

RBNZ MPS starting-point surprise chart pack

7 August 2024



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Contact

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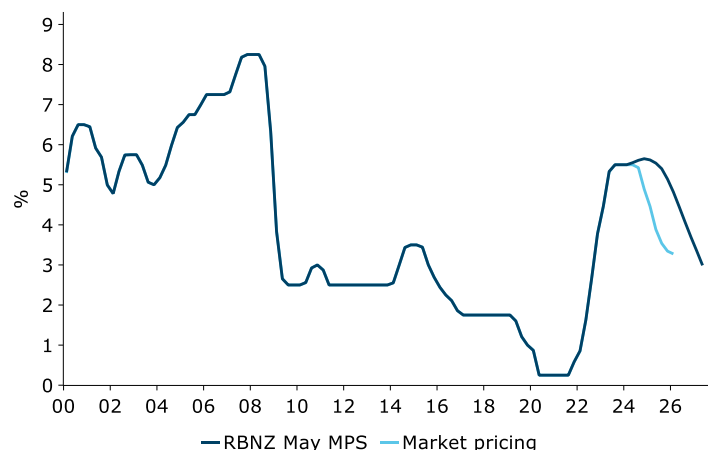
Not much in the starting point

The intention of this chart pack is to illustrate how key data has evolved **relative to the RBNZ's last published forecasts**. As is always the case, nuance within the data matters **and it also can never be a full picture of what's changed**. Sometimes starting point surprises will matter hugely; sometimes they are very much in the background of other developments. This document **does not discuss our take on the data, nor how we think the RBNZ's thinking may have evolved on the back of these and other data and developments**. For **that, you'll need to wait for our Preview**, which will be out later today.

Key points:

- Data since the May MPS has landed close to the **RBNZ's expectations**.
- Headline production GDP growth in Q1 **was in line with the RBNZ's forecast**.
- Headline expenditure GDP was marginally weaker, but the domestic demand components were much stronger than forecast (although Stats NZ warned about COVID-related volatility in these components).
- Headline CPI was weaker than forecast in Q2, but that was driven by the relatively volatile tradables components. Non-tradables inflation was marginally stronger than expected.
- The Q2 labour market release was close to forecast: the unemployment rate lifted as expected but owing more to supply side factors than demand side. Key measures of wage growth were either in line or marginally stronger.
- House prices have been a little weaker, and the daily NZD Trade **Weighted Index is currently below the RBNZ's quarterly pick by a decent margin**.
- The gap between **the RBNZ's last published OCR forecast and market pricing** has widened significantly since the May MPS. This is something we will discuss in more detail in our Preview.

RBNZ OCR forecast vs market pricing (quarter average)



Source: RBNZ, ICAP, Bloomberg, Macrobond, ANZ Research



GDP

Figure 1. Production GDP (q/q)

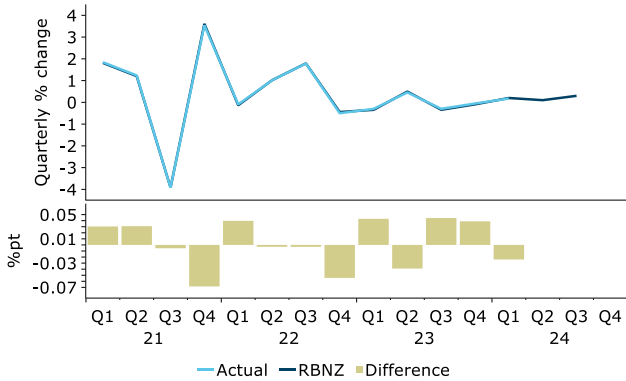


Figure 2. Production GDP (level)

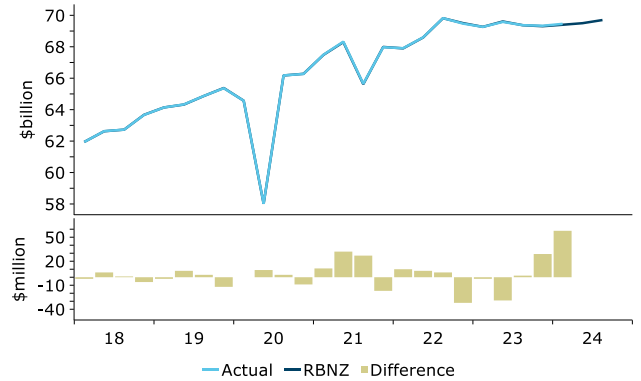


Figure 3. Real expenditure GDP (q/q)

