


RBNZ MPS starting-point surprise chart pack

12 February 2025

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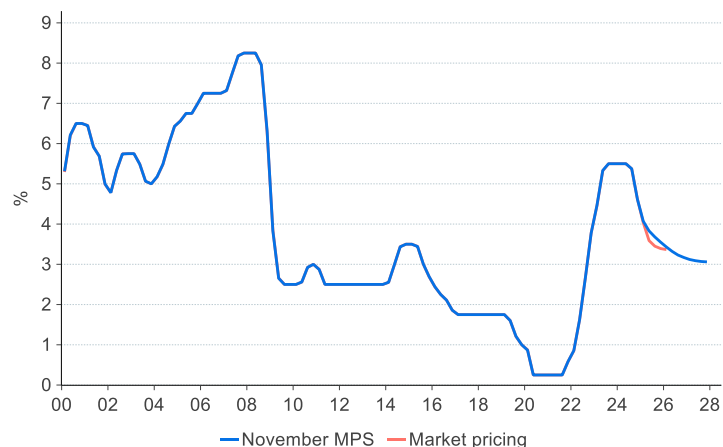


Unders and overs

Key points:

- Data since the November MPS has been mixed vs the RBNZ’s forecast.
- GDP growth in mid-2024 was much weaker than expected, but the level of GDP was revised higher over history. For monetary policy, the growth trajectory matters more than the level.
- The unemployment rate printed in line with the RBNZ’s forecast, but key measures of wage growth came in a bit stronger.
- Headline CPI was a little stronger than forecast in Q4 owing to stronger tradable inflation. Non-tradable inflation was weaker than forecast.
- House prices have come in softer than forecast, but so has the NZD.
- Putting it all together, the starting point (and its implications for the near-term outlook) doesn’t appear to warrant a significant recalibration of the monetary policy stance. The trajectory for inflation and the signal on spare capacity has tracked close to the RBNZ’s forecast.
- Market pricing is consistent with another 50bp cut next week, but a more cautious approach to easing thereafter.

Figure 1. RBNZ OCR forecast vs market pricing (quarter average)



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

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, overshadowed by other developments (including unforecastable changes in RBNZ modelling assumptions). 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.

GDP

Figure 1. Production GDP (q/q)

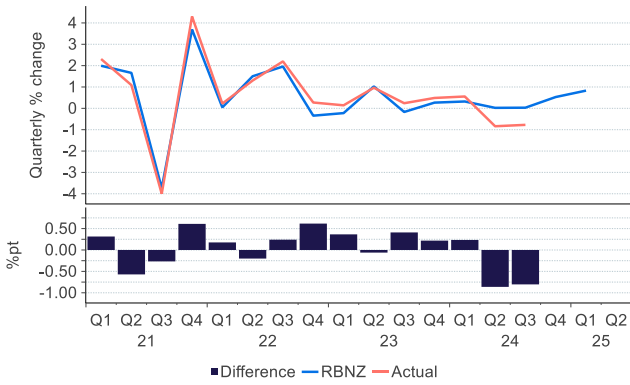


Figure 2. Production GDP (level)

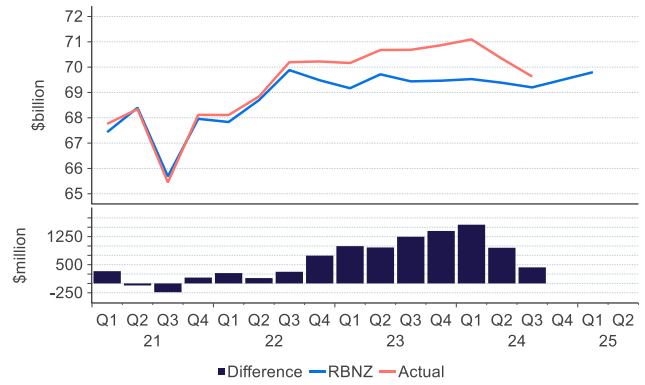


Figure 3. Real expenditure GDP (q/q)

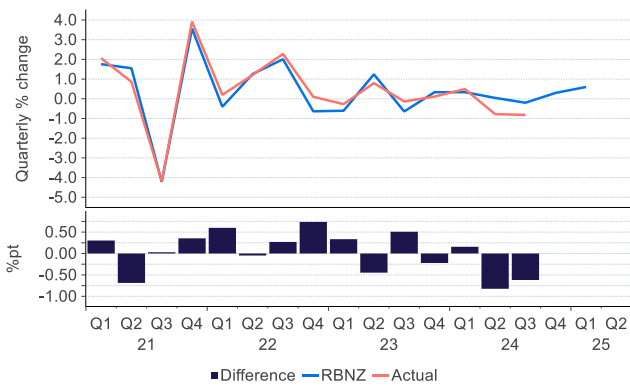


Figure 4. Real expenditure GDP (level)

