AUSTRALIA & NEW ZEALAND WEEKLY.

Week beginning 19 February 2024

Editorial: Building up a 'home-grown' inflation issue?

RBA: Minutes of the February Board Meeting.

Australia: Westpac-MI Leading Index, Q4 WPI.

NZ: Q4 real retail sales, Q4 PPI, GlobalDairyTrade auction, trade balance.

Eurozone: CPI, consumer confidence.

US: Presidents' Day, FOMC January Minutes, leading index, home sales.

Global: S&P Global PMIs.

Key economic & financial forecasts.

INFORMATION CONTAINED IN THIS REPORT CURRENT AS AT 16 FEBRUARY 2024.

WESTPAC INSTITUTIONAL BANK

Building up a 'home-grown' inflation issue?

This week RBA Head of Economic Analysis Marion Kohler gave a speech on the economic outlook. Normally an RBA speech so soon after the release of the Statement on Monetary Policy will be designed to reinforce the messages in that publication, rather than present new ones. Nonetheless, one can often find useful detail or nuance that was not in the SMP.

One graph that caught my eye from Dr Kohler's speech was Graph 3, decomposing core inflation into goods and services components for a range of countries. (The version in the SMP was six-month annualised, not the smoother year-ended measure, and excluded Australia.)

A few takeaways from this view of the data.

Electricity costs and the goods price rollover

First, core inflation measures have not fallen anywhere near as much as headline measures in most countries. Headline series are being flattered by the unwind of the previous surges in food and energy prices. Once those price falls wash out, headline inflation will converge on core rates. Depending on the pace of decline of core inflation, headline inflation could therefore pick up temporarily in some economies.

Australia is in a different situation. Because of the way our electricity market is regulated and priced, the main effect of Russia's invasion of Ukraine on Australian retail electricity prices did not occur until the second half of 2023. The rise in businesses' power costs has also been drawn out as supply contracts roll over. By contrast, in many countries the effect was already unwinding by then and dragging headline inflation down. This more drawn-out inflation dynamic is one of the reasons why headline inflation in Australia is still outpacing its peers.

Second, most of the decline in core inflation in advanced economies has been driven by the unwind in goods prices. During the pandemic, goods prices surged. Part of the reason was because supply chains were disrupted. Another was the shift of demand away from services to goods. People could not consume the same amount of services because many service industries were locked down. So they consumed goods instead; goods were effectively 'other fruit' to the disrupted services industry. Another part of the boost to demand for goods was the one-off purchase of electronics and other goods needed to support working from home.

These effects are now unwinding around the world. A general decline in demand was not required to achieve this. It was to be expected because the increase in goods prices was a response to other temporary factors, both on the supply side and on the demand side.

A 'home-grown' inflation issue

Third, Australia saw a larger peak contribution from goods inflation – almost 4 percentage points – than the other peer economies. At first glance this might have been interpreted as implying that Australia had a larger imbalance of supply versus demand than its peers. However, a deeper look shows this is not the case in general.

At its peak in mid-2022, nearly 2 percentage points of the contribution of goods inflation to total annual inflation was accounted for by one component – home-building costs. Part of this was because supply chain issues affected building materials as well as other commodities. Prices of many building materials are still rising in Australia, even though comparable data for some other countries are showing declines.

But there is more to it than this. ABS data on output prices for residential construction have been rising a bit faster than building materials costs in recent quarters. The price rises therefore can't all be the passing on of recent increases in materials costs. Some of the difference might be labour costs, including from weather-related stoppages or more generalised poor productivity. Margins are presumably being rebuilt as well. This is understandable given that many builders were squeezed when rising costs collided with existing fixed-price contracts, with some becoming insolvent or otherwise leaving the industry.

Most countries do not include home-building costs in their CPI measure, but Canada does. It is a useful comparator given it, too, has seen strong population growth and rising housing prices. Population growth has been even stronger there than in Australia, exceeding 3% over 2023. The surge in rent inflation in Canada has been similar to that in Australia, peaking at around 8%.

