2 February 2015

Weekly Commentary

Hobbiton, Matamata

In this issue

A new tack

For some time the big story in the world of economics has been plunging global oil prices, the soft global economy, and the resulting low rate of inflation. Last week the Reserve Bank of New Zealand had its opportunity to pass judgement on the situation.

The RBNZ opted to omit any bias towards hiking the OCR, and instead issued deadpan neutral guidance on future OCR moves, with the following paragraph:

"In the current circumstances, we expect to keep the OCR on hold for some time. Future interest rate adjustments, either up or down, will depend on the emerging flow of economic data."

The Reserve Bank's inclusion of the possibility that the next move in the OCR could be down was very significant to markets. Central banks around the world have been easing monetary policy, and financial markets have been looking for signs that the RBNZ might join the club. This week's OCR review was taken as encouragement by those looking for cuts – market pricing now implies around 20 basis points of OCR cuts this year, which is equivalent to a 40% chance of two OCR cuts at some point during the year.

In our view OCR cuts this year are not the most likely outcome, but they are possible. One plausible catalyst for OCR cuts is recent dry weather morphing into a full-blown drought – and last week we took a significant step further in that direction.

Not only was the weather relentlessly hot and dry, but Fonterra also downgraded its forecast of milk production for the 2014/15 season to be 3.3% lower than the previous season. To fully appreciate what this means, one must remember that production was up 3.7% on year ago levels over the first seven months of the season (Jun-Dec). So Fonterra's forecast implies that production over the remaining five months (Jan-May) will be down 13.4% on last year. Fonterra notes that on a daily basis, milk collection is already running 6% below year-ago levels.

The trouble is that the low expected payout for the current season has given farmers little incentive to invest in supplementary feed, leaving them reliant on rainfall to

A new tack continued

support grass growth and milk production. Consequently, dry weather this year will have a much greater impact on milk production than the 2010 drought, which led to a 2% drop in Fonterra's production over that season, and will be more akin to 2008 when milk production fell 4.3% over the season.

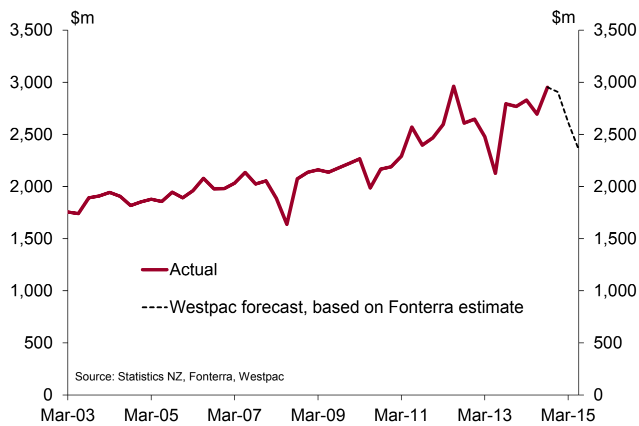
Judging by those two previous events, the current dry spell is likely to take a significant chunk out of total GDP growth over the first half of this year. Given the positive momentum in the rest of the economy, especially in construction, we don't expect this to result in a recession (i.e. two quarters of negative growth), but GDP growth is likely to be very low over the coming two quarters.

Lower milk production in New Zealand is also likely to put upward pressure on global milk prices, above and beyond the pickup from very low levels that we were already anticipating. New Zealand is the world's biggest exporter of dairy products, so any disruption to supply from here can have a significant impact on the global market. Indeed, the last few droughts in New Zealand saw world dairy prices soar to record highs, as the rest of the world was unable to compensate by increasing their own production.

The supply situation is not as stretched this time around - milk production in the Northern Hemisphere has grown strongly over the last year, and Russia's ban on imports from several Western countries has put a substantial amount of product back on the world market. But that only argues against prices returning to record highs; it doesn't negate the point that prices rise when supply falls short of expectations. The drought has probably come too late to make a significant difference to this season's milk price (we're forecasting $4.80/kg; Fonterra expects $4.70/kg), but our forecast of an about-average milk price of $6.20/kg for next season will need to be revised higher.

With the news all heading one way, this week the two-year swap rate has dropped below 3.6%, compared to 3.85% a month ago. It is obvious that fixed mortgage rates will fall in the near future, and that leaves us very comfortable with our call that the housing market will heat up further over 2015 – especially considering the magnitude of the population boom New Zealand is experiencing. Last week's data showed that seasonally net immigration for December was 4,100, down from 5,000 in November. However, the dip in arrivals was entirely concentrated among students, who

Milk production, seasonally adjusted



tend not to arrive in December. This smells to us like a failure of the seasonal adjustment algorithm to isolate the trend in student arrivals, rather than a genuine slowdown in net immigration. We continue to expect annual net immigration to reach 60,000 at some point this year.

