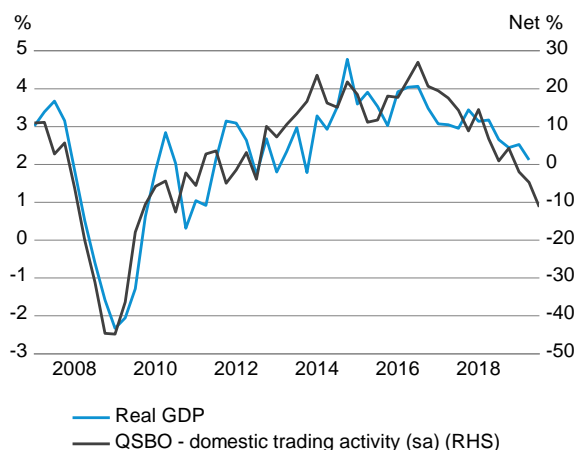


Business confidence fell as cost pressures remain heightened and profitability declines. Business pessimism was broad-based but most pronounced in the manufacturing sector. Building consents picked up slightly in August, led by the multiunit category.

Business outlook worsens...

The latest NZIER Quarterly Survey of Business Opinion (QSBO) showed a further deterioration in business confidence. Firms' own activity for the September quarter and expectations for the next quarter both fell, pointing to weak GDP results in coming quarters (Figure 1).

Figure 1: GDP (apc) and domestic trading activity



Source: NZIER, Stats NZ

Higher cost pressures resulted in a decline in profitability and businesses remain pessimistic about an improvement in profitability. This led to softer hiring and investment intentions. The pessimism was broad-based across sectors but manufacturers were most pessimistic as weaker demand and rising costs saw confidence fall sharply in this sector.

The ANZ Business Outlook Survey (ANZBO) also showed a drop in business confidence in September. Headline business confidence fell 2 points to a net 54% of respondents reporting that they expect general business conditions to deteriorate in the year ahead, the lowest since April 2008. Firms' views of their own activity over the year ahead fell 1 point to -2%. Investment and profit expectations both fell and costs, pricing

intentions and inflation expectations were all weaker.

...but building consents picked up slightly

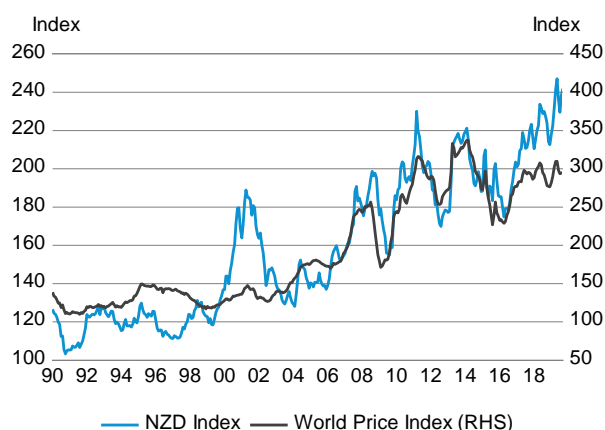
Building consents picked up slightly in August (up 0.8%), following a 1.3% fall in July, to end up 8.8% in the year ended August. The rise was driven by the multiunit category (up 4.6% in the month). Consents for standalone homes fell 1.5%. Strong consent issuance over the first half of the year should drive a pick-up in building activity growth over the rest of 2019, as forecast at the *Budget Update*. However, capacity constraints in the construction sector may limit growth to some extent.

Commodity prices unchanged...

The ANZ World Commodity Price Index was unchanged in September, with higher prices for meat, forestry and aluminium offsetting lower prices in other sectors. The index is up 3.4% compared to a year ago. In NZD terms, the index rose 1.4%, driven higher by a fall in the NZD (Figure 2).

Dairy prices were broadly flat (up 0.2%) at the latest *GlobalDairyTrade* auction. Continued strength in offshore consumer demand combined with limited expansion in supply is expected to provide support for prices going forward.

Figure 2: Commodity Prices

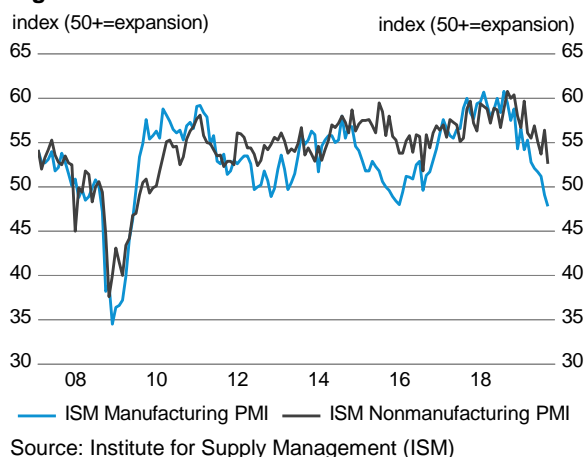


Source: ANZ

Sentiment deteriorates in the US...

The ISM US manufacturing PMI fell to 47.8 in September, from 49.1 in August (Figure 3). The fall came against expectations of a rise and follows a steady deterioration since the start of the year. New export orders fell to 41.8 (from 43.3) suggesting fallout from global trade tensions are still affecting sentiment in the manufacturing sector. The ISM nonmanufacturing PMI for the US also fell sharply in September but remains in expansionary territory. With services making up roughly 70% of the US economy, expansionary activity may help alleviate fears of a broader slowdown outside of manufacturing, however the downwards trend is evident.

Figure 3: US PMIs deteriorate



Non-farm payroll data, released tonight, will also be indicative of whether the slowdown in manufacturing activity is weighing on employment intentions. Consensus is for a 145K lift in employment; however the recent PMI outturns pose downside risk to this estimate.

...and other areas of the world...

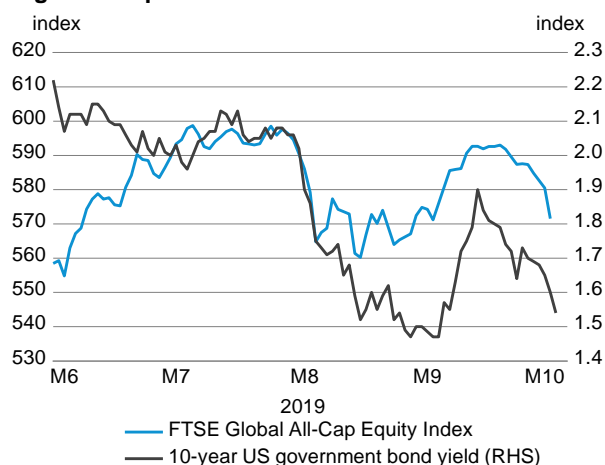
PMIs outside the US were also weak in September and most remain firmly in contractionary territory. In the euro area, the composite PMI dipped sharply from 51.9 to 50.1, driven by weak outturns in Germany and France. In the UK, the services PMI dipped below 50 bringing the composite index into contractionary territory for the first time since 2016. In China, the manufacturing PMI lifted slightly but remained in contractionary territory for its fifth consecutive month. The nonmanufacturing PMI remains firmly in expansionary territory at 53.7. Putting this altogether, the JP Morgan Global Composite PMI weakened slightly from 51.3 to 51.2. The global

manufacturing index ticked up in September, but remains contractionary, while services ticked down, but remains expansionary.

...leading to weak market sentiment

The combination of weak PMI data, ongoing Brexit uncertainty and trade tensions led to sell offs in equity markets and rallies in bond markets this week (Figure 4). The WTO's ruling against Airbus, permitting the US to levy tariffs of \$7.5b on EU imports, would have also weighed on sentiment.

Figure 4: Equities and bonds



Source: Haver analytics

The RBA cut the cash rate

At its October meeting this week, the Reserve Bank of Australia lowered the cash rate by 25bps to a record-low 0.75% as widely expected by markets. The move marks the third cut to the cash rate in five months. The Bank pointed to unemployment at 5.3%, which suggests spare capacity in the labour market (the RBA estimate NAIRU of around 4.5%), and signalled its readiness "to ease monetary policy further if needed" in order to achieve full employment and target inflation. Market expectations are for another 25bps cut by February next year. August saw another large trade surplus in Australia of \$5.9AUDb, though this was smaller than July's surplus (\$7.3AUDb) owing to weaker export values (reflecting lower iron ore prices).

