Quarterly Economic Outlook

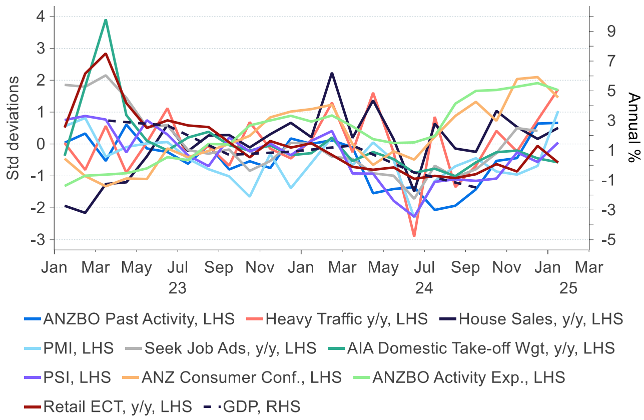
Getting back on our feet

February 2025

At a glance

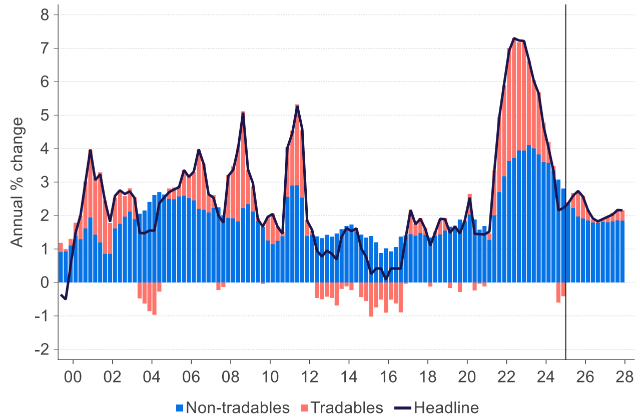
Conditions are in place for a gradual recovery…

High frequency activity indicators suggest the economy is responding to lower interest rates.



…and inflation stabilising close to target.

Capacity indicators suggest underlying disinflation will continue.

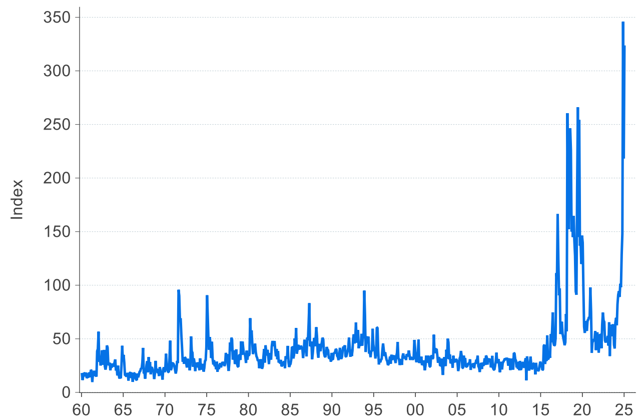


Allowing for the full withdrawal of monetary restriction.

We expect the OCR to trough at 3%.

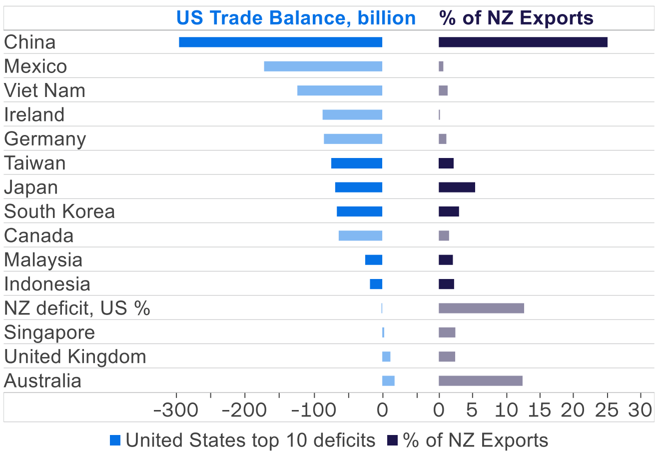
US trade policy uncertainty is heightened…

That's adding to volatility in global markets



…but direct impacts on NZ are unlikely to be large

But indirect impacts via our largest trading partners are also possible



Darker shaded bars are top 10 destinations for NZ exports and top 10 US trade deficit countries

Inside

Source: Stats NZ, BusinessNZ, AIA, REINZ, Seek NZ, RBNZ, Economic Policy Uncertainty, US Census Bureau, Macrobond, ANZ Research

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The big picture

Getting back on our feet

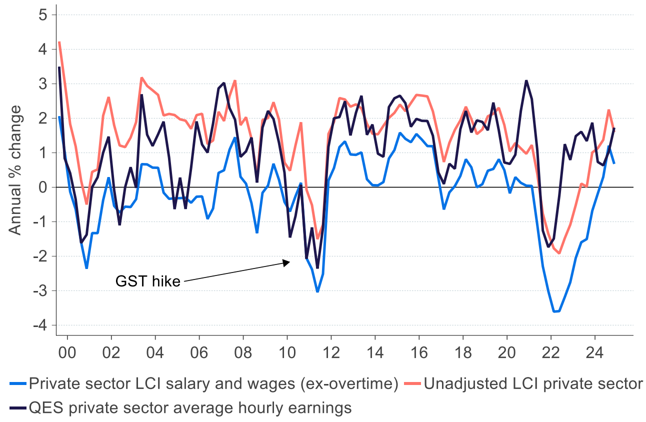
It's fair to say that over 2021-22 the New Zealand economy undertook an ambitious sprint that it wasn't remotely in shape to handle. It was pulling muscles and popping the odd lung, while spectacularly overheating. In response, the RBNZ stopped handing out the energy drinks and instead added drag resistance with ever-higher interest rates until it came staggering to a stop – a compulsory breather in pursuit of low and stable CPI inflation. More than one sector has been flat on its back, but the good news is, it worked, and come 2025 the economy is starting to get back on its feet. And provided inflation pressures remain contained, the RBNZ should allow the economy to build towards a sustainable pace of expansion, a nice steady jog. If the economy falters (taking CPI inflation below target), the RBNZ will be ready with the sugar. If it bolts (pushing inflation above the target band) the RBNZ stands ready to slow it down once more. Setting the economy running at a steady pace that keeps inflation contained while achieving its best possible race result may require some policy recalibration down the track, particularly given global uncertainty, but for now, cutting the OCR to a non-restrictive level (currently assumed to be ~3%) and stepping back to watch the race is an appropriate strategy.

Conditions are in place for the New Zealand economy to gradually recover from the monetary policy-induced stumble it took in mid-2024:

- Interest rates are on a path towards an unrestrictive level. Whether or not monetary stimulus (ie an OCR south of 3%) will be needed is yet to be revealed. In fact, given the degree of uncertainty around where neutral is, we're not ruling out the possibility that 3% is a stimulatory level. Our expectation is for the RBNZ to pause at 3%, with the jury out on where to from there.

- Wage growth is outpacing CPI inflation in aggregate (figure 1).

Figure 1. Real wage growth



Source: Stats NZ, Macrobond, ANZ Research

- Household and business balance sheets are in much better shape than past per capita economic downturns of a similar magnitude – private sector balance sheet repair will be less of a hindrance than in, say, 2009.

- The recent shortening in how long the average home loan is fixed for (figure 2) leaves households poised to benefit from falling mortgage rates faster than otherwise.

