

# Searching for the new economic normal

Te Herenga Waka—Victoria University of Wellington  
Commerce Teachers' Professional Development Day

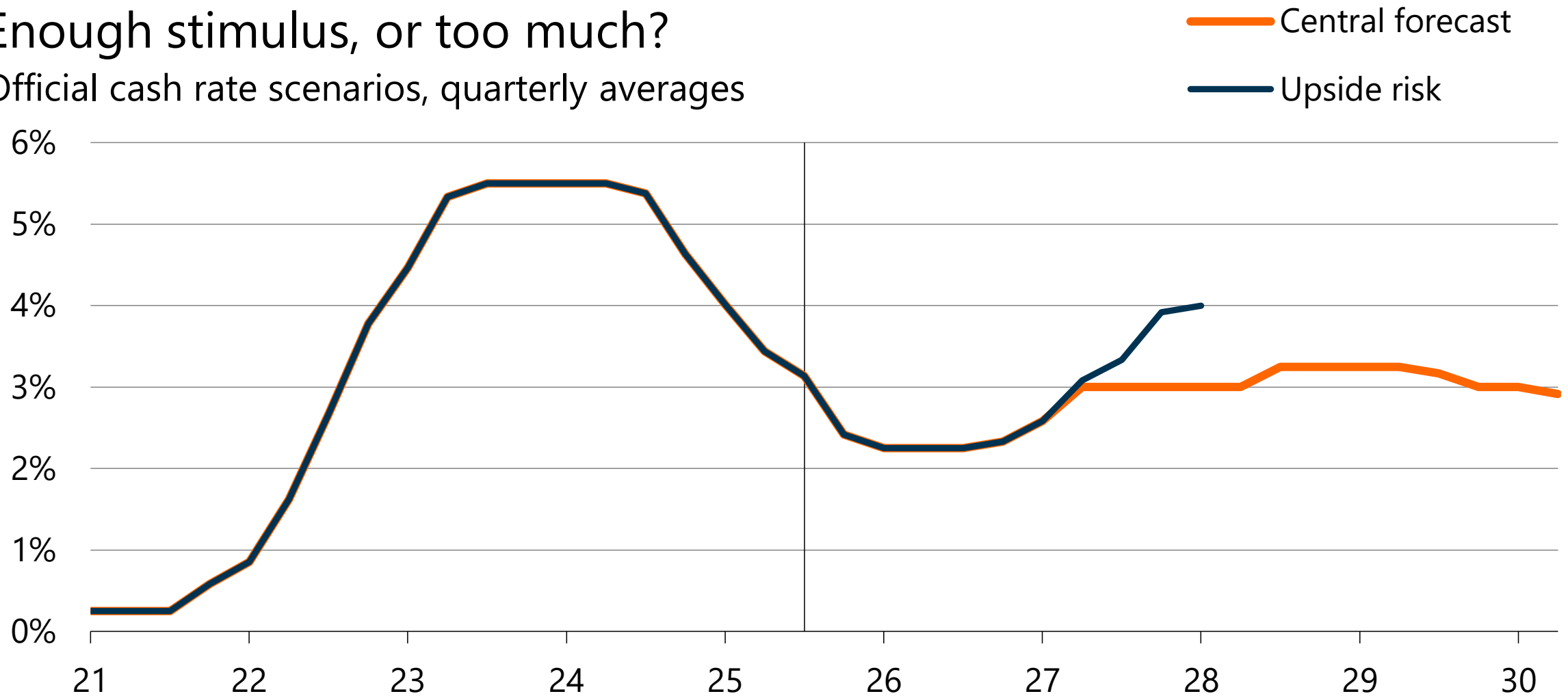
Brad Olsen (Chief Executive and Principal Economist)

December 2025

# Interest rates

Enough stimulus, or too much?

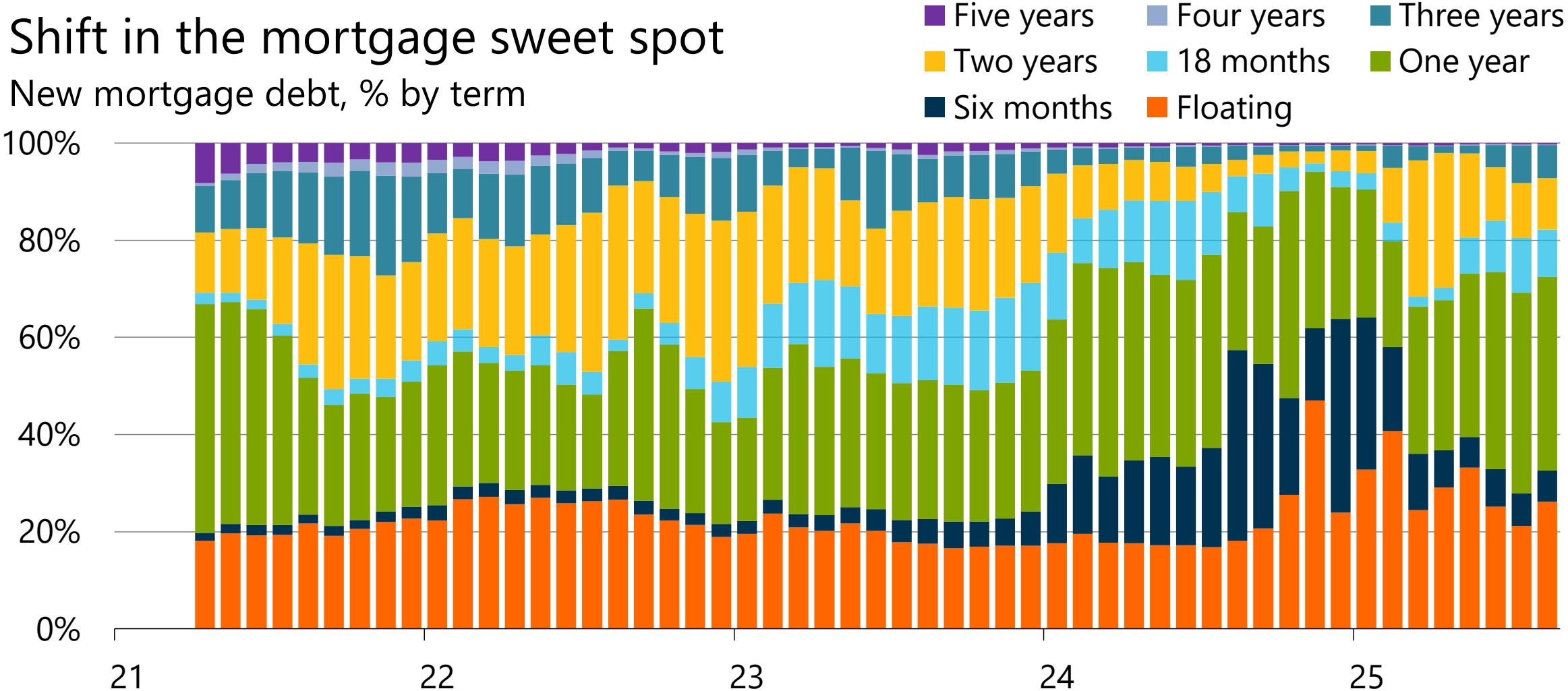
Official cash rate scenarios, quarterly averages