And thus the two-speed economy conundrum will deepen. The tension between urban homeowners' delight and the challenge faced by the rural population is set to become very intense during 2015. And that will lump the Reserve Bank with very difficult policy choices. We suspect that the end-game will have to be a tightening of the Reserve Bank's restrictions on mortgage lending at some point later this year, with the OCR remaining low or even heading lower.

Intriguingly, the Reserve Bank has taken the unusual step of calling a press conference prior to a speech that will be delivered on Wednesday this week, without any announcement of the speech title or the topic of the press conference. This may simply be a clarification of the new stance of monetary policy, or an articulation of the conditions under which the OCR might rise or fall. Alternatively, we might be treated to a major policy announcement, perhaps concerning some new restriction on mortgage lending. Either way, this will be a very important event for markets.

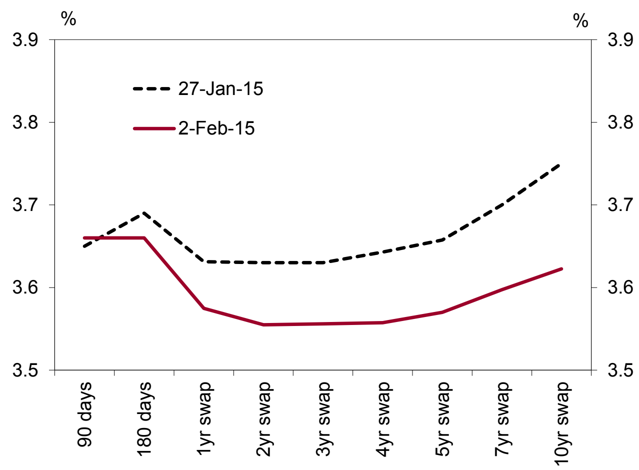
Fixed vs Floating for mortgages

Among the current standard fixed rates, the best value for borrowers with a deposit of 20% or more probably lies in the two-year and three-year terms. However, there is a possibility that fixed mortgage rates will fall even further over the weeks ahead. Waiting a while before fixing might offer even better value.

Four- and five-year rates seem high relative to where we think shorter-term rates are going to go over the coming four or five years, though they do offer stability.

Floating mortgage rates usually work out to be more expensive for borrowers than short-term fixed rates, such as the six-month rate. However, floating may still be the preferred option for those who require flexibility in their repayments.

NZ interest rates



The week ahead

Wednesday 4 February, 1:00pm

Reserve Bank of New Zealand Speech

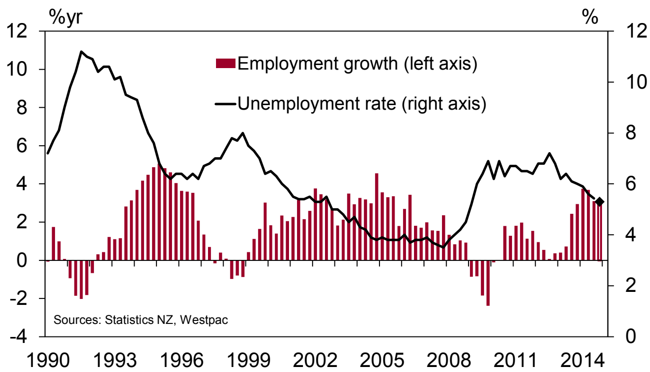
- The Governor's speech to the Canterbury Employers' Chamber of Commerce is an annual event, and is often seminal.
- This year the RBNZ has taken the unprecedented step of calling an embargoed press lockup an hour before the speech starts. Furthermore, the Governor will be taking no questions after the speech has finished. The RBNZ obviously has something very important to say, and the content is going to be market sensitive.
- We speculate that the RBNZ either wants to clarify the new stance of monetary policy and set out the conditions for an OCR cut, or that it is going to make a major policy announcement concerning new macroprudential restrictions on mortgage lending.

NZ Q4 household labour force survey

Feb 4, Employment: Last: 0.8%, WBC f/c: 0.9%, Mkt f/c: 0.8%
Unemployment rate: Last: 5.4%, WBC f/c: 5.3%, Mkt f/c: 5.3%

- With the economy growing at a healthy pace, we're expecting the Household Labour Force Survey to show that employment increased by 0.9% in the September quarter, to be up 3.1% for the year.
- The unemployment rate is projected to fall to 5.3% in December (down from 5.4% in September). Robust domestic economic activity has encouraged more people to enter the labour market. This has pushed the labour force participation rate to historically high levels (we're projecting a participation rate of 69.2% in December), which has limited the decline in the unemployment rate.

