

ANZ NZ JOB ADS FINALLY

Data for July 2013,
released on 15 August 2013

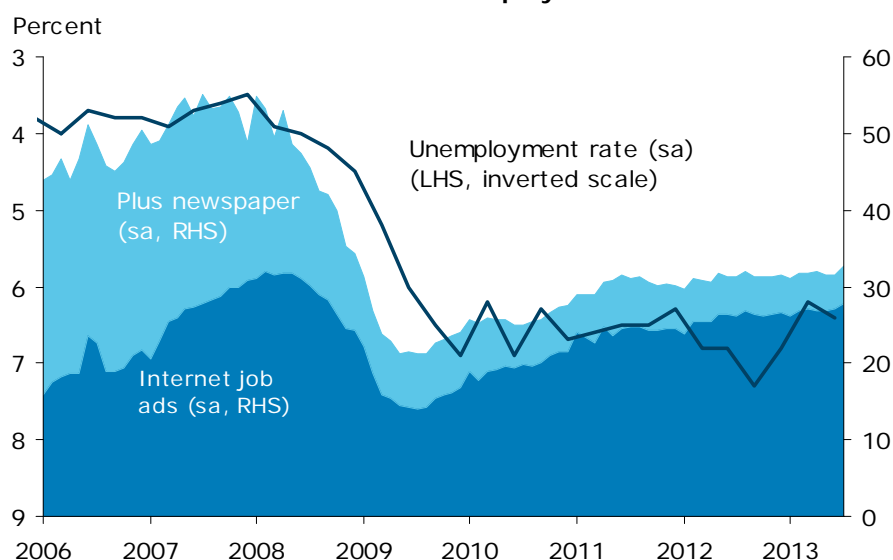
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SUMMARY

- Job advertising finally showed a decent lift in July with the sum of newspaper and internet ads rising 3.5 percent (seasonally adjusted). The index is 4.5 percent higher than a year ago.
- The growth reflected a 2.3 percent monthly increase in internet ads, further bolstered by an 11 percent lift in (much smaller) newspaper advertising. The level of internet ads is 5.9 percent higher than a year ago.
- The regional numbers are volatile. However, internet ads rose in all three main centres, and newspaper advertising increased in 4 of 7 regions. And in two of the three regions experiencing falls in newspaper advertising, it was off a strong lift the month before.
- As job ads had signaled, there was indeed a small recoil in the unemployment rate in Q2 from its sharp fall in the first three months of the year.
- The labour market has been a disappointment in an otherwise increasingly broad-based economic expansion. Today's result – if we can follow it up with successive monthly rises – offers the prospect of sustained job growth finally coming to the party.

Job ads and the unemployment rate



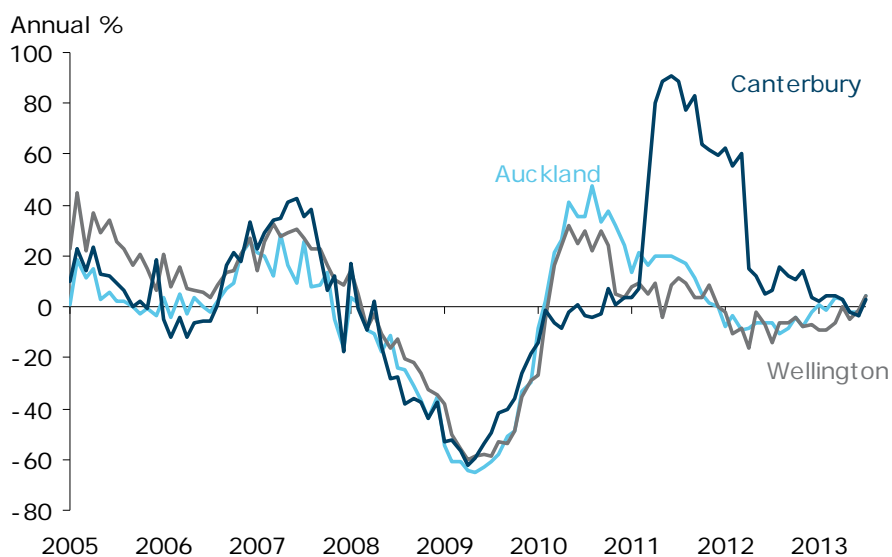
Sources: ANZ, Statistics NZ, Seek, Trade Me, Dominion Post, Hawke's Bay Today, Manawatu Standard, NZ Herald, ODT, The Press, Waikato Times

ANZ NZ JOB ADS

Total job advertisements lifted 3.5 percent (seasonally adjusted) in July, after a small rise of 0.3 percent (revised) in June. The lift is very welcome but it is off a fairly low base: internet job advertising remains 12.6 percent off its pre-recession peaks, and the economy has grown in the meantime. **Newspaper job ads continue to lose market share, but rebounded 11 percent in July after falling in May and June. Internet job advertising rose 2.3 percent in July, seasonally adjusted.** Internet job advertising is 5.9 percent higher than a year earlier, while newspaper job ads have fallen 2.4 percent over this period.