[9(2)(a)]

Date	Key NZ Data	Previous
11 Oct	Retail card spending	1.1%

Quarterly Indicators		2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3
Real Production GDP (1)	qpc	0.9	0.3	0.7	0.6	0.5	...
	aapc	3.2	3.1	2.8	2.7	2.4	...
Current account balance (annual)	%GDP	-3.2	-3.6	-3.9	-3.6	-3.4	...
Merchandise terms of trade	apc	1.2	-0.3	-4.8	-1.9	-0.8	...
CPI inflation	qpc	0.4	0.9	0.1	0.1	0.6	...
	apc	1.5	1.9	1.9	1.5	1.7	...
Employment (HLFS) (1)	qpc	0.5	0.8	-0.0	-0.1	0.7	...
Unemployment rate (1)	%	4.4	4.0	4.3	4.2	3.9	...
Participation rate (1)	%	70.8	70.9	70.7	70.3	70.2	...
LCI salary & wage rates - total (2)	apc	1.9	1.8	1.9	2.0	2.1	...
QES average hourly earnings - total (2)	apc	3.0	2.9	3.1	3.4	4.4	...
Core retail sales volume	apc	4.5	3.7	5.0	3.9	3.6	...
Total retail sales volume	apc	3.1	2.7	3.5	3.3	2.9	...
WMM - consumer confidence (3)	Index	108.6	103.5	109.1	103.8	103.5	103.1
QSBO - general business situation (1,4)	net%	-20.3	-26.5	-20.9	-29.0	-33.7	-35.4
QSBO - own activity outlook (1,4)	net%	14.7	10.3	15.5	4.8	-4.4	0.3

Monthly Indicators		Apr 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19
Merchandise trade balance (12 month total)	NZ\$m	-5578	-5602	-4988	-5485	-5484	...
Dwelling consents - residential	apc	-4.5	9.3	3.4	24.3	6.0	...
House sales - dwellings	apc	-7.2	-5.1	-0.5	6.6	-6.1	...
REINZ - house price index	apc	1.4	1.7	1.7	1.6	2.9	...
Estimated net migration (12 month total)	people	52224	51490	51529	52723	...	...
ANZ NZ commodity price index	apc	8.5	5.7	1.9	0.3	3.7	6.5
ANZ world commodity price index	apc	2.2	0.7	-2.4	-0.5	0.9	3.4
ANZBO - business confidence	net%	-38	-32	-38	-44	-52	-54
ANZBO - activity outlook	net%	7	9	8	5	-1	-2
ANZ-Roy Morgan - consumer confidence	net%	123	119	123	116	118	114

Daily Indicators		Fri 27/9/19	Mon 30/9/19	Tue 1/10/19	Wed 2/10/19	Thu 3/10/19	Fri 4/10/19
NZ exchange and interest rates (5)							
NZD/USD	\$	0.6290	0.6277	0.6262	0.6254	0.6268	...
NZD/AUD	\$	0.9318	0.9287	0.9270	0.9318	0.9340	...
Trade weighted index (TWI)	index	70.4	70.2	70.2	70.1	70.3	...
Official cash rate (OCR)	%	1.00	1.00	1.00	1.00	1.00	...
90 day bank bill rate	%	1.14	1.15	1.13	1.09	1.07	...
10 year govt bond rate	%	1.10	1.10	1.10	1.04	1.04	...
Share markets (6)							
Dow Jones	index	26820	26917	26573	26079	26201	...
S&P 500	index	2962	2977	2940	2888	2911	...
VIX volatility index	index	17.2	16.2	18.6	20.6	19.1	...
AU all ords	index	6824	6801	6853	6753	6612	...
NZX 50	index	10837	10926	10997	10952	10821	...
US interest rates							
3 month OIS	%	1.83	1.90	1.88	1.85	...	...
3 month Libor	%	2.10	2.09	2.09	2.06	...	...
10 year govt bond rate	%	1.69	1.68	1.65	1.60	1.54	...
Commodity prices (6)							
WTI oil	US\$/barrel	55.95	54.09	53.60	52.64	52.45	...
Gold	US\$/ounce	1490	1485	1473	1493	1517	...
CRB Futures	index	388	388	388	388	...	...

- (1) Seasonally Adjusted
(2) Ordinary time, all sectors
(3) Westpac Mcdermott Miller
(4) Quarterly Survey of Business Opinion

- (5) Reserve Bank (11am)
(6) Daily close

Data in Italic font are provisional
... Not available

Country	Indicator		Feb 19	Mar 19	2019Q1	Apr 19	May 19	Jun 19	2019Q2	Jul 19	Aug 19	Sep 19
United States [9.6% share of total goods exports]	GDP (1)	qpc			0.8				0.5			
	Industrial production (1)	mpc	-0.5	0.1		-0.6	0.2	0.1		-0.1	0.6	...
	CPI	apc	1.5	1.9		2.0	1.8	1.6		1.8	1.7	...
	Unemployment rate (1)	%	3.8	3.8		3.6	3.6	3.7		3.7	3.7	...
	Employment change (1)	000s	56.0	153.0		216.0	62.0	178.0		159.0	130.0	...
	Retail sales value	apc	1.9	3.8		3.8	3.0	3.3		3.6	4.1	...
	House prices (2)	apc	2.9	2.6		2.5	2.4	2.2		2.0	...	...
Japan [6.1%]	PMI manufacturing (1)	index	54.2	55.3		52.8	52.1	51.7		51.2	49.1	47.8
	Consumer confidence (1)(3)	index	131.4	124.2		129.2	131.3	124.3		135.8	134.2	125.1
	GDP (1)	qpc			0.5				0.3			
	Industrial production (1)	mpc	0.7	-0.6		0.6	2.0	-3.3		1.3	-1.2	...
	CPI	apc	0.2	0.5		0.9	0.7	0.7		0.5	0.3	...
	Unemployment rate (1)	%	2.3	2.5		2.4	2.4	2.3		2.2	2.2	...
	Retail sales value	apc	0.6	1.0		0.4	1.3	0.5		-2.0	2.0	...
Euro area [5.5%]	PMI manufacturing (1)	index	48.9	49.2		50.2	49.8	49.3		49.4	49.3	48.9
	Consumer confidence (1)(4)	index	41.2	40.5		40.0	39.5	38.9		37.9	37.2	35.9
	GDP (1)	qpc			0.4				0.2			
	Industrial production (1)	mpc	0.0	-0.3		-0.5	0.8	-1.4		-0.4	...	...
	CPI	apc	1.5	1.4		1.7	1.2	1.3		1.0	1.0	...
	Unemployment rate (1)	%	7.8	7.7		7.6	7.6	7.5		7.5	7.4	...
	Retail sales volume	apc	3.0	2.1		2.2	1.3	2.8		2.2	2.1	...
United Kingdom [2.7%]	PMI manufacturing (1)	index	49.3	47.5		47.9	47.7	47.6		46.5	47.0	45.7
	Consumer confidence (5)	index	-6.9	-6.6		-7.3	-6.5	-7.2		-6.6	-7.1	-6.5
	GDP (1)	qpc			0.6				-0.2			
	Industrial production (1)	mpc	0.3	1.4		-3.1	1.2	-0.1		0.1	...	...
	CPI	apc	1.8	1.9		2.1	2.0	2.0		2.0	1.8	...
	Unemployment rate (1)	%	3.9	3.8		3.8	3.8	3.9		3.8	...	...
	Retail sales volume	apc	4.1	6.7		5.0	2.3	3.6		3.4	2.6	...
Australia [15.8%]	House prices (6)	apc	0.4	0.7		0.9	0.6	0.5		0.3	0.6	0.2
	PMI manufacturing (1)	index	52.1	55.1		53.1	49.4	48.0		48.0	47.4	48.3
	Consumer confidence (1)(5)	index	-10.8	-11.7		-11.1	-8.3	-10.5		-6.9	-11.4	-9.8
	GDP (1)	qpc			0.5				0.5			
	CPI	apc			1.3				1.6			
	Unemployment rate (1)	%	4.9	5.1		5.2	5.2	5.2		5.2	5.3	...
	Retail sales value	apc	3.2	1.7		4.2	2.9	1.9		2.6	...	...
China [24.3%]	House Prices (7)	apc			-7.7				-7.7			
	PMI manufacturing (1)	index	54.0	51.0		54.8	52.7	49.4		51.3	53.1	54.7
	Consumer confidence (8)	index	103.8	98.8		100.7	101.3	100.7		96.5	100.0	98.2
	GDP	apc			6.4				6.2			
South Korea [3.0%]	Industrial production	apc	5.3	8.5		5.4	5.0	6.3		4.8	4.4	...
	CPI	apc	1.5	2.3		2.5	2.7	2.7		2.8	2.8	...
	PMI manufacturing (1)	index	49.2	50.5		50.1	49.4	49.4		49.7	49.5	49.8
South Korea [3.0%]	GDP (1)	qpc			-0.4				1.0			
	Industrial production (1)	mpc	-3.7	2.1		1.9	-1.0	0.0		2.8	-1.4	...
	CPI	apc	0.5	0.4		0.6	0.7	0.7		0.6	-0.0	-0.4