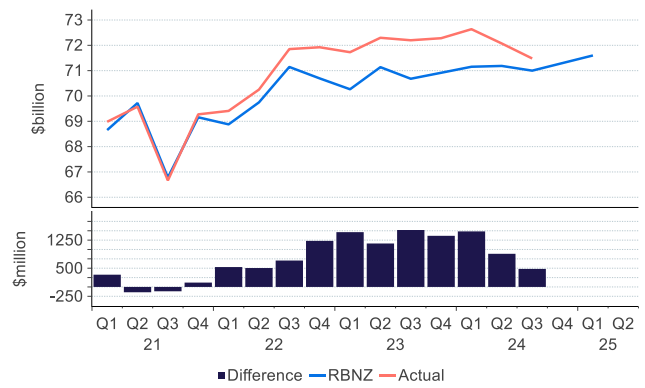


Figure 5. Real private consumption (q/q)

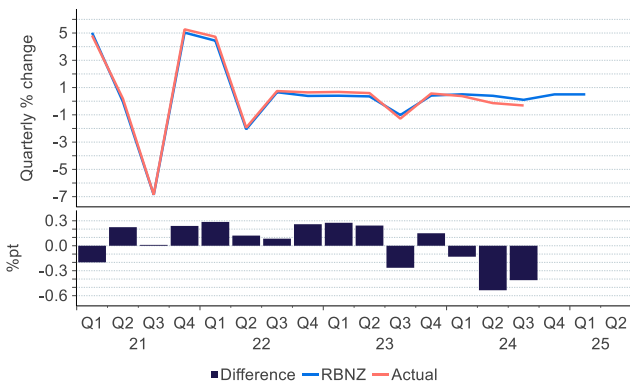


Figure 6. Real private consumption (level)

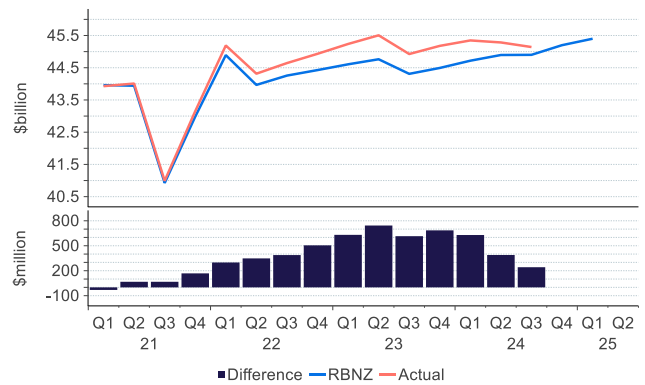


Figure 7. Real residential investment (q/q)

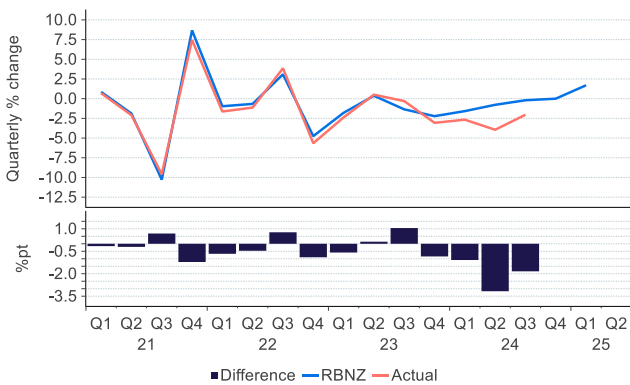
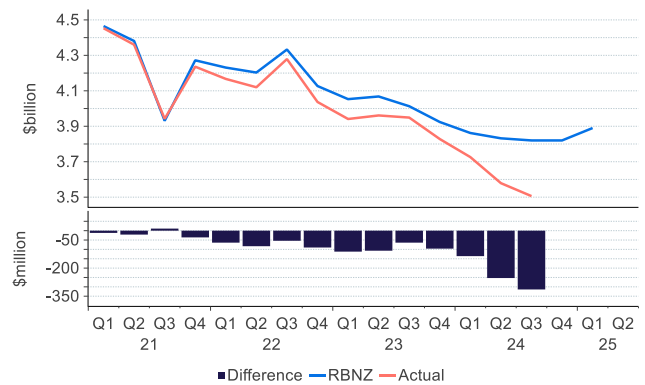


Figure 8. Real residential investment (level)



Source: Stats NZ, RBNZ, Macrobond, ANZ Research

GDP

Figure 9. Real total exports (q/q)

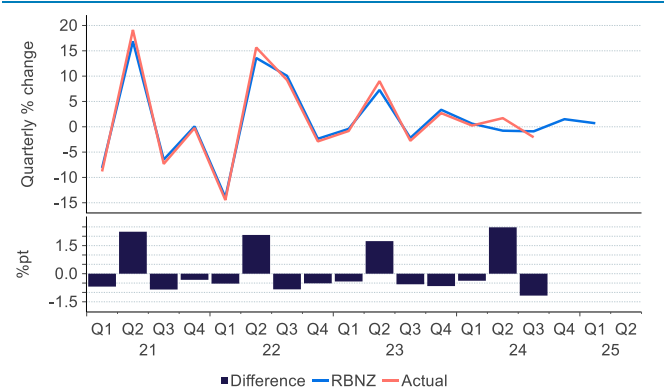


Figure 10. Real total exports (level)