As noted last month, after showing huge divergences in recent years, the three main centres are now all remarkably similar in terms of annual growth in total job ads. They fall in a narrow range of 2.7 percent (Canterbury) to 4.6 percent (Wellington), and are all lifting. To put these growth rates in context, Wellington advertising is recovering from a minor slump, whereas Canterbury is not quite managing to hang onto a much higher level of advertising. Similar patterns are evident across both advertising mediums, though in internet advertising annual growth, Canterbury is still slightly in front.

Total ANZ Job Ads - newspaper plus internet



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

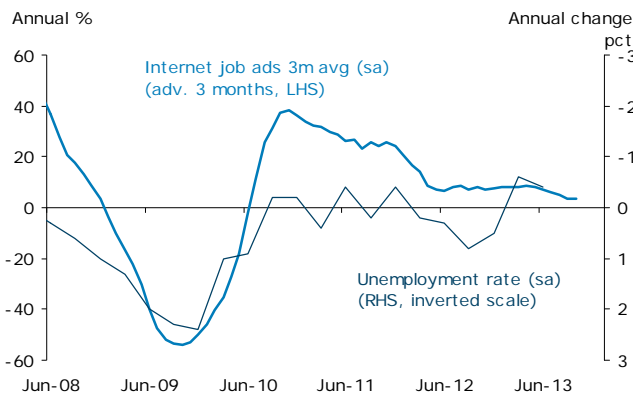
In the smaller centres, seasonally adjusted newspaper advertising rose in Waikato and Otago in July, but fell in Hawke's Bay and the Manawatu. However, the latter two were off solid gains in June.

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 a simple sum of ads suffers from a "structural break" over time. **In recent years, since the change in market share has been less rapid, internet advertising has provided a good directional indicator for the annual change in the unemployment rate, with a 3 month lead.** Tepid growth in internet job advertising has been matched by an unemployment rate that has stubbornly refused to fall in recent years. The chart shows that a much more marked lift in internet job advertising will need to be seen before a sustained fall in the unemployment rate can be contemplated.

ANZ NZ JOB ADS

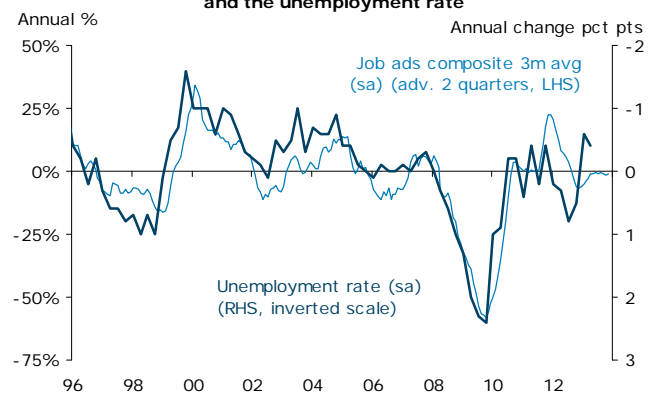
For a longer historical perspective, we calculate a “composite” weighted job ads series, which gives (more expensive) newspaper advertising a larger weight (3:1). **This composite measure rose 5.3 percent in July (sa), after falling in the previous two months.** The annual change in the 3-month average, charted on the right below, is holding steady at around zero. Given the unemployment rate averaged a touch over 7 percent in the middle quarters of 2012, this would on the face of it suggest that the unemployment rate will continue to rise from the current 6.4 percent back up towards 7 percent. However, the unemployment rate has been so volatile lately that we prefer to focus on the thematic of an ongoing but regrettably sluggish labour market recovery.