(1) Seasonally adjusted

(2) Case-Shiller Home Price Index 20 city

(3) The Conference Board Consumer Confidence Index

(4) Cabinet Office Japan

(5) European Commission

(6) Nationwide House Price Index

(7) Australian Bureau of Statistics

(8) Melbourne/Westpac Consumer Sentiment Index



TE TAI ŌHANGA
THE TREASURY

Weekly Economic Update

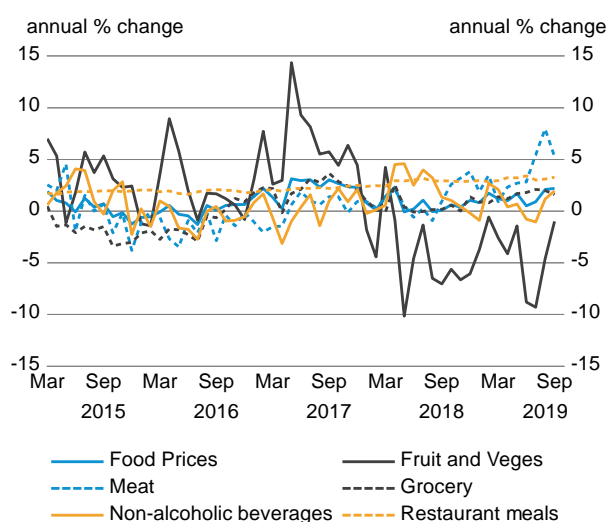
11 October 2019

In a relatively light domestic data week, food and rent prices continued to increase slightly, with lower vegetable prices holding down food prices over the year, and Auckland rental price growth remaining subdued. Electronic card transactions lifted slightly following on from last month's rise, and manufacturing activity remains subdued.

Food prices increase slightly...

On a seasonally adjusted basis, food prices increased 0.3% in September, to be up 2.2% on September 2018 (Figure 1). Lower vegetable prices (down 2.2% in the year to September) provided the main offset to consistently rising prices across all other food groups over the year.

Figure 1: Monthly food prices



Source: Stats NZ

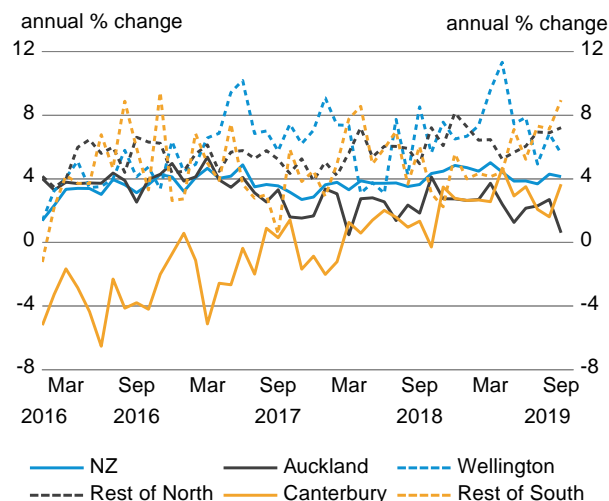
Meat, poultry and fish prices increased 5.3% over the year, reflecting strong international demand for proteins partly in response to the curtailed production of pork in China.

... and rents continue to increase

Rental prices continued to increase, up 0.3% in September, to be up 4.1% over the year (Figure 2). Auckland rental price growth remains subdued, up 0.6% over the year to September. Rental price growth outside the major centres was strong with South Island (excluding Canterbury) prices up 9.0% over the year and North Island prices (excluding Auckland and Wellington) up 7.2%. On

an annual basis, the stock measure of rental prices increased 3.4%.

Figure 2: Monthly rent prices (flow measure)



Source: Stats NZ

Together, increases in food and rental prices support our current view of annual Consumer Price Index inflation of 1.4% in the September 2019 quarter (refer to the accompanying CPI preview for more information).

Electronic card transactions lift

The seasonally adjusted value of electronic card transactions increased 0.6% in September following on from a 1.3% increase in August, with increased spending on consumables providing most of the uplift in spending.

On a quarterly basis, total transactions increased 0.8%, and core retail transactions rose 0.9%, suggesting reasonable household spending growth in the September quarter.

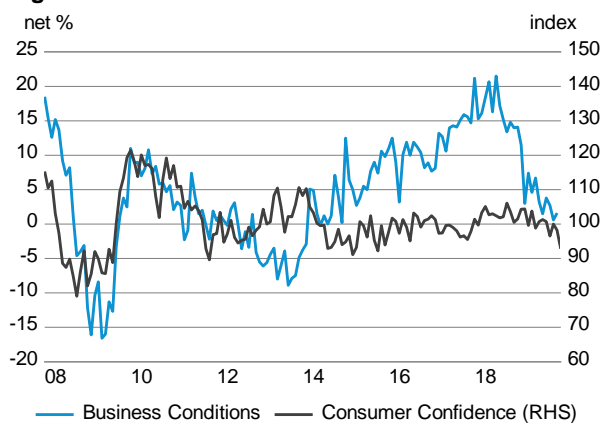
Manufacturing activity remains subdued

The BNZ-Business NZ Performance of Manufacturing Index (PMI) remained in contractionary territory for the third month in a row in September, unchanged at 48.4 from August. Current activity indicators remain weak, with the production index falling to 46.2 (its lowest reading since April 2012). There was some sign that future conditions are improving, with the new orders index lifting into slightly expansionary territory (50.1) following two months below the line.

Activity improves in Australia...

Retail sales in Australia grew by 0.4% in August, from flat sales in July and 0.2% average growth over the past 6 months. On an annual basis, retail sales grew at 2.6%. Home loans, which are a leading indicator of house prices, grew 2.9% in August, to be up 12.0% over the past 3 months. The strength board based across investor lending and owner-occupiers. Annual growth still remains negative at -5.0% however. Overall, the pick-up in economic activity over August and September may reflect early effects from tax rebates and rate cuts, and supports the RBA's narrative of a 'gentle turning point' in the economy over the second half of 2019. However, the stimulus has yet to impact business and consumer sentiment, which remained at multi-year lows in September and October (Figure 3).

Figure 3: Australian business confidence

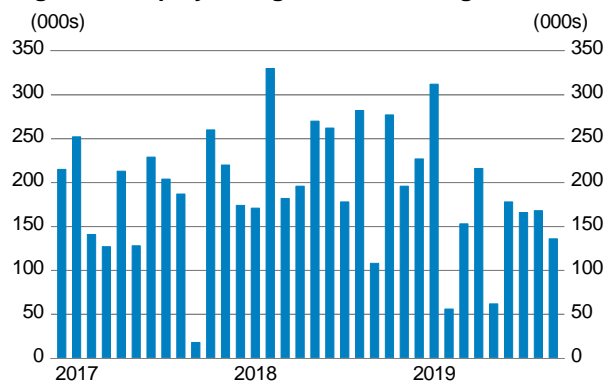


Source: NAB, Westpac-Melbourne Institute

...while unemployment falls in the US

Employment in the US posted a 136,000 gain in September (Figure 4), while the unemployment rate fell to 3.5%, from 3.7%, the lowest rate in 50-years. Despite the low rate of unemployment, employment growth in the US is slowing, and may spill over to private consumption, which comprises of roughly 70% of the US economy. To date consumption has remained resilient in the face of slowing industrial production and business investment. Annual wage growth remained unchanged at 2.9% and annual US CPI inflation was flat at 1.7% in September. Annual core inflation was also flat at 2.4%, reflecting a modest monthly rise of 0.1%.

Figure 4: Employment growth is slowing



Source: Bureau of Labor Statistics

The political news flow has been mixed

The political news flow has been mixed over the week, with trade talks resuming in Washington last night. China offered to increase purchases of US agricultural products, a move seen to leverage against the next round of tariffs scheduled for 15 October and mid-December. Although no major breakthrough is expected at the upcoming talks, there is hope for an interim agreement which postpones tariffs indefinitely.

Uncertainty still hangs over the Brexit process. A withdrawal agreement before the 31 October deadline still looks unlikely and many commentators now expect another Article 50 extension. The week ended on a more positive tone with a joint statement between Irish and British Prime Ministers, stating "they could see a pathway to a possible deal" regarding the Irish Border.

The UK economy contracted -0.1% in the month of August, driven by weak manufacturing. The outturn follows strong growth in July however, and the economy is expected to avoid a technical recession and expand in the September quarter.