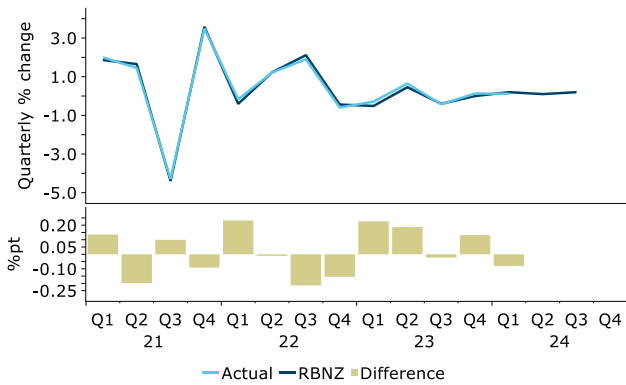


Figure 4. Real expenditure GDP (level)

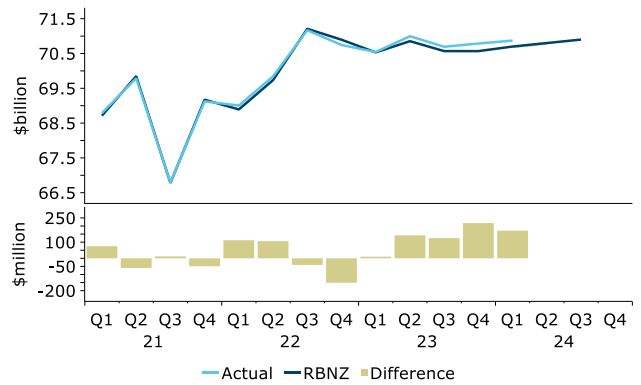


Figure 5. Real private consumption (q/q)

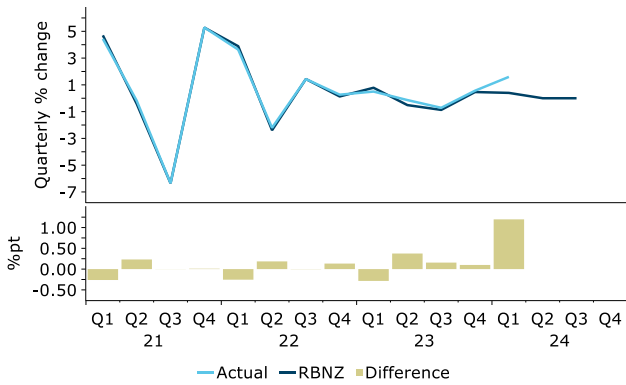


Figure 6. Real private consumption (level)

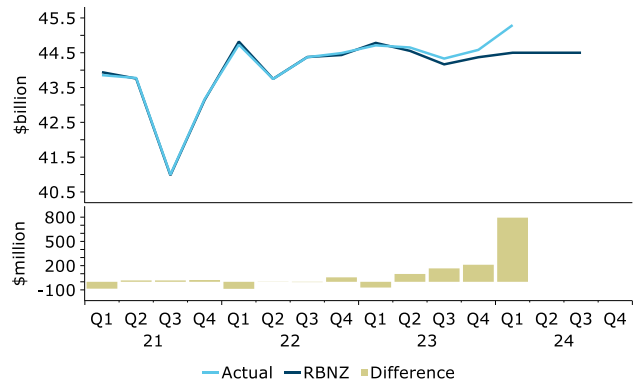


Figure 7. Real residential investment (q/q)

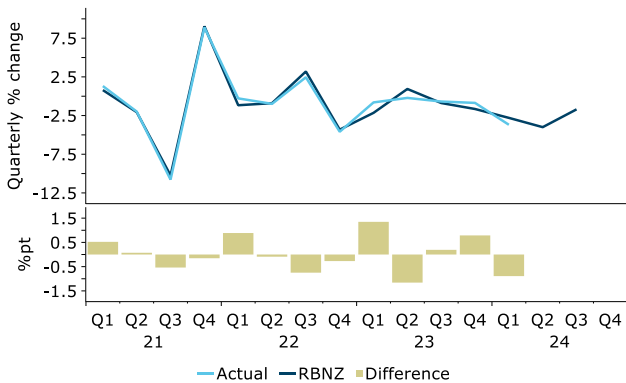
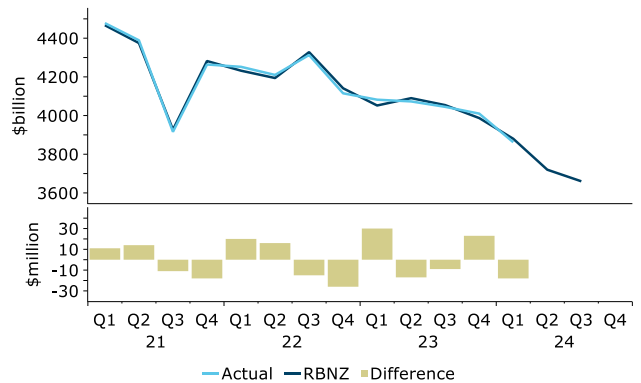


