

# ANZ-Roy Morgan NZ Consumer Confidence

31 January 2025



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## Contact

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details.

See page 6.

The next issue of the ANZ-Roy Morgan Consumer Confidence is scheduled for release on 28 February 2025 at 10am.

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See a glossary [here](#).

## A softer start to the year

### Key points

- ANZ-Roy Morgan Consumer Confidence fell 4 points to 96.0 in January.
- The proportion of households thinking it's a good time to buy a major household item, the best retail indicator, dropped a sharp 15 points to -16.
- Inflation expectations were little changed at 3.9%. They have been very stable in recent months.

**Figure 1. ANZ-Roy Morgan Consumer Confidence**



Source: Roy Morgan, Macrobond, ANZ Research

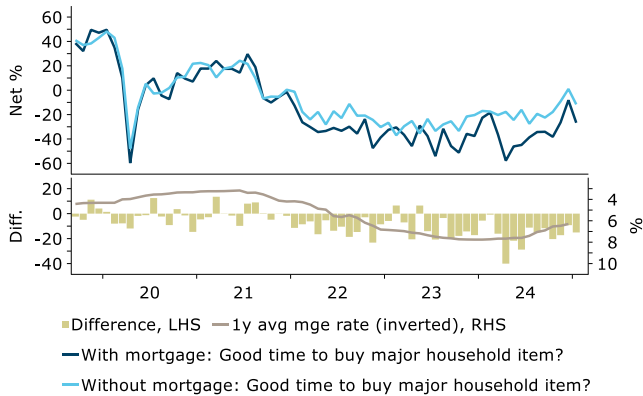
Turning to the detail:

- The future conditions index made up of forward-looking questions eased 1 point to 104.2. The current conditions index fell a much sharper 9 points to 83.8.
- Perceptions of current personal financial situations fell 3 points to -17%.
- A net 23% expect to be better off this time next year, up 2 points.
- A net 16% think it's a bad time to buy a major household item, giving up a decent chunk of the strong gains seen in the past two months.
- Perceptions regarding the economic outlook in 12 months' time fell 3 points to -15%. The 5-year-ahead measure eased 2 points to +5%.
- House price inflation expectations eased from 3.9% to 3.1% y/y, the lowest read in five months.
- Two-year-ahead CPI inflation expectations were steady at 3.9%.
- For charts see page 5.

Consumer confidence fell in January, with falls across most questions. The most relevant question for retailers is whether people think it's a good time to buy a major household item. Figure 2 shows that this dipped in January both amongst people with mortgages, and those without.

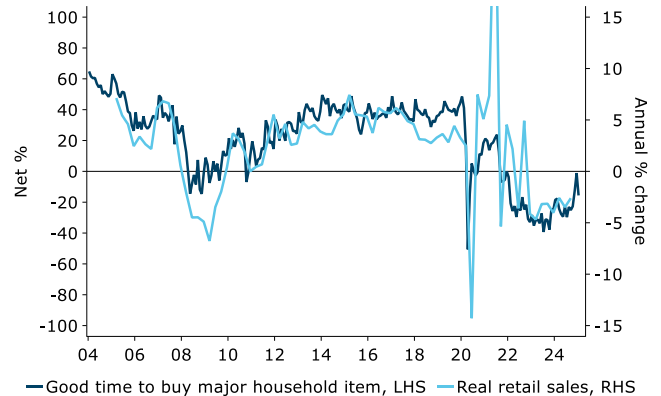
The indicator is well off its lows and likely still trending higher, but this month's fall is a reminder that the environment for retailers is likely to remain patchy and challenging for some time yet.

