

ANZ NZ JOB ADS
SLIPPING

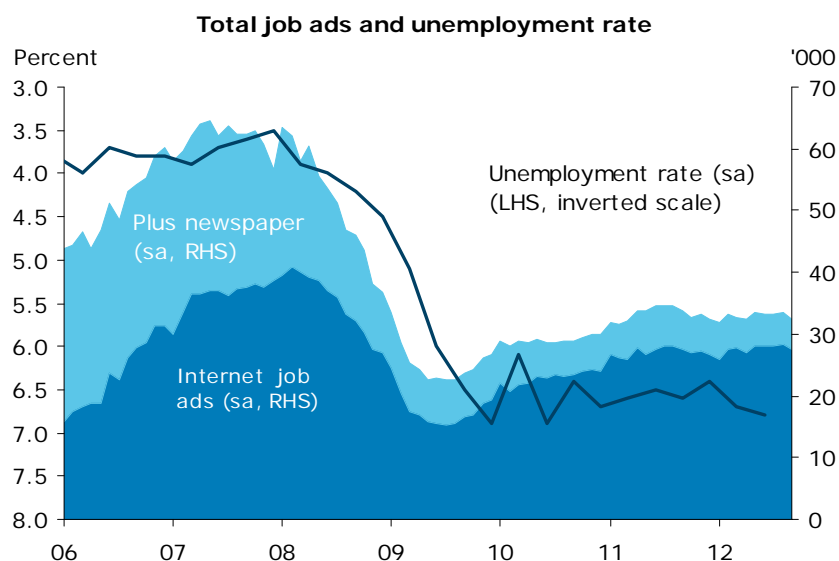
Data for September 2012,
released on 18 October
2012

CONTACTS

**Sharon Zöllner, Senior
Economist**
Telephone: +64 4 576 1062
Email: Sharon.Zollner@anz.com

SUMMARY

- The ANZ New Zealand job advertisement series, which sums newspaper and internet ads, fell 2.9 percent in September (sa), following a 0.6 percent rise in August.
- The monthly fall was driven by both a 2.4 percent fall in internet job advertisements, and a 5.9 percent fall in newspaper listings (both seasonally adjusted).
- Our “composite” total, which weights newspaper ads more heavily to give a better (inverse) indicator for the unemployment rate, fell 4.0 percent (sa). This continues to suggest the unemployment rate will rise towards 7 percent over the next 6 months.
- Anecdotes of job losses in the tradable sector are starting to accumulate. The trend for job ads is still flat, but it is notable that total job ads in September were 6.0 percent below their July 2011 post-recession peak (seasonally adjusted).
- Canterbury job ads continue to trend higher, while other regions remain flat to falling.



Sources: ANZ, Statistics NZ, Seek, Trade Me, NZ Herald, The Press, Dominion Post, Manawatu Standard, ODT, Waikato Times, Hawke's Bay Today

ANZ NZ JOB ADS

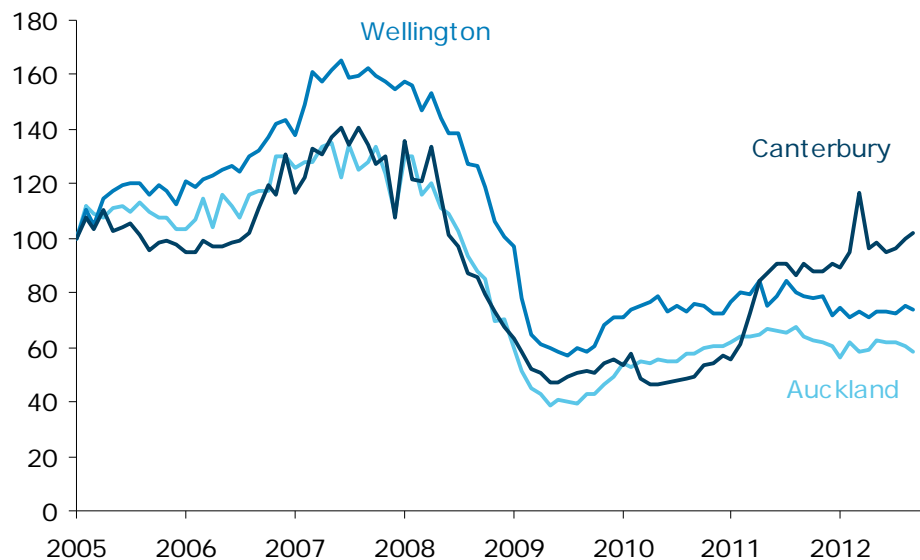
Total job advertisements fell 2.9 percent in September (seasonally adjusted), following a 0.6 percent rise the previous month. Newspaper job ads fell 5.9 percent on top of a 3.0 percent fall in August, while internet job listings fell 2.4 percent, unwinding their 1.3 percent rise in August and more. The trend for overall ads remains flat, but it is worth noting that this is the largest monthly fall since October last year.

Regional disparities remain marked. Auckland total job ads fell 3.6 percent in September, on top of a 2.0 percent fall in August and a flat July. Both newspaper and internet ads fell. In Wellington, internet ads fell 1.7 percent and newspaper ads 7.9 percent, for a total fall of 2.2 percent. This unwound half of the gain seen in August. Canterbury remains the clear outlier. Canterbury newspaper ads rose 5.9 percent, and internet ads by 0.3 percent, with total ads up 1.9 percent. This regional dichotomy is set to be a major macroeconomic theme of the years ahead.

