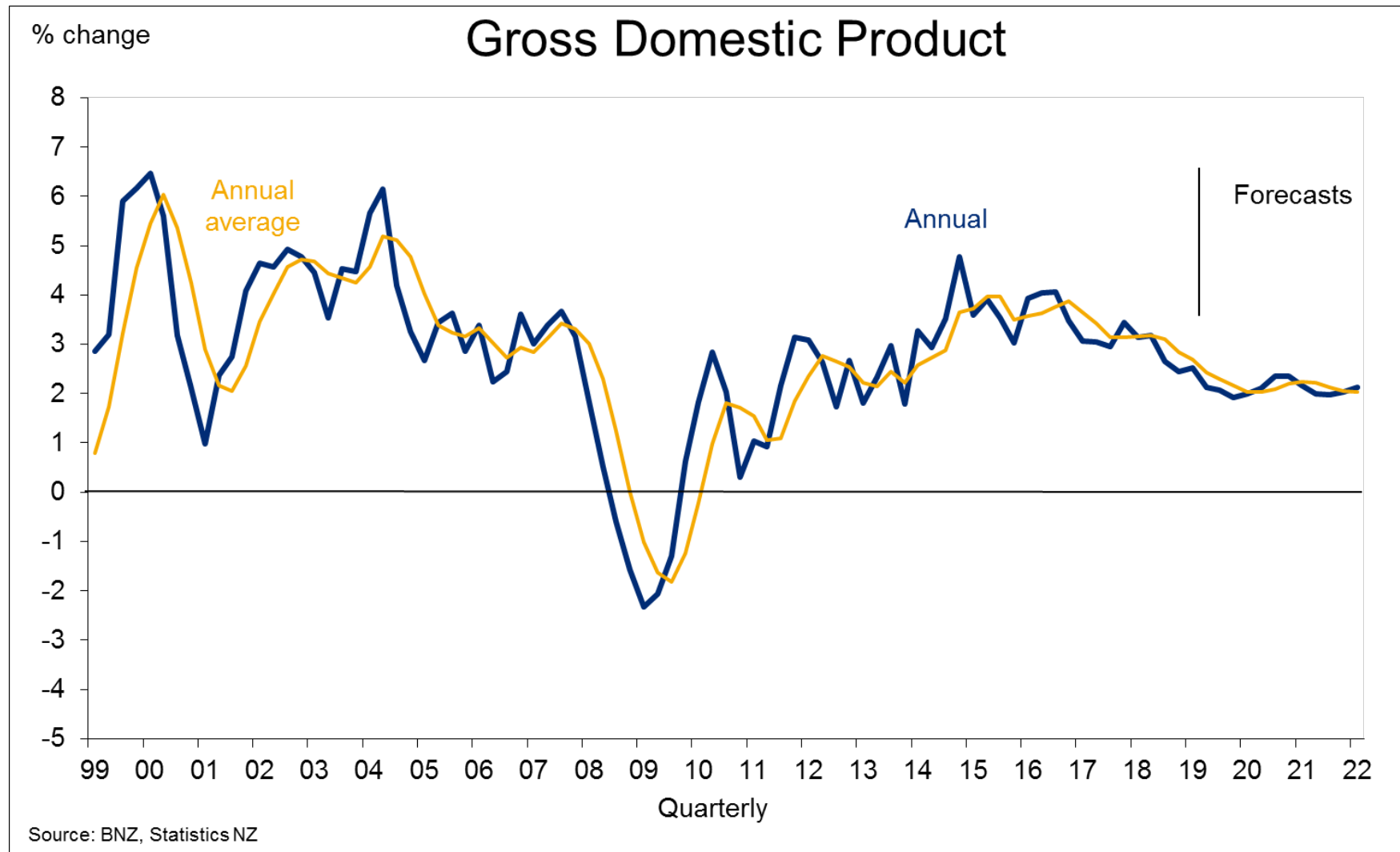


NZ: Under Pressure

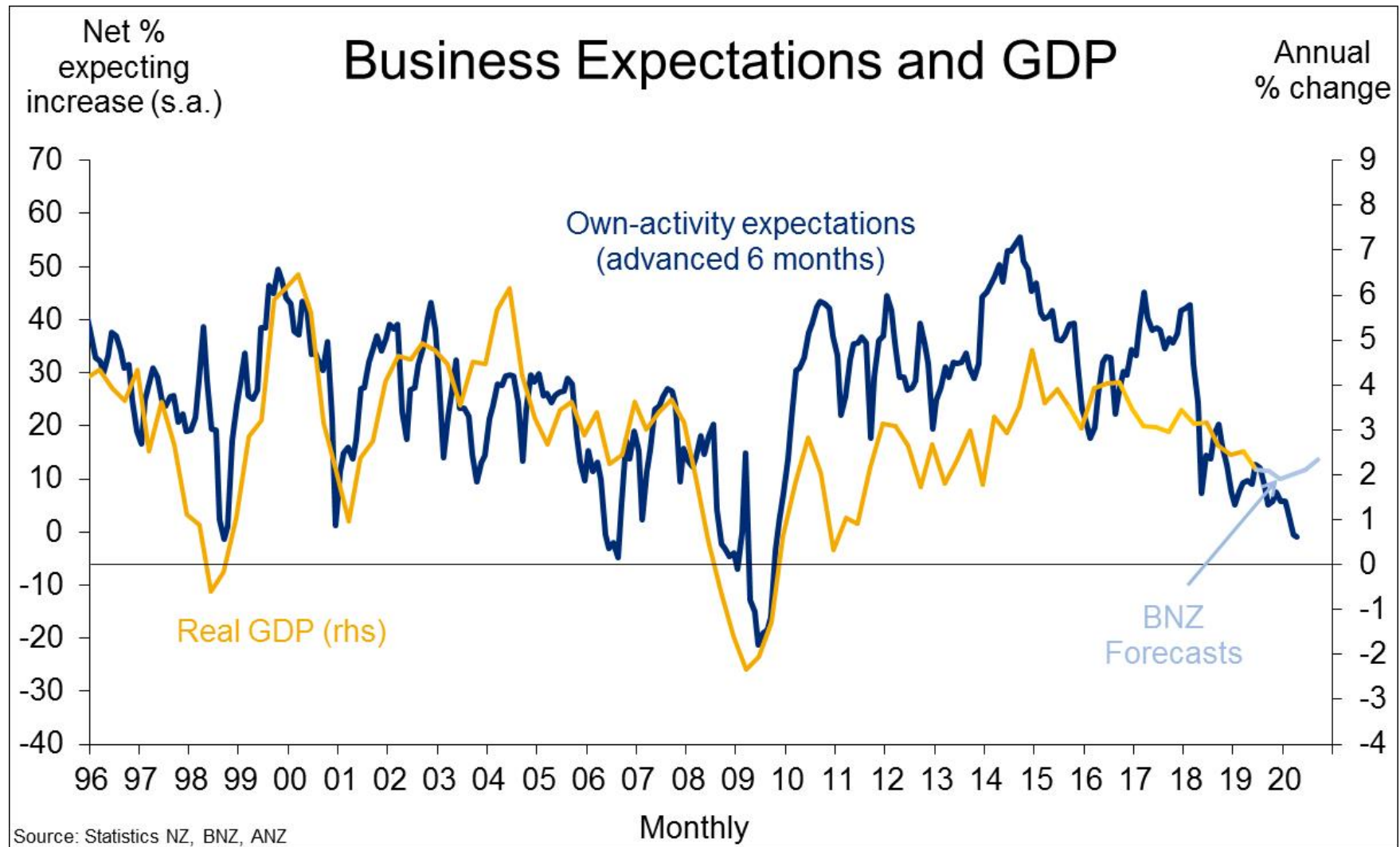
Craig Ebert – Senior Economist
November 2019



