

Helping the Waikato through COVID-19

Economic Radar

As at 3 July 2020

As at 3 July, New Zealand is midway through its fourth week at Alert Level 1 status.

Te Waka, with the support of Waikato Regional Council Economists Blair Keenan and Sarah MacKay, continues to collate data to gauge what is happening in the Waikato economy. Charts in today's Radar show some improvement and stabilisation of trends over the past few weeks, detailed in this report.

Due to COVID-19's relatively stable nature in NZ and to account for various data sources' schedules of releasing data, we have made the decision to move to publishing Economic Radars on a monthly basis. Reports are to be published on the first Friday of each month, our next report due 7 August.

As discussed in our last report, there remains uncertainty surrounding:

1. International Markets – many countries' health and economic challenges relating to COVID-19 are still developing / at a relatively early stage.
2. COVID-19 Free NZ – Over the past two weeks, NZ has had 23 new cases of COVID-19. Uncertainty remains as to whether these cases can be contained and whether additional cases will emerge under our 'less restrictive' Alert Level 1 environment.
3. Post Government Survival Investment Stability – Central Government has invested in a number of initiatives to support business survival. Uncertainty remains around the long-term impact / effectiveness of these initiatives.

As previously mentioned, we will continue to expand our monitoring and measures as we scan for signs of trouble, stabilisation, or sparks of life.

Note:

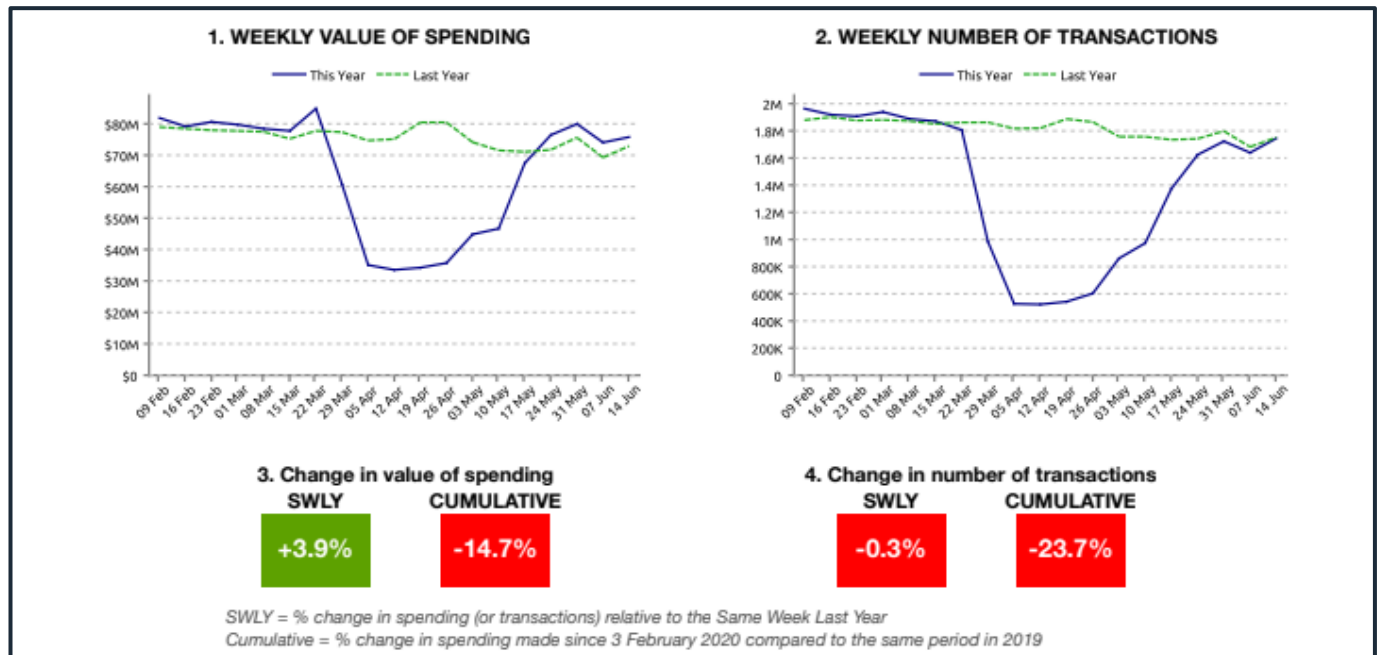
The following report has been compiled to share the Waikato region's COVID-19 recovery progress. In all instances, sources are listed to ensure access to data can be found.

District level data can be obtained for some of the information contained in this report, please connect with us directly to learn more on this. Te Waka wishes to continue to progress conversations on the streamlining of obtaining this data with our ED community and business.

