

NEW ZEALAND ECONOMICS ANZ COMMODITY PRICE INDEX

Data for June 2014, released
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APPLE CRUMBLE, WITH CREAM

The ANZ Commodity Price Index recorded a fourth successive monthly decline in June, easing 0.9 percent in the month to be 6.7 percent below the peak measured in February. Eight commodities reported a weakening in prices last month, six commodity prices firmed over the month and three were unchanged.

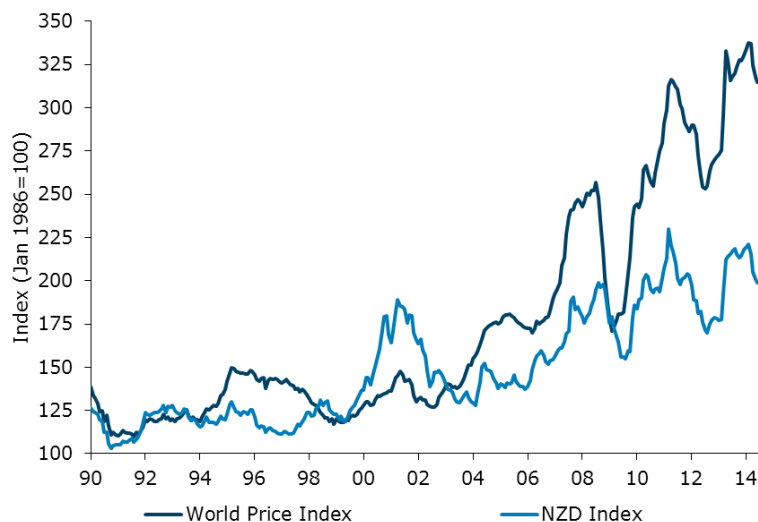
The largest fall in commodity prices in June was measured in the price of apples, which fell 6 percent from a month earlier – a typical pattern for this time of the year as the Northern Hemisphere export season evolves. Log prices provided the next largest price drop, dropping 5 percent. Both whole and skim milk powder prices eased 3 percent in the month. Pelt and butter prices eased 2 percent and sawn timber and casein prices eased a ¼ of a percent.

Aluminium prices recorded the largest increase in June, rising 5 percent from May. Kiwifruit and wool recorded the next largest increases rising 3 percent, followed by beef prices which increased 2 percent. Cheese and lamb prices lifted by ½ of a percent. The prices of seafood, wood pulp and venison was unchanged in the month.

The headline index figure is now at its lowest level in 15 months, but this masks divergent trends across the sub-groups. Dairy and forestry have fallen to 16 and 14 month lows respectively. But some other prices are lifting. Horticulture and aluminium commodity prices have increased to 12 and 14 month highs respectively; meat prices have risen to a 14½-year high, and seafood prices remain at an all-time high.

The New Zealand dollar strengthened fractionally in the month of June. This exacerbated the fall in commodity prices once converted into the local currency, and consequently the ANZ NZD Commodity Price Index eased 1.1 percent in the month, with prices 13.6 percent below the March 2011 peak.

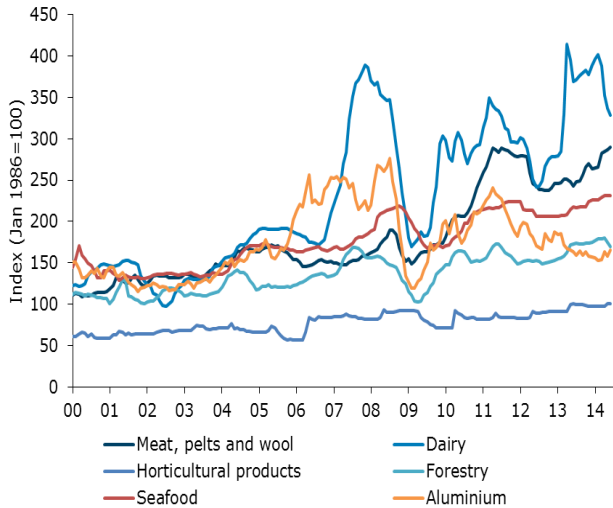
ANZ COMMODITY PRICE INDEX



Source: ANZ

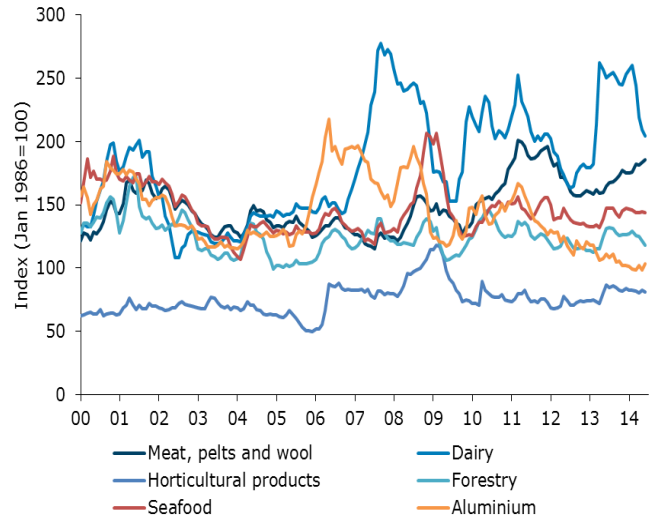
ANZ COMMODITY PRICE INDEX

SUB GROUP INDICES (WORLD PRICES)