Like Australia, Canada also saw a surge in building costs, but this peaked around the middle of 2022. Since then, the home-building component of the CPI has been declining slightly; it is now 2% below its peak. In contrast, home-building costs as measured in the Australian CPI have increased by around 7% over the same period. This is a significant gap to open up over a relatively short horizon.

An explanation for these Australia-specific developments cannot be found in price data alone. They do, however, show that the economics of construction are not compatible with meeting Australia's home-building needs. The lingering backlog of approved but uncompleted homes also supports the view that construction industry capacity is currently the main binding constraint. Zoning reform or other interventions unrelated to the capacity and costs of construction will do nothing to address this specific issue. And while some might point to the high level of non-residential and infrastructure construction work calling on the same resources, it is noteworthy that price deflators for these sectors have increased by less than for housing construction.

Given the RBA's focus on services price inflation, we do not expect this 'home-grown' inflation issue would cause it to misinterpret the underlying dynamics of supply and demand in Australia. It should, however, be front of mind in discussions about measures to expand housing supply.

Luci Ellis, Chief Economist Westpac Group

THE WEEK THAT WAS

In Australia, the week started with an encouraging development, the Westpac-MI Consumer Sentiment's headline index rose 6.2% to be at its highest level in over a year, albeit still almost 15% below the long-run average. A 'trifecta' of disposable income pressures – high inflation, elevated interest rates and a rising tax burden – have materially impacted household finances. But inflation's ongoing deceleration towards target and the hoped-for consequence for interest rates – policy easing on the horizon – is now providing some relief.

In February alone, views on the near-term outlook for the economy and family finances have improved, up 8.8% and 2.4% respectively. 'Time to buy a major household item' also gained an appreciable 11.3%. However, the family finance and 'time to buy' indexes remain well below their long-run averages, highlighting the long recovery ahead for consumer finances and discretionary spending capacity.

While households' views on the labour market remain sanguine, official labour market data points to a softening labour market. Overall, the January Labour Force Survey was a poor update, underlying weakness amplified by shifting seasonal patterns. The 2.5% decline in hours worked in January, following a downwardly revised 1.5% decline through H2 2023 was particularly striking. January's outsized decline in hours worked is, at least in part, the result of more people taking holidays in January than has typically occurred through history. The decline in H2 hours points to downside risk to output growth for Q4 2023; January's result, suggests this may persist into 2024.

With activity growth to remain below trend through 2024, a further deterioration in labour market conditions is likely, albeit only to a still-low unemployment rate of 4.5% by year-end. While abating, the pace and composition of inflation will remain a critical risk over the period as well. Chief Economist Luci Ellis' essay this week digs into the complex dynamics underlying Australian inflation.

Before moving offshore, a quick note on business. The latest NAB business survey delivered another soft update on the state of the domestic economy in late-January. The business conditions index fell 2pts to +6, extending the downtrend in place since 2022. Unsurprisingly, business confidence remains fragile, the index registering a below-average reading of +1. The most notable development in this survey was with regards to CAPEX spending, now at a ten-year low outside the pandemic. Businesses are clearly responding to the weakness in household demand. Alongside the fading impetus around non-residential construction, this development points to a downbeat near-term outlook for total business investment.

In the US meanwhile, January's headline CPI came in slightly above consensus at 0.3%mth, 3.1%yr. Given its high weight, growth in the shelter component contributed two-thirds of headline inflation, both in the month and over the year. Medical care services and motor vehicle insurance also saw strong gains, though comparatively small weights limited their contributions to the aggregate. Arguably each of these factors are a consequence of supply dynamics versus demand and are therefore not a material concern for the FOMC, particularly with inflation expectations in retreat. The main point to take from recent US CPI readings is that headline CPI inflation ex-shelter is now tracking below the FOMC's 2.0%yr target on a one, three and six-month basis. By mid-year, the annual rate will likely be there too.

Retail sales subsequently undershot expectations, the headline measure down 0.8%mth and the control group, which better reflects consumer spending, 0.4% lower. Given inflation, real sales were weaker still. Part of this decline likely reflects a post-sales hangover, but more months of data are necessary before a view on the 2024 demand trend can be formed.

