

Helping the Waikato through COVID-19

Economic Radar

As at 20 May 2020

As of last Thursday 14 May, the country has shifted to Alert Level 2.

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 this week's Radar show some significant improvement from last week, detailed in this report. We expect to see further improvement as businesses/individuals in the country and Waikato region phase-in the 'less restrictive' Alert Level 2 environment.

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. Information in this report will be updated weekly, with new measures added either by request or as additional information comes to hand.

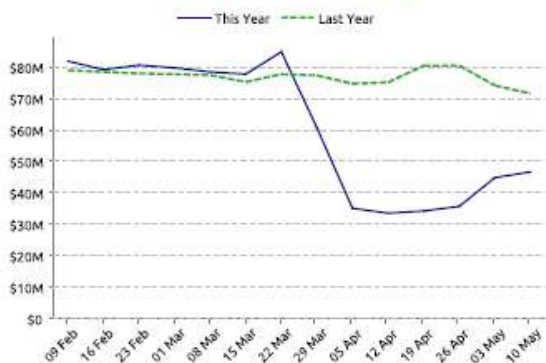
District level data can be obtained for some of the information contained in this report, please connect with us directly to learn more on this. Te Waka wishes to continue to progress conversations on the streamlining of obtaining this data with our ED community and business.

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

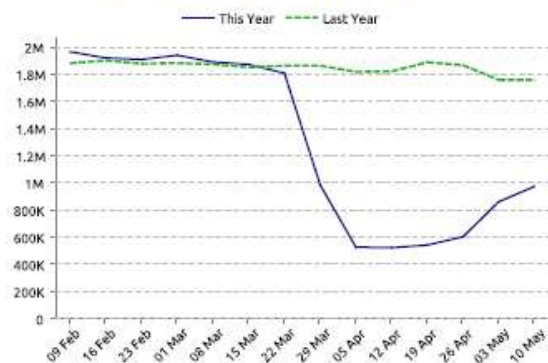
Michelle Hollands michelle.hollands@tewaka.nz

Waikato Weekly Card Transactions – Week Ending May 10

1. WEEKLY VALUE OF SPENDING



2. WEEKLY NUMBER OF TRANSACTIONS



3. Change in value of spending SWLY CUMULATIVE

-34.8%

-20.8%

4. Change in number of transactions SWLY CUMULATIVE

-44.6%

-29.3%

SWLY = % change in spending (or transactions) relative to the Same Week Last Year
 Cumulative = % change in spending made since 3 February 2020 compared to the same period in 2019

5. WEEKLY SPENDING CHANGE BY CATEGORY

	SWLY		Cumulative	
	\$	#	\$	#
Food, liquor & pharmacies	+19.0%	-17.6%	+13.8%	-11.8%
Hospitality & Accommodation	-63.8%	-63.9%	-44.2%	-45.4%
Fuel & Automotive	-46.5%	-39.8%	-31.0%	-28.4%
Clothing, Footwear & Dept. Stores	-94.2%	-96.4%	-55.1%	-55.0%
Home & Recreational Retailing	-70.8%	-81.8%	-36.8%	-40.5%
All other	-80.4%	-86.8%	-48.0%	-48.3%
TOTAL	-34.8%	-44.6%	-20.8%	-29.3%

7. CHANGE BY ORIGIN OF CARDHOLDER

	SWLY		Cumulative	
	\$	#	\$	#
INTERNATIONAL	-64.1%	-63.8%	-25.0%	-25.4%
NZ CARDS	-34.1%	-44.3%	-20.6%	-29.4%