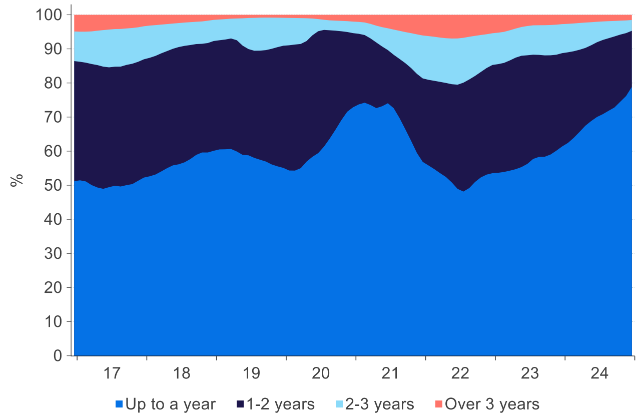
- The housing market is showing signs of stabilising and is expected to gather momentum over 2025.

- The low NZD is supporting exporter incomes, from our primary producers through to those exposed to international tourist spending.

- Global prices for our key exports are generally, but not uniformly, rosy.

- Business confidence has recovered meaningfully, but there remains some disconnect between what firms are expecting 12 months from now (much better times to come) and what they are experiencing here and now (subdued but improving demand).

Figure 2. Owner occupier mortgage lending time to repricing



Source: RBNZ, Macrobond, ANZ Research

But we're not expecting the economy to go gangbusters any time soon. Growth headwinds remain:

- Given typical lags, the labour market is expected to loosen a little further in the near term. While we're not expecting the number of employed persons to contract any further, growth in labour supply is still expected to exceed labour demand over coming quarters, resulting in a slightly higher unemployment rate (5.3%) over the first half of 2025.

- Consumer confidence, while off its lows, remains subdued and could stay that way for as long as the labour market remains soft.

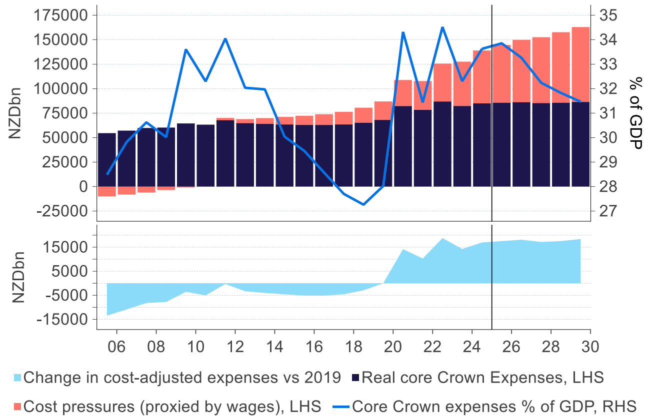
- Upside CPI inflation risks haven't gone away. "Non-market" domestic prices, such as council rates and electricity lines charges, look set to remain elevated for the foreseeable future. If that were to combine with a faster acceleration in the housing market than we and the RBNZ expect, and/or a sharper rise in tradable inflation owing to the weak NZD, higher oil prices, or generally higher global inflation, we could see headline inflation pick up a 3-hande this year. It's not our forecast but it could happen. If inflation expectations follow suit, the RBNZ may need to pivot to a more restrictive monetary policy stance than otherwise. In other words, given upside inflation risks the RBNZ will need to think hard about how vigorous an economic recovery it will permit.

- The global backdrop will remain choppy for years to come. The box on page 5 outlines the possible offsetting impacts should the US levy tariffs on New Zealand and our key trading partners.

The big picture

At the more neutral end of the spectrum, the New Zealand Government's chosen path for unwinding the previous Government's unsustainably large expansion is a long way from aggressive. Most key operating balance indicators are forecast to remain in deficit for years to come, which would be a longer stint in deficit than following the Global Financial Crisis and Canterbury earthquakes. At that pace, it's possible that the next crisis or natural disaster lands on the Beehive's doorstep before the books are back in the black. When it comes to fiscal policy, the RBNZ will just have to react to what it's given. The last Government's pro-cyclical policy stance (inflation fuelling fiscal expansion during a time of already-high inflation and tight monetary policy) has left the current Government stuck between a rock and a hard place. By our estimates there is room for further spending cuts while still maintaining pre-pandemic levels of government services (figure 3), but there might not be much political appetite for that – even though it would mean more interest rate relief for households and businesses than otherwise.

Figure 3. Core Crown expenses



Source: The Treasury, Macrobond, ANZ Research

Weighing up all the moving parts, the RBNZ continues to signal that it intends to keep cutting to the point where the level of the OCR is neither adding to nor subtracting from inflation, which they currently estimate as being somewhere between 2.5 and 3.5%.

We concur. Indicators for capacity stretch suggest the RBNZ has done enough to ensure underlying disinflation progress will continue for a while yet (even if tradable inflation picks up a little this year) and that taking the OCR down to its estimated neutral level (ie 3%) is appropriate. But given upside inflation risks we're yet to be convinced that monetary stimulus (an OCR below neutral) will be required.

Table 1. Summary of key forecasts

Calendar Years	2020	2021	2022	2023	2024f	2025f	2026f	2027f
Real GDP[1] (annual average % change)	-1.4	5.7	2.9	1.8	-0.5	1.0	3.1	2.4
Unemployment Rate (sa; Dec qtr)	4.9	3.2	3.4	4.0	5.1(a)	5.1	4.4	4.3
CPI Inflation (annual % change; Dec qtr)	1.4	5.9	7.2	4.7	2.2(a)	2.6	1.9	2.2
Official Cash Rate (Dec qtr end)	0.25	0.75	4.25	5.50	4.25(a)	3.00	3.00	3.00

[1] Production based

Source: Statistics NZ, REINZ, Bloomberg, ANZ Research

Forecasts finalised 20 February 2025. See page 8 for detailed forecast charts and this link to download tables

The big picture

US trade policy: uncertain implications for NZ

Exactly where US President Trump lands with trade policy is yet to be revealed. And in the interests of preserving the shelf life of this analysis, we will refrain from going into specifics based on the latest headlines. Instead, we outline how US tariffs could impact NZ at a macroeconomic level and discuss the considerable degree of uncertainty around such impacts.

Direct impacts of US tariffs on NZ are likely to be relatively small in aggregate, but could be meaningful for some industries

The US accounts for around an eighth of NZ's goods exports – a relatively small share that will limit direct impacts of tariffs on GDP. For example, a 15% tariff on all NZ goods exported to the US would represent less than 0.3% of nominal GDP. And after accounting for the fact that exporting nations may not pay the full cost of higher tariffs (eg US consumers and firms are likely to absorb part of the cost via higher-than-otherwise prices and/or tighter-than-otherwise margins), the direct impact could end up quite a bit smaller than a simple share of exports calculation would suggest.

Exactly how much of the tariff is paid for by the US consumer/business and how much by the exporter is likely to vary significantly across goods. Some of the factors that will determine who ends up paying for higher US tariffs include:

- how price-sensitive US consumers are (eg eating fewer hamburgers because the price has risen);
- the extent to which US production can fill the gap at a price that meets demand (eg produce more hamburger meat in the US);
- the ease (in terms of both logistics and preferences) with which US consumers and business can substitute to other goods (eg mushroom burgers).

Clearly, if tariffs are levied against New Zealand's exports, some industries are likely to feel it a lot more than others. Meat is New Zealand's top export to the US, coming in at almost $2.7bn in the year to December 2024 and accounting for nearly 30% of our total meat exports (figure 4).