Figure 8. Real residential investment (level)



Source: Stats NZ, RBNZ, Macrobond, ANZ Research



GDP

Figure 9. Real total exports (q/q)

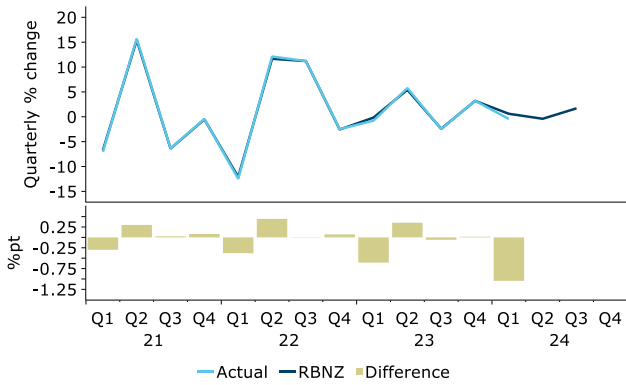


Figure 10. Real total exports (level)

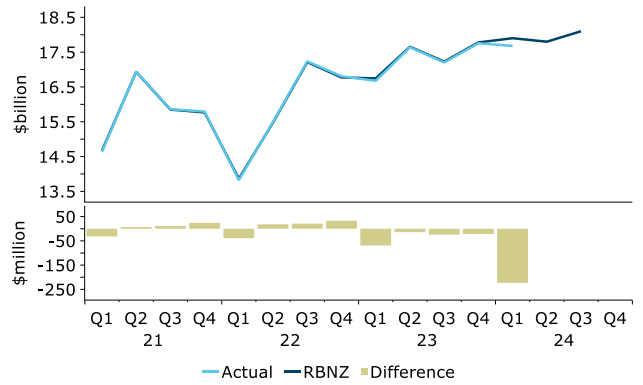


Figure 11. Real total imports (q/q)

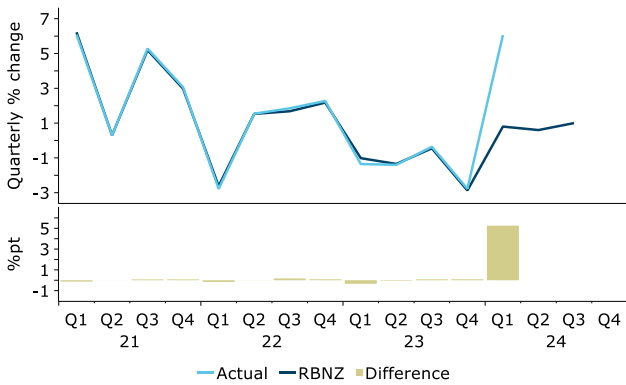


Figure 12. Real total imports (level)

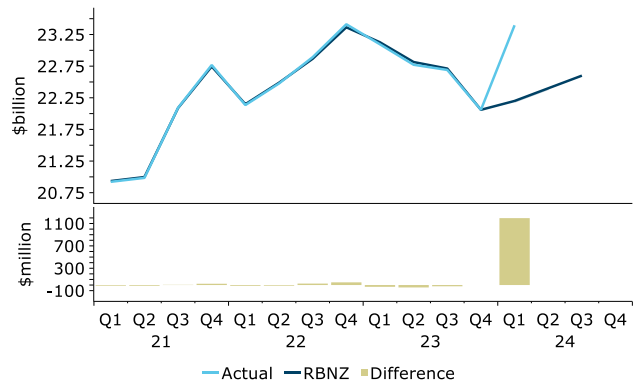


Figure 13. Changes in inventories (level)

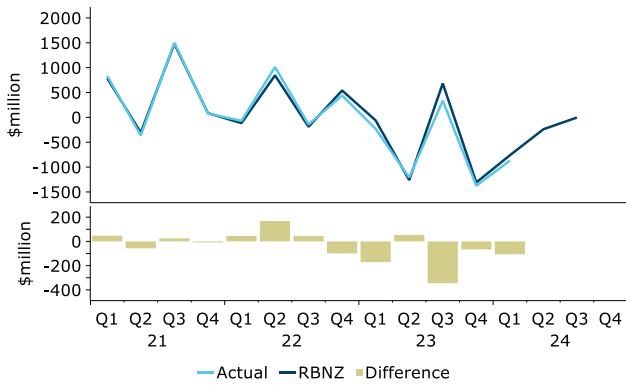
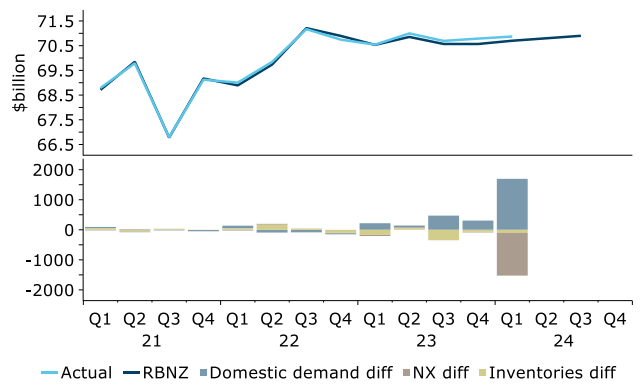