# Mortgages

## Shift in the mortgage sweet spot

New mortgage debt, % by term

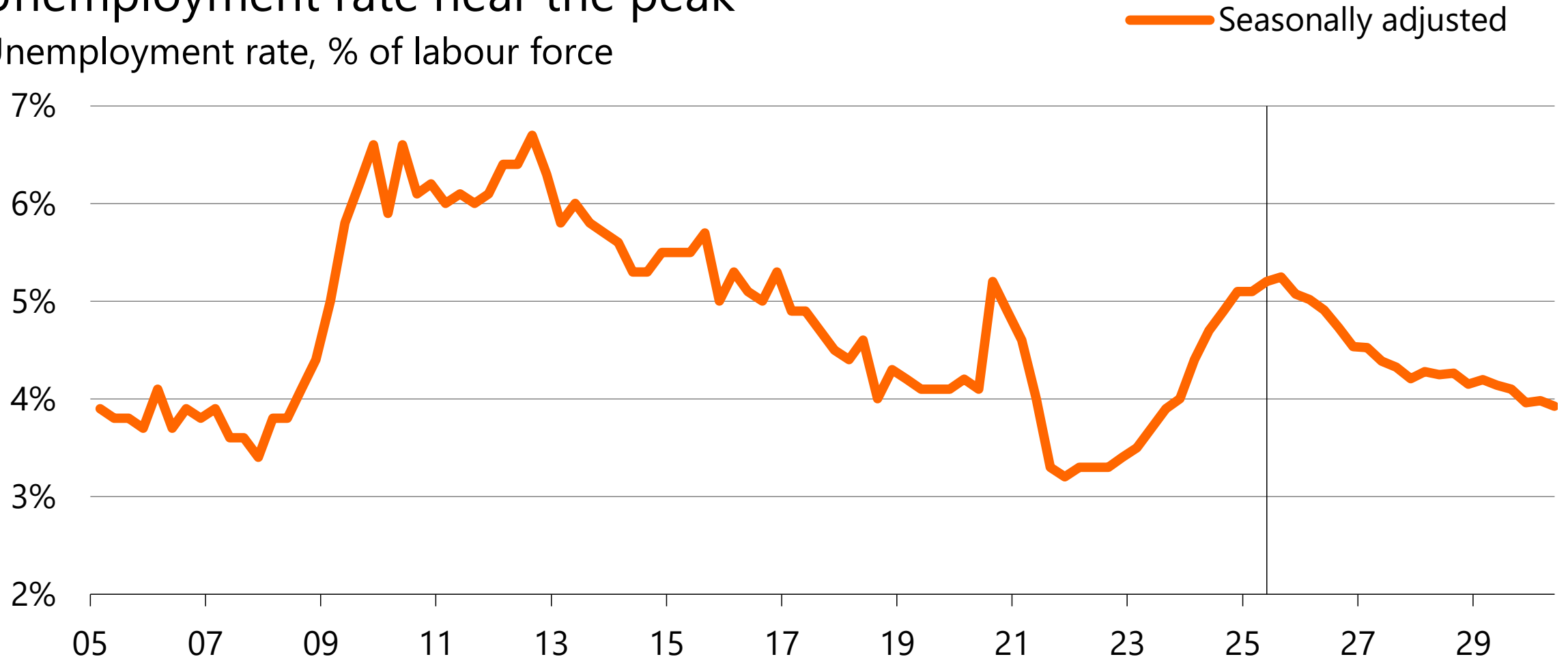


# Who's getting the jobs?

# Labour market

## Unemployment rate near the peak

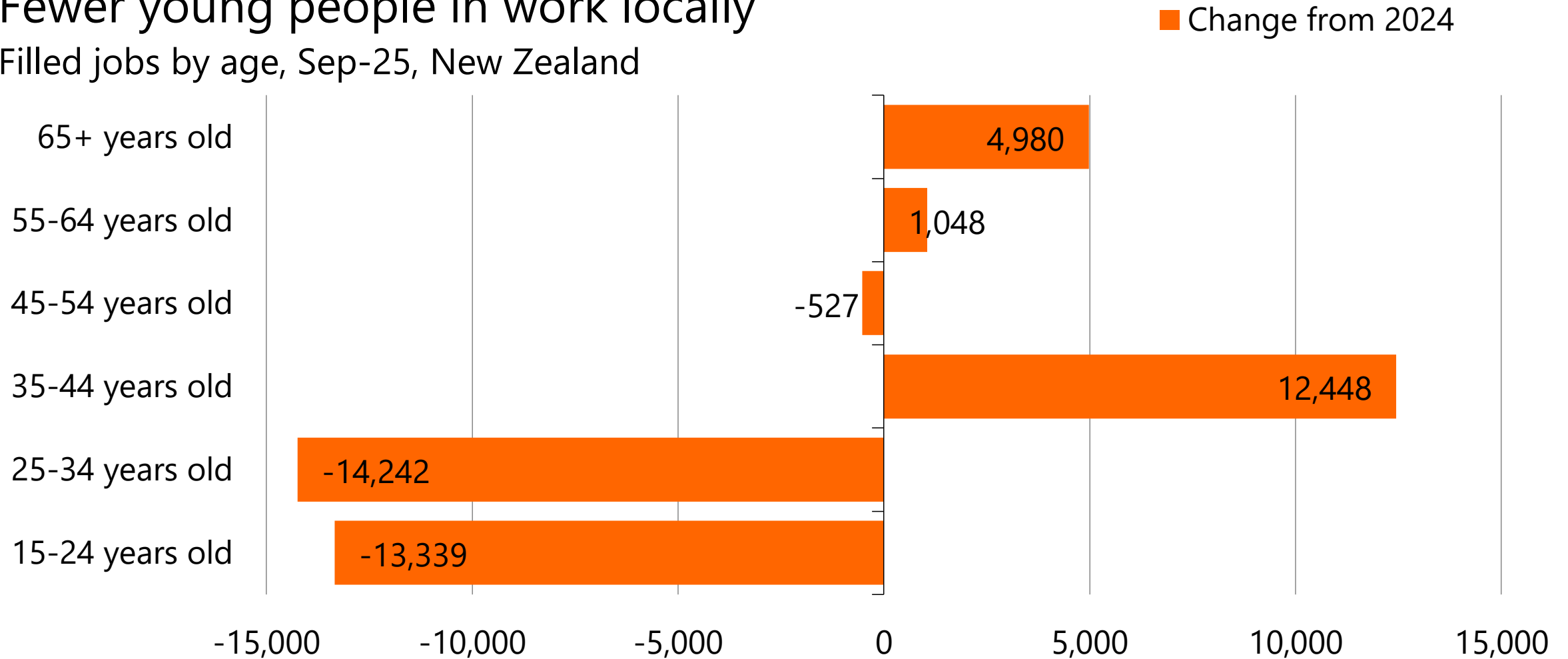
Unemployment rate, % of labour force



# Jobs

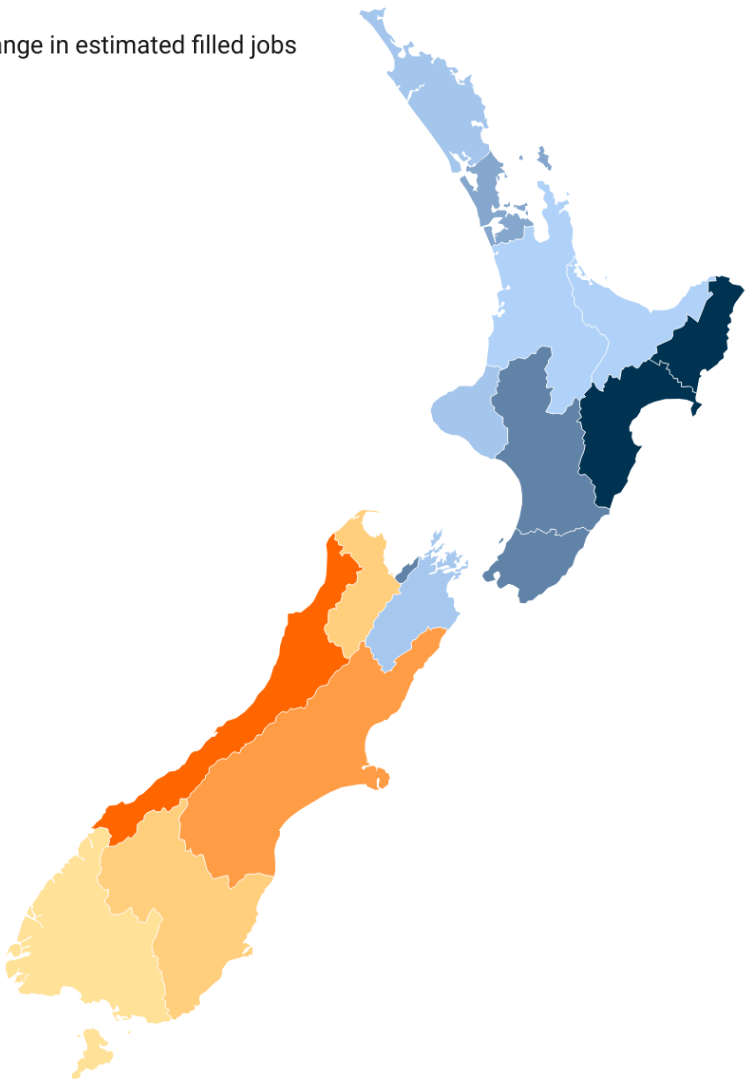
