

ANZ NZ JOB ADS LOSING GROUND

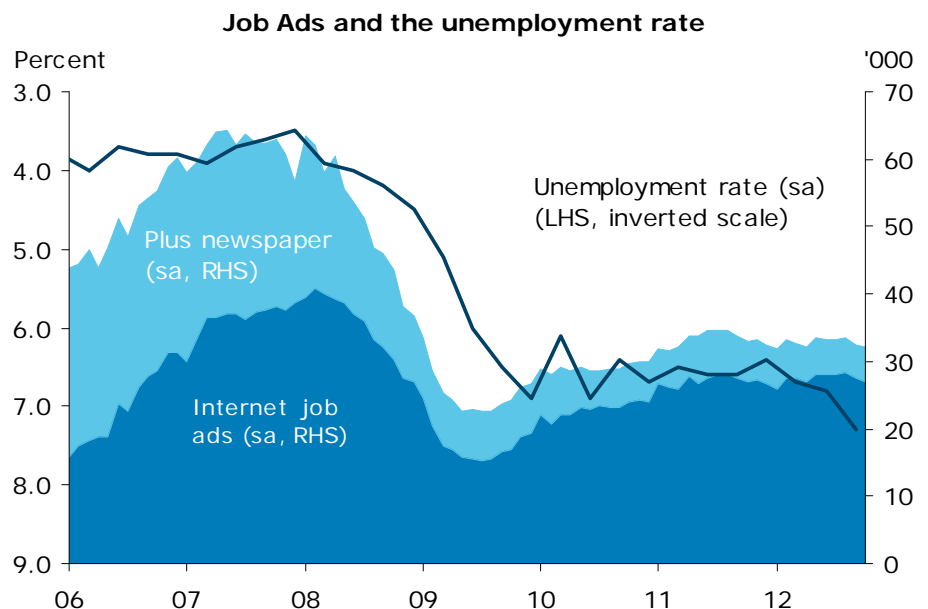
Data for October 2012,
released on 15 November
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CONTACTS

**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 0.8 percent in October (sa), following a 3.0 percent fall in September.
- The monthly fall was driven by a further 2.0 percent fall in internet job advertisements on top of a 2.5 percent fall in September. Newspaper ads rebounded 5.7 percent, recovering much of their September fall (both seasonally adjusted).
- Our “composite” total, which weights newspaper ads more heavily to give a better (inverse) indicator for the unemployment rate, rose 1.6 percent (sa) after falling 4.1 percent in September. This series has been trending down since mid-2011 and continues to suggest an unemployment rate of around 7 percent over the next 6 months.
- Anecdotes of job losses in the tradable sector are starting to accumulate. While we are sceptical that the labour market is quite as weak as suggested by last week’s HLFS data, it is notable that total job ads in October were 7.0 percent below their July 2011 post-recession peak (seasonally adjusted).
- Canterbury job ads fell in October but continue to trend higher, while other regions remain flat to falling.



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

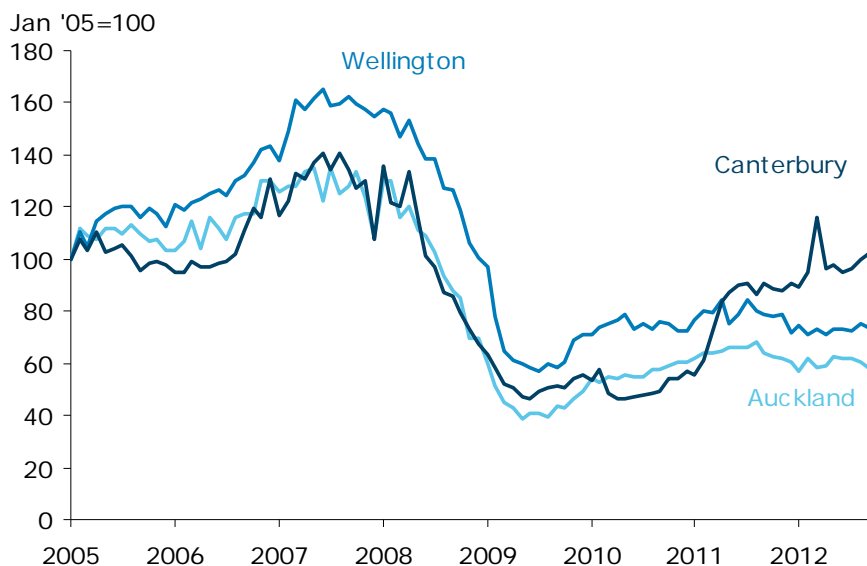
ANZ NZ JOB ADS

Total job advertisements fell 0.8 percent in October (seasonally adjusted), following a 3.0 percent fall the previous month. Newspaper job ads bounced back 5.7 percent after a 5.8 percent fall in September, while internet job listings fell a further 2.0 percent on top of their 2.5 percent fall the previous month. Total job ads are 7 percent below their mid-2011 peak.

