
| EUR/USD | 1.19 | 1.10 | 0.99 | 1.06 | 1.14 | 1.22 | 1.13 | 0.96 | 1.04 | 1.04 |
| NZD/AUD | 0.93 | 0.93 | 0.88 | 0.90 | 0.92 | 0.94 | 0.95 | 0.88 | 0.90 | 0.90 |
| NZD/GBP | 0.51 | 0.52 | 0.53 | 0.53 | 0.52 | 0.53 | 0.51 | 0.52 | 0.54 | 0.54 |
| NZD/EUR | 0.60 | 0.62 | 0.61 | 0.60 | 0.60 | 0.58 | 0.60 | 0.59 | 0.63 | 0.63 |
| NZD/YEN | 77.5 | 81.5 | 81.0 | 76.2 | 77.5 | 73.6 | 77.4 | 82.7 | 78.7 | 78.7 |
| TWI | 74.8 | 73.9 | 69.5 | 70.4 | 72.9 | 74.3 | 73.0 | 67.9 | 71.9 | 71.9 |
| Overnight Cash Rate (end qtr) | 0.25 | 1.00 | 4.50 | 4.00 | 3.00 | 0.25 | 0.75 | 4.25 | 4.25 | 3.25 |
| 90-day Bank Bill Rate | 0.33 | 1.45 | 4.65 | 4.05 | 3.05 | 0.26 | 0.92 | 4.55 | 4.30 | 3.30 |
| 5-year Govt Bond | 1.00 | 2.90 | 4.55 | 3.65 | 3.15 | 0.40 | 2.20 | 4.55 | 3.80 | 3.25 |
| 10-year Govt Bond | 1.75 | 3.20 | 4.70 | 3.85 | 3.45 | 0.90 | 2.35 | 4.55 | 3.95 | 3.55 |
| 2-year Swap | 0.50 | 3.00 | 4.85 | 3.85 | 3.10 | 0.28 | 2.22 | 5.00 | 4.10 | 3.25 |
| 5-year Swap | 1.15 | 3.20 | 4.80 | 3.85 | 3.35 | 0.49 | 2.56 | 4.80 | 4.00 | 3.45 |
| US 10-year Bonds | 1.60 | 2.10 | 4.25 | 3.50 | 3.25 | 0.90 | 1.45 | 4.00 | 3.50 | 3.25 |
| NZ-US 10-year Spread | 0.15 | 1.10 | 0.45 | 0.35 | 0.20 | 0.00 | 0.90 | 0.55 | 0.45 | 0.30 |

(1) *Average for the last month in the quarter*

Source for all tables: Statistics NZ, EcoWin, Bloomberg, Reuters, RBNZ, NZ Treasury, BNZ

# Key Upcoming Events

All times and dates NZT

| | | Median | Fcast | Last |
|---|---|---|---|---|
| | **Monday 14 November** | | | |
| NZ | Performance Services Index Oct | | | 55.8 |
| US | Fed's Waller Discusses Eco Outlook | | | |
| UK | Rightmove House Prices YoY Nov | | | 7.80% |
| EC | Industrial Production SA MoM Sep | 0.50% | | 1.50% |
| EC | ECB's Panetta, Centeno, Guindos speak | | | |
| | **Tuesday 15 November** | | | |
| US | Fed's Brainard speaks | | | |
| NZ | REINZ housing report (sales y/y) Oct | | | -10.90% |
| NZ | Net Migration SA Sep | | | 47 |
| US | Fed's Williams speaks | | | |
| JN | GDP SA QoQ 3Q P | 0.30% | | 0.90% |
| AU | RBA Minutes of Nov. Policy Meeting | | | |
| CH | Industrial Production YoY Oct | 5.20% | | 6.30% |
| CH | Retail Sales YoY Oct | 0.70% | | 2.50% |
| CH | Fixed Assets Ex Rural YTD YoY Oct | 5.90% | | 5.90% |
| CH | Surveyed Jobless Rate Oct | 5.50% | | 5.50% |
| EC | ECB's Villeroy speaks | | | |
| JN | Industrial Production MoM Sep F | | | -1.60% |
| UK | ILO Unemployment Rate 3Mths Sep | 3.50% | | 3.50% |
| GE | ZEW Survey Expectations Nov | -52 | | -59.2 |
| EC | Trade Balance SA Sep | | | -47.3b |
| EC | Employment YoY 3Q P | | | 2.70% |
| EC | GDP SA QoQ 3Q P | 0.20% | | 0.20% |
| | **Wednesday 16 November** | | | |
| US | Empire Manufacturing Nov | -6 | | -9.1 |
| US | PPI Ex Food and Energy YoY Oct | 7.20% | | 7.20% |
| US | Fed's Harker, Cook, Barr speak | | | |
| NZ | GDT dairy auction (price index, % chg) | | | -3.90% |
| EC | ECB's Elderson speaks | | | |
| AU | Westpac Leading Index MoM Oct | | | -0.04% |
| JN | Core Machine Orders MoM Sep | 0.70% | | -5.80% |
| AU | Wage Price Index QoQ 3Q | 0.90% | 0.90% | 0.70% |
| UK | CPI YoY Oct | 10.70% | | 10.10% |
| EC | ECB Financial Stability Review (provisional date) | | | |