Internet job ads and the unemployment rate



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

Newspaper / internet ads composite and the unemployment rate



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

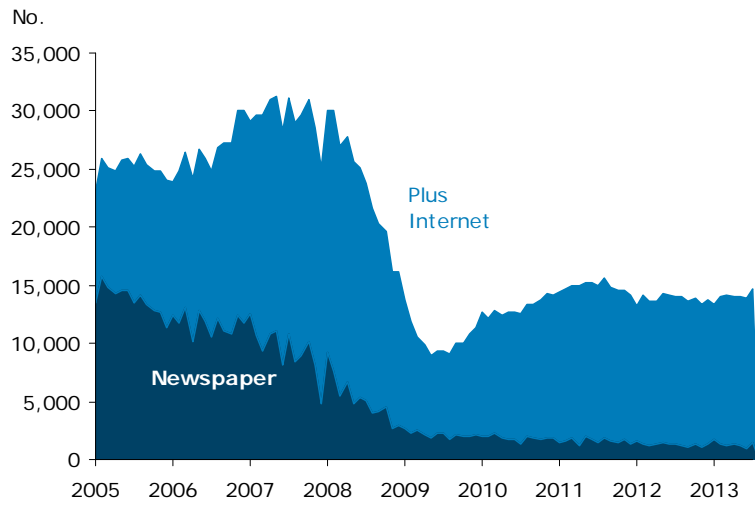
	Newspaper Ads				Internet Ads				Total			
	Actual	Seas adj	Monthly % change (sa)	Annual % change (non-sa)	Actual	Seas adj	Monthly % change (sa)	Annual % change (non-sa)	Actual	Seas adj	Monthly % change (sa)	Annual % change (non-sa)
Jul-12	5,272	5,175	1.8	-18.0	27,864	26,152	-0.6	6.1	33,136	31,327	-0.2	2.2
Aug-12	5,092	5,182	0.1	-19.1	28,211	26,750	2.3	8.1	33,303	31,932	1.9	1.7
Sep-12	4,995	4,891	-5.6	-23.9	27,875	26,437	-1.2	8.5	32,870	31,328	-1.9	0.9
Oct-12	5,275	5,178	5.9	-12.4	27,026	26,143	-1.1	7.6	32,301	31,321	0.0	0.2
Nov-12	4,975	4,935	-4.7	-17.3	25,566	26,364	0.8	7.6	30,541	31,299	-0.1	-0.7
Dec-12	3,220	5,035	2.0	-10.3	22,271	26,498	0.5	7.6	25,491	31,533	0.7	-0.5
Jan-13	5,208	5,041	0.1	-14.6	21,484	26,087	-1.6	9.9	26,692	31,128	-1.3	-0.7
Feb-13	5,621	4,928	-2.2	-12.2	27,836	26,807	2.8	5.7	33,457	31,735	2.0	0.5
Mar-13	4,971	4,621	-6.2	-13.1	28,562	27,094	1.1	6.7	33,533	31,715	-0.1	0.5
Apr-13	5,306	4,995	8.1	-5.4	26,795	26,922	-0.6	6.3	32,101	31,917	0.6	1.5
May-13	4,834	4,651	-6.9	-13.8	27,771	26,888	-0.1	2.3	32,605	31,539	-1.2	0.8
Jun-13	4,371	4,549	-2.2	-10.6	28,105	27,077	0.7	3.0	32,476	31,626	0.3	0.5
Jul-13	5,148	5,048	11.0	-2.4	29,581	27,696	2.3	6.2	34,729	32,744	3.5	0.6

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



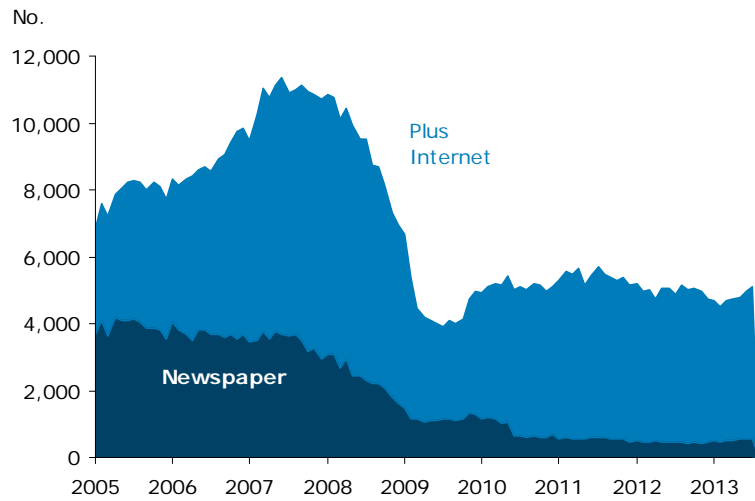
ANZ NZ JOB ADS

Auckland



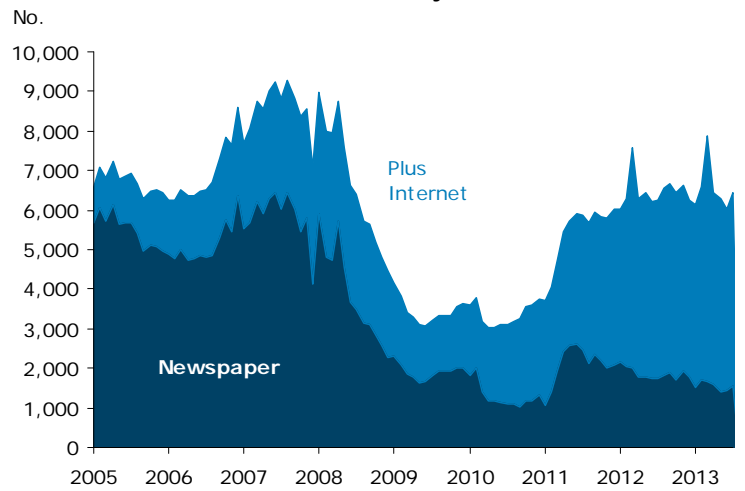
Sources: ANZ, Seek, Trade Me, NZ Herald

Wellington



Sources: ANZ, Seek, Trade Me, Dominion Post

Canterbury



Sources: ANZ, Seek, Trade Me, The Press

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