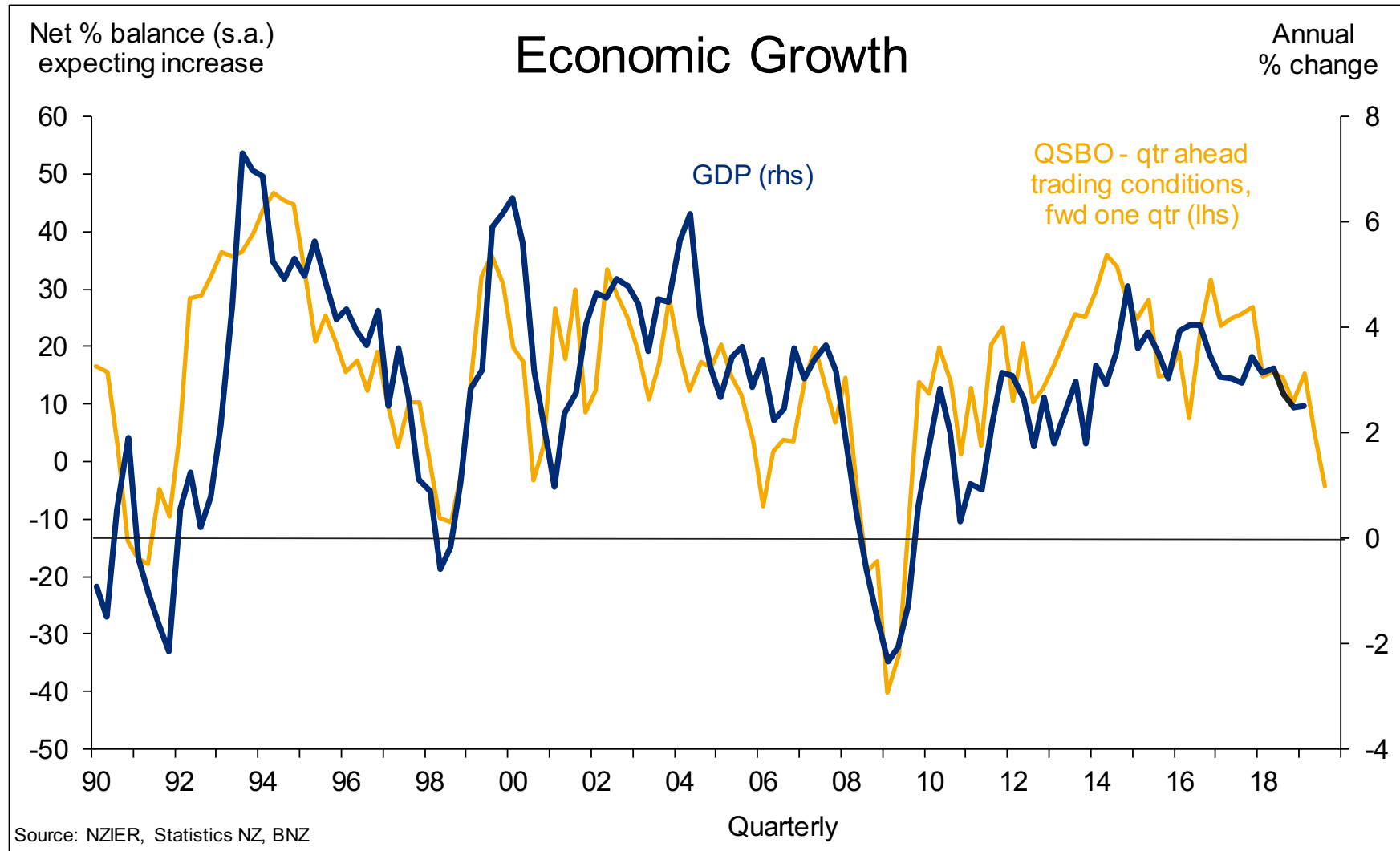
Growth Moderates



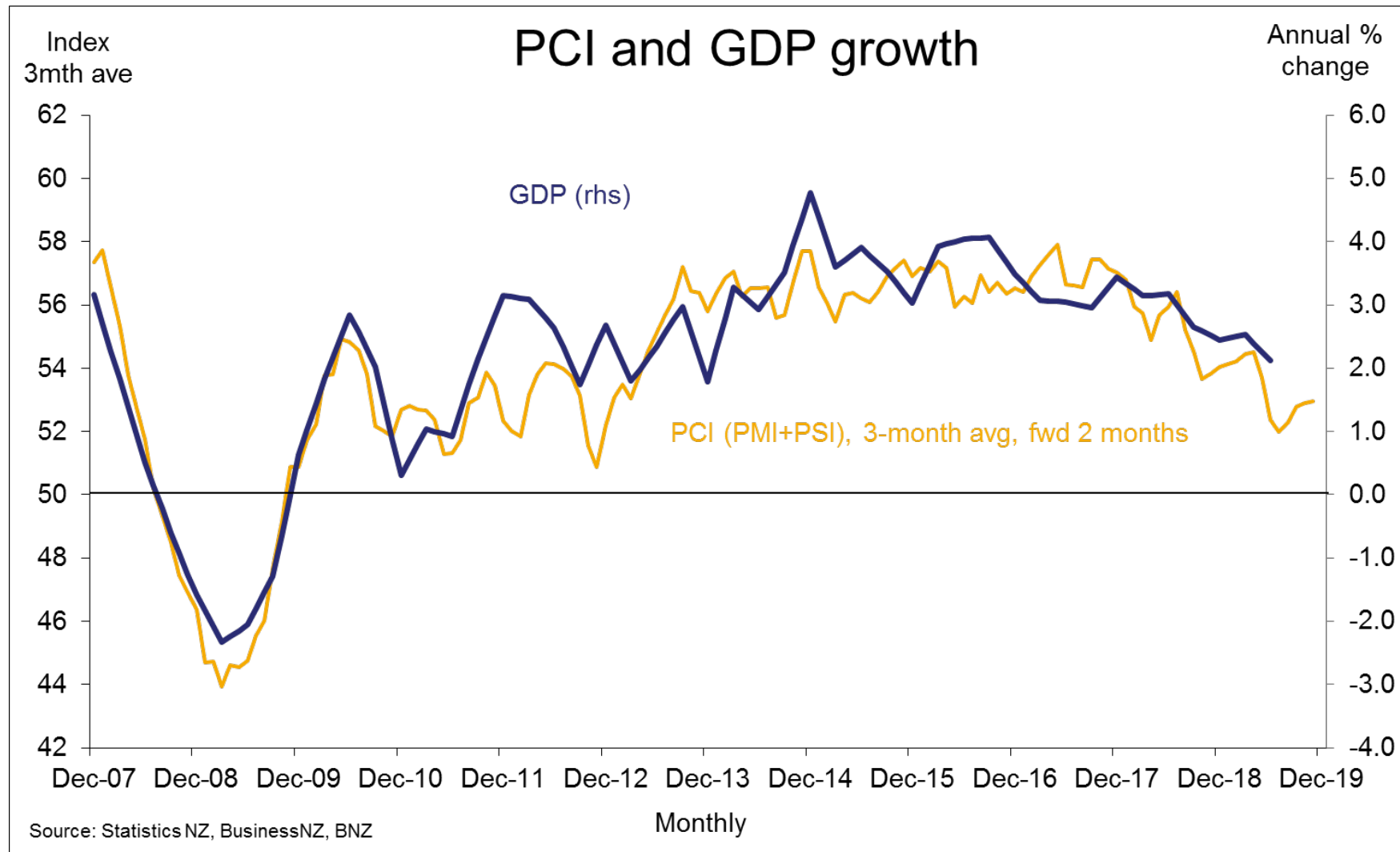
Leading Indicators Turning Sour



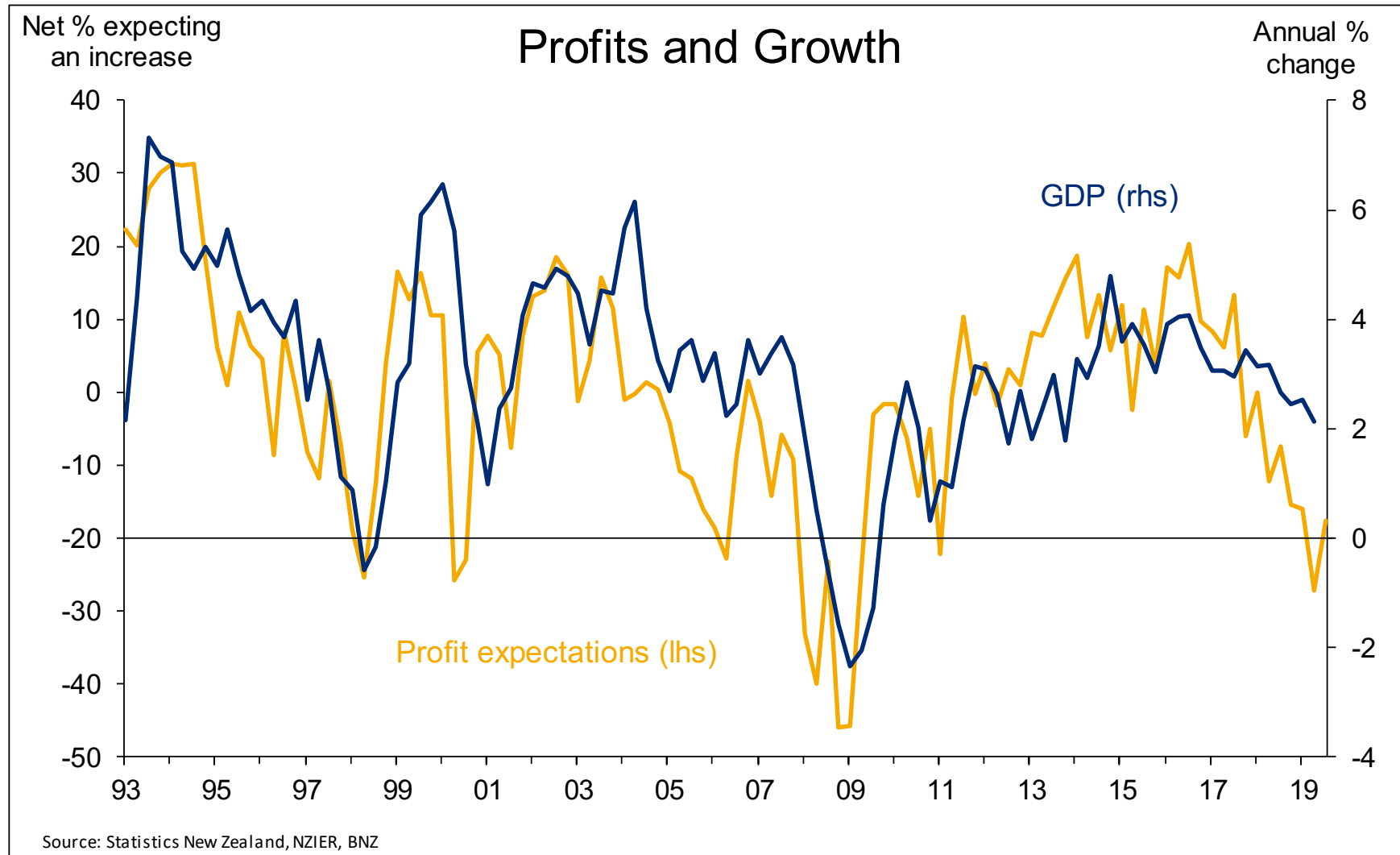
