

# ANZ-Roy Morgan NZ Consumer Confidence

28 January 2022



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## Contact

Sharon Zollner for more details.

See [page 5](#).

The next issue of the ANZ-Roy Morgan Consumer Confidence is scheduled for release on 4 March 2022 at 10am.

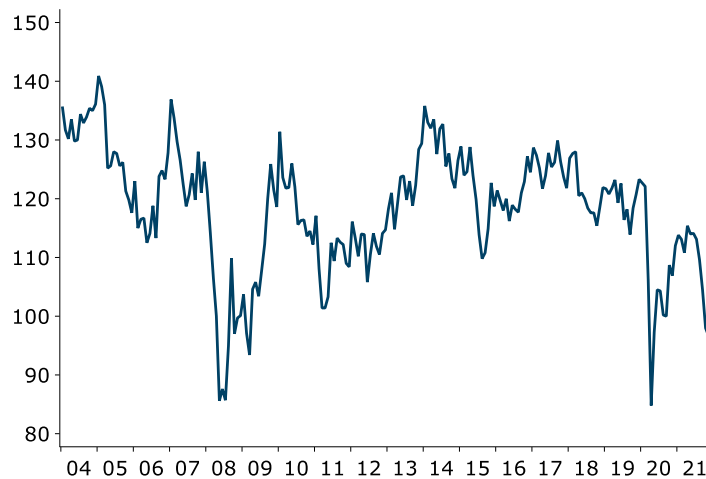
## Inflation adjusted

### Key points

- Consumer confidence was unchanged at 98 in January.
- The proportion of people who believe it is a good time to buy a major household item fell 4 points to -4, back in the red.
- Inflation expectations drifted slightly higher to 5.8%. House price inflation expectations were unchanged at 5.3%.

The ANZ-Roy Morgan Consumer Confidence Index was unchanged at 98 in January, well under its long-term average of just shy of 120. The vast majority of the survey was conducted before confirmation of Omicron in the community.

**Figure 1. ANZ-Roy Morgan Consumer Confidence**



Source: Roy Morgan, Macrobond, ANZ Research

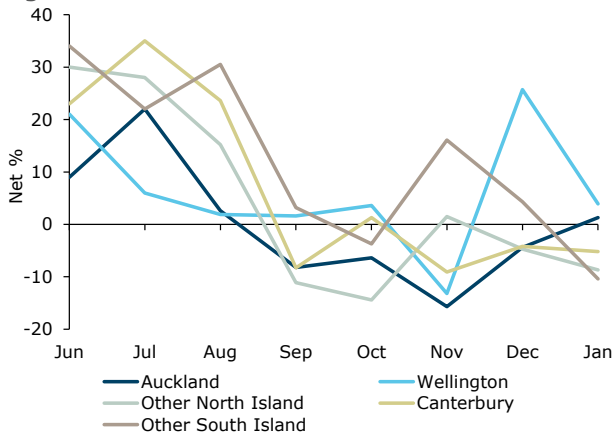
Turning to the detail:

- Perceptions of current personal financial situations fell 5 points to -4%.
- A net 14% expect to be better off this time next year, up 2. This is an unusually low reading outside a recession.
- On balance, households think it's a bad time to buy a major household item (-4, down 4 points). This is the best retail spending indicator in the survey.
- Perceptions regarding the next year's economic outlook fell 1 point to -21%, a very low level. The five-year outlook lifted 4 points to +3%.
- House price inflation expectations were unchanged at 5.3%, with a mix of rises and falls across regions.
- CPI inflation expectations ticked up 0.2%pts from 5.6% to 5.8%, now slightly under actual CPI inflation, which is unheard of. Households have nailed inflation forecasting in the past year. Respect.

Households' response to whether it was a good time to buy a major household item rose in recently unleashed Auckland but fell elsewhere, with Wellington re-joining the crowd (figure 2). It is subdued across all age groups (figure 3).

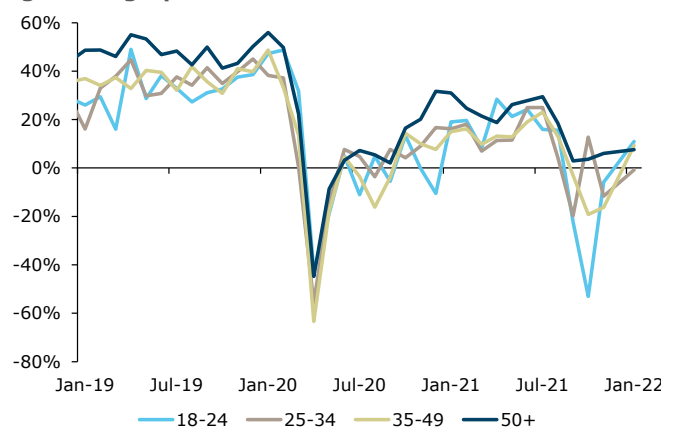
Households' budgets are under cost of living pressure, with CPI inflation running around 6% particularly punitive for those who operate with very small buffers between incomes and outgoings, and who spend a large proportion of their income on necessities. Employment prospects are excellent, but most workers will be experiencing real wage falls, given the lag with which wage data responds. The housing market is cooling rapidly; credit is abruptly harder to get. Not the best time to splurge, appears to be the consensus.