Household Labour Force Survey

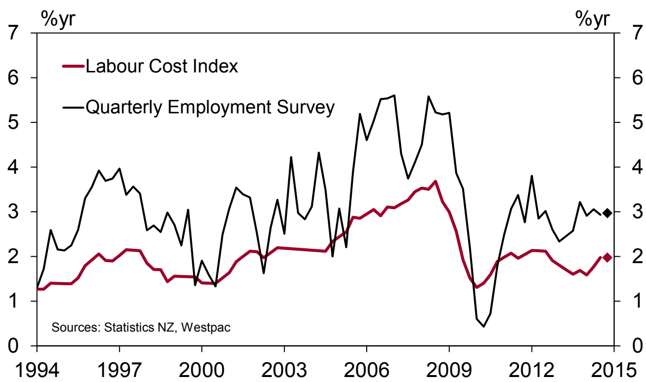


NZ Q4 labour cost index

Feb 4, Private sector wages: Last: 0.5%, WBC f/c: 0.5%, Mkt f/c: 0.6%

- We're expecting December's Labour Cost Index to show that private sector ordinary time wages rose by only 1.7% over the past year. This is despite continued improvements in labour demand.
- Dampening wage inflation in recent years has been subdued consumer prices inflation, which has meant that cost of living adjustments to wages have been limited.
- With consumer price inflation expected to fall to low levels over 2015, any material pick-up in wage inflation is likely to be some way off.

LCI and QES wages

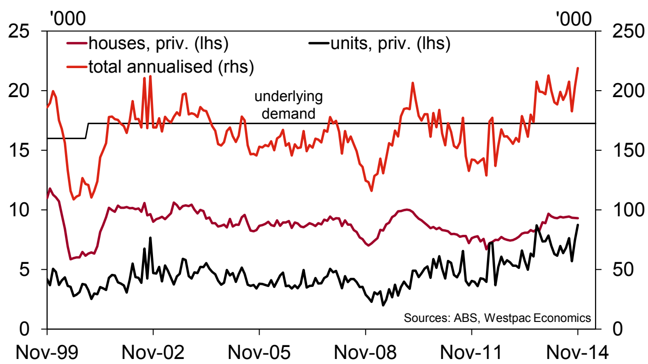


Aus Dec dwelling approvals

Feb 3 Last: 7.5%, WBC f/c: –5.0%
Mkt f/c: –5.0%, Range: –10.0% to 4.0%

- Dwelling approvals spiked in Nov, led by a jump in high rise units. With other segments also holding at relatively high levels, total seasonally adjusted approvals hit an all-time monthly record of 18.2k, a rollicking annual pace of 220k.
- As positive as that is, most of the Nov rise looks to be a one-off jump relating to Lend Lease's $1.5bn Batman's Hill redevelopment in Melbourne. This will clearly reverse in Dec. Buyer sentiment has cooled notably since the start of 2014 and construction-related finance approvals suggest activity may be starting to level out, although investor activity remains strong. On balance we expect approvals to fall back 5% in Dec, mainly on the reversing one-off boost. Seasonal adjustment adds a wildcard to estimates at this time of year as well.

Dwelling approvals

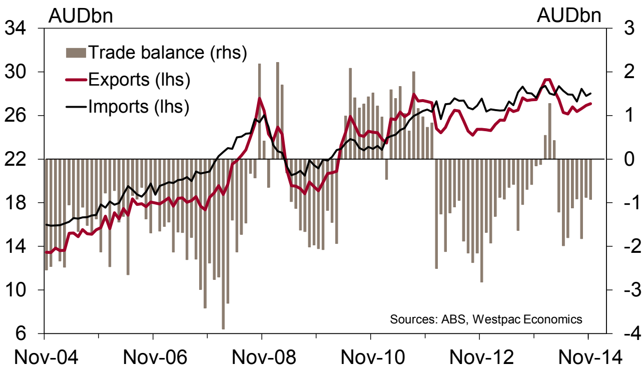


Aus Dec trade balance, AUDbn

Feb 3, Last: –0.9, WBC f/c: –1.0
Mkt f/c: –0.85, Range: –1.5 to –0.1

- Australia's international trade account is set to remain in deficit for a 9th consecutive month in December. We anticipate little change in the deficit, widening a fraction to $1.0bn from $0.9bn in November.
- Total imports of goods and services are expected to declined by 0.8%, with the ABS advising that goods fell by 1.1%, led lower by intermediate goods
- Note the AUD slumped in the month, down 4.6% against the USD and 3.4% on a TWI basis, which acts to increase the cost of imports and to boost AUD export earnings.
- Export earnings are also expected to decline, down 1.2%, a fall of around $300mn. Weakness is likely to be apparent in metal ores (predominantly iron ore) and fuel, reflecting lower prices.

