

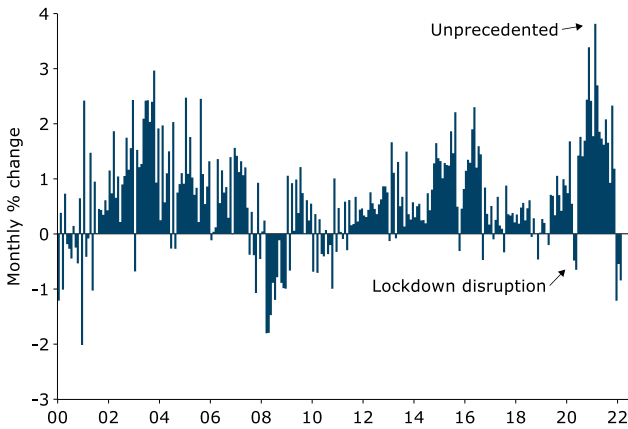
# New Zealand Property Focus

A soft landing as  
headwinds gather

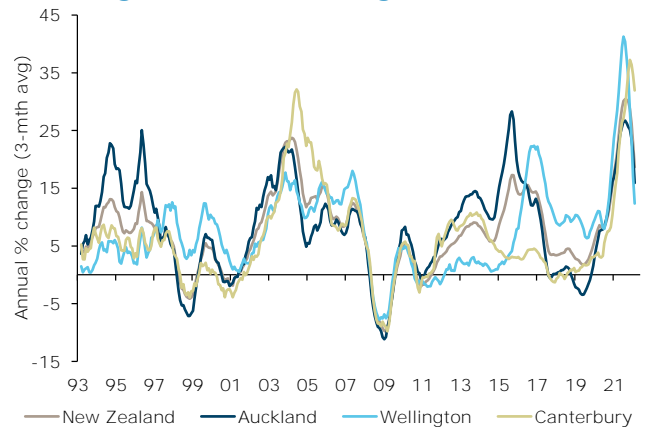


# At a glance

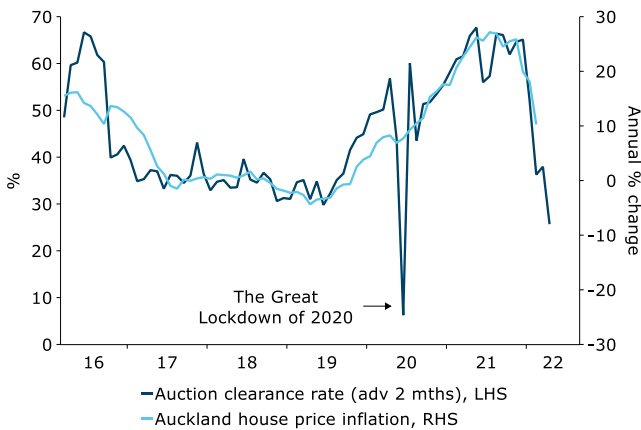
House prices have fallen 2.6% since November 2021



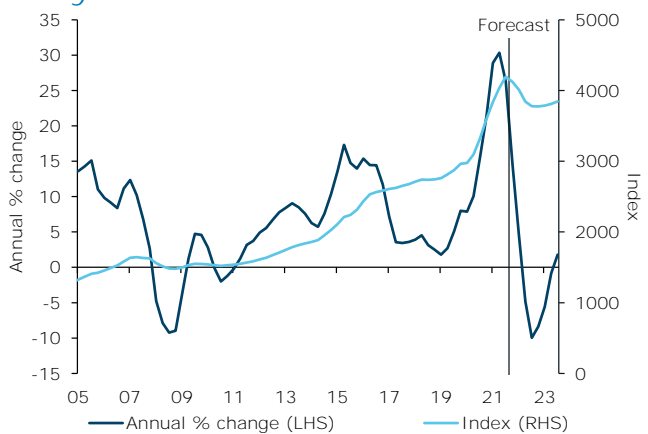
Annual house price inflation is slowing across all regions



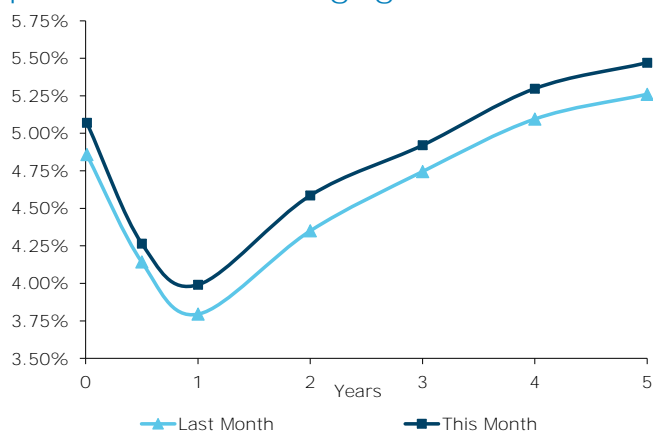
Forward indicators suggest there's more weakness to come



We've pencilled in a 10% fall in the year to December 2022...