This week, the UK was confirmed to be in recession after GDP was estimated to have declined 0.3%qtr in Q4, the consequence of a decline in both household and government consumption. The January CPI, released earlier in the week, meanwhile grew 4.0%yr with services inflation contributing 80% of the aggregate rise. Creating additional risk for services inflation, wages grew 6.2%yr in December, only slightly below the 6.7%yr prior. Even with the UK economy in recession, these conditions make it difficult for the Bank of England to cut rates. We expect the first rate cut to come in June, but progress thereafter will be slow.

Japan also finds itself in a technical recession after GDP fell 0.1%qtr in Q4 2023 owing to declining household consumption and investment. A silver lining is the benefit Japan continues to receive from tourism, net exports partly offsetting the contraction in domestic demand. Of more concern than the technical result is that household consumption has now contracted for three consecutive quarters with services consumption, typically more affected by wages outcomes, down in Q4. This data strengthens the case for the Bank of Japan to keep policy settings where they are and to be particularly mindful of the strength of sentiment and inflation expectations, both critical to achieving 2.0%yr inflation sustainably into the medium term.

Week ahead & data wrap

What next for the RBNZ?

The three-month gap between Reserve Bank policy reviews has been a rollercoaster ride for forecasters and markets, and even now there's a significant degree of uncertainty around which direction the RBNZ might take. We set out the main issues in a note earlier this week; the flurry of economic data since then has continued to leave things finely balanced.

Back in its November *Monetary Policy Statement*, the RBNZ surprised almost all with the threat of further tightening in 2024 if inflation pressures didn't recede fast enough. Central to their thesis was concern that domestic inflation pressures, including wage growth, were taking longer to adjust than expected; that migration was putting a floor under demand at the time when policy was trying to increase excess capacity; that the housing market was showing signs of resurgence; and that fiscal policy might not do enough to assist the disinflation process.

Having said that, the November *Statement* did not hint at a potential tightening as soon as its February meeting. The RBNZ's forecasts implied the potential for action later in 2024, motivated by risks associated with migrant-driven demand for housing. Some market participants and commentators concluded that the less-than-imminent timeframe meant that the RBNZ's rhetoric was an empty threat, aimed at managing speculation about OCR cuts this year.

Developments following the November *Statement* moved the market's thinking further away from the RBNZ's message. The GDP report for the September quarter was substantially weaker than expected, and growth over the preceding year was also revised down sharply from what was first reported. At this point we removed our forecast of a further OCR hike in 2024, while noting that the RBNZ would still be wary of taking the brakes off too soon.

Markets were also especially moved by the weakening in traded goods, airfares and food shown in the selected price indices for December. We were less impressed as these were always going to fall in the near term; whether now or in a quarter or two was of little consequence for the appropriate policy rate today. Hence, we were very sceptical when markets swung to expecting rate cuts as early as May 2024. We could see a case for an easing by August if things went very well, but the core view was that the OCR would need to stay at 5.5% in 2024 to lean against sticky inflation.

And as it turned out, recent developments have actually pointed to lingering persistence in underlying inflation pressures. While the December quarter CPI was below the RBNZ's forecast, the key domestic inflation components were revealed to be markedly stronger than expected. That was followed by the labour market surveys which showed that employment and wage inflation are softening, but only at a slow rate. Finally, business confidence surveys have shown a lift in optimism and, more worryingly, in firms' pricing intentions.

While some commentators and markets have jumped ship from "team easing" to "team tightening," we still find ourselves somewhere in the middle. We think the "high for longer" strategy can still work, but the time is shortening to continue giving the data the benefit of the doubt. We are perhaps slightly more confident that the recent drop in headline inflation will allow for a return to the 1-3% target range before 2025. But progress could be slower beyond that, without a significant near-term easing in the labour market.

Hence, we expect another hawkish *Statement* later this month, that could potentially threaten policy tightening sooner than indicated last November. We see that as consistent with continuing with the "longer" strategy, while managing the risks that the current OCR might not deliver sufficient disinflation. And the prospect of OCR cuts will remain distant in the RBNZ's projections.