**Figure 2. Good time to buy a major household item by region**



Source: Roy Morgan, Macrobond, ANZ Research

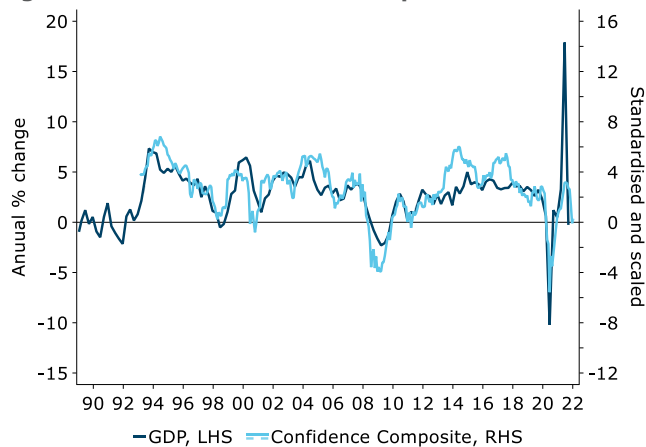
**Figure 3. Good time to buy a major household item by age demographic**



Our confidence composite gauge is a GDP growth indicator created by combining lagged business expectations and intentions with consumer sentiment. The composite indicator is subdued, consistent with our expectation that growth will be subdued this year as supply constraints bite and consumers feel more obliged to live within their means (figure 4).

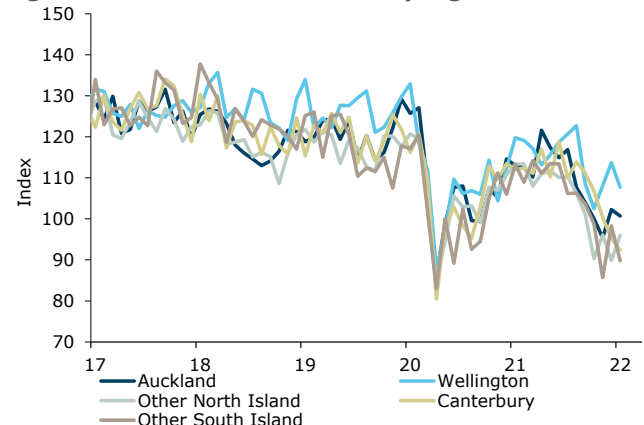
Finally, figure 5 shows Wellington continues to have the most optimistic consumers.

**Figure 4. GDP vs Confidence Composite**



Source: Roy Morgan, Statistics NZ, Macrobond, ANZ Research

**Figure 5. Consumer confidence by region**





## Tables and charts

Survey Summary	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22
No. of Interviews	1,008	1,001	1,005	1,006	1,000	1,004	1,009	981

### Q1. Would you say you and your family are better off financially or worse off than you were at this time last year?

Better Off	35	35	34	31	28	32	31	28
Worse Off	21	27	23	25	31	28	30	32
<b>Net Balance</b>	<b>14</b>	<b>8</b>	<b>12</b>	<b>7</b>	<b>-3</b>	<b>4</b>	<b>1</b>	<b>-4</b>

### Q2. This time next year do you and your family expect to be better off financially or worse off than you are now?

Better Off	40	42	42	41	41	39	37	37
Worse Off	18	19	20	17	21	24	25	23
<b>Net Balance</b>	<b>22</b>	<b>23</b>	<b>22</b>	<b>24</b>	<b>20</b>	<b>15</b>	<b>12</b>	<b>14</b>

### Q3. Thinking of economic conditions in New Zealand as a whole, in the next 12 months, do you expect we'll have good times financially, bad times or some good and some bad?

Good Times	28	28	27	20	18	18	20	18
Bad Times	25	30	31	33	43	47	40	39
<b>Net Balance</b>	<b>3</b>	<b>-2</b>	<b>-5</b>	<b>-13</b>	<b>-25</b>	<b>-28</b>	<b>-20</b>	<b>-21</b>

### Q4. Looking ahead, what would you say is more likely: that in New Zealand as a whole we'll have continuous good times during the next five years or so, we'll have bad times, or some good and some bad?

