

PRESS RELEASE

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NZ investor sentiment shows strongest Q3 improvement across Asia-Pacific markets – says ING Investor Dashboard Survey

Key highlights of the third quarter 2009 ING Investor Dashboard Survey

- New Zealand high net worth investor sentiment rebounded the most out of all the Asia-Pacific markets surveyed during Q3 2009, improving 41 points to an overall score of 125
- New Zealand investor sentiment moved from a “pessimistic” rank in Q1’09, to “optimistic” in Q3’09
- Overall, the pan-Asian Index score moved from 132 for Q2’09 to 143 in Q3, and is the highest investor sentiment score since the Index was introduced in Q3’07
- Investor sentiment improved in 10 out of the 13 markets surveyed this quarter, with declines occurring in India and Japan, and a flat score in Thailand.