8. WEEKLY VALUE OF SPENDING - ALL OF NZ

	SWLY		Cumulative	
	\$	#	\$	#
New Zealand	-37.8%	-48.5%	-21.3%	-30.6%

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%

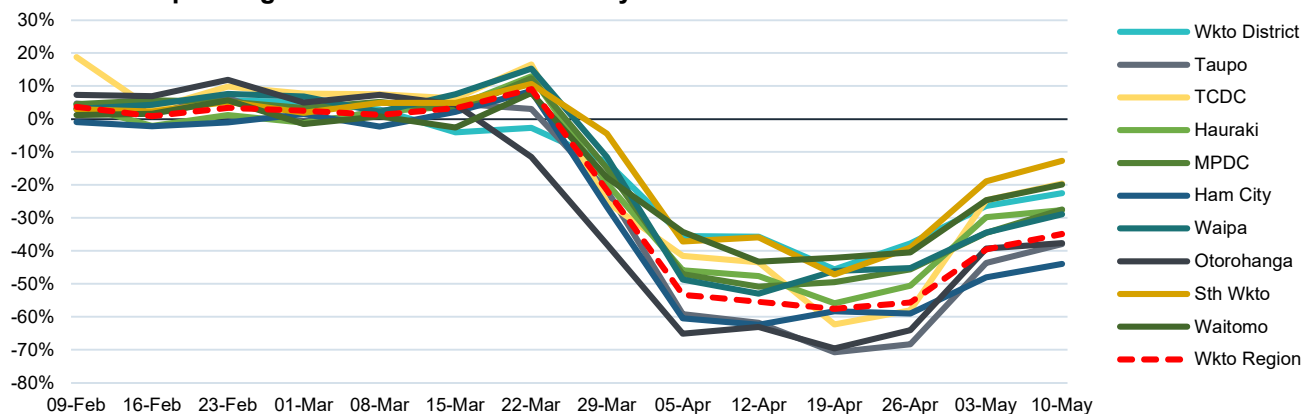
Source: Marketview using Paymark data.

Notes to graphics on the previous page:

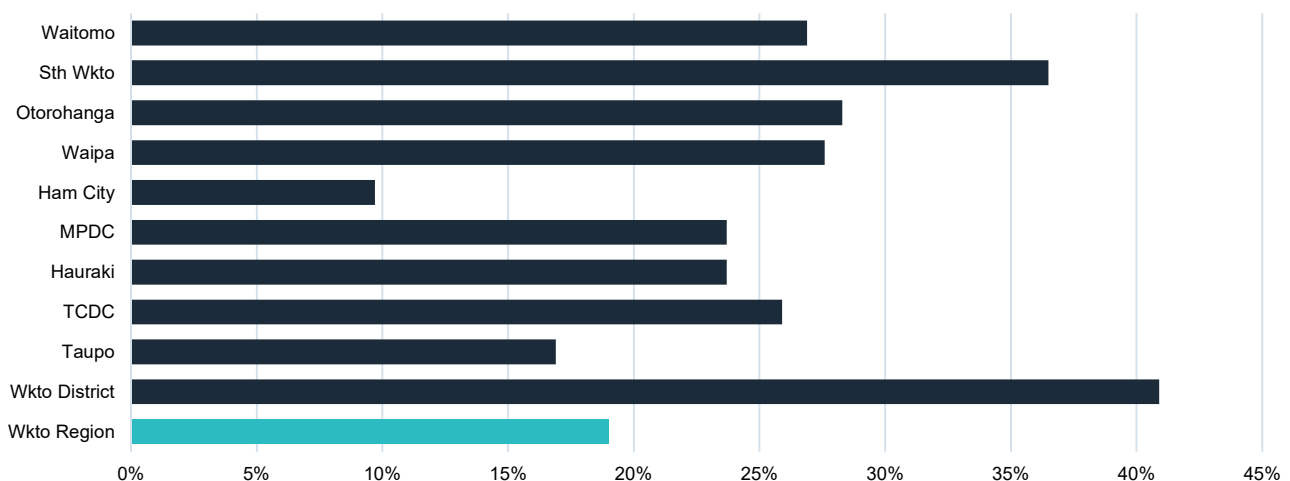
- “Cumulative” measures represent change in spending / volume of transactions since 3 February, relative to the same period last year.
- “SWLY” measures represent change in spending / volume of transactions relative to the same week last year.

