

NEW ZEALAND ECONOMICS ANZ COMMODITY PRICE INDEX

Data for June 2013, released
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DOWN BUT(TER) NOT OUT

The ANZ commodity price index decreased 3.7 percent in June, mirroring trends in international dairy prices. Nevertheless, the commodity price index is still the fourth highest on record. Nine commodities recorded price falls in June, prices for five commodities increased, whereas prices for three were unchanged.

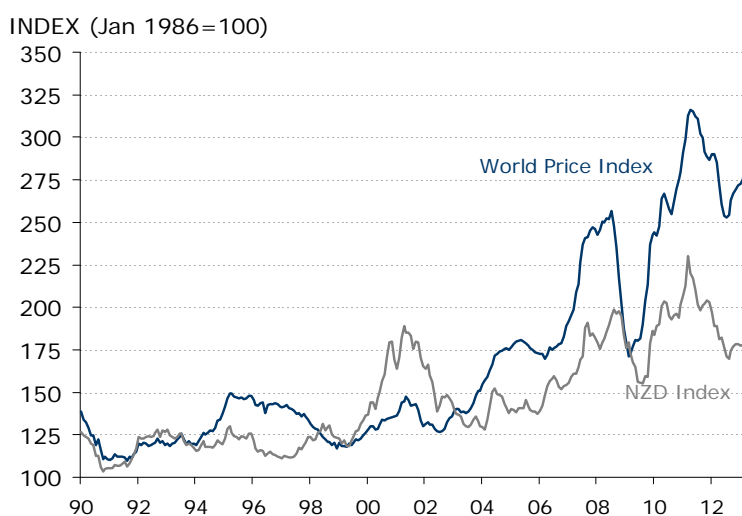
Prices for four of the five dairy components eased in June. Whole milk and skim milk powder prices led the falls, dropping 9 and 8 percent respectively. Butter prices slipped 4 percent and cheese prices eased 2 percent. Beef prices dropped 7 percent, while apple, aluminium and lamb prices all eased 1 percent. Pelt prices recorded a very minor dip.

Wool prices recorded the strongest increase in commodity prices, lifting 5 percent in the month. Kiwifruit prices rose 3 percent, with a 2 percent rise in the prices of casein and seafood. Logs recorded a modest ¼ percent increase. The prices of wood pulp, venison and sawn timber were all unchanged.

The value of the New Zealand dollar weakened in June, providing an offset to lower global commodity prices. The **ANZ NZD Commodity Price Index rose 0.9 percent in June**, improving to a two-year high.

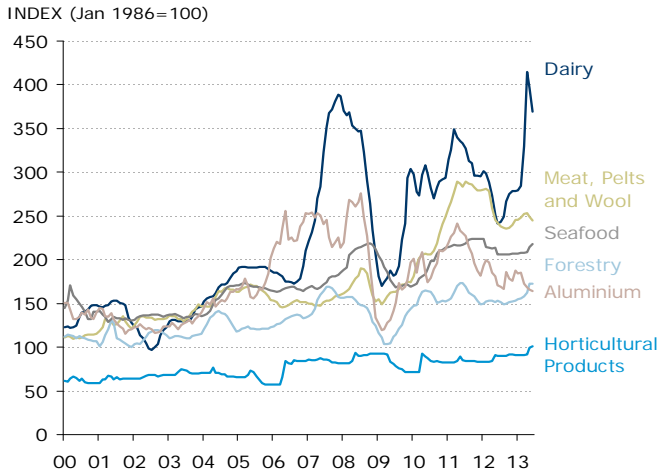
Commodity prices in NZ remain in a better position than that of our trans-Tasman neighbours. Yesterday the Reserve Bank of Australia reported a 4.1 percent drop in Australia's June commodity price index, similar in size to our 3.7 percent decline. Once converted to local terms the Australian dollar commodity price index is 27 percent below its October 2008 peak. By contrast, our NZ dollar commodity price index is just 6 percent below its March 2011 peak.

ANZ COMMODITY PRICE INDEX

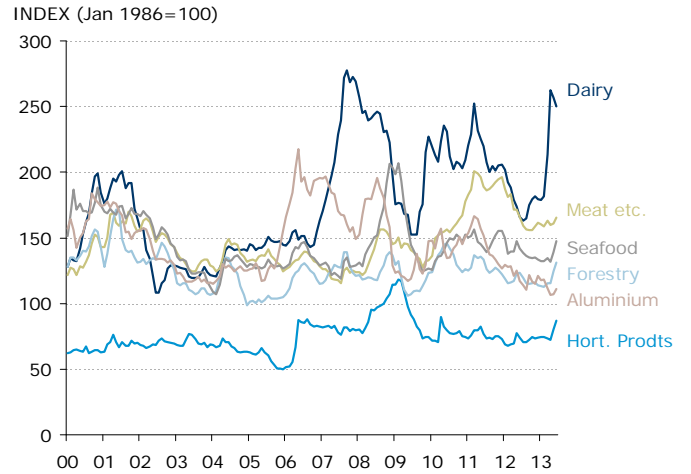


ANZ COMMODITY PRICE INDEX

SUB-GROUP INDICES (WORLD PRICES)



SUB-GROUP INDICES (NZD PRICES)



	World Price Index	Monthly % Change	Annual % Change	NZ\$ Index	Monthly % Change	Annual % Change
Jun-09	180.5	..	-28.4	155.9	..	-17.7
Jun-10	262.5	..	45.5	202.7	..	30.0
Jun-11	312.3	..	18.9	210.1	..	3.7
Jun-12	253.9	..	-18.7	176.2	..	-16.1

Jan-13	272.6	0.3	-6.1	177.2	-0.5	-10.2
Feb-13	275.7	1.1	-4.9	177.9	0.4	-5.9
Mar-13	296.1	7.4	3.9	193.0	8.5	2.2
Apr-13	333.5	12.6	22.5	212.7	10.2	17.4
May-13	328.2	-1.6	26.1	214.0	0.7	17.3
Jun-13	316.1	-3.7	24.5	215.9	0.9	22.5

Commodity Price Index weights are based on contributions to merchandise exports. Weights for the 2013 year are: Wool 3.4%; Beef 8.8%; Lamb 11.2%; Venison 0.8%; Skins 2.4%; Dairy 43.9%; Apples 1.5%; Kiwifruit 4.6%; Logs 6.7%; Sawn Timber 4.1%; Wood Pulp 2.3%; Seafood 5.9%; Aluminium 4.4%

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