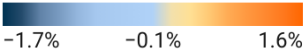
## Fewer young people in work locally

Filled jobs by age, Sep-25, New Zealand



# Regional jobs growth

Employment growth, September 2025 quarter, annual % change in estimated filled jobs



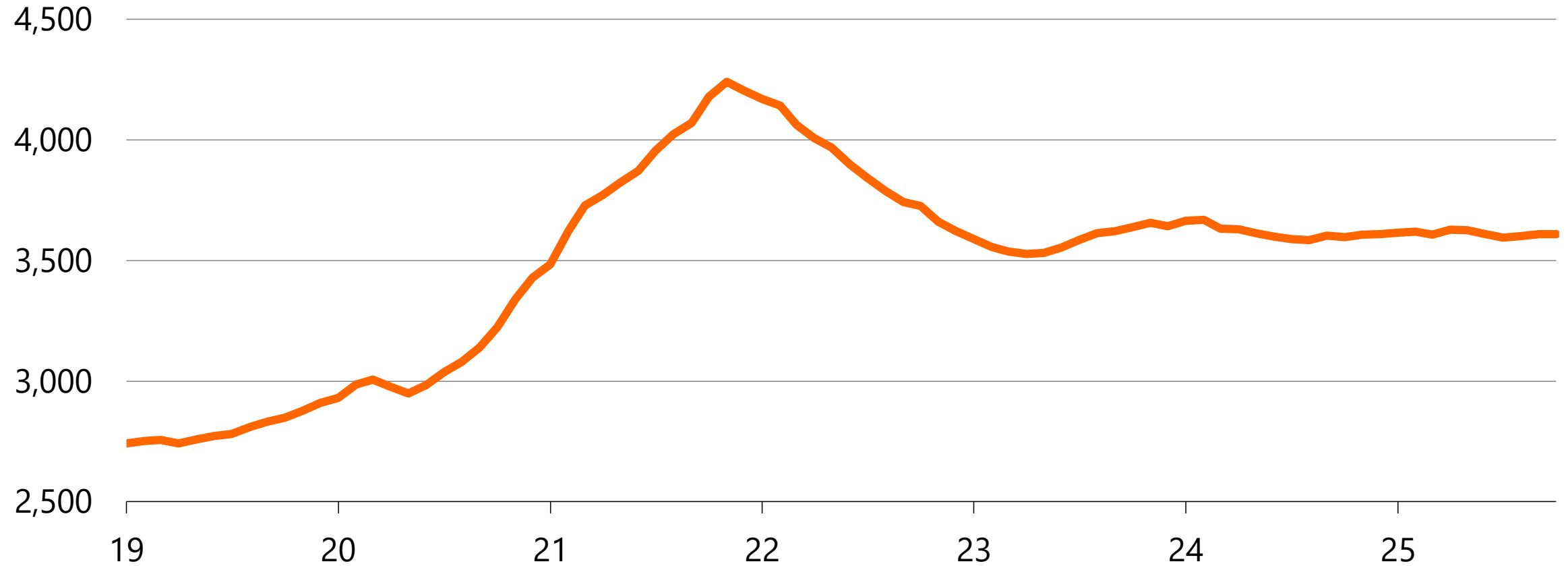
**What's the best  
investment these days?**

