



# Its all about balance sheets

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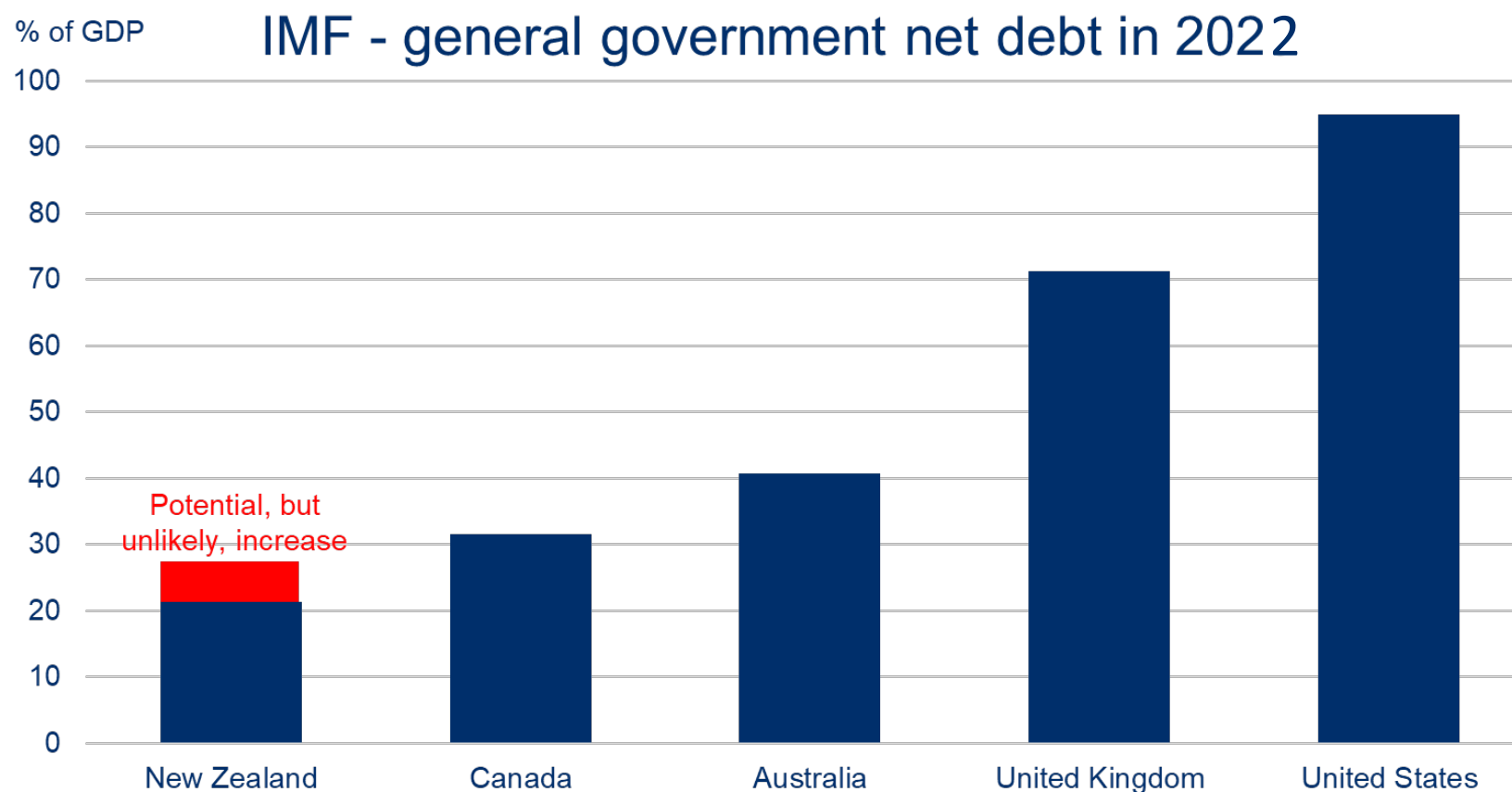
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# Cyclone Gabrielle