This week offered plenty of events that had the potential to tip the market's thinking one way or another. In the end, though, it was a fairly mixed bag. RBNZ Governor Orr had two speaking engagements before the 'blackout' period ahead of the next *Monetary Policy Statement*. While these were keenly watched by the markets, it was really an outside chance that he might hint at a change in the RBNZ's strategy. Both occasions proved to be fairly high-level and in line with their previous messaging.

The RBNZ's survey of inflation expectations showed a decline over every time horizon, with the key two-year ahead measure falling to 2.5% – well within the RBNZ's 1-3% target range, though still some way from the midpoint. So while the RBNZ will be pleased with the direction of travel, the question remains whether it's happening quickly enough for their tastes.

The housing market made a soft start to the year, with a very low number of sales and limited momentum in house prices. While January tends to be a quieter month anyway, sales were still down sharply in seasonally adjusted terms, and the average time to sell extended out to 45 days. The house price index was somewhat at odds with this, with a 1% rise for the month. However, the trend has been effectively sideways since September.

Retail spending picked up by 1.7% in seasonally adjusted terms in January, although that followed a similar-sized drop in December. As with house prices, spending levels have effectively been tracking sideways for a while now.

Finally, the monthly price indices for January were broadly in line with what we expected. Food prices are easing (down 0.2% seasonally adjusted), as some of the shocks to food prices last year are unwound. But the trend in rents remained firm, reflecting the renewed pressures on New Zealand's housing stock from a rapidly growing population.

Michael Gordon, Senior Economist

Round-up of local data released over the last week

Date	Release	Previous	Actual	Westpac f/c
Tue 13	Q1 RBNZ 2yr inflation exp. survey	2.76%	2.50%	–
Wed 14	Jan REINZ house sales %yr	18.9%	4.9%	–
	Jan REINZ house prices %yr	0.5%	2.2%	–
	Jan retail card spending	-1.7%	1.7%	0.5%
	Jan food price index	-0.1%	0.9%	1.0%
	Jan housing rents	0.5%	0.3%	0.4%
Thu 15	Dec net migration	6870	7260	–
Fri 16	Jan manufacturing PMI	43.4	47.3	–

DATA PREVIEWS

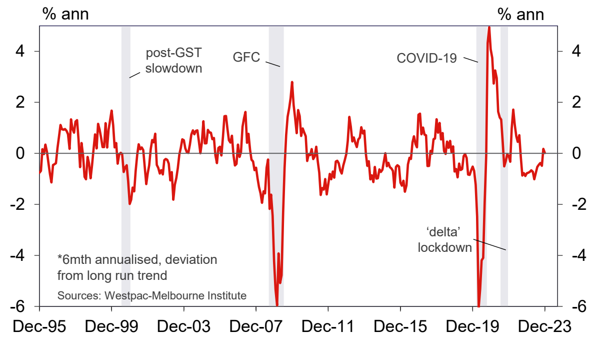
Aus Jan Westpac-MI Leading Index

Feb 21, Last: 0.01%

The Leading Index growth rate eased back to +0.01% in December from +0.18% in November. Despite the dip back into year-end, the growth rate continues to show a clear improvement with two consecutive months at or slightly above the zero 'gain line' following fifteen consecutive months of negative, below trend reads, mostly in the –0.5% to –1.0% range. That said, the detail still looks to be mostly a stabilisation, at best, rather than the beginning of a cyclical upturn.

The January update looks likely to see a bit of a setback. While there will be some positive component updates (the ASX200 up 1.2%; the Westpac-MI Consumer Expectations Index up 5% and commodity prices up 3.8% in AUD terms) these are likely to be more than offset by significant negatives, dwelling approvals recording a heavy –9.5% fall and total hours worked down -2.5%, the latter a particularly big monthly decline for what is usually a fairly stable component.

