8 August 2016

RBNZ: Slash or Burn?

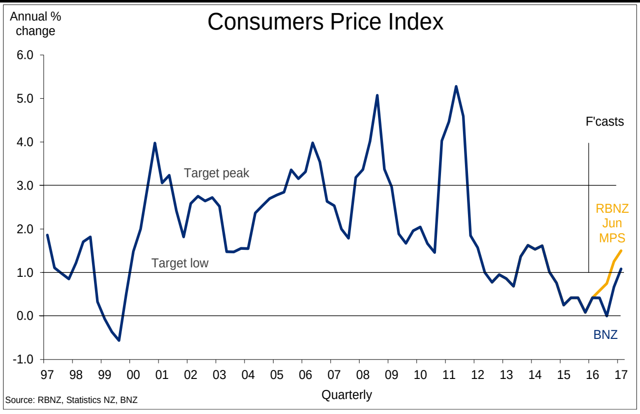
- RBNZ to cut and produce aggressive easing bias
- As its near term inflation forecasts plummet
- We now have rate cuts penciled in for August, September and November
- Domestic data (retail sales and PMI) to remain strong
- While price data look ever weaker

If the RBNZ remains fully committed to pushing CPI inflation higher then it has absolutely no option but to cut the cash rate this Thursday, pencil in at least one further reduction and commit to ongoing rate cuts if need be. Only then does it stand any chance of keeping the NZD in check which, currently, is about all it can hope for in a world where central banks seem to have less and less impact on economic outcomes.

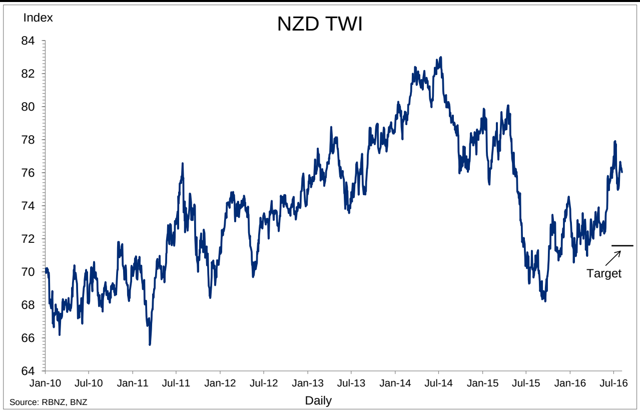
When the RBNZ produced its June Monetary Policy Statement it had another cut in rates already in the bank for this year. For it not to deliver there would have to be clear signs that inflation outcomes were set to head higher than anticipated. The reality has been diametrically opposite with the Reserve Bank no doubt having to slash its forecasts for inflation in its upcoming August report. The medium term forecasts won't change much because the RBNZ will set its model to ensure that they settle near 2.0% but the near term numbers must be revised significantly lower and the rate track needed to achieve the 2.0% target, in the medium term, will also have to be lowered.

The first "problem" for the RBNZ on the CPI front was the release of the Q2 outturn which, at 0.4%, proved to be 0.2 lower than the 0.6% projected. But the king hit is likely to be the Q3 outturn which, largely thanks to a slump in

More Downside Surprises



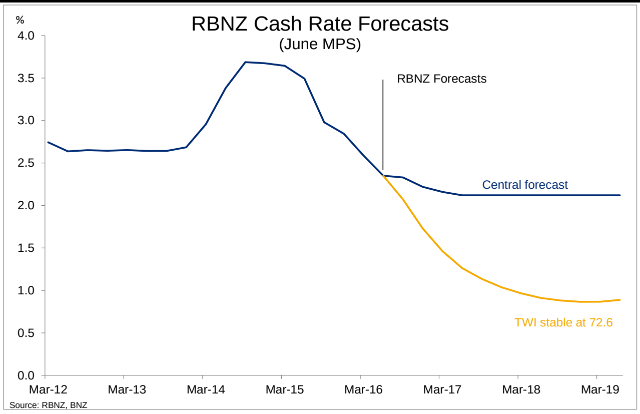
TWI Defying Gravity



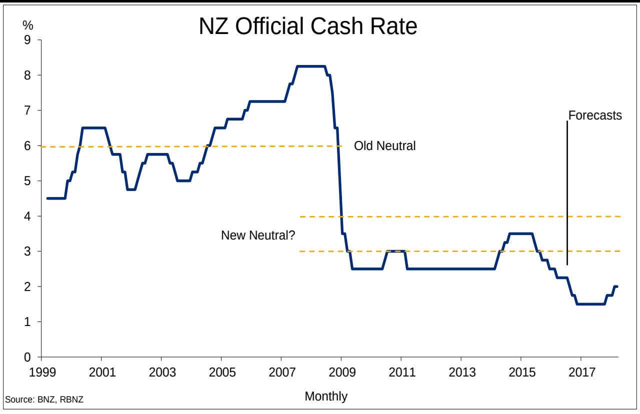
petrol prices, should be miles lower than the RBNZ's June MPS pick. At that time the Bank was looking for 0.5% for the quarter. Our current pick is -0.1%. That would leave the annual read at bang on zero compared with the RBNZ's 0.7%.