- A major hit to balance sheets
- Supply shock will add to inflationary pressure
- Not a deal breaker for the Reserve Bank

# Government can cope



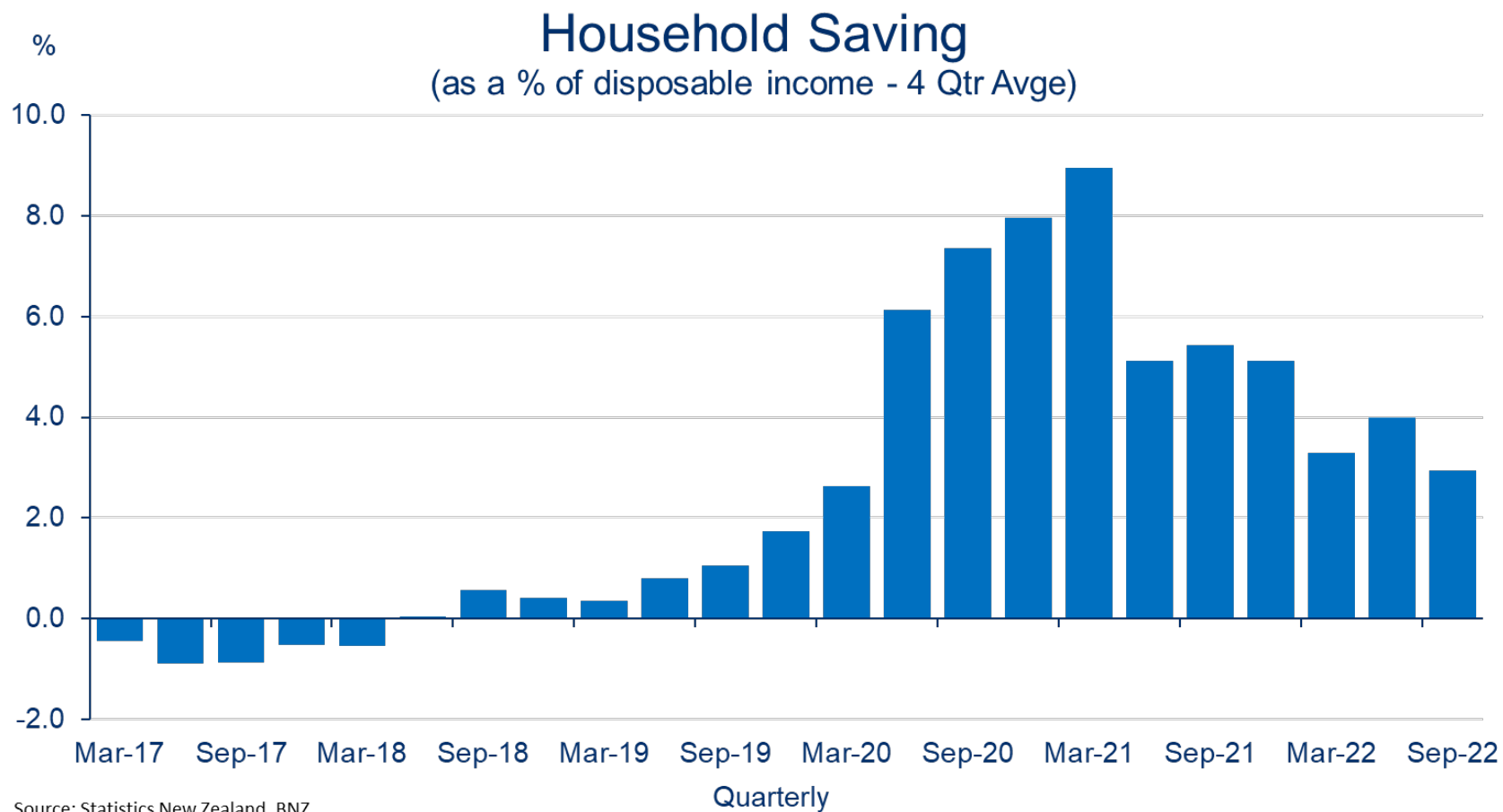
Source: IMF, NZ Treasury, BNZ



# In perspective

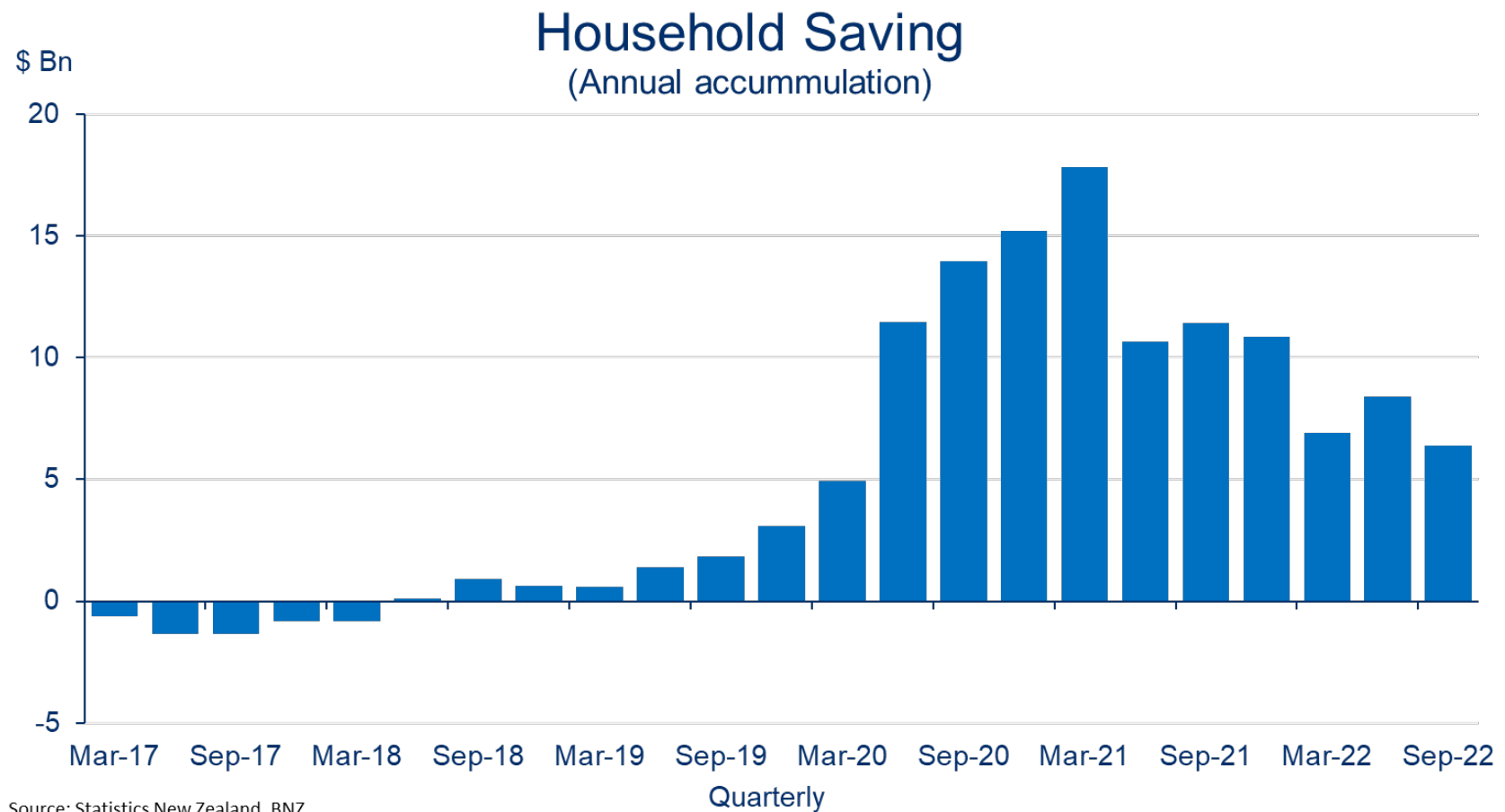