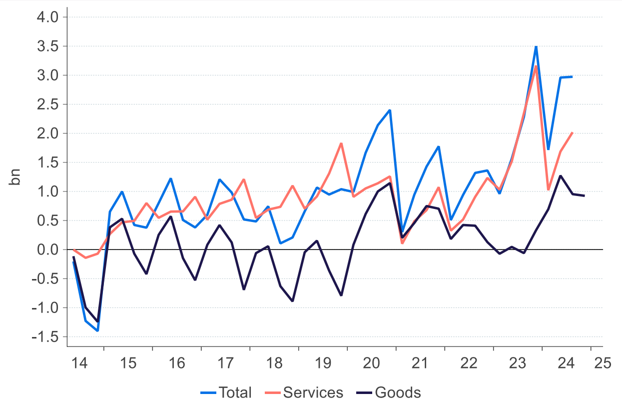
Figure 4. Main New Zealand goods exports to the US

	% of total	Value, billion
Meat	29.6	
Metals, Machinery, Equipment	22.7	
Dairy	13.6	
Beverages	8.5	
Processed Foods	7.0	
Forestry	4.4	
Seafood	4.3	
Chemicals	4.0	
Fruit & Veges	3.6	
Other	1.5	
Textiles	0.8	
		0 1 2 3

Source: Stats NZ, Macrobond, ANZ Research

In broad terms, the economies most vulnerable to US tariff policy are those running a significant trade surplus with the US (ie countries exporting more to the US than they import). New Zealand fits into this category, but as figure 5 shows that tends to be driven more by services (primarily tourism) than goods. As at Q3 2024, our $3bn total trade surplus with the US reflected a $2bn services surplus and a $1bn goods surplus. And as we will discuss later, the NZD/USD might well act as a shock absorber. If the impact of US tariffs (either directly on NZ, or indirectly via weaker global demand than otherwise amid heightened global economic uncertainty) dampens New Zealand's growth prospects and therefore the NZD, US visitor numbers and how much US tourists spend in NZ would likely be higher than otherwise.

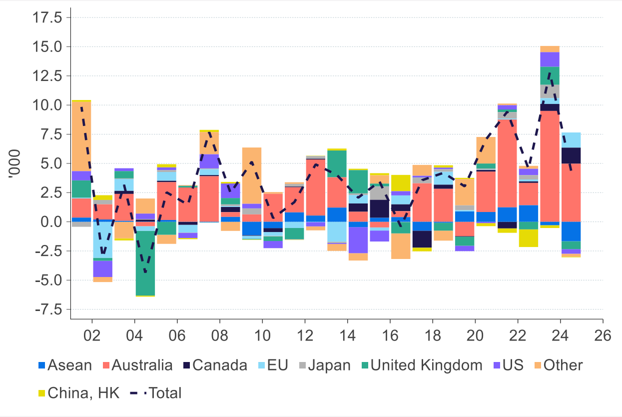
Figure 5. New Zealand's trade balance (exports less imports) with the US



Source: Stats NZ, Macrobond, ANZ Research

Foreign direct investment (FDI) is another channel through which an insular pivot in US trade policy could impact adversely on other economies. But as figure 6 shows, FDI from the US (or China for that matter) typically accounts for a very small share of total New Zealand FDI. Australia is the major player in that respect. We don't see this channel as being significant for New Zealand.

Figure 6. FDI into NZ

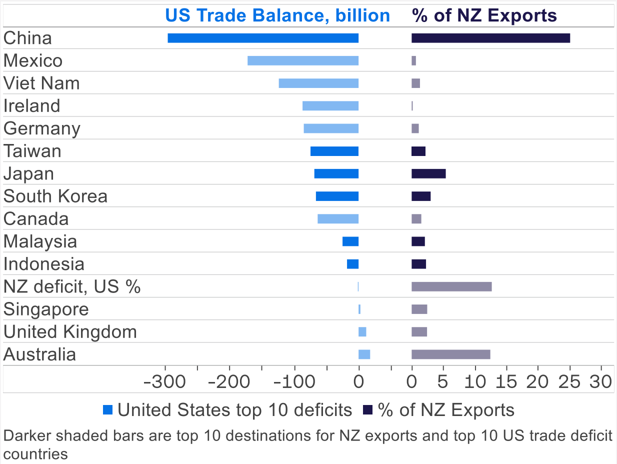


Source: Stats NZ, Macrobond, ANZ Research

…there will be indirect impacts too

Given New Zealand's relatively small trade exposure to the US, indirect impacts could become more significant at a macroeconomic level than the direct impacts. But these are much harder to estimate and identify in real time. Indirect impacts occur when tariffs imposed by the US on our key trading partners erode demand from our trading partner economies for New Zealand exports. Figure 7 provides a feel for our exposure here, showing economies accounting for the largest trade deficits with the US (ie economies with more to lose in a trade war with the US) and NZ's top 10 list of goods export destinations. Where these two overlap is where New Zealand is most vulnerable to indirect impacts. The economies that feature on both these lists (darker bars in chart) are China, Taiwan, Japan, South Korea, Malaysia and Indonesia.

Figure 7. Top US trade deficit economies and top NZ export destinations



Source: Stats NZ, US Census Bureau, Macrobond, ANZ Research

China is New Zealand's top goods export destination and accounts for the largest US trade deficit – and is both of these things by a decent margin. While that makes developments in China particularly important for New Zealand, it's also worth noting that many of our other key trading partners are also indirectly exposed to China in a similar manner. And that adds another layer of complexity and uncertainty: assessing the full impacts of US tariff policy means we need to account not only for first-round (direct) impacts, which are complex enough, but also second-round (indirect) and third-round (indirect indirect) impacts. There's a lot of moving parts.

But nothing happens in isolation

US tariffs won't occur in isolation. Global policy makers may be able to offset negative demand implications via fiscal and monetary stimulus. The inflationary impacts in the US may require higher US interest rates. Retaliatory tariffs are possible. Exchange rates adjust. And exports seek alternative markets – we might get some import bargains, but could also face increased competition in some export markets.

How the NZD reacts will be particularly important. As a small open economy, the NZD tends to act as a shock absorber, depreciating in times of crisis and global uncertainty. Since its recent peak in September 2024 the NZD/USD has depreciated around 10%, meaning for the US, our exports have cheapened up significantly over this time. And that's despite dairy prices trending higher of late!

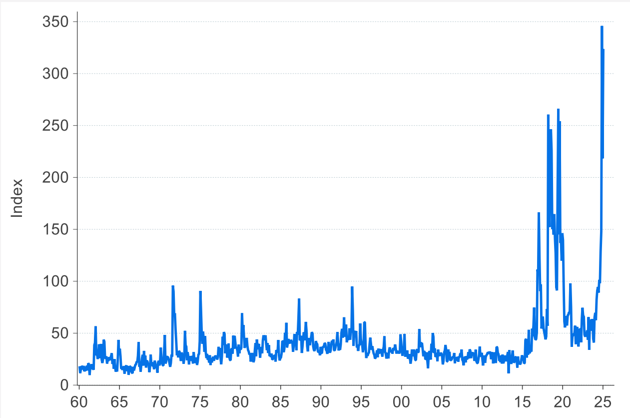
While a lower NZD could provide a meaningful offset for our exporters, it could, all else equal, mean New Zealand consumers will need to pay more for imported goods and services (adding to inflation). However, US tariff policy could bring some offsets here too (at least in the near term) as exports otherwise destined for the US seek alternative markets (possibly at a discount).

In the longer run, however, there's no escaping the fact that weaker global trade flows and a less-efficient allocation of global resources is a bad combination for global growth. So perhaps one of the most important determinants of how US tariff policy impacts New Zealand (and the rest of the world) will be whether US tariffs end up enhancing trade ties between other economies (ie bring the world-ex US close together), or if the world follows suit.