...As OCR hikes keep upward pressure on mortgage rates



But forecast uncertainty is high:

- How much will extreme CPI inflation and higher interest rates hurt households, and to what extent will the RBNZ have to ignore a softening housing (and demand) impulse as it tries to tame inflation?
- Can NZ avoid rising unemployment as the economy slows?
- What about animal spirits, as "fear of missing out" makes way for "I'm not paying that"?
- We see risks on both sides of our forecast.

Source: RBNZ, REINZ, Stats NZ, Barfoot & Thompson, interest.co.nz, Macrobond, Bloomberg, ICAP, ANZ Research  
 This is not personal advice nor financial advice about any product or service. The opinions and research contained in this document are provided for information only, are intended to be general in nature and do not take into account your financial situation or goals. Please refer to the [Important Notice](#).





## Contact

Sharon Zollner, Miles Workman, or David Croy for more details.

See [page 9](#)

### INSIDE

<a href="#">At a glance</a>	2
<a href="#">Housing Market Overview</a>	4
<a href="#">Regional Housing Market Indicators</a>	6
<a href="#">Mortgage Borrowing Strategy</a>	7
<a href="#">Weekly Mortgage Repayment Table</a>	8
<a href="#">Mortgage Rate Forecasts</a>	8
<a href="#">Economic Forecasts</a>	8
<a href="#">Important Notice</a>	10

ISSN 2624-0629

Publication date: 21 March 2022

## Summary

Our monthly *Property Focus* publication provides an independent appraisal of recent developments in the residential property market.

### Housing market overview

Recent housing data have come in broadly in line with our expectation. Looking forward, our call change for more aggressive OCR hikes and a higher OCR peak have translated into an even softer outlook for housing. We now expect house prices to fall 10% in the year to December (previous: -7%). With CPI inflation **intensifying, it's** our forecast that the RBNZ will continue lifting interest rates **even as economic momentum (and housing) fade. That's a dynamic that may** surprise some kiwis, but central banks must defend their inflation targets (and credibility) at all costs. It may not take much for our expectation for a relatively soft landing in housing to surprise on the harder side. See our [Market Overview](#).

### Mortgage borrowing strategy

Average mortgage rates are up across the board again this month, with the average 1-year rate now knocking on the door of 4% – a rate not seen since April 2019. Back then, the OCR was 1.75%, which is 0.75%pts higher than it is now. However, back then the RBNZ was in the process of cutting the OCR, whereas right now, they are lifting the OCR and are projecting that it will rise to above 3%. It is this expectation of a higher OCR in the months to come that is driving mortgage rates higher. If the OCR reaches 3%, fixed mortgage rates are likely to exceed 5%. While a slowing housing market and global economic **uncertainty may temper the need for a higher OCR, we'd caution against** counting on that, given inflation trends. We thus think borrowers ought to continue to brace for higher rates. Fixing for longer now still costs more, but that may be preferable to fixing at the lowest rate now, only to roll onto a much higher rate later on. But no strategy is without its risks, given heightened global uncertainty. See our [Mortgage Borrowing Strategy](#).



# Housing market overview

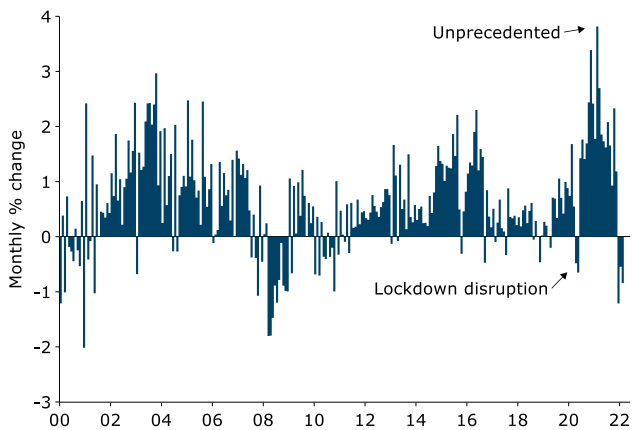
## Summary

Recent housing data have come in broadly in line with our expectation. Looking forward, our call change for more aggressive OCR hikes and a higher OCR peak have translated into an even softer outlook for housing. We now expect house prices to fall 10% in the year to December (previous: -7%). With CPI inflation intensifying, it's our forecast that the RBNZ will continue lifting interest rates even as economic momentum (and housing) fade. That's a dynamic that may surprise some kiwis, but central banks must defend their inflation targets (and credibility) at all costs. It may not take much for our expectation for a relatively soft landing in housing to surprise on the harder side.

## The slowdown continues...

House prices fell for a **third consecutive month** in February. That saw the annual pace of house price growth slip another 4.2%pts to a still-elevated 18.7% (3mma). That's around 12% pts slower than the cycle peak (30.4%).

