

NEW ZEALAND ECONOMICS ANZ COMMODITY PRICE INDEX

Data for October 2013,
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2013

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IT'S IN THE DAG

The ANZ Commodity Price Index posted a fourth successive monthly increase, lifting 1.3 percent in October. The index is now at its third highest ever level, only 1.8 percent below the April 2013 record high.

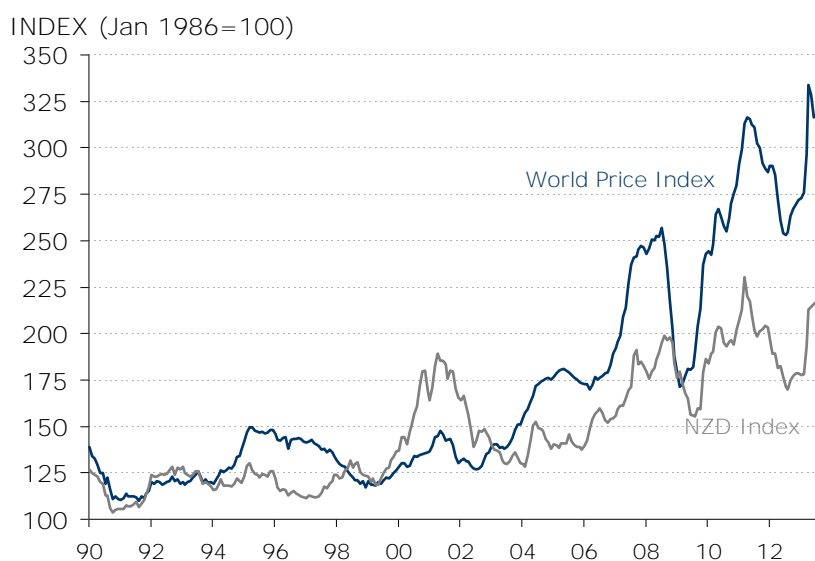
In the October month, prices for eleven commodities rose, five commodities fell, with the price of one commodity unchanged.

The price of wool rose 10 percent in October, climbing to a 22-month high. The prices of beef, aluminium, butter, pelts and wood pulp all increased 3 percent in October. Whole milk powder prices lifted 2 percent, followed by a one percent increase in the prices of sheepmeat and logs. Seafood and casein prices both lifted a $\frac{1}{4}$ of a percent in October.

The prices of skim milk powder and kiwifruit led price declines, both easing 2 percent from the previous month. The price of apples closed the export season 1 percent lower, with cheese and sawn timber prices drifting down by a $\frac{1}{2}$ and a $\frac{1}{4}$ of a percent, respectively. The price of venison was the only commodity to remain unchanged in October.

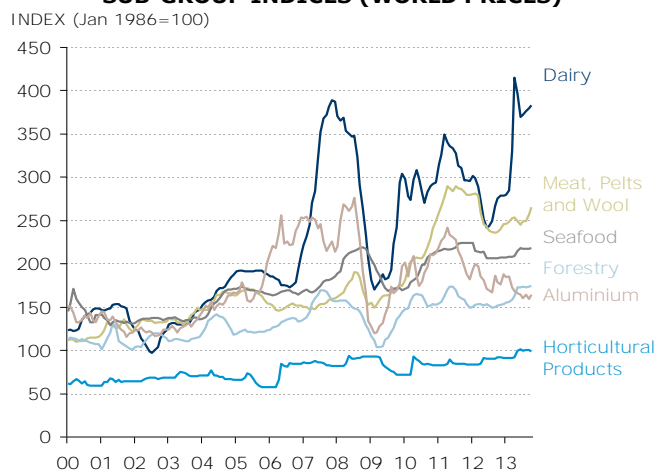
The value of the NZ dollar strengthened across all our main trading partners in October. This dampened the lift in commodity prices once converted into local currency, and resulted in **a 0.6 percent drop in the ANZ NZD Commodity Price Index** in October. Nevertheless, as portrayed in the chart below, the NZD Commodity Price Index continues to remain at an elevated mark. It is the seventh highest level that the index has ever reached, and is only 6.9 percent below the all-time high measured in March 2011.

ANZ COMMODITY PRICE INDEX

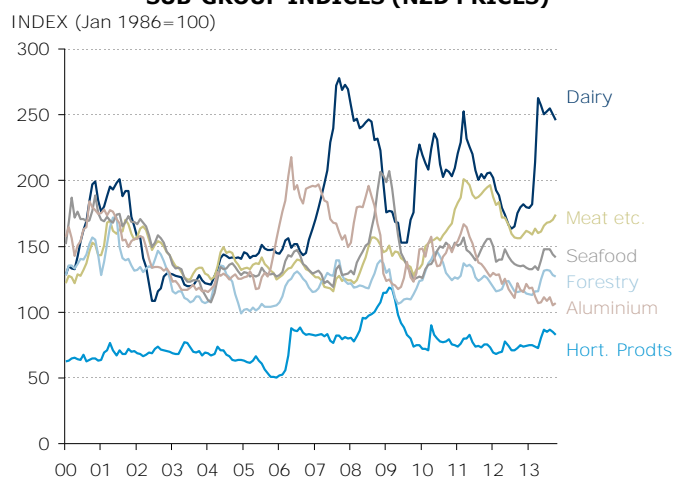


ANZ COMMODITY PRICE INDEX

SUB-GROUP INDICES (WORLD PRICES)



