

## **Transcript of Andrew Dowie's Economics Update – 6 April 2011**

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### **Andrew Dowie:**

Good morning. This is Andrew Dowie from Advance Asset Management with a rundown of the data release for yesterday, Tuesday 5 April in the US. Well the solitary data release was the ISM, non-manufacturing composite for March. Now consensus was looking for a slight dip and the actual release fell a lot more than anticipated but just like March's manufacturing counterpart released last Friday the decline only rose a fraction of the recent rises.

So after February's 59.7 consensus had factored in a 59.5. March's actual came in at 57.3. Now the big driver in this decline was the business activity index. It had its largest fall since late 2008, falling from February's 66.9 to 59.7 in this latest March report. However this index is based on sentiment, not actual activity. The indices reporting on activity were nowhere near as weak. Indeed, if we look outside the four components of the headline index we find that the order back log index rose from 52 in February to 56 in this latest March report.

This is the highest level since 2000 and exporter orders increased from 56.5 to 59. Conversely imports fell to 50 from 53.5. Of interest the inventories index remained at 55.5. So these latest ISM surveys continue to paint a picture of robust, above trend GDP growth.

Thank you.

**END OF TRANSCRIPT**