Australia's trade balance: –$925mn in November

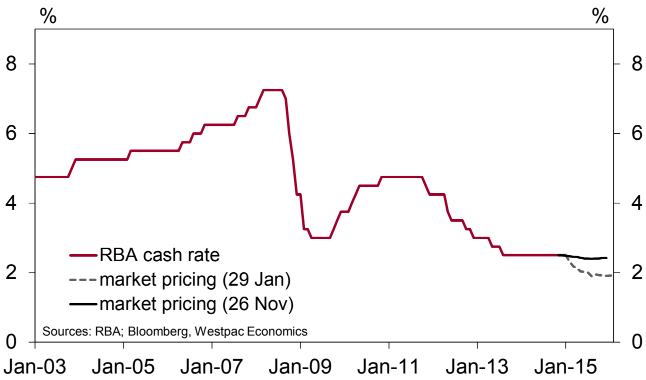


Aus RBA policy decision

Feb 3, Last: 2.50%, WBC f/c: 2.25%
Mkt f/c: 2.50%, Range: 2.25% to 2.50%

- The RBA is expected to cut the cash rate by 25bps at its Feb meeting with a follow-up 25bp reduction in Mar taking the rate to 2%.
- The Bank left the cash rate unchanged at its Dec meeting, retaining its guidance that "... the most prudent course was likely to be a period of stability in interest rates". However, much has changed since then. A disappointingly weak Q3 national accounts update, a further sharp slide in Australia's commodity prices and a sharp drop in confidence argue – strongly in our view – for additional policy stimulus. With a sufficiently subdued Q4 inflation report allowing some scope for additional easing, we expect a 25bp rate cut at the RBA's Feb 3 meeting. The Statement on Monetary Policy released three days later will provide a 'full explanation' for the move and the Bank's (downwardly) revised growth and inflation forecasts.

RBA cash rate

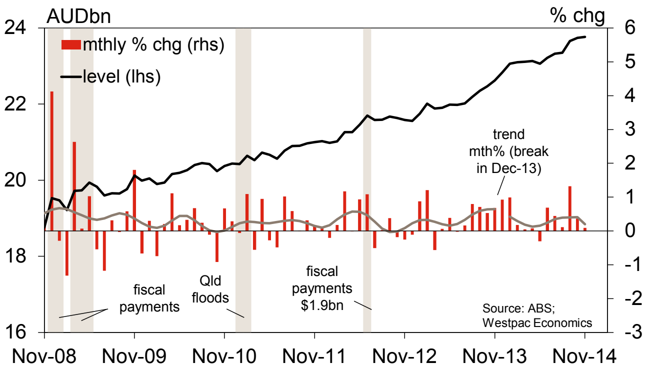


Aus Dec retail trade

Feb 5, Last: 0.1%, WBC f/c: –0.1%
Mkt f/c: 0.3%, Range: –0.1% to 0.7%

- Retail sales rose 0.1% in Nov building on a strong gain over the previous two months – the cumulative 1.8% rise over the three month to Nov on a par with that seen over the previous seven. Much of this surge has centred on 'electrical & electronic goods retailing' where the launch of the iPhone 6 has produced an impressive 11% jump over the 3mths. Other retail categories recorded a more moderate 1.2% gain over the same period.
- While the surge in electrical & electronic goods retailing has been sustained longer than expected, sales in this sub-category are likely to normalise in coming months. Conditions more generally have been quite mixed: consumer sentiment fell sharply in Dec with the 'Sydney seige' an added disruption mid-month. Business surveys reported improved retail conditions in the month. On balance, we expect total sales to dip 0.1% with a fall-back in electronic sales offset by modest gains elsewhere.

