



SAC 中国证券业协会
Securities Association of China



New Zealand

Presented by Lloyd Cartwright
Chairman of the
New Zealand Financial Markets
Association



§ Economic Background

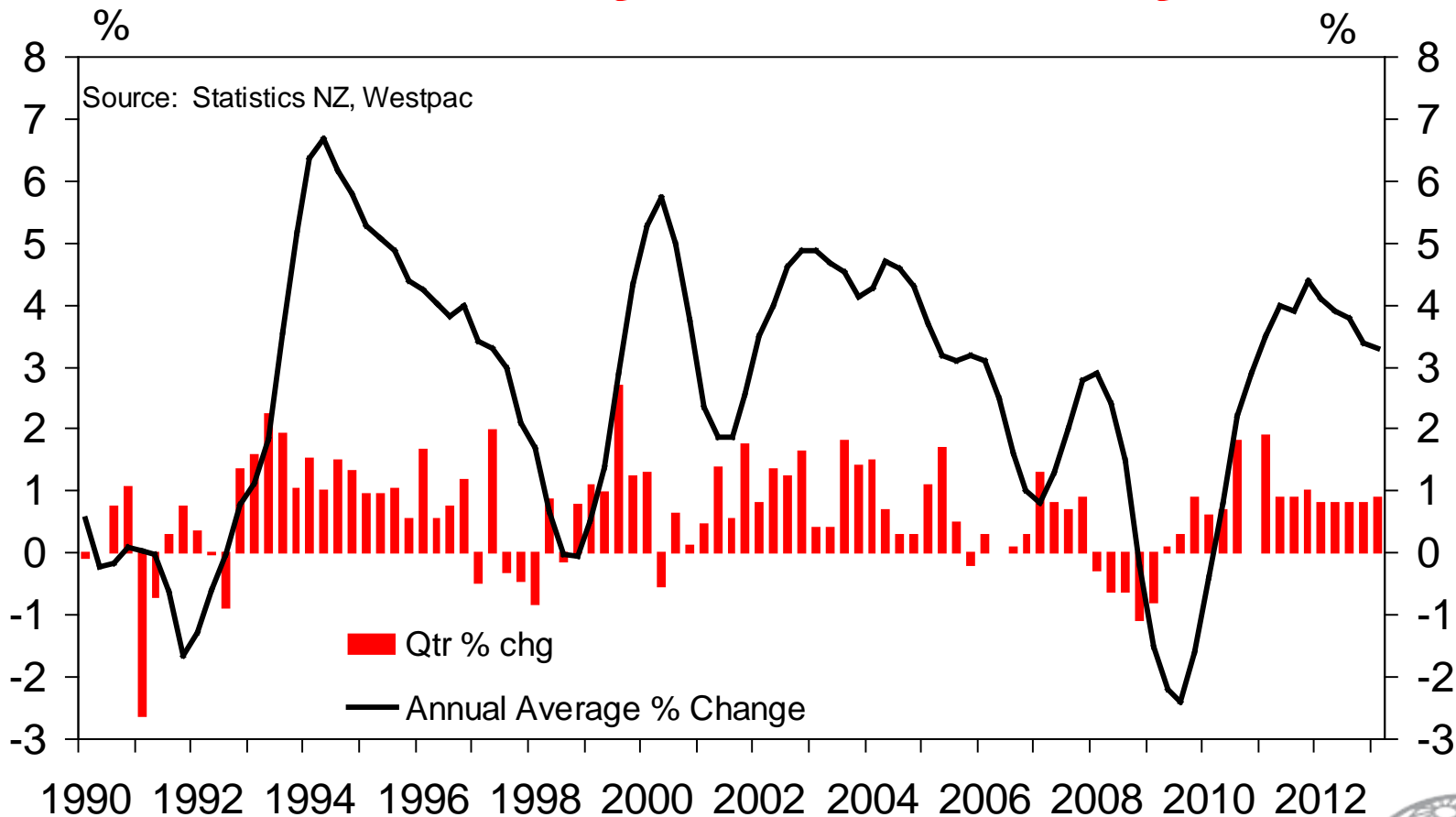
- NZ Economy emerging from recession
- Export driven, consumer slow to respond
- Repeated collapse of finance companies highlighting governance
- Fiscal position strong

