



Media Release

Hi-de-hi

Business sentiment is soaring. A net 54 percent of respondents expect better times ahead. That's the highest reading since March 1999! All the five major sub-sectors are incredibly chipper.

The economic aeroplane is firing on all engines.

- Firms are extremely upbeat about their own prospects; a net 45 percent expect better times ahead.
- Profit expectations hit a 14-year high. That's significant. Making money is a precursor to investing and spending money.
- Employment and general investment intentions remain rock solid at +19 and +20 respectively.
- Residential and commercial construction intentions (+47 and +35) eased this month but remain high.
- Investment in livestock rose to the highest reading since August 1993!

That's a collective picture of a full-blown economic expansion. We're long past "recovery". In this early stage of the expansion pricing gauges still look contained; one year ahead inflation expectations are still anchored at 2.3 percent. However, the inflationary risks are starting to look one sided. We're seeing more of a drift upwards in pricing intentions (a net 30 percent now expect to be raising prices). Pricing intentions in the construction sector have risen to the highest reading since December 1992.

When we bundle the ANZ Business Outlook metrics together and combine them with the latest reading from the ANZ-Roy Morgan Consumer Confidence survey, our composite growth indicator is signalling potential economic growth of not far off 4 percent by early 2014. That's a stretch but we'll take the spirit.

What could go wrong? We still have a nervous eye on the global scene. Domestically, the (construction-centric) growth pipeline is massive: construction activity is projected to rise from 8 percent in 2012 to 11.5 percent of GDP by 2017. Something has to give to make that maths add up – it's simply too big a job for the country to be able to carry on with business as usual elsewhere. New Zealand may simply not have the capacity on the supply-side to keep up, which would see the inflation genie emerge from the bottle.

This is an issue that is going to get increasing attention over the coming year. The efficiency and dynamism of the construction sector; how effectively Auckland's housing woes are addressed from the supply side; whether we see the necessary restraint in the consumer arena (we can't have a construction and consumption boom at the same time) – these factors are all going to play a pivotal role in defining the length of the economic expansion. Microeconomic reform needs to continue to lift the anaerobic threshold of the economy. Get these dynamics pointing in the right direction – and the central bank won't be following that adage of removing the punchbowl as soon as the party starts to rock. They may have to dilute it but hopefully they'll still be leaving us with a bit of fizz.

The next issue of *Business Outlook* will be released on 31 October 2013, at 1pm.

Contact: Cameron Bagrie
Chief Economist
ANZ Bank New Zealand Limited
Phone: (04) 802 2212 or (027) 290 9844

ANZ BUSINESS OUTLOOK HI-DE-HI

September 2013

CONTACT

Cameron Bagrie
Chief Economist

Telephone: +64 4 802 2212
E-mail: cameron.bagrie@anz.com

SUMMARY

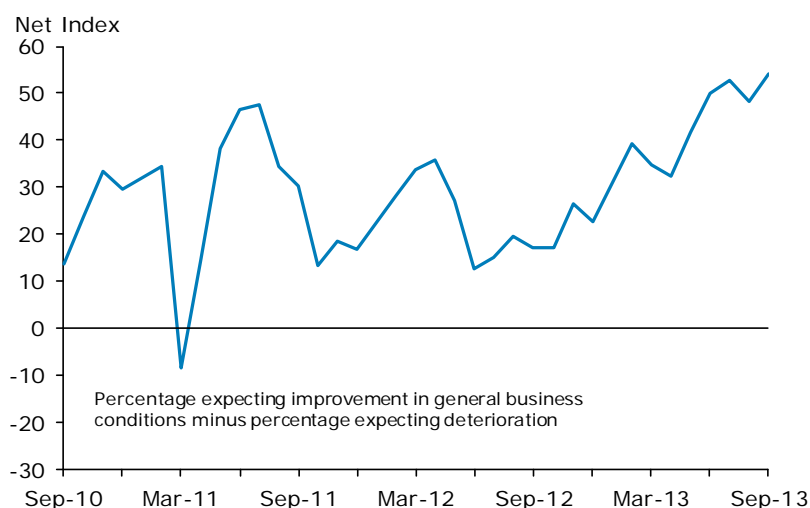
- Business confidence has risen to the highest level seen since March 1999.
- It's a strong picture across the board, both by sector and region.
- Our composite indicator, incorporating consumer confidence as well, is pointing to the potential for 3.8 percent growth by early 2014. We don't think the economy can sustainably handle that speed capacity-wise, but it's nonetheless a signal of strength.