As if that wasn't bad enough, the New Zealand dollar continues to go from strength to strength. The average level of the TWI so far this quarter is 76.3. That compares with a RBNZ assumption of 71.6. This is an overshoot of 6.6% which, all other things being equal, would demand a massive decline in the cash rate. After all, in the scenario analysis produced by the RBNZ in June it noted that if the TWI stabilised at 72.6 it would demand a total of six rate cuts taking the cash rate down to 0.75%. Currency stability anywhere near current levels would most surely argue for zero rates on this basis. And bear in mind that the NZD is where it is despite the market pricing in two

Stronger TWI Lower Rates



Three Cuts To Come



rate cuts by November and a reasonable chance of a further thereafter.

Perhaps the biggest counter-argument to lowering interest rates has been the fact that lower rates would further stimulate an already over-stimulated housing market. We concur with this but we also note that, this time around, there are mitigating factors. To start with, the recent RBNZ macro-prudential adjustments are estimated to knock 2 to 5% off annual house price inflation. If the RBNZ is confident this will be the case then it will probably see no reason to change the house price inflation forecasts it previously produced. Moreover, it is highly unlikely that banks will pass on the full 25 basis points of OCR reduction to home mortgages anyway. Post the June cut only around half was passed on and the pass-through in Australia after the RBA cuts was similar. In past cycles the RBNZ would have been unhappy with this behaviour. In the current environment it may be seen more as a "get out of jail free" card.

Taking these factors into consideration, we believe the RBNZ will cut rates this Thursday and build two further rate cuts into its central scenario. Anything less and the NZD will head higher still and the Bank's credibility will be brought into question. Accordingly, we are also making a minor adjustment to our own forecast track. We already had rate cuts penciled in for August and November. We are now inserting another cut into that track for the September OCR review. On this basis, we now see the cash rate troughing at 1.50% by the end of this year. By then we think it will be clearer that inflation will pick up allowing the cash rate to stabilise. The balance of risks around these forecasts should be seen as symmetric. If the NZD slumps, the Fed tightens, house price inflation accelerates, the labour market tightens further and dairy prices bounce then there will be fewer rate cuts than we have forecast. If, on the other hand, the NZD stays stronger for longer, the global economy weakens and the Fed delays further then more OCR stimulus would be forthcoming.

Our rational for the timing of the rate cut track is largely tactical in nature. In short, if the RBNZ is convinced that interest rates need to be lower then there is no point cutting in August and then waiting until November for the second cut. And, then, if the Bank does cut in August and September, and still has an easing bias, the wait until February (from September) is way too long to risk delay. Hence, it will be a question of move quick, move often until such time that the Bank believes it has a modicum of control.

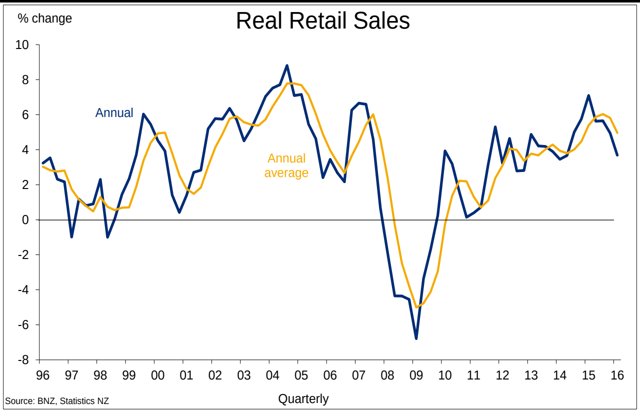
Some folk are arguing that the RBNZ should well and truly bite the bullet and actually cut 50 basis points this week. We have to concede that the degree of undershoot we are seeing in the CPI argues strongly for the Bank responding in such a manner. The only reason we are placing a relatively low probability on this outcome is that we think this would simply be a step too far for a group of conservative policy-makers who have shown themselves to be reluctant cutters (and for good reason) in the recent past.

We should add that we still believe further rate reduction is not needed in New Zealand until such time that the New Zealand economy shows definitive signs of slowing. Then, and only then, does it make sense to start utilising ammunition that might have an outside chance of hitting its target. In particular, we are strongly of the view that rate cuts in New Zealand are having only a very modest impact on the NZD. The real driver is what central banks, especially the Fed, are doing elsewhere as evidenced by the rise and fall of the NZD last week as perceptions of the Fed changed. Be that as it may, the RBNZ has said that it will remain firmly committed to getting CPI inflation to the mid-point of its target band. It shouldn't really matter to them whether this happens through lower interest rates stimulating domestic demand or lowering the NZD. This being so we simply have to take the Reserve Bank at its word.