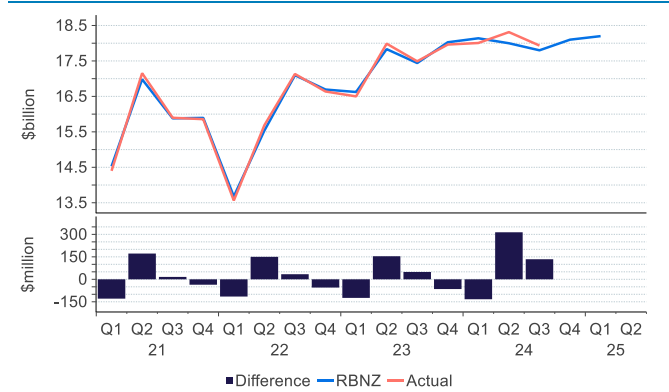


Figure 11. Real total imports (q/q)

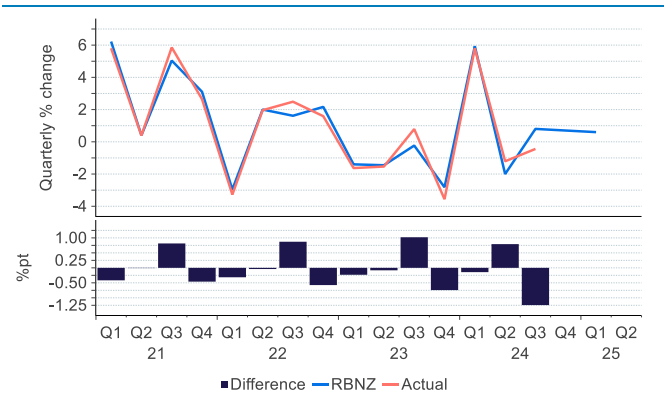


Figure 12. Real total imports (level)

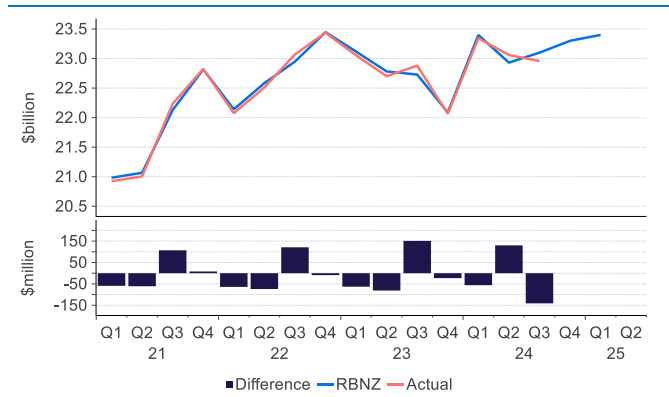


Figure 13. Changes in inventories (level)

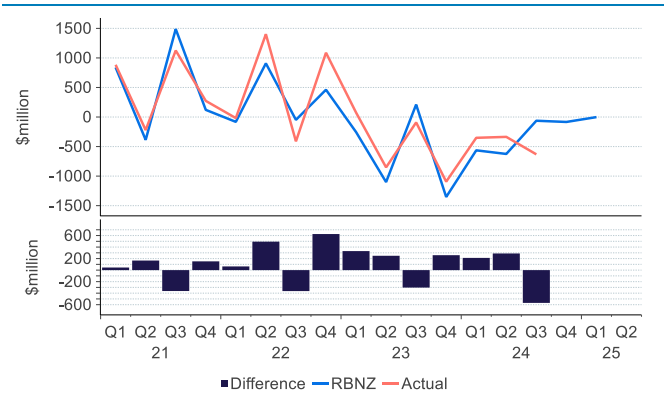
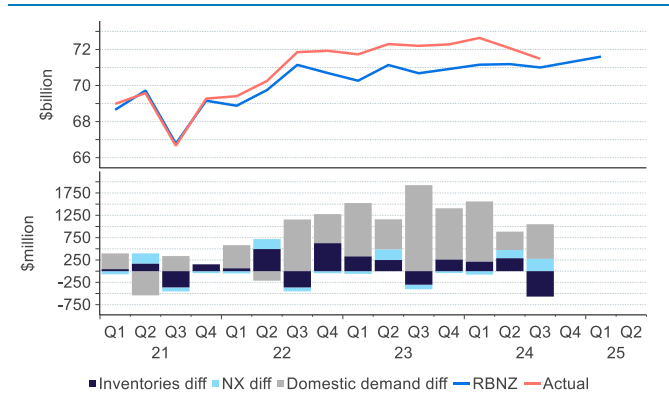


Figure 14. GDP high level breakdown



Source: Stats NZ, RBNZ, Macrobond, ANZ Research

CPI

Figure 15. Headline CPI inflation (q/q)