Business sentiment is soaring. A net 54 percent of respondents expect better times ahead. That's the highest reading since March 1999! All the five major sub-sectors are incredibly chipper about their prospects.

The economic aeroplane is firing on all engines.

- Firms are extremely upbeat about their own prospects; a net 45 percent expect better times ahead.
- Profit expectations hit a 14-year high. That's significant. Making money is a precursor to investing and spending money.
- Employment and general investment intentions remain rock solid at +19 and +20 respectively.
- Residential and commercial construction intentions (+47 and +35) eased this month but remain high.
- Investment in livestock rose to the highest reading since August 1993!

Business Confidence Index



Source: ANZ

That's a collective picture of a full-blown economic expansion. We're long past "recovery". In this early stage of the expansion pricing gauges still look contained; one year ahead inflation expectations are still anchored at 2.3 percent. However, **the inflationary risks are starting to look one sided.** We're seeing more of a drift upwards in pricing intentions (a net 30 percent now expect to be raising prices). Pricing intentions in the construction sector have risen to the highest reading since December 1992.

Improving business sentiment has been shared across all regions, when compared to the same period a year ago. The urban areas are leading the charge. **In Auckland, our quarterly composite measure of business sentiment has lifted to its highest level in 18 years.** But **Canterbury is higher still**, with Wellington in third place. This regional depth gives us faith that New Zealand's expansion is not a one-trick pony.

When we bundle the *ANZ Business Outlook* metrics together and combine them with the latest reading from the *ANZ-Roy Morgan Consumer Confidence* survey, **our composite growth indicator is signalling potential economic growth of not far off 4 percent by early 2014.** We look at consumer and business confidence collectively because they represent both sides of the production-spending equation. Both need to be in alignment for the goods of one to end up being purchased by the other. We have that now, whereas we didn't see much of that between 2009 and 2012.

Economics is known as the dismal science, so let's ask the question what could go wrong? We still have a nervous eye on the global scene for one. Domestically, the (construction-centric) growth pipeline is massive: construction sector activity is projected to rise from 8 percent in 2012 to 11.5 percent of GDP by 2017. Something has to give to make that maths add up – it's simply too big a job for the country to be able to carry on with business as usual elsewhere. **New Zealand may simply not have the capacity on the supply-side to keep up, which would see the inflation genie emerge from the bottle.**

This is an issue that is going to get increasing attention over the coming year. The efficiency and dynamism of the construction sector; how effectively Auckland's housing woes are addressed from the supply side; whether we see the necessary restraint in the consumer arena (we can't have a construction and consumption boom at the same time) – these factors are all going to play a pivotal role in defining the length of the economic expansion. Microeconomic reform needs to continue to lift the anaerobic threshold of the economy. Get these dynamics right – or at least pointing in the right direction – and the central bank won't be following that adage of removing the punchbowl as soon as the party starts to rock. They may have to dilute it but hopefully they'll still be leaving us with a bit of fizz.

SURVEY RESULTS SEPTEMBER 2013

Net Balance	Total	Previous	Retail	Mfg	Agric	Constrn	Services
Business Confidence	54.1	48.1	50.9	44.0	35.9	68.2	63.0
Activity Outlook	45.3	43.3	36.4	48.5	25.0	41.0	53.8
Exports	23.2	24.1	33.3	6.7	34.5	0.0	33.3
Investment	20.4	17.3	17.0	16.9	23.6	31.9	23.6
Livestock	36.4	5.4	...	...	36.4	...	...
Capacity Utilisation	28.3	27.5	20.9	32.7	26.7	30.8	30.5
Residential Construction	47.4	55.6	...	...	...	47.4	...
Commercial Construction	35.0	52.0	...	...	...	35.0	...
Employment	18.8	18.1	12.7	16.7	2.5	31.9	24.5
Unemployment Rate	-17.5	-21.8	-18.2	-6.2	-2.6	-18.2	-31.4
Profits	33.5	25.0	21.9	34.9	30.0	50.0	36.1
Interest Rates	53.6	54.9	49.1	46.8	51.2	63.6	56.2
Pricing Intentions	29.9	28.6	38.8	34.3	20.5	54.5	23.7
Ease of Credit	-4.6	-3.1	-13.6	-1.8	3.0	0.0	1.6
Inflation Expectations	2.31	2.33	2.31	2.32	2.20	2.45	2.29