Leading Indicators Turning Sour



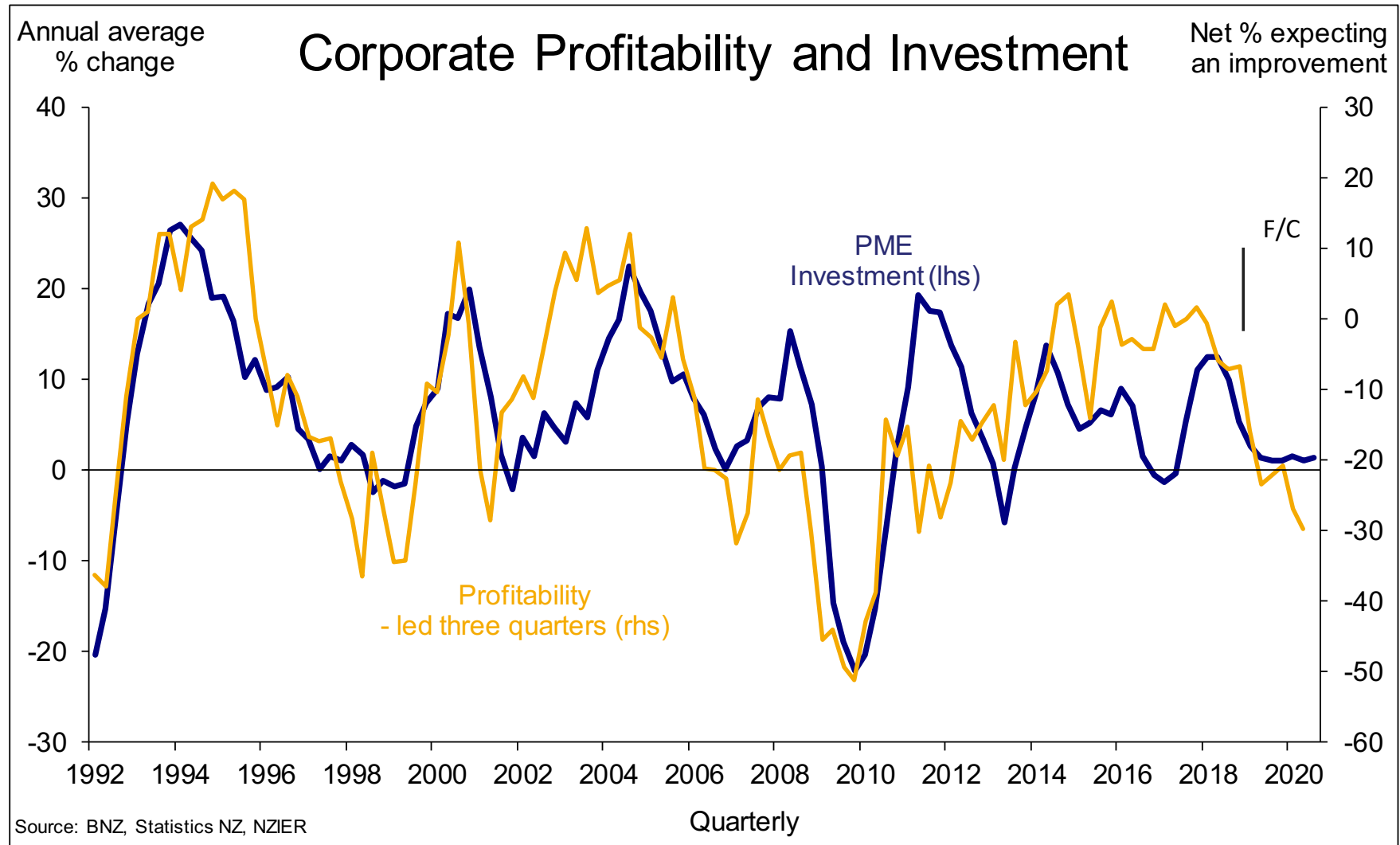
Leading Indicators Turning Sour



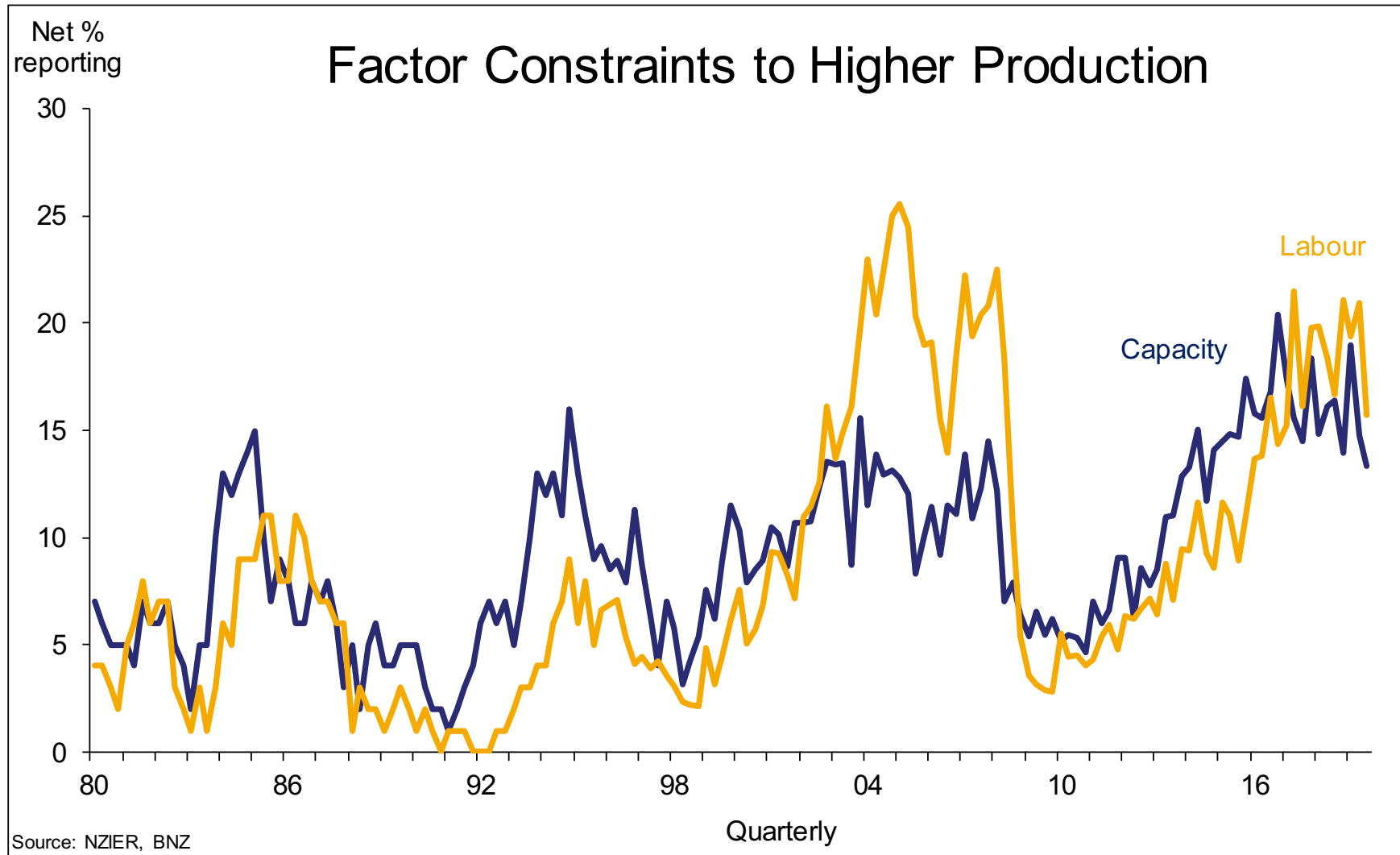
Indicators Turning Sour