# Housing

## House prices tracking sideways

REINZ House Price Index, seasonally adjusted

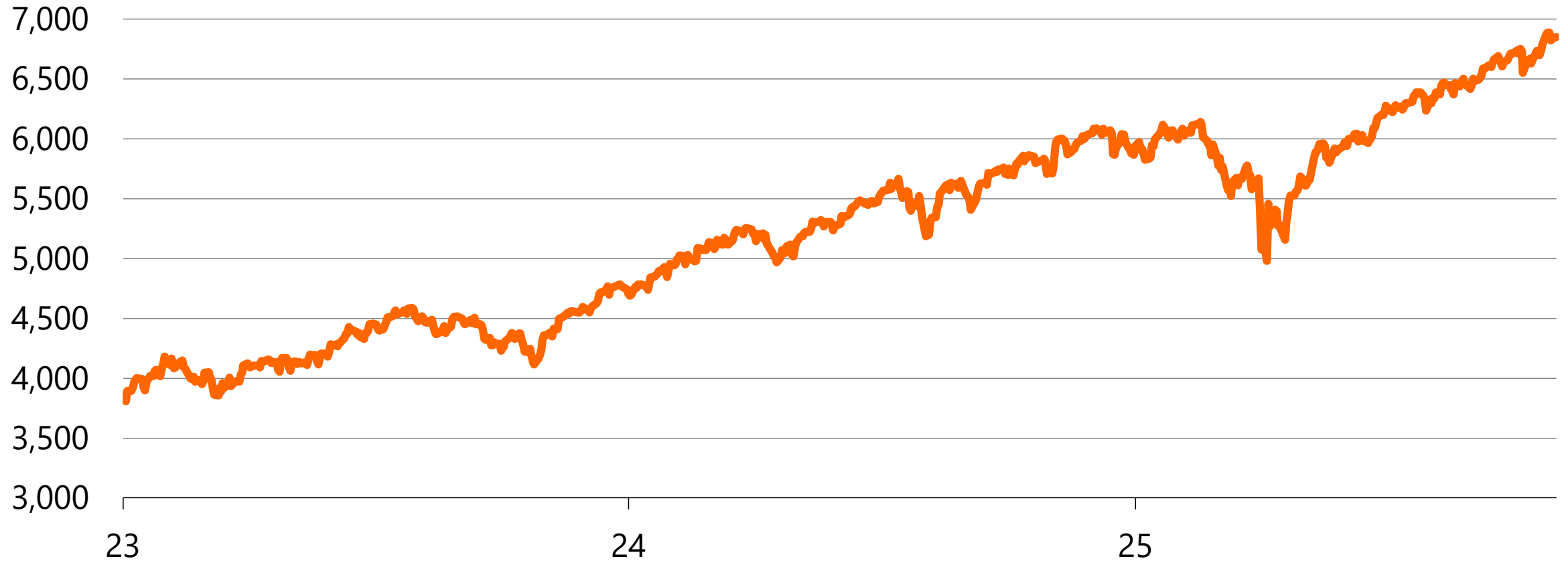
— New Zealand



# Stocks

Strong and continued market rebound - but is it too hot?