ANZ BUSINESS OUTLOOK

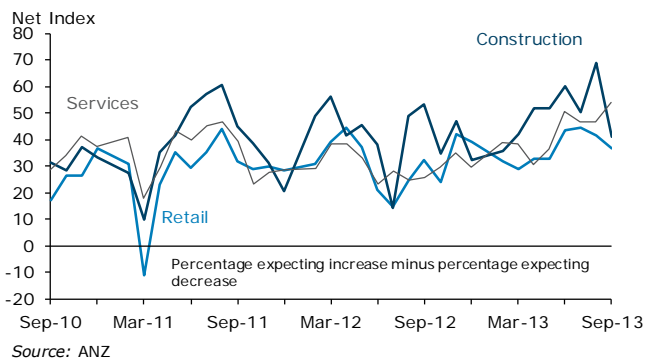
Activity Outlook Index



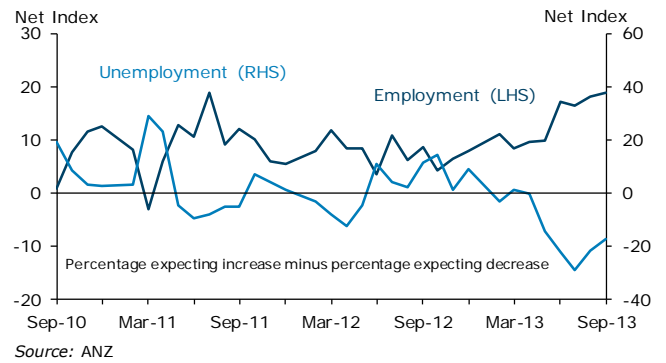
Construction Intentions



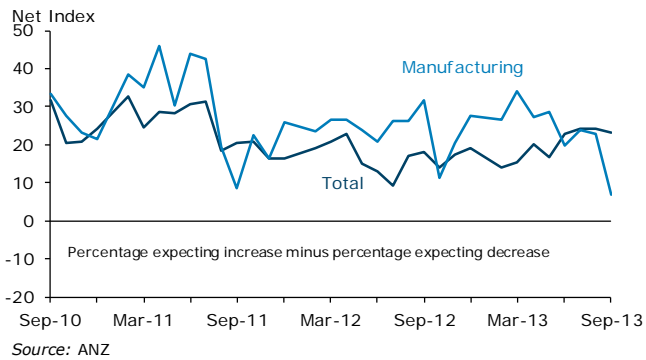
Activity Outlook Index



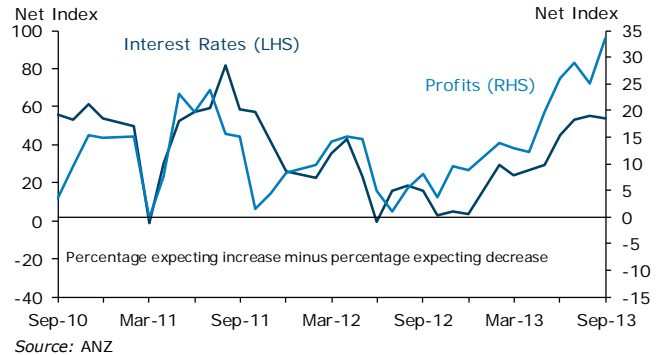
Labour Market Outlook



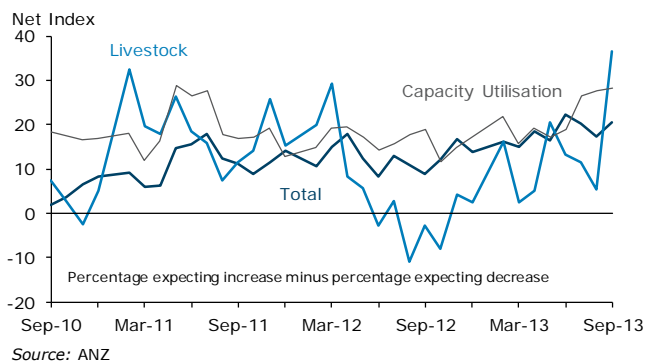
Export Sales Volume



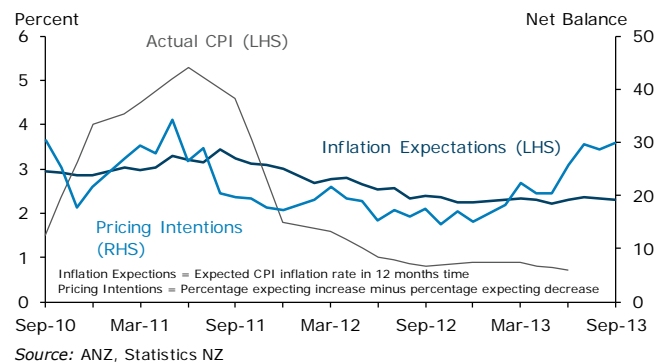
Financial Outlook



Investment Intentions



Inflation Expectations



Survey Summary

SEPTEMBER 2013	Total All Sectors	Retail	Manufacturing	Agriculture	Construction	Services
No. of Respondents	362	55	66	40	22	156
General Business Conditions						
Improve	56.3	50.9	47.0	43.6	68.2	64.3
Remain the Same	41.5	49.1	50.0	48.7	31.8	34.4
Deteriorate	2.2	0.0	3.0	7.7	0.0	1.3
Net Index	54.1	50.9	44.0	35.9	68.2	63.0
Expected Inflation (%)	2.31	2.31	2.32	2.20	2.45	2.29
Unemployment Rate						
Increase	12.8	9.1	13.8	12.8	9.1	10.3
Remain the Same	56.9	63.6	66.2	71.8	63.6	48.1