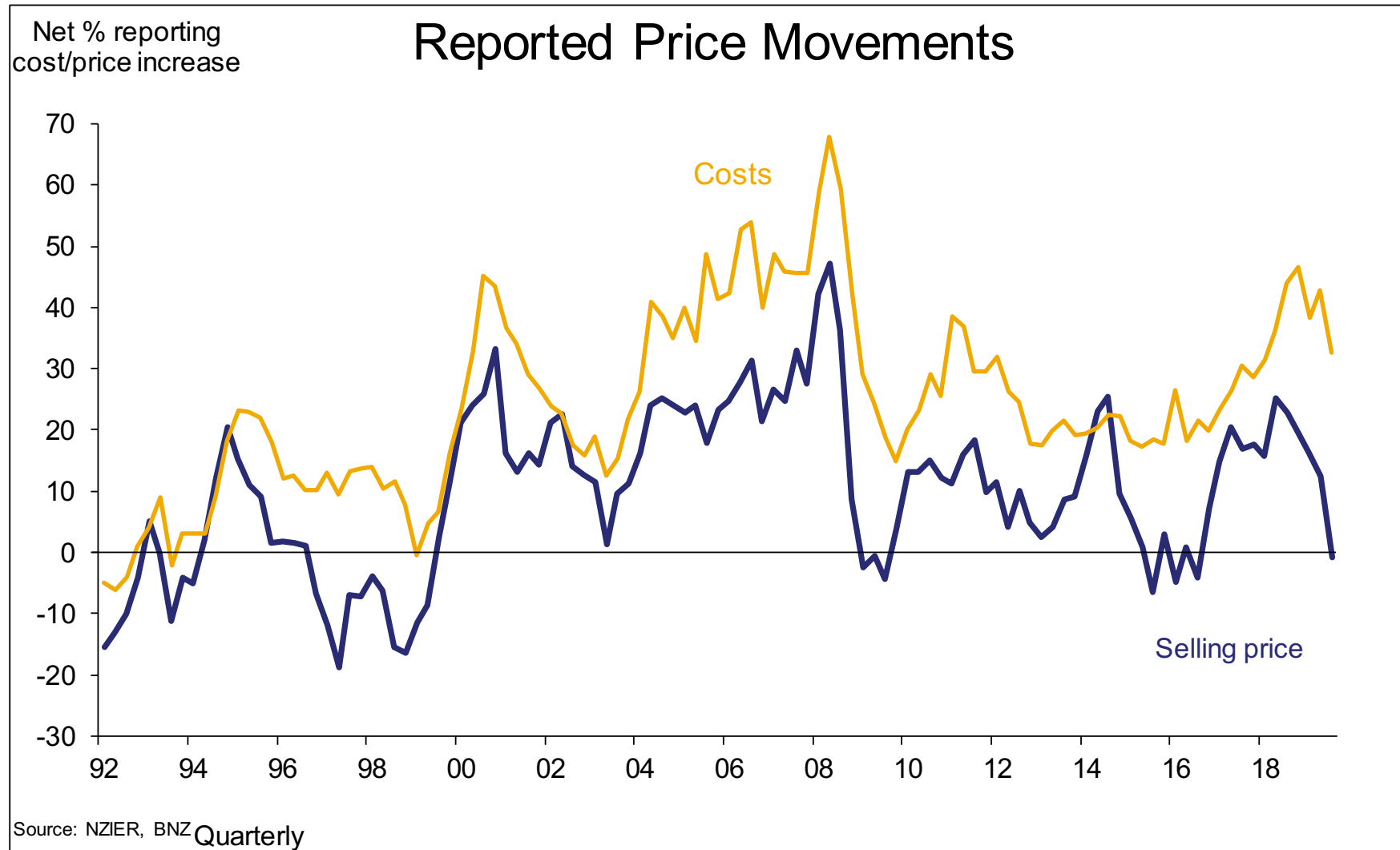
Business Investment Pressured



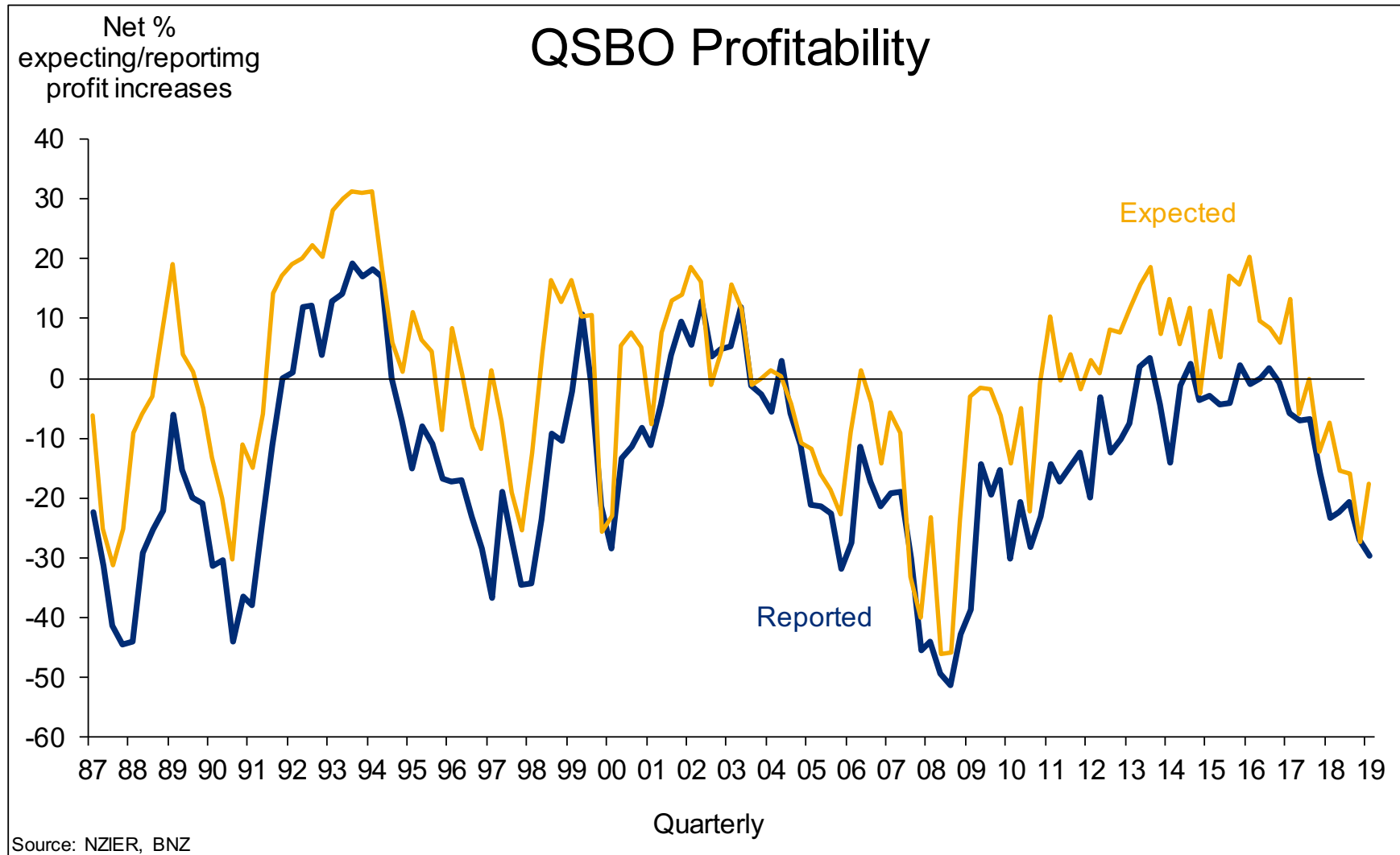
Capacity Constraints Restrictive



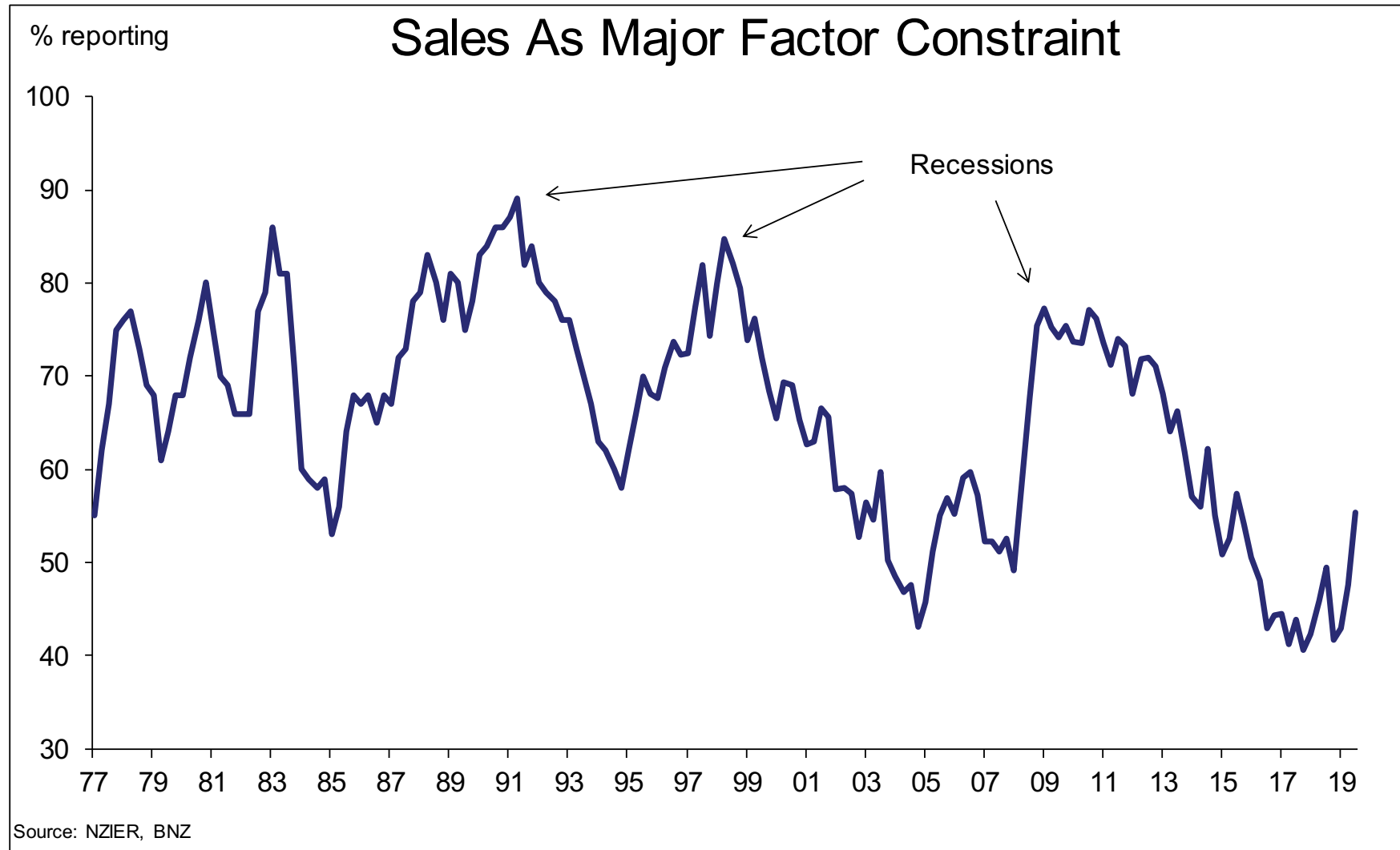
Pushing Costs Higher