Figure 14. GDP high level breakdown



Source: Stats NZ, RBNZ, Macrobond, ANZ Research



CPI

Figure 15. Headline CPI inflation (q/q)

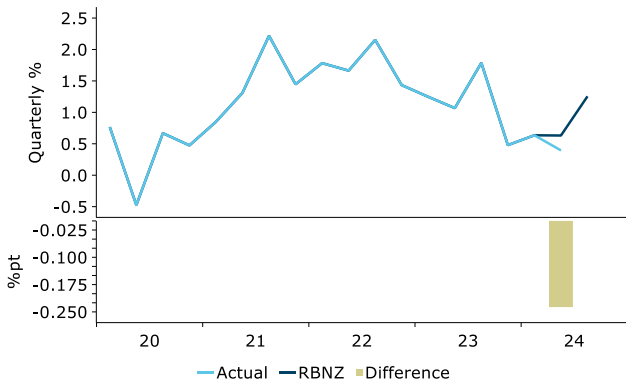


Figure 16. Headline CPI inflation (y/y)

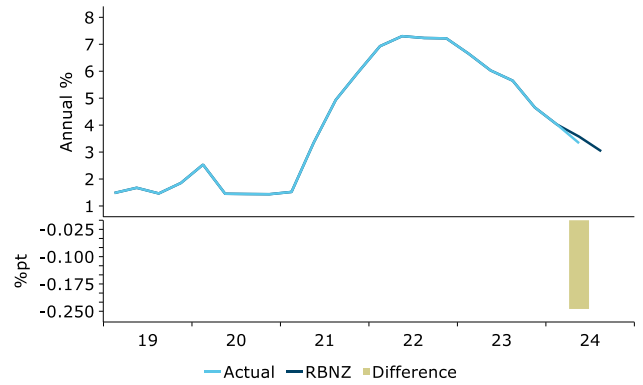


Figure 17. Tradables CPI inflation (q/q)

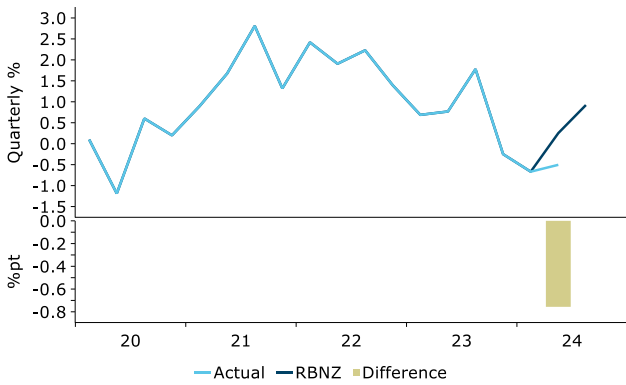


Figure 18. Tradables CPI inflation (y/y)

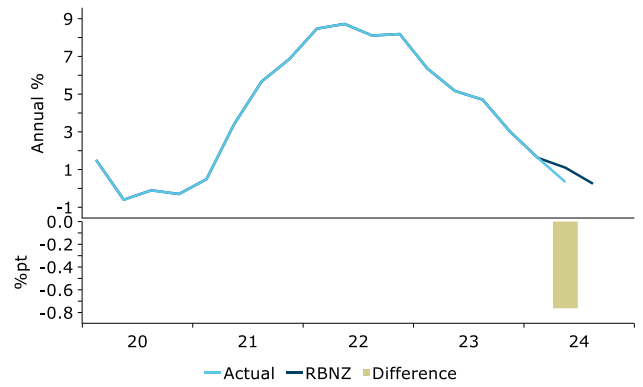


Figure 19. Non-tradables CPI inflation (q/q)