The chart below summarises the change in level of spending for the weeks ended 9 February to 10 May, relative to corresponding weeks last year. While weekly spending under Alert Level 3 remained below last year’s levels, it appears the gap is closing. Spending in the Waikato region was 4.7 percentage points higher than the previous week, again relative to corresponding weeks last year.

Time series - spending relative to same week last year

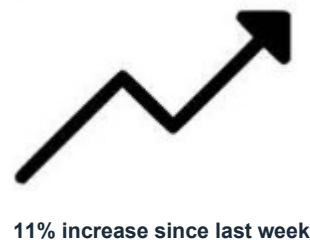


The chart below summarises level of spending under the Food, Liquor & Pharmacies category. This is the one category where level of spending is above last year’s level across all districts.



Source: Marketview using Paymark data.

School Attendance

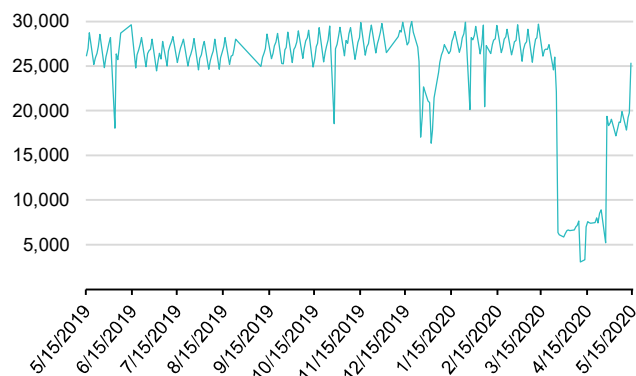


The data above is based on Waikato school attendance of year 1-10 students, for the week beginning Monday 11 May. Schools were open for students in years 1-10 who were not able to stay at home. Schools were considered safe to open to all students from Monday 18 May.

Traffic Data

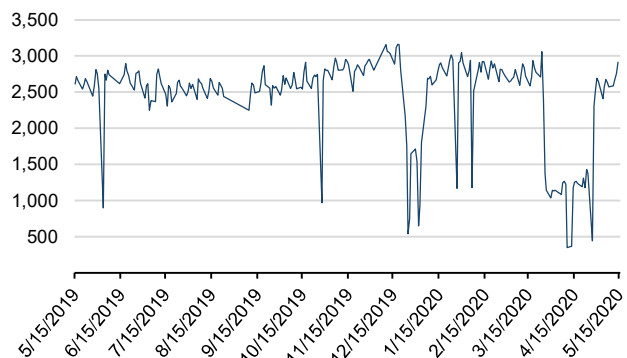
The charts below summarise Hamilton's daily light and heavy vehicle count over the last 12 months, data collected from Greenwood St. The count for both vehicle types have bounced back since restrictions have started to ease. Heavy traffic is now at 'normal' levels. Light traffic rose sharply after the shift to Alert Level 2, and is also approaching normal levels.