Data for the smaller centres must be interpreted in context of the fact that they are newspaper ads only, a medium which is losing market share to internet-based advertising. All four regions fell. Job ads in the Waikato and Otago fell by more than the national (newspaper) average, down 16.4 and 9.1 percent respectively. Newspaper job ads for Hawke's Bay and the Manawatu also fell, but by less than the national average: by 5.0 and 0.5 percent respectively (all data is seasonally adjusted).

Total job ads - newspaper plus internet (sa)

Jan '05=100

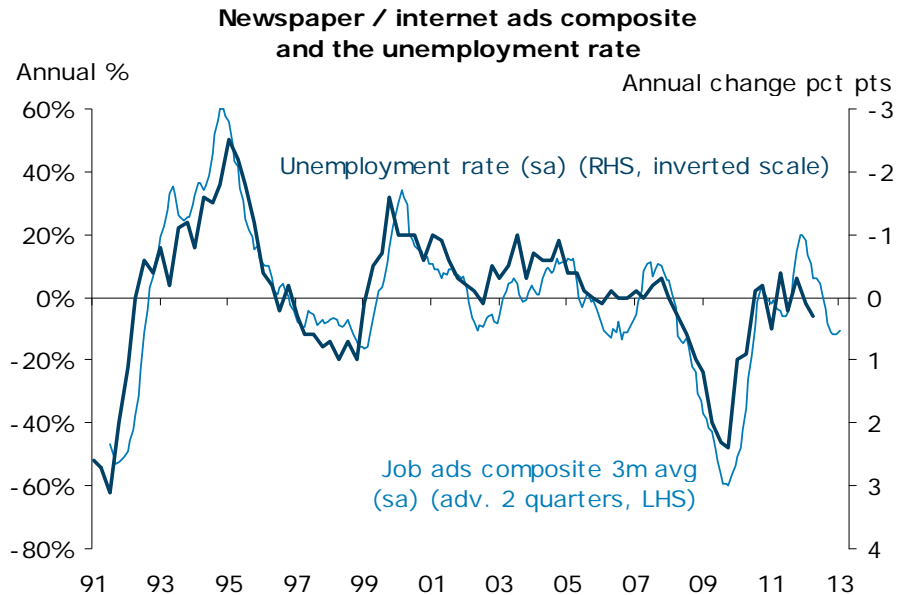


Sources: ANZ, Seek, Trade Me, NZ Herald, The Press, Dominion Post

At the national level, we focus on a weighted "composite" job advertisement series. Our composite measure has been calibrated to match changes in the unemployment rate as closely as possible (see chart over). This calibration places more weight on newspaper advertisements *vis-à-vis* online advertising by a factor of 5 to 1. Over time, internet job advertising has taken market share from newspapers, but not 1:1 (i.e. one newspaper ad has been replaced by several cheaper internet ads, often listed on multiple sites). Therefore, looking at just newspaper ads, just internet ads, or a simple sum suffers from a "structural break" over time.

ANZ NZ JOB ADS

Jobs ads of today are the physical employment of tomorrow. **Our composite measure tracks changes in the unemployment rate closely, with a six month lead.**



Our composite measure fell 4.0 percent in September (sa), but base effects saw the annual change in the 3-month average improve very slightly from -12 to -11 percent. Overall, job ads data is consistent with an unemployment rate hovering somewhere around 7.0 percent in the second half of 2012.

| | Newspaper Ads | | Internet Ads | | Total | |
|--------|---------------|-------|--------------|--------|--------|--------|
| | Actual | S.A. | Actual | S.A. | Actual | S.A. |
| Sep-11 | 6,566 | 6,363 | 28,815 | 27,458 | 35,381 | 33,821 |
| Oct-11 | 6,024 | 5,894 | 28,025 | 26,868 | 34,049 | 32,762 |
| Nov-11 | 6,019 | 5,920 | 26,763 | 27,209 | 32,782 | 33,129 |
| Dec-11 | 3,590 | 5,633 | 23,364 | 26,766 | 26,954 | 32,399 |
| Jan-12 | 6,098 | 5,962 | 21,643 | 25,986 | 27,741 | 31,948 |
| Feb-12 | 6,401 | 5,582 | 28,760 | 27,605 | 35,161 | 33,187 |
| Mar-12 | 5,722 | 5,172 | 28,765 | 27,646 | 34,487 | 32,818 |
| Apr-12 | 5,610 | 5,360 | 26,756 | 26,950 | 32,366 | 32,310 |
| May-12 | 5,609 | 5,456 | 28,770 | 27,986 | 34,379 | 33,442 |
| Jun-12 | 4,890 | 5,031 | 28,804 | 28,075 | 33,694 | 33,106 |
| Jul-12 | 5,272 | 5,333 | 29,263 | 27,948 | 34,535 | 33,281 |
| Aug-12 | 5,092 | 5,174 | 29,577 | 28,307 | 34,669 | 33,481 |
| Sep-12 | 4,995 | 4,871 | 29,056 | 27,640 | 34,051 | 32,511 |

Sources: ANZ, NZ Herald, Dominion Post, Press, Waikato Times, Hawke's Bay Today, Manawatu Standard, Otago Daily Times, Seek, Trade Me

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