S&P 500, USD index, daily

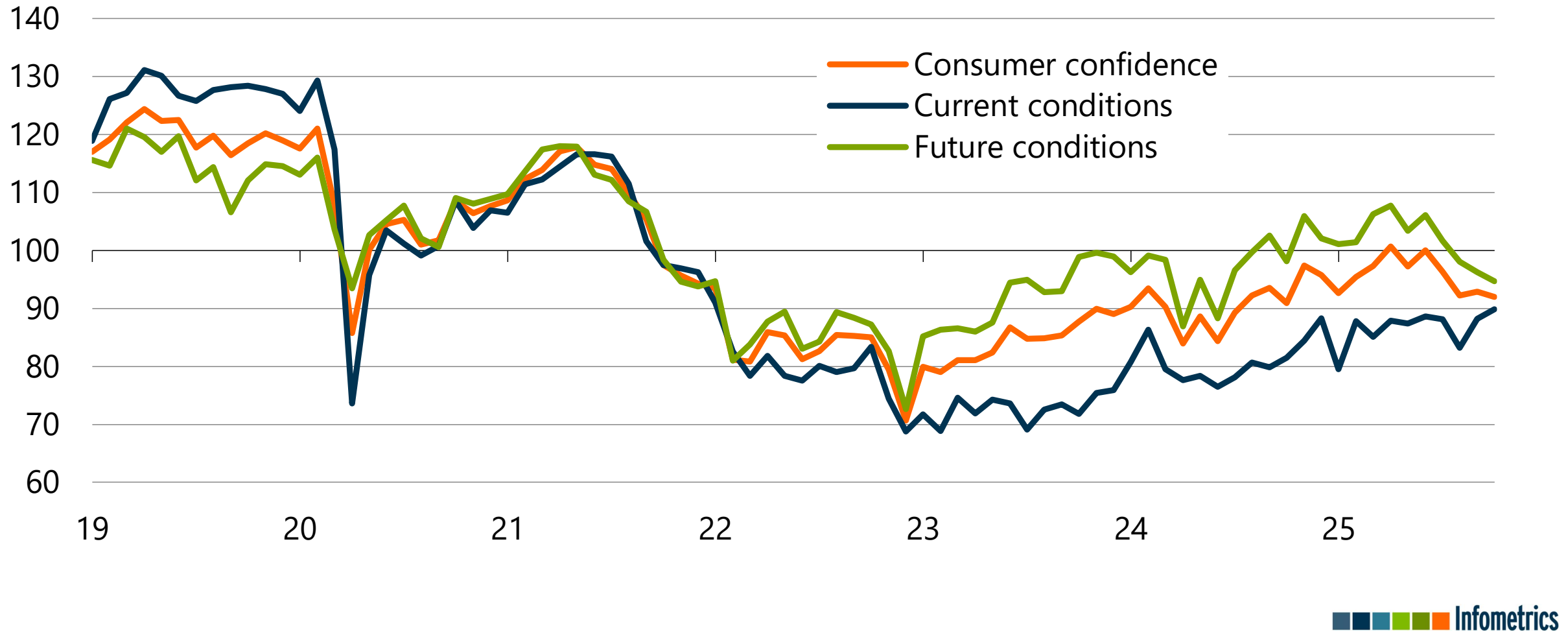


# Spending trends

# Household outlook

## Less optimistic about future conditions again

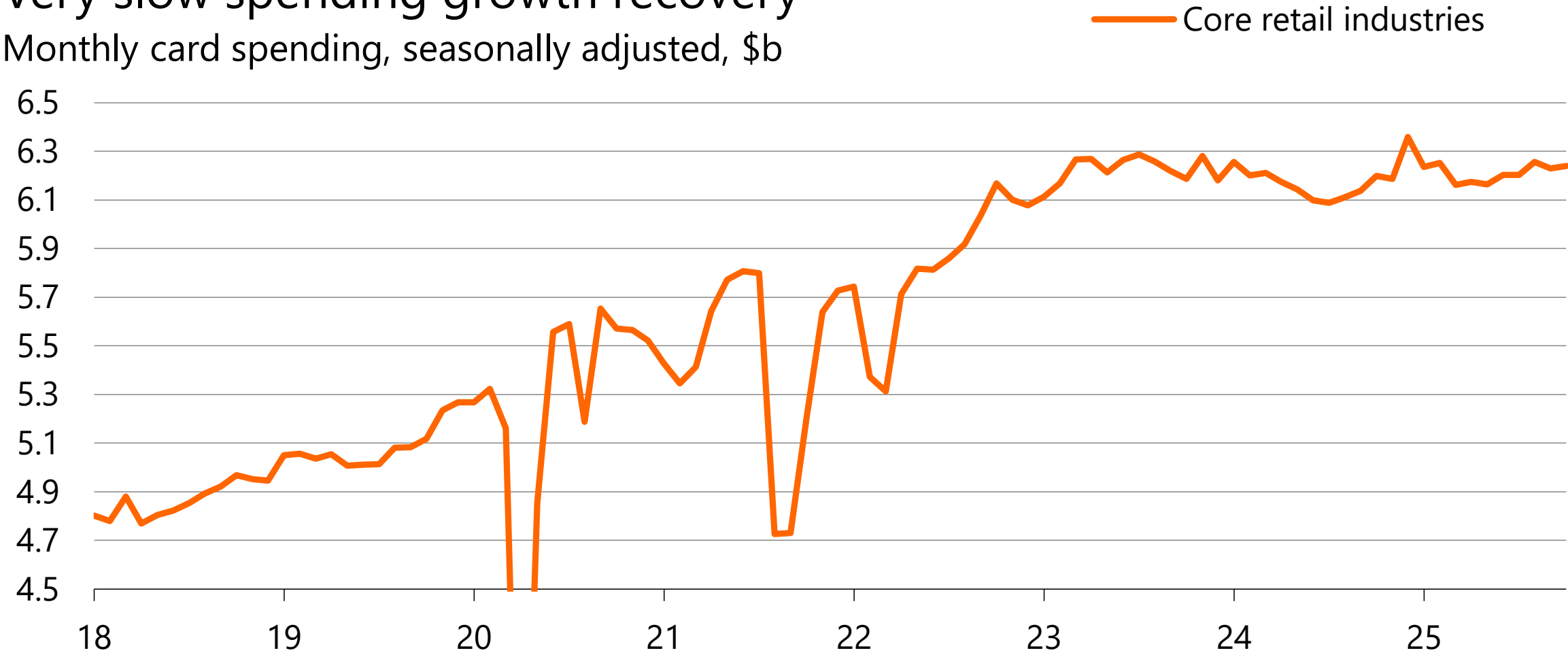
ANZ Roy Morgan consumer confidence, seas. adj. (Below 100 = pessimistic)



# Spending

Very slow spending growth recovery

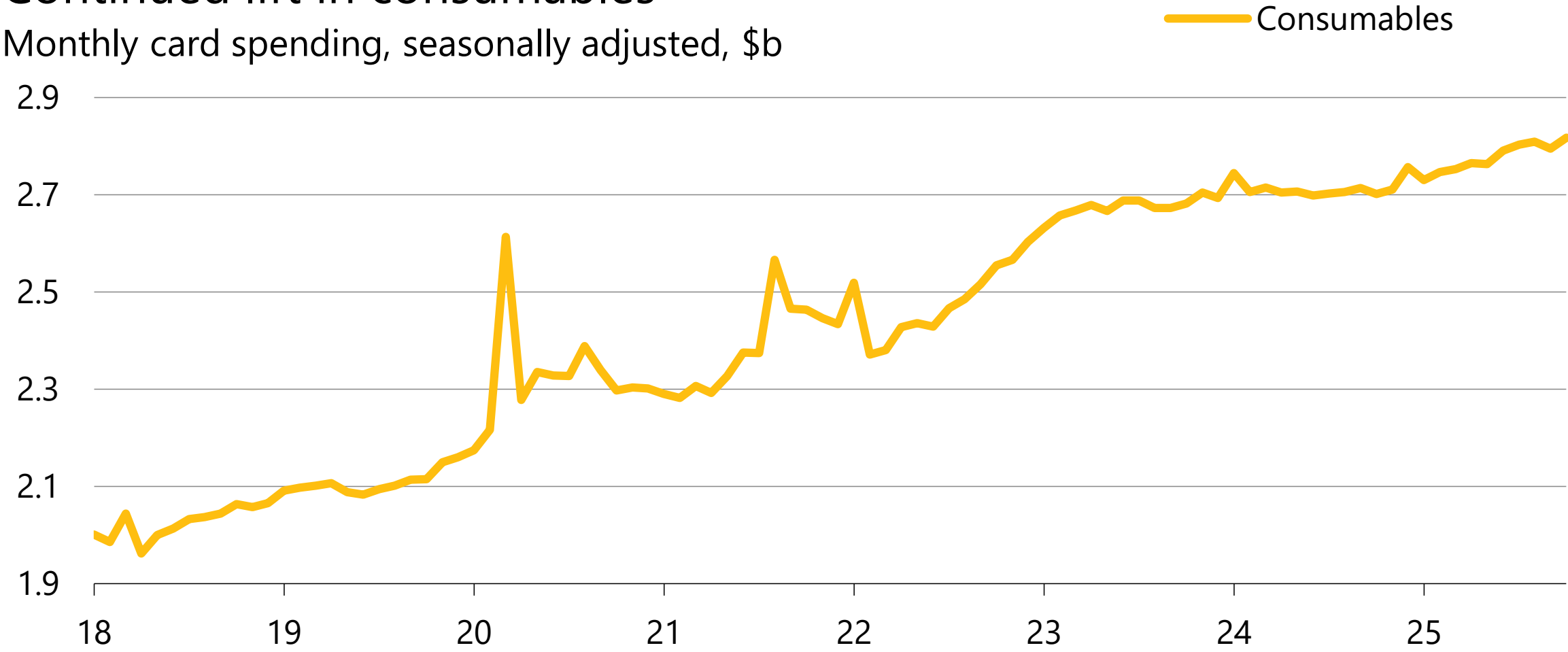
Monthly card spending, seasonally adjusted, \$b



