

NEW ZEALAND ECONOMICS ANZ COMMODITY PRICE INDEX

Data for September 2014,
released on 2 October 2014

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THE GOOD, THE BAD AND THE UDDERLY

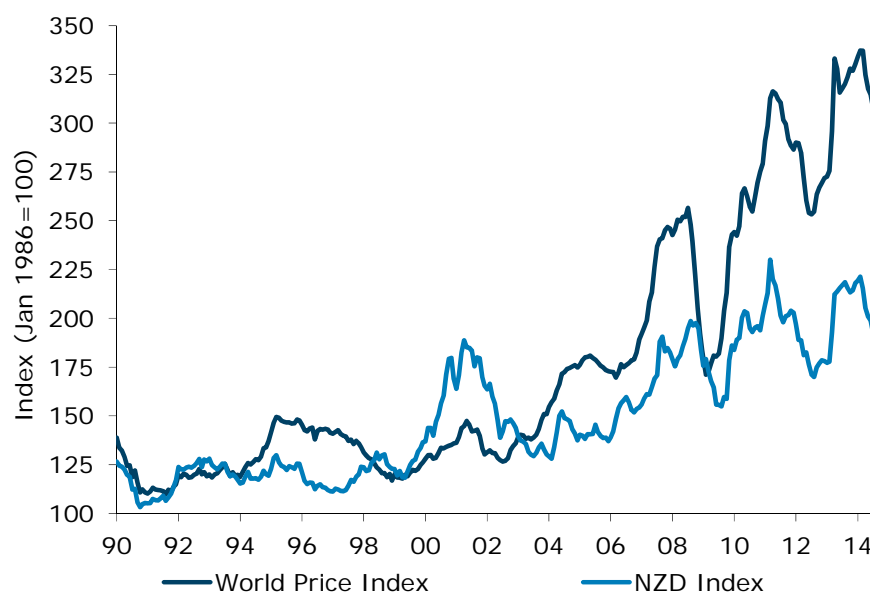
The ANZ Commodity Price Index declined for the seventh consecutive month, easing 1.3% in September. Nine commodity prices declined in September, three increased and five were unchanged.

Dairy products led the decline, with skim milk powder prices falling 14% from the previous month, to its lowest level since June 2012. Apple prices dropped 11% on limited volumes in the European marketplace. Butter prices fell 8% in September, while the price of whole milk powder and pelts both declined 5%, and cheese prices dropped 3%. Rounding off the declines in commodity prices, wool and casein prices fell 2% and aluminium prices eased 1%.

For the third successive month, **the price of beef recorded the strongest increase in our commodity basket**, with the 10% rise taking the series to a new record high. This was the fifth consecutive monthly increase for beef prices, which have risen 41% since April. Renewed demand out of the United States market has been the main catalyst for this lift. With the Northern Hemisphere export season tailing-off, kiwifruit prices rose a further 2% in September. There was also a modest increase for log prices. The international export prices of sheepmeat, seafood, wood pulp, lumber and venison were all unchanged in the month.

In the September month, the value of the NZ dollar depreciated against the currencies of all our major trading partners except Japan. As a result **the NZD Commodity Price Index increased 1.6% in September** – the first lift in the NZD Commodity Price Index since February. Our indexes are based on monthly averages, and have only partly incorporated the impact of sharp NZD falls towards the end the month. If the monthly average of the currency was around the current levels, the increase in the NZD index would've been closer to 3% this month, all else equal.