Good Times	29	31	30	32	28	25	24	26
Bad Times	19	19	23	20	24	27	26	23
<b>Net Balance</b>	<b>10</b>	<b>12</b>	<b>7</b>	<b>12</b>	<b>4</b>	<b>-2</b>	<b>-1</b>	<b>3</b>

### Q5. Generally, do you think now is a good time, or a bad time, for people to buy major household items?

Good Time to Buy	50	51	44	35	36	37	40	37
Bad Time to Buy	28	27	31	42	42	42	40	40
<b>Net Balance</b>	<b>22</b>	<b>24</b>	<b>13</b>	<b>-7</b>	<b>-7</b>	<b>-6</b>	<b>0</b>	<b>-4</b>

### Q6. During the next 2 years do you think that prices in general will go up, go down, or stay where they are now? And if up, what is the expected percentage per year?

Go Up	88	87	89	86	88	91	89	92
Go Down	1.7	1.9	3.0	2.0	2.5	1.2	2.3	1.5
<b>Expectation (%)</b>	<b>5.1</b>	<b>4.9</b>	<b>5.1</b>	<b>5.1</b>	<b>6.2</b>	<b>5.7</b>	<b>5.6</b>	<b>5.8</b>

### Q7. Specifically thinking about the price of houses during the next 2 years, do you think that the price of houses in general will go up, go down, or stay where they are now? And if up, what is the expected percentage per year?

Go Up	74	77	74	72	75	72	68	67
Go Down	7.5	7.2	7.6	7.9	6.7	9.6	11.4	11.1
<b>Expectation (%)</b>	<b>5.8</b>	<b>6.4</b>	<b>6.3</b>	<b>6.1</b>	<b>6.7</b>	<b>5.9</b>	<b>5.3</b>	<b>5.3</b>

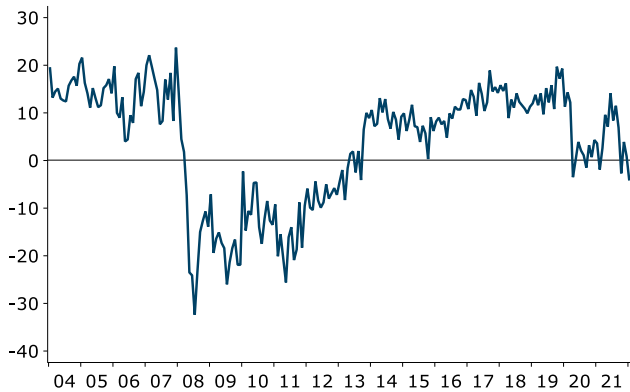
### ANZ Roy Morgan Consumer Confidence Rating (100 plus the unweighted average of the net balances of Q1-5)

<b>Overall Index</b>	<b>114.1</b>	<b>113.1</b>	<b>109.6</b>	<b>104.5</b>	<b>98.0</b>	<b>96.6</b>	<b>98.3</b>	<b>97.7</b>
Current Conditions	117.9	116.1	112.0	100.1	95.4	99.2	100.5	96.1
Future Conditions	111.7	111.0	108.0	107.4	99.7	94.9	96.8	98.7