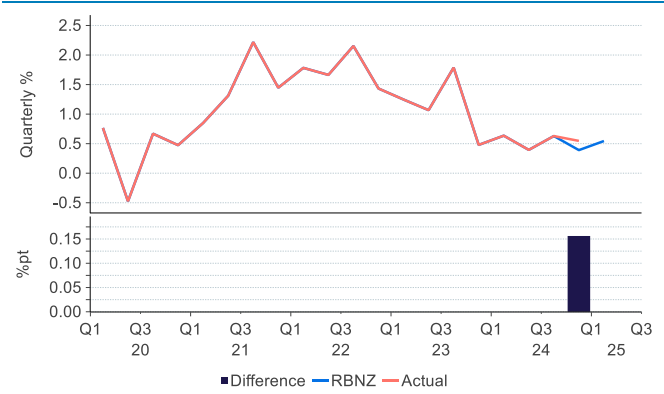


Figure 16. Headline CPI inflation (y/y)

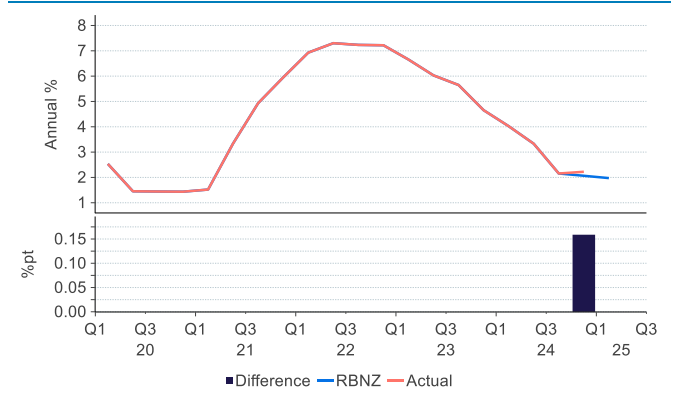


Figure 17. Tradables CPI inflation (q/q)

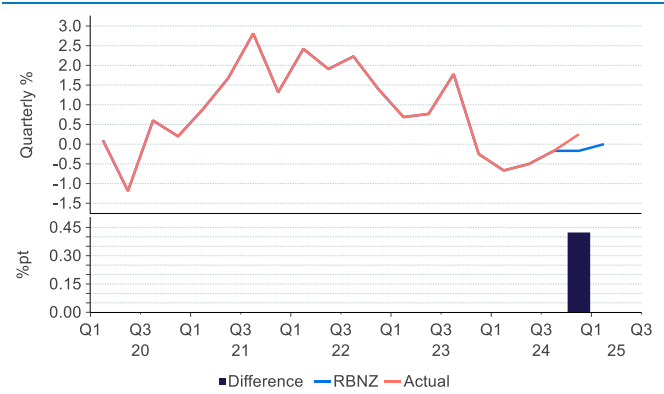


Figure 18. Tradables CPI inflation (y/y)

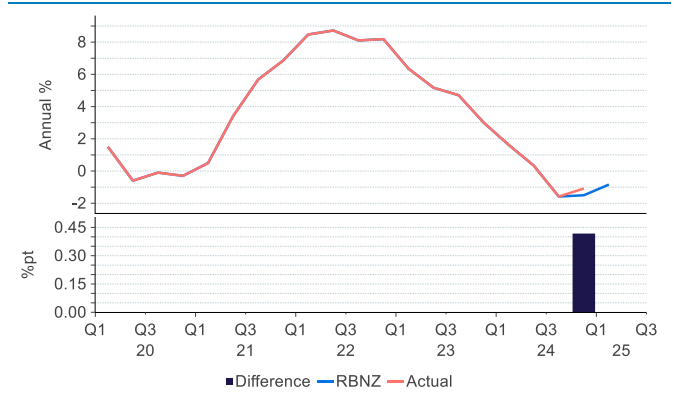


Figure 19. Non-tradables CPI inflation (q/q)

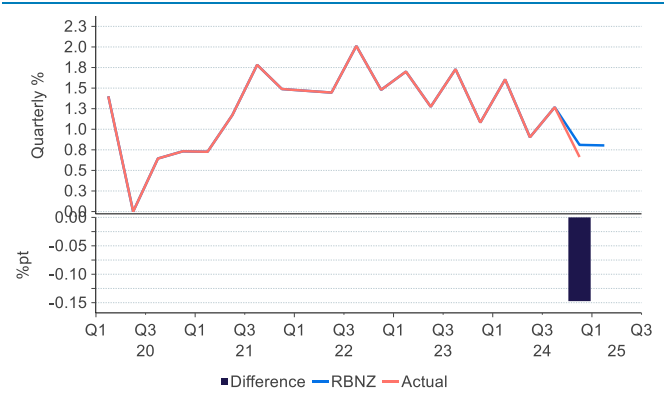
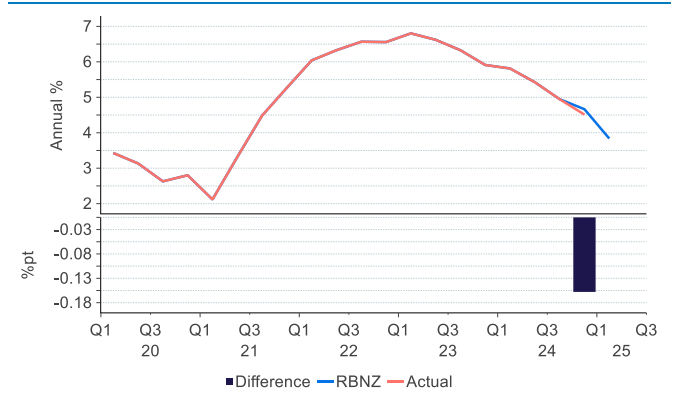