Monthly retail sales

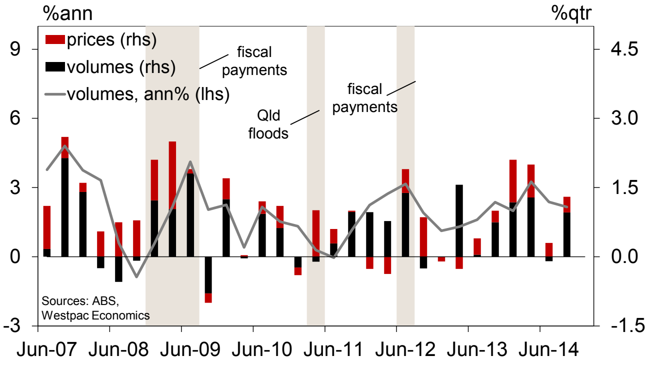


Aus Q4 real retail sales

Feb 5, Last: 1.0%, WBC f/c: 0.8%
Mkt f/c: 1.0%, Range: 0.7% to 1.6%

- Real retail sales rose 1% in Q3, a strong rebound from a 0.1% dip in Q2 and keeping annual growth in the 2-2.5% range.
- With nominal sales on track for a robust 1.3%qtr gain in Q4 and the detail from the Q4 CPI suggesting retail prices up about 0.5%qtr, real retail sales should post a solid 0.8% gain for Q4. Note that some of this is the aforementioned surge in iPhone sales, a temporary positive that will reverse in Q1.
- The retail survey has become a problematic indicator over the last few years, giving numerous 'false signals'. It was a particularly bad guide in Q3 when total spending rose just 0.5%qtr despite the 1%qtr surge in retail sales volumes. Changing spending patterns and exchange rate influences mean the retail survey is a less reliable proxy for total spend.

Quarterly retail volumes and prices

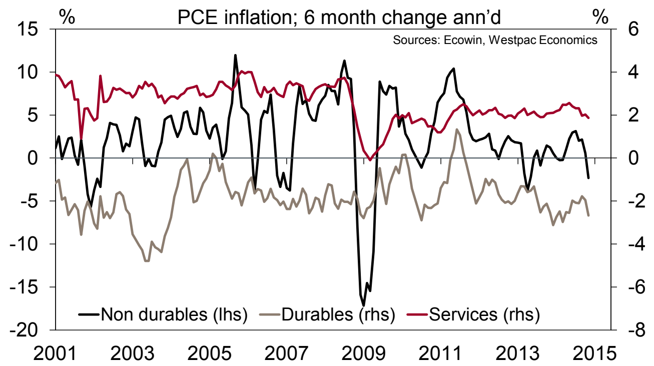


US Dec personal income & spending, PCE deflator

Feb 2, PCE deflator: Last: –0.2%
Feb 2, Personal spending: Last: 0.6%
Feb 2, Personal income: Last: 0.4%

- The impact of the falling price of oil was clearly apparent in the Dec CPI, and this will also be true for the PCE measure. The US dollar is providing a further deflationary impulse at present, albeit one likely offset by persistent services inflation – particularly housing. We expect a –0.3% headline outcome in Dec, with the core likely to be flat.
- The decline in the price of oil is also likely to be the key factor determining the Dec nominal spending outcome; a 0.2% decline is expected, despite supportive services spending.
- With hours worked unchanged and hourly wages weaker, wage incomes are unlikely to contribute positively in December. However, growth in investment income will likely offset and result in a 0.1% total personal income gain.

Services inflation and durables deflation

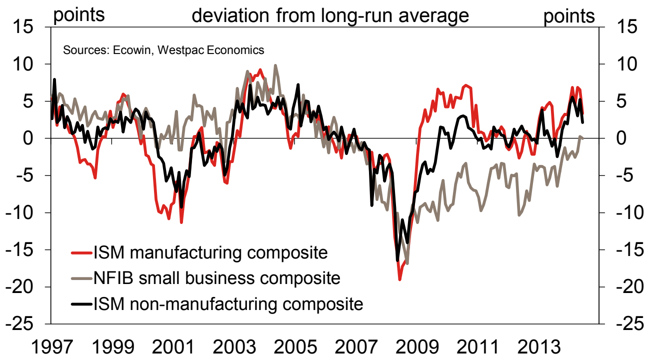


US Nov ISM surveys

Feb 2, Manufacturing: Last: 55.5, WBC f/c: 54.5
Feb 4, Non-manufacturing: Last: 56.2, WBC f/c: 56.4

- The manufacturing ISM index has fallen from 59.0 to 55.5 over the past two months. That followed a long uptrend which began at 51.3 back in Jan 2014. At its current level, the index points to continued robust growth in the manufacturing sector – particularly for the large, externally-focused firms that make up its sample.
- In December, new orders fell (to a still expansionary level), and the US dollar uptrend has likely had a negative impact since. That said, inventories are providing positive signs for coming months. Overall, we expect the ISM to stabilise a little lower.
- The non-manufacturing ISM has continued to point to a robust expansion in activity in the service sector through 2014; we expect to this trend to continue in January.

