

# AUSTRALIA & NEW ZEALAND WEEKLY.

## WEEK BEGINNING 16 JANUARY 2023

**Calendar edition:** analysis and forecasts for key releases for week beginning 16 January 2023.

**Aus:** Westpac-MI Consumer Sentiment, labour force survey.

**NZ:** Westpac-MM employment confidence, NZIER business survey, retail card spending, house sales.

**China:** Q4 GDP, industrial production, retail sales, fixed asset investment.

**US:** Martin Luther King public holiday, retail sales, Beige book, housing updates.

INFORMATION CONTAINED IN THIS REPORT  
CURRENT AS AT 13 JANUARY 2023.

**WESTPAC INSTITUTIONAL BANK**



# For the week beginning 16<sup>th</sup> January 2023

		Last	Market median	Westpac forecast	Risk/Comment
<b>Mon 16</b>					
<b>Aus</b>	Dec MI inflation gauge	5.9%	-	-	Undershooting official measures but yet to peak.
<b>US</b>	Martin Luther King Jr, Day	-	-	-	Federal public holiday. Markets closed.
<b>Tue 17</b>					
<b>Aus</b>	Jan Westpac-MI Consumer Sentiment	80.3	-	-	Finished 2022 at 'recessionary' levels.
<b>NZ</b>	Dec REINZ house sales %yr	-36.1%	-	-	Expected date. Continued rises in mortgage rates...
	Dec REINZ house prices %yr	-13.7%	-	-	... will likely keep buyers away and prices down.
<b>Chn</b>	Dec industrial production	3.8%	3.8%	-	More significant COVID volatility likely ...
	Dec retail sales %yr	-5.9%	-8.0%	-	... easing 'zero-COVID' restrictions allowing ...
	Dec retail sales YTD %yr	-0.1%	-0.7%	-	... some return to more normal activity ...
	Dec fixed asset investment ytd %yr	5.3%	5.0%	-	... but surging case-counts a major dampener ...
	Q4 GDP %yr	3.9%	1.7%	-	... disrupting worker availability and operations.
<b>Eur</b>	Jan ZEW survey of expectations	-23.6	-	-	Improving from historically weak levels.
<b>UK</b>	Nov ILO unemployment rate	3.7%	-	-	Labour market showing early signs of softening.
<b>US</b>	Jan Fed Empire state index	-11.2	-7.5	-	Conditions softening across the regions.
<b>Wed 18</b>					
<b>NZ</b>	GlobalDairyTrade auction (WMP)	-	-	-	Tight supply, China's reopening to support prices.
	Dec REINZ house sales %yr	-36.1%	-	-	Continued rises in mortgage rates...
	Dec REINZ house prices %yr	-13.7%	-	-	... will likely keep buyers away and prices down.
	Q4 NZIER survey of business opinion	-42.4	-	-	Inflation and labour market gauges will be of most interest.
	Dec retail card spending	0.3%	-	0.6%	Spending boosted by price rises and international tourists.
<b>Jpn</b>	Nov machinery orders	5.4%	-	-	Strong start to Q4 but volatility to linger.
	Nov industrial production	-0.1%	-	-	Final estimate.
<b>Eur</b>	Dec CPI %yr	-0.3%	-	-	Final estimate.
<b>UK</b>	Dec CPI %yr	10.7%	-	-	Both headline and core inflation are cresting.
<b>US</b>	Dec PPI	0.3%	flat	-	Producer inflation rapidly declining from elevated levels.
	Dec retail sales	-0.6%	-0.8%	-	Rapid interest rate increases clearly weighing on demand.
	Dec industrial production	-0.2%	flat	-	Weakness in domestic and global demand a key risk.
	Nov business inventories	0.3%	0.4%	-	Pace of inventory accrual gradually slowing.
	Jan NAHB housing market index	31	31	-	Housing market under significant and lasting pressure.
	Federal Reserve's Beige book	-	-	-	An update on conditions across the 12 Fed districts.
<b>Thu 19</b>					
<b>Aus</b>	Dec employment, '000 chg	64	20	30	The leading indicators have eased a touch but remain...
	Dec unemployment rate	3.4%	3.4%	3.4%	...consistent with trend employment & steady unemployment.
<b>NZ</b>	Q4 Westpac-MM employment conf.	115.2	-	-	Strength of job openings has been a highlight.
	Dec food price index	0.0%	-	0.6%	Price pressures remain widespread.
<b>US</b>	Dec building permits	-11.2%	1.4%	-	Demand is being crimped by rising interest rates...
	Dec housing starts	-0.5%	-5.4%	-	... limiting near-term support for residential construction.
	Initial jobless claims	-	-	-	To remain at relatively low levels for time being.
	Jan Philly Fed index	-13.8	-10.8	-	Conditions clearly softening across the regions.
<b>Fri 20</b>					
<b>NZ</b>	Dec manufacturing PMI	47.4	-	-	Production and orders have been weakening.
	Nov net migration	3343	-	-	Balance has turned positive again since border reopening.
<b>Jpn</b>	Dec CPI %yr	3.8%	-	-	Price pressures building from weak Yen; BoJ unperturbed.
<b>Eur</b>	Jan consumer confidence	-	-	-	Consumer confidence beginning to consolidate.
<b>UK</b>	Jan GfK consumer sentiment	-42	-	-	Consumer confidence remains historically weak...
	Dec retail sales	-0.4%	-	-	... leading many households to pull back on spending.
<b>US</b>	Dec existing home sales	-7.7%	-3.2%	-	Declines in sales volumes set to persist.
	Fedspeak	-	-	-	Williams.

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