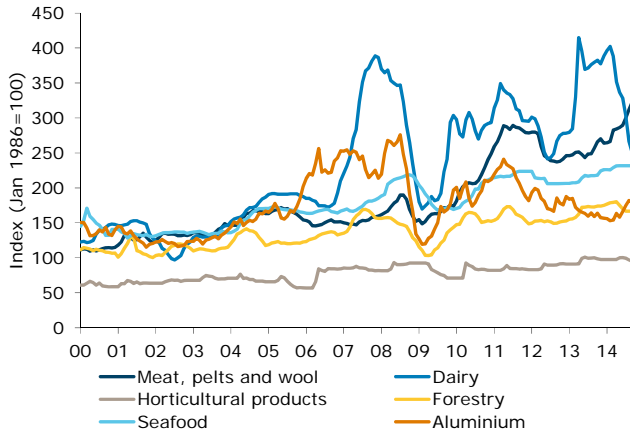
ANZ COMMODITY PRICE INDEX



Source: ANZ

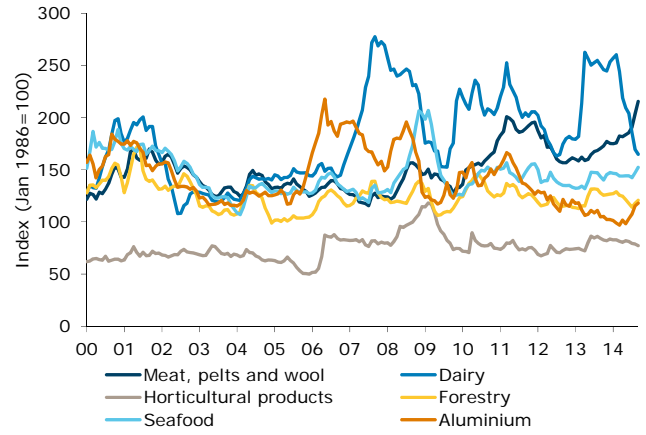
ANZ COMMODITY PRICE INDEX

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
Sep-10	261.9	..	28.5	195.2	..	22.3
Sep-11	299.5	..	14.3	201.1	..	3.0
Sep-12	263.3	..	-12.1	174.9	..	-13.0
Sep-13	323.5	..	22.9	215.5	..	23.2

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	-1.0	-7.8
Jul-14	307.3	-2.4	-3.3	192.1	-3.4	-11.5
Aug-14	297.0	-3.3	-7.2	191.3	-0.4	-12.5
Sep-14	293.2	-1.3	-9.4	194.3	1.6	-9.9

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

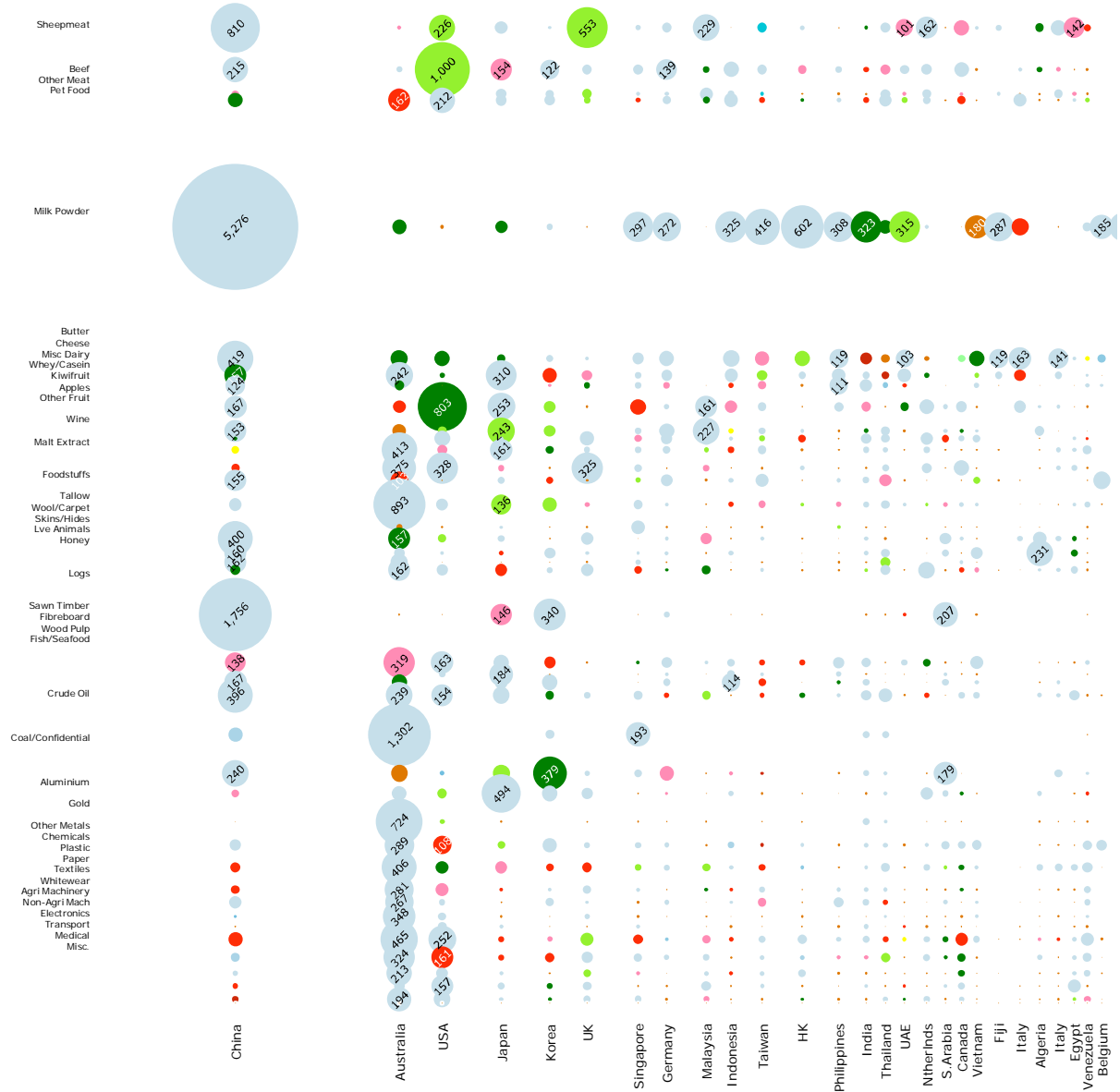
Table 2. NZ's Key Merchandise Exports, sorted by country and commodity, for the 12 months ended August 2014