[9(2)(a)]

Date	Key NZ Data	Previous
15 Oct	Net migration	52,700 (annual)
16 Oct	Consumers price index	1.7% apc

Quarterly Indicators		2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3
Real Production GDP (1)	qpc	0.9	0.3	0.7	0.6	0.5	...
	aapc	3.2	3.1	2.8	2.7	2.4	...
Current account balance (annual)	%GDP	-3.2	-3.6	-3.9	-3.6	-3.4	...
Merchandise terms of trade	apc	1.2	-0.3	-4.8	-1.9	-0.8	...
CPI inflation	qpc	0.4	0.9	0.1	0.1	0.6	...
	apc	1.5	1.9	1.9	1.5	1.7	...
Employment (HLFS) (1)	qpc	0.5	0.8	-0.0	-0.1	0.7	...
Unemployment rate (1)	%	4.4	4.0	4.3	4.2	3.9	...
Participation rate (1)	%	70.8	70.9	70.7	70.3	70.2	...
LCI salary & wage rates - total (2)	apc	1.9	1.8	1.9	2.0	2.1	...
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Core retail sales volume	apc	4.5	3.7	5.0	3.9	3.6	...
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ANZ-Roy Morgan - consumer confidence	net%	123	119	123	116	118	114

Daily Indicators		Thu 3/10/19	Fri 4/10/19	Mon 7/10/19	Tue 8/10/19	Wed 9/10/19	Thu 10/10/19
NZ exchange and interest rates (5)							
NZD/USD	\$	0.6268	0.6318	0.6320	0.6289	0.6308	0.6289
NZD/AUD	\$	0.9340	0.9355	0.9345	0.9344	0.9368	0.9364
Trade weighted index (TWI)	index	70.3	70.6	70.6	70.4	70.6	70.4
Official cash rate (OCR)	%	1.00	1.00	1.00	1.00	1.00	1.00
90 day bank bill rate	%	1.07	1.05	1.04	1.04	1.04	1.03
10 year govt bond rate	%	1.04	0.99	1.00	0.99	1.00	1.03
Share markets (6)							
Dow Jones	index	26201	26574	26478	26164	26346	26497
S&P 500	index	2911	2952	2939	2893	2919	2938
VIX volatility index	index	19.1	17.0	17.9	20.3	18.6	17.6
AU all ords	index	6612	6637	6687	6714	6667	6663
NZX 50	index	10821	10893	10976	11016	10941	10887
US interest rates							
3 month OIS	%	1.83	1.82	1.82	1.82	1.82	...
3 month Libor	%	2.04	2.03	2.01	2.01	1.98	...
10 year govt bond rate	%	1.54	1.52	1.56	1.54	1.59	1.67
Commodity prices (6)							
WTI oil	US\$/barrel	52.45	52.84	52.76	52.64	52.59	53.55
Gold	US\$/ounce	1517	1499	1501	1506	1507	...
CRB Futures	index	389	389	385	386	387	...

(1) Seasonally Adjusted

(2) Ordinary time, all sectors

(3) Westpac McDermott Miller

(4) Quarterly Survey of Business Opinion

(5) Reserve Bank (11am)

(6) Daily close

Data in Italic font are provisional

... Not available

Country	Indicator		2018Q4	Apr 19	May 19	Jun 19	2019Q1	Jul 19	Aug 19	Sep 19	2019Q2	Oct 19
United States [9.6% share of total goods exports]	GDP (1)	qpc	0.3				0.8				0.5	
	Industrial production (1)	mpc		-0.6	0.2	0.1		-0.1	0.6	...		...
	CPI	apc		2.0	1.8	1.6		1.8	1.7	1.7		...
	Unemployment rate (1)	%		3.6	3.6	3.7		3.7	3.7	3.5		...
	Employment change (1)	000s		216.0	62.0	178.0		166.0	168.0	136.0		...
	Retail sales value	apc		3.8	3.0	3.3		3.6	4.1	...		...
	House prices (2)	apc		2.5	2.4	2.2		2.0	...	...		...
	PMI manufacturing (1)	index		52.8	52.1	51.7		51.2	49.1	47.8		...
Japan [6.1%]	Consumer confidence (1)(3)	index		129.2	131.3	124.3		135.8	134.2	125.1		...
	GDP (1)	qpc	0.4				0.5				0.3	
	Industrial production (1)	mpc		0.6	2.0	-3.3		1.3	-1.2	...		...
	CPI	apc		0.9	0.7	0.7		0.5	0.3	...		...
	Unemployment rate (1)	%		2.4	2.4	2.3		2.2	2.2	...		...
	Retail sales value	apc		0.4	1.3	0.5		-2.0	2.0	...		...
	PMI manufacturing (1)	index		50.2	49.8	49.3		49.4	49.3	48.9		...
	Consumer confidence (1)(4)	index		40.0	39.5	38.9		37.9	37.2	35.9		...
Euro area [5.5%]	GDP (1)	qpc	0.3				0.4				0.2	
	Industrial production (1)	mpc		-0.5	0.8	-1.4		-0.4	...	...		...
	CPI	apc		1.7	1.2	1.3		1.0	1.0	...		...
	Unemployment rate (1)	%		7.6	7.6	7.5		7.5	7.4	...		...
	Retail sales volume	apc		2.2	1.3	2.8		2.2	2.1	...		...
	PMI manufacturing (1)	index		47.9	47.7	47.6		46.5	47.0	45.7		...
	Consumer confidence (5)	index		-7.3	-6.5	-7.2		-6.6	-7.1	-6.5		...
	GDP (1)	qpc	0.3				0.6				-0.2	
United Kingdom [2.7%]	Industrial production (1)	mpc		-3.1	1.1	0.0		0.1	-0.6	...		...
	CPI	apc		2.1	2.0	2.0		2.0	1.8	...		...
	Unemployment rate (1)	%		3.8	3.8	3.9		3.8	...	...		...
	Retail sales volume	apc		5.0	2.3	3.6		3.4	2.6	...		...
	House prices (6)	apc		0.9	0.6	0.5		0.3	0.6	0.2		...
	PMI manufacturing (1)	index		53.1	49.4	48.0		48.0	47.4	48.3		...
	Consumer confidence (1)(5)	index		-11.1	-8.3	-10.5		-6.9	-11.4	-9.8		...
	GDP (1)	qpc	0.1				0.5				0.5	
Australia [15.8%]	CPI	apc	1.8				1.3				1.6	
	Unemployment rate (1)	%		5.2	5.2	5.2		5.2	5.3	...		...
	Retail sales value	apc		4.2	2.9	1.9		2.6	2.9	...		...
	House Prices (7)	apc	-5.5				-7.7				-7.7	
	PMI manufacturing (1)	index		54.8	52.7	49.4		51.3	53.1	54.7		...
	Consumer confidence (8)	index		100.7	101.3	100.7		96.5	100.0	98.2		92.8
	GDP	apc	6.4				6.4				6.2	
	Industrial production	apc		5.4	5.0	6.3		4.8	4.4	...		...
China [24.3%]	CPI	apc		2.5	2.7	2.7		2.8	2.8	...		...
	PMI manufacturing (1)	index		50.1	49.4	49.4		49.7	49.5	49.8		...
	GDP (1)	qpc	0.9				-0.4				1.0	
South Korea [3.0%]	Industrial production (1)	mpc		1.9	-1.0	0.0		2.8	-1.4	...		...
	CPI	apc		0.6	0.7	0.7		0.6	-0.0	-0.4		...

(1) Seasonally adjusted

(2) Case-Shiller Home Price Index 20 city

(3) The Conference Board Consumer Confidence Index

(4) Cabinet Office Japan

(5) European Commission

(6) Nationwide House Price Index

(7) Australian Bureau of Statistics

(8) Melbourne/Westpac Consumer Sentiment Index



TE TAI ŌHANGA
THE TREASURY

Weekly Economic Update

18 October 2019

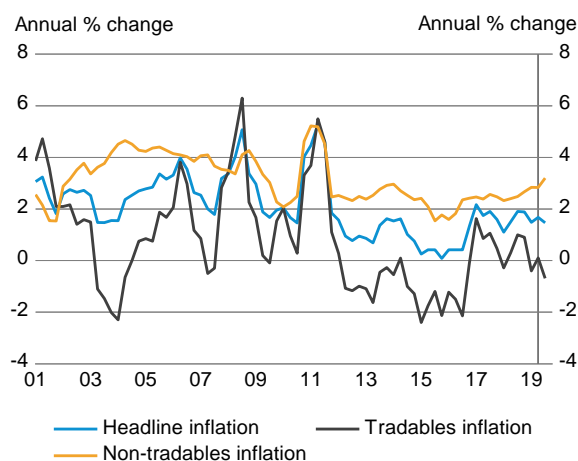
Consumer prices rose 0.7% in the September quarter, driven by higher housing costs. House prices rose strongly in September and the services sector remained expansionary.

