



Business Outlook Mixed

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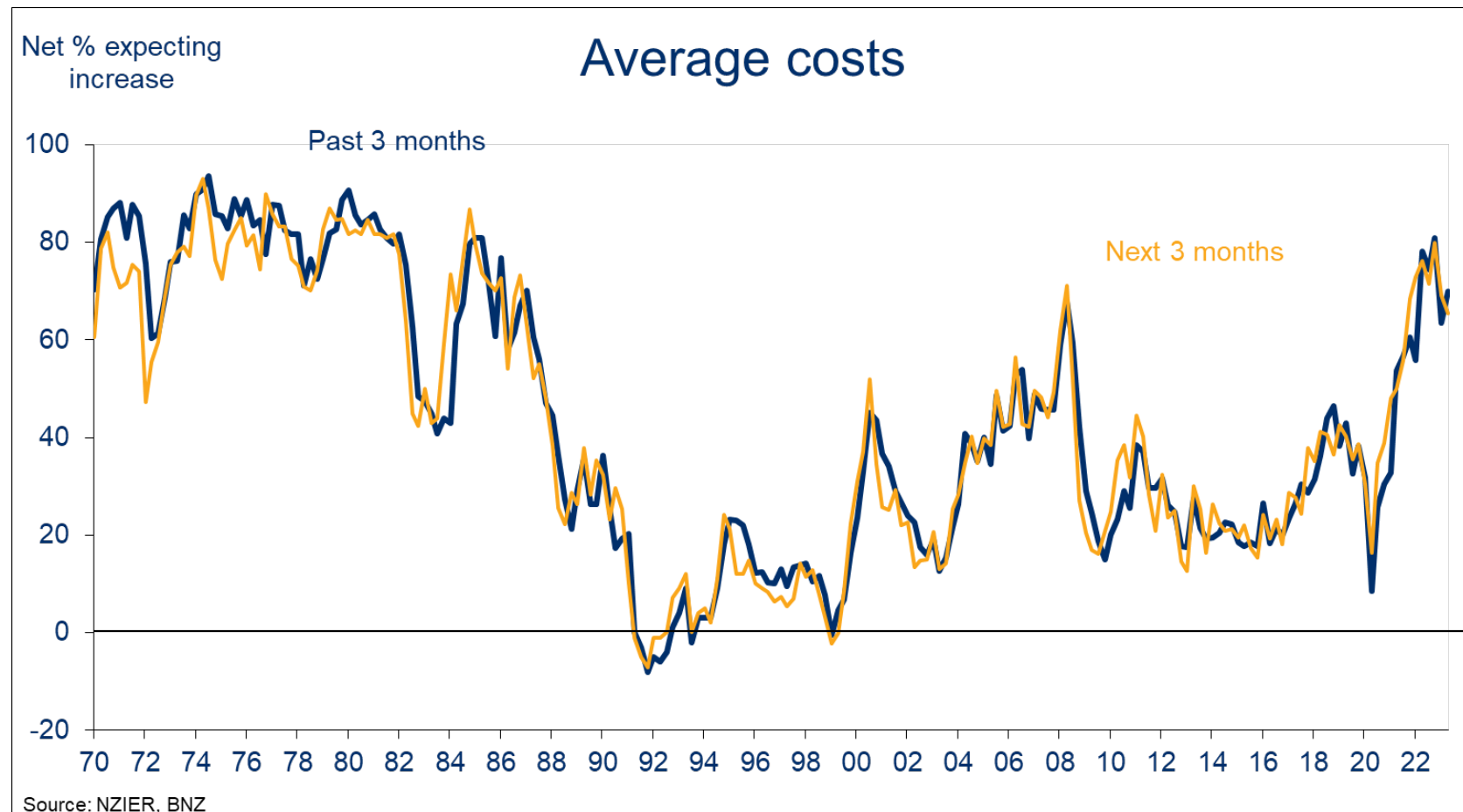