Uncertainty is the only certainty

Putting it all together, while US tariffs certainty won't be a positive development for New Zealand, we can take some comfort that the NZD will almost certainly act as a shock absorber when it needs to, and that our direct exposure to the US is relatively small. But incorporating all of the above into a central forecast when the full details of the policy agenda are unknown simply isn't possible and therefore much of what we have described must be confined to the "risks basket". Perhaps the only thing we can be certain about for the next little while is that heightened uncertainty is likely to linger.

Figure 8. US trade policy uncertainty



Source: Economic Policy Uncertainty, Macrobond, ANZ Research

Uncertainty in and of itself can be a hindrance to economic expansion, weighing on investment appetite, but our expectation is that US trade policy is very unlikely to change the overall story that the New Zealand economy is on the road to recovery. US tariff policy is unlikely to be good for New Zealand, but it also won't knock it off course.

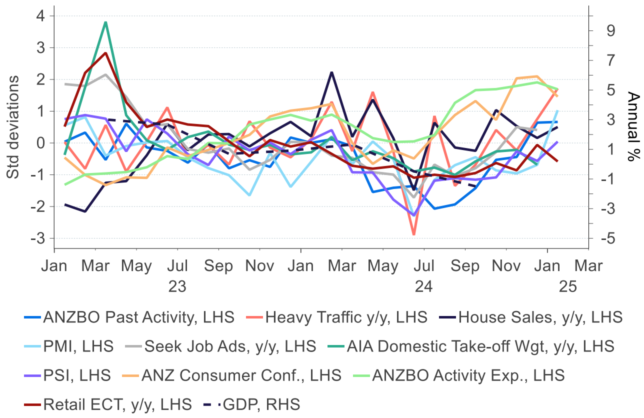
Our forecasts

Economic activity poised for recovery…

2024 ended on a rather sour note: the 19 December Q3 GDP release and the accompanying revisions to history revealed a much weaker economy than anyone had predicted. A 1.0% q/q contraction in Q3 2024 preceded by a downwardly revised 1.1% contraction in Q2 marked the largest contraction over a six-month period since 1991 (outside of COVID lockdowns).

Admittedly, high-frequency economic indicators had deteriorated quite meaningfully around the middle of 2024, suggesting vicious cycle dynamics were perhaps taking hold and that prompted the RBNZ to start cutting. Since then, these indicators have started to recover.

Figure 9. High frequency economic activity indicators

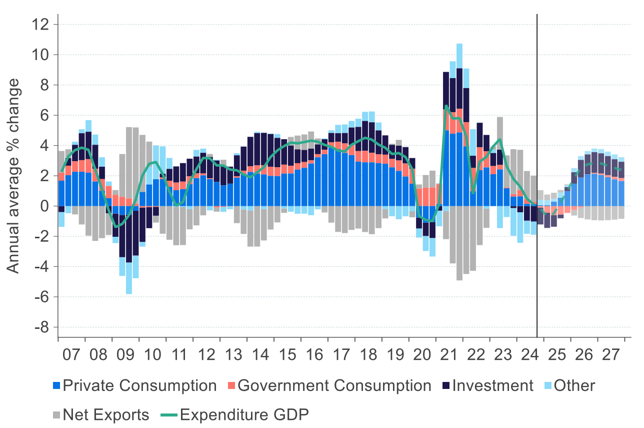


Source: Stats NZ, BusinessNZ, AIA, REINZ, Seek NZ, Macrobond, ANZ Research

Our GDP forecast has the recovery starting in Q4 2024 and gathering momentum over 2025. We have pencilled in a 0.4% q/q expansion in Q4, which includes some payback from temporary weakness in Q3's surprisingly weak read, such as disruption to electricity generation and manufacturing. That would see annual average growth come in at -0.5% in 2024.

The economy is forecast to expand 1.0% in 2025 in what might feel a bit like a game of two halves: modest growth in the first half but a stronger finish that carries on into 2026 as domestic demand picks up momentum (figure 10). Annual growth is expected to accelerate to around 3% over 2026 before settling to around its potential level in 2027 (2.4%) as the RBNZ seeks to run the economy not too hot and not too cold.

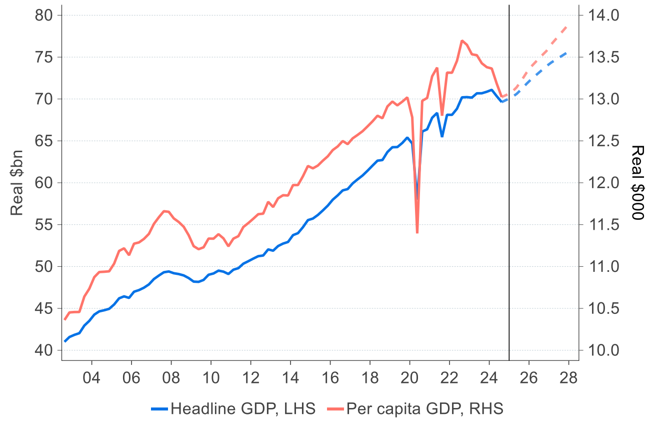
Figure 10. Contributions to GDP growth



Source: Stats NZ, Macrobond, ANZ Research

The per capita recovery is also expected to gather momentum over the year ahead, but in the absence of a productivity miracle or bout of inflation-creating stimulus, we're unlikely to return to the recent peak (when the economy was severely overheated) for a while yet.

Figure 11. GDP and GDP per capita



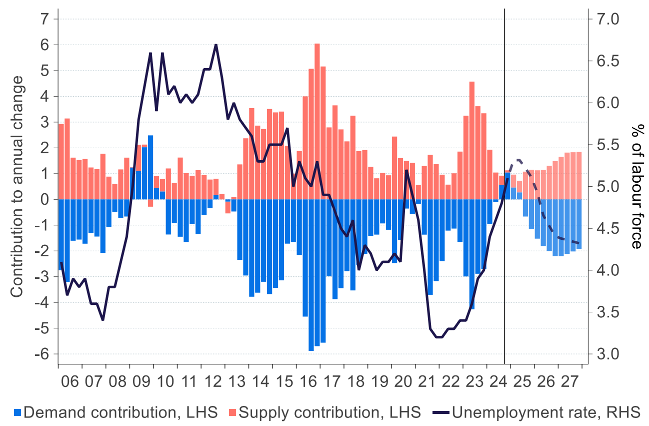
Source: Stats NZ, Macrobond, ANZ Research

All up, while the outlook for activity is looking up, the economy will continue to navigate challenging conditions for some time. For many households, it won't feel like things are getting better until after the labour market turns the corner, and given typical lags that's more likely to be a late 2025 story.

…as the labour market reaches "peak bad" in 2025

The unemployment rate lifted to 5.1% in Q4 2024 and given typical lags, we expect it to rise to 5.3% over the first half of 2025 as growth in labour supply outpaces labour demand.

Figure 12. Contributions to changes in the unemployment rate



Source: Stats NZ, Macrobond, ANZ Research

But when it comes to employment, recent data has been encouraging, with the past two months delivering a return to positive growth in monthly filled jobs (breaking a seven-month streak of contraction) and employment intentions across both the NZIER's Quarterly Survey of Business Opinion and our own Business Outlook survey in positive territory. Taking signal from these indicators suggests contraction in the number of people employed is now behind us. We have pencilled in weak but positive employment growth in Q1 (+0.1% q/q).

Our forecasts

From 5.3% over the first half of 2025, we expect the unemployment rate will begin to gradually fall over the second half of the year, finishing the year at 5.1% before easing to 4.4% by the end of 2026 and 4.3% by the end of 2027 (which we estimate to be the level associated with stable inflation).