Hamilton daily light vehicle count



Source: www.nzta.govt.nz

Hamilton daily heavy vehicle count

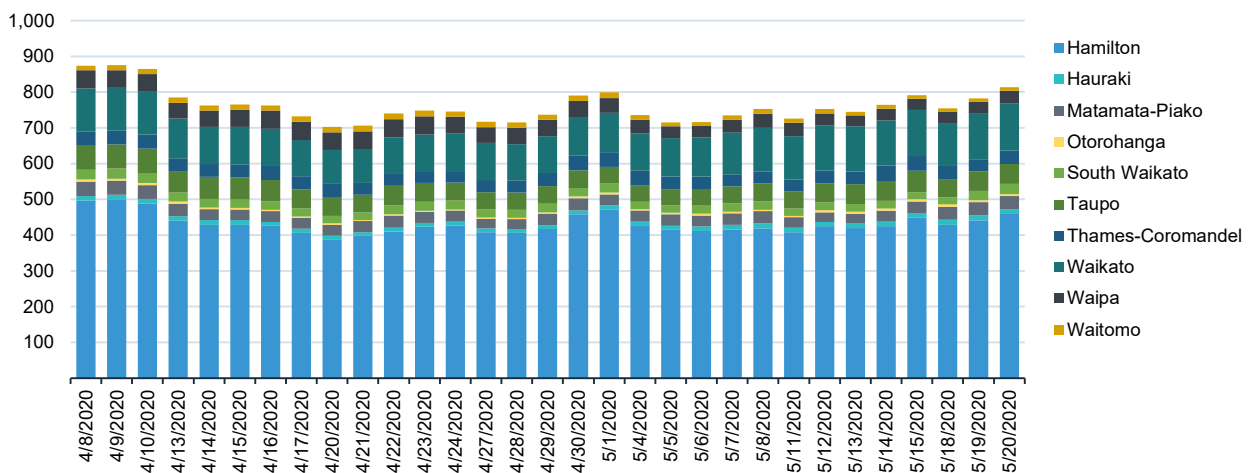


Employment

Job Ads

The chart below summarises the number of Trade Me jobs advertised on a daily basis since the beginning of April 2020. The small variations from day to day do not yet represent a clear trend.

Daily Job Ads on Trade Me

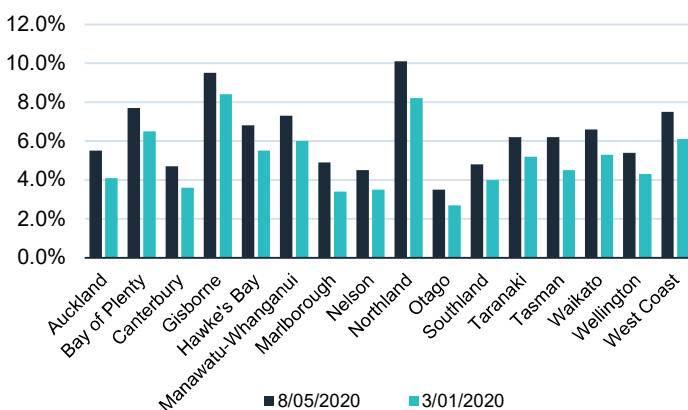


Source: www.trademe.co.nz

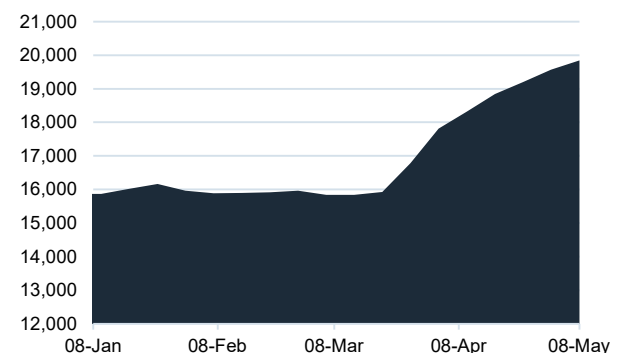
Jobseeker Support

The number of recipients of the Jobseeker Support has risen by 4,000, or 25% since the start of 2020, in line with the 27% increase for New Zealand as a whole. This means that 6.6% 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