To provide feedback or find out more on the below information please contact:

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Waikato Weekly Card Transactions – Week Ending June 14



5. WEEKLY SPENDING CHANGE BY CATEGORY

	SWLY		Cumulative	
	\$	#	\$	#
Food, liquor & pharmacies	+12.7%	+1.2%	+14.4%	-9.1%
Hospitality & Accommodation	-2.5%	-2.9%	-36.3%	-38.2%
Fuel & Automotive	-12.8%	-6.8%	-27.6%	-24.1%
Clothing, Footwear & Dept. Stores	+28.2%	+18.8%	-35.3%	-37.8%
Home & Recreational Retailing	+20.7%	+26.5%	-17.4%	-23.1%
All other	-11.9%	-9.4%	-41.2%	-41.6%
TOTAL	+3.9%	-0.3%	-14.7%	-23.7%

6. WEEKLY SPEND AND TRANSACTION CHANGES

Week Ending	SWLY		Cumulative	
	\$	#	\$	#
09-Feb	+3.7%	+4.5%	+3.7%	+4.5%
16-Feb	+0.9%	+0.9%	+2.3%	+2.7%
23-Feb	+3.4%	+1.7%	+2.7%	+2.4%
01-Mar	+2.6%	+3.1%	+2.6%	+2.5%
08-Mar	+1.3%	+0.8%	+2.4%	+2.2%
15-Mar	+3.3%	+1.1%	+2.5%	+2.0%
22-Mar	+9.1%	-2.9%	+3.5%	+1.3%
29-Mar	-21.6%	-47.1%	+0.3%	-4.7%
05-Apr	-53.1%	-71.0%	-5.4%	-11.9%
12-Apr	-55.4%	-71.3%	-10.3%	-17.7%
19-Apr	-57.5%	-71.3%	-14.7%	-22.6%
26-Apr	-55.6%	-67.7%	-18.3%	-26.4%
03-May	-39.5%	-51.0%	-19.8%	-28.2%
10-May	-34.8%	-44.6%	-20.8%	-29.3%
17-May	-5.1%	-20.8%	-19.8%	-28.8%
24-May	+6.5%	-6.8%	-18.3%	-27.5%
31-May	+5.7%	-4.2%	-16.9%	-26.1%
07-Jun	+6.9%	-2.5%	-15.7%	-24.9%
14-Jun	+3.9%	-0.3%	-14.7%	-23.7%

7. CHANGE BY ORIGIN OF CARDHOLDER

	SWLY		Cumulative	
	\$	#	\$	#
INTERNATIONAL	-49.8%	-43.1%	-32.1%	-32.4%
NZ CARDS	+5.0%	+0.2%	-14.0%	-23.4%

8. WEEKLY VALUE OF SPENDING - ALL OF NZ

	SWLY		Cumulative	
	\$	#	\$	#
New Zealand	+3.7%	-4.4%	-15.9%	-26.1%

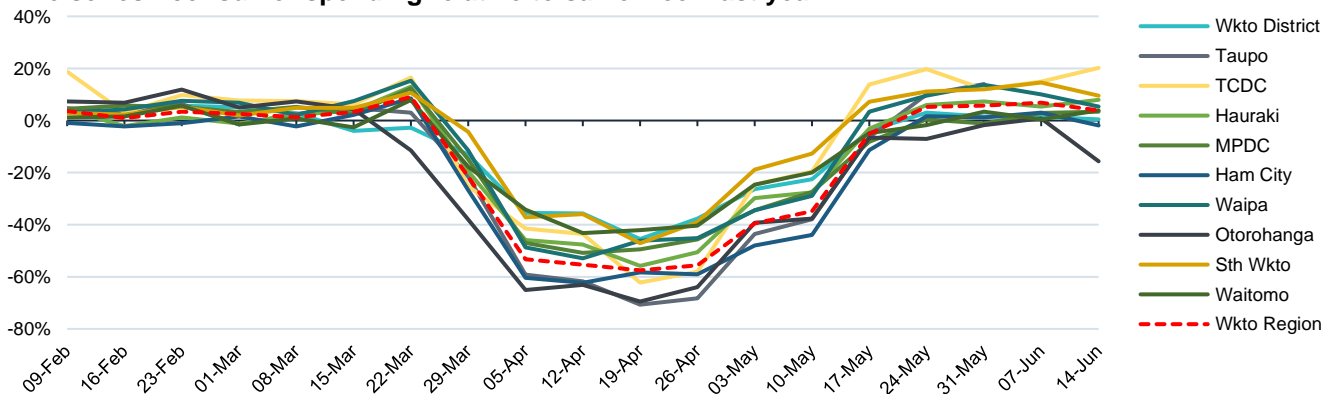
Source: Marketview using Paymark data.