Inflation exceeded expectations...

Consumer prices rose 0.7% in the September quarter to be up 1.5% annually (Figure 1). Housing costs, in particular rates and rents, drove non-tradables inflation up 1.1% in the quarter, and 3.2% over the year. Tradables prices rose 0.1% in the quarter, but fell 0.7% on an annual basis, driven by falling vegetable and petrol prices.

This outturn was slightly stronger than markets had expected, but annual headline inflation remains below the Reserve Bank's mid-point target of 2%. We expect inflation to continue to be driven by non-tradables inflation going into 2020, while tradables inflation is expected to remain subdued. The risks to our *BEFU* forecast for annual inflation to reach 2.0% in 2020 are skewed to the downside.

Figure 1: Tradables and non-tradables inflation



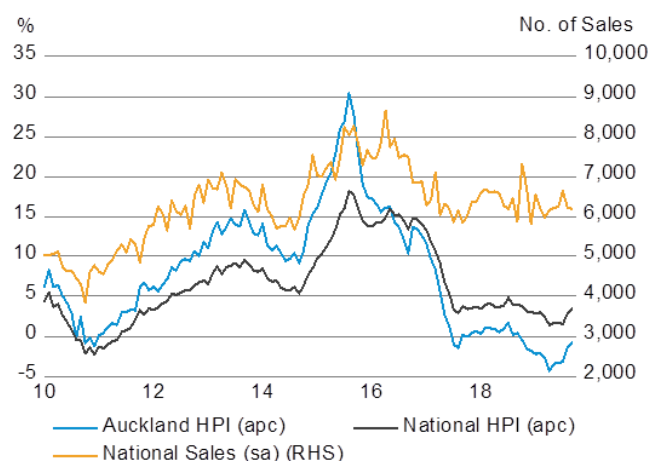
Source: Stats NZ

...and house prices rose

The REINZ house price index rose 0.9% in September to be up 3.5% on an annual basis (Figure 2). The strength was broad-based across the country. Sales growth fell slightly in areas outside of Auckland but was strong in Auckland. The latest pick-up may reflect confidence returning to the market on the back of falling mortgage rates and the decision not to implement

capital gains tax. Falling interest rates, strong population growth and a general housing shortage are expected to support house price growth and sales activity into 2020.

Figure 2: House prices and sales



Source: REINZ

Services sector remained strong...

Indicators of activity in the services sector eased slightly in September but remained in expansionary territory. The BNZ-Business NZ Performance of Services Index (PSI) fell 0.2 points to its long-run average of 54.4. The GDP-weighted composite index also eased 0.2 points to 53.8.

...and migration remained high

Migrant arrivals continued to increase to an estimated net gain of just under 54,000 in the year ended August, up 9.4% compared to the previous year. An increase in the number of NZ citizens departing was more than offset by the increase in non-NZ citizens arriving.

Annual visitor arrivals increased by 2.5% in the year ended August, the slowest annual growth in an August year since 2013. The continued slowing growth in visitor arrivals numbers adds downside risk to our exports of services forecasts.

Dairy prices rose

Dairy prices rose 0.5% at the *GlobalDairyTrade* auction this week as WMP prices held steady and SMP prices rose 2.4%.

The IMF downgrades global growth forecast...

The IMF's October World Economic Outlook downgraded global growth to 3.0% in 2019, and 3.4% in 2020, from 3.2% and 3.5% respectively in the July Update (Table 1). The report pointed to rising trade barriers and elevated geopolitical uncertainty weighing on manufacturing and investment. The report also noted that leading indicators of services activity have softened in some major economies, but remain robust in China.

Table 1: October WEO GDP forecasts (aapc)

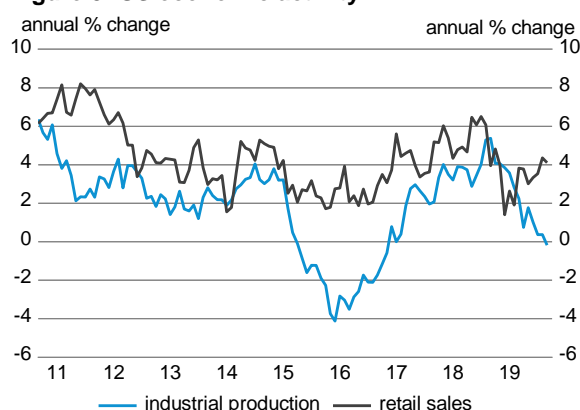
	2018	2019 Projection (change from July)	2020 Projection (change from July)
World	3.6	3.0 (-0.2)	3.4 (-0.1)
Australia	2.7	1.7	2.3
Euro area	1.9	1.2 (-0.1)	1.4 (-0.2)
China	6.6	6.1 (-0.1)	5.8 (-0.2)
US	2.9	2.4 (-0.2)	2.1 (0.2)
UK	1.4	1.2 (-0.1)	1.4 (0.0)

Source: IMF

...while US domestic momentum slows...

US industrial production continued to slow in September, falling 0.4%. On an annual basis, the index dipped into negative territory for the first time since 2016, down 0.2% following a rise of 0.4% in August. US retail sales momentum also slowed in September, falling 0.3% in the month, from 0.6% in August (Figure 3).

Figure 3: US economic activity



Source: Haver analytics

...and political uncertainty continues

The UK and the EU agreed to a Brexit withdrawal agreement overnight, however the deal still needs to be ratified in the UK Parliament, and another

extension or a no deal outcome are both still possible.

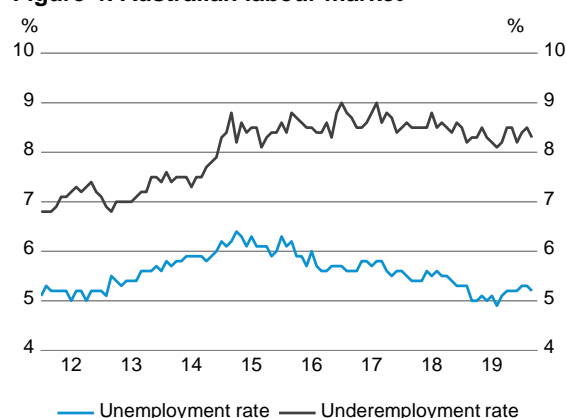
Although US and China appear to have achieved a partial trade agreement in the latest trade talks, the implementation of their deal remains uncertain, given there is no published document. Meanwhile, the drag of trade tensions was evident in Chinese exports data for September, with USD export values falling 3% from a year ago driven by a 22% fall in exports to the US. Imports were down 9%, with US imports 22% lower than a year ago. Chinese credit growth data strengthened in September in response to policy easing and consumer prices rose 3.0% in September, driven by the nation's pork shortage. Nonetheless, economic momentum has continued to ease; analysts expect next week's GDP data to confirm that September quarter growth slowed to 6.1% from 6.2% in the June quarter.

In South Korea, the central bank cut its policy rate 25bps to 1.25%, reflecting the economy's sensitivity to US-China trade tensions.

The Australian labour market improves...

Australian employment lifted by 14,700 in September, with annual growth steady at 2.5%. The unemployment rate ticked down to 5.2%, from 5.3% in August. The underemployment rate also ticked down slightly in the month (Figure 4). The small improvement this month has lowered analyst expectations of a rate cut in November, although the data continue to suggest spare capacity in the labour market.