Meanwhile, measures of wage growth are forecast to gradually moderate in the near term, returning to levels consistent with inflation near the RBNZ's 2% target midpoint by the end of 2025. Wage growth tends to reflect past labour market conditions, and as such these measures can be slow to respond. However, we are of the view that wage growth (and the labour market more broadly) is no longer a threat to domestic inflation. In other words, there is sufficient spare labour market capacity to ensure that underlying disinflation progress continues for a while yet. Wage signals out of our ANZBO survey are certainly benign.

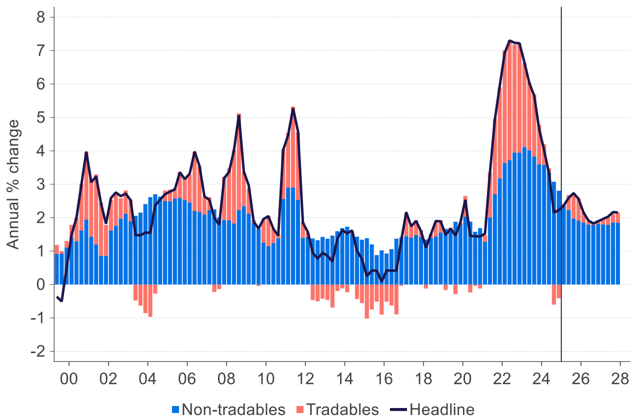
Plenty of nuance in the inflation outlook for the RBNZ to ponder

Despite annual headline inflation unchanged at 2.2% in Q4 2024, there was plenty in the data to suggest the underlying disinflation trajectory remains intact: non-tradable inflation slowed more than our and the RBNZ's forecast at the time and measures of core inflation continued to decelerate.

But that doesn't mean the RBNZ is going to become relaxed about upside inflation risks any time soon. On our forecast, annual headline inflation isn't going to be as low as 2.2% again until 2026, with headline inflation expected to reaccelerate to 2.4% in Q1 2025, peaking at 2.7% in Q3 2025 before stabilising around 2% over 2026.

But there's plenty of nuance in this forecast. As figure 13 shows, the temporary reacceleration in headline inflation we expect is driven by the volatile tradable component (owing to recent NZD weakness), while the relatively stable non-tradable side of the basket is expected to continue its gradual deceleration towards a level that's historically been consistent with headline inflation around 2%.

Figure 13. Contributions to inflation



Source: Stats NZ, Macrobond, ANZ Research

Provided key capacity indicators continue to suggest that there's further underlying disinflation in the pipeline and medium-term inflation expectations remain anchored close to target, the RBNZ will tolerate a little near-term temporary strength on the tradables side of the basket. After all, that kind of inflation tends to be temporary, and reacting to temporary bumps with a higher-than-otherwise OCR could easily result in inflation undershooting the target over the medium term, as well as failing the "unnecessary volatility" test.

OCR expected to fall to 3%

With ample spare capacity in the economy and inflation falling towards the RBNZ's 2% target, we expect the OCR to converge on the 3% level, which the RBNZ considers to be its neutral level (ie neither stimulatory nor contractionary), and we have no particular reason to argue with that assumption at this point.

The risks around our OCR forecast are reasonably symmetric. On one hand, the pickup in high-frequency indicators that has been seen of late may herald in a more rapid recovery, but on the other hand, the recovery may be more tepid and well within the economy's productive potential for longer than necessary (keeping inflation at bay and allowing for more cuts, potentially after a wait-and-see pause). On top of that, as discussed in the box on page 5, US trade and tariff policy add complexity and uncertainty to the outlook, not to mention timing mismatches.

Short-end rates expected to bottom out in Q2

We expect short-end rates to continue moving lower with the OCR, which we expect the RBNZ to take to 3% by July. While our forecasts have the 90-day bank bill and the 2-year swap rate both bottoming out in Q2, the 2-year is expected to fall more in the near term, whereas the 90-day bill rate is expected to fall more gradually. This is an extension of the pattern witnessed all the way down during the current easing cycle, where 2-year rates have moved down earlier in anticipation of eventual OCR cuts, whereas bank bill rates are, by their very short-term nature, less able to anticipate cuts further down the track.

The short end of the yield curve (from the overnight OCR out to 3 years) remains U-shaped and is likely to stay that way until around mid-year. Indeed, in the weeks leading up to the February OCR cut (from 4.25% to 3.75%), the 2 year marked the low point on the swap curve, but as the decision approached, the 1-year swap started drifting lower and became the low point. Even after the February cut, the 1-year rate was below the OCR, and it is expected to remain below it until around the time the last OCR cut is delivered (currently expected to be in July). From that point onward, with no more OCR cuts expected, the yield curve is expected to be positively sloped throughout its length.

Our forecasts

Higher US bond yields expected to drive NZ long-end rates up a little further

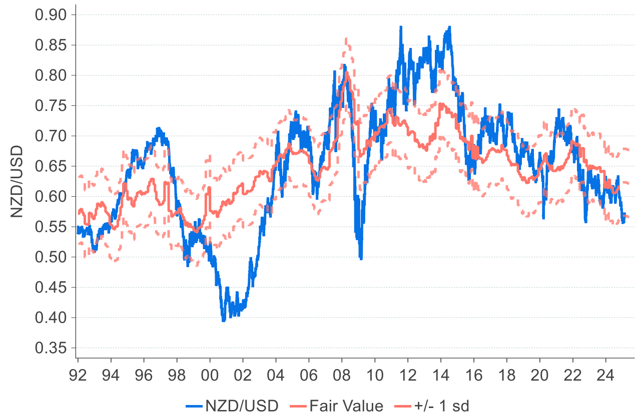
US economic resilience (particularly in the labour market) and a more moderate decline in inflation has seen the US Federal Reserve take a more measured view of how quickly it can remove policy restriction. That, and fears of the potential impact tariffs may have on US inflation, have driven US 10-year bond yields higher since December, but looking ahead, we do not expect further upside. Instead, we expect US bond yields to fall slightly from mid-year. That is expected to drive NZ bond yields lower over 2025; so too is our expectation that RBNZ cuts will outpace Fed cuts. The yield curve (as measured by the gap between the 2-year swap rate and the 10-year bond yield) is expected to steepen until mid-year, led by lower 2-year rates, then eventually flatten as 10-year bond yields fall. Over the second half of 2026, both NZ and US 10-year bond yields are expected to start rising as markets anticipate a pickup in economic activity in both countries.

Record volumes of NZGB issuance have been a concern for many bond investors, but the outlook is set to improve from the middle of 2025, thanks mainly to pre-funding. At the December 2024 HYEFU, NZ Debt Management (NZDM) lifted its bond issuance projections by $20bn over the forecast period. While that came as a huge shock to the market, the consequent widening in NZGB spreads to swap has seen investors flood back into the market, which will in turn put NZDM in a position to pre-fund a chunk of the 2025/26 fiscal year bond programme. While that programme is expected to be the same size as this year's ($40bn), the simple fact that it's likely to exceed that figure this year means there should be less to be done next year, and we expect that to ease investor concerns, and help cap bond yields.

NZD still vulnerable, but an eventual return to fair value (in the low-0.60s) is expected

Weak activity data, safe-haven considerations and tariff policy uncertainty all weighed on the NZD into the end of 2024 and early 2025. While there are encouraging signs that the economy is responding to lower interest rates, with an uptick in most high-frequency indicators we track, tariff uncertainty is expected to keep the Kiwi depressed over coming quarters. Reflecting this, we have pencilled in a move in the NZD/USD down to 0.55 over Q1 and into Q2, after which a gradual appreciation back to fair value (which we see at around 0.62, as below) is expected.