Figure 1. Monthly house price inflation (sa)

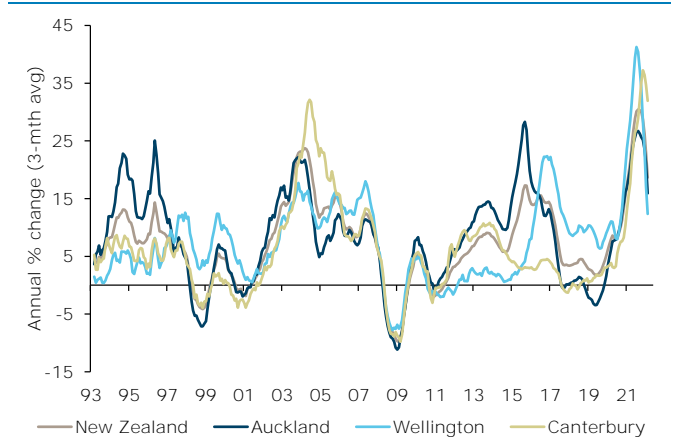


Source: REINZ, Macrobond, ANZ Research

On a month-on-month basis, there's been a bit of volatility in house price moves across regions. However, the broader trend is the same across the whole country: the market has turned. Of the main centres, annual house price inflation in Auckland was running at 15.9% in February (peak: 26.7% in August 2021), Wellington at 12.3% (peak 40.4% in August 2021), and Canterbury at 32.0% (peak: 37.2% in November 2021).

Key indicators of forward momentum suggest there's more slowing to come. The number of days it is taking for houses to sell is lifting, sales are trending lower, and listings are on the rise. Some of it might be Omicron disruption, but we suspect the majority of it represents a fundamental shift in the market.

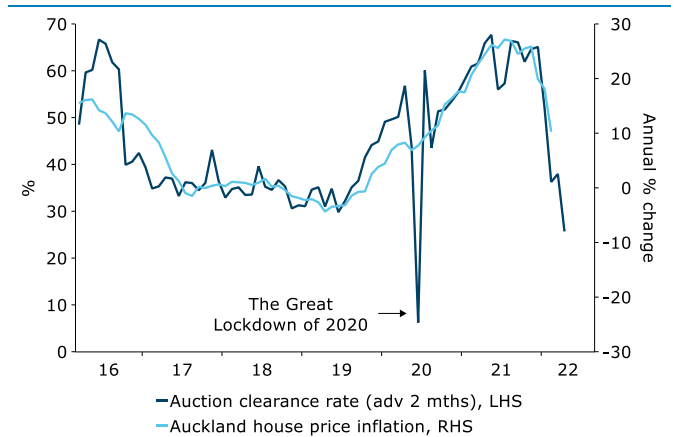
Figure 2. Annual house price inflation



Source: REINZ, ANZ Research

One of the more striking developments this past month was a very sharp drop in auction clearance rates in Auckland. At just under 26% (ANZ seasonal adjustment), this is a low second only to the Great Lockdown of 2020 (in data that starts in 2016). This points to some significant slack opening up in the market, with sellers unable to achieve their asking price on the auction platform.

Figure 3. Auction clearance rates



Source: REINZ, interest.co.nz, Barfoot & Thompson, Macrobond, ANZ Research

## ...as headwinds keep blowing

At this late stage of the housing cycle, housing headwinds are pretty well understood:

- Mortgage rates are lifting;
- Saving for a deposit has become much harder as the cost of living outpaces income growth;
- The CCCFA has curtailed credit availability for some borrowers. While this legislation has recently been loosened, it remains unclear how much sand has in practice been removed from the gears of mortgage lending – particularly given the housing market is a very different place



## Housing market overview

to when this legislation was first introduced. LVR settings pose another potential limit on credit availability;

- Other Government policies (such as the removal of interest deductibility for investors) have weighed;
- Affordability constraints are biting; and
- Animal spirits are evolving from FOMO (fear of missing out) to INPT (I'm not paying that).

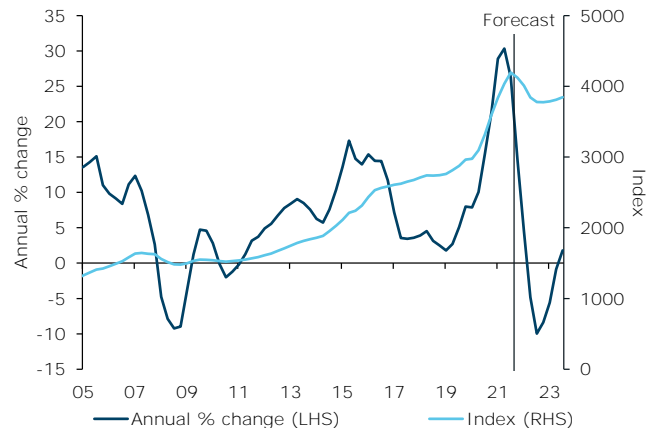
So far, house prices have fallen 2.6% (sa) at the national level since November 2021. And while it's very uncertain just how much further prices might fall, we think there's more weakness to come.

### Down 10?

In last month's edition, we were forecasting a 7% decline in house prices in the year to December 2022. However, since then CPI inflation pressures have intensified, and lower excise taxes on petrol will shave only a small amount off the peak (in exchange for elongating it as they are re-imposed). We think multi-decade highs for inflation are going to make the RBNZ pretty worried about their inflation-targeting credibility. Accordingly, we now expect the RBNZ to adopt more aggressive rate hikes, with the OCR to reach a high of 3.5% by April 2023 (previously 3.0%), turbo-charged by a couple of 50 basis point hikes in the near term. All going to plan, that will prevent inflation expectations from becoming unanchored and head off the potential for a damaging wage-price spiral (which would necessitate an even more aggressive monetary policy response later on, if it were to occur).