SUB-GROUP INDICES (NZD PRICES)



	World Price Index	Monthly % Change	Annual % Change	NZ\$ Index	Monthly % Change	Annual % Change
Oct-09	213.1	..	-2.1	158.8	..	-19.6
Oct-10	269.5	..	26.5	196.0	..	23.4
Oct-11	291.7	..	8.2	201.8	..	3.0
Oct-12	266.7	..	-8.6	176.7	..	-12.4

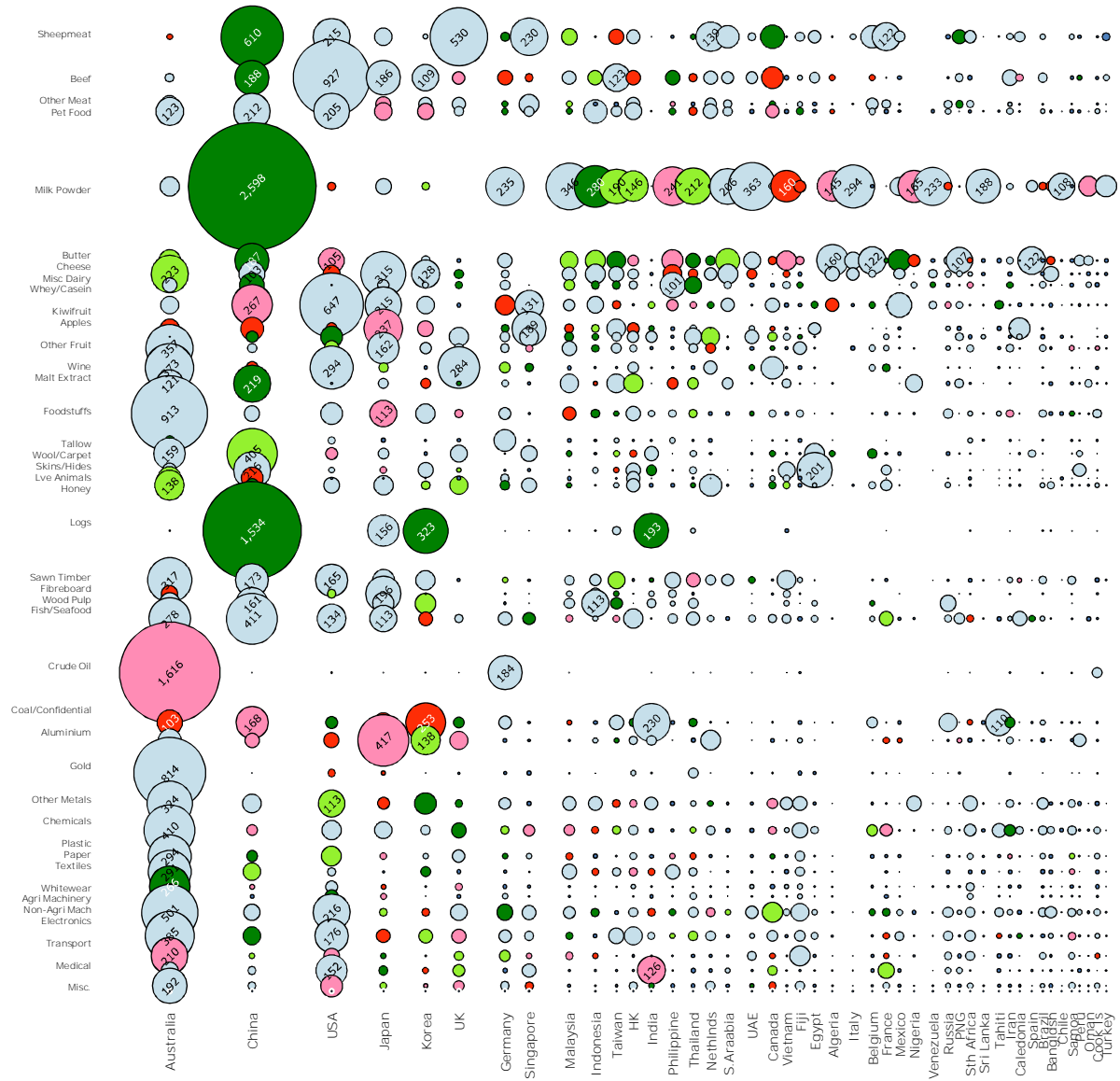
May-13	328.2	-1.6	26.1	214.0	0.7	17.3
Jun-13	316.0	-3.7	24.4	215.8	0.8	22.5
Jul-13	318.0	0.6	25.7	217.2	0.6	26.9
Aug-13	320.2	0.7	26.0	218.6	0.7	28.8
Sep-13	323.6	1.0	23.1	215.5	-1.4	23.4
Oct-13	327.6	1.3	22.9	214.2	-0.6	21.2

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 LARGEST EXPORT MARKETS

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

Bubble size reflects the value of exports in the 12 months to September 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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