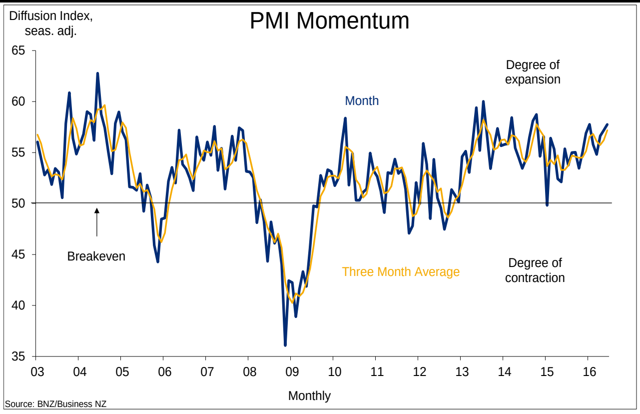
Apart from the RBNZ's missive this week, there are a number of partial indicators worth keeping an eye on. Perhaps the most important of these is Friday's PMI data for July. We have been surprised by the strength in this series given that manufacturing exporters will have been suffering from the strength of the New Zealand dollar. What the PMI does show, nonetheless, is that the average New Zealand manufacturer is more exposed to domestic developments, particularly construction, than offshore sales. Consequently, with construction activity going from strength to strength we would expect the manufacturing PMI to hold up at elevated levels albeit, perhaps, a tad down from June's stellar 57.7 reading.

Another contributor to manufacturers' confidence is the strength in consumer spending. We will get a further take on this with Friday's retail trade data for Q2 and Tuesday's Electronic Card Transactions (ECT) figures for July. We think both of these series will reveal ongoing momentum

Robust Spending



Optimistic Manufacturers



in retail spending. We are expecting to see real retail sales climb 1.1% in the June quarter. That will provide an annual read of 4.6%. We are forecasting a 0.3% increase for July's ECT. This represents a moderation from the 0.5% a month recorded on average for the previous twelve months but is hardly a reflection of a significant softening in spending activity.

One of the reasons that retail spending is holding up so well is the ongoing acceleration in tourist arrivals. The inflows are also putting pressure on our tourism infrastructure. One of the ways of reducing the pressure is to encourage tourists to visit New Zealand in off peak periods. With this in mind, we will watch Wednesday's Accommodation figures for the month of June to gauge the latest developments on this front.

Aldo, at some stage this week we will likely get REINZ's latest read on the New Zealand residential property market. We will be looking for further evidence that house price inflation is peaking in Auckland while an acceleration in prices is reported elsewhere. It will still be too early to get an accurate read on the impact of the RBNZ's latest macro-prudential moves.

Last but not least, we get the latest food price data (for the month of July) on Thursday. As noted earlier, we are forecasting a 0.1% drop in the CPI for the September quarter. This is, in part, predicated on food prices rising 0.4% across the quarter. In turn, this is based, in part, on our expectation that food prices rose 0.7% in the month of July. While the monthly food price figures are far from exciting this particular outturn has more interest to us than most because if we are surprised to the downside and are forced to lower our Q3 CPI forecast again, we could well end up with annual CPI being a headline-grabbing sub-zero.

stephen_toplis@bnz.co.nz

Global Watch

- Heavy Chinese data calendar this week
- Relatively light elsewhere
- Australia focus on NAB survey, RBA Governor speech

Australia

RBA Governor Stevens gives his annual Anika Foundation address on Wednesday, his last speech as Governor of the Reserve Bank before he completes his term next month.

Also on the agenda this week is the NAB Business survey for July being released on Tuesday, followed Wednesday by the release of the Westpac- Melbourne Institute Consumer Sentiment survey that has been surveyed over the course of this week, before and after the RBA rate cut.