# Spending

## Continued lift in consumables

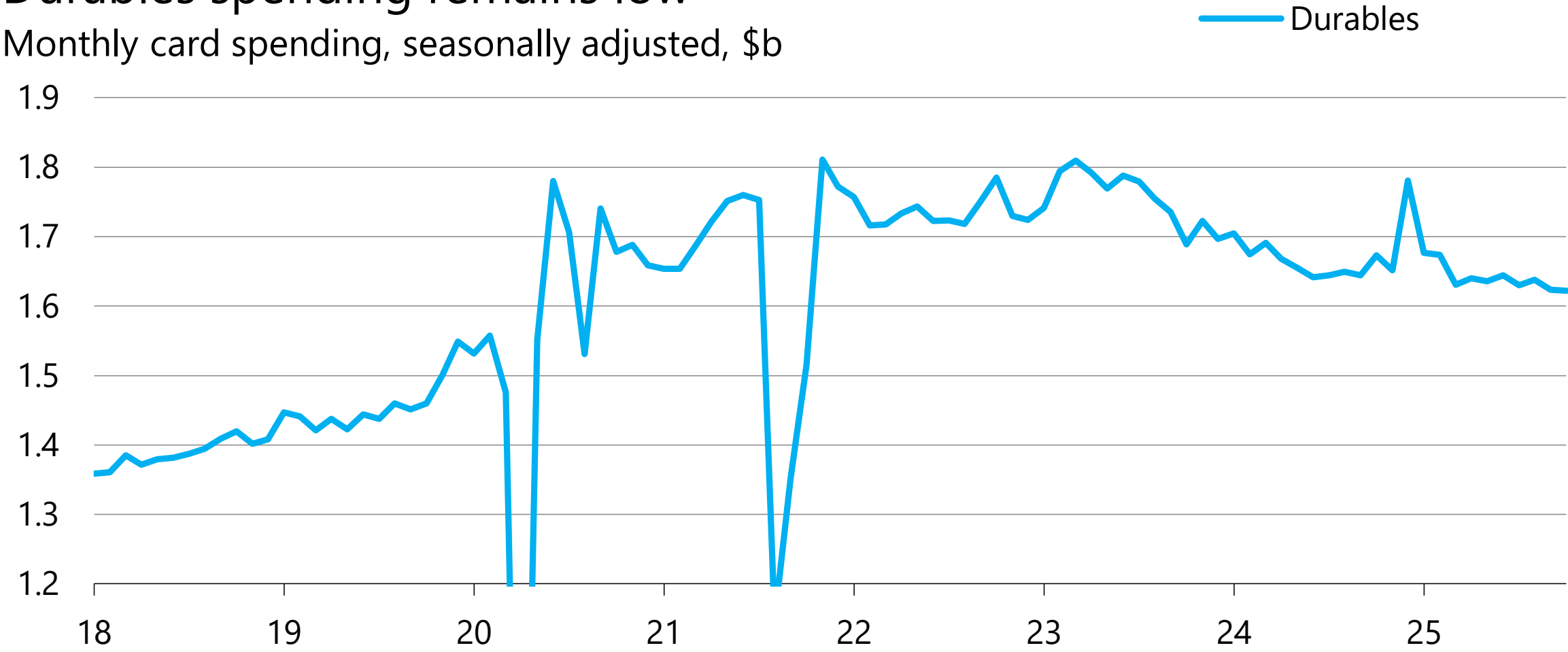
Monthly card spending, seasonally adjusted, \$b