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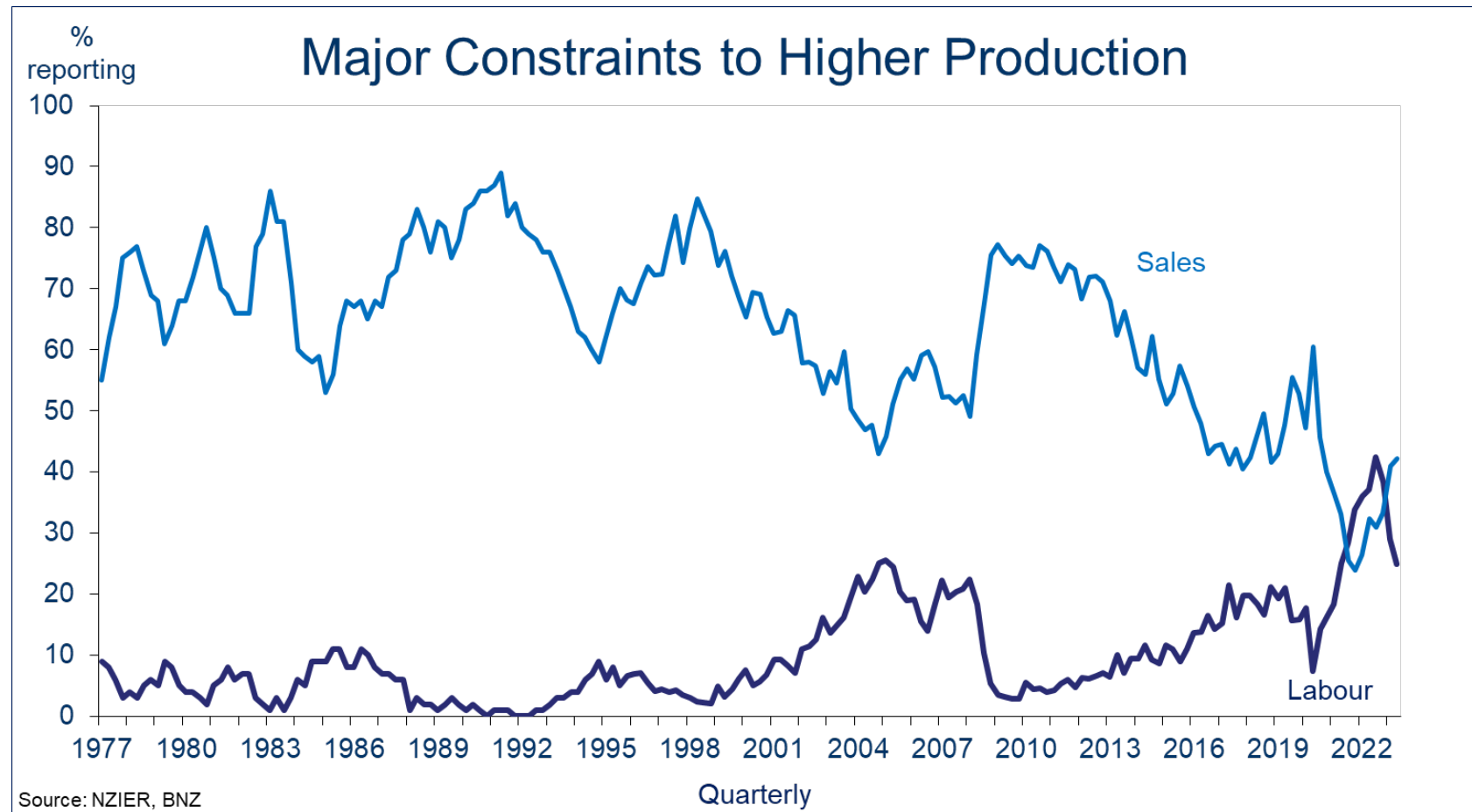