A higher interest rate outlook means stronger headwinds for the housing market. We now expect house prices to fall 10% in the year to December 2022. That's a similar-sized contraction as the one following the Global Financial Crisis. But given the very strong starting point, we'd still call this a soft landing – something that's quite evident when you look at the implied house price level (figure 4). Indeed, our house price forecast would still leave house prices up a whopping 30% come December 2022 compared to December 2019 (ie pre-pandemic). In that light, our relatively pessimistic forecast seems rather optimistic.

Figure 4. House price forecast



Source: REINZ, ANZ Research

So what's preventing us from forecasting a much greater decline, say 20% or even 30%? The answer is household incomes. We're simply not forecasting a household income (employment) shock that would necessitate the forced sale of properties and exacerbate the downturn. However, it is entirely possible that our outlook regarding household incomes and broader economic momentum is on the optimistic side, and that the path towards taming inflation passes through a more marked economic slowdown than we are forecasting. This is where the RBNZ's inflation-targeting grit may well be tested over the coming year or so.

Relative to the past few business cycles, this time may be a little different for housing market participants. In the past, a waning demand impulse (and softening housing market) was likely enough to halt inflation pressures and for the RBNZ to achieve its targets. But this time inflation has so much strength and persistence that the RBNZ will likely need to continue hiking despite softening housing and demand. That is, if housing market participants think the RBNZ have their back and will act to prevent house prices from falling too much, they may be unpleasantly surprised (if inflation remains well in excess of the 1-3% target band for too long that is). It's all very uncertain, but we think this is a risk well worth outlining.



## Housing market overview

### Housing market indicators for February 2022 (based on REINZ data seasonally adjusted by ANZ Research)

	Median house price			House price index		# of monthly sales	Monthly % change	Average days to sell
	Level	Annual % change	3-mth % change	Annual % change	3-mth % change			
Northland	\$760,482	18.0	7.8	22.6	2.8	180	+11%	43
Auckland	\$1,203,031	8.3	1.6	10.3	-0.8	2,023	-4%	43
Waikato	\$840,558	17.6	4.6	21.3	0.7	579	+1%	35
Bay of Plenty	\$938,799	12.8	4.8	17.5	1.7	406	+10%	38
Gisborne	\$685,331	21.0	7.8	13.5	-0.2	41	-5%	38
<b>Hawke's Bay</b>	\$810,526	19.0	-0.8	13.5	-0.2	170	-8%	48
Manawatu-Whanganui	\$612,775	12.9	-0.5	14.5	0.9	217	-21%	46
Taranaki	\$652,391	27.4	5.2	20.3	3.2	113	-23%	32
Wellington	\$941,494	10.4	3.0	7.3	-1.9	488	-22%	47
Tasman, Nelson & Marlborough	\$791,147	16.7	2.6			181	-1%	33
Canterbury	\$704,089	28.5	3.1	29.5	3.6	875	+14%	29
Otago	\$794,598	24.0	4.0	15.2	0.2	311	-3%	38
West Coast	\$345,603	17.5	13.4	16.3	1.2	34	+12%	36
Southland	\$490,869	24.6	5.5	14.3	2.0	143	+1%	36
<b>New Zealand</b>	<b>\$897,504</b>	<b>13.4</b>	<b>4.4</b>	<b>14.2</b>	<b>-0.3</b>	<b>5,765</b>	<b>-3%</b>	<b>37</b>



# Mortgage borrowing strategy

**This is not personal advice nor financial advice about any product or service. The opinions and research contained in this document are provided for information only, are intended to be general in nature and do not take into account your financial situation or goals. Please refer to the Important Notice.**

## Summary

Average mortgage rates are up across the board again this month, with the average 1-year rate now knocking on the door of 4% – a rate not seen since April 2019. Back then, the OCR was 1.75%, which is 0.75%pts higher than it is now. However, back then the RBNZ was in the process of cutting the OCR, whereas right now, they are lifting the OCR and are projecting that it will rise to above 3%. It is this expectation of a higher OCR in the months to come that is driving mortgage rates higher. If the OCR reaches 3%, fixed mortgage rates are likely to exceed 5%. While a slowing housing market and global economic uncertainty may temper the need for a higher OCR, we'd caution against counting on that, given inflation trends. We thus think borrowers ought to continue to brace for higher rates. Fixing for longer now still costs more, but that may be preferable to fixing at the lowest rate now, only to roll onto a much higher rate later on. But no strategy is without its risks, given heightened global uncertainty.

## Our view

Average fixed mortgage rates quoted by the big-four banks continue to rise, with increases of between 0.17 and 0.25%pts seen over the past month. The cheapest rate (the 1-year) is now 3.99%, having been as low as 1.99% at the height of the COVID crisis.