§ Capital Markets

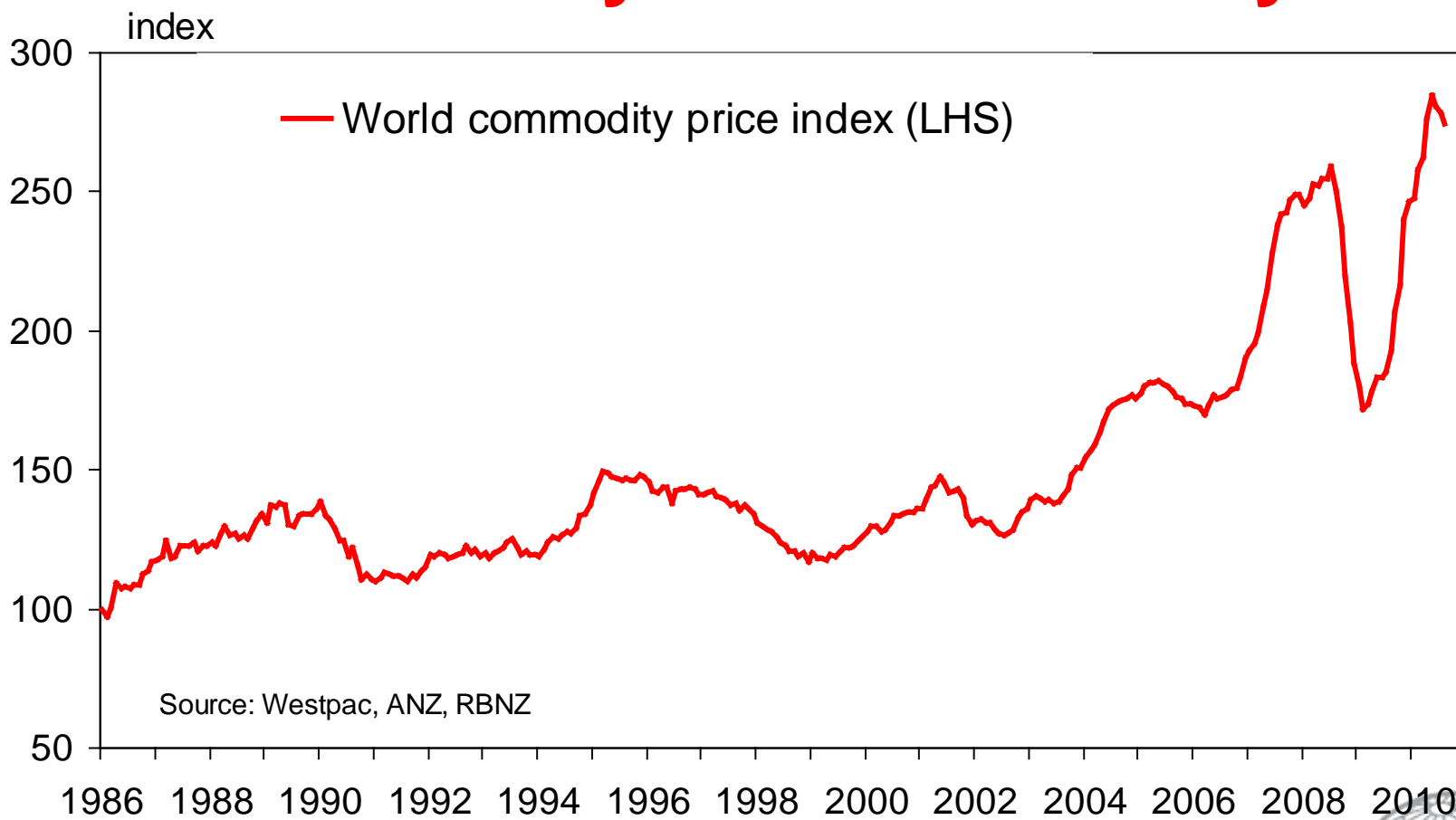
- Government Issuance rising
- Corp Issuance