BNZ Markets | Confidential to recipients

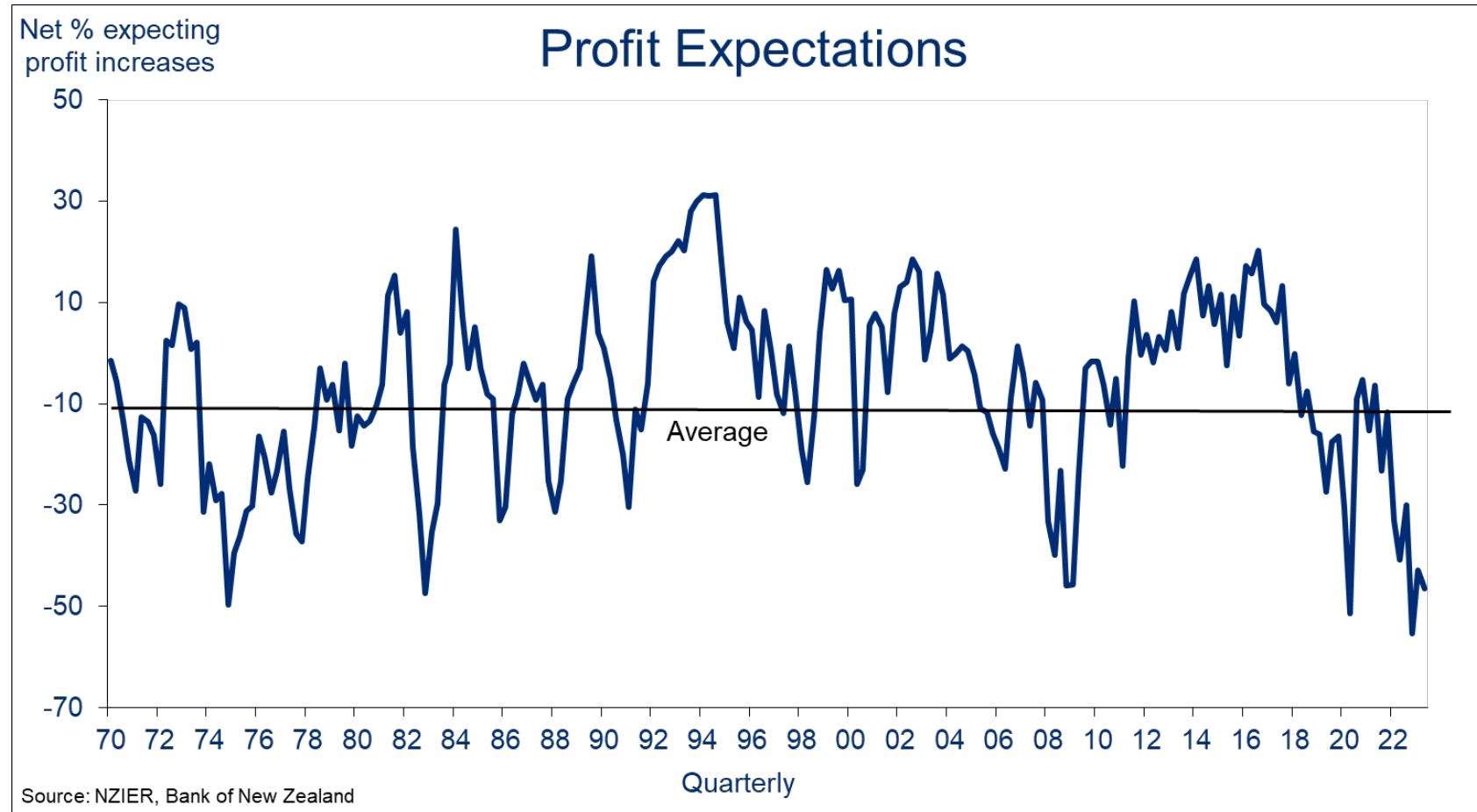
Rising input costs remain the biggest concern for business