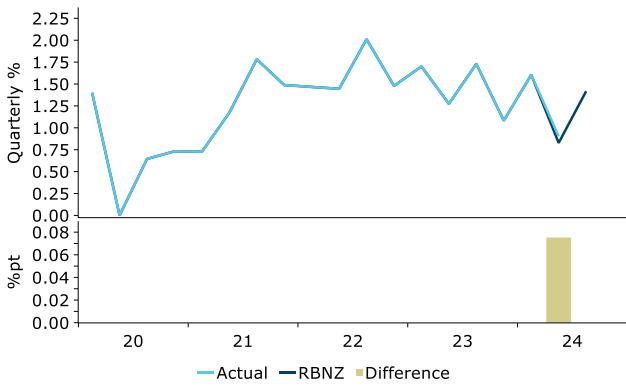
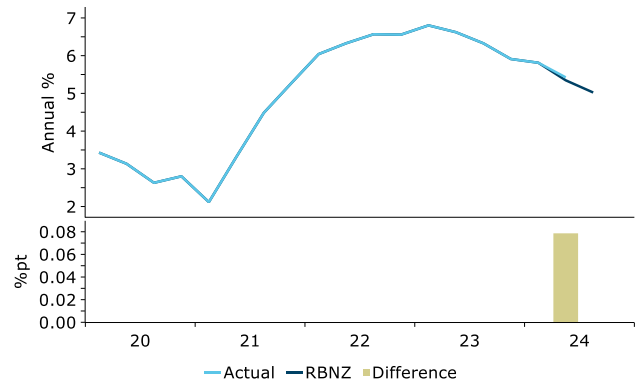


Figure 20. Non-tradables CPI inflation (y/y)



Source: Stats NZ, RBNZ, Macrobond, ANZ Research



Labour market

Figure 21. Unemployment rate

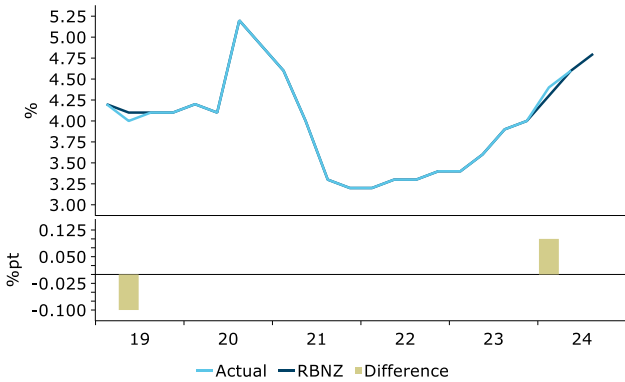


Figure 22. Participation rate

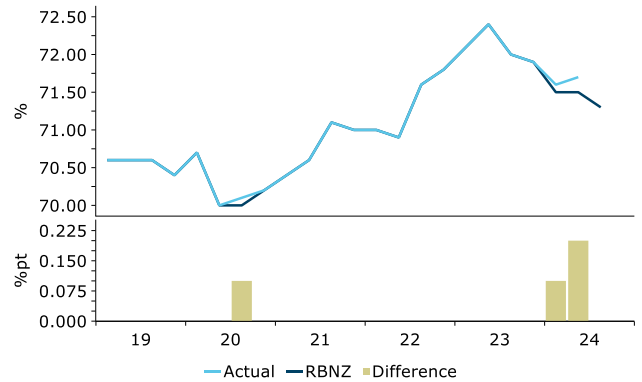


Figure 23. Employment (q/q)

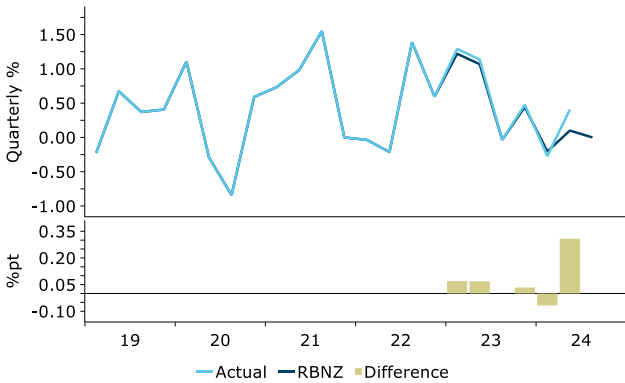


Figure 24. Employment (y/y)

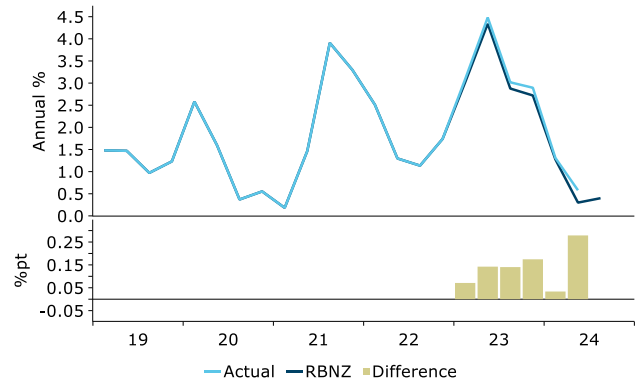


Figure 25. Labour force (level)