Notes to graphics on the previous page:

- “Cumulative” measures represent change in spending / volume of transactions since 9 February, relative to the same period last year.
- “SWLY” measures represent change in spending / volume of transactions relative to the same week last year.

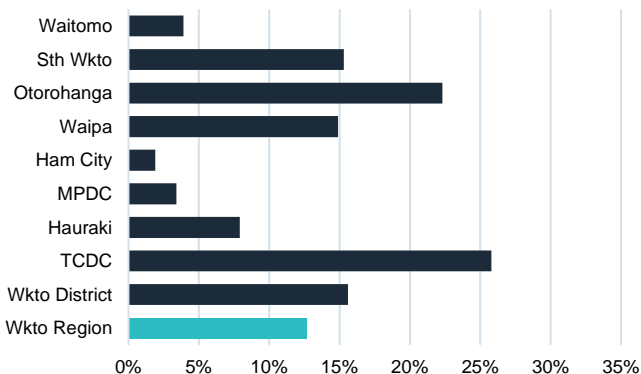
The chart below summarises the change in level of spending for the weeks ended 9 February to 14 June, relative to corresponding weeks last year. While weekly spending under Alert Level 3 remained below last year’s levels, the move into Alert Level 2 saw spending levels return, and even surpass last year’s levels. While the range between territorial authorities is significantly wider, spending in the Waikato region appears to be in line with February levels. Weekly spend in the Waikato region at 14 June and 9 February were 3.9% and 3.7% up on corresponding weeks last year, respectively. Note: Unfortunately Taupo spending data was unavailable. Taupo numbers are still in fact included in “Wkto Region” numbers.

Time series - consumer spending relative to same week last year

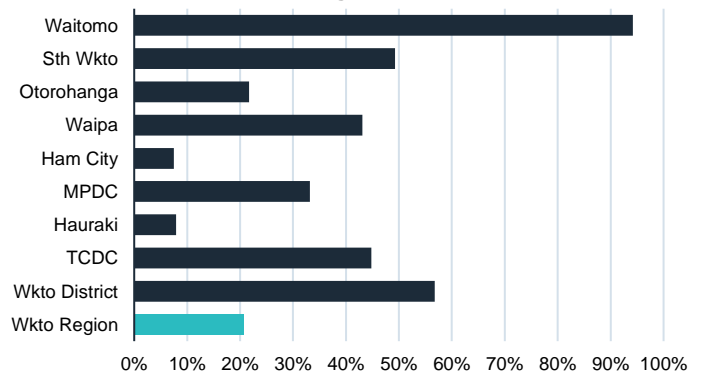


The chart below summarises level of spending relative to the corresponding week last year under the Food, Liquor & Pharmacies and Home & Recreational Retailing categories. Level of spending under these categories was significantly higher than last year, across all districts.

Food, liquor & pharmacies



Home & recreational retailing



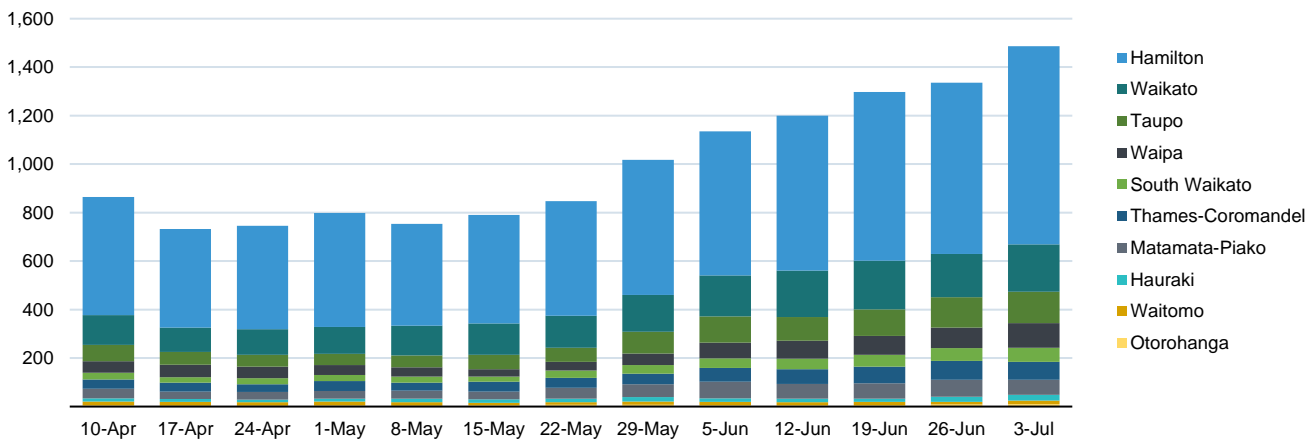
Source: Marketview using Paymark data.