**Figure 2. Good time to buy major household item by mortgage status**



Source: RBNZ, Roy-Morgan, Macrobond, ANZ Research

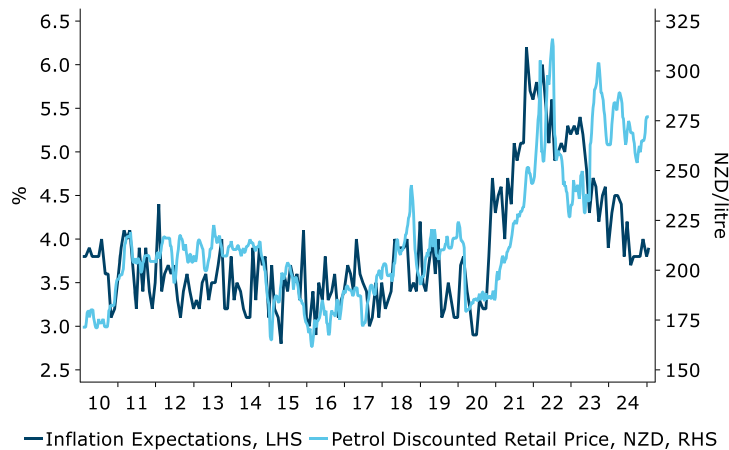
**Figure 3. Good time to buy versus real retail sales**



Source: Stats NZ, Roy Morgan, Macrobond, ANZ Research

Household inflation expectations have been very stable recently, but recent increases in petrol prices do highlight the risk that they start to rise again or at least bottom out for a period at rates significantly higher than pre-COVID (figure 4). Statistical analysis shows that petrol prices have an outsized impact on household inflation expectations relative to their share of spend.

**Figure 4. Consumer inflation expectations and petrol prices**



Source: Stats NZ, MBIE, Macrobond, ANZ Research

## The view

Like [businesses](#), consumers are feeling much more upbeat than six months ago, but there has been some slippage as reality bites. The economy is typically a slow ship to turn. It has turned in a more positive cyclical direction, but continues to navigate choppy seas. We expect a 50bp cut from the RBNZ next month to put a little more wind in the sails.



## Tables and charts

Survey Summary	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25
No. of Interviews	1,000	1,000	1,001	1,001	1,000	1,001	1,004	1,001

### Q1. Would you say you and your family are better off financially or worse off than you were at this time last year?

Better Off	20	23	23	26	21	25	26	23
Worse Off	42	41	41	41	43	37	40	39
<b>Net Balance</b>	<b>-22</b>	<b>-18</b>	<b>-18</b>	<b>-16</b>	<b>-22</b>	<b>-12</b>	<b>-14</b>	<b>-17</b>

### Q2. This time next year do you and your family expect to be better off financially or worse off than you are now?

Better Off	37	43	41	46	41	43	44	44
Worse Off	29	23	24	21	27	21	23	22
<b>Net Balance</b>	<b>8</b>	<b>20</b>	<b>17</b>	<b>25</b>	<b>14</b>	<b>22</b>	<b>21</b>	<b>23</b>

### Q3. Thinking of economic conditions in New Zealand as a whole, in the next 12 months, do you expect we'll have good times financially, bad times or some good and some bad?

Good Times	11	14	17	20	19	23	21	21
Bad Times	50	46	35	37	38	31	33	36
<b>Net Balance</b>	<b>-39</b>	<b>-32</b>	<b>-18</b>	<b>-17</b>	<b>-19</b>	<b>-8</b>	<b>-12</b>	<b>-15</b>

### Q4. Looking ahead, what would you say is more likely: that in New Zealand as a whole we'll have continuous good times during the next five years or so, we'll have bad times, or some good and some bad?

Good Times	21	23	24	29	27	28	29	26
Bad Times	29	24	21	21	20	18	22	21
<b>Net Balance</b>	<b>-8</b>	<b>-1</b>	<b>3</b>	<b>9</b>	<b>6</b>	<b>9</b>	<b>7</b>	<b>5</b>

### Q5. Generally, do you think now is a good time, or a bad time, for people to buy major household items?

Good Time to Buy	26	22	27	25	26	31	38	30
Bad Time to Buy	49	52	50	51	49	44	40	45
<b>Net Balance</b>	<b>-23</b>	<b>-30</b>	<b>-23</b>	<b>-25</b>	<b>-23</b>	<b>-13</b>	<b>-1</b>	<b>-16</b>

### Q6. During the next 2 years do you think that prices in general will go up, go down, or stay where they are now? And if up, what is the expected percentage per year?