Figure 20. Non-tradables CPI inflation (y/y)



Source: Stats NZ, RBNZ, Macrobond, ANZ Research

Labour market

Figure 21. Unemployment rate

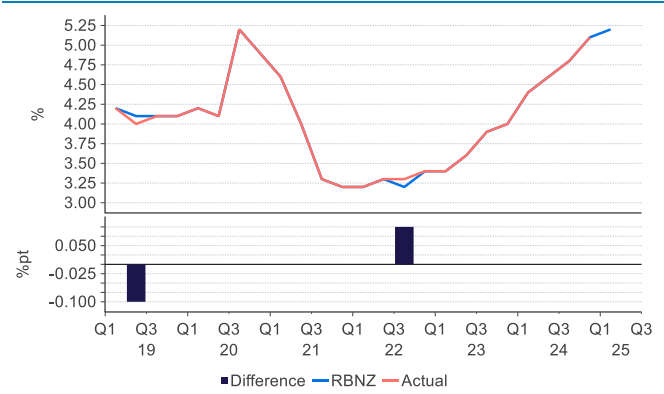


Figure 22. Participation rate

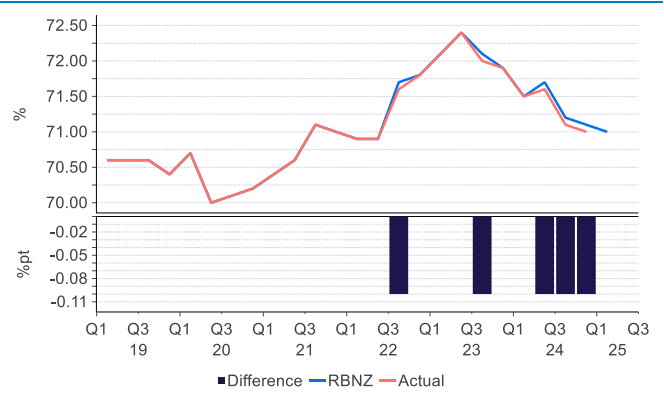


Figure 23. Employment (q/q)

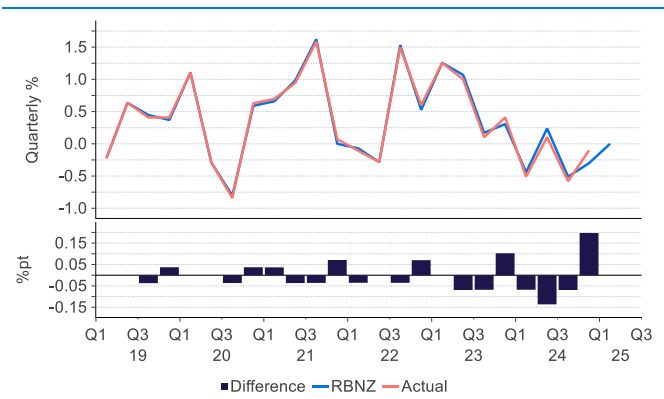


Figure 24. Employment (y/y)

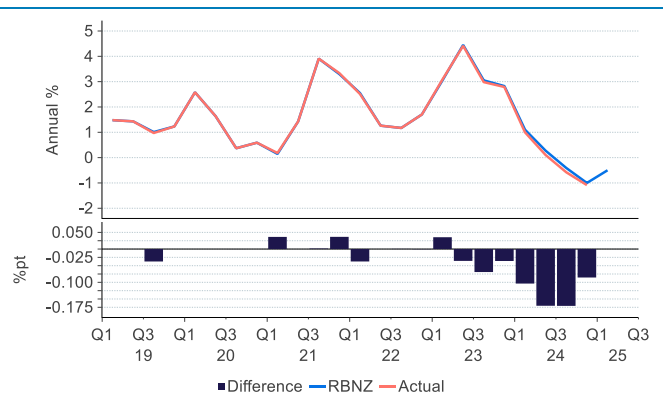


Figure 25. Labour force (level)