As has been the case throughout the crisis (and as we come out of the other side of it), the one observable aspect of the term structure of mortgage rates is that it has generally cost more to fix for longer (if we exclude floating and 6-month terms, which have had less appeal in a rising interest rate environment, given the tendency of the 1-year rate to be lower). As such, choosing a term has not been easy for some time. Had there been a realistic chance that mortgage rates might fall, for example, fixing for a shorter time would not just cost less now, but cost less in the long run too.

However, ahead of what we forecast to be rising wholesale interest rates for some time yet, what most borrowers face is a choice between moderately higher costs now, or a mixture of lower costs now but possibly much higher costs later. Ultimately, what borrowers choose is likely to be guided by one's appetite for risk and/or desire for certainty.

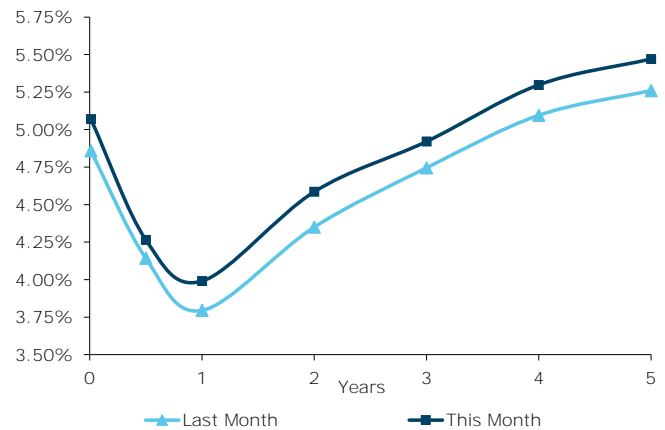
As we get further along the rate-rise cycle (which will ultimately be driven by the outlook for inflation), it is worth asking; is this the "top" in terms of where mortgage rates go? Given our expectation that the RBNZ will lift the OCR by a further 1% by June, and our

expectation that global rates continue to rise, we don't think it is. But that's not guaranteed – a slowing housing market (or global economy) could, for instance, lessen the need for OCR hikes. But we wouldn't bank on that, given the inflationary backdrop.

At this juncture, going through some simple budget analysis is likely to be useful for borrowers who are worried about affordability. As an example, if you can comfortably afford 4.59%, but feel like you might need to make harder choices if your mortgage rate exceeded 5%, you might prefer a 2 or 3-year term over the cheaper 1-year, given that the OCR could be at 3% when it's time to re-fix in a year's time, by which time fixed mortgage rates may all be back above 5%.

Adding breakeven analysis to the mix could also help, as it gives you something to compare future expectations with. Let's consider, for example, the choice between a 3.99% 1-year fixed rate or a 4.59% 2-year rate. Over a 2-year horizon, back-to-back 1-year fixes will end up being cheaper if the 1-year rate is below 5.18% in a year. If you think mortgage rates will keep rising, and share our (and the RBNZ's) view that the OCR is headed to above 3%, you might see 5.18% as very possible, in which case you may prefer to opt for the added certainty of a 2-year rate. That'd cost more now, but it may work out cheaper in the long run. But there are no guarantees, and borrowers need to be comfortable with the choices they make.

**Figure 1. Carded special mortgage rates<sup>^</sup>**



**Table 1. Special Mortgage Rates**

Term	Current	Breakevens for 20%+ equity borrowers			
		in 6mths	in 1yr	in 18mths	in 2 yrs
Floating	5.07%				
6 months	4.27%	3.72%	5.23%	5.13%	5.42%
1 year	3.99%	4.47%	5.18%	5.28%	5.59%
2 years	4.59%	4.87%	5.39%	5.64%	6.01%
3 years	4.92%	5.25%	5.73%	5.87%	6.06%
4 years	5.30%	5.52%	5.84%		
5 years	5.47%				

<sup>^</sup> Average of carded rates from ANZ, ASB, BNZ and Westpac.

Source: interest.co.nz, ANZ Research





## Key forecasts

### Weekly mortgage repayments table (based on 25-year term)

Mortgage Size (\$'000)	Mortgage Rate (%)													
	2.75	3.00	3.25	3.50	3.75	4.00	4.25	4.50	4.75	5.00	5.25	5.50	5.75	6.00
200	213	219	225	231	237	243	250	256	263	270	276	283	290	297
250	266	273	281	289	296	304	312	320	329	337	345	354	363	371
300	319	328	337	346	356	365	375	385	394	404	415	425	435	446
350	372	383	393	404	415	426	437	449	460	472	484	496	508	520
400	426	437	450	462	474	487	500	513	526	539	553	566	580	594
450	479	492	506	520	534	548	562	577	592	607	622	637	653	669
500	532	547	562	577	593	609	625	641	657	674	691	708	725	743
550	585	601	618	635	652	669	687	705	723	741	760	779	798	817
600	638	656	674	693	711	730	750	769	789	809	829	850	870	891
650	692	711	730	750	771	791	812	833	854	876	898	920	943	966
700	745	766	787	808	830	852	874	897	920	944	967	991	1,015	1,040
750	798	820	843	866	889	913	937	961	986	1,011	1,036	1,062	1,088	1,114
800	851	875	899	924	948	974	999	1,025	1,052	1,078	1,105	1,133	1,160	1,188
850	904	930	955	981	1,008	1,035	1,062	1,089	1,117	1,146	1,174	1,204	1,233	1,263
900	958	984	1,011	1,039	1,067	1,095	1,124	1,154	1,183	1,213	1,244	1,274	1,306	1,337
950	1,011	1,039	1,068	1,097	1,126	1,156	1,187	1,218	1,249	1,281	1,313	1,345	1,378	1,411
1000	1,064	1,094	1,124	1,154	1,186	1,217	1,249	1,282	1,315	1,348	1,382	1,416	1,451	1,486