Recovery is Underway

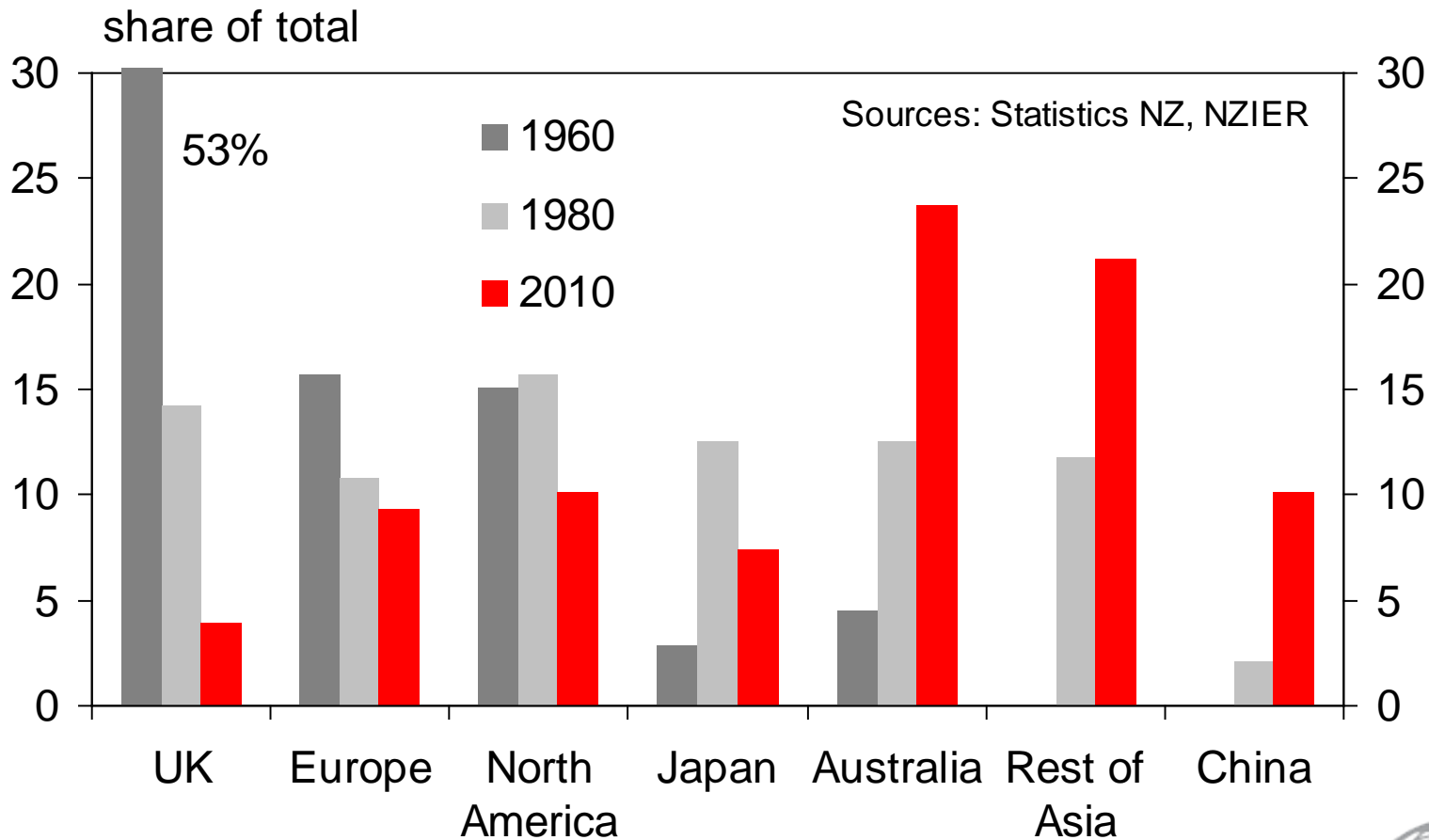


Commodity Price Recovery





The Changing Face of New Zealand Exports



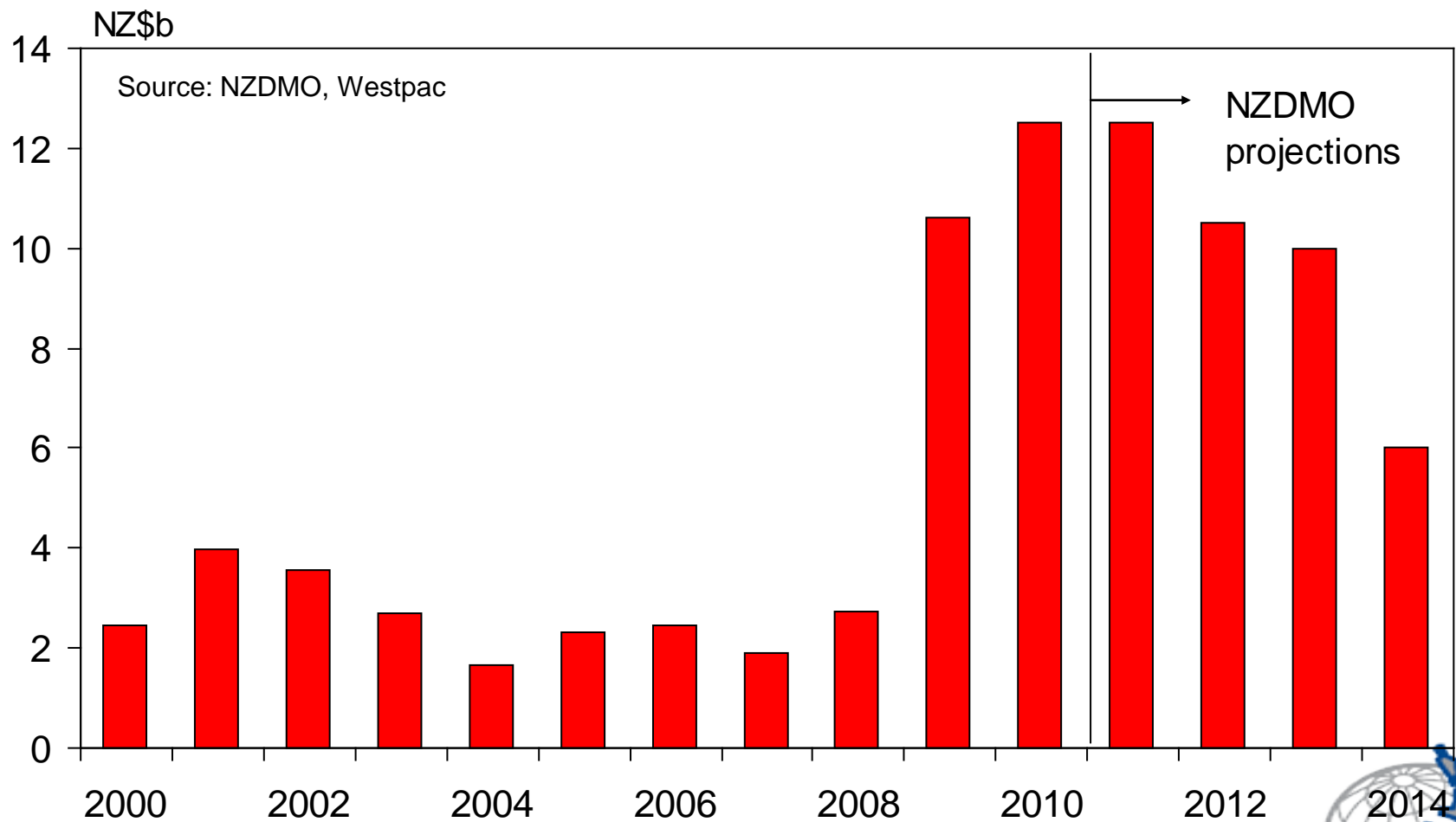


Bond Market Performance