Chart 1: Non-Mining Activity Resilient To June

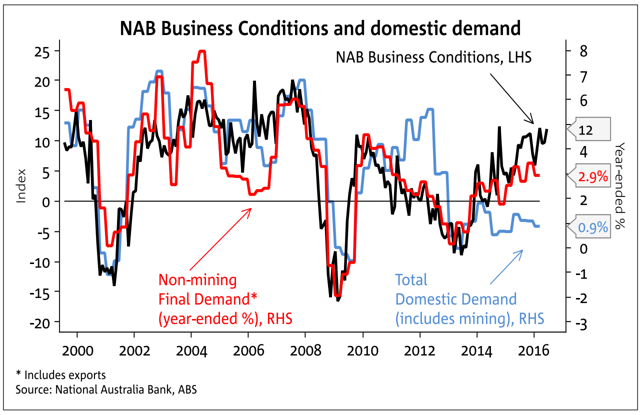
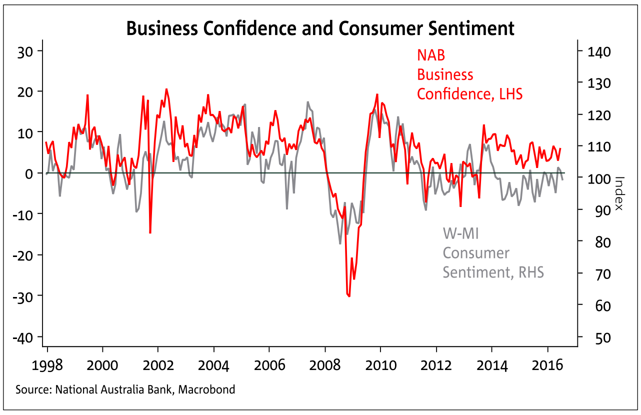
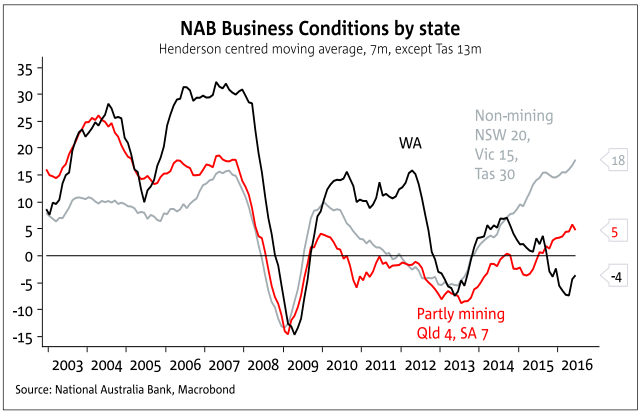


Chart 2: Confidence Close To Average Levels



Of course we offer no prospective views on the July NAB Business Survey ahead of Tuesday's release. Suffice to remind our readers that the June Survey was undertaken amidst the uncertainty around the Brexit referendum, and ahead of the Australian federal election. Despite the potentially disruptive nature of these events (evident at the time in the financial market volatility following the Brexit vote), it was encouraging that confidence continued to see support from consistently above-average conditions in the non-mining sectors of the economy.

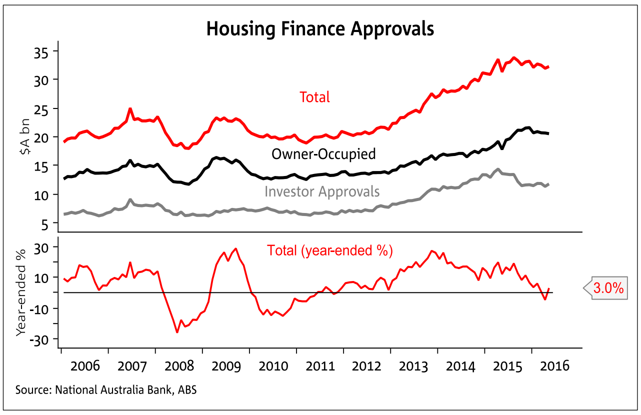
Chart 3: Growth In The Eastern Seaboard Continues



Business confidence jumped in June to +6 index points, consistent with long-run confidence levels. Business conditions also lifted from already elevated levels in prior months to +12 index points in June, around its highest since the GFC. In short, the overall narrative of the survey did not change. It's improved, even in the light of the then evident disruptions.

Apart from the business survey and consumer sentiment, it's a relatively quiet week on the data front, though there will be some interest in the June Housing finance approvals report on Wednesday and what it has to say not only about the level of demand in the owner-occupied sector but also for investment lending. NAB expects that the headline number of owner-occupied home loans approved in July rose by 2.1%. The June RBA Credit report revealed that there was steady subdued growth in both owner-occupied and housing, the former growing by 0.5% and the latter by 0.4%.

Chart 4: Housing Finance Approvals Easing Up



While the market pays very little attention to Thursday's survey of consumer inflationary expectations, this one for August, it is certainly something that the RBA tracks.

In July, the expected inflation rate actually picked up from 3.5% to 3.7%.

China

The July Trade report is due on Monday, CPI/PPI on Tuesday, and the closely-watched July reports on Industrial production, Retail sales, and Fixed asset investment, out Friday. The July monthly money supply, New yuan loans, and Aggregate financing monthly report does not have a specific date for release as yet, but is due any day from Wednesday.

US

This week's highlights include the NFIB small business optimism index on Tuesday, weekly jobless claims on Thursday, ahead of a busy Friday with the release of July reports for retail sales and PPI, along with the August preliminary UoM Consumer Sentiment Survey.