Employment

Job Ads

The chart below summarises number of Trade Me jobs advertised as at Friday of each week since mid-April 2020. Number of jobs advertised in the Waikato region today represents an 11% increase on last week and a 31% increase on last month.

Jobs advertised by district

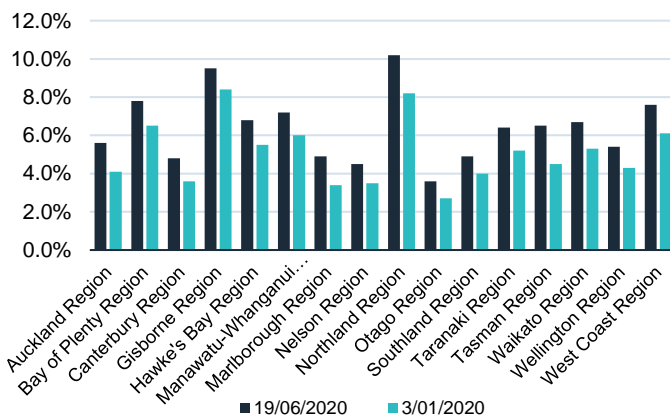


Source: www.trademe.co.nz

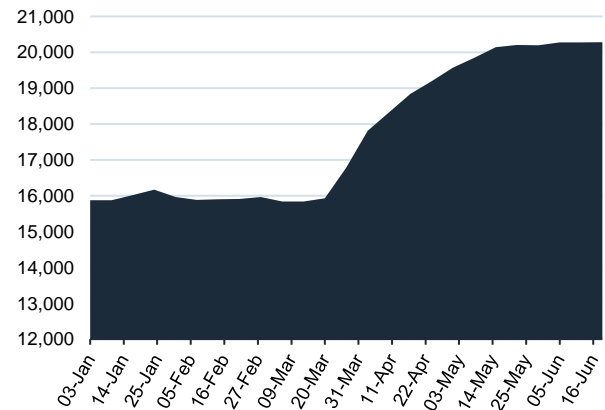
Jobseeker Support

The number of recipients of the Jobseeker Support has risen by 4,400, or 28% since the start of 2020, in line with the 29% increase for New Zealand as a whole. This means that 6.7% of the Waikato working age population is receiving Jobseeker support (compared with 5.3% at the start of the year). This is higher than the 5.9% of the national working age population now in receipt of Jobseeker Support.

Share of working-age population

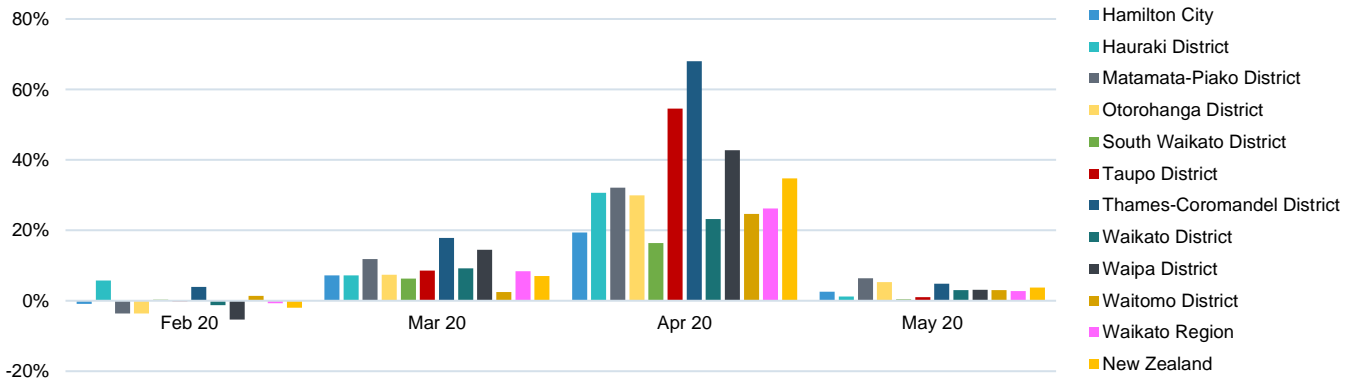


of Jobseeker Support recipients



The chart below summarises monthly % change in Job Seeker support. % changes in May were relatively small, suggesting a stabilisation of number of support recipients, in line with April.