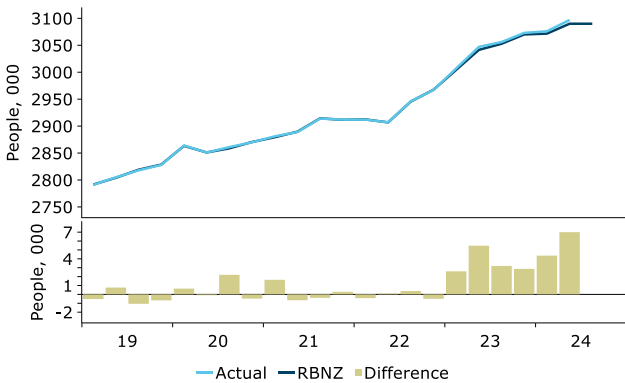


Figure 26. Working age population (level)

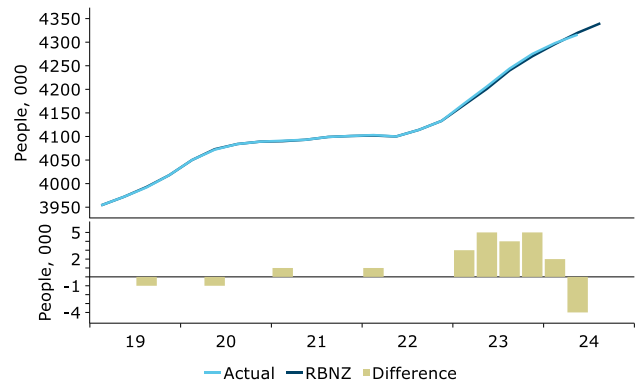


Figure 27. Employment rate

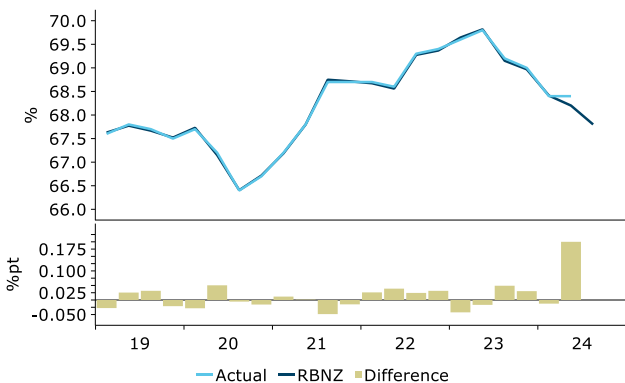
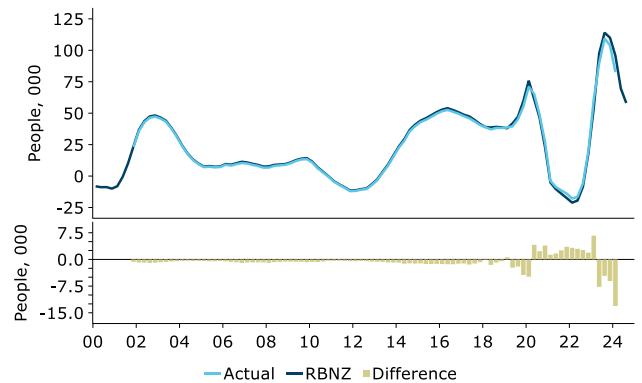


Figure 28. Annual net migration (working age)



Source: Stats NZ, RBNZ, Macrobond, ANZ Research



Labour market

Figure 29. Labour cost index (q/q)

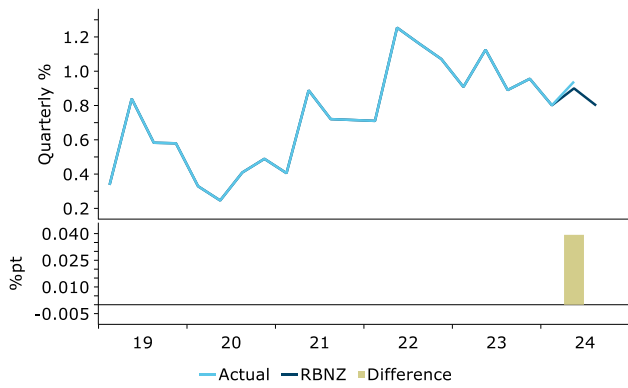


Figure 30. Labour cost index (y/y)