Japan

It's a relatively quiet data with the release of the monthly Current account and Economy watchers reports on Monday, then Machine tool orders on Tuesday, followed by Machine orders and the Tertiary industry index on Wednesday.

Euro/UK

There is the Sentix Investor Confidence survey on Monday, then it's quiet until Industrial Production and revised Q2 GDP on Friday. German industrial production is being released on Monday, followed by their Current Account report on Tuesday, then CPI and GDP on Friday. In the UK, there will mostly be pre-Brexit data starting with the release of June Industrial Production and Trade reports on Tuesday, with the July RICS House Price Balance report on Thursday, and June Construction Output on Friday.

Canada

Building Permits are due on Monday, Housing Starts on Tuesday, and two house prices reports, one on Thursday and the other on Friday.

david.degaris@nab.com.au / tapas.strickland@nab.com.au

Fixed Interest Market

Reuters: BNZL, BNZM Bloomberg:BNZ

This Thursday will be all about the RBNZ's messaging. The market is already fully pricing a 25bps cut this week. So unless the Bank pulls a 50bps cut out of the hat (not impossible, but highly unlikely in our view), any market response will be a result of the Bank's indications of future action.

Heading into the meeting the market is pricing around a 1.62% trough in the OCR within the year ahead. i.e. it prices another 25bps cut after this week's and a 50% chance of one after that. So the Bank will need to imply more cuts than this (through its updated 90-day bank bill track or discussion of 'risks') for yields to dip further on the meeting. There are always challenges in nuancing a message. The risk is the market views the Bank's intentions as less dovish than current market pricing, and yields bounce off their lows. However, this would simply set up a better receiving opportunity in our view.

We now believe the Bank will ultimately be forced to cut the OCR to 1.50% by year-end (*see: RBNZ: Slash or Burn?).* Consistent with this view we now see NZ 2-year swap trading below 1.90% in the weeks/months ahead. We continue to see little urgency for borrowers to hedge short-date rate risk.

NZ longer dated swaps have potential to consolidate at historic lows in a quieter post-US-payrolls data week. Last week's US labour market report was unambiguously strong. US bond yields gapped higher across the curve. US 2-year yields closed up 7bps, at 0.72%. 10-year yields closed up 9bps, at 1.59%. 10-year yields are now in the upper-end of their post-'Brexit' range. But we believe they will face stiff resistance in trying to break through July highs at 1.63%. This is especially true when US-UK 10-year spreads are near historic highs, at 92bps, and US-German spreads are also at the upper-end of ranges at 166bps.

Friday's July retail sales data will likely be the most closely watch US data release this week. However, the market maintains a continued reluctance to price imminent Fed hikes even in the face of solid data. This is fair given the Fed's risk averse nature. The market now prices 6bps of Fed hikes by September (or less than a 25% chance of a hike) and 13bps of hikes by December. Our core view remains a Fed hike in December, though we think it may be some time before the market prices that view.

Friday's China data dump is the other event with potential to impact global sentiment this week. China risks have fallen out of the spotlight as political risks in Europe/US have seized attention. However, the market is still sensitive to any signs of weakness from this region. Any reduction in global risks appetite would inevitably see the bid for US Treasuries return. There are also auctions of 3, 10 and 30 year bonds this week to provide a test of current demand for Treasuries.

change (bps)	90 day bills	12/17 NZGB	04/27 NZGB	2yr swaps	10yr swaps	2yr/10yr swaps (bps)
1-Aug-16	2.26%	1.79%	2.15%	2.04%	2.45%	41
8-Aug-16	2.25%	1.80%	2.19%	2.01%	2.45%	44
Change (bps)	**-1**	**1**	**4**	**-3**	**1**	**4**

kymberly.martin@bnz.co.nz

Key Fixed Interest Views

Category		8-Aug-16	Tactical (1w)	Strategic (6-12m)	Comments
NZ Money Markets	OCR	2.25%	⬇	⬇	We expect the RBNZ to cut the OCR this Thursday to 2.0%. We see the cyclical OCR trough at 1.5%.
NZ Swap Yields	2y	2.02%	↘	➡	We see potential to trade down toward 1.80% in the months ahead.
	5y	2.14%	↘	↗	Expectations for further cuts may also apply pressure to mid-curve this week.
	10y	2.49%	➡	⬆	Consolidation near historic lows.
NZ Swap Curve	2s-10s	0.47%	↗	⬆	Over the medium-term we see modest steepening.
NZ Bond Yields	NZGB 2027s	2.17%	↘	⬆	We see continued demand for NZGBs. Next nominal auction not until 18 August.
NZ-AU Swap Spreads	2y	0.34%	➡	➡	Potential for modest further compression in coming months as the RBNZ cuts its cash rate to the RBAs.
NZ Swap-Bond Spread	2027s ASM	0.30%	↗	➡	Potential for modest widening toward the upper-end of 10-40bps range.
US Bond Yields	10y	1.60%	➡	⬆	Consolidation after last week's payrolls data. Resistance to yields moving above July highs of 1.63%.
NZ-US Bond Spread	NZ-US 2027s	0.62%	↘	⬇	Further compression within 50-100bps range expected.
NZ-AU Bond Spread	NZ-AU 2027s	0.19%	➡	➡	Spreads remain tightly range bound mid the 10-50bps range that we see as likely through to year-end.