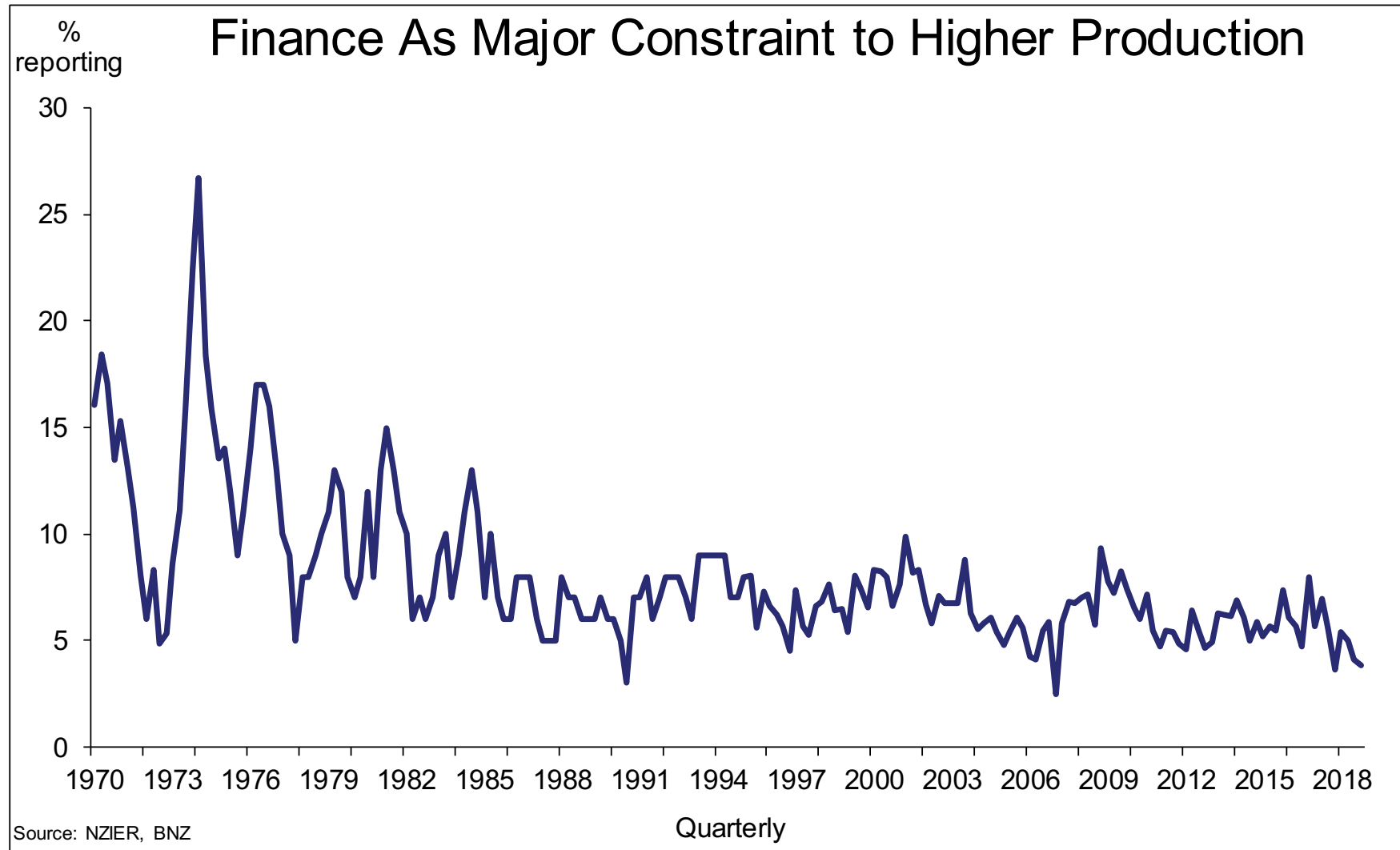
Causing Tumbling Profits



Slowing Demand Now Part of the Equation



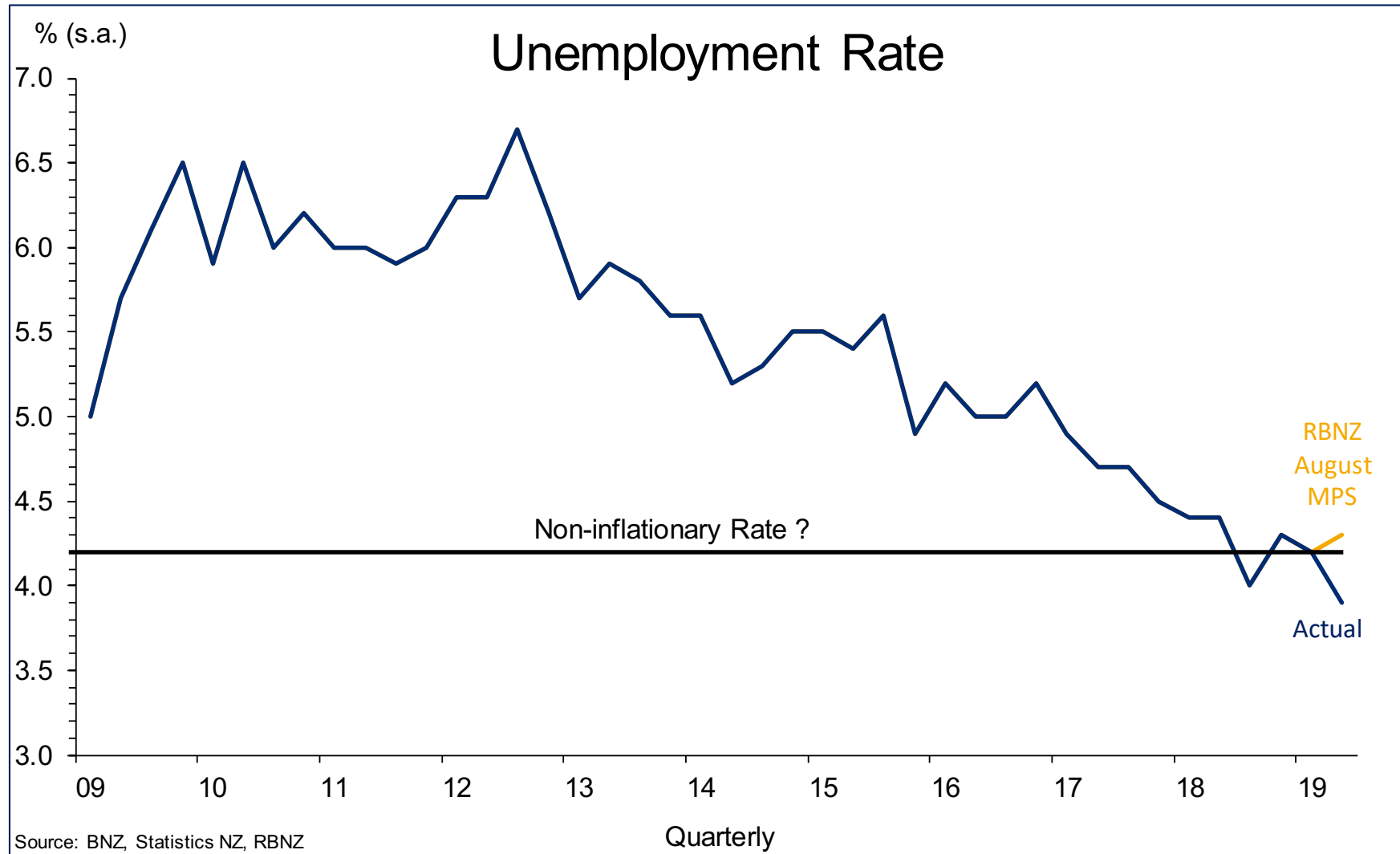
Funding Not An Issue YET