Figure 14. ANZ estimate of NZD/USD fair value and standard deviation bands



Source: Bloomberg, Macrobond, ANZ Research

However, as we warned in our last Quarterly, and noted in our discussion of the potential impacts of US tariffs on page 5, the exchange rate acts as a key shock absorber at times of global stress, and that suggests that there are downside risks to our NZD/USD forecasts. Put simply, if US tariff and trade policy uncertainty persist, that may hamper the Kiwi's ability to close the gap to fair value.

Table 1: Forecasts (end of quarter)

FX Rates	20-Feb	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26
NZD/USD	0.571	0.55	0.55	0.57	0.59	0.60	0.61	0.61
NZD/AUD	0.899	0.90	0.90	0.90	0.92	0.92	0.92	0.92
NZD/EUR	0.547	0.55	0.54	0.55	0.56	0.57	0.56	0.55
NZD/JPY	86.4	84.2	83.6	85.5	87.3	87.6	87.8	86.6
NZD/GBP	0.453	0.45	0.45	0.46	0.46	0.46	0.46	0.45
NZ$ TWI	68.0	66.4	66.5	68.5	70.6	71.4	71.9	71.5
Interest Rates	**20-Feb**	**Mar-25**	**Jun-25**	**Sep-25**	**Dec-25**	**Mar-26**	**Jun-26**	**Sep-26**
NZ OCR	3.75	3.75	3.25	3.00	3.00	3.00	3.00	3.00
NZ 90-day bill	3.77	3.40	3.10	3.10	3.10	3.12	3.17	3.20
NZ 2-yr swap	3.58	3.11	3.10	3.13	3.18	3.19	3.25	3.25
NZ 10-yr bond	4.59	4.50	4.25	4.00	4.00	4.00	4.25	4.25

Source: Bloomberg, ANZ Research

Forecast charts

Figure 1. Production GDP level (headline vs per capita)

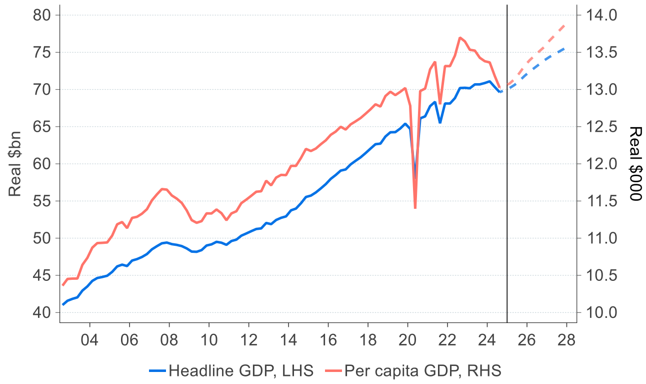


Figure 2. Production GDP growth

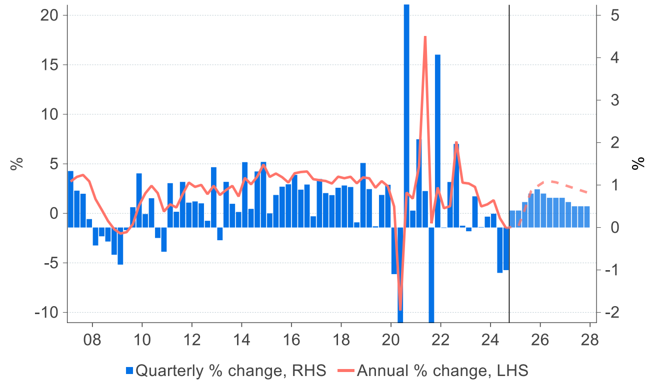


Figure 3. Contributions to GDP growth (detailed)

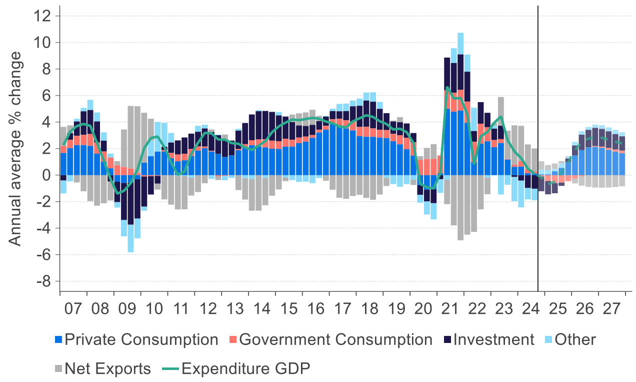


Figure 4. Real investment

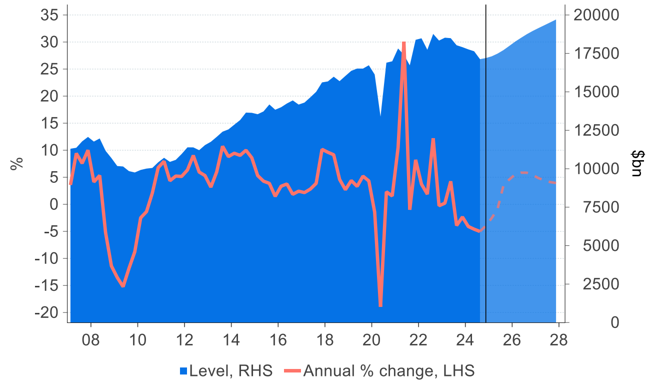


Figure 5. Real private consumption

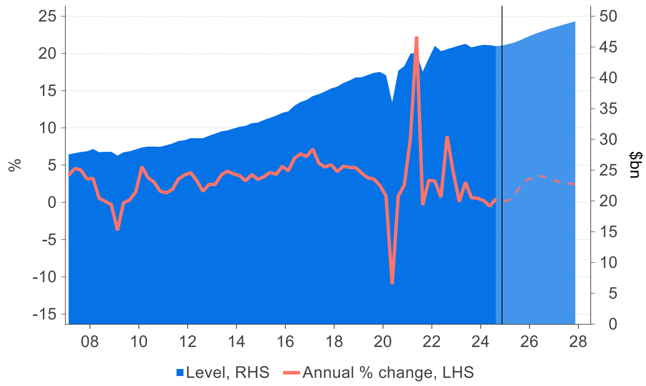


Figure 6. Real government consumption

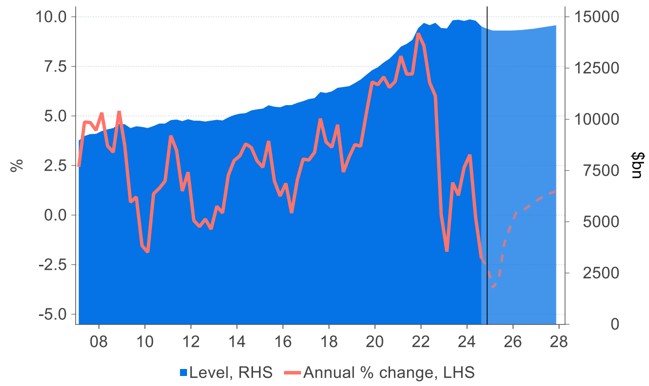


Figure 7. Real exports (goods and services)