Decrease	30.3	27.3	20.0	15.4	27.3	41.7
Net Index	-17.5	-18.2	-6.2	-2.6	-18.2	-31.4
Interest Rates						
Increase	56.7	58.2	48.4	53.8	63.6	58.1
Remain the Same	40.2	32.7	50.0	43.6	36.4	40.0
Decrease	3.1	9.1	1.6	2.6	0.0	1.9
Net Index	53.6	49.1	46.8	51.2	63.6	56.2
Real Business Activity						
Increase	51.4	47.3	53.0	32.5	45.5	58.3
Remain the Same	42.5	41.8	42.4	60.0	50.0	37.2
Decrease	6.1	10.9	4.5	7.5	4.5	4.5
Net Index	45.3	36.4	48.5	25.0	41.0	53.8
Real Profits						
Increase	44.9	36.4	45.5	42.5	54.5	47.1
Remain the Same	43.8	49.1	43.9	45.0	40.9	41.9
Decrease	11.4	14.5	10.6	12.5	4.5	11.0
Net Index	33.5	21.9	34.9	30.0	50.0	36.1
Employment						
Increase	26.0	21.8	25.8	12.5	36.4	29.7
Remain the Same	66.8	69.1	65.2	77.5	59.1	65.2
Decrease	7.2	9.1	9.1	10.0	4.5	5.2
Net Index	18.8	12.7	16.7	2.5	31.9	24.5

Net Indices are calculated as the percentage expecting an improvement minus the percentage expecting a deterioration.

The ANZ Business Outlook survey.