# Spending

## Durables spending remains low

Monthly card spending, seasonally adjusted, \$b

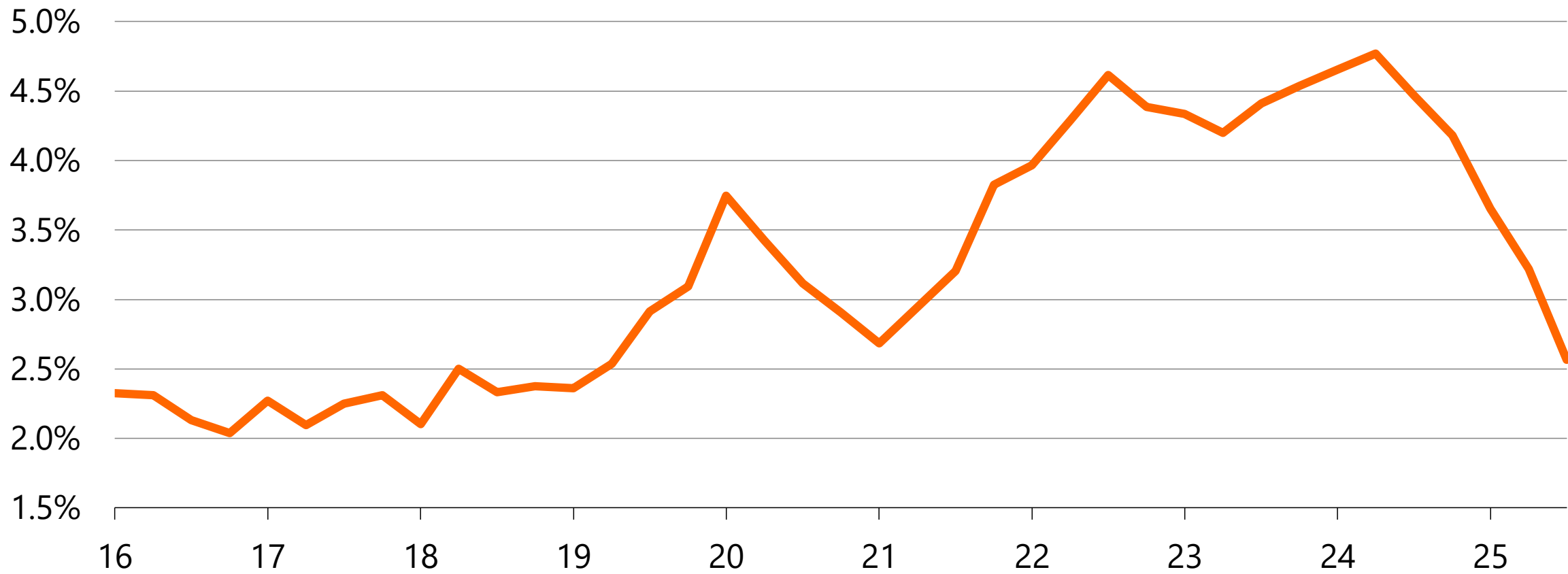


# Inflation

# Rents

## Growth in rents slows

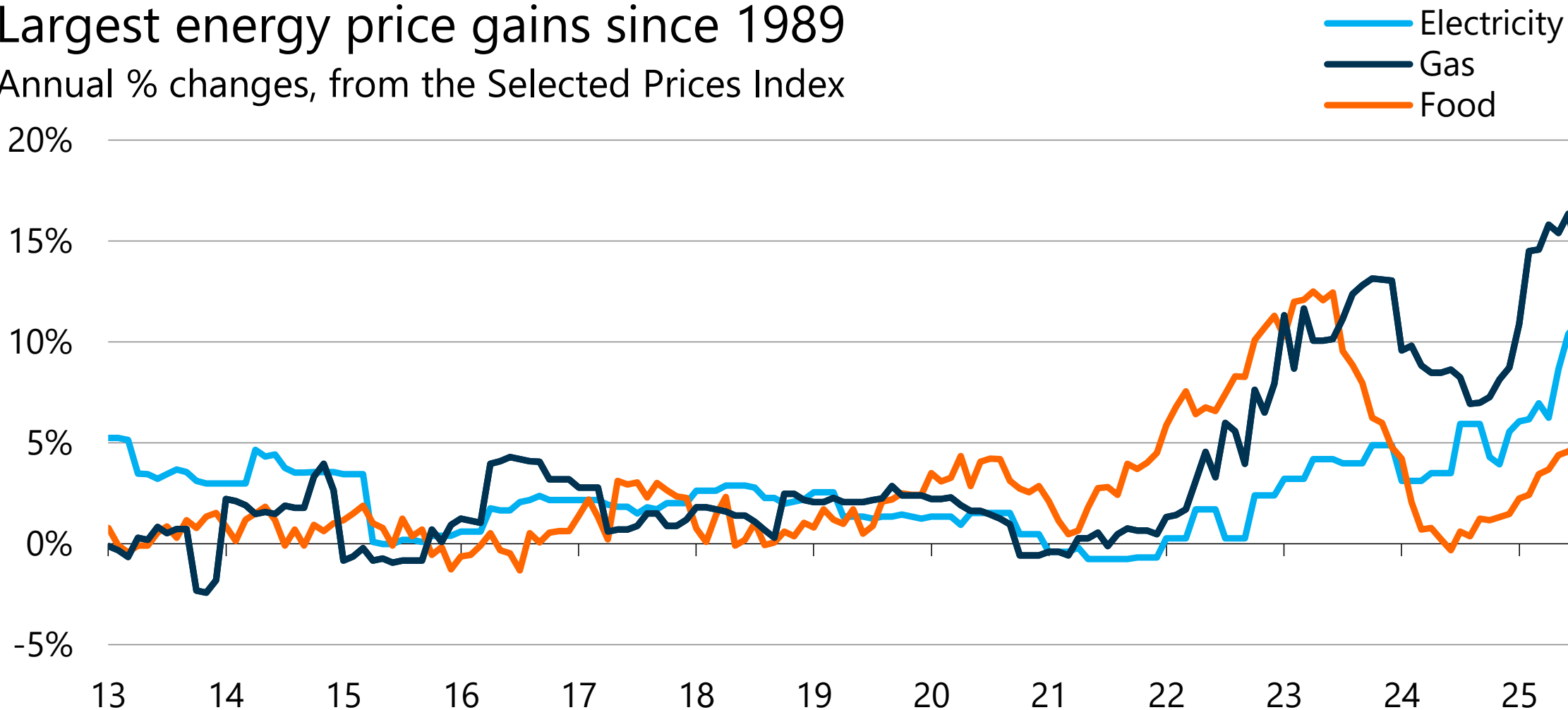
Rental inflation, annual rates



# Inflation

## Largest energy price gains since 1989

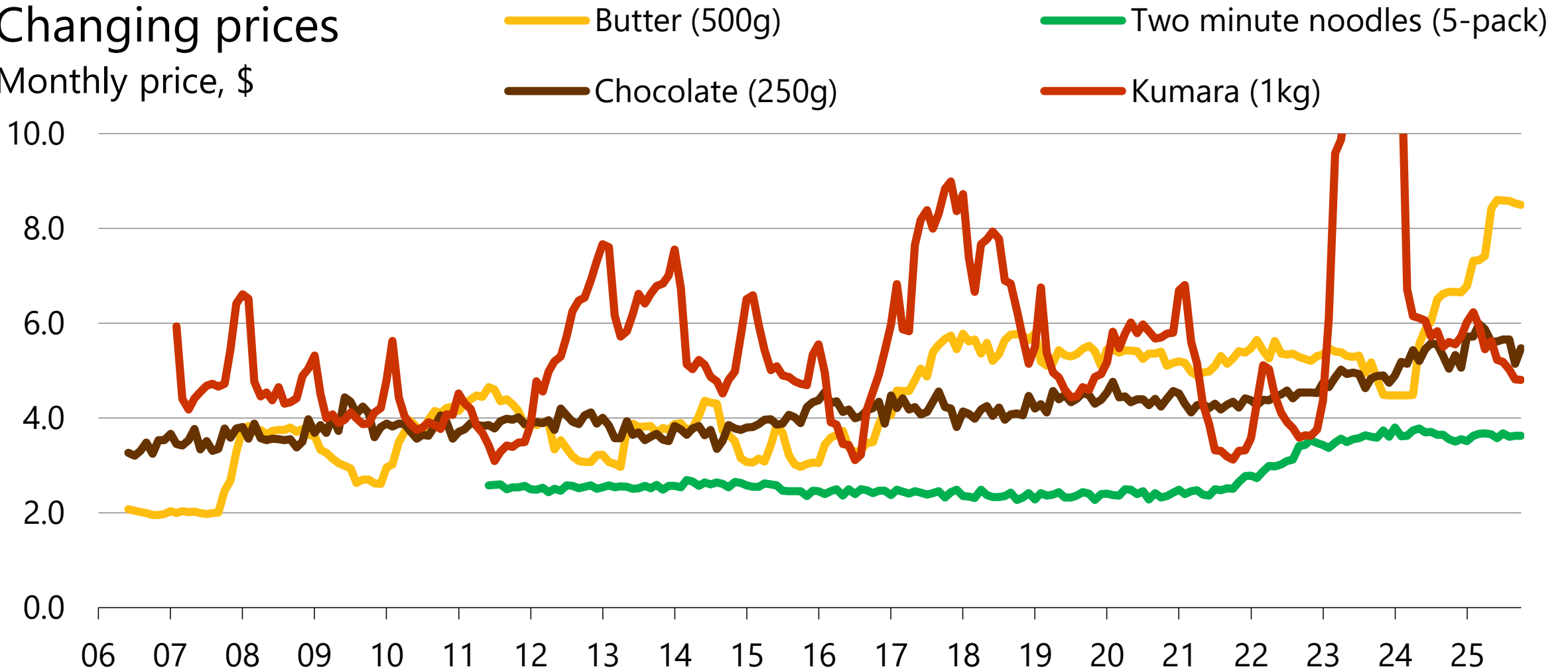
Annual % changes, from the Selected Prices Index