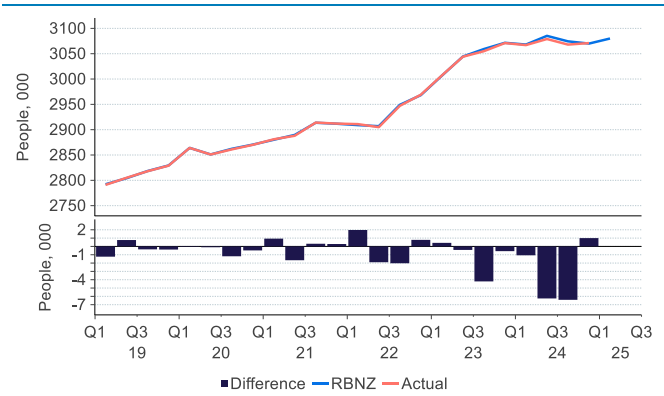


Figure 26. Working age population (level)

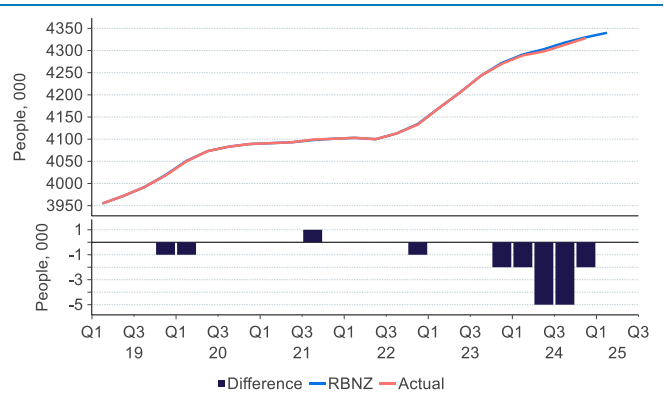


Figure 27. Employment rate

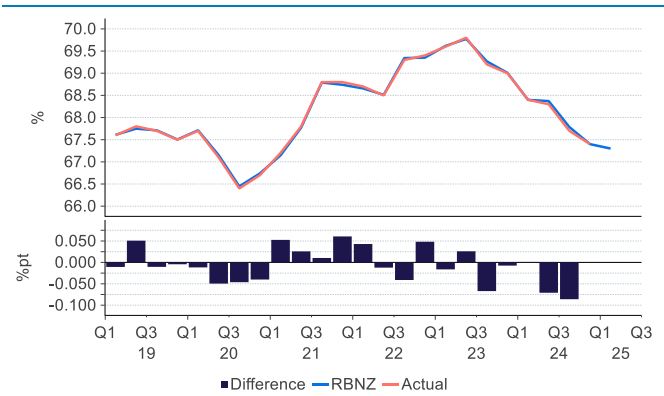
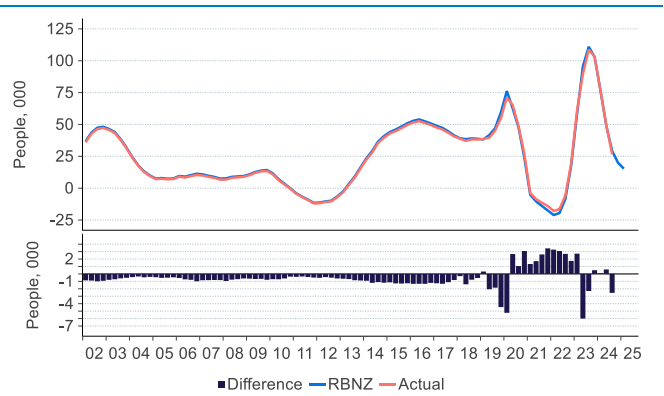


Figure 28. Annual net migration (working age)



Source: Stats NZ, RBNZ, Macrobond, ANZ Research

Labour market

Figure 29. Labour cost index (q/q)

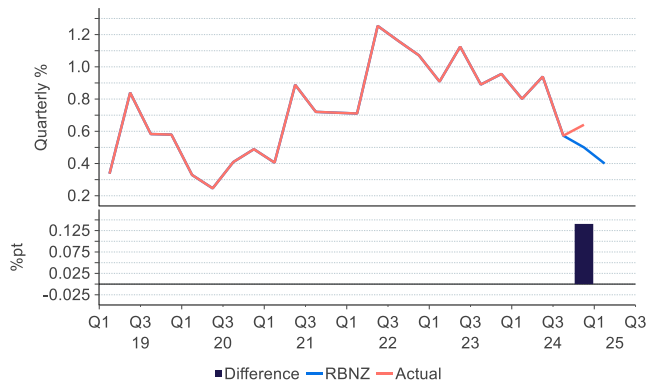


Figure 30. Labour cost index (y/y)