SEPTEMBER 2013	Total All Sectors	Retail	Manufacturing	Agriculture	Construction	Services
Price of Good/Service						
Increase	32.1	40.7	35.9	25.6	54.5	26.3
Remain the Same	65.6	57.4	62.5	69.2	45.5	71.2
Decrease	2.2	1.9	1.6	5.1	0.0	2.6
-----	-----	-----	-----	-----	-----	-----
Net Index	29.9	38.8	34.3	20.5	54.5	23.7
=====	=====	=====	=====	=====	=====	=====
Investment						
Increase	26.6	20.8	23.1	28.9	36.4	28.8
Remain the Same	67.2	75.5	70.8	65.8	59.1	66.0
Decrease	6.2	3.8	6.2	5.3	4.5	5.2
-----	-----	-----	-----	-----	-----	-----
Net Index	20.4	17.0	16.9	23.6	31.9	23.6
=====	=====	=====	=====	=====	=====	=====
Real Exports						
Increase	34.5	50.0	28.9	41.4	0.0	36.1
Remain the Same	54.2	33.3	48.9	51.7	100.0	61.1
Decrease	11.3	16.7	22.2	6.9	0.0	2.8
-----	-----	-----	-----	-----	-----	-----
Net Index	23.2	33.3	6.7	34.5	0.0	33.3
=====	=====	=====	=====	=====	=====	=====
Capacity Utilisation						
Increase	31.4	29.2	34.6	26.7	30.8	32.2
Remain the Same	65.5	62.5	63.5	73.3	69.2	66.1
Decrease	3.1	8.3	1.9	0.0	0.0	1.7
-----	-----	-----	-----	-----	-----	-----
Net Index	28.3	20.9	32.7	26.7	30.8	30.5
=====	=====	=====	=====	=====	=====	=====
Livestock Investment						
Increase	36.4	0.0	0.0	36.4	0.0	0.0
Remain the Same	63.6	0.0	0.0	63.6	0.0	0.0
Decrease	0.0	0.0	0.0	0.0	0.0	0.0
-----	-----	-----	-----	-----	-----	-----
Net Index	36.4	#N/A	#N/A	36.4	#N/A	#N/A
=====	=====	=====	=====	=====	=====	=====
Residential Building						
Increase	47.4	0.0	0.0	0.0	47.4	0.0
Remain the Same	52.6	0.0	0.0	0.0	52.6	0.0
Decrease	0.0	0.0	0.0	0.0	0.0	0.0
-----	-----	-----	-----	-----	-----	-----
Net Index	47.4	#N/A	#N/A	#N/A	47.4	#N/A
=====	=====	=====	=====	=====	=====	=====
Non-Residential Construction						
Increase	35.0	0.0	0.0	0.0	35.0	0.0
Remain the Same	65.0	0.0	0.0	0.0	65.0	0.0
Decrease	0.0	0.0	0.0	0.0	0.0	0.0
-----	-----	-----	-----	-----	-----	-----
Net Index	35.0	#N/A	#N/A	#N/A	35.0	#N/A
=====	=====	=====	=====	=====	=====	=====
Ease of Getting Credit						
Easier	14.6	9.1	10.3	11.8	5.0	21.4
Remain the Same	66.2	68.2	77.6	79.4	90.0	58.7
Harder	19.2	22.7	12.1	8.8	5.0	19.8
-----	-----	-----	-----	-----	-----	-----
Net Index	-4.6	-13.6	-1.8	3.0	0.0	1.6
=====	=====	=====	=====	=====	=====	=====

Net Indices are calculated as the percentage expecting an improvement minus the percentage expecting a deterioration.

The ANZ Business Outlook survey.

IMPORTANT NOTICE

The distribution of this document or streaming of this video broadcast (as applicable, "publication") may be restricted by law in certain jurisdictions. Persons who receive this publication must inform themselves about and observe all relevant restrictions.

1. COUNTRY/REGION SPECIFIC INFORMATION:

AUSTRALIA. This publication is distributed in Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) ("ANZ"). ANZ holds an Australian Financial Services licence no. 234527. A copy of ANZ's Financial Services Guide is available at <http://www.anz.com/documents/AU/aboutANZ/FinancialServicesGuide.pdf> and is available upon request from your ANZ point of contact. If trading strategies or recommendations are included in this publication, they are solely for the information of 'wholesale clients' (as defined in section 761G of the Corporations Act 2001 Cth). Persons who receive this publication must inform themselves about and observe all relevant restrictions.

BRAZIL. This publication is distributed in Brazil by ANZ on a cross border basis and only following request by the recipient. No securities are being offered or sold in Brazil under this publication, and no securities have been and will not be registered with the Securities Commission – CVM.

BRUNEI. JAPAN. KUWAIT. MALAYSIA. SWITZERLAND. TAIPEI. This publication is distributed in each of Brunei, Japan, Kuwait, Malaysia, Switzerland and Taipei by ANZ on a cross-border basis.