Figure 4: Australian labour market



Source: Australian Bureau of Statistics

[9(2)(a)]

Date	Key NZ Data	Previous
23 Oct	Merchandise Trade	-\$1.6 billion balance

Quarterly Indicators		2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3
Real Production GDP (1)	qpc	0.9	0.3	0.7	0.6	0.5	...
	aapc	3.2	3.1	2.8	2.7	2.4	...
Current account balance (annual)	%GDP	-3.2	-3.6	-3.9	-3.6	-3.4	...
Merchandise terms of trade	apc	1.2	-0.3	-4.8	-1.9	-0.8	...
CPI inflation	qpc	0.4	0.9	0.1	0.1	0.6	0.7
	apc	1.5	1.9	1.9	1.5	1.7	1.5
Employment (HLFS) (1)	qpc	0.5	0.8	-0.0	-0.1	0.7	...
Unemployment rate (1)	%	4.4	4.0	4.3	4.2	3.9	...
Participation rate (1)	%	70.8	70.9	70.7	70.3	70.2	...
LCI salary & wage rates - total (2)	apc	1.9	1.8	1.9	2.0	2.1	...
QES average hourly earnings - total (2)	apc	3.0	2.9	3.1	3.4	4.4	...
Core retail sales volume	apc	4.5	3.7	5.0	3.9	3.6	...
Total retail sales volume	apc	3.1	2.7	3.5	3.3	2.9	...
WMM - consumer confidence (3)	Index	108.6	103.5	109.1	103.8	103.5	103.1
QSBO - general business situation (1,4)	net%	-20.3	-26.5	-20.9	-29.0	-33.7	-35.4
QSBO - own activity outlook (1,4)	net%	14.7	10.3	15.5	4.8	-4.4	0.3

Monthly Indicators		Apr 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19
Merchandise trade balance (12 month total)	NZ\$m	-5578	-5602	-4988	-5485	-5484	...
Dwelling consents - residential	apc	-4.5	9.3	3.4	24.3	6.0	...
House sales - dwellings	apc	-7.2	-5.1	-0.5	6.8	-3.6	4.5
REINZ - house price index	apc	1.4	1.7	1.7	1.5	2.9	3.5
Estimated net migration (12 month total)	people	55064	54538	54274	54954	53809	...
ANZ NZ commodity price index	apc	8.5	5.7	1.9	0.3	3.7	6.5
ANZ world commodity price index	apc	2.2	0.7	-2.4	-0.5	0.9	3.4
ANZBO - business confidence	net%	-38	-32	-38	-44	-52	-54
ANZBO - activity outlook	net%	7	9	8	5	-1	-2
ANZ-Roy Morgan - consumer confidence	net%	123	119	123	116	118	114

Daily Indicators		Thu 10/10/19	Fri 11/10/19	Mon 14/10/19	Tue 15/10/19	Wed 16/10/19	Thu 17/10/19
NZ exchange and interest rates (5)							
NZD/USD	\$	0.6289	0.6319	0.6318	0.6303	0.6284	0.6295
NZD/AUD	\$	0.9364	0.9340	0.9316	0.9304	0.9324	0.9276
Trade weighted index (TWI)	index	70.4	70.6	70.4	70.2	70.1	70.1
Official cash rate (OCR)	%	1.00	1.00	1.00	1.00	1.00	1.00
90 day bank bill rate	%	1.03	1.03	1.04	1.04	1.04	1.05
10 year govt bond rate	%	1.03	1.12	1.21	1.16	1.20	1.20
Share markets (6)							
Dow Jones	index	26497	26817	26787	27025	27002	...
S&P 500	index	2938	2970	2966	2996	2990	...
VIX volatility index	index	17.6	15.6	14.6	13.5	13.7	...
AU all ords	index	6663	6722	6758	6763	6843	6792
NZX 50	index	10887	10924	11027	11045	11179	11142
US interest rates							
3 month OIS	%	1.82	1.82	1.82	1.90	...	...
3 month Libor	%	1.99	2.00	2.00	2.00	2.00	...
10 year govt bond rate	%	1.67	1.76	...	1.77	1.75	...
Commodity prices (6)							
WTI oil	US\$/barrel	53.55	54.70	53.59	52.81	53.36	...
Gold	US\$/ounce	1495	1479	1491	1488	1485	...
CRB Futures	index	388	391	392	392	393	...

(1) Seasonally Adjusted

(2) Ordinary time, all sectors

(3) Westpac McDermott Miller

(4) Quarterly Survey of Business Opinion

(5) Reserve Bank (11am)

(6) Daily close

Data in Italic font are provisional

... Not available

Country	Indicator		2018Q4	Apr 19	May 19	Jun 19	2019Q1	Jul 19	Aug 19	Sep 19	2019Q2	Oct 19
United States [9.6% share of total goods exports]	GDP (1)	qpc	0.3				0.8				0.5	
	Industrial production (1)	mpc		-0.6	0.2	0.1		-0.2	0.8	-0.4		...
	CPI	apc		2.0	1.8	1.6		1.8	1.7	1.7		...
	Unemployment rate (1)	%		3.6	3.6	3.7		3.7	3.7	3.5		...
	Employment change (1)	000s		216.0	62.0	178.0		166.0	168.0	136.0		...
	Retail sales value	apc		3.8	3.0	3.3		3.5	4.4	4.1		...
	House prices (2)	apc		2.5	2.4	2.2		2.0	...	...		...
	PMI manufacturing (1)	index		52.8	52.1	51.7		51.2	49.1	47.8		...
Japan [6.1%]	Consumer confidence (1)(3)	index		129.2	131.3	124.3		135.8	134.2	125.1		...
	GDP (1)	qpc	0.4				0.5				0.3	
	Industrial production (1)	mpc		0.6	2.0	-3.3		1.3	-1.2	...		...
	CPI	apc		0.9	0.7	0.7		0.5	0.3	...		...
	Unemployment rate (1)	%		2.4	2.4	2.3		2.2	2.2	...		...
	Retail sales value	apc		0.4	1.3	0.5		-2.0	1.8	...		...
	PMI manufacturing (1)	index		50.2	49.8	49.3		49.4	49.3	48.9		...
	Consumer confidence (1)(4)	index		40.0	39.5	38.9		37.9	37.2	35.9		...
Euro area [5.5%]	GDP (1)	qpc	0.3				0.4				0.2	
	Industrial production (1)	mpc		-0.5	0.8	-1.5		-0.4	0.4	...		...
	CPI	apc		1.7	1.2	1.3		1.0	1.0	0.8		...
	Unemployment rate (1)	%		7.6	7.6	7.5		7.5	7.4	...		...
	Retail sales volume	apc		2.2	1.3	2.8		2.2	2.1	...		...
	PMI manufacturing (1)	index		47.9	47.7	47.6		46.5	47.0	45.7		...
	Consumer confidence (5)	index		-7.3	-6.5	-7.2		-6.6	-7.1	-6.5		...
	GDP (1)	qpc	0.3				0.6				-0.2	
United Kingdom [2.7%]	Industrial production (1)	mpc		-3.1	1.1	0.0		0.1	-0.6	...		...
	CPI	apc		2.1	2.0	2.0		2.0	1.8	...		...
	Unemployment rate (1)	%		3.8	3.8	3.9		3.8	3.9	...		...
	Retail sales volume	apc		4.9	2.4	3.6		3.4	2.5	3.1		...
	House prices (6)	apc		0.9	0.6	0.5		0.3	0.6	0.2		...
	PMI manufacturing (1)	index		53.1	49.4	48.0		48.0	47.4	48.3		...
	Consumer confidence (1)(5)	index		-11.1	-8.3	-10.5		-6.9	-11.4	-9.8		...
	GDP (1)	qpc	0.1				0.5				0.5	
Australia [15.8%]	CPI	apc	1.8				1.3				1.6	
	Unemployment rate (1)	%		5.2	5.2	5.2		5.3	5.3	5.2		...
	Retail sales value	apc		4.2	2.9	1.9		2.6	2.9	...		...
	House Prices (7)	apc	-5.5				-7.7				-7.7	
	PMI manufacturing (1)	index		54.8	52.7	49.4		51.3	53.1	54.7		...
	Consumer confidence (8)	index		100.7	101.3	100.7		96.5	100.0	98.2		92.8
	GDP	apc	6.4				6.4				6.2	
	Industrial production	apc		5.4	5.0	6.3		4.8	4.4	...		...
China [24.3%]	CPI	apc		2.5	2.7	2.7		2.8	2.8	3.0		...
	PMI manufacturing (1)	index		50.1	49.4	49.4		49.7	49.5	49.8		...
	GDP (1)	qpc	0.9				-0.4				1.0	
South Korea [3.0%]	Industrial production (1)	mpc		1.9	-1.0	0.0		2.8	-1.4	...		...
	CPI	apc		0.6	0.7	0.7		0.6	-0.0	-0.4		...

(1) Seasonally adjusted

(2) Case-Shiller Home Price Index 20 city

(3) The Conference Board Consumer Confidence Index

(4) Cabinet Office Japan

(5) European Commission

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TE TAI ŌHANGA
THE TREASURY

Weekly Economic Update

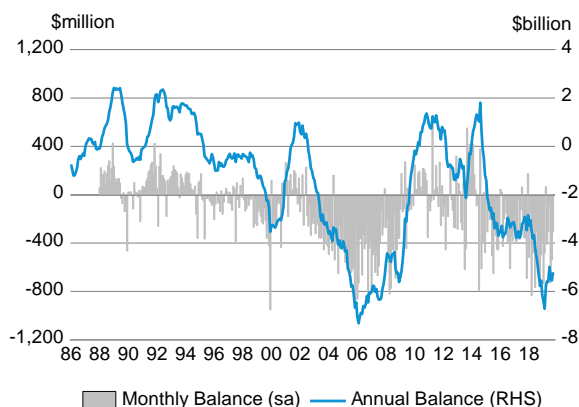
25 October 2019

The trade deficit narrowed in September as exports grew faster than imports. Fonterra lifted their forecast Farmgate Milk Price range, mirroring continued strength at recent *GlobalDairyTrade* auctions.