Conditions differ by firm size & industry

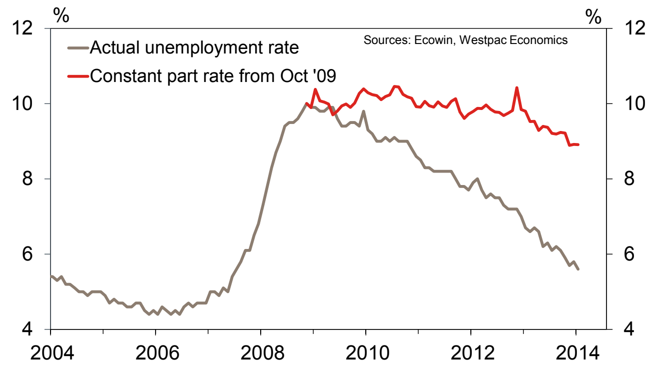


US Jan employment report

Feb 6, Payrolls: Last: 252k, WBC f/c: 215k
Feb 6, Unemployment rate: Last: 5.6%, WBC f/c: 5.6%

- In Dec, the establishment survey reported a 252k increase in non-farm payrolls; Oct and Nov also saw a 50k cumulative upward revision. The consequence was a 246k month-average pace for 2014, up from 194k in 2013. Available initial claims data points to the pace of firing being at a historically low level; and the business survey detail is supportive of continued robust job gains. We expect a 215k increase in January. Note that the annual benchmark revisions will also be included in this release.
- From the household survey, the key story over the past year has been the steady decline in the unemployment rate. It fell from 6.7% in Dec 2013 to just 5.6% in Dec 14. Unlike prior years, this decline was driven by job gains not declining participation. In January, we expect the unemployment rate to remain unchanged at 5.6% as job growth is offset by an uptick in participation.