	Global Total	Regional Sub-totals					China	Australia	USA	Japan	Korea	UK	Singapore	Taiwan	Germany	Indonesia	Malaysia	UAE	Philippines	Thailand	Hong Kong	Saudi Arabia	Netherlands	India	Canada	Vietnam	Algeria	Egypt	Italy	Belgium	France	Fiji	Nigeria	Sri Lanka	Venezuela	Mexico
		European Union	SE Asia	NE Asia	Middle East																															
TOTAL ALL ITEMS	51,250	5,014	5,169	17,918	2,383	11,589	8,915	4,343	2,893	1,684	1,539	1,066	1,009	1,008	966	937	880	811	809	716	708	693	596	538	537	443	435	424	375	366	361	353	288	264	256	
Milk Powder	10,568	9	1,868	5,691	1,053	5,276	68	4	51	12	1	297	272		325	416	602	308	323	62	315	7														
Sheepmeat	2,985	1,283	53	933	185	810	6	226	53	4	553	10	32	229		33	8	1	5	34	101	162	1	80	4	12		24	76	142	17					
Butter	2,725	188	454	558	513	419	94	81	25	15	5	45	73		91	66	76	119		47	25	103	8	19	82	119	163		141	4	8	21	3	2	53	
Logs	2,478		6	2,256	4	1,756	1		146	340			13							3	1	4		207	3											
Beef	2,244	128	170	666	94	215	11	1,000	154	122	32	31	139	13	79	31	24	14	11	36	29	38		72	3		6	11	7	1	3				3	
Crude Oil	1,645		211	108		66	1,302				25		193							17	16															
Cheese	1,489	62	192	597	123	157	242	9	310	68	37	12	40		57	36	18	59	19	21	59	8			8	17	45		17	3		2	1	11		
Casein	1,425	191	148	420	6	153	41	465	219	39	2	34	7	118	50	24		8	31	1	3	55	7	13	1		4	3	5		2				109	
Wine	1,332	442	28	56	8	23	375	328	13	2	325	21	1	15	2	7	1	2	17		35		80	1				1	8	12						
Confidential Items	1,241	32	40	793		240	74	7	99	379	8	20	70	1	6	3			11	6		1	179													
Non-Agricultural Machinery	1,156	103	92	90	42	54	431	181	11	9	44	31	3	17	7	15	28	8	15	11	6	11	12	25	15			3	5	6	52	3	1	1	5	
Sawn Timber	1,070	36	164	292	26	138	319	163	75	43	2	4	35	5	19	13	12	42	31	1	13	19	2	1	56											
Kiwi Fruit	1,065	334	51	546	12	153	64	27	243	45		14	76	227	8	15	5		2	7	28	3					31								4	
Aluminium	947	102	17	604	20	21	74	32	494	81	42	1	3		9	2	1				2	5	47	13	5											
Electronic Components	929	124	46	109	16	26	324	161	13	31	42	23	9	14	2	7	8	5	6	30	1	17	6	24	1			10	1	7	27				5	
Pet Food	833	40	101	215	19	66	141	190	37	38	4	6	22	14	63	11	4	7	12	52	11	9	1	20	1		59	2							1	
Wool	782	197	14	422	19	399	35	14	15	1	52	1	5	40	1	5	1			7	2		1	43	4	1	10	61	10	8					2	
Gold-Jewellery	768	6	17	6	1	724	9	2			1	1	1		1	2	1		15	4																
Fish	733	108	42	230	12	123	171	66	77	7	6	7	4	15	1	2	7	16	18		1	3	4	10												