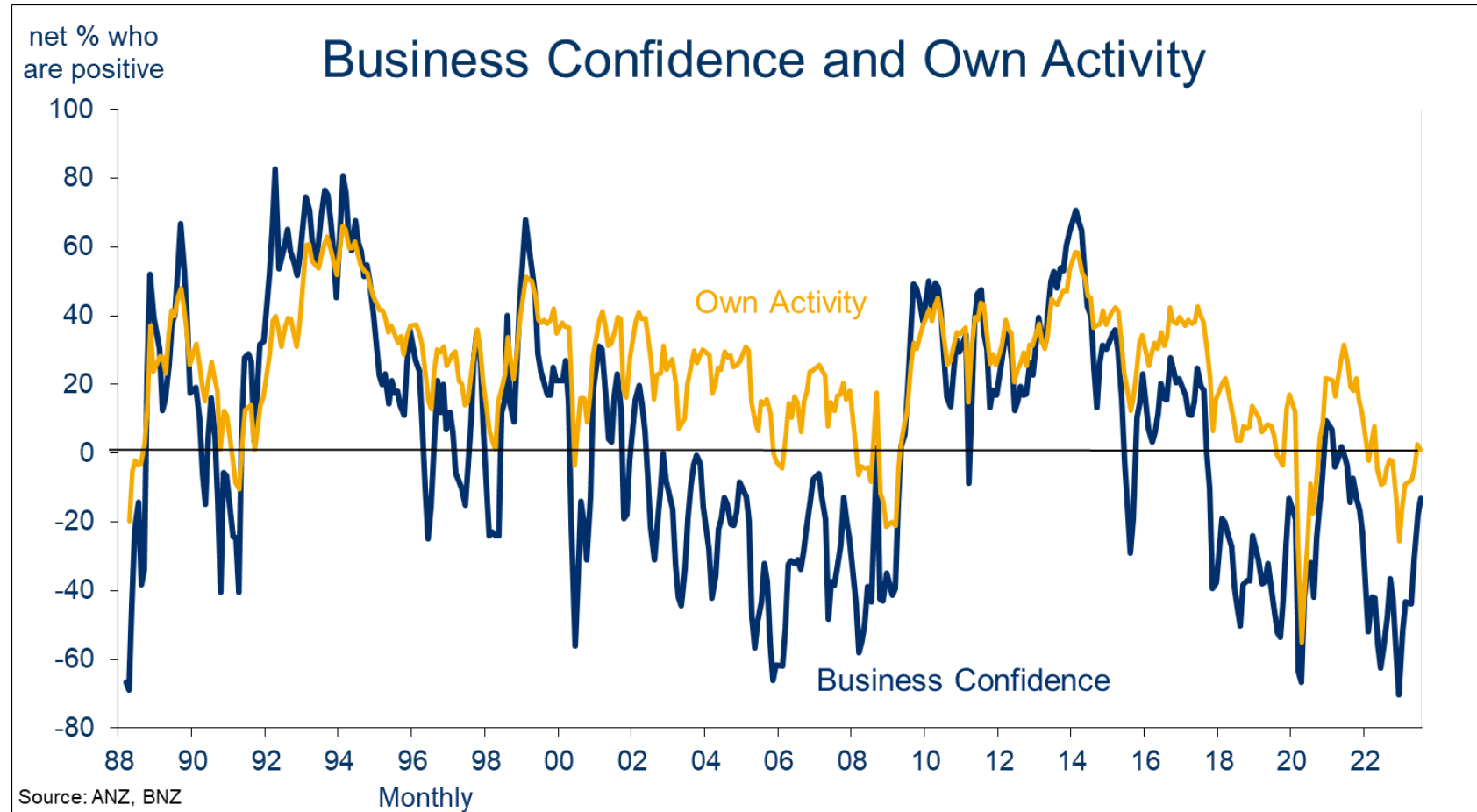
Demand has replaced labour as the second biggest challenge