Go Up	76	70	64	71	72	70	72	74
Go Down	5.4	8.7	6.4	8.4	7.0	8.8	6.5	5.9
<b>Expectation (%)</b>	<b>4.2</b>	<b>3.7</b>	<b>3.8</b>	<b>3.8</b>	<b>3.8</b>	<b>4.0</b>	<b>3.8</b>	<b>3.9</b>

### Q7. Specifically thinking about the price of houses during the next 2 years, do you think that the price of houses in general will go up, go down, or stay where they are now? And if up, what is the expected percentage per year?

Go Up	57	54	57	59	62	64	67	60
Go Down	14.9	18.0	15.6	12.9	13.0	12.2	12.3	11.6
<b>Expectation (%)</b>	<b>3.4</b>	<b>2.4</b>	<b>2.8</b>	<b>3.2</b>	<b>3.4</b>	<b>3.7</b>	<b>3.9</b>	<b>3.1</b>

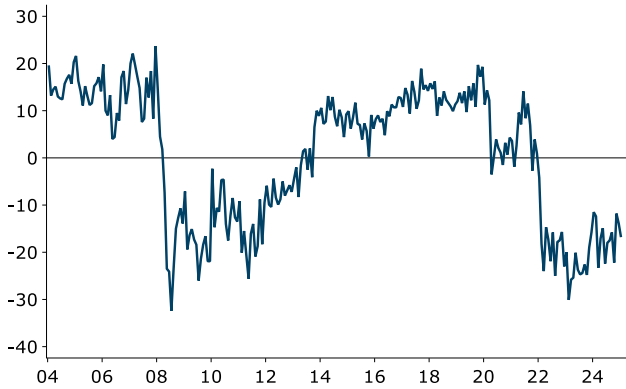
### ANZ Roy Morgan Consumer Confidence Rating (100 plus the unweighted average of the net balances of Q1-5)

<b>Overall Index</b>	<b>83.2</b>	<b>87.9</b>	<b>92.2</b>	<b>95.1</b>	<b>91.2</b>	<b>99.8</b>	<b>100.2</b>	<b>96.0</b>
Current Conditions	77.4	76.2	79.7	79.6	77.6	87.7	92.5	83.8
Future Conditions	87.0	95.7	100.5	105.6	100.3	107.9	105.4	104.2