Regional disparities remain. Auckland total job ads rose 1.4 percent in October, but this was only a small bounce off falls of 2.1 and 3.6 percent in August and September respectively. Internet ads fell, while the more volatile newspaper ads recovered their losses of the previous two months. In Wellington, newspaper ads also rose, but not enough to recover the losses of September, while internet ads rose 0.8 percent on the back of a 1.7 percent fall in September. Total Wellington job ads rose 1.2 percent. Canterbury remains a positive outlier in terms of levels versus a year ago, but job ad developments were not so positive in October. Canterbury newspaper ads fell 9.6 percent, albeit off a 6.2 percent rise the month before, while the region's internet ads fell by 0.7 percent. Total ads fell 3.2 percent.

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. Job ads in the Waikato, Hawke's Bay and Otago all rose, but off hefty falls the month before (Hawke's Bay is the only one of the three to be higher than two months ago). Manawatu newspaper job ads fell 1.1 percent on top of a 0.7 percent fall in September (all data is seasonally adjusted).

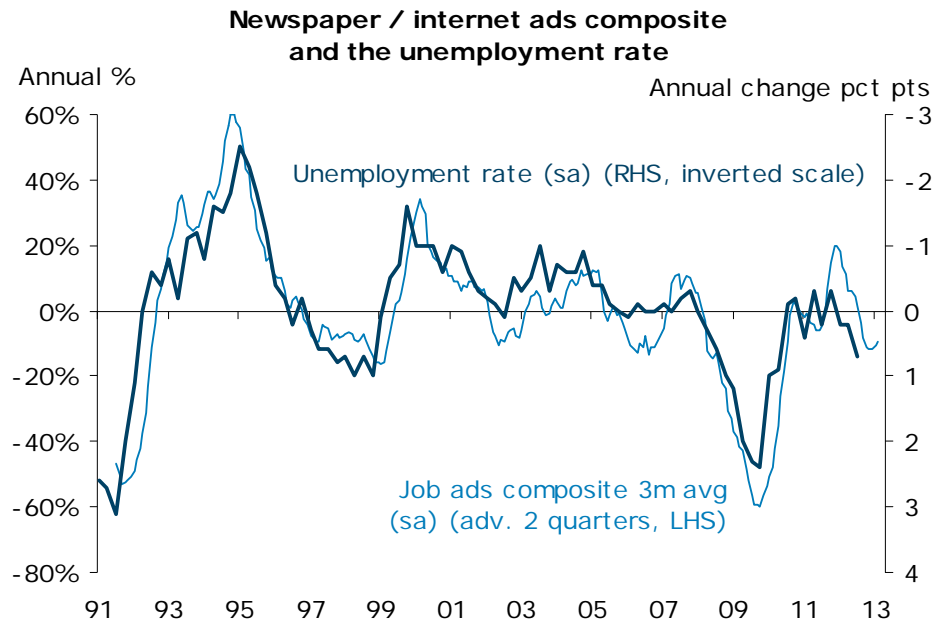
Total ANZ Job Ads - newspaper plus internet (sa)



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

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. 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. **Our composite measure tracks changes in the unemployment rate closely, with a six month lead.**

ANZ NZ JOB ADS



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

Our composite measure rose 1.6 percent in October (sa), but it was off the back of a weak September. The annual change in the 3-month average nonetheless improved slightly from -11 to -10 percent. Unchanged job ads from here would see it continue to gradually recover towards zero over coming months. **Interestingly, the composite job ads measure did imply the unemployment rate would head to near the surprising 7.3 percent Q3 result unveiled last week, but not until Q1 next year.** Overall, the job ads data is consistent with an unemployment rate hovering around 7.0 percent (+/- 0.5 percent) in the next 6 months.

	Newspaper Ads		Internet Ads		Total	
	Actual	S.A.	Actual	S.A.	Actual	S.A.
Oct-11	6,024	5,881	28,025	27,032	34,049	32,913
Nov-11	6,019	5,921	26,763	27,221	32,782	33,142
Dec-11	3,590	5,637	23,364	26,786	26,954	32,423
Jan-12	6,098	5,962	21,643	25,994	27,741	31,956
Feb-12	6,401	5,582	28,760	27,602	35,161	33,184
Mar-12	5,722	5,172	28,765	27,641	34,487	32,813
Apr-12	5,610	5,356	26,756	26,848	32,366	32,204
May-12	5,609	5,444	28,770	27,951	34,379	33,395
Jun-12	4,890	5,027	28,804	28,074	33,694	33,101
Jul-12	5,272	5,335	29,263	27,957	34,535	33,292
Aug-12	5,092	5,181	29,577	28,270	34,669	33,451
Sep-12	4,995	4,881	29,056	27,575	34,051	32,456
Oct-12	5,275	5,160	28,089	27,024	33,364	32,184

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

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