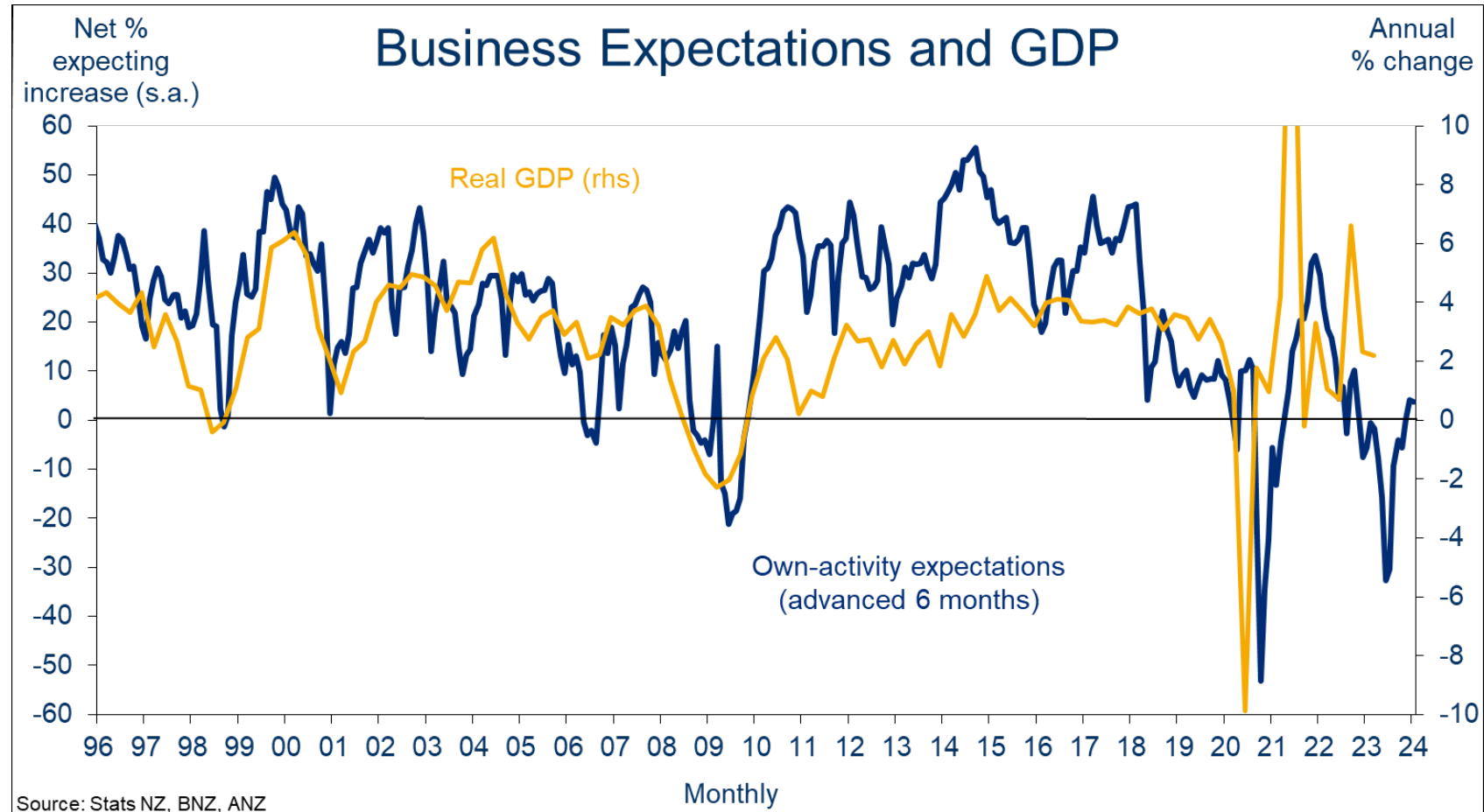
Demand down, costs up, ouch!