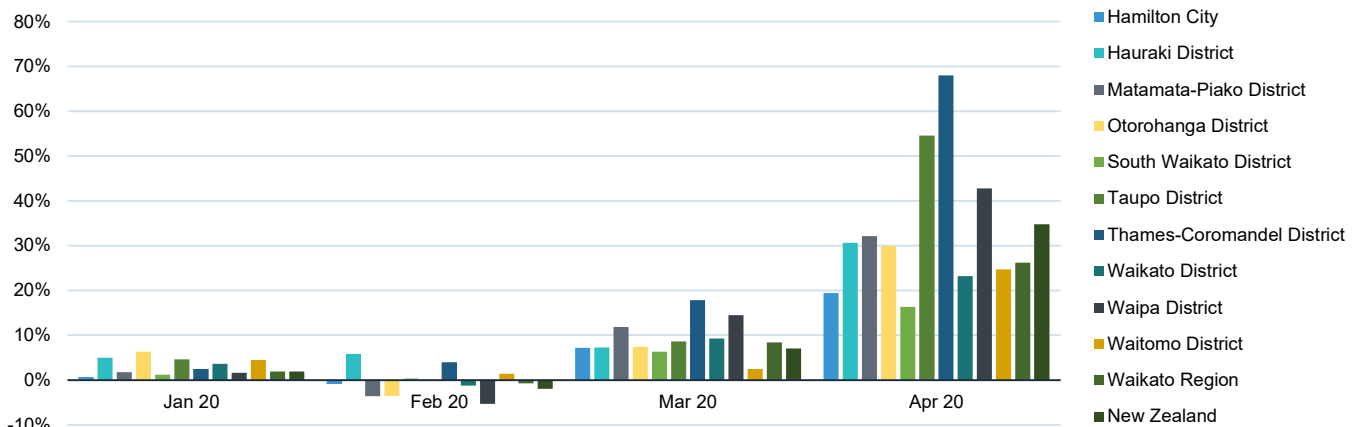


of Jobseeker Support recipients



The chart below summarises monthly % change in Job Seeker support. The month of April clearly showing a significant increase on March levels across all districts. The Thames-Coromandel area experienced the largest increase over this period with April levels 68% higher than March.

Increase in Jobseeker Support



Source: www.msd.govt.nz

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

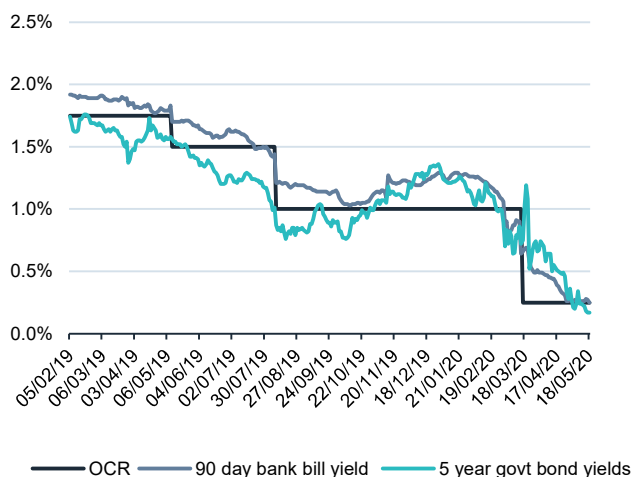
Financial Indicators

Interest Rates

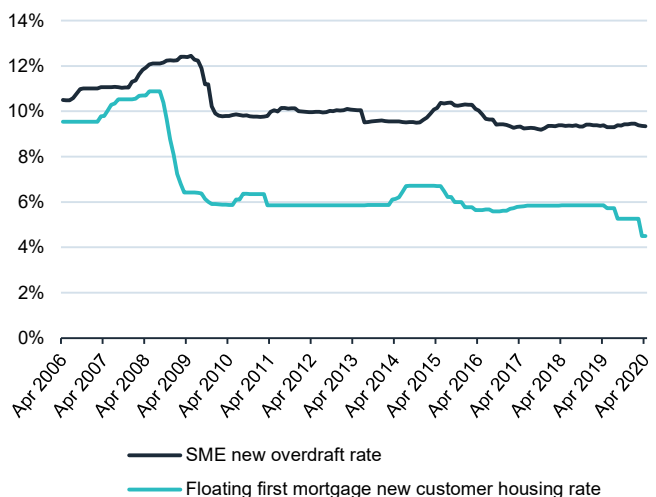
The charts below summarise wholesale and retail interest rates using data published by the Reserve Bank of New Zealand.