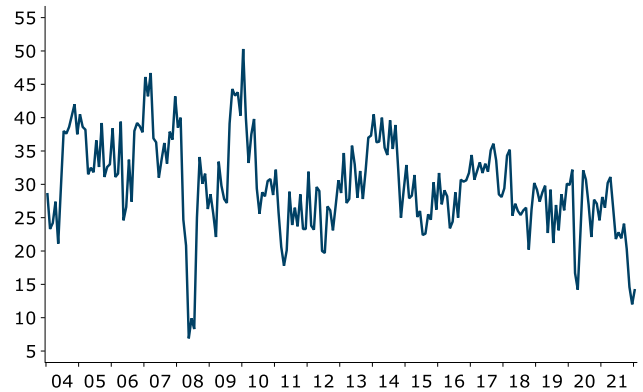


## Tables and charts

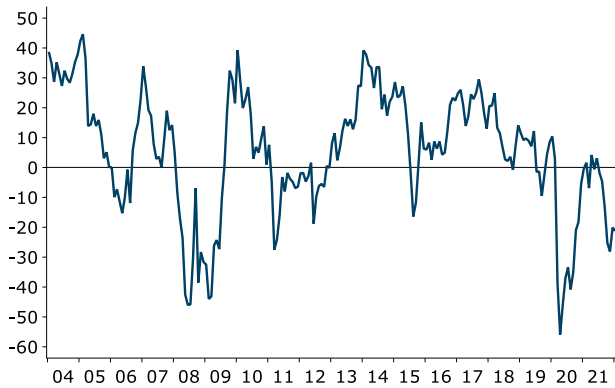
**Q1. Better off past year**



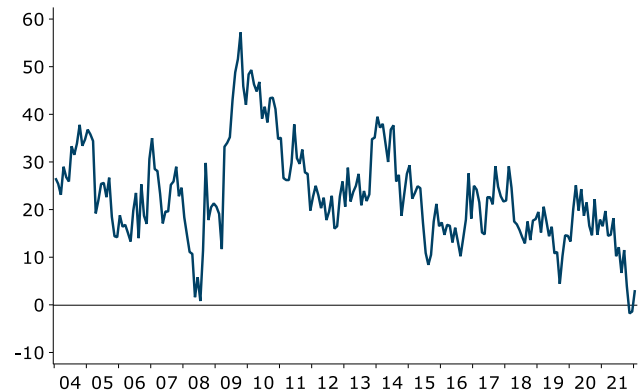
**Q2. Better off next year**



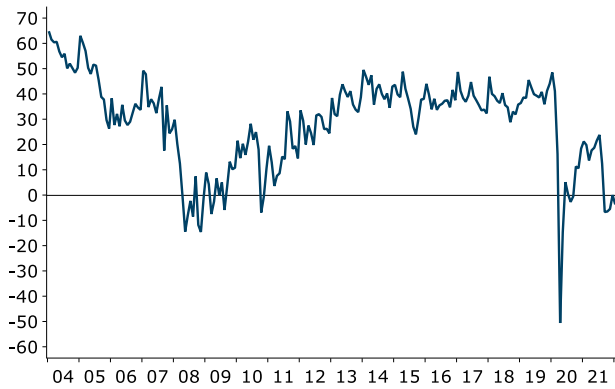
**Q3. NZ economy 12 months' time**



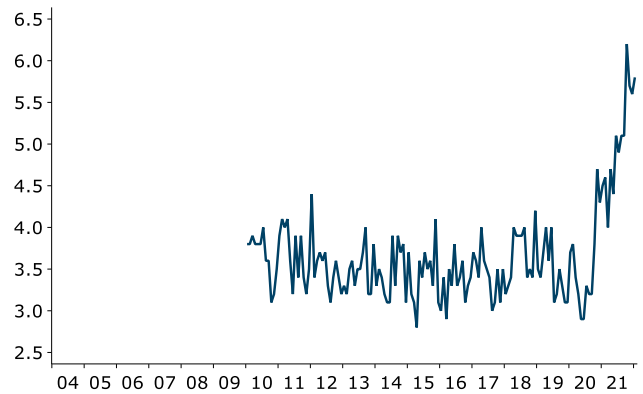
**Q4. Outlook 5 years ahead**



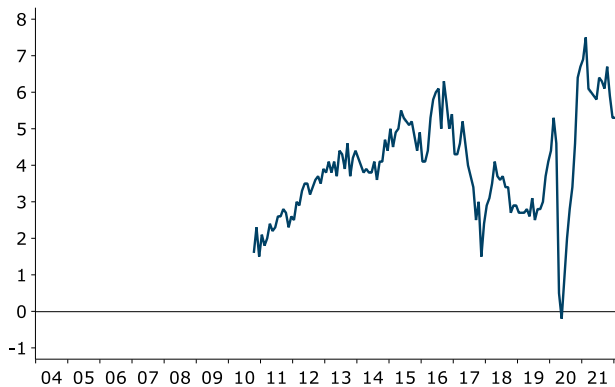
**Q5. Buy major household item**



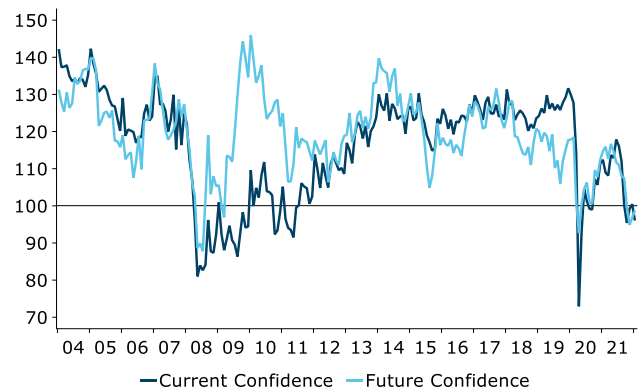
**Q6. Inflation expectations**



**Q7. House price inflation expectations**



**Current vs future conditions**



Source: Roy Morgan, Macrobond, ANZ Research



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