2014 fall in unemployment driven by job gains



Data calendar

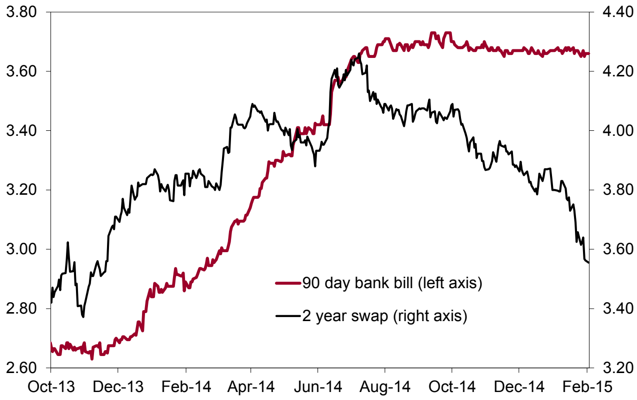
		Last	Market median	Westpac forecast	Risk/Comment
Mon 2					
Aus	Jan AiG PMI	46.9	–	–	A soft end to 2014, manufacturing index 3.2pts down from 50.1 in Nov.
	Jan CoreLogic RP Data home value index	0.9%	–	0.2%	Summer hiatus sees sales 15-20% lower in Jan; indicators less reliable.
	Jan TD-MI inflation gauge, %yr	1.5%	–	–	The level of the Gauge is still well ahead of the CPI.
US	Dec PCE deflator	–0.2%	–0.3%	–0.3%	Oil price effect significant. Annual core inflation benign at 1.4%yr.
	Dec personal income	0.4%	0.2%	0.1%	Hours worked flat in Dec; so too hourly earnings.
	Dec personal spending	0.6%	–0.3%	–0.2%	Growth in services to moderate weakness apparent in retail.
	Jan ISM manufacturing	55.1	54.8	54.5	Further moderation likely in Jan continuing Nov/Dec trend.
	Jan Markit manufacturing PMI, final	53.7	54.0	–	Not a great fit with ISM.
	Dec construction spending	–0.3%	0.8%	0.5%	Nov disappointed. Soft trend across residential and non-res work.
Can	Jan manufacturing PMI	53.9	–	–	RBC sponsored; moderated from 55.3 in Nov to still robust 53.9 in Dec.
Eur	Jan Markit manufacturing PMI, final	51.0	51.0	51.0	Momentum for manufacturing soft but positive.
Tue 3					
NZ	Jan commodity prices	–4.5%	–	–	Small uptick in dairy prices in Jan.
	Jan QV house price index %yr	4.9%	–	–	Auckland house prices accelerated strongly in late 2014.
Aus	Dec dwelling approvals	7.5%	–5.0%	–5.0%	Nov jump driven by major high-rise project in Melbourne; to reverse in Dec.
	Dec trade balance, AUDbn	–0.90	–0.85	–1.00	9th consecutive deficit. Imports –0.8% & exports –1.2%.
	RBA policy announcement	2.50%	2.50%	2.25%	A cut, seeking $A transmission, is the best policy option.
US	Dec factory orders	–0.7%	–2.0%	–2.5%	Durables orders down sharply. Investment trend unfavourable.
	Feb IBD/TIPP Economic Optimism	51.5	51.4	–	Lower oil price and robust labour market supporting confidence.
Eur	Dec PPI	–0.3%	–0.7%	–	Upstream price pressures absent, down 1.6% over year to Nov.
Wed 4					
NZ	GlobalDairyTrade auction	1.0%	–	–	Signs that Chinese demand is returning.
	Q4 employment change	0.8%	0.8%	0.9%	Solid GDP growth is supporting ongoing employment gains.
	Q4 unemployment rate	5.4%	5.3%	5.3%	Strengthening domestic activity is drawing more people into employment.
	Q4 labour cost index	0.5%	0.5%	0.5%	Wage inflation to remain subdued, dampened by low CPI inflation.
Aus	Jan AiG PSI	47.5	–	–	Services index up 3.7pts in Dec, but still well below 50 mark.
Chn	Jan HSBC China services PMI	53.4	–	–	Tertiary activity edged higher in Q4, justifying wedge to manuf. PMI.
US	Jan ADP employment	241k	220k	210k	Robust momentum in private sector employment to continue.
	Jan ISM non-manufacturing	56.5	56.5	56.4	Momentum in services sector still solid despite Dec pullback.
Can	Jan Ivey PMI	55.4	–	–	More volatile than RBC measure; same theme of robust expansion.
Eur	Jan Markit services PMI, final	52.3	52.3	52.3	Composite PMI at 52.2, signalling modest expansion.
	Dec retail sales	0.6%	–0.2%	–	Consumer confidence weakened in late 2014, likely crimping demand.
Thu 5					
Aus	Dec retail trade	0.1%	0.3%	–0.1%	Up 1.8% since Aug with big lift from iPhone 6 sales. To soften in Dec ...
	Q4 real retail trade	1.0%	1.0%	0.8%	... but Q4 will be another solid quarter for retail sales volumes.
	Q4 NAB business survey	–	–	–	Dec monthly survey already avail. Qtrly includes detail on capex.
US	Q4 nonfarm productivity	2.3%	0.9%	–	Productivity to slow with growth following strong Q3.
	Q4 unit labour costs	–1.0%	1.0%	–	Have been held down by strong growth through mid-14.
	Initial jobless claims	265k	–	–	Historically weak firing; holiday effect in lastest week?
	Dec trade balance, $bn	–39.0	–38.0	–38.0	Declining oil price to see imports fall; USD effect on exports?
Ger	Dec factory orders	–2.4%	0.8%	–	Lower Euro to support demand for German exports in coming months.
Fri 6					
NZ	Waitangi Day public holiday	–	–	–	Markets closed.
Aus	RBA Statement on Monetary Policy	–	–	–	Forecast update; commentary tends to justify the Tuesday rate decision.
US	Jan nonfarm payrolls	252k	231k	215k	Annual revision for establishment survey due this month.
	Jan unemployment rate	5.6%	5.6%	5.6%	Further gains in the unemp. rate from here likely to be more difficult.
	Dec consumer credit, $bn	14.1	15.0	14.0	Dependence on student/auto debt well known.
Can	Dec building permits	–13.8%	–	–	Highly volatile in recent months; further declines a concern for BOC.
	Jan unemployment rate	6.7%	6.7%	–	Employment fell 11.3k in Dec; part. rate edged 0.2ppts lower to 65.7%.
Ger	Dec industrial production	–0.1%	0.4%	–	Nov was a disappointment, but followed upward revision to Oct to 0.6%.

New Zealand forecasts

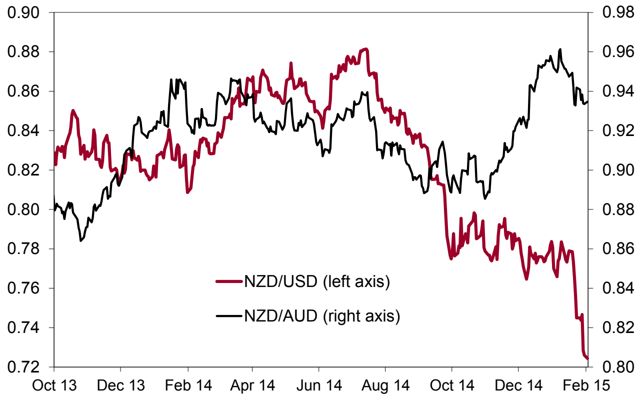
Economic Growth Forecasts	March years				Calendar years			
% change	2013	2014	2015f	2016f	2013	2014f	2015f	2016f
GDP (Production) ann avg	2.2	2.5	3.3	3.4	2.2	3.2	3.5	2.9
Employment	0.4	3.8	2.9	2.7	2.9	3.0	3.1	1.8
Unemployment Rate % s.a.	6.2	6.0	5.1	4.5	6.0	5.4	4.6	4.3
CPI	0.9	1.5	0.1	2.3	1.6	0.8	1.2	2.9
Current Account Balance % of GDP	-3.7	-2.6	-4.3	-5.1	-3.3	-3.3	-5.2	-4.3

