

NEW ZEALAND ECONOMICS ANZ COMMODITY PRICE INDEX

Data for August 2013,
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CONTACT:

Steve Edwards
Economist
Telephone: +64 9 357 4065
E-mail: Steve.Edwards@anz.com

TWO IN A ROW

The ANZ Commodity Price Index increased 0.7 percent in August. This follows a 0.6 percent rise in July and declines in the two preceding months. The annual increase in the index edged up to 26 percent in August, with the index just 5.3 percent shy of its April 2013 peak.

Eleven commodities prices increased in August, four commodity prices decreased and two were unchanged from the preceding month.

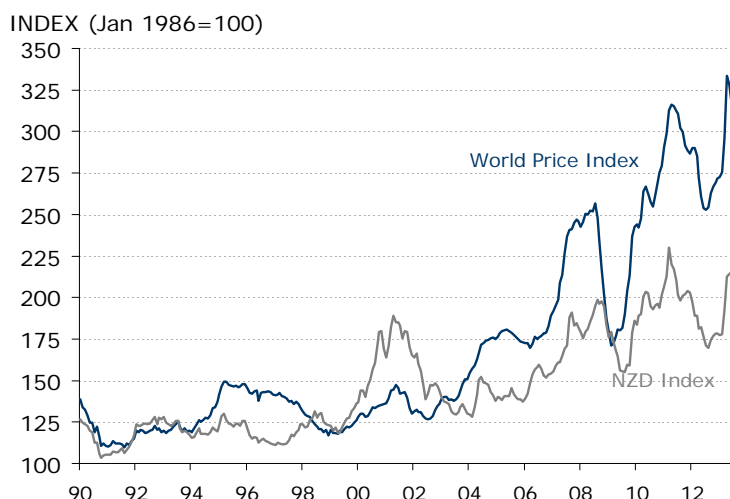
The largest price increases in August were for aluminium and skim milk powder, with both increasing 3 percent from the previous month. Whole milk powder prices lifted 2 percent, with international prices of beef, cheese, and casein all increasing one percent. The price of apples, sawn timber and kiwifruit increased $\frac{1}{2}$ a percent and the price of seafood and sheepmeat inched up a $\frac{1}{4}$ of a percent.

At the other end of the spectrum, **the price of butter and pelts fell 2 percent** in August, while wool and log prices dipped 1 percent. The price of wood pulp and venison were unchanged in the month.

A glance over the noteworthy increases reveals that **the international price of aluminium rebounded off a four-year low** in July, while **milk powder prices continue to grind higher despite well publicised food safety issues.** Beef prices usually pick up at this time of the year, in tandem with the US barbeque season, but have been a little late this year in starting their climb. More encouragingly, kiwifruit and apple prices have held up when export prices would typically experience a seasonal decline as the northern hemisphere export season tails off. Sawn timber prices have touched 70-month highs, as economic prospects in the United States improve.

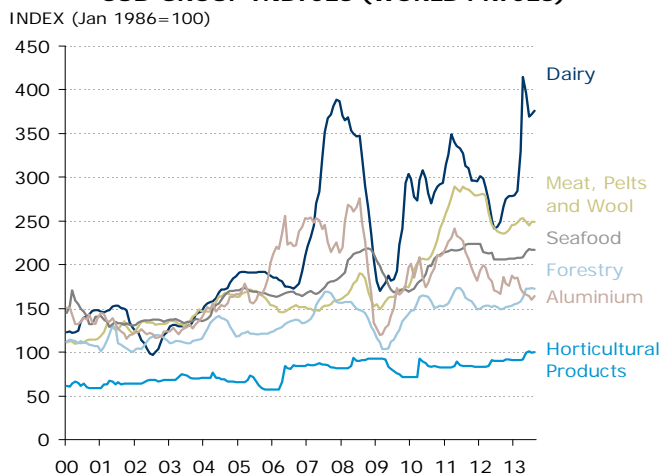
The NZD TWI weakened a fraction on a TWI basis, but rose against the Australian and US dollars. As such, the ANZ NZD Commodity Price Index also rose **0.7 percent in August.** NZD prices are 29 percent higher than a year ago and lie 6.2 percent below March 2011 peaks.

ANZ COMMODITY PRICE INDEX

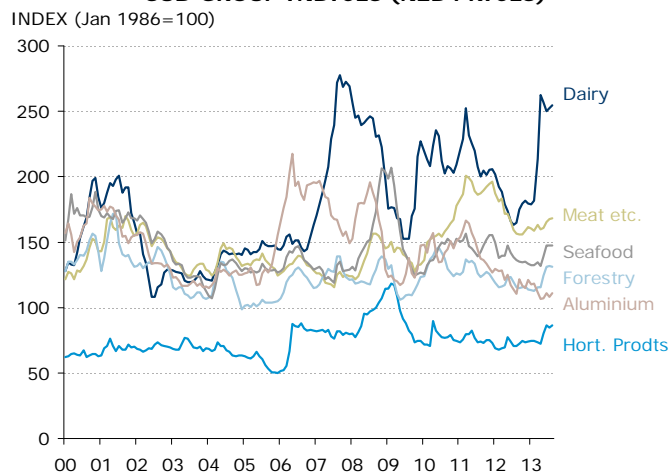


ANZ COMMODITY PRICE INDEX

SUB-GROUP INDICES (WORLD PRICES)



SUB-GROUP INDICES (NZD PRICES)