Source: ANZ

SUB GROUP INDICES (NZD PRICES)



Source: ANZ

	World Price Index	Monthly % Change	Annual % Change	NZ\$ Index	Monthly % Change	Annual % Change
Jun-10	262.5	..	45.5	202.7	..	30.0
Jun-11	312.3	..	19.0	210.1	..	3.7
Jun-12	254.1	..	-18.6	176.3	..	-16.1
Jun-13	315.6	..	24.2	215.6	..	22.3

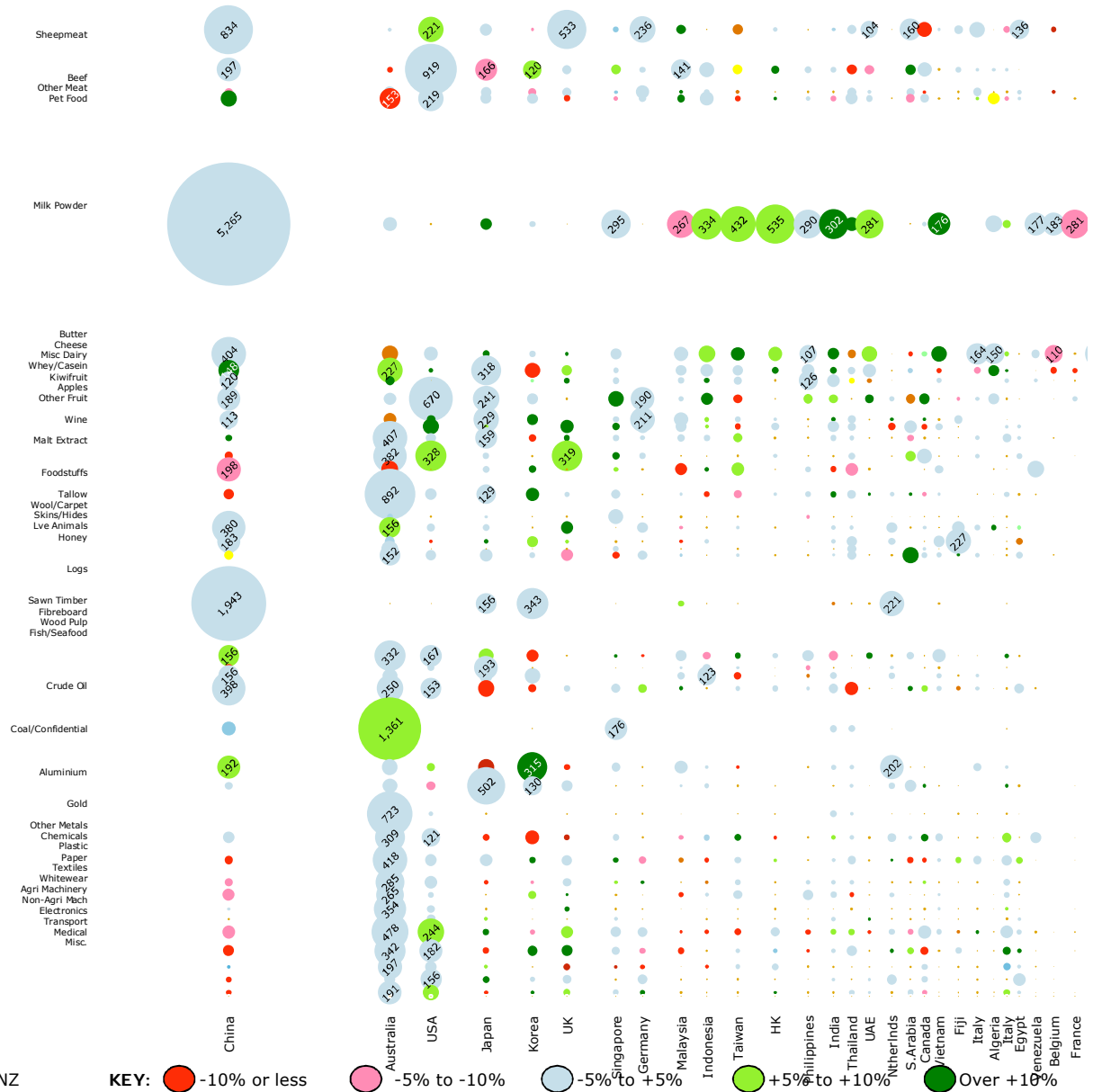
Jan-14	334.2	1.2	22.6	219.4	0.6	23.8
Feb-14	337.3	0.9	22.4	221.2	0.8	24.4
Mar-14	337.1	-0.1	14.0	215.5	-2.6	11.8
Apr-14	324.7	-3.7	-2.5	205.2	-4.7	-3.4
May-14	317.7	-2.2	-3.1	201.0	-2.1	-6.0
Jun-14	314.7	-0.9	-0.3	198.9	-1.1	-7.8

Commodity Price Index weights are based on contributions to merchandise exports. Weights for the 2014 year are: Wool 2.9%; Beef 8.0%; Lamb 10.4%; Venison 0.7%; Skins 2.3%; Dairy 46.8%; Apples 1.9%; Kiwifruit 3.3%; Logs 9.0%; Sawn Timber 3.7%; Wood Pulp 2.2%; Seafood 5.1%; Aluminium 3.7%

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 May 2014 (larger values are labelled in \$m)
 The colour fill indicates the percentage change from a year earlier (3mth/3mth_{t-12})



Source: ANZ, SNZ

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