The trade deficit narrowed...

The seasonally adjusted trade deficit for the September month narrowed slightly to \$310 million, with the annual trade deficit also falling to \$5.2 billion (Figure 1).

Figure 1: Merchandise trade balance



Source: Stats NZ

...with increased exports to China....

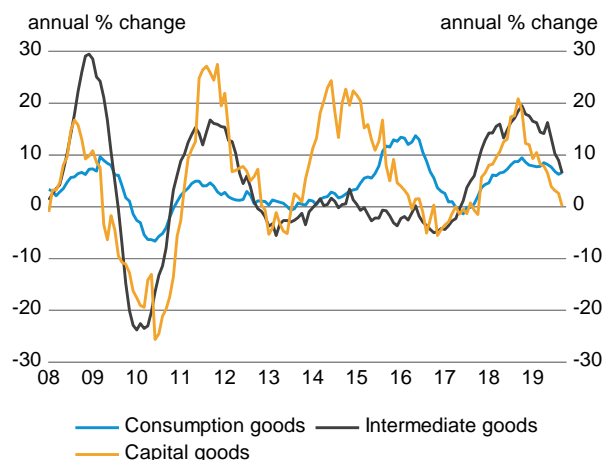
Seasonally adjusted exports lifted by 4.1% in the September month, on the back of strong growth in exports to China, now up 20.3% over the year to September.

Exports of dairy products rose strongly, with values up 20.4% in the month and volumes up 13.0%. The continuing impact of African swine fever in China has resulted in increased demand for meat products, with volumes up 8.6% and robust price growth resulting in a 21.5% increase in the value of exports of meat products.

...and continued weakening in capital imports

Imports rose by 3.6% in the year to September 2019, supported by continued growth in imports of consumption goods (up 6.6% over the year). However, growth in imports of capital goods has continued to soften, increasing only 0.1% in the year to September 2019, down from a high of 20.9% growth the year prior (Figure 2).

Figure 2: Imports by broad economic category



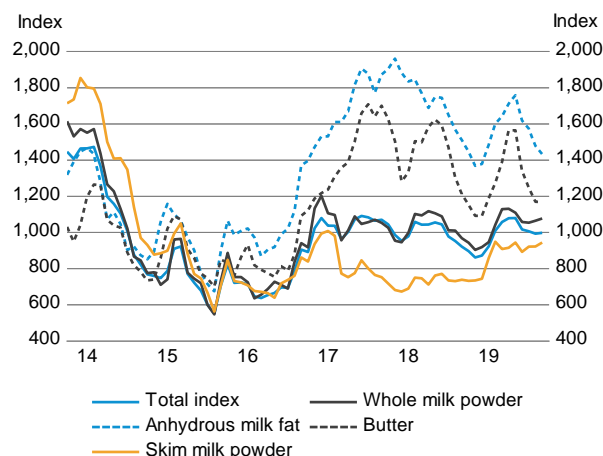
Source: Stats NZ

This weak capital imports growth likely reflects slowing business investment growth, posing further downside risk to our *Budget Update* forecasts of GDP growth.

Fonterra lifted its forecast payout range...

Fonterra lifted its forecast Farmgate Milk Price payout range for the 2019/20 season to \$6.55-\$7.55 per kg of milk solids, up from their initial forecast of \$6.25-\$7.25 per kg. Continued strength in demand together with softening global whole milk powder production continues to provide positive support for prices. Last week the *GlobalDairyTrade* price index rose 0.5%, its third straight auction gain (Figure 3), with average prices increasing to US\$3,300 a tonne, compared with US\$3,306 a tonne earlier in the month.

Figure 3: *GlobalDairyTrade* prices (monthly avg)

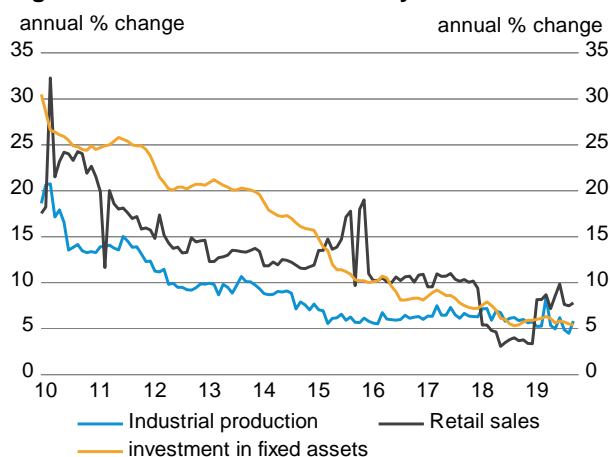


Sources: *GlobalDairyTrade*/ Haver

Growth continued to slow in China...

GDP growth in China slowed from 6.2% in the June quarter to 6.0% in the September quarter. The weaker outturn was driven by a slowdown in investment, which more than offset a pick-up in consumption. On a monthly basis, the recent weakness in activity data was partially reversed in September. Industrial production growth ticked up from 4.4% to 5.8%, retail sales growth picked up from 7.5% to 7.8% and fixed investment eased slightly from 5.5% to 5.4% (Figure 4). Looking forward, growth is expected to slow further, reflecting trade tensions with the US and slowing global demand. However, supportive fiscal and monetary policy and a healthy labour market should support the economy.

Figure 4: Chinese domestic activity



Source: National Bureau of Statistics of China

Rising inflationary pressures pose a key risk to the Chinese economy. African swine fever is pushing up meat prices, particularly the price of pork, which has surged 21% since the start of the month (Figure 5). The risk is that pork price inflation may spill over into broader consumer inflation through higher inflation expectations.

Figure 5: China Lean Meat Pork Price Index



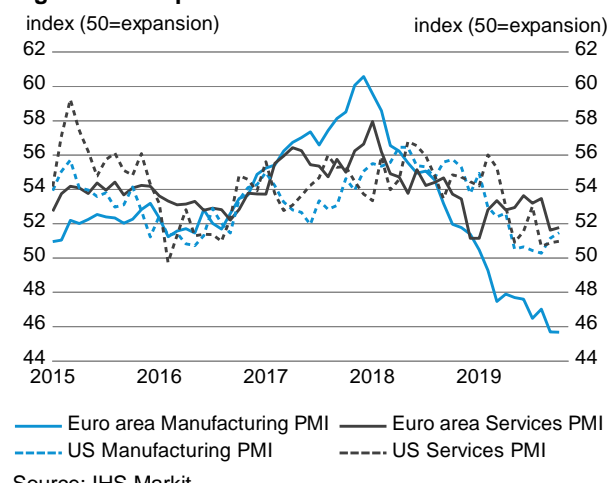
Source: Ministry of Agriculture of China

...and sentiment weakened further in Europe

A slowing Chinese economy is not helping sentiment in Europe, where October PMI data for the euro area pointed to a weak start to the December quarter (Figure 6). Overall, the composite euro area PMI was largely unchanged at 50.2, consistent with barely positive GDP growth. Germany remains the main drag on manufacturing activity in the euro area, while activity in France is a bright spot. The European Central Bank left policy settings unchanged this week, following a rate cut to -0.5% and new quantitative easing at their last meeting.

In the US, PMIs remained in expansionary territory (Figure 6). Both the manufacturing and services measures appear to be stabilising, albeit at a low level.

Figure 6: Europe and US PMIs



Source: IHS Markit

Brexit uncertainty continues

The UK Parliament voted in favour of Prime Minister Boris Johnson's Withdrawal Agreement Bill this week; however, Parliament voted against passing the legislation before the October 31 deadline. The EU are likely to grant the UK an extension, but uncertainty remains over how long they will be given. Despite uncertainty over the outcome of Brexit, support for the Withdrawal Agreement reduces the likelihood of the UK leaving the EU without a deal.