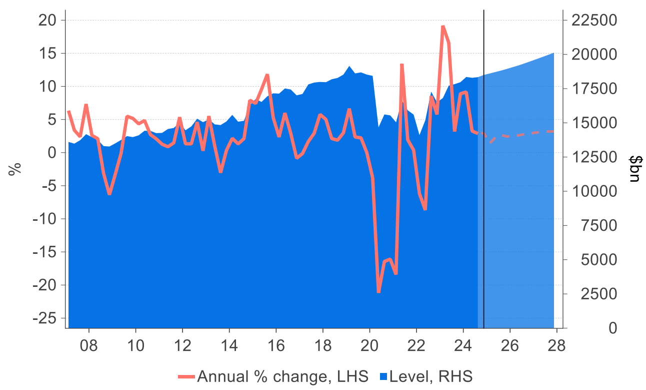
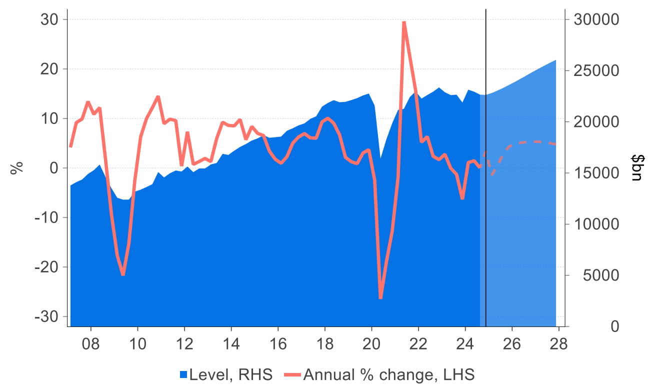


Figure 8. Real imports (goods and services)



Source: Stats NZ, Macrobond, ANZ Research

Forecast charts

Figure 9. Terms of trade

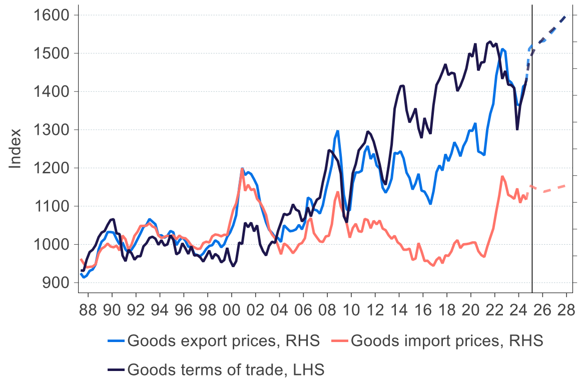


Figure 10. Current account balance

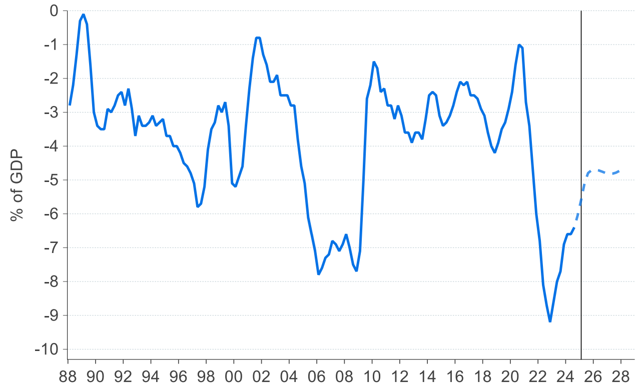


Figure 11. Output gap

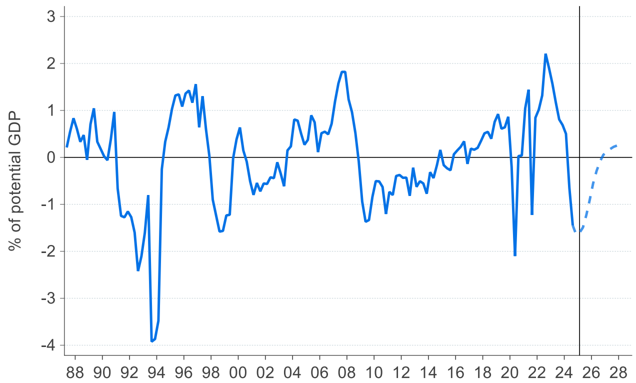


Figure 12. House prices (REINZ HPI)

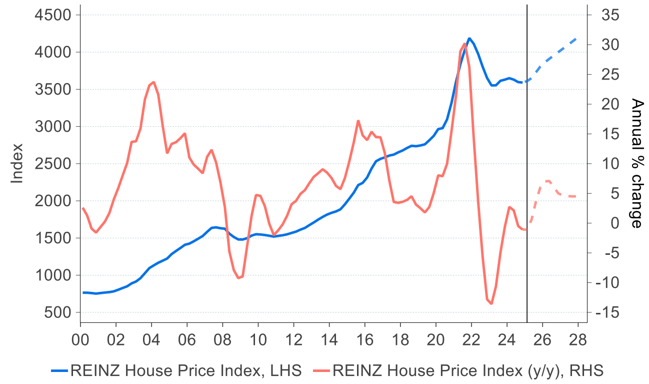


Figure 13. Annual migration

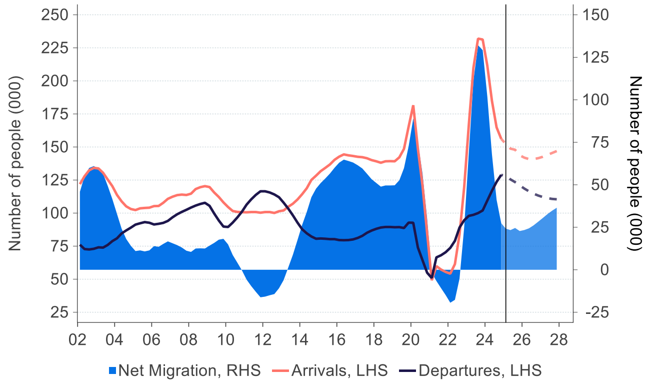


Figure 14. Resident population

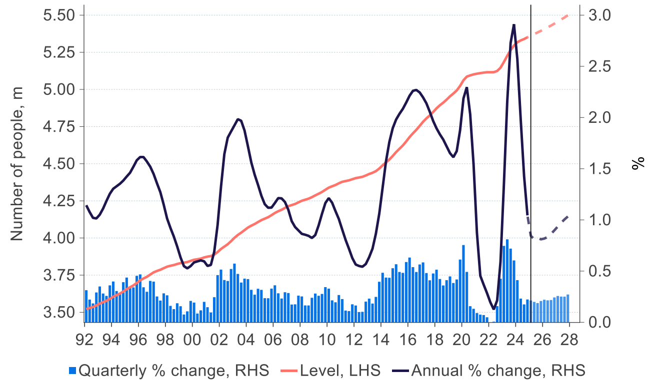


Figure 15. Participation and employment rate

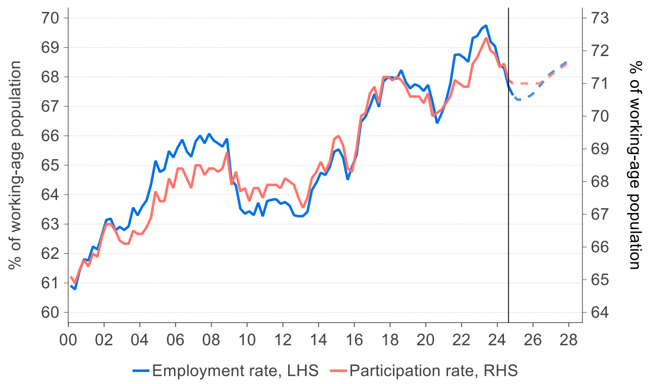
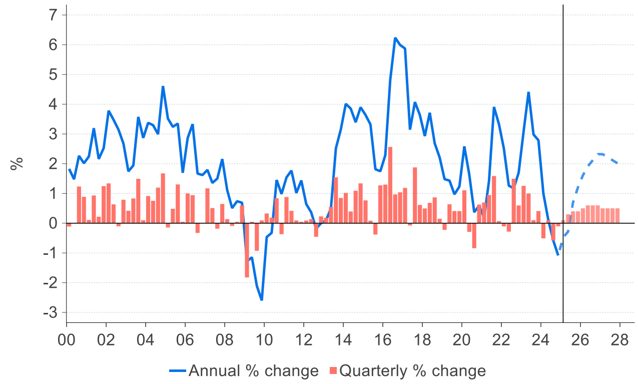