But outlook improves



Less worse, at least



Optimism grows for some

- Interest rates have peaked, property values supported
- Labour market eases as migration soars
- COVID less of a problem
- Increased chance of a change in government
- Tourists return

The winners

- Financial services
- Aged care providers
- Property
- Tourism

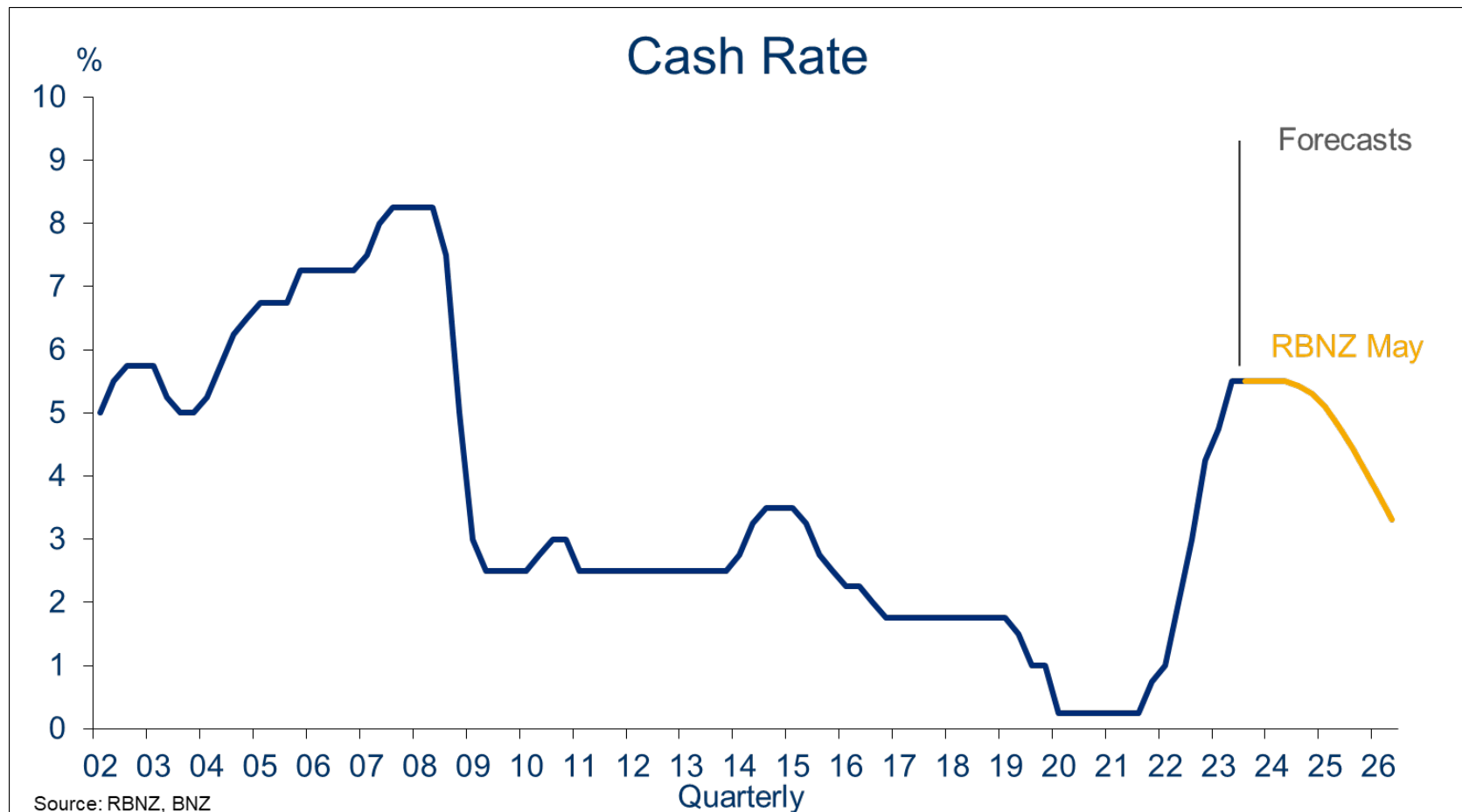
But for others the dominant factors are

- Lagged impact of rising interest rates
- Weakening domestic demand
- Slumping commodity prices