### Mortgage rate projections (historic rates are special rates; projections based on ANZ's wholesale rate forecasts)

Interest rates	Actual			Projections							
	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	
Floating Mortgage Rate	4.5	4.5	4.9	5.1	6.1	6.7	7.2	7.4	7.7	7.7	
1-Yr Fixed Mortgage Rate	2.2	2.7	3.6	4.0	4.8	5.2	5.3	5.3	5.3	5.3	
2-Yr Fixed Mortgage Rate	2.6	3.1	4.3	4.6	5.1	5.4	5.4	5.4	5.4	5.4	
5-Yr Fixed Mortgage Rate	3.6	4.0	4.9	5.5	5.6	5.7	5.9	5.9	6.1	6.1	

Source: RBNZ, ANZ Research

### Economic forecasts

Economic indicators	Actual			Forecasts							
	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	
GDP (Annual % Chg)	17.9	-0.2	3.1	2.3	0.0	4.1	1.8	2.1	2.3	2.4	
CPI Inflation (Annual % Chg)	3.3	4.9	5.9	7.1	7.4	6.4	5.7	4.5	3.4	2.9	
Unemployment Rate (%)	4.0	3.3	3.2	3.1	3.0	2.9	2.9	2.9	3.0	3.0	
House Prices (Quarter % Chg)	6.7	5.2	3.9	-1.8	-2.7	-4.2	-1.7	0.0	0.3	0.6	
House Prices (Annual % Chg)	28.9	30.3	26.2	14.6	4.6	-4.8	-10.0	-8.4	-5.6	-0.8	

Interest rates	Actual			Forecasts							
	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	
Official Cash Rate	0.25	0.25	0.75	1.00	2.00	2.50	3.00	3.25	3.50	3.50	
90-Day Bank Bill Rate	0.35	0.65	0.97	1.92	2.52	3.02	3.27	3.60	3.60	3.60	
10-Year Bond	1.77	2.09	2.39	3.00	3.20	3.30	3.65	3.75	4.00	4.00	

Source: ANZ Research, Statistics NZ, RBNZ, REINZ





## Contact us

---

### Meet the team

We welcome your questions and feedback. Click [here](#) for more information about our team.



**Sharon Zollner**  
Chief Economist

Follow Sharon on Twitter  
[@sharon\\_zollner](#)

Telephone: +64 27 664 3554  
Email: [sharon.zollner@anz.com](mailto:sharon.zollner@anz.com)

General enquiries:  
[research@anz.com](mailto:research@anz.com)

Follow ANZ Research  
[@ANZ\\_Research](#) (global)



**David Croy**  
Senior Strategist

Market developments, interest rates, FX, unconventional monetary policy, liaison with market participants.

Telephone: +64 4 576 1022  
Email: [david.croy@anz.com](mailto:david.croy@anz.com)



**Susan Kilsby**  
Agricultural Economist

Primary industry developments and outlook, structural change and regulation, liaison with industry.

Telephone: +64 21 633 469  
Email: [susan.kilsby@anz.com](mailto:susan.kilsby@anz.com)



**Miles Workman**  
Senior Economist

Macroeconomic forecast co-ordinator, fiscal policy, economic risk assessment and credit developments.

Telephone: +64 21 661 792  
Email: [miles.workman@anz.com](mailto:miles.workman@anz.com)



**Finn Robinson**  
Economist

Macroeconomic forecasting, economic developments, labour market dynamics, inflation and monetary policy.

Telephone: +64 21 629 553  
Email: [finn.robinson@anz.com](mailto:finn.robinson@anz.com)



**Kyle Uerata**  
Economic Statistician

Economic statistics, ANZ proprietary data (including ANZ Business Outlook), data capability and infrastructure.

Telephone: +64 21 633 894  
Email: [kyle.uerata@anz.com](mailto:kyle.uerata@anz.com)



**Natalie Denne**  
PA / Desktop Publisher

Business management, general enquiries, mailing lists, **publications, chief economist's diary.**

Telephone: +64 21 253 6808  
Email: [natalie.denne@anz.com](mailto:natalie.denne@anz.com)

# Important notice

---

Last updated: 28 February 2022

**This document (which may be in the form of text, image, video or audio) is intended for ANZ's Institutional, Markets and Private Banking clients. It should not be forwarded, copied or distributed. The opinions and research contained in this document are (a) not personal advice nor financial advice about any product or service; (b) provided for information only; and (c) intended to be general in nature and does not take into account your financial situation or goals.**

This document may be restricted by law in certain jurisdictions. Persons who receive this document must inform themselves about and observe all relevant restrictions.