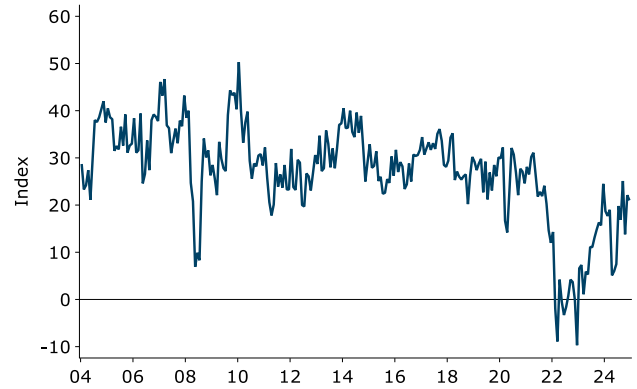


## Tables and charts

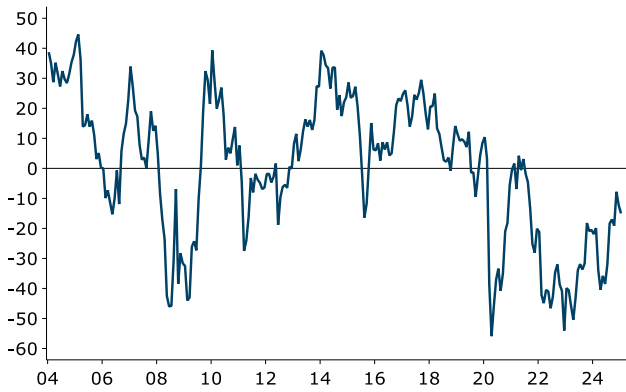
**Q1. Better off past year**



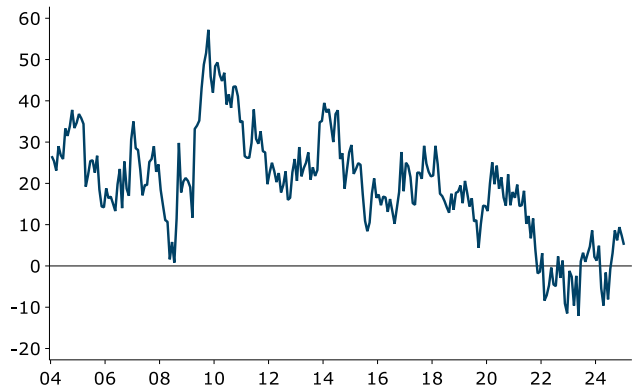
**Q2. Better off next year**



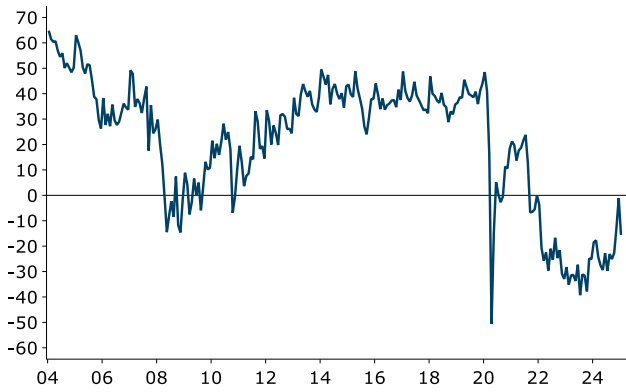
**Q3. NZ economy 12 months' time**



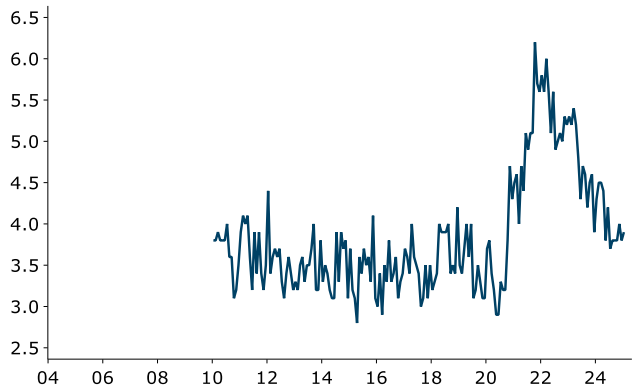
**Q4. Outlook 5 years ahead**



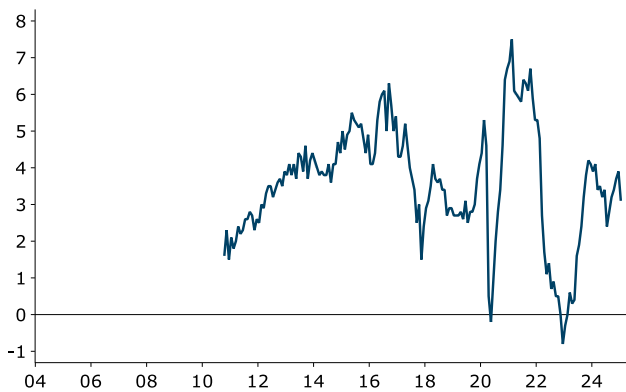
**Q5. Buy major household item**



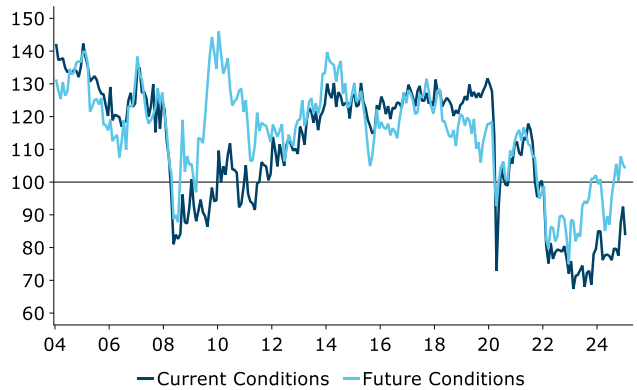
**Q6. Inflation expectations**



**Q7. House price inflation expectations**



**Current vs future conditions**



Source: Roy Morgan, Macrobond, ANZ Research



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