EUROPEAN ECONOMIC AREA ("EEA"): UNITED KINGDOM. ANZ is authorised and regulated in the United Kingdom by the Financial Services Authority ("FSA"). This publication is distributed in the United Kingdom by ANZ solely for the information of persons who would come within the FSA definition of "eligible counterparty" or "professional client". It is not intended for and must not be distributed to any person who would come within the FSA definition of "retail client". Nothing here excludes or restricts any duty or liability to a customer which ANZ may have under the UK Financial Services and Markets Act 2000 or under the regulatory system as defined in the Rules of the FSA. **GERMANY.** This publication is distributed in Germany by the Frankfurt Branch of ANZ solely for the information of its clients. **OTHER EEA COUNTRIES.** This publication is distributed in the EEA by ANZ Bank (Europe) Limited ("ANZBEL") which is authorised and regulated by the FSA in the United Kingdom, to persons who would come within the FSA definition of "eligible counterparty" or "professional client" in other countries in the EEA. This publication is distributed in those countries solely for the information of such persons upon their request. It is not intended for, and must not be distributed to, any person in those countries who would come within the FSA definition of "retail client".

FIJI. For Fiji regulatory purposes, this publication and any views and recommendations are not to be deemed as investment advice. Fiji investors must seek licensed professional advice should they wish to make any investment in relation to this publication.

HONG KONG. This publication is distributed in Hong Kong by the Hong Kong branch of ANZ, which is registered by the Hong Kong Securities and Futures Commission to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities. The contents of this publication have not been reviewed by any regulatory authority in Hong Kong. If in doubt about the contents of this publication, you should obtain independent professional advice.

INDIA. This publication is distributed in India by ANZ on a cross-border basis. If this publication is received in India, only you (the specified recipient) may print it provided that before doing so, you specify on it your name and place of printing. Further copying or duplication of this publication is strictly prohibited.

LAO PDR. This publication is distributed in Lao PDR for information purposes only. This publication and any views and recommendations are not to be deemed as financial advice or investment advice. Lao investors who wish to make any investment in relation to this publication must seek licensed professional advice.

NEW ZEALAND. This publication is intended to be of a general nature, does not take into account your financial situation or goals, and is not a personalised adviser service under the Financial Advisers Act 2008.

OMAN. This publication has been prepared by ANZ. ANZ neither has a registered business presence nor a representative office in Oman and does not undertake banking business or provide financial services in Oman. Consequently ANZ is not regulated by either the Central Bank of Oman or Oman's Capital Market Authority. The information contained in this publication is for discussion purposes only and neither constitutes an offer of securities in Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Law of Oman (Royal Decree 80/98), nor does it constitute an offer to sell, or the solicitation of any offer to buy non-Omani securities in Oman as contemplated by Article 139 of the Executive Regulations to the Capital Market Law (issued vide CMA Decision 1/2009). ANZ does not solicit business in Oman and the only circumstances in which ANZ sends information or material describing financial products or financial services to recipients in Oman, is where such information or material has been requested from ANZ and by receiving this publication, the person or entity to whom it has been dispatched by ANZ understands, acknowledges and agrees that this publication has not been approved by the CBO, the CMA or any other regulatory body or authority in Oman. ANZ does not market, offer, sell or distribute any financial or investment products or services in Oman and no subscription to any securities, products or financial services may or will be consummated within Oman. Nothing contained in this publication is intended to constitute Omani investment, legal, tax, accounting or other professional advice.

PEOPLE'S REPUBLIC OF CHINA. If and when the material accompanying this publication does not only relate to the products and/or services of Australia and New Zealand Bank (China) Company Limited ("ANZ China"), it is noted that: This publication is distributed by ANZ or an affiliate. No action has been taken by ANZ or any affiliate which would permit a public offering of any products or services of such an entity or distribution or re-distribution of this publication in the People's Republic of China ("PRC"). Accordingly, the products and services of such entities are not being offered or sold within the PRC by means of this publication or any other method. This publication may not be distributed, re-distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations. If and when the material accompanying this publication relates to the products and/or services of ANZ China only, it is noted that: This publication is distributed by ANZ China in the Mainland of the PRC.