Westpac-MI Leading Index



Aus Q4 Wage Price Index %qtr

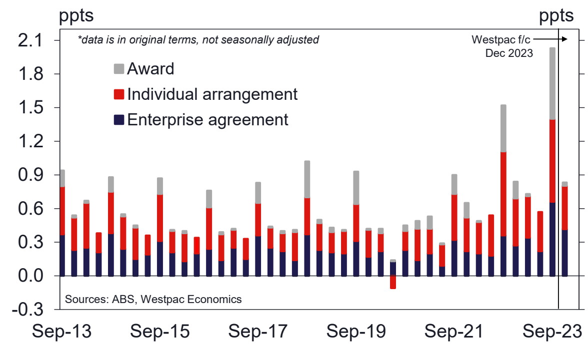
Feb 21, Last: 1.3%, WBC f/c: 0.9%
Mkt f/c: 0.9%, Range: 0.8% to 1.1%

The WPI lifted 1.3% in the September quarter just as Westpac and the market expected. The underlying detailed data revealed there was a boost from the minimum wage (showing up in award wages) as well as CPI Indexation (in enterprise agreements) but the pace of growth from individual wage bargaining (the wages that are most responsive to changes in labour conditions) appears to have peaked.

Westpac is forecasting wage inflation to moderate from 4.1%yr at December 2023 to 3.2%yr in December 2024 based on a projected softer labour market. For the December quarter 2023, our forecast is 0.9%qtr/4.1%yr, a moderation from the 1.3%qtr in September but on par with the 0.9%qtr increase in the March and June quarters.

September sees the largest share of workers getting a pay rise so December has an offsetting positive seasonal adjustment boost of around 0.1ppt. As such, any residual impact from recent pay increases presents a small upside risk.

Wage inflation contributions



NZ Global Dairy Trade auction, whole milk powder prices

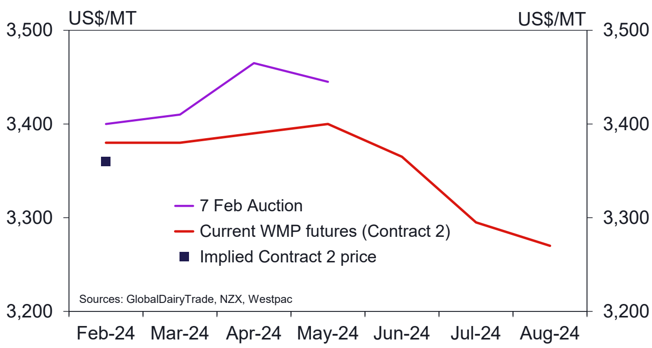
Feb 21, Last: 3.4%, Westpac f/c: –1.0%

We expect whole milk powder prices (WMP) to fall by 1% at the upcoming auction. Prices fell by 2% at the recent pulse auction. The last auction was relatively strong, perhaps because of pre-buying by Chinese buyers prior to the Lunar New Year holiday.

We expect world dairy prices to remain relatively steady over the near-term. Growth in Chinese demand is expected to remain subdued, though in recent months this has been more than offset by strength in demand from other regions.

The global milk supply is expected to grow only modestly. While conducive weather conditions continue to support production gains in New Zealand, tighter environmental regulations have driven a substantial drop in European milk production in recent months.

Whole milk powder prices



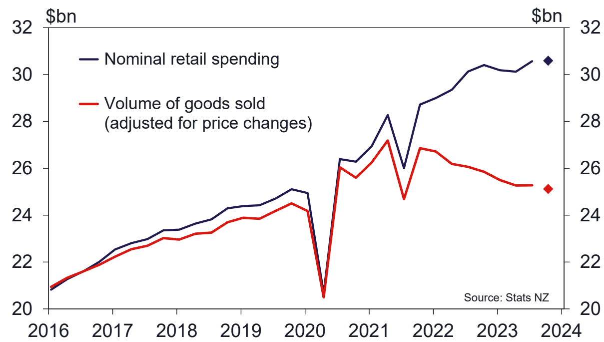
NZ Q4 retail spending (volumes)

23 Feb, Last: 0.0%, Westpac f/c: –0.6%

Nominal retail spending levels were up 1.5% over the September quarter. However, that rise was entirely due to price increases. The volume of goods sold was unchanged. And with population growth running at multi-decade highs, that points to weak per-capita spending.