Source: Bloomberg, BNZ

Foreign Exchange Markets

Reuters pg BNZWFWDS Bloomberg pg BNZ9

In last week's BNZ Strategist we pointed out the US outlook was the key for the NZD. This was consistent with Friday's price action, which saw the NZD down sharply following the stronger-than-expected US employment release. The NZD closed last week at its lowest level in a week despite improved risk appetite and stronger NZ export commodity prices, including the circa 10% increase in whole milk powder at the GDT auction mid-week.

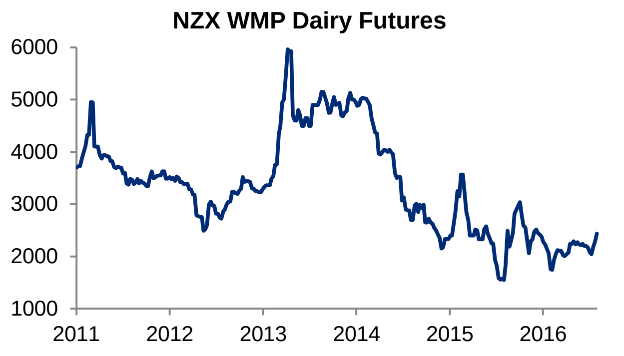
Our short term fair value model estimate has pushed up to 0.7040 on higher risk appetite and commodity prices and, with the weaker NZD, the valuation gap has closed to within 1%. The best chance for the NZD to move sub-70 cents is for further gains in the USD, fuelled by expectations that the Fed will resume tightening policy again. At present, a tightening by December is about 50/50 priced, while a full tightening isn't priced until November next year.

This week's RBNZ Monetary Policy Statement is not expected to have a sustained impact on the NZD. The intra-meeting economic update in late July means that the market has already moved in advance of this week's Statement. A 25bps rate cut is fully priced and a further one and half rate cuts are priced in by the market. We're not even convinced that a surprise 50 bps rate cut would have much lasting impact on the NZD. Last week's price action in the AUD post the RBA rate cut highlighted the lack of link between local rates and the local currency. We've recently written about the weaker relationship this cycle between rate differentials and the currency.

The RBNZ could well repeat the line that "a decline in the exchange rate is needed", but the market will rightly ignore this line. Our own modelling work suggests that the NZD is not significantly over-valued. On our purchasing power parity model the TWI is less than 5% "over-valued", NZ's current account balance is much better than average, and business confidence (even for exporters) is doing just fine. Certainly we can't see any evidence for the NZD "needing" to decline.

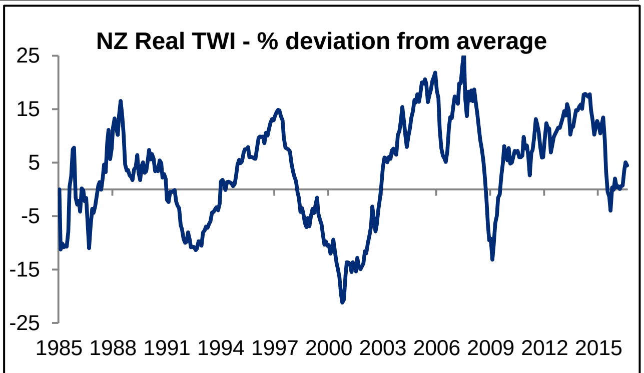
There are only second-tier local data releases this week. The international data calendar is also fairly light. Much of the action occurs on Friday, with a number of China activity indicators released and in the US retail sales data are the highlight. Before that, of some interest to the market might be a speech by RBA Governor Stevens on Wednesday. Overall, there's not a lot to excite foreign exchange markets this week and the Northern Hemisphere holiday season is another reason to expect light flows and modest price action. The Olympics will be a welcome distraction.