# Households saving still tangible

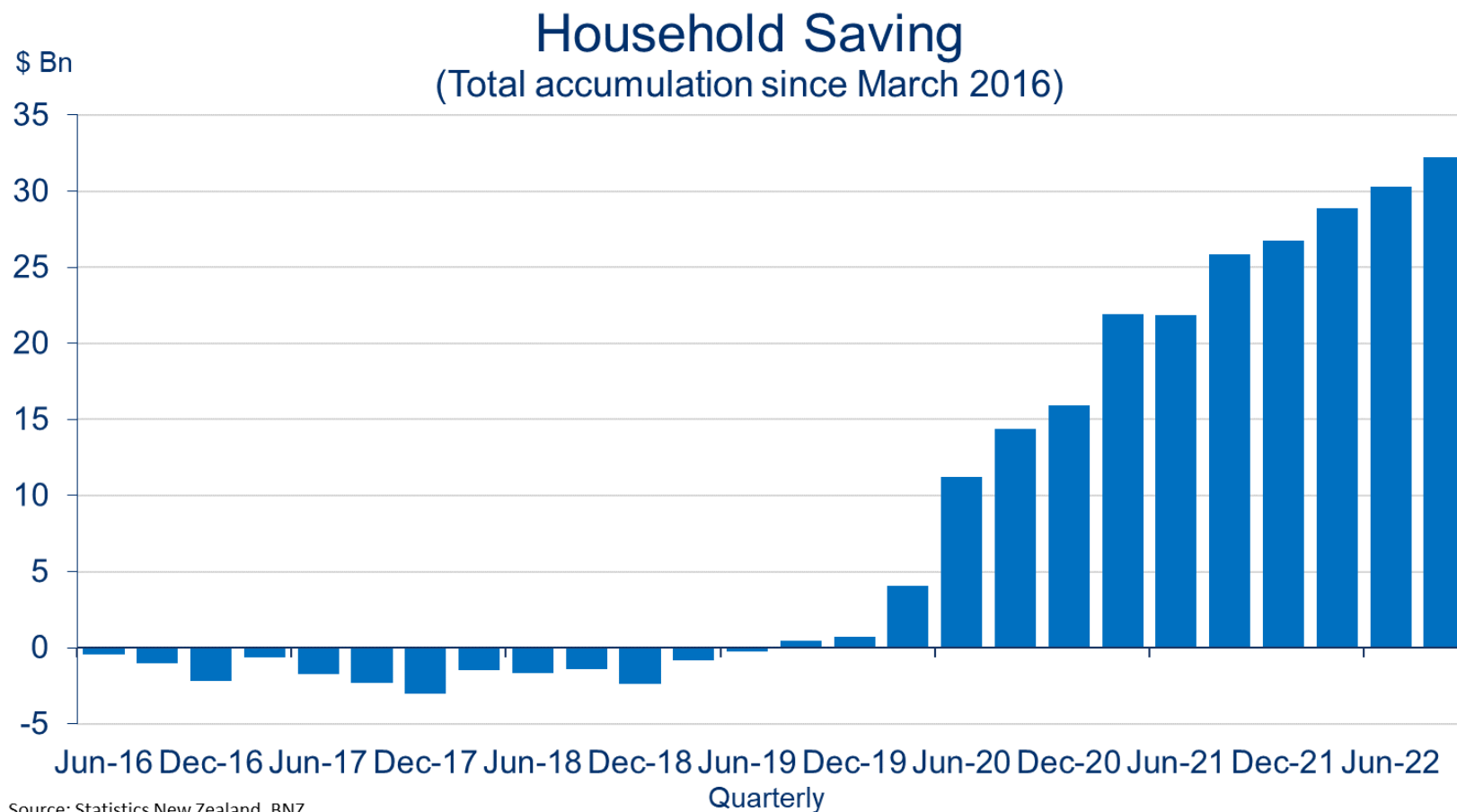




# Albeit slowing



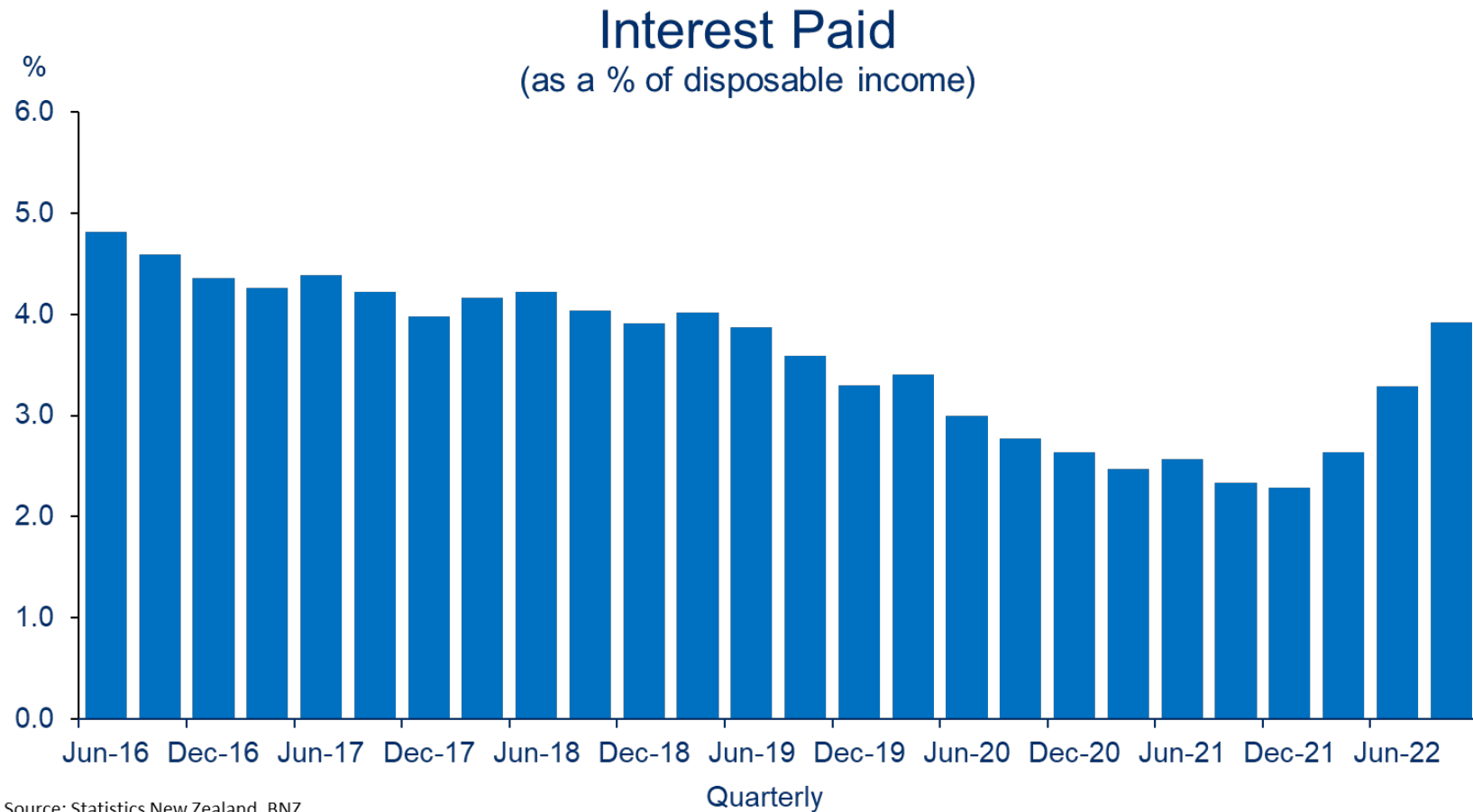