Figure 16. Employment



Source: Stats NZ, REINZ, Macrobond, ANZ Research

Forecast charts

Figure 17. Unemployment rate decomposition

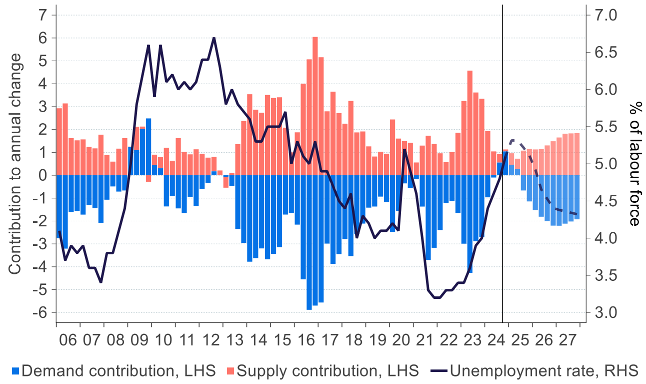


Figure 18. Wages and labour costs

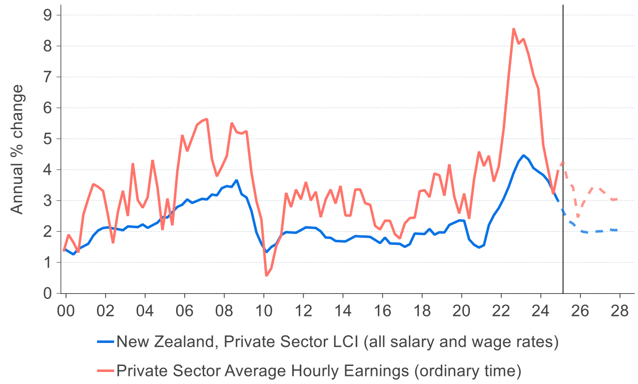


Figure 19. Inflation forecasts

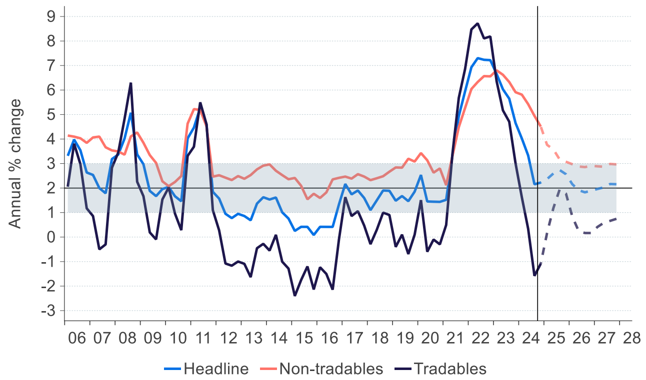


Figure 20. Headline inflation forecast decomposition

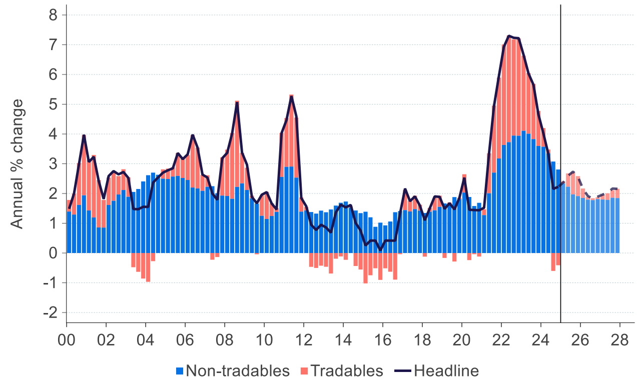


Figure 21. OCR and 90-day rate

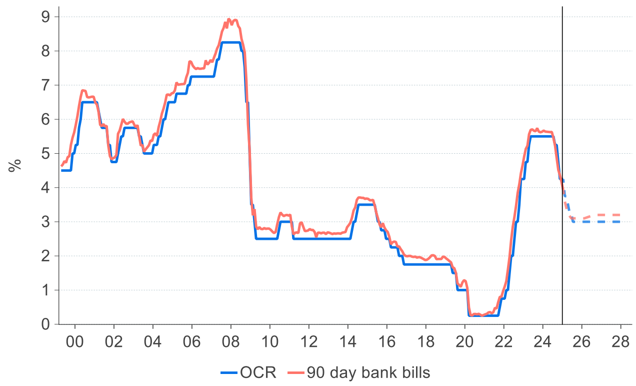


Figure 22. 2-year swap rate and 10-year bond yield

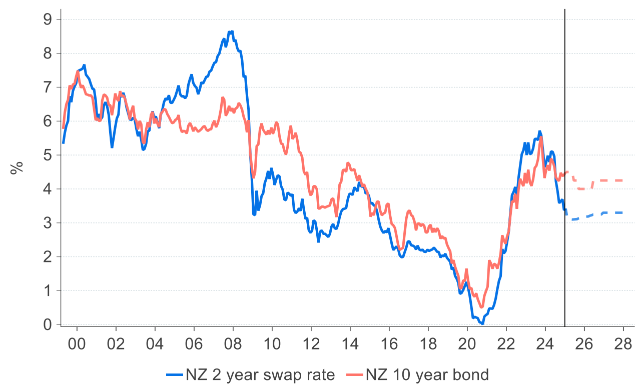


Figure 23. NZD against JPY and CNY, and TWI basis

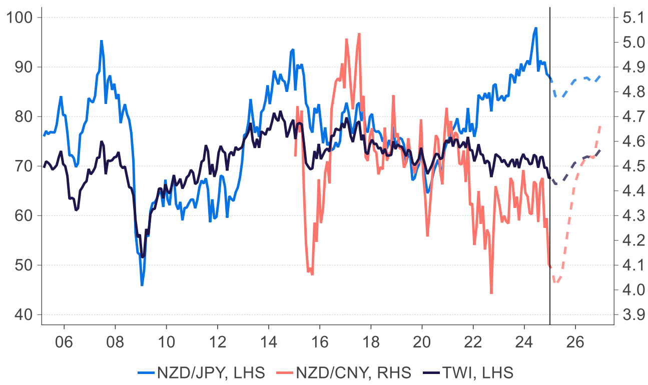
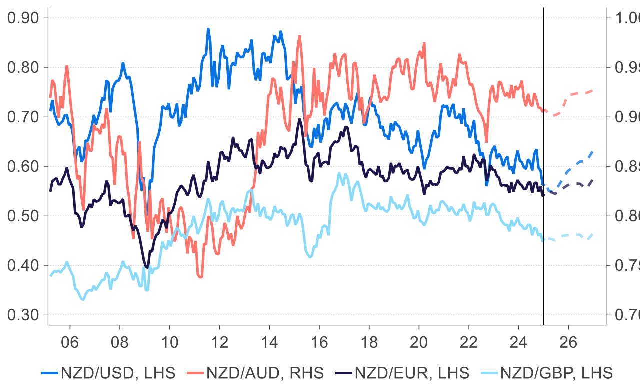


Figure 24. NZD against USD, AUD, EUR and GBP



Source: Stats NZ, Bloomberg, Macrobond, ANZ Research

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