Wholesale interest rates have continued their decline. The Official Cash Rate (OCR) currently at 0.25%, and last week's Monetary Policy Statement seemed to confirm that they will not be considering lowering it further in 2020. The "SME new overdraft rate" has remained relatively flat while the "floating first mortgage new customer housing rate" has decreased over the last year to 4.5%, as at the end of April 2020. More recent cuts by retail banks have seen mortgage rates move lower, with a number of banks offering 1-2 year fixed rates below 3%.

Wholesale interest rates



Retail interest rates



Source: <https://www.rbnz.govt.nz/>

Exchange Rates

The New Zealand dollar continues to trade in a range against its main trading partners' currencies.

NZD exchange rate



NZD exchange rate

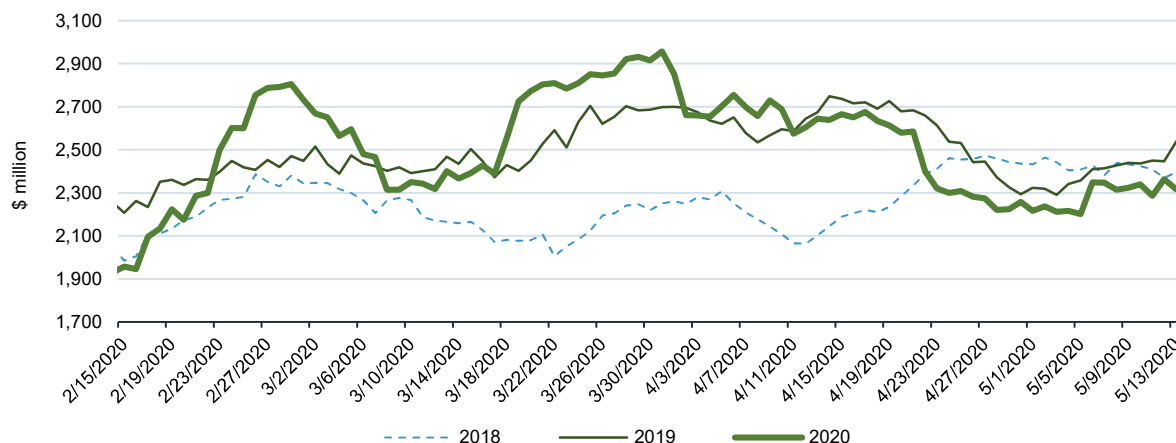


Source: <https://www.rbnz.govt.nz/>

Trade

Merchandise exports continue to hold up relatively well, although at slightly lower levels than the same period in the last couple of years. Exports over the last couple of weeks were around \$220 million lower than the same period in 2019, and \$80 million lower than 2018. Dairy exports were up \$22 million on 2019, and \$108 million higher than 2018. Meat products were, however down nearly \$60 million on 2019, and \$45 million lower than 2018.

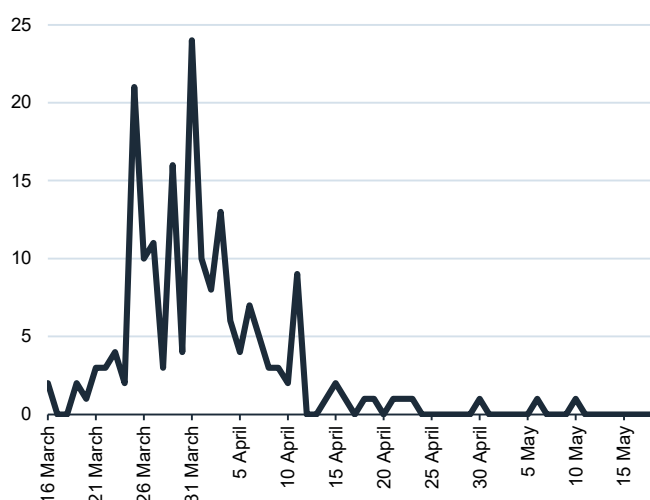
Value of merchandise exports 2 week rolling total