| | | Median | Fcast | Last |
|---|---|---|---|---|
| | **Thursday 17 November** | | | |
| EC | ECB's Villeroy speaks | | | |
| US | Retail Sales Advance MoM Oct | 1.00% | | 0.00% |
| UK | BOE's Bailey testifies to Parliament | | | |
| US | Manufacturing (SIC) Production Oct | 0.20% | | 0.40% |
| US | Fed's Williams speaks | | | |
| US | Business Inventories Sep | 0.50% | | 0.80% |
| US | NAHB Housing Market Index Nov | 36 | | 38 |
| EC | ECB's Lagarde, Panetta speak | | | |
| US | Fed's Barr, Waller speak | | | |
| NZ | Population y/y 3Q | | | 0.20% |
| NZ | PPI Output QoQ 3Q | | | 2.40% |
| JN | Trade Balance Oct | -¥1671b | | -¥2094b |
| AU | Employment Change Oct | 15.0k | 10.0k | 0.9k |
| AU | Unemployment Rate Oct | 3.60% | 3.60% | 3.50% |
| EC | CPI YoY Oct F | 10.70% | | 9.90% |
| EC | CPI Core YoY Oct F | 5.00% | | 5.00% |
| | **Friday 18 November** | | | |
| UK | BOE's Pill speaks | | | |
| US | Fed's Bullard speaks | | | |
| US | Housing Starts Oct | 1412k | | 1439k |
| US | Philadelphia Fed Business Outlook Nov | -6 | | -8.7 |
| US | Initial Jobless Claims Nov-12 | | | 225k |
| US | Continuing Claims Nov-05 | | | 1493k |
| US | Fed's Bowman, Mester, Jefferson, Kashkari speak | | | |
| UK | BOE's Tenreyro, Villeroy speak | | | |
| JN | Natl CPI YoY Oct | 3.70% | | 3.00% |
| UK | GfK Consumer Confidence Nov | | | -47 |
| UK | Retail Sales Inc Auto Fuel MoM Oct | | | -1.40% |
| EC | ECB's Lagarde speaks | | | |
| | **Saturday 19 November** | | | |
| EC | ECB's Knot speaks | | | |
| UK | BOE's Catherine Mann speaks | | | |
| US | Existing Home Sales Oct | 4.37m | | 4.71m |
| UK | BOE's Haskel speaks | | | |

# Historical Data

| | Today | Week Ago | Month Ago | Year Ago |
|---|---|---|---|---|
| **CASH AND BANK BILLS** | | | | |
| Call | 3.50 | 3.50 | 3.50 | 0.50 |
| 1mth | 3.95 | 3.95 | 3.54 | 0.81 |
| 2mth | 4.04 | 4.07 | 3.78 | 0.84 |
| 3mth | 4.13 | 4.19 | 4.01 | 0.86 |
| 6mth | 4.57 | 4.68 | 4.41 | 1.15 |
| **GOVERNMENT STOCK** | | | | |
| 04/23 | 4.26 | 4.34 | 4.19 | 1.63 |
| 04/25 | 4.28 | 4.62 | 4.39 | 2.21 |
| 04/27 | 4.21 | 4.56 | 4.43 | 2.35 |
| 04/29 | 4.17 | 4.52 | 4.45 | 2.49 |
| 05/31 | 4.17 | 4.53 | 4.49 | 2.58 |
| 04/33 | 4.24 | 4.55 | 4.58 | 2.68 |
| 04/37 | 4.46 | 4.75 | 4.80 | 2.85 |
| 05/41 | 4.60 | 4.87 | 4.91 | 2.92 |
| **GLOBAL CREDIT INDICES (ITRXX)** | | | | |
| Nth America 5Y | 83 | 89 | 98 | 51 |
| Europe 5Y | 98 | 107 | 126 | 49 |

| | Today | Week Ago | Month Ago | Year Ago |
|---|---|---|---|---|
| **SWAP RATES** | | | | |
| 2 years | 4.94 | 5.20 | 5.00 | 2.29 |
| 3 years | 4.79 | 5.09 | 4.92 | 2.54 |
| 4 years | 4.67 | 4.97 | 4.84 | 2.63 |
| 5 years | 4.58 | 4.88 | 4.79 | 2.66 |
| 10 years | 4.53 | 4.80 | 4.77 | 2.70 |
| **FOREIGN EXCHANGE** | | | | |
| NZD/USD | 0.6108 | 0.5939 | 0.5634 | 0.7048 |
| NZD/AUD | 0.9092 | 0.9166 | 0.8959 | 0.9593 |
| NZD/JPY | 84.64 | 87.07 | 83.89 | 80.44 |
| NZD/EUR | 0.5896 | 0.5927 | 0.5725 | 0.6199 |
| NZD/GBP | 0.5170 | 0.5158 | 0.4958 | 0.5253 |
| NZD/CAD | 0.8104 | 0.8015 | 0.7725 | 0.8820 |
| TWI | 71.1 | 70.7 | 67.6 | 75.3 |

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