QATAR. This publication has not been, and will not be: lodged or registered with, or reviewed or approved by, the Qatar Central Bank ("QCB"), the Qatar Financial Centre ("QFC") Authority, QFC Regulatory Authority or any other authority in the State of Qatar ("Qatar"); or authorised or licensed for distribution in Qatar, and the information contained in this publication does not, and is not intended to, constitute a public offer or other invitation in respect of securities in Qatar or the QFC. The financial products or services described in this publication have not been, and will not be: registered with the QCB, QFC Authority, QFC Regulatory Authority or any other governmental authority in Qatar; or authorised or licensed for offering, marketing, issue or sale, directly or indirectly, in Qatar. Accordingly, the financial products or services described in this publication are not being, and will not be, offered, issued or sold in Qatar, and this publication is not being, and will not be, distributed in Qatar. The offering, marketing, issue and sale of the financial products or services described in this publication and distribution of this publication is being made in, and is subject to the laws, regulations and rules of, jurisdictions outside of Qatar and the QFC. Recipients of this publication must abide by this restriction and not distribute this publication in breach of this restriction. This publication is being sent/issued to a limited number of institutional and/or sophisticated investors (i) upon their request and confirmation that they understand the statements above; and (ii) on the condition that it will not be provided to any person other than the original recipient, and is not for general circulation and may not be reproduced or used for any other purpose.

SINGAPORE. This publication is distributed in Singapore by the Singapore branch of ANZ solely for the information of "accredited investors", "expert investors" or (as the case may be) "institutional investors" (each term as defined in the Securities and Futures Act Cap. 289 of Singapore). ANZ is licensed in Singapore under the Banking Act Cap. 19 of Singapore and is exempted from holding a financial adviser's licence



IMPORTANT NOTICE

under Section 23(1)(a) of the Financial Advisers Act Cap. 100 of Singapore. In respect of any matters arising from, or in connection with the distribution of this publication in Singapore, contact your ANZ point of contact.

UNITED ARAB EMIRATES. This publication is distributed in the United Arab Emirates ("UAE") or the Dubai International Financial Centre (as applicable) by ANZ. This publication: does not, and is not intended to constitute an offer of securities anywhere in the UAE; does not constitute, and is not intended to constitute the carrying on or engagement in banking, financial and/or investment consultation business in the UAE under the rules and regulations made by the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or the United Arab Emirates Ministry of Economy; does not, and is not intended to constitute an offer of securities within the meaning of the Dubai International Financial Centre Markets Law No. 12 of 2004; and, does not constitute, and is not intended to constitute, a financial promotion, as defined under the Dubai International Financial Centre Regulatory Law No. 1 of 200. ANZ DIFC Branch is regulated by the Dubai Financial Services Authority ("DFSA"). The financial products or services described in this publication are only available to persons who qualify as "Professional Clients" or "Market Counterparty" in accordance with the provisions of the DFSA rules. In addition, ANZ has a representative office ("ANZ Representative Office") in Abu Dhabi regulated by the Central Bank of the United Arab Emirates. ANZ Representative Office is not permitted by the Central Bank of the United Arab Emirates to provide any banking services to clients in the UAE.

UNITED STATES. If and when this publication is received by any person in the United States or a "U.S. person" (as defined in Regulation S under the US Securities Act of 1933, as amended) ("US Person") or any person acting for the account or benefit of a US Person, it is noted that ANZ Securities, Inc. ("ANZ S") is a member of FINRA (www.finra.org) and registered with the SEC. ANZ S' address is 277 Park Avenue, 31st Floor, New York, NY 10172, USA (Tel: +1 212 801 9160 Fax: +1 212 801 9163). Except where this is a FX-related or commodity-related publication, this publication is distributed in the United States by ANZ S (a wholly owned subsidiary of ANZ), which accepts responsibility for its content. Information on any securities referred to in this publication may be obtained from ANZ S upon request. Any US Person receiving this publication and wishing to effect transactions in any securities referred to in this publication must contact ANZ S, not its affiliates. Where this is an FX-related or commodity-related publication, it is distributed in the United States by ANZ's New York Branch, which is also located at 277 Park Avenue, 31st Floor, New York, NY 10172, USA (Tel: +1 212 801 9160 Fax: +1 212 801 9163). Commodity-related products are not insured by any U.S. governmental agency, and are not guaranteed by ANZ or any of its affiliates. Transacting in these products may involve substantial risks and could result in a significant loss. You should carefully consider whether transacting in commodity-related products is suitable for you in light of your financial condition and investment objectives. ANZ S is authorised as a broker-dealer only for US Persons who are institutions, not for US Persons who are individuals. If you have registered to use this website or have otherwise received this publication and are a US Person who is an individual: to avoid loss, you should cease to use this website by unsubscribing or should notify the sender and you should not act on the contents of this publication in any way.