Financial Forecasts	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16
Cash	3.50	3.50	3.50	3.50	3.50	3.75
90 Day bill	3.70	3.70	3.70	3.75	3.75	4.00
2 Year Swap	3.60	3.70	3.80	4.00	4.20	4.50
5 Year Swap	3.70	3.80	3.90	4.10	4.40	4.60
10 Year Bond	3.40	3.50	3.70	3.90	4.20	4.30
NZD/USD	0.76	0.74	0.76	0.78	0.80	0.80
NZD/AUD	0.95	0.95	0.95	0.95	0.95	0.93
NZD/JPY	89.7	89.2	92.7	96.7	99.2	100.0
NZD/EUR	0.68	0.68	0.69	0.70	0.71	0.70
NZD/GBP	0.52	0.51	0.51	0.51	0.51	0.50
TWI	79.4	78.8	80.0	81.6	82.9	82.0

2 Year Swap and 90 Day Bank Bills



NZD/USD and NZD/AUD



NZ interest rates as at market open on Monday 2 February 2015

Interest Rates	Current	Two weeks ago	One month ago
Cash	3.50%	3.50%	3.50%
30 Days	3.65%	3.63%	3.64%
60 Days	3.66%	3.65%	3.66%
90 Days	3.66%	3.67%	3.68%
2 Year Swap	3.56%	3.74%	3.80%
5 Year Swap	3.57%	3.79%	3.94%

NZ foreign currency mid-rates as at Monday 2 February 2015

Exchange Rates	Current	Two weeks ago	One month ago
NZD/USD	0.7244	0.7787	0.7659
NZD/EUR	0.6403	0.6740	0.6425
NZD/GBP	0.4827	0.5142	0.5017
NZD/JPY	85.03	91.50	92.18
NZD/AUD	0.9347	0.9472	0.9496
TWI	75.32	79.30	78.34

International forecasts

Economic and Financial Forecasts

Economic Forecasts (Calendar Years)	2011	2012	2013	2014f	2015f	2016f
Australia						
Real GDP % yr	2.7	3.6	2.1	2.7	2.7	3.5
CPI inflation % annual	3.0	2.2	2.7	1.8	2.6	3.0
Unemployment %	5.2	5.3	5.8	6.3	6.4	6.1
Current Account % GDP	-2.8	-4.4	-3.3	-2.9	-3.2	-0.8
United States						
Real GDP %yr	1.6	2.3	2.2	2.2	2.5	3.2
Consumer Prices %yr	3.1	2.1	1.5	1.8	1.8	2.0
Unemployment Rate %	8.9	8.1	7.4	6.2	5.6	5.1
Current Account %GDP	-2.9	-2.9	-2.4	-2.3	-2.3	-2.3
Japan						
Real GDP %yr	-0.3	1.8	1.6	0.4	1.2	1.6
Euroland						
Real GDP %yr	1.6	-0.6	-0.4	0.7	0.9	1.0
United Kingdom						
Real GDP %yr	1.1	0.3	1.7	3.0	2.5	2.7
China						
Real GDP %yr	9.3	7.7	7.7	7.4	7.5	7.8
East Asia ex China						
Real GDP %yr	4.5	4.5	4.3	4.0	4.9	5.7
World						
Real GDP %yr	4.1	3.4	3.3	3.2	3.7	4.5
Forecasts finalised 8 December 2014						

Interest Rate Forecasts	Latest	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16
Australia						
Cash	2.50	2.00	2.00	2.00	2.00	2.00
90 Day Bill	2.56	2.20	2.20	2.20	2.22	2.25
10 Year Bond	2.47	2.60	2.80	3.00	3.25	3.50
International						
Fed Funds	0.125	0.125	0.125	0.250	0.500	0.750
US 10 Year Bond	1.75	1.90	2.20	2.50	2.75	2.90
ECB Repo Rate	0.05	0.05	0.05	0.05	0.05	0.05

Exchange Rate Forecasts	Latest	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16
AUD/USD	0.7782	0.80	0.78	0.80	0.82	0.84
USD/JPY	117.97	118	120	122	124	124
EUR/USD	1.1326	1.12	1.09	1.10	1.11	1.12
AUD/NZD	1.0688	1.05	1.05	1.04	1.04	1.04

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