[9(2)(a)]

Date	Key NZ Data	Previous
31 Oct	Building Consents	8.8% (apc)
31 Oct	ANZ Business Outlook	-1.8% (net %)

Quarterly Indicators		2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3
Real Production GDP (1)	qpc	0.9	0.3	0.7	0.6	0.5	...
	aapc	3.2	3.1	2.8	2.7	2.4	...
Current account balance (annual)	%GDP	-3.2	-3.6	-3.9	-3.6	-3.4	...
Merchandise terms of trade	apc	1.2	-0.3	-4.8	-1.9	-0.8	...
CPI inflation	qpc	0.4	0.9	0.1	0.1	0.6	0.7
	apc	1.5	1.9	1.9	1.5	1.7	1.5
Employment (HLFS) (1)	qpc	0.5	0.8	-0.0	-0.1	0.7	...
Unemployment rate (1)	%	4.4	4.0	4.3	4.2	3.9	...
Participation rate (1)	%	70.8	70.9	70.7	70.3	70.2	...
LCI salary & wage rates - total (2)	apc	1.9	1.8	1.9	2.0	2.1	...
QES average hourly earnings - total (2)	apc	3.0	2.9	3.1	3.4	4.4	...
Core retail sales volume	apc	4.5	3.7	5.0	3.9	3.6	...
Total retail sales volume	apc	3.1	2.7	3.5	3.3	2.9	...
WMM - consumer confidence (3)	Index	108.6	103.5	109.1	103.8	103.5	103.1
QSBO - general business situation (1,4)	net%	-20.3	-26.5	-20.9	-29.0	-33.7	-35.4
QSBO - own activity outlook (1,4)	net%	14.7	10.3	15.5	4.8	-4.4	0.3

Monthly Indicators		Apr 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19
Merchandise trade balance (12 month total)	NZ\$m	-5578	-5602	-4987	-5490	-5551	-5213
Dwelling consents - residential	apc	-4.5	9.3	3.4	24.3	6.0	...
House sales - dwellings	apc	-7.2	-5.1	-0.5	6.8	-3.6	4.5
REINZ - house price index	apc	1.4	1.7	1.7	1.5	2.9	3.5
Estimated net migration (12 month total)	people	55064	54538	54274	54954	53809	...
ANZ NZ commodity price index	apc	8.5	5.7	1.9	0.3	3.7	6.5
ANZ world commodity price index	apc	2.2	0.7	-2.4	-0.5	0.9	3.4
ANZBO - business confidence	net%	-38	-32	-38	-44	-52	-54
ANZBO - activity outlook	net%	7	9	8	5	-1	-2
ANZ-Roy Morgan - consumer confidence	net%	123	119	123	116	118	114

Daily Indicators		Thu 17/10/19	Fri 18/10/19	Mon 21/10/19	Tue 22/10/19	Wed 23/10/19	Thu 24/10/19
NZ exchange and interest rates (5)							
NZD/USD	\$	0.6295	0.6367	0.6394	0.6425	0.6410	0.6417
NZD/AUD	\$	0.9276	0.9321	0.9323	0.9344	0.9343	0.9374
Trade weighted index (TWI)	index	70.1	70.7	70.8	71.1	71.0	71.1
Official cash rate (OCR)	%	1.00	1.00	1.00	1.00	1.00	1.00
90 day bank bill rate	%	1.05	1.05	1.04	1.05	1.05	1.05
10 year govt bond rate	%	1.20	1.24	1.25	1.31	1.29	1.28
Share markets (6)							
Dow Jones	index	27026	26770	26828	26788	26834	26806
S&P 500	index	2998	2986	3007	2996	3005	3010
VIX volatility index	index	13.8	14.3	14.0	14.5	14.0	13.7
AU all ords	index	6792	6758	6758	6779	6778	6797
NZX 50	index	11142	11067	11063	11090	10854	10832
US interest rates							
3 month OIS	%	1.85	1.85	1.85	1.85	1.85	...
3 month Libor	%	1.97	1.95	1.93	1.94	1.94	...
10 year govt bond rate	%	1.76	1.76	1.80	1.78	1.77	1.77
Commodity prices (6)							
WTI oil	US\$/barrel	53.93	53.75	53.28	54.21	55.97	56.23
Gold	US\$/ounce	1493	1490	1492	1485	1494	1497
CRB Futures	index	394	392	392	392	392	391

(1) Seasonally Adjusted

(2) Ordinary time, all sectors

(3) Westpac Mcdermott Miller

(4) Quarterly Survey of Business Opinion

(5) Reserve Bank (11am)

(6) Daily close

Data in Italic font are provisional

... Not available

Country	Indicator		2018Q4	Apr 19	May 19	Jun 19	2019Q1	Jul 19	Aug 19	Sep 19	2019Q2	Oct 19
United States [9.6% share of total goods exports]	GDP (1)	qpc	0.3				0.8				0.5	
	Industrial production (1)	mpc		-0.6	0.2	0.1		-0.2	0.8	-0.4		...
	CPI	apc		2.0	1.8	1.6		1.8	1.7	1.7		...
	Unemployment rate (1)	%		3.6	3.6	3.7		3.7	3.7	3.5		...
	Employment change (1)	000s		216.0	62.0	178.0		166.0	168.0	136.0		...
	Retail sales value	apc		3.8	3.0	3.3		3.5	4.4	4.1		...
	House prices (2)	apc		2.5	2.4	2.2		2.0	...	...		...
	PMI manufacturing (1)	index		52.8	52.1	51.7		51.2	49.1	47.8		...
Japan [6.1%]	Consumer confidence (1)(3)	index		129.2	131.3	124.3		135.8	134.2	125.1		...
	GDP (1)	qpc	0.4				0.5				0.3	
	Industrial production (1)	mpc		0.6	2.0	-3.3		1.3	-1.2	...		...
	CPI	apc		0.9	0.7	0.7		0.5	0.3	...		...
	Unemployment rate (1)	%		2.4	2.4	2.3		2.2	2.2	...		...
	Retail sales value	apc		0.4	1.3	0.5		-2.0	1.8	...		...
	PMI manufacturing (1)	index		50.2	49.8	49.3		49.4	49.3	48.9		...
	Consumer confidence (1)(4)	index		40.0	39.5	38.9		37.9	37.2	35.9		...
Euro area [5.5%]	GDP (1)	qpc	0.3				0.4				0.2	
	Industrial production (1)	mpc		-0.5	0.8	-1.5		-0.4	0.4	...		...
	CPI	apc		1.7	1.2	1.3		1.0	1.0	0.8		...
	Unemployment rate (1)	%		7.6	7.6	7.5		7.5	7.4	...		...
	Retail sales volume	apc		2.2	1.3	2.8		2.2	2.1	...		...
	PMI manufacturing (1)	index		47.9	47.7	47.6		46.5	47.0	45.7		...
	Consumer confidence (5)	index		-7.3	-6.5	-7.2		-6.6	-7.1	-6.5		...
	GDP (1)	qpc	0.3				0.6				-0.2	
United Kingdom [2.7%]	Industrial production (1)	mpc		-3.1	1.1	0.0		0.1	-0.6	...		...
	CPI	apc		2.1	2.0	2.0		2.0	1.8	...		...
	Unemployment rate (1)	%		3.8	3.8	3.9		3.8	3.9	...		...
	Retail sales volume	apc		4.9	2.4	3.6		3.4	2.5	3.1		...
	House prices (6)	apc		0.9	0.6	0.5		0.3	0.6	0.2		...
	PMI manufacturing (1)	index		53.1	49.4	48.0		48.0	47.4	48.3		...
	Consumer confidence (1)(5)	index		-11.1	-8.3	-10.5		-6.9	-11.4	-9.8		...
	GDP (1)	qpc	0.1				0.5				0.5	
Australia [15.8%]	CPI	apc	1.8				1.3				1.6	
	Unemployment rate (1)	%		5.2	5.2	5.2		5.3	5.3	5.2		...
	Retail sales value	apc		4.2	2.9	1.9		2.6	2.9	...		...
	House Prices (7)	apc	-5.5				-7.7				-7.7	
	PMI manufacturing (1)	index		54.8	52.7	49.4		51.3	53.1	54.7		...
	Consumer confidence (8)	index		100.7	101.3	100.7		96.5	100.0	98.2		92.8
	GDP	apc	6.4				6.4				6.2	
	Industrial production	apc		5.4	5.0	6.3		4.8	4.4	...		...
China [24.3%]	CPI	apc		2.5	2.7	2.7		2.8	2.8	3.0		...
	PMI manufacturing (1)	index		50.1	49.4	49.4		49.7	49.5	49.8		...
	GDP (1)	qpc	0.9				-0.4				1.0	
South Korea [3.0%]	Industrial production (1)	mpc		1.9	-1.0	0.0		2.8	-1.4	...		...
	CPI	apc		0.6	0.7	0.7		0.6	-0.0	-0.4		...

(1) Seasonally adjusted

(2) Case-Shiller Home Price Index 20 city

(3) The Conference Board Consumer Confidence Index

(4) Cabinet Office Japan

(5) European Commission

(6) Nationwide House Price Index

(7) Australian Bureau of Statistics

(8) Melbourne/Westpac Consumer Sentiment Index