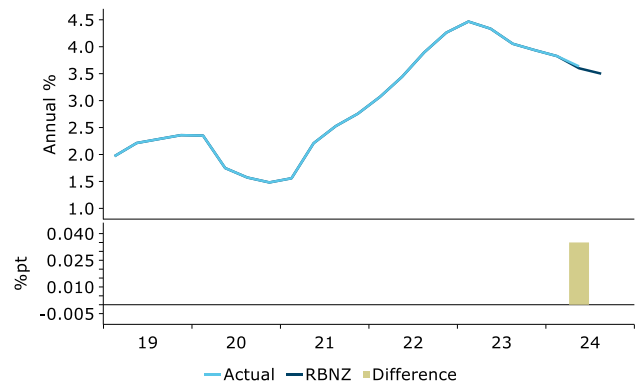


Figure 31. Average hourly earnings (q/q)

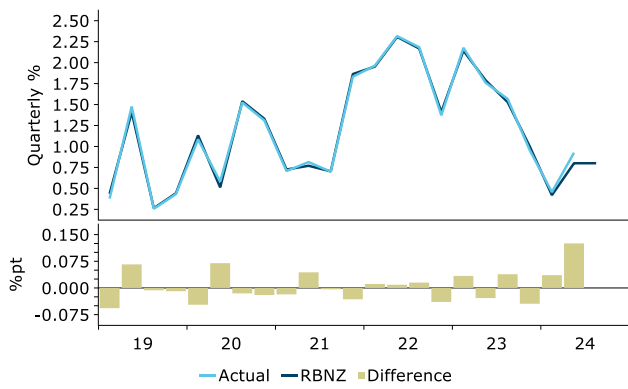
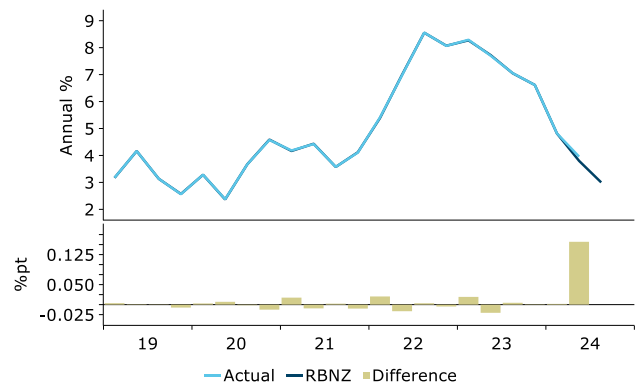


Figure 32. Average hourly earnings (y/y)



Source: Stats NZ, RBNZ, Macrobond, ANZ Research



External sector and housing

Figure 33. TWI (level, quarter average)

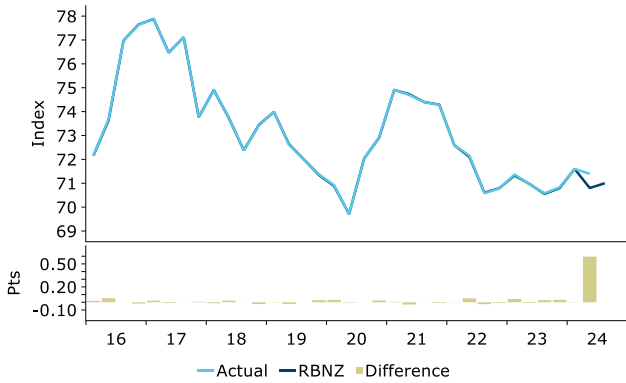


Figure 34. TWI (quarter average vs daily actuals)

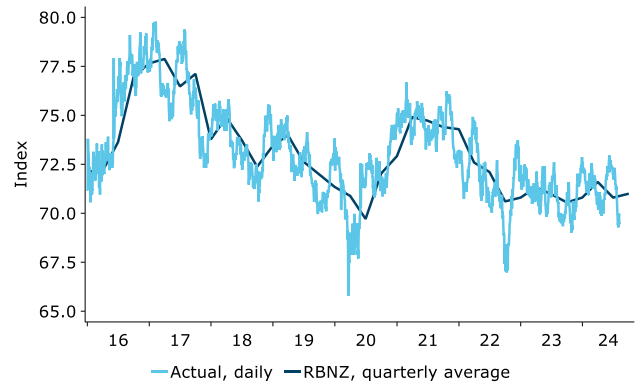


Figure 37. Export prices (level, SNA basis, world price)

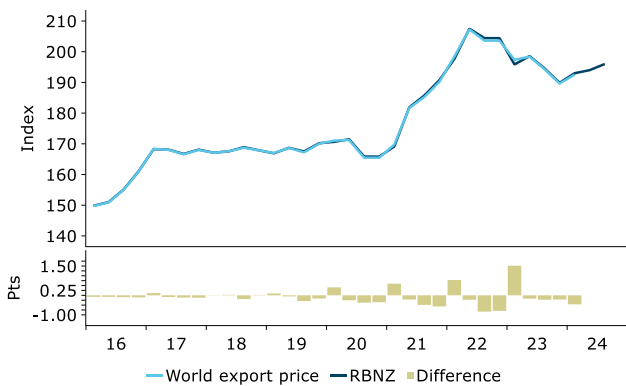


Figure 38. Import prices (level, SNA basis, world price)