% change in Jobseeker Support



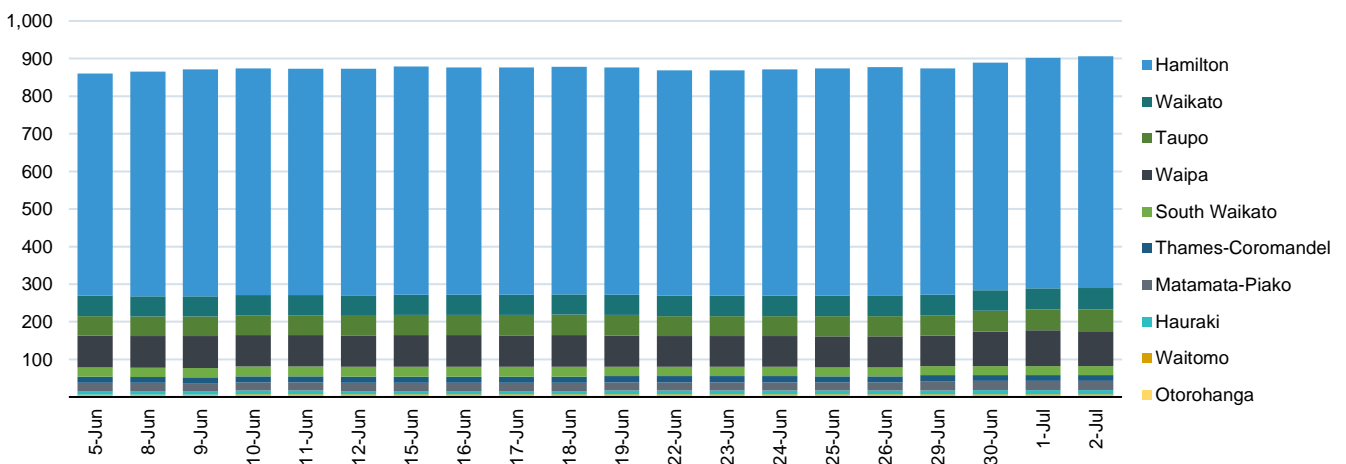
Source: www.msd.govt.nz

Note: the numbers used to create the chart above reflect Work Ready Jobseekers only.

Businesses

Commercial leasing

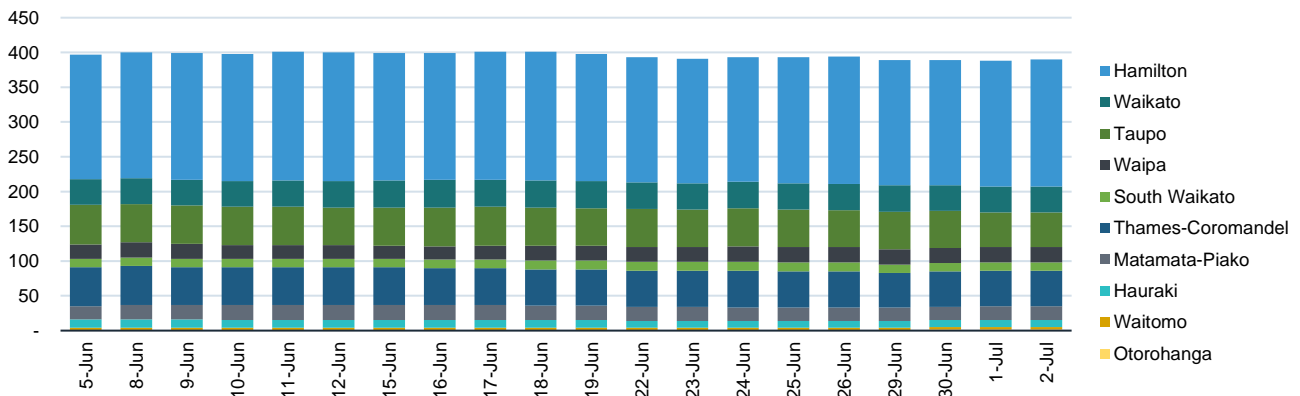
The chart below summarises the number of commercial leases advertised on Trade Me as at the end of each day, for the last four weeks.



Source: www.trademe.co.nz

Businesses for sale

The chart below summarises the number of businesses for sale advertised on Trade Me as at the end of each day, for the last four weeks.