**Disclaimer for all jurisdictions:** This document is prepared and distributed in your country/region by either: Australia and New Zealand Banking Group Limited (ABN11 005 357 522) (**ANZ**); or its relevant subsidiary or branch (each, an **Affiliate**), as appropriate or as set out below.

This document is distributed on the basis that it is only for the information of the specified recipient or permitted user of the relevant website (**recipients**).

This document is solely for informational purposes and nothing contained within is intended to be an invitation, solicitation or offer by ANZ to sell, or buy, receive or provide any product or service, or to participate in a particular trading strategy.

Distribution of this document to you is only as may be permissible by the laws of your jurisdiction, and is not directed to or intended for distribution or use by recipients resident or located in jurisdictions where its use or distribution would be contrary to those laws or regulations, or in jurisdictions where ANZ would be subject to additional licensing or registration requirements. Further, the products and services mentioned in this document may not be available in all countries.

ANZ in no way provides any financial, legal, taxation or investment advice to you in connection with any product or service discussed in this document. Before making any investment decision, recipients should seek independent financial, legal, tax and other relevant advice having regard to their particular circumstances.

Whilst care has been taken in the preparation of this document and the information contained within is believed to be accurate, ANZ does not represent or warrant the accuracy or completeness of the information. Further, ANZ does not accept any responsibility to inform you of any matter that subsequently comes to its notice, which may affect the accuracy of the information in this document.

Preparation of this document and the opinions expressed in it may involve material elements of subjective judgement and analysis. Unless specifically stated otherwise: they are current on the date of this document and are subject to change without notice; and, all price information is indicative only. Any opinions expressed in this document are subject to change at any time without notice.

ANZ does not guarantee the performance of any product mentioned in this document. All investments entail a risk and may result in both profits and losses. Past performance is not necessarily an indicator of future performance. The products and services described in this document may not be suitable for all investors, and transacting in these products or services may be considered risky.

ANZ expressly disclaims 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 document to the extent permissible under relevant law. Please note, the contents of this document have not been reviewed by any regulatory body or authority in any jurisdiction.

ANZ and its Affiliates may have an interest in the subject matter of this document. They may receive fees from customers for dealing in the products or services described in this document, and their staff and introducers of business may share in such fees or remuneration that may be influenced by total sales, at all times received and/or apportioned in accordance with local regulatory requirements. Further, they or their customers may have or have had interests or long or short positions in the products or services described in this document, and may at any time make purchases and/or sales in them as principal or agent, as well as act (or have acted) as a market maker in such products. This document is published in accordance with ANZ's policies on conflicts of interest and ANZ maintains appropriate information barriers to control the flow of information between businesses within it and its Affiliates.

Your ANZ point of contact can assist with any questions about this document including for further information on these disclosures of interest.

**Country/region specific information:** Unless stated otherwise, this document is distributed by Australia and New Zealand Banking Group Limited (**ANZ**).

**Australia.** ANZ holds an Australian Financial Services licence no. 234527. For a copy of ANZ's Financial Services Guide please [click here](#) or request from your ANZ point of contact.

**Brazil.** This document is distributed on a cross border basis and only following request by the recipient.

**Brunei, India, Japan, Kuwait, Malaysia, Switzerland, Taiwan.** This document is distributed in each of these jurisdictions by ANZ on a cross-border basis.

**Cambodia.** The information contained in this document is confidential and is provided solely for your use upon your request. This does not constitute or form part of an offer or solicitation of any offer to engage services, nor should it or any part of it form the basis of, or be relied in any connection with, any contract or commitment whatsoever. ANZ does not have a licence to undertake banking operations or securities business or similar business, in Cambodia. By requesting financial services from ANZ, you agree, represent and warrant that you are engaging our services wholly outside of Cambodia and subject to the laws of the contract governing the terms of our engagement.

**Chile.** You understand and agree that ANZ Banking Group Limited is not regulated by Chilean Authorities and that the provision of this document is not subject to any Chilean supervision and is not guaranteed by any regulatory or governmental agency in Chile.

**Fiji.** For Fiji regulatory purposes, this document 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 document.

**Hong Kong.** This document is issued or distributed in Hong Kong by the Hong Kong branch of ANZ, which is registered at the Hong Kong Monetary Authority 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 document have not been reviewed by any regulatory authority in Hong Kong.

**India.** If this document 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.

**Macau.** Click [here](#) to read the disclaimer for all jurisdictions in Mandarin. 澳门, [点击此处](#) 阅读所有司法管辖区的免责声明的中文版。

**Myanmar.** This document is intended to be general and part of ANZ's customer service and marketing activities when implementing its functions as a licensed bank. This document is not Securities Investment Advice (as that term is defined in the Myanmar Securities Transaction Law 2013).

**New Zealand.** This material is for information purposes only and is not financial advice about any product or service. We recommend seeking financial advice about your financial situation and goals before acquiring or disposing of (or not acquiring or disposing of) a financial product.