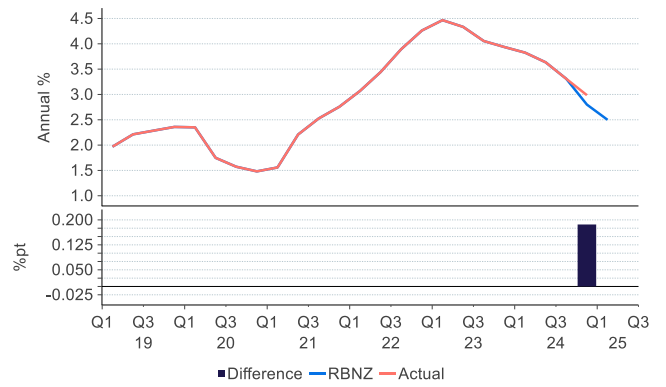


Figure 31. Average hourly earnings (q/q)

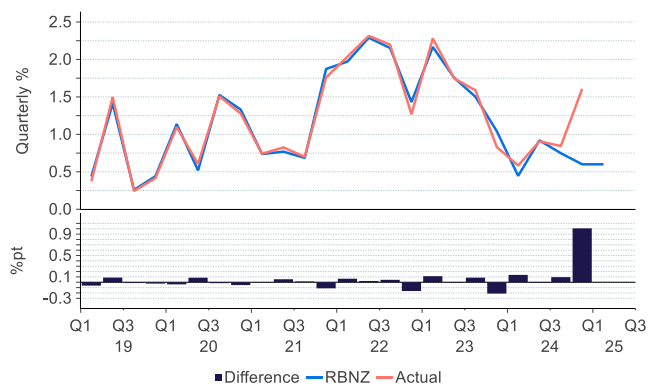
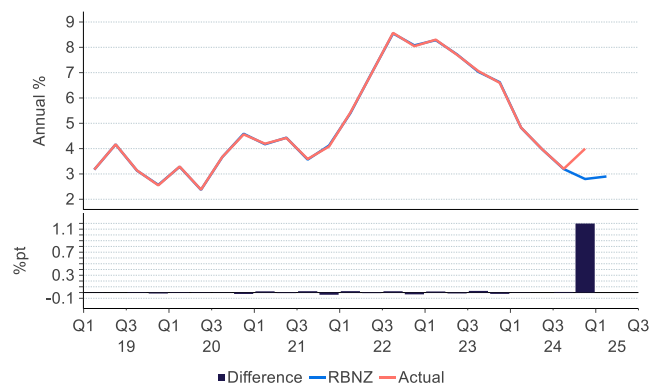


Figure 32. Average hourly earnings (y/y)



Source: Stats NZ, RBNZ, Macrobond, ANZ Research

External sector and housing

Figure 33. TWI (level, quarter average)

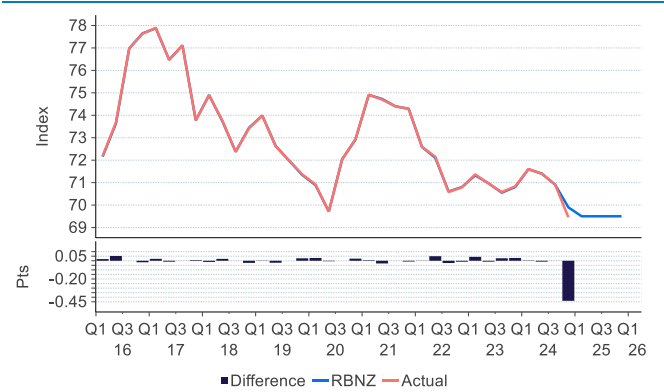


Figure 34. TWI (quarter average vs daily actuals)

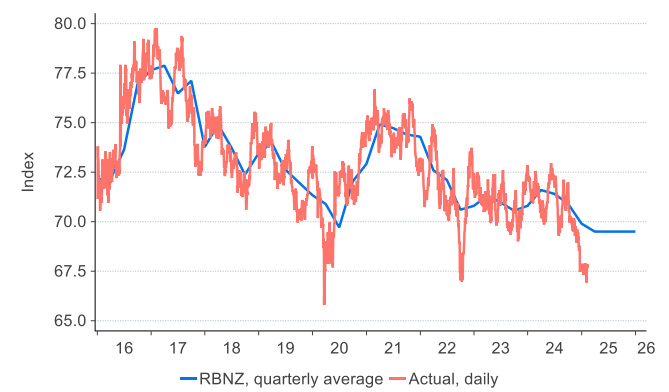


Figure 37. Export prices (level, SNA basis, world price)

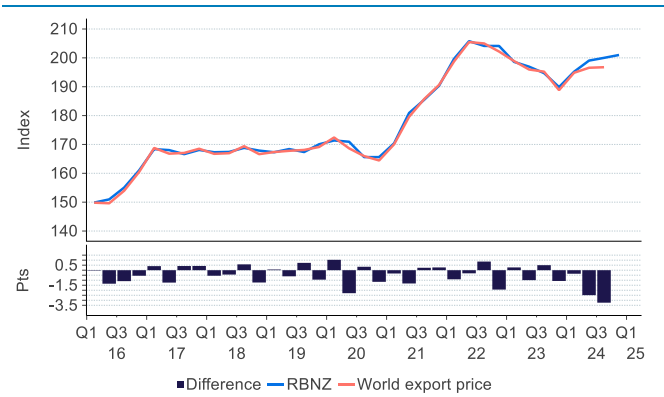


Figure 38. Import prices (level, SNA basis, world price)