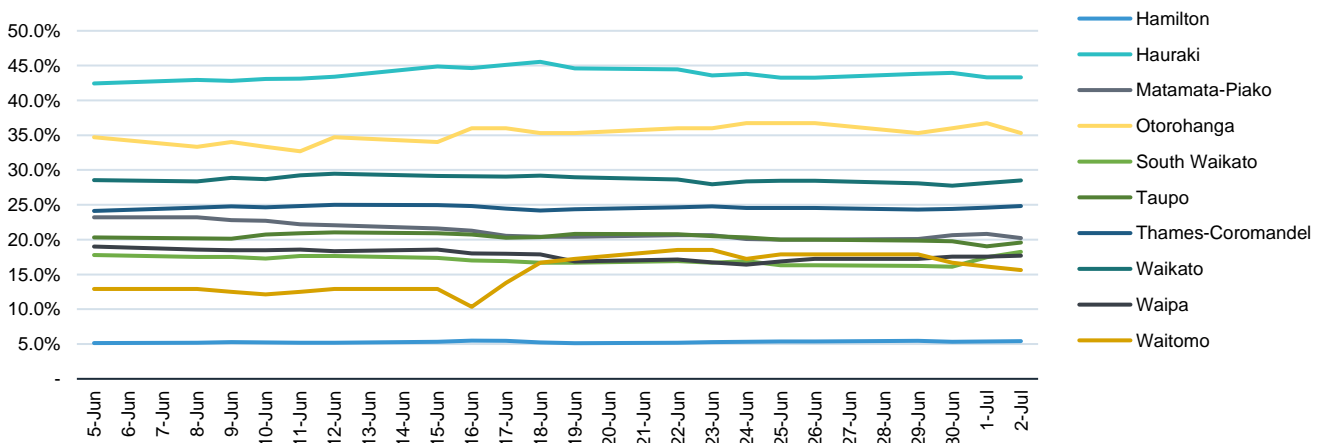


Source: www.trademe.co.nz

Residential sections

The chart below summarises the number of residential sections for sale as a percentage of total residential listings each day for the last four weeks.

Sections for sale as a % of total residential listings



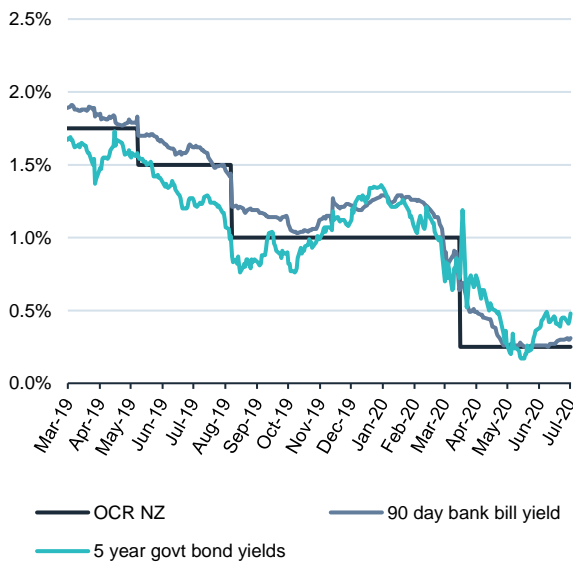
Source: www.trademe.co.nz

Financial Indicators

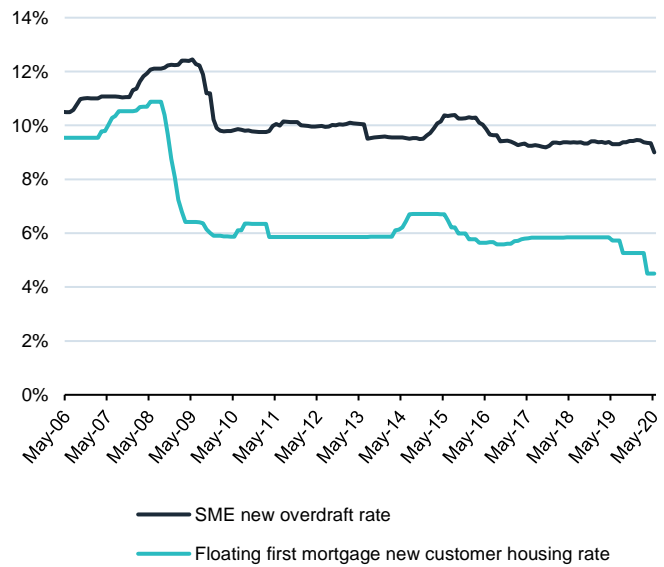
Interest Rates

The charts below summarise wholesale and retail interest rates in New Zealand.