## Important notice

**Oman.** 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 document 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 the recipient understands, acknowledges and agrees that this document 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 document is intended to constitute Omani investment, legal, tax, accounting or other professional advice.

**People's Republic of China (PRC).** This document may be distributed by either ANZ or Australia and New Zealand Bank (China) Company Limited (**ANZ China**). Recipients must comply with all applicable laws and regulations of PRC, including any prohibitions on speculative transactions and CNY/CNH arbitrage trading. If this document is distributed by ANZ or an Affiliate (other than ANZ China), the following statement and the text below is applicable: 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 document in the PRC. Accordingly, the products and services of such entities are not being offered or sold within the PRC by means of this document or any other document. This document 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 document relates to the products and/or services of ANZ China, the following statement and the text below is applicable: This document is distributed by ANZ China in the Mainland of the PRC.

**Peru.** The information contained in this document has not been, and will not be, registered with or approved by the Peruvian Superintendency of the Securities Market (Superintendencia del Mercado de Valores, **SMV**) or the Lima Stock Exchange (Bolsa de Valores de Lima, **BVL**) or under the Peruvian Securities Market Law (Legislative Decree 6 861), and will not be subject to Peruvian laws applicable to public offerings in Peru. To the extent this information refers to any securities or interests, it should be noted the securities or interests may not be offered or sold in Peru, except if (i) such securities or interests were previously registered with the Peruvian Superintendency of the Securities Market, or (ii) such offering is considered a private offering in Peru under the securities laws and regulation of Peru.

**Qatar.** This document 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 document 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 document 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 document are not being, and will not be, offered, issued or sold in Qatar, and this document 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 document and distribution of this document is being made in, and is subject to the laws, regulations and rules of, jurisdictions outside of Qatar and the QFC. Recipients of this document must abide by this restriction and not distribute this document in breach of this restriction. This document 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 document is distributed in Singapore by 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 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 document in Singapore, please speak to your usual ANZ contact in Singapore.

**United Arab Emirates (UAE).** This document is distributed in the UAE or the Dubai International Financial Centre (**DIFC**) (as applicable) by ANZ. This document does not, and is not intended to constitute: (a) an offer of securities anywhere in the UAE; (b) 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 UAE, the Emirates Securities and Commodities Authority or the UAE Ministry of Economy; (c) an offer of securities within the meaning of the Dubai International Financial Centre Markets Law (DIFCML) No. 12 of 2004; and (d) a financial promotion, as defined under the DIFCML No. 1 of 200. ANZ DIFC Branch is regulated by the Dubai Financial Services Authority (**DFSA**) ANZ DIFC Branch is regulated by the Dubai Financial Services Authority (**DFSA**). The financial products or services described in this document are only available to persons who qualify as "Professional Clients" or "Market Counterparty" in accordance with the provisions of the DFSA rules.

**United Kingdom.** This document is distributed in the United Kingdom by Australia and New Zealand Banking Group Limited (**ANZ**) solely for the information of persons who would come within the Financial Conduct Authority (**FCA**) 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 FCA 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 Prudential Regulation Authority (**PRA**) and the FCA. ANZ considers this document to constitute an Acceptable Minor Non-Monetary Benefits (**AMNMB**) under the relevant inducement rules of the FCA. ANZ is authorised in the United Kingdom by the PRA and is subject to regulation by the FCA and limited regulation by the PRA. Details about the extent of our regulation by the PRA are available from us on request.

**United States.** Except where this is a FX-related document, this document is distributed in the United States by ANZ Securities, Inc. (**ANZ SI**) which is a member of the Financial Regulatory Authority (**FINRA**) ([www.finra.org](http://www.finra.org)) and registered with the SEC. ANZSI's address is 277 Park Avenue, 31st Floor, New York, NY 10172, USA (Tel: +1 212 801 9160 Fax: +1 212 801 9163). ANZSI accepts responsibility for its content. Information on any securities referred to in this document may be obtained from ANZSI upon request. This document or material is intended for institutional use only – not retail. If you are an institutional customer wishing to effect transactions in any securities referred to in this document you must contact ANZSI, not its affiliates. ANZSI is authorised as a broker-dealer only for institutional customers, not for US Persons (as "US person" is defined in Regulation S under the US Securities Act of 1933, as amended) who are individuals. If you have registered to use our website or have otherwise received this document and are a US Person who is an individual: to avoid loss, you should cease to use our website by unsubscribing or should notify the sender and you should not act on the contents of this document in any way. Non-U.S. analysts may not be associated persons of ANZSI and therefore may not be subject to FINRA Rule 2242 restrictions on communications with the subject company, public appearances and trading securities held by the analysts. Where this is a FX-related document, 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: +1 212 801 916 0 Fax: +1 212 801 9163).

**Vietnam.** This document is distributed in Vietnam by ANZ or ANZ Bank (Vietnam) Limited, a subsidiary of ANZ.

This document has been prepared by ANZ Bank New Zealand Limited, Level 26, 23-29 Albert Street, Auckland 1010, New Zealand, Ph 64-9-357 4094, e-mail [nzeconomics@anz.com](mailto:nzeconomics@anz.com), <http://www.anz.co.nz>