NZ WMP Dairy Prices Recovering From Depressed Level



Source: BNZ, Bloomberg

NZD Not Particularly Over-Valued in a Long-term Context



Source: BNZ

Cross Rates and Model Estimates

	Current	Last 3-weeks range*
NZD/USD	0.7122	0.6950 - 0.7260
NZD/AUD	0.9357	0.9280 - 0.9570
NZD/GBP	0.5447	0.5250 - 0.5500
NZD/EUR	0.6425	0.6310 - 0.6480
NZD/JPY	72.70	72.20 - 75.50

*Indicative range over last 3 weeks, rounded figures

BNZ Short-term Fair Value Models

	Model Est.	Actual/FV
NZD/USD	0.7040	1%
NZD/AUD	0.9120	3%

jason.k.wong@bnz.co.nz

Technicals

NZD/USD

Outlook:	Steady
ST Resistance:	0.7260 (ahead of 0.7320)
ST Support:	0.7060 (ahead of 0.6950)

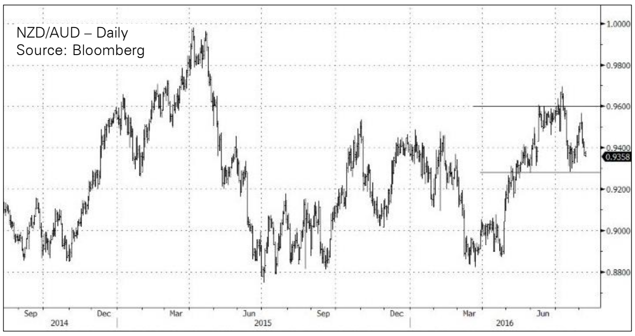
The NZD has settled into a trading range, with fairly wide 0.6950-0.7320 support and resistance levels. Current spot is close to the middle of the range.

NZD/AUD

Outlook:	In a range
ST Resistance:	0.9525 (ahead of 0.9600)
ST Support:	0.9280 (ahead of 0.9200)

The 0.96 mark represents an area of strong resistance, testing that level many times and only seeing one brief excursion to 0.97 over that time. There's decent support just under the 0.93 mark. Thus, 0.93-0.96 still looks like a reasonable trading range for now.

jason.k.wong@bnz.co.nz



NZ 5-year Swap Rate

Outlook:	Lower
ST Resistance:	2.32
MT Support:	2.00

Trend still in place. ST resistance is at 2.20 and we would stay invested until this has been breached.

NZ 2-year - 5-year Swap Spread (yield curve)

Outlook:	Flatter
ST Resistance:	+14
ST Support:	Flat

Target remains flat. Any retracement should be limited to +14.

pete_mason@bnz.co.nz

Key Upcoming Events

	Forecast	Median	Last
Monday 8 August			
Aus, ANZ Job Ads, July			+0.5%
China, Trade Balance, July		+CNY312b	+CNY311b
Jpn, BOJ Summary of Latest Meeting, 28/29 July			
Jpn, Eco Watchers Survey (outlook), July		42.0	41.5
Germ, Industrial Production, June		+0.7%	-1.3%
Tuesday 9 August			
NZ, Electronic Card Transactions, July	+0.3%		+1.0%
Aus, NAB Business Survey, July			
China, CPI, July y/y		+1.8%	+1.9%
Germ, Trade Balance, June		+€23.0b	+€21.0b
UK, Trade Balance, June		-£2.6b	-£2.3b
UK, Industrial Production, June		+0.1%	-0.5%
US, Productivity (non-farm), Q2 saar 1st est		+0.5%	-0.6%
US, Wholesale Inventories, June		flat	+0.1%
Wednesday 10 August			
Aus, Stevens Speaks, Anika Foundation			
Aus, Consumer Sentiment - Wpac, August			99.1
Aus, Housing Finance, June		+2.3%	-1.0%
China, (circa) Agg Financing (RMB), July		CNY1,024b	CNY1,630b
Jpn, Machinery Orders, June		-4.4%	-11.7%

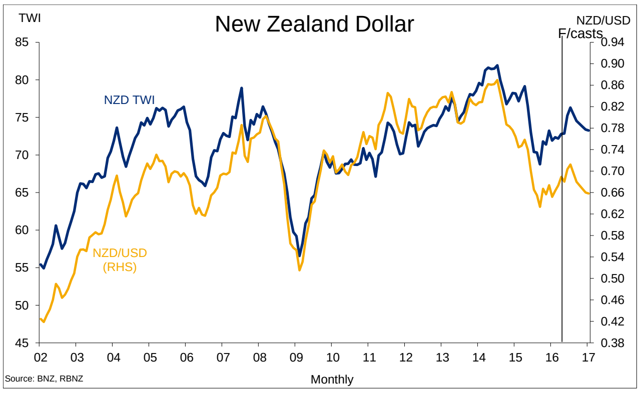
	Forecast	Median	Last
Jpn, Tertiary Industry Index, June		+0.3%	-0.7%US,
JOLTS Job Openings, June		5,675	5,500
Thursday 11 August			
NZ, (pending) REINZ Housing Data, July			
NZ, RBNZ Monetary Policy Statement	2.00%	2.00%	2.25%
NZ, Food Price Index, July			+0.4%
UK, RICS Housing Survey, July		+6%	+16%
US, Jobless Claims, week ended 06/08		265k	269k
Friday 12 August			
NZ, Retail Trade, Q2 vol s.a.	+1.1%	+1.0%	+0.8%
NZ, BNZ PMI (Manufacturing), July			57.7
China, Industrial Production, July y/y		+6.2%	+6.2%
China, Fixed Assets (ex rural), July ytd		+8.9%	+9.0%
China, Retail Sales, July y/y		+10.5%	+10.6%
Euro, GDP, Q2 2nd estimate		+0.3%	+0.3%
Euro, Industrial Production, June		+0.5%	-1.2%
Germ, GDP, Q2 1st est		+0.2%	+0.7%
Germ, CPI, July y/y 2nd est		+0.4%	+0.4%P
US, PPI ex-food/energy, July y/y		+1.2%	+1.3%
US, Retail Sales, July		+0.4%	+0.6%
US, Business Inventories, June		+0.1%	+0.2%
US, Mich Cons Confidence, August 1st est		91.5	90.0