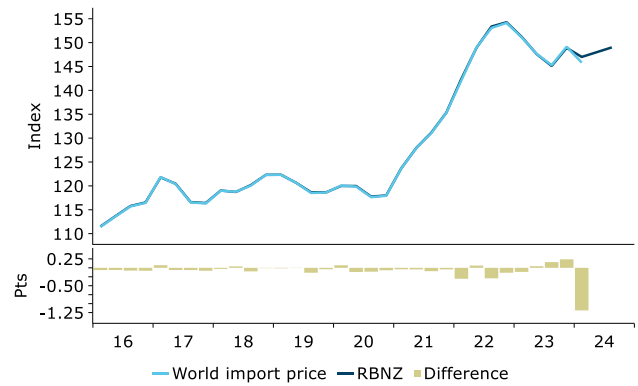


Figure 39. Terms of trade (level, SNA basis, world price)

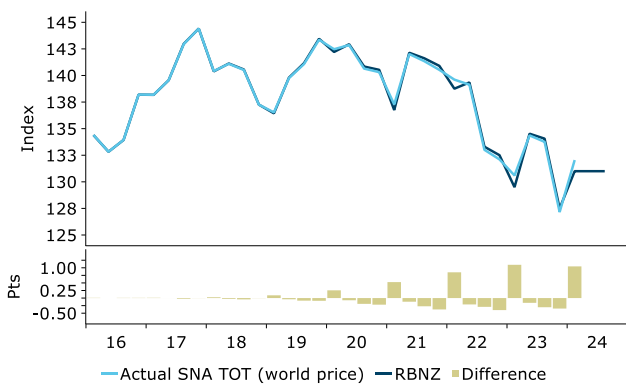


Figure 40. Dubai oil price (USD, quarter average)

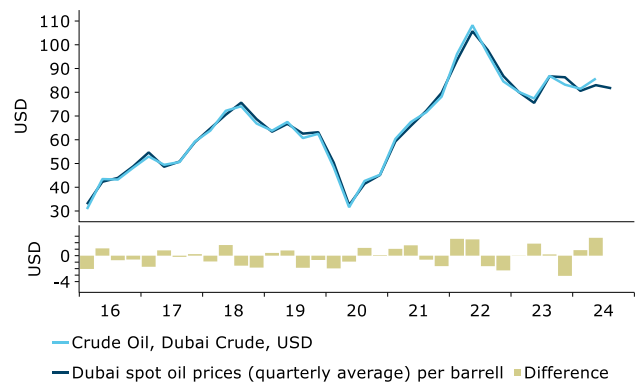


Figure 35. House price index (level)

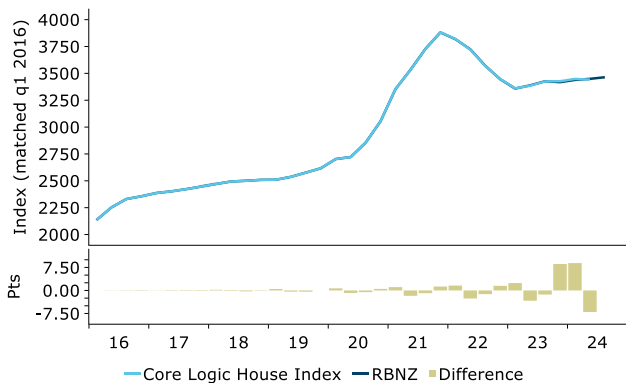
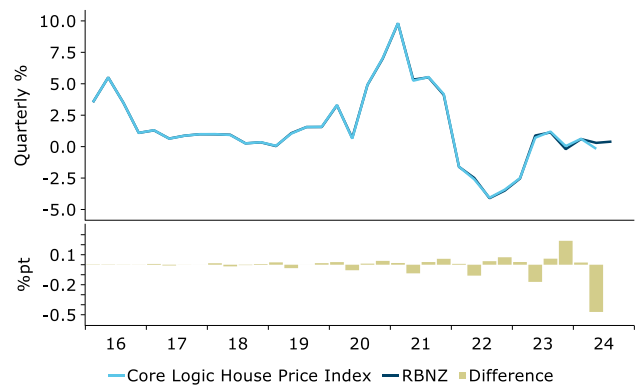


Figure 36. House price index (q/q)



Source: Stats NZ, RBNZ, MBIE, CoreLogic NZ, Macrobond, ANZ Research



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