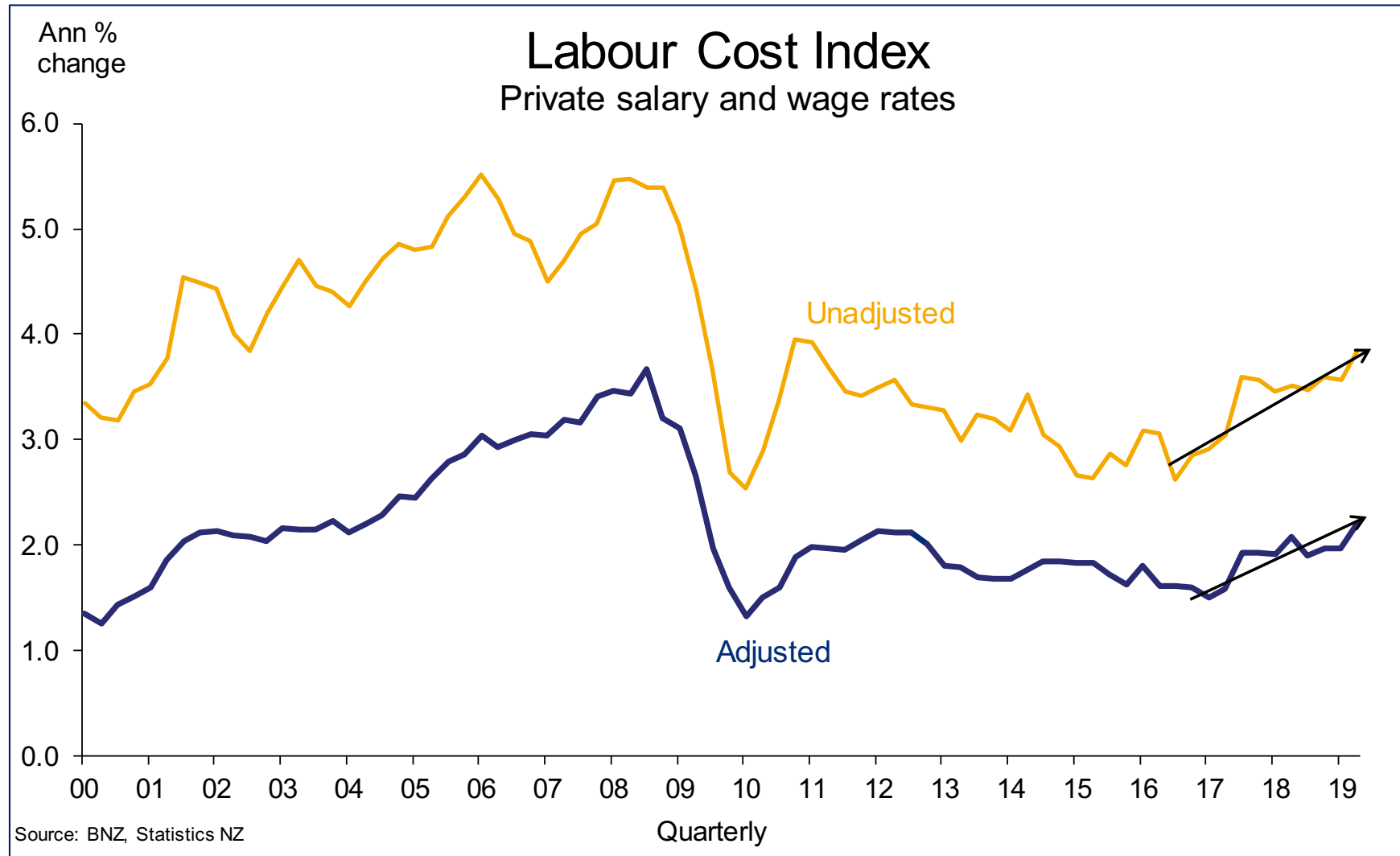
RBNZ's Focus

- Maximum sustainable employment
- Inflation at 2.0%
- Success on both counts
- Currency not an issue
- But growth appears to be