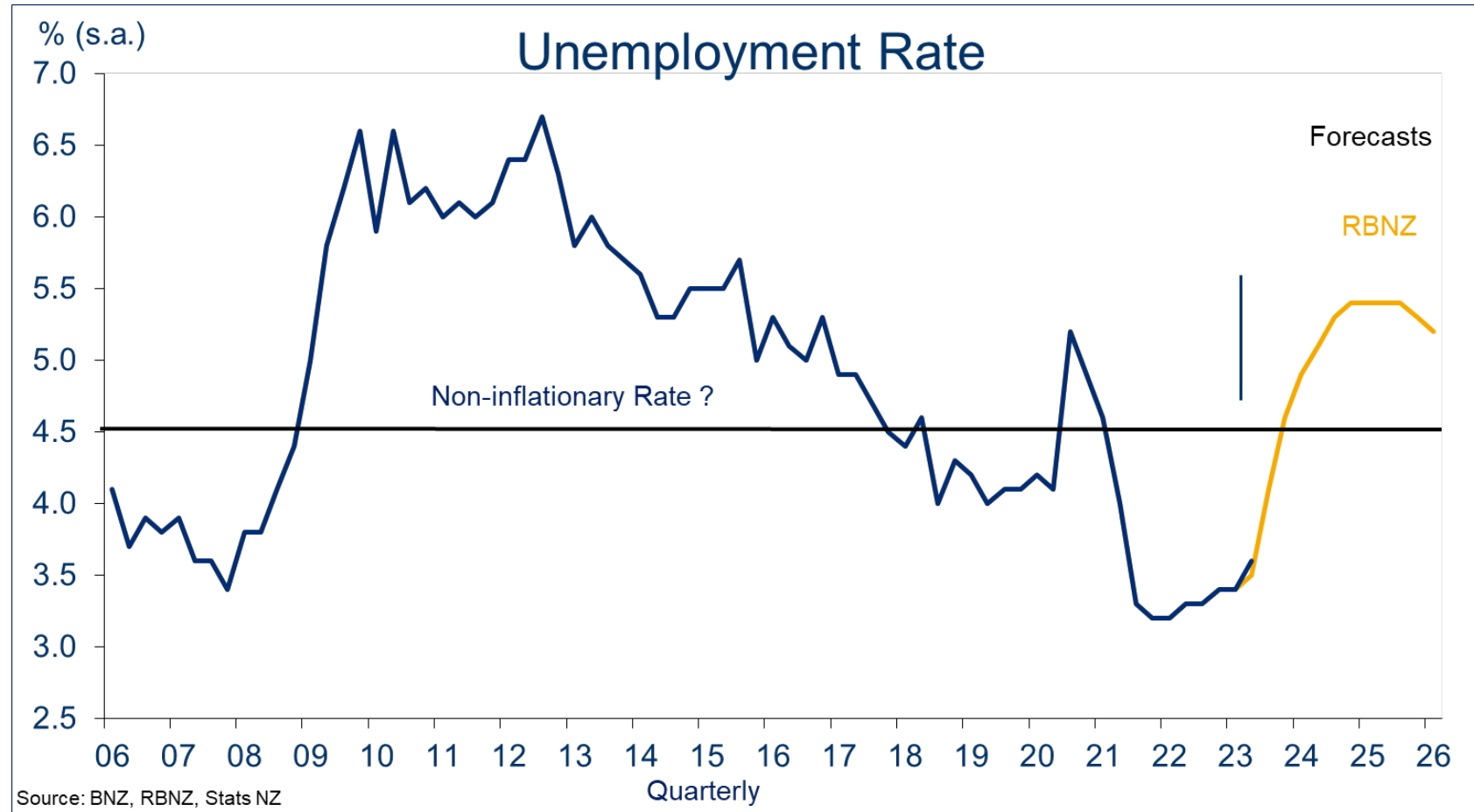
The losers

- Retail
- Agriculture – Dairy, lamb
- Manufacturing
- Construction