NZ wholesale interest rates

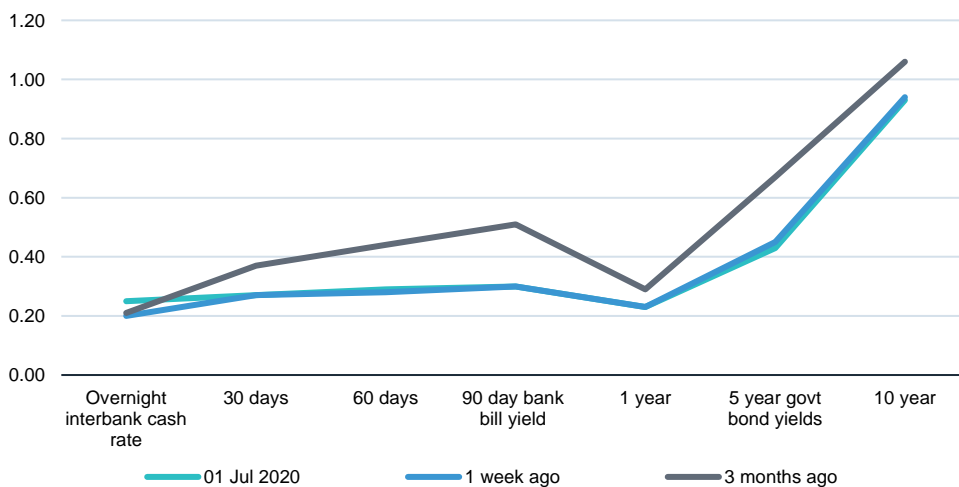


Retail interest rates



The chart below summarises NZ's yield curve as at 1 July, 1 week ago, and 3 months ago.

Yield curves



Source: www.rbnz.govt.nz

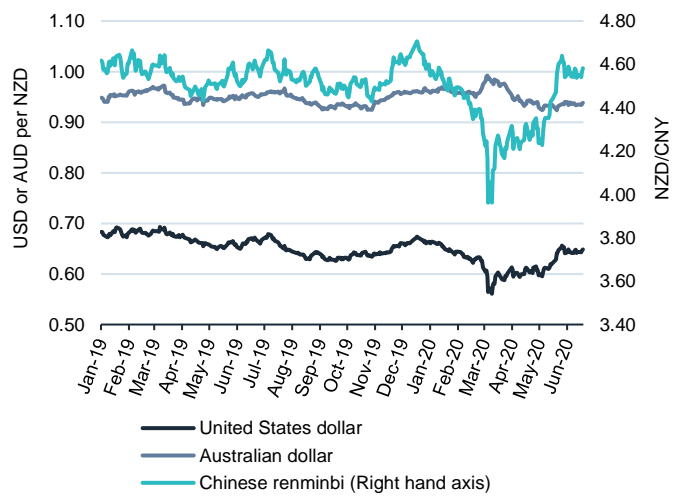
Exchange Rates

The New Zealand dollar appears to have stabilised over the last week.

NZD exchange rate



NZD exchange rate

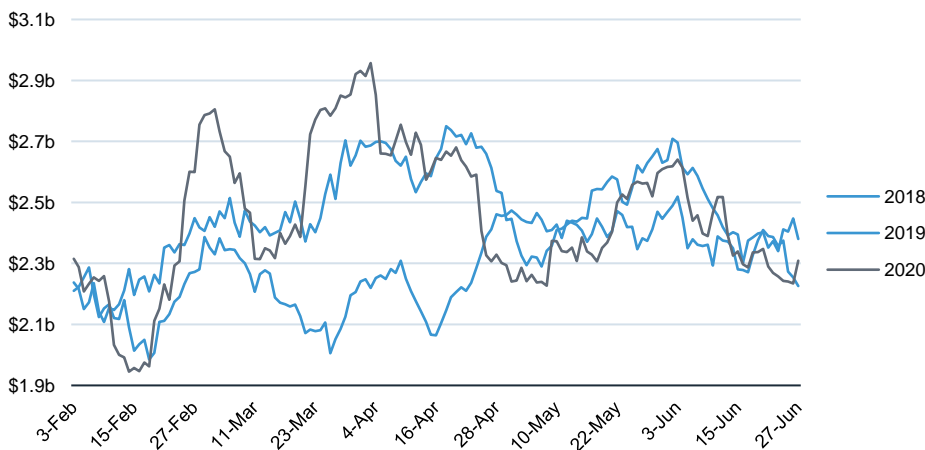


Financial Indicators, sources: <https://www.rbnz.govt.nz>, www.rba.gov.au, www.bankrate.com and apps.newyorkfed.org

Trade

The chart below summarises the two week rolling total of NZ's merchandise exports over the February to July period for 2018, 2019, and 2020. New Zealand's merchandise exports continue to hold up well, in line with levels for 2018 and 2019.