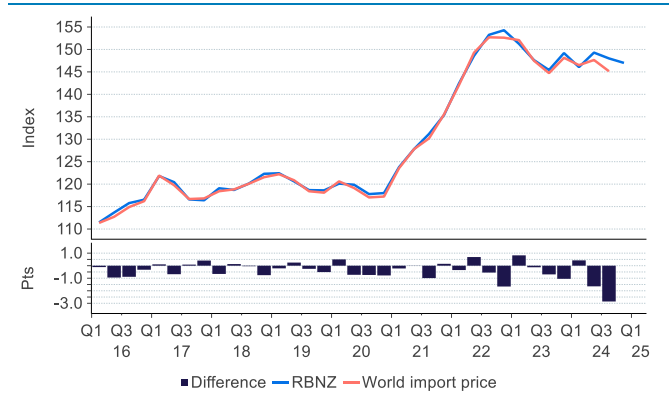


Figure 39. Terms of trade (level, SNA basis, world price)

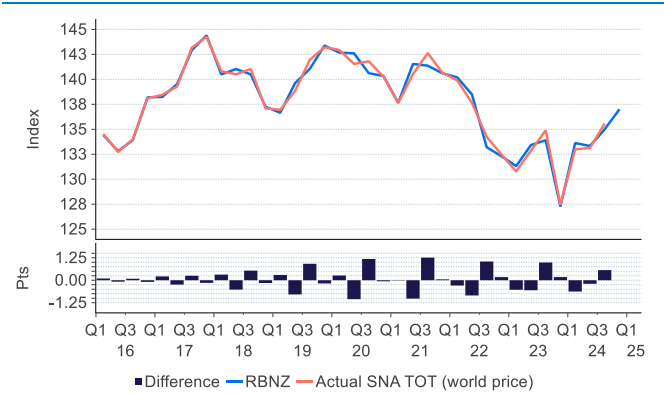


Figure 40. Dubai oil price

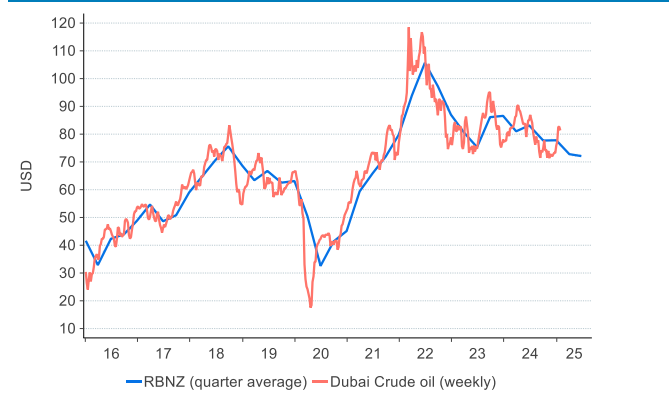


Figure 35. House price index (level)

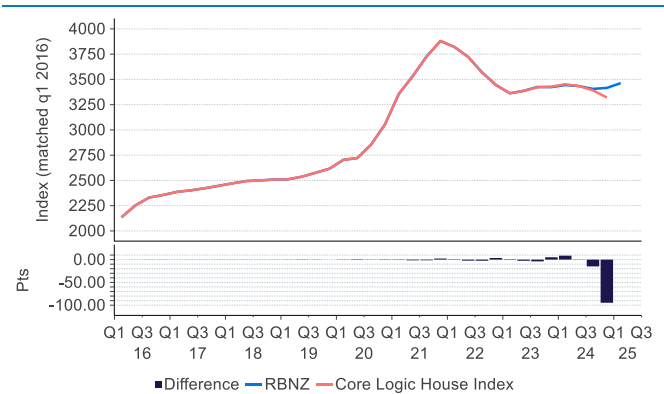
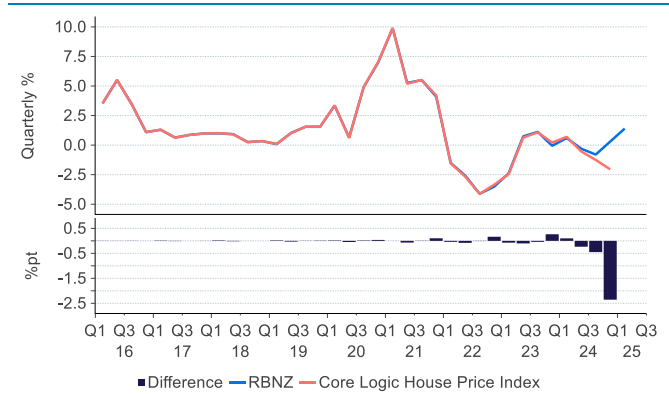


Figure 36. House price index (q/q)



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

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