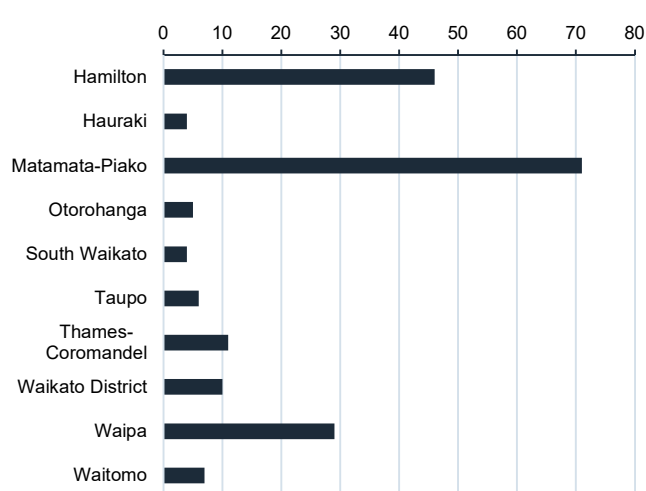
COVID-19 in the Waikato as at 18 May 2020

The Waikato DHB has 188 confirmed and probable cases as at 18 May 2020 – 6 active cases, 181 recovered, and one deceased.

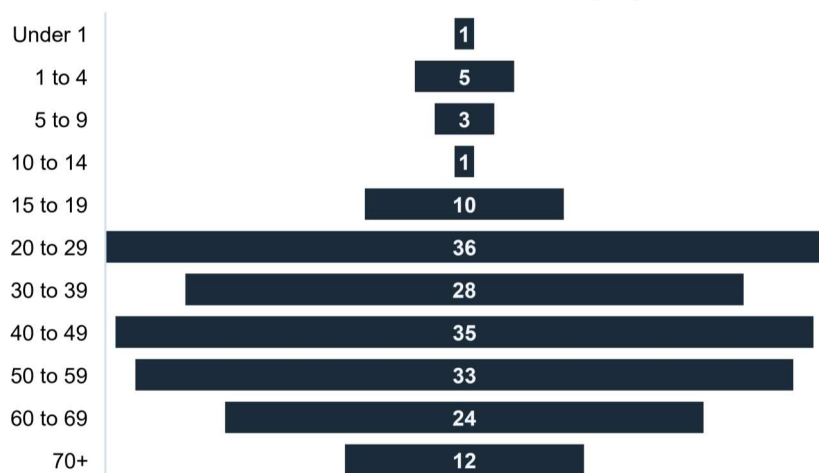
Cases confirmed and probable per day



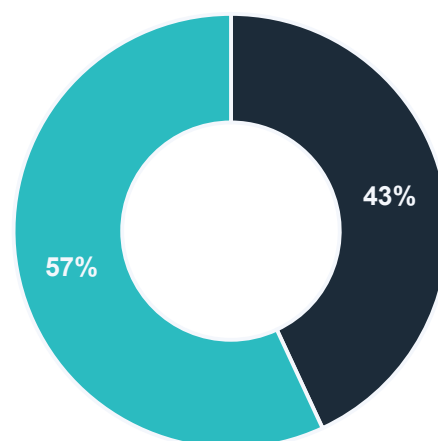
Cases by Territorial Authority



Cases confirmed and probable by age



Female and Male cases



Source: <https://www.health.govt.nz/> and <https://waikatodhb.health.nz> and <https://covid19.bopdhb.govt.nz/>