We expect that earlier softness continued through the December quarter. With nominal spending levels effectively flat over the quarter and prices continuing to push higher, we expect that the volume of goods sold was down 0.6%. Much of that is due to reduced spending on household durables (like appliances and furnishings) which has been squeezed by high interest rates.

NZ retail spending



Past performance is not a reliable indicator of future performance. The forecasts given above are predictive in character. Whilst every effort has been taken to ensure that the assumptions on which the forecasts are based are reasonable, the forecasts may be affected by incorrect assumptions or by known or unknown risks and uncertainties. The results ultimately achieved may differ substantially from these forecasts.

For the week ahead

		Last	Market median	Westpac forecast	Risk/Comment
Mon 19					
NZ	Jan BusinessNZ PSI	48.8	–	–	Businesses continuing to report weak trading activity.
Jpn	Dec core machinery orders	–4.9%	2.5%	–	Slowdown in developed markets to keep orders weak.
US	Presidents' Day	–	–	–	Public holiday; markets closed.
Tue 20					
Aus	RBA February Minutes	–	–	–	Policy considerations and balance of risks in focus.
US	Jan leading index	–0.1%	–0.3%	–	Likely to continue signalling below–trend growth.
Wed 21					
Aus	Jan Westpac–MI Leading Index	0.01%	–	–	Momentum a little shakier in recent months?
	Q4 WPI	1.3%	0.9%	0.9%	Sept was boosted by min wage increase plus CPI indexation.
NZ	GlobalDairyTrade auction (WMP)	3.4%	–	–1.0%	Futures prices fall; may reflect lack of Chinese buyers.
Eur	Feb consumer confidence	–16.1	–15.8	–	Rate hikes keep mood downbeat.
US	FOMC January Minutes	–	–	–	Hints around the conditions necessary for policy easing.
	Fedspeak	–	–	–	Bostic.
Thu 22					
NZ	Jan trade balance $mn	–323	–	–1000	Seasonal fall in exports to push the trade deficit higher.
Jpn	Feb Jibun Bank manufacturing PMI	51.5	–	–	Foreign demand accounts for the slight positivity in…
	Feb Jibun Bank services PMI	48.0	–	–	… both services and manufacturing.
Eur	Feb HCOB manufacturing PMI	46.6	47.0	–	Demand is softening, both globally and locally…
	Feb HCOB services PMI	48.4	48.7	–	… weighing on sentiment across both sectors.
	Jan CPI %yr	2.8%	2.8%	–	Final estimate.
UK	Feb S&P Global manufacturing PMI	47.0	–	–	Broad–based weakness reflects manufacturers' caution…
	Feb S&P Global services PMI	54.3	–	–	… as services activity continues to rebound.
US	Jan Chicago Fed activity index	–0.15	–	–	Activity to remain below trend for some time.
	Feb S&P Global manufacturing PMI	50.7	50.1	–	Longevity of New Year sentiment bounce in question…
	Feb S&P Global services PMI	52.5	52.0	–	… as regional surveys highlight a weak backdrop.
	Jan existing home sales	–1.0%	5.0%	–	Low inventory keeps sales low.
	Initial jobless claims	212k	–	–	Likely to remain at a low to remain low, for now.
	Fedspeak	–	–	–	Jefferson, Bowman, Harker.
Fri 23					
NZ	Q4 real retail sales	0.0%	–0.2%	–0.6%	Financial pressures squeezing spending.
Ger	Feb IFO business climate survey	85.2	85.8	–	Fragile outlook given lingering uncertainty.
UK	Feb GfK consumer sentiment	–19	–	–	Highest level in two years, but still below pre–pandemic.
US	Fedspeak	–	–	–	Cook, Kashkari, Waller.