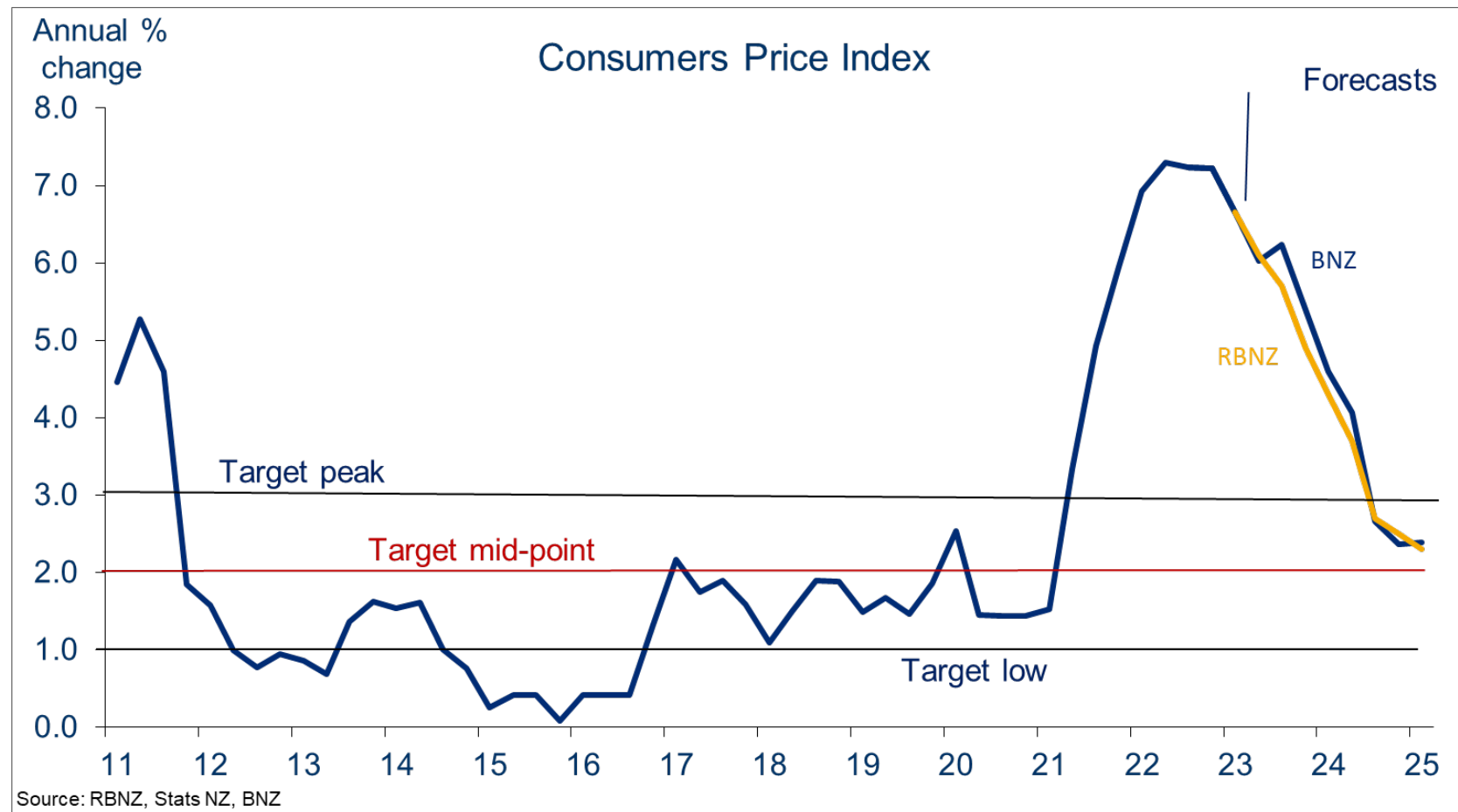
RBNZ unmoved



Labour market behaving



Inflation about right



Multiple options