# Food prices

## Changing prices

Monthly price, \$

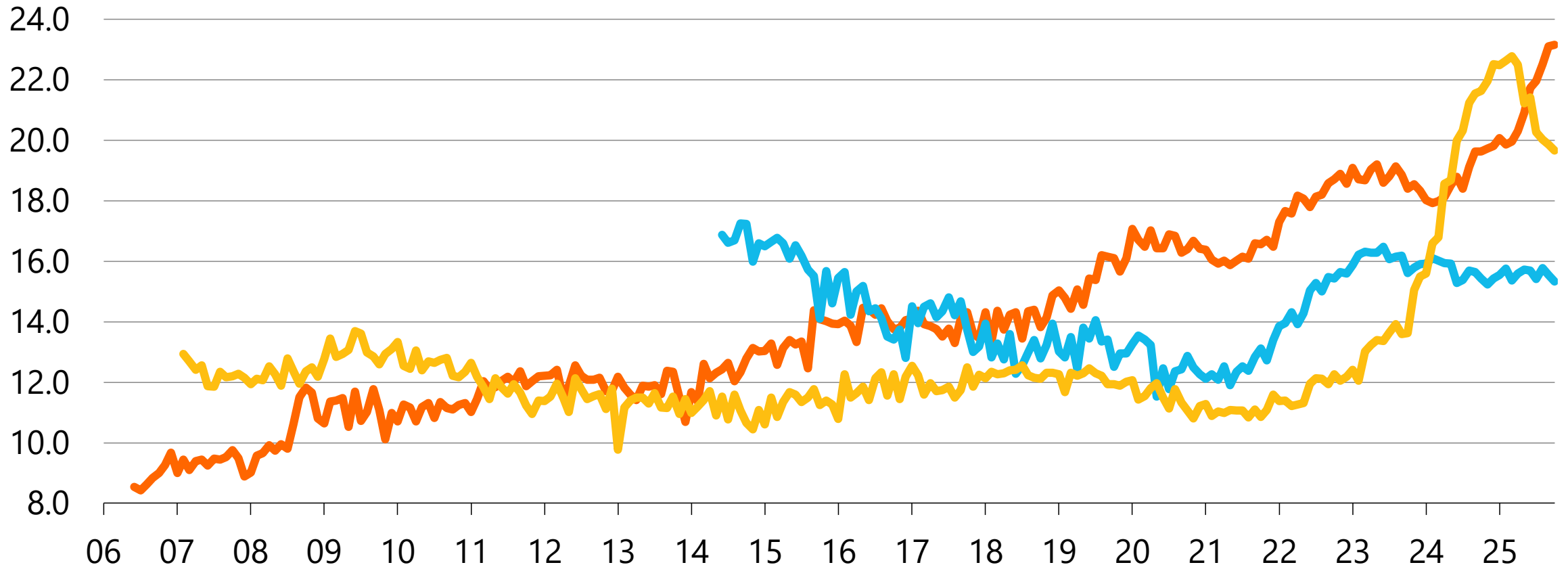


# Food prices

## Changing prices

Monthly price, \$

Mince (1kg) Chicken breast (1kg) Olive oil (1L)

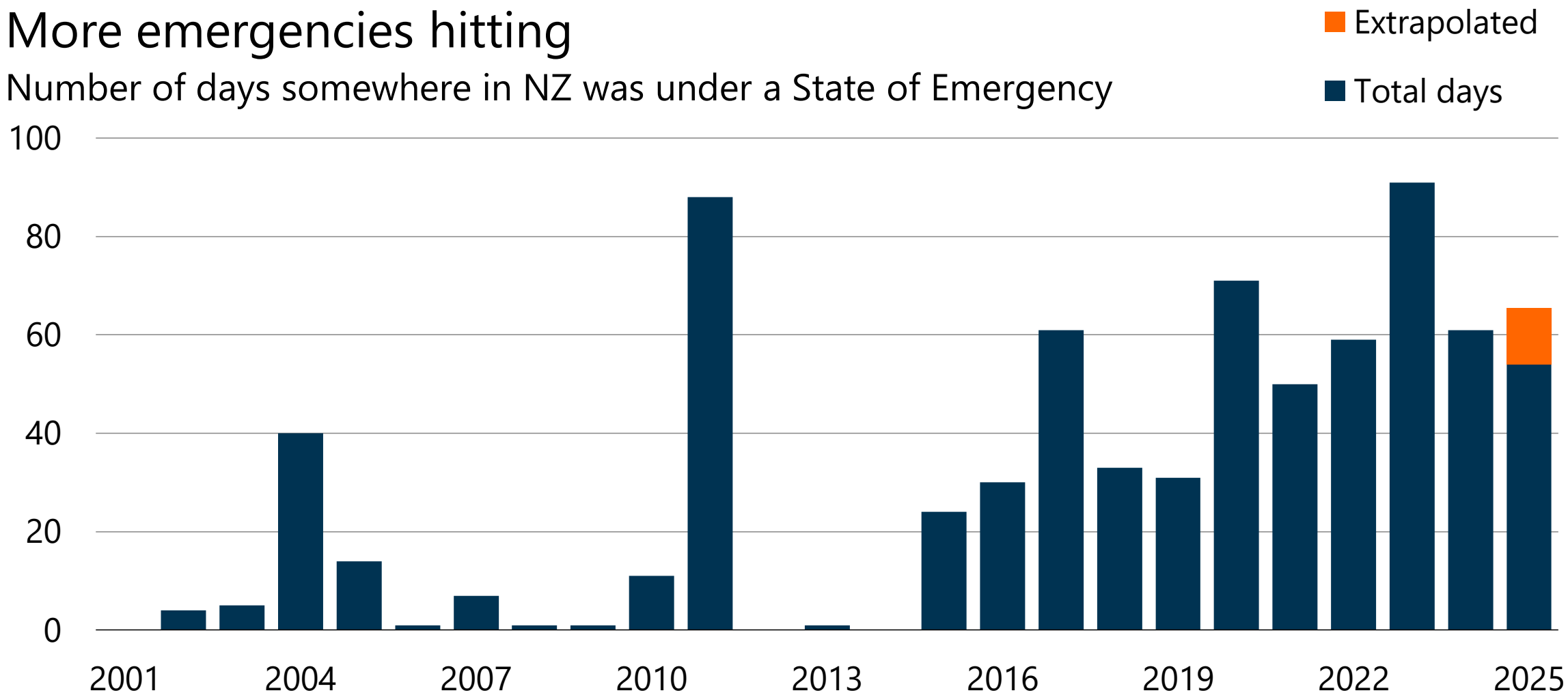


# Planning for the future

# Increasing risks

## More emergencies hitting

Number of days somewhere in NZ was under a State of Emergency



# Questions?

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