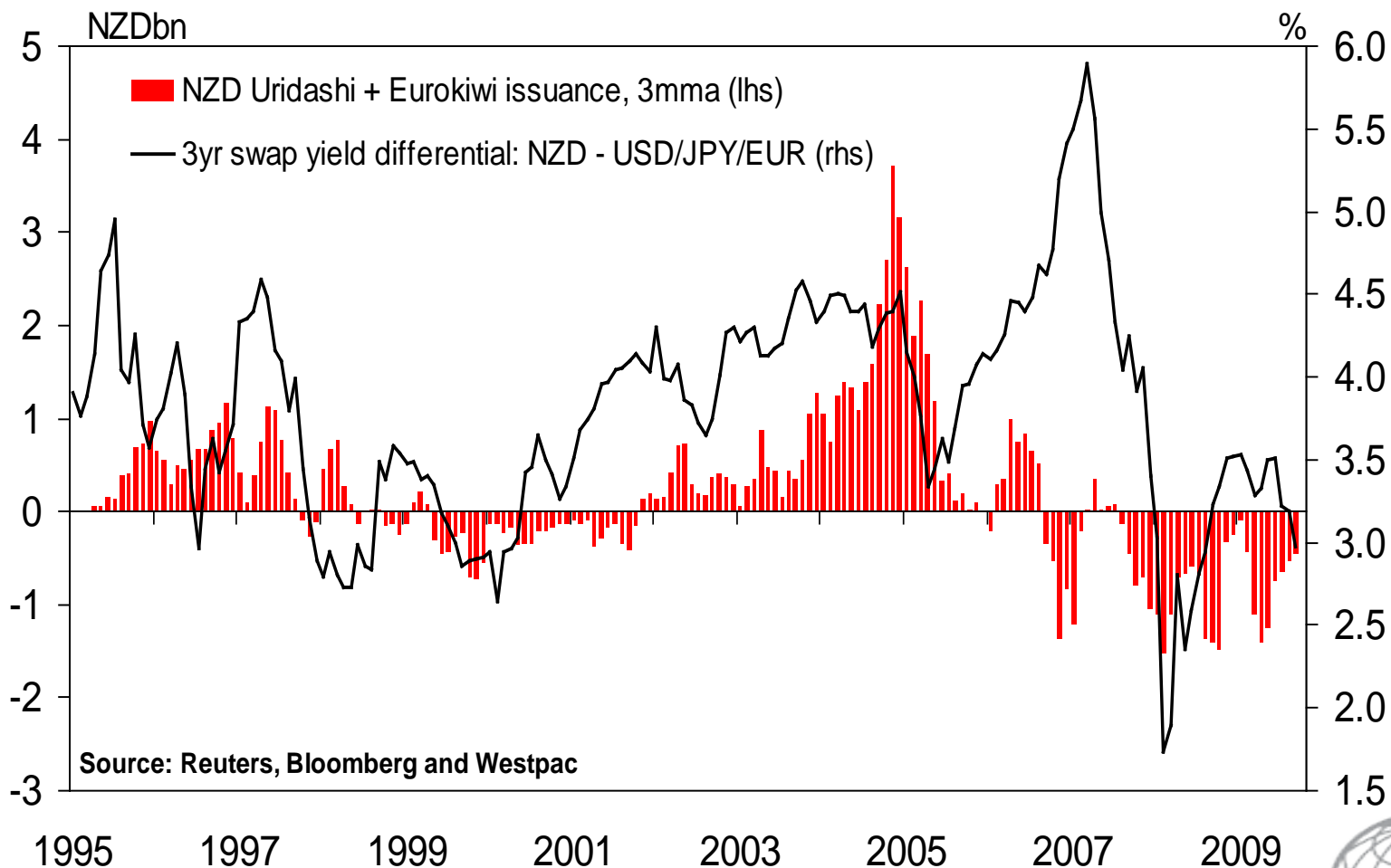
- § Secondary market activity has improved
- § Increased Issuance
- § Yield spreads not compelling for Uridashi/Eurobond Issuance

- § NZ Treasury/NZFMA initiatives to improve liquidity & participation
 - Establishment of Bond Market Working Group
 - Establishment of `tap' & `reverse' tenders
 - Introduction of larger tenders
 - Conducting global road shows to promote bonds