2. DISCLAIMER FOR ALL JURISDICTIONS, WHERE CONTENT IS AUTHORED BY ANZ RESEARCH

Except if otherwise specified in section 1 above, this publication is issued and distributed in your country/region by ANZ, on the basis that it is only for the information of the specified recipient or permitted user of the relevant website (collectively, "recipient"). This publication may not be reproduced, distributed or published by any recipient for any purpose. It is general information and has been prepared without taking into account the objectives, financial situation or needs of any person. Nothing in this publication is intended to be an offer to sell, or a solicitation of an offer to buy, any product, instrument or investment, to effect any transaction or to conclude any legal act of any kind. If, despite the foregoing, any services or products referred to in this publication are deemed to be offered in the jurisdiction in which this publication is received or accessed, no such service or product is intended for nor available to persons resident in that jurisdiction if it would be contradictory to local law or regulation. Such local laws, regulations and other limitations always apply with non-exclusive jurisdiction of local courts. Before making an investment decision, recipients should seek independent financial, legal, tax and other relevant advice having regard to their particular circumstances.

The views and recommendations expressed in this publication are the author's. They are based on information known by the author and on sources which the author believes to be reliable, but may involve material elements of subjective judgement and analysis. Unless specifically stated otherwise: they are current on the date of this publication and are subject to change without notice; and, all price information is indicative only. Any of the views and recommendations which comprise estimates, forecasts or other projections, are subject to significant uncertainties and contingencies that cannot reasonably be anticipated. On this basis, such views and recommendations may not always be achieved or prove to be correct. Indications of past performance in this publication will not necessarily be repeated in the future. No representation is being made that any investment will or is likely to achieve profits or losses similar to those achieved in the past, or that significant losses will be avoided. Additionally, this publication may contain 'forward looking statements'. Actual events or results or actual performance may differ materially from those reflected or contemplated in such forward looking statements. All investments entail a risk and may result in both profits and losses. Foreign currency rates of exchange may adversely affect the value, price or income of any products or services described in this publication. The products and services described in this publication are not suitable for all investors, and transacting in these products or services may be considered risky. ANZ and its related bodies corporate and affiliates, and the officers, employees, contractors and agents of each of them (including the author) ("Affiliates"), do not make any representation as to the accuracy, completeness or currency of the views or recommendations expressed in this publication. Neither ANZ nor its Affiliates accept any responsibility to inform you of any matter that subsequently comes to their notice, which may affect the accuracy, completeness or currency of the information in this publication. Except as required by law, and only to the extent so required: neither ANZ nor its Affiliates warrant or guarantee the performance of any of the products or services described in this publication or any return on any associated investment; and, ANZ and its Affiliates expressly disclaim any responsibility and shall not be liable for any loss, damage, claim, liability, proceedings, cost or expense ("Liability") arising directly or indirectly and whether in tort (including negligence), contract, equity or otherwise out of or in connection with this publication.

If this publication has been distributed by electronic transmission, such as e-mail, then such transmission cannot be guaranteed to be secure or error-free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses. ANZ and its Affiliates do not accept any Liability as a result of electronic transmission of this publication.

ANZ and its Affiliates may have an interest in the subject matter of this publication as follows:

- They may receive fees from customers for dealing in the products or services described in this publication, and their staff and introducers of business may share in such fees or receive a bonus that may be influenced by total sales.
- They or their customers may have or have had interests or long or short positions in the products or services described in this publication, and may at any time make purchases and/or sales in them as principal or agent.
- They may act or have acted as market-maker in products described in this publication.

ANZ and its Affiliates may rely on information barriers and other arrangements to control the flow of information contained in one or more business areas within ANZ or within its Affiliates into other business areas of ANZ or of its Affiliates.

Please contact your ANZ point of contact with any questions about this publication including for further information on these disclosures of interest.

This document has been prepared by ANZ Bank New Zealand Limited, Level 7, 1 Victoria Street, Wellington 6011, New Zealand, Ph 64-4-802 2212, Fax 64-4-496 8639, e-mail nzeconomics@anz.com, <http://www.anz.co.nz>