Historical Data

	Today	Week Ago	Month Ago	Year Ago
CASH & BANK BILLS				
Call	2.25	2.25	2.25	3.00
1mth	2.13	2.19	2.36	3.12
2mth	2.19	2.23	2.38	3.09
3mth	2.26	2.25	2.41	3.06
6mth	2.24	2.23	2.40	2.97
GOVERNMENT STOCK				
12/17	1.80	1.79	2.00	2.54
03/19	1.79	1.78	1.99	2.60
04/20	1.81	1.82	2.00	2.69
05/21	1.83	1.84	2.01	2.75
04/23	1.92	1.91	2.04	2.96
04/25	2.08	2.03	2.20	0.00
04/27	2.20	2.15	2.33	3.33
04/33	2.53	2.48	2.64	0.00
GLOBAL CREDIT INDICES (ITRXX)				
AUD 5Y	104.0	109.00	122.58	97.00
N. AMERICA 5Y	70.73	72.03	76.34	70.32
EUROPE 5Y	66.31	67.60	79.13	62.26
SWAP RATES				
2 years	2.03	2.03	2.19	2.86
3 years	2.05	2.04	2.19	2.93
5 years	2.14	2.13	2.28	3.13
10 years	2.49	2.44	2.60	3.61

	Today	Week Ago	Month Ago	Year Ago
FOREIGN EXCHANGE				
NZD/USD	0.7117	0.7198	0.7176	0.6587
NZD/AUD	0.9356	0.9476	0.9610	0.9014
NZD/JPY	72.69	73.696	73.602	81.669
NZD/EUR	0.635	0.6444	0.6443	0.6002
NZD/GBP	0.544	0.5449	0.5400	0.4214
NZD/CAD	0.938	0.9395	0.9262	0.8629
TWI	75.88	76.60	76.77	70.25

NZD Outlook



Contact Details

Stephen Toplis
Head of Research
+(64 4) 474 6905

Craig Ebert
Senior Economist
+(64 4) 474 6799

Doug Steel
Senior Economist
+(64 4) 474 6923

Kymberly Martin
Senior Market Strategist
+(64 4) 924 7654

Jason Wong
Currency Strategist
+(64 4) 924 7652

Main Offices

Wellington
60 Waterloo Quay
Private Bag 39806
Wellington Mail Centre
Lower Hutt 5045
New Zealand
Phone: +(64 4) 473 3791
FI: 0800 283 269

Auckland
80 Queen Street
Private Bag 92208
Auckland 1142
New Zealand
Phone: +(64 9) 976 5762
Toll Free: 0800 081 167

Christchurch
81 Riccarton Road
PO Box 1461
Christchurch 8022
New Zealand
Phone: +(64 3) 353 2219
Toll Free: 0800 854 854

National Australia Bank

Peter Jolly
Global Head of Research
+(61 2) 9237 1406

Alan Oster
Group Chief Economist
+(61 3) 8634 2927

Ray Attrill
Global Co-Head of FX Strategy
+(61 2) 9237 1848

Skye Masters
Head of Interest Rate Strategy
+(61 2) 9295 1196

Wellington

Foreign Exchange	+800 642 222
Fixed Income/Derivatives	+800 283 269

Sydney

Foreign Exchange	+(61 2) 9295 1100
Fixed Income/Derivatives	+(61 2) 9295 1166

London

Foreign Exchange	+(44 20) 7796 3091
Fixed Income/Derivatives	+(44 20) 7796 4761

New York

Foreign Exchange	+1 212 916 9631
Fixed Income/Derivatives	+1 212 916 9677

Hong Kong

Foreign Exchange	+(85 2) 2526 5891
Fixed Income/Derivatives	+(85 2) 2526 5891