

NEW ZEALAND ECONOMICS ANZ COMMODITY PRICE INDEX

Data for December 2014,
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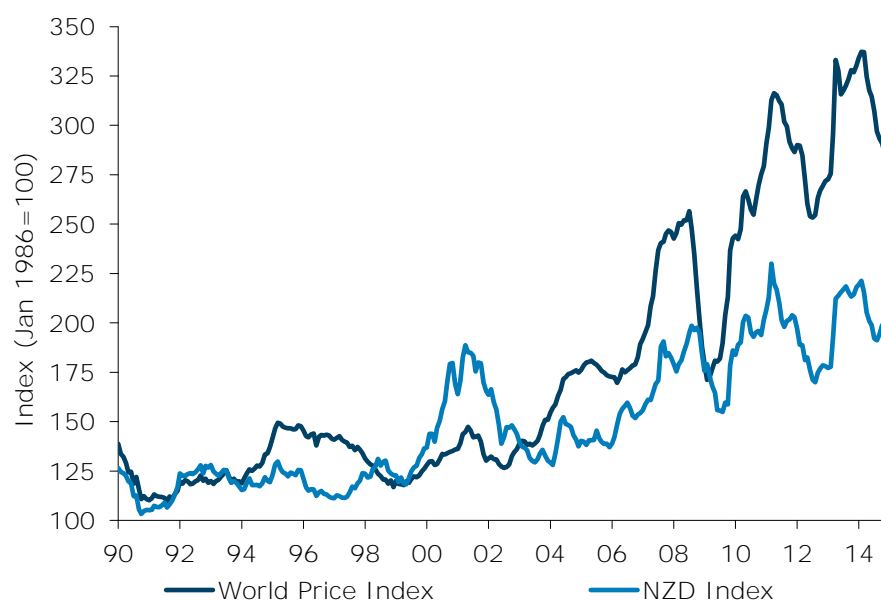
The ANZ Commodity Price Index fell a further 4.4% in December – the tenth consecutive monthly decrease in the index. The index weakened 17% over calendar 2014 – the greatest annual decline in 2½-years. Nine commodity prices recorded a decrease in December, prices for two commodities increased, while prices for the remaining six commodities were unchanged in the month.

Whole milk powder prices recorded the largest fall in December, falling 11% in the month – to be 52% lower than a year earlier. Beef prices fell 10% over the month but remain 28% up on a year ago. Skim milk powder prices dropped 9%, aluminium prices decreased 7%, cheese prices slipped 5%, wool prices declined 4%, and sheepmeat and pelt prices weakened 3%.

Intriguingly, **the international price of butter defied the drop across other dairy products and rose 8%** in the month, but remains 25% below the level that prevailed a year earlier. Kiwifruit was the other commodity to register a price increase in December, lifting 1% as the Northern Hemisphere export season tailed off. Prices were unchanged for seafood, apples, casein, venison, wood pulp and sawn timber.

The NZD ANZ Commodity Price Index eased 3.8% in December (-14% 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 16% below their March 2011 peaks.

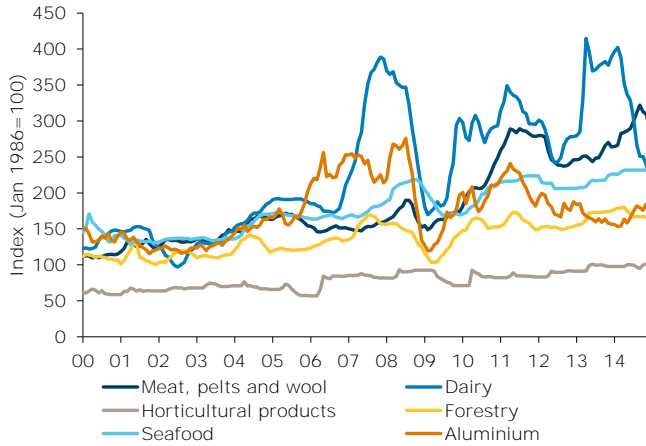
ANZ COMMODITY PRICE INDEX



Source: ANZ

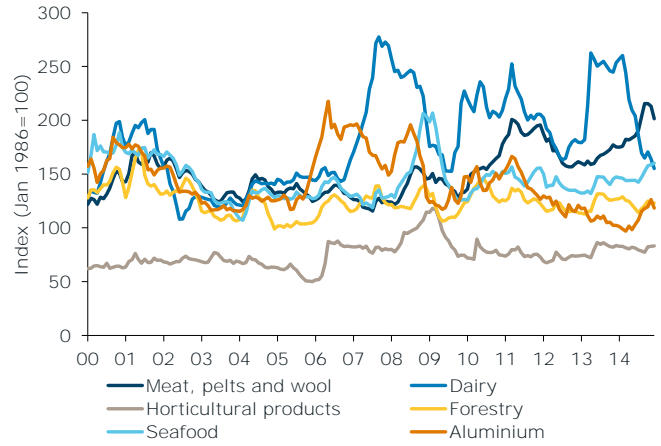
ANZ COMMODITY PRICE INDEX

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
Dec-10	279.3	..	15.0	201.5	..	8.3
Dec-11	286.5	..	2.6	202.8	..	0.7
Dec-12	271.8	..	-5.1	178.1	..	-12.2
Dec-13	330.3	..	21.5	218.1	..	22.5

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	290.9	-0.8	-11.3	198.9	2.4	-6.8
Nov-14	286.3	-1.6	-12.4	195.7	-1.6	-8.7
Dec-14	273.5	-4.4	-17.2	188.2	-3.8	-13.7

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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