# Savings accumulation significant



Source: Statistics New Zealand, BNZ

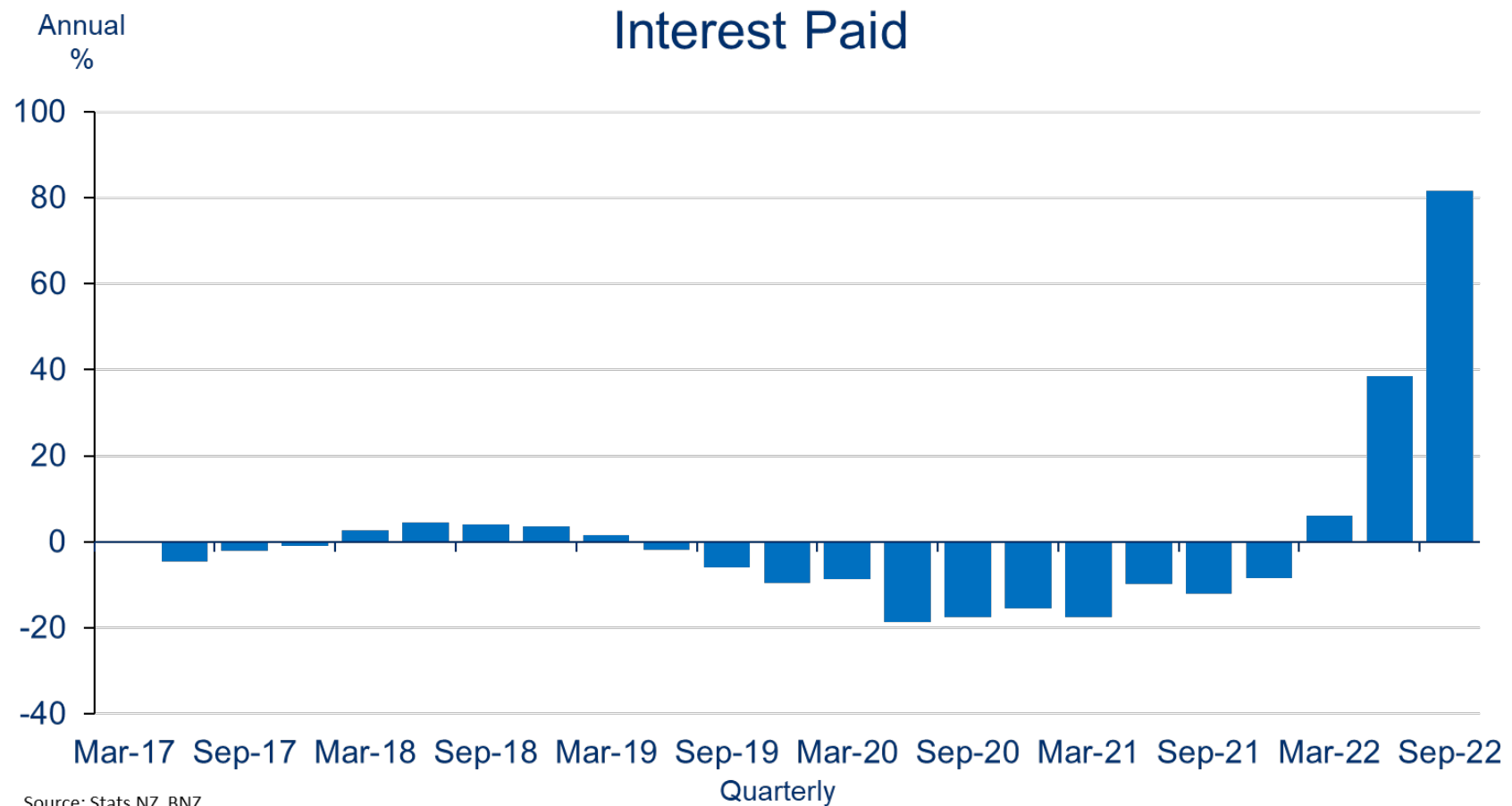


# Interest rate costs return to normal



Source: Statistics New Zealand, BNZ

# The pace of change hurts





# Net wealth under pressure