Merchandise exports - two week rolling total

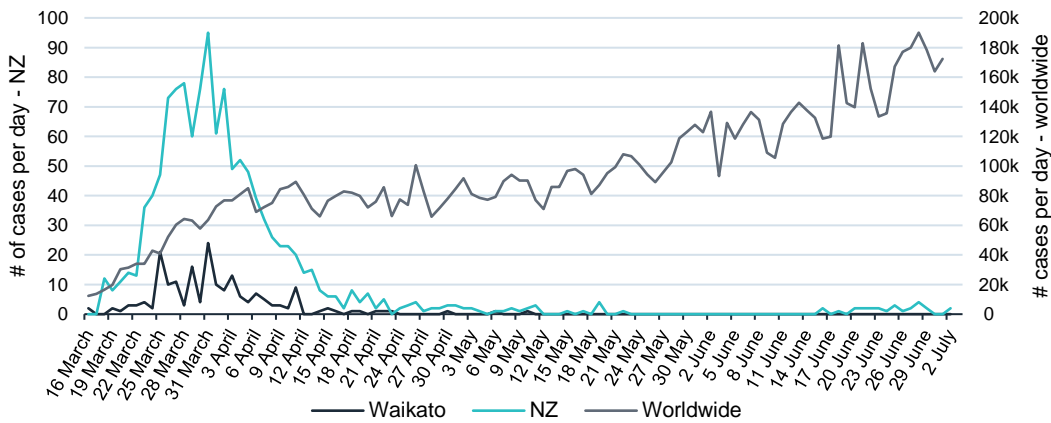


Source: www.stats.govt.nz

COVID-19 as at 3 July 2020

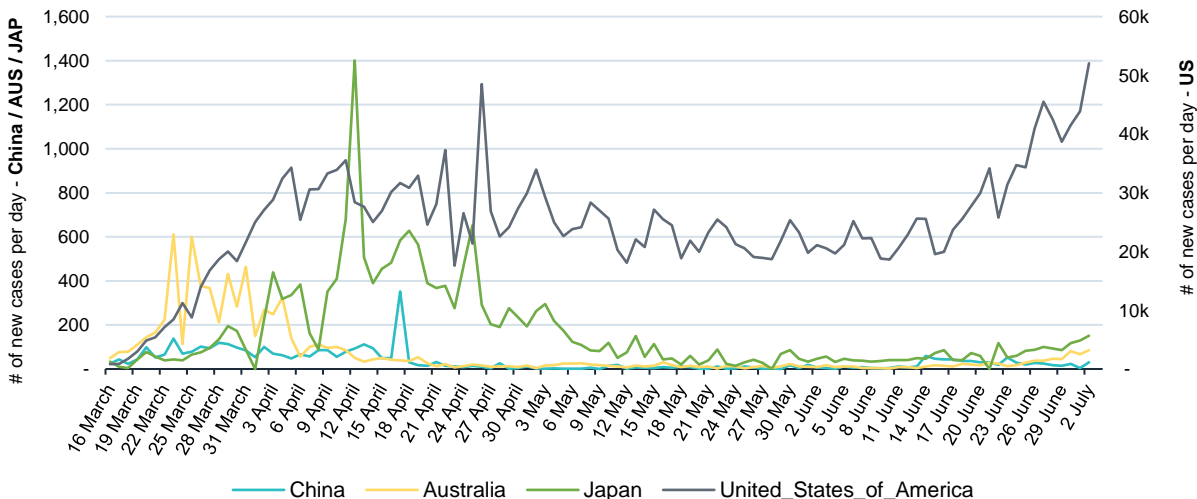
The Waikato DHB has 188 confirmed and probable cases as at 3 July 2020 – 0 active cases, 187 recovered, and one deceased. The chart below compares the trend in new cases per day for Waikato, New Zealand and Worldwide. In NZ, number of new cases per day have ranged between 0 and 4. Waikato have reported zero new cases for the last 54 days. The number of new cases Worldwide at 1 July was 172,287, which is in line with the two week average.

Cases confirmed and probable per day



The chart below summarises the COVID-19 situation for New Zealand’s key trading partners, by number of new cases per day. China appears to be in a relatively stable position with cases per day ranging between 5 and 60 over the last four weeks. While at low levels, Australia and Japan have experienced a slight uptick in new cases per day, likely due to restrictions being lowered. New cases in the US has risen significantly over the last two weeks, new cases yesterday representing effectively double the number of new cases two weeks ago.

of new cases per day - NZ's key trading partners



Source: www.health.govt.nz, www.ourworldindata.org and www.ecdc.europa.eu