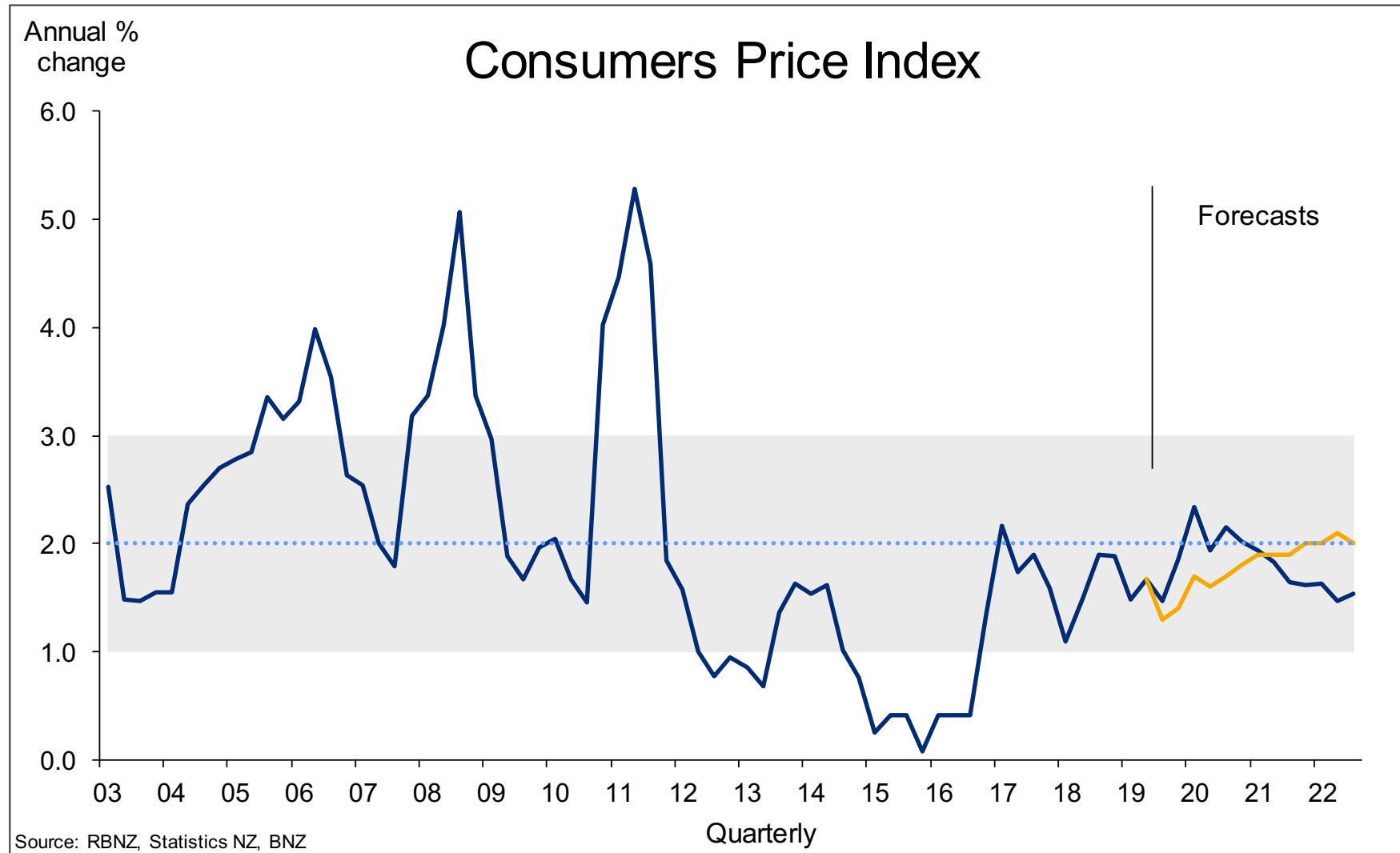
Unemployment Hits Cyclical Low



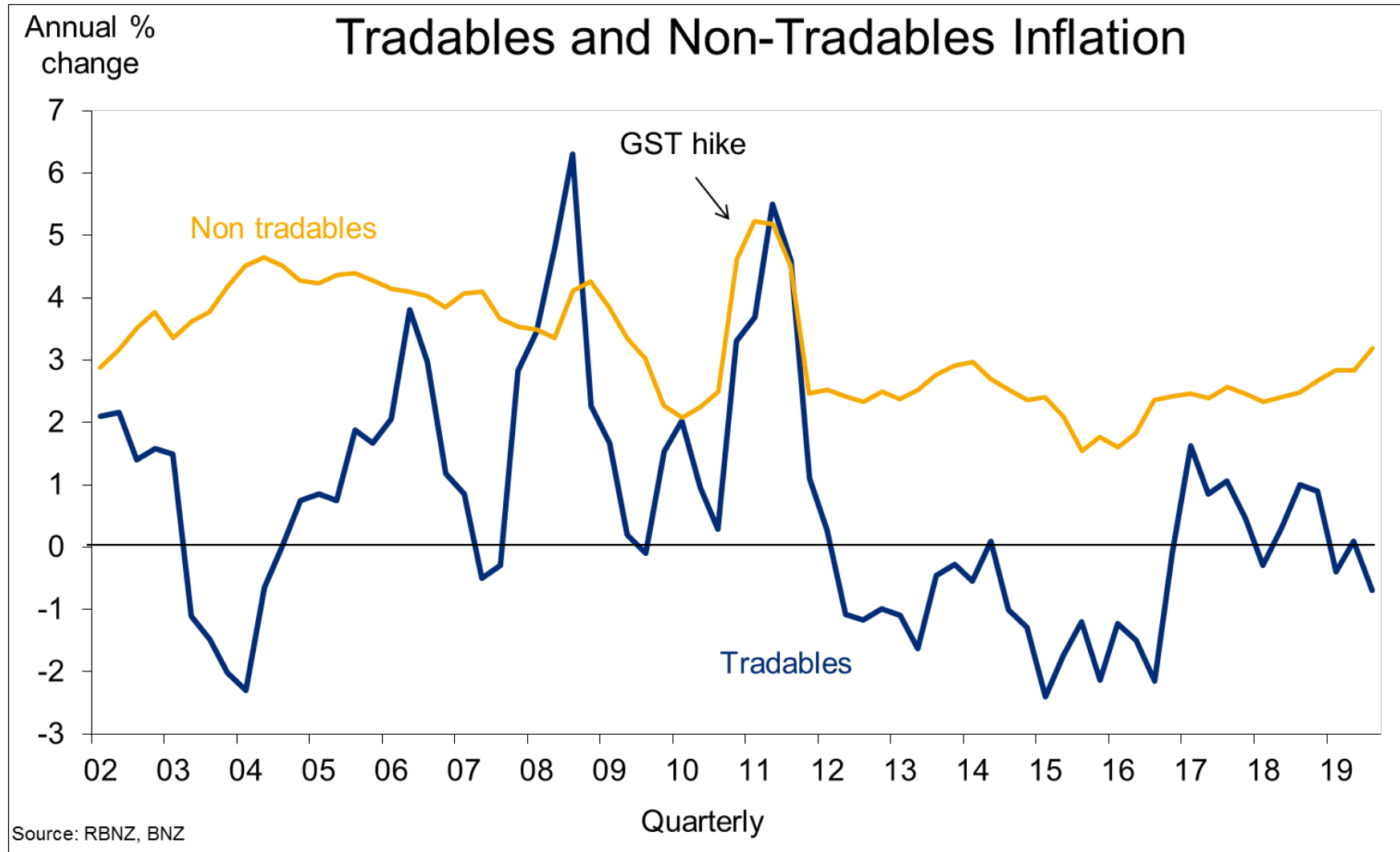
Labour Costs Pushing Higher



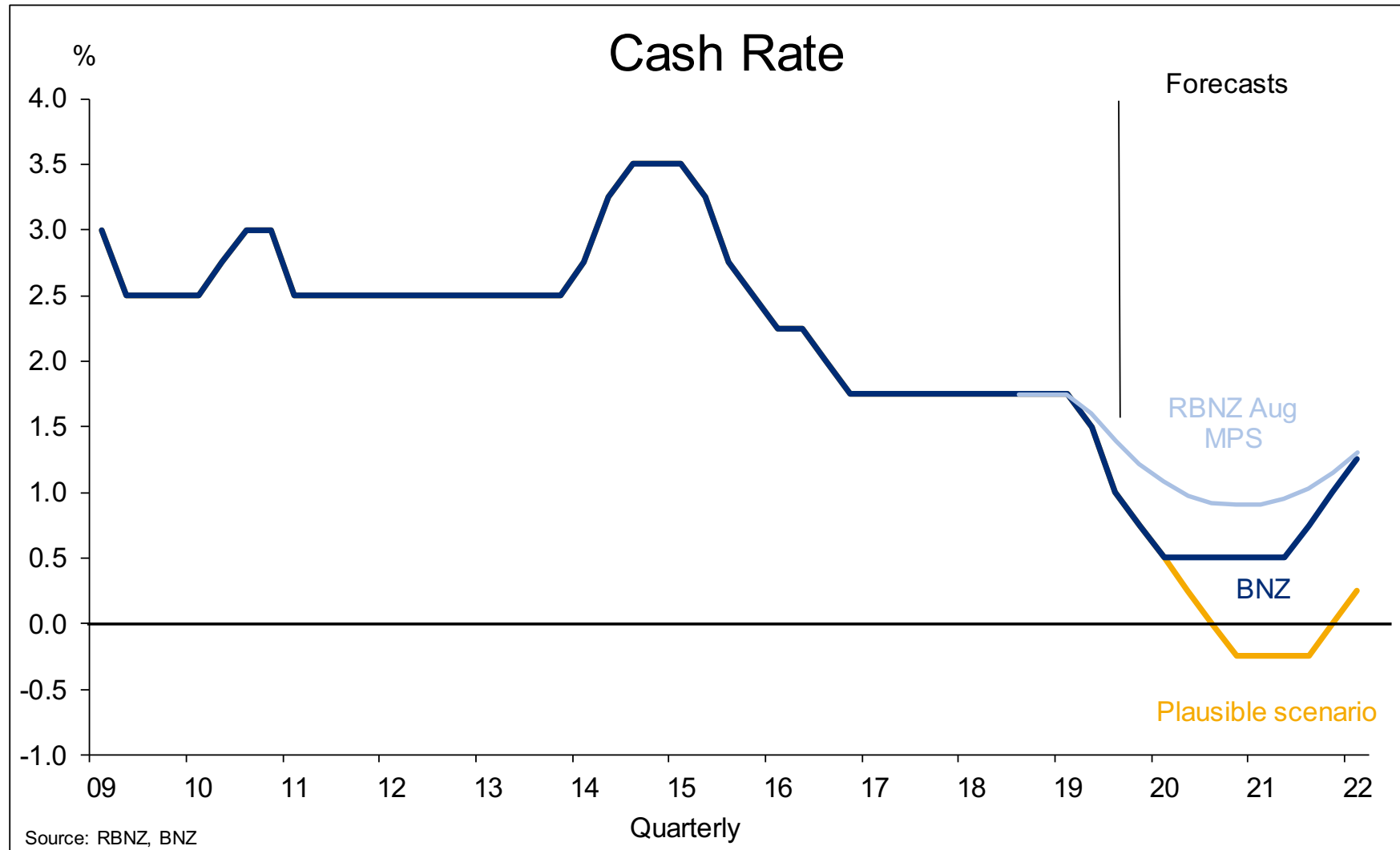
CPI Inflation Near Target



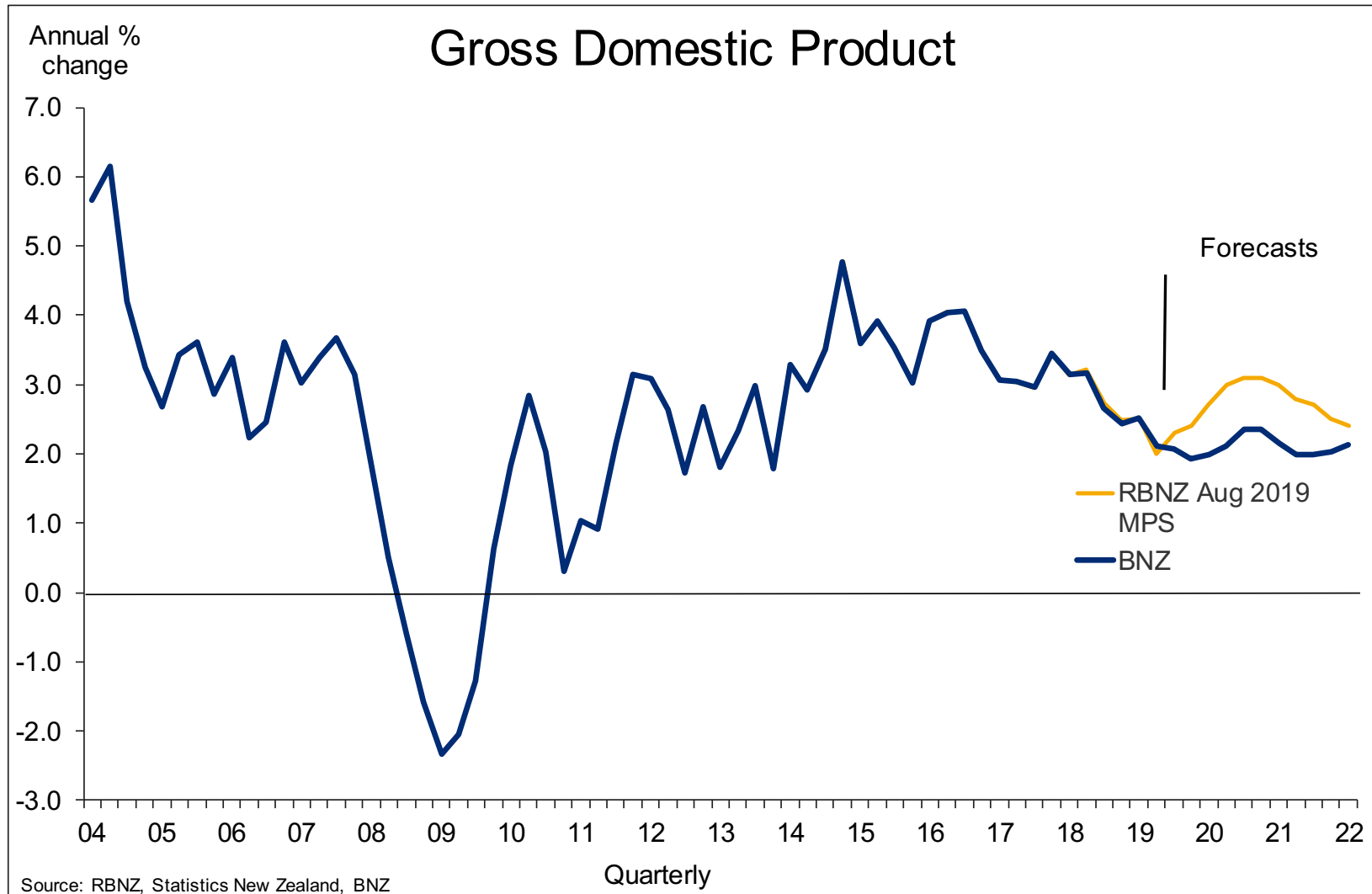
Non-Tradables Soars



RBNZ Activist



As growth stumbles



Disclaimer

This publication has been provided for general information only. Although every effort has been made to ensure this publication is accurate the contents should not be relied upon or used as a basis for entering into any products described in this publication. To the extent that any information or recommendations in this publication constitute financial advice, they do not take into account any person's particular financial situation or goals. Bank of New Zealand strongly recommends readers seek independent legal/financial advice prior to acting in relation to any of the matters discussed in this publication. Neither Bank of New Zealand nor any person involved in this publication accepts any liability for any loss or damage whatsoever may directly or indirectly result from any advice, opinion, information, representation or omission, whether negligent or otherwise, contained in this publication.