

NEW ZEALAND ECONOMICS ANZ COMMODITY PRICE INDEX

Data for November 2014,
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POWDER PUFF

The ANZ Commodity Price Index recorded a further decline in November, easing 1.6% – the ninth consecutive monthly decrease in the index. Ten commodity prices recorded a decrease in November, prices for three increased, with prices for four unchanged. Five out of the ten prices to fall in November were dairy products. Prices in the index were 12% lower than a year ago and were 15% below February 2014 peaks.

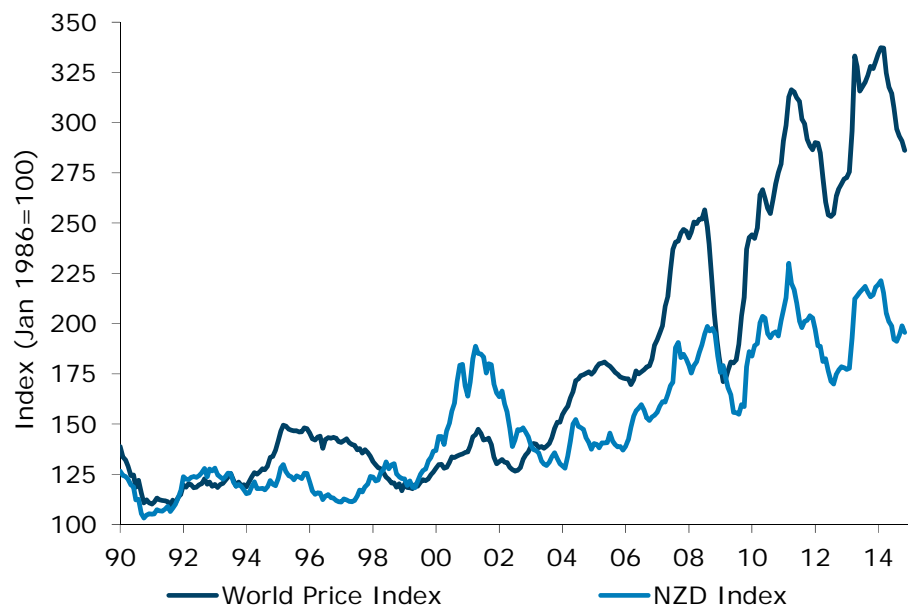
Milk powder prices registered the largest decline. Skim and whole milk power prices fell 7% and 6% respectively, with both series falling to 5-year lows. Cheese, butter and casein prices all eased 2% in the month, drifting to 2-year lows. Outside of dairy, wool prices decreased 4%, pelt prices dropped 3%, beef prices slipped 2%, log prices eased 1% and timber prices eased ¼%.

At the other end of the spectrum, **aluminium led price increases, rising 5%.** Kiwifruit prices increased 2% to touch record highs, and sheepmeat prices lifted ½%. Prices of seafood, wood pulp, apples and venison were all unchanged in the month.

Dairy has been a major force driving down the ANZ commodity price index, with the dairy component falling for nine successive months to be 37% below the same level a year earlier and 45% below April 2013 peaks. Outside of dairy, prices in the index rose 0.8% in November to be 14.5% higher than a year ago and just 1% shy of September 2014 peaks.

The NZD ANZ Commodity Price Index eased 1.6% in November (-9% y/y), with the kiwi dollar down against the United States dollar, but firmer against the yen, euro, pound and Australian dollar. In NZD terms, prices are 15% below their March 2011 peaks.

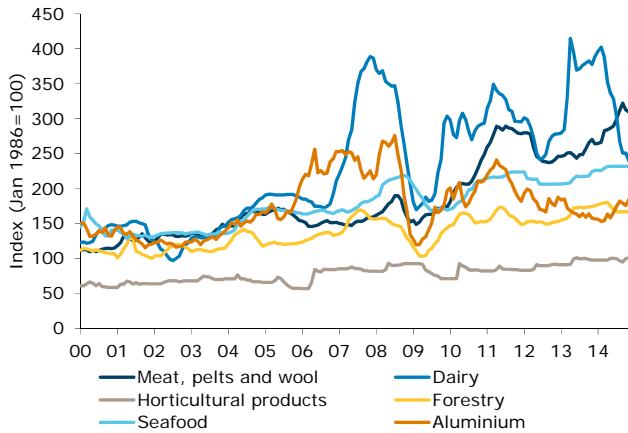
ANZ COMMODITY PRICE INDEX



Source: ANZ

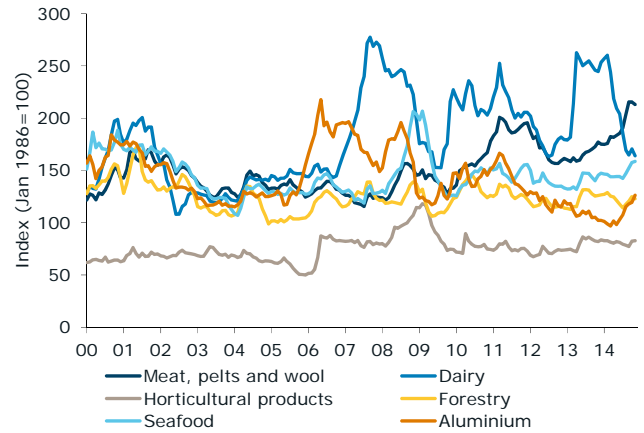
ANZ COMMODITY PRICE INDEX

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
Nov-10	275.1	..	16.2	193.9	..	8.6
Nov-11	288.5	..	4.9	203.9	..	5.2
Nov-12	269.5	..	-6.6	178.5	..	-12.4
Nov-13	326.9	..	21.3	214.4	..	20.1

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
Oct-14	290.8	-0.8	-11.3	198.9	2.4	-6.8
Nov-14	286.3	-1.6	-12.4	195.7	-1.6	-8.7

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%

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