NZGB issuance projected to decline

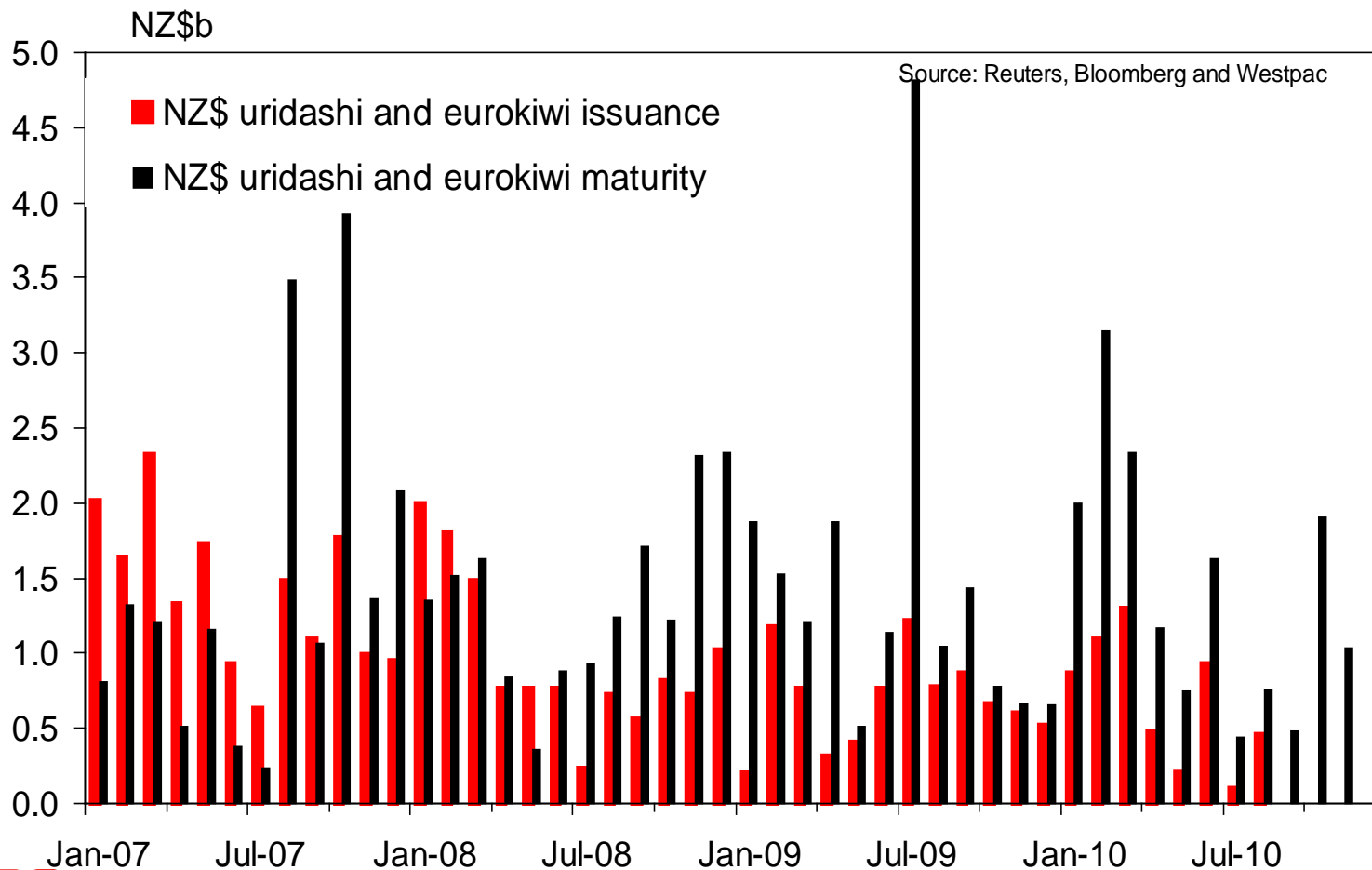


NZ yields not yet compelling





NZ\$ Eurobond issuance & redemption



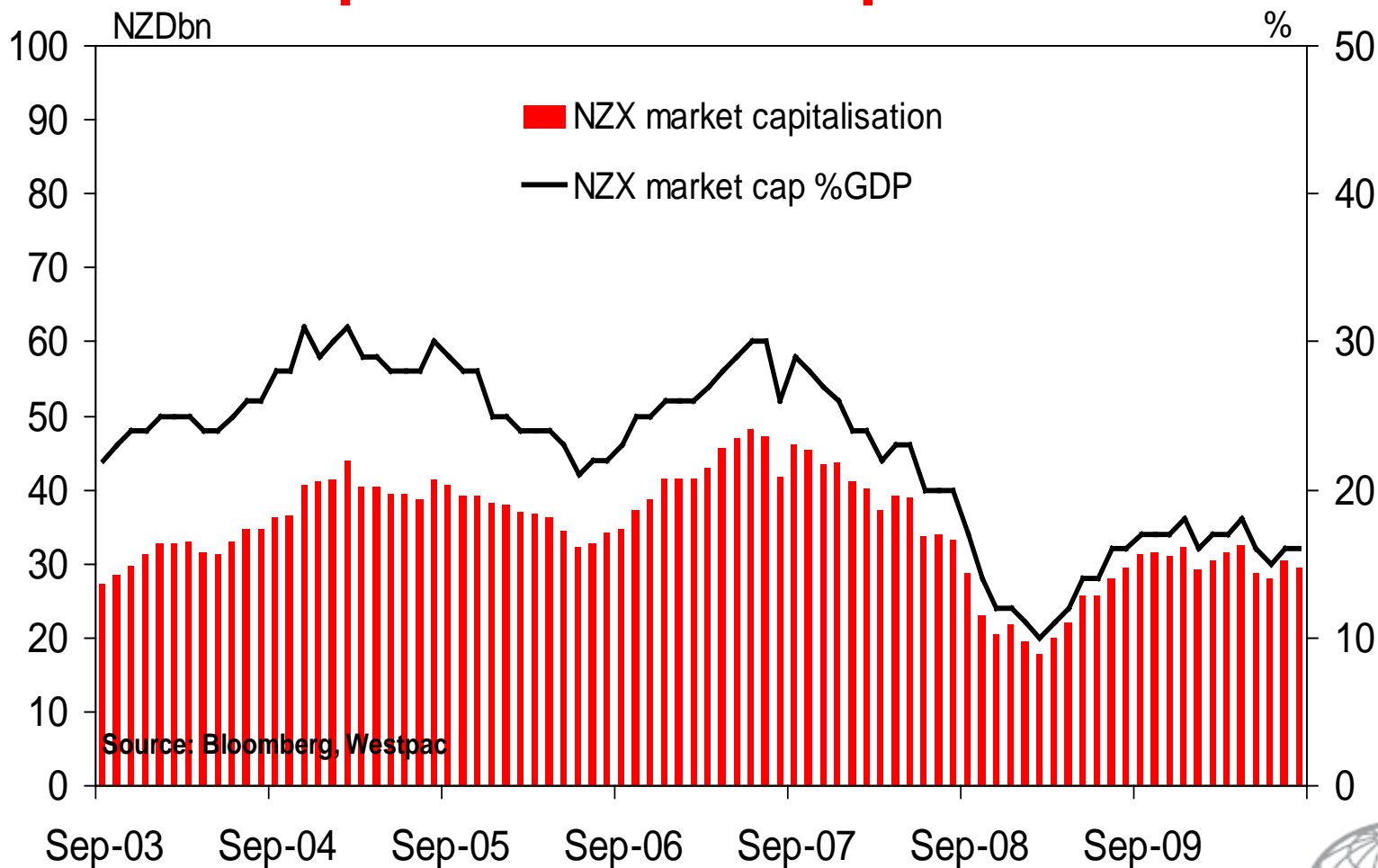


Equity Performance

§ Equity Market

- NZ Equity Market cap has been relatively static through 2010
- IPO and Capital Markets Activity low in 2010
- Value of domestic equity turnover relative to GDP is small
- Equity transactions per head of population remain relatively low
- Capital Markets Development Taskforce recommendations

NZ Equities Market capitalisation



Source: Bloomberg, Westpac



Major Developments

§ The Capital Markets Development Taskforce

- To improve the products available for the retail investor
- Improve business access to capital at each stage of development
- To improve the regulatory and Tax Environment



Regulatory Landscape

- § Financial Advisors Act
 - Implementation July 2011
- § Securities Act Reform
 - A complete review and re-write of securities legislation
 - Scope of law
 - Investor Information - Disclosure
 - Financial Statements
 - Due mid 2012
- § Financial Market Authority