Whey	691	64	70	56	37	13	338	34	7		45	1	43	2	1	22					20	18	2	25	1		45	1							8	
Wood Pulp	650	5	161	325		167	78		59	81			18		114	20		5	15				16													
Malt Extract	646	6	110	284	7	155	103		17	17	3	9	47	3	9	54	7	14	48	2							17	1							98	
Food Preps (Ex Sauce, Baked)	591	5	47	202	6	39	304	12	84	57	2	15	3		1	11	1	6	9	19	2	1													3	
Apples	523	188	93	75	22	5	1	82	6		64	18	40	55	6	13	19	1	35	23			50	19	11	19										3
Misc Goods	488					1																														
Plastics	474	32	33	37	2	22	266	40	4	4	21	6	1	2	4	10	1	6	7	7	1	1	2	5	2			1	2	2	15		1		1	
Fresh Vege (Ex Spud, Onion)	459	7	26	146	3	3	217	20	117	17	2	5	5	2	1	14	1	1	4	5	1		2	1		2										
Paper	457	1	80	89	1	48	229	10	1	23	1	2	8		4	25	1	33	14	8			7	4												
Clothes-Footwear	447	21	8	9	4	3	348	22	2		10	2		2	1	2						1	1	3	4											
Raw Hides	356	98	21	180	19	134	21	2	2	30	4		3	1	9					1	11		9	10				71		16						
Respirators-Breathing Apps	340	99	9	38	8	11	23	132	15	10	17	1	1	29	1	5				2	1	2	4	13												1
Fibreboard-Plywood	321		36	205		17	50	14	184	1			4		19	4		9	1				5	1	2											
Molluscs-Mussels	311	66	32	68	6	23	32	81	7	15	8	4	4	8	4	4	1	19	18	1	6		9	3				6	3	4						1
Other Iron	295	26	9	18	7	3	139	13	12	1	10	2	1	2	2	5	1	1	1	3		1		1												
Rollled Steel	292		9	14		3	107	83	2	8		4																								
Crustaceans-Rock Lobster	275	1	1	264		249	4	4	8					1																						
Misc Equipment-Apparatus	274	32	20	23	7	7	79	76	4	4	8	14	1	10	1	2	1	1	2	5	3	3	2	6												1
Buttermilk-Yoghurt-Ice Cream	270	13	131	64	13	41	19		21		13	5	1		2	8	2	71	44	1	6															4
Offal-Misc Meat For Humans	259	29	27	97	8	17	41	7	35	22	21	3	5		14	5	1	3	2	18	5	1	1			5	2									
Misc Dairy	248		88	110	3	83	12		3	9	12		7		7	14		40	7	10			9													
Chemicals	239	39	20	70	2	15	35	13	37	9	7	5	6	7	5	5			2	1	1	1	4	5	2			8	12	1	10				1	
Beverages (Excl Wine)	230	3	5	14	1	4	162	17	7	1	2				1	1	1	3		1		1														
Agricultural Machinery	222	38	2	14	1	12	34	71	1	7	1	2			6	1	1	3		1			27													
Motor Vehicles	212	19	13	7	19	1	113	8	4		12	3			2	1	7	17	1	1																
Tanned Hides	205	159	6	27	1	9	3		4		1		3	1						5	11		9	1												

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 August 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

KEY: ● -10% or less ● -5% to -10% ● -5% to +5% ● +5% to +10% ● Over +10%

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