	World Price Index	Monthly % Change	Annual % Change	NZ\$ Index	Monthly % Change	Annual % Change
Aug-09	189.8	..	-23.5	154.9	..	-22.0
Aug-10	254.8	..	34.2	192.9	..	24.5
Aug-11	302.0	..	18.5	198.1	..	2.7
Aug-12	254.2	..	-15.8	169.7	..	-14.4

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	316.0	-3.7	24.4	215.8	0.8	22.5
Jul-13	318.0	0.6	25.7	217.2	0.6	26.9
Aug-13	320.2	0.7	26.0	218.6	0.7	28.8

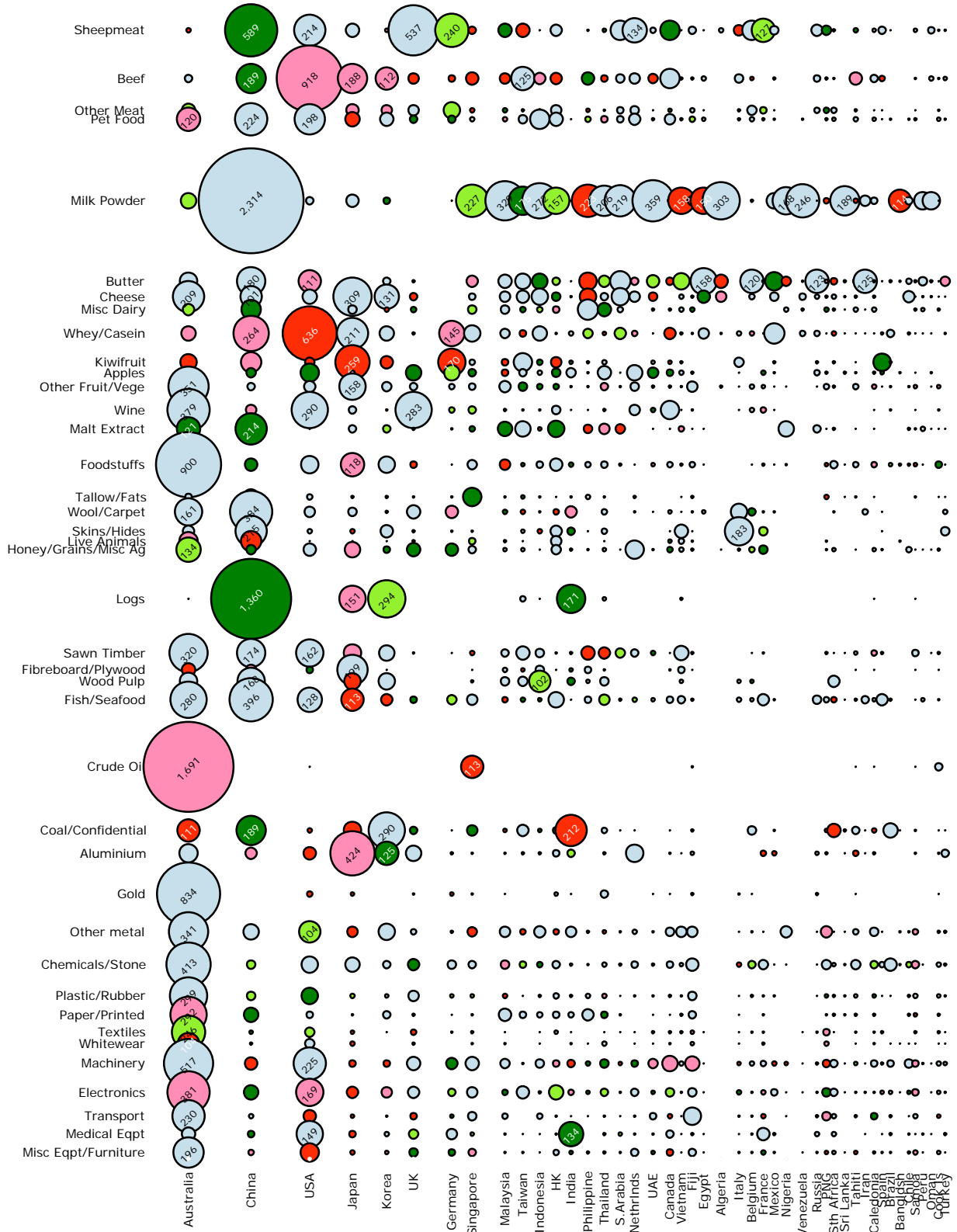
Commodity Price Index weights are based on contributions to merchandise exports. Weights for the 2013 year are: Wool 3.4%; Beef 8.8%; Lamb 11.2%; Venison 0.8%; Skins 2.4%; Dairy 43.9%; Apples 1.5%; Kiwifruit 4.6%; Logs 6.7%; Sawn Timber 4.1%; Wood Pulp 2.3%; Seafood 5.9%; Aluminium 4.4%

NEW ZEALAND'S MERCHANDISE TRADE FLOWS

Who gets What? NZ's exports, by commodity and largest markets

Bubble size reflects the value of exports in the 12 months to July 2013 (larger values are labelled in \$m)

The colour fill indicates the percentage change from a year earlier (3mth/3mth $t-12$)



Source:

ANZ, SNZ

KEY: ● -10% or less ● -5% to -10% ● -5% to +5% ● +5% to +10% ● Over +10%



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