Forecasts

Interest rate forecasts

Australia	Latest (16 Feb)	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Cash	4.35	4.35	4.35	4.10	3.85	3.60	3.35	3.10	3.10
90 Day BBSW	4.34	4.40	4.37	4.12	3.92	3.67	3.47	3.30	3.30
3 Year Swap	3.96	4.05	3.95	3.85	3.75	3.65	3.60	3.55	3.50
3 Year Bond	3.76	3.85	3.75	3.65	3.55	3.45	3.40	3.35	3.30
10 Year Bond	4.18	4.20	4.05	3.95	3.85	3.90	3.90	3.95	4.00
10 Year Spread to US (bps)	-7	5	5	5	5	5	0	0	0
US									
Fed Funds	5.375	5.375	5.125	4.625	4.375	4.125	3.875	3.625	3.375
US 10 Year Bond	4.25	4.15	4.00	3.90	3.80	3.85	3.90	3.95	4.00
New Zealand									
Cash	5.50	5.50	5.50	5.50	5.50	5.25	5.00	4.75	4.50
90 day bill	5.71	5.60	5.60	5.60	5.50	5.25	4.95	4.75	4.50
2 year swap	5.13	5.10	4.95	4.75	4.50	4.40	4.15	4.10	4.00
10 Year Bond	4.78	4.85	4.70	4.65	4.60	4.50	4.40	4.35	4.25
10 Year spread to US	53	70	70	75	80	65	50	40	25

Exchange rate forecasts

Australia	Latest (16 Feb)	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
AUD/USD	0.6514	0.66	0.68	0.69	0.70	0.71	0.72	0.72	0.73
NZD/USD	0.6098	0.62	0.63	0.64	0.64	0.64	0.64	0.65	0.65
USD/JPY	150.32	147	144	141	138	135	132	130	127
EUR/USD	1.0761	1.09	1.11	1.13	1.14	1.15	1.16	1.17	1.17
GBP/USD	1.2580	1.26	1.27	1.28	1.29	1.30	1.30	1.31	1.31
USD/CNY	7.1936	7.20	7.10	7.00	6.90	6.80	6.70	6.70	6.50
AUD/NZD	1.0688	1.06	1.07	1.08	1.09	1.11	1.13	1.11	1.12

Australian economic growth forecasts

	2023			2024				Calendar years			
% change	Q2	Q3	Q4f	Q1f	Q2f	Q3f	Q4f	2022	2023f	2024f	2025f
GDP % qtr	0.4	0.2	0.2	0.3	0.3	0.4	0.5	–	–	–	–
%yr end	2.0	2.1	1.4	1.2	1.0	1.3	1.6	2.3	1.4	1.6	2.5
Unemployment rate %	3.6	3.7	3.8	4.0	4.2	4.4	4.5	3.4	3.8	4.5	4.6
Wages (WPI)	0.9	1.3	0.9	0.9	0.8	0.8	0.7	–	–	–	–
annual chg	3.6	4.0	4.1	4.1	4.0	3.5	3.2	3.3	4.1	3.2	3.0
CPI Headline	0.8	1.2	0.6	0.7	0.6	0.9	0.8	–	–	–	–
annual chg	6.0	5.4	4.1	3.4	3.1	2.8	3.0	7.8	4.1	3.0	2.7
Trimmed mean	1.0	1.2	0.8	0.8	0.6	0.9	0.7	–	–	–	–
annual chg	5.8	5.1	4.2	3.8	3.5	3.2	3.1	6.8	4.2	3.1	2.8

New Zealand economic growth forecasts

	2023			2024				Calendar years			
% change	Q2	Q3	Q4f	Q1f	Q2f	Q3f	Q4f	2022	2023f	2024f	2025f
GDP % qtr	0.5	–0.3	0.1	0.0	0.1	0.2	0.3	–	–	–	–
Annual avg change	3.0	1.3	0.7	0.3	0.0	0.2	0.3	2.4	0.7	0.3	1.6
Unemployment rate %	3.6	3.9	4.0	4.3	4.6	4.9	5.1	3.4	4.0	5.1	5.2
CPI % qtr	1.1	1.8	0.5	0.9	0.6	0.9	0.6	–	–	–	–
Annual change	6.0	5.6	4.7	4.3	3.8	3.0	3.1	7.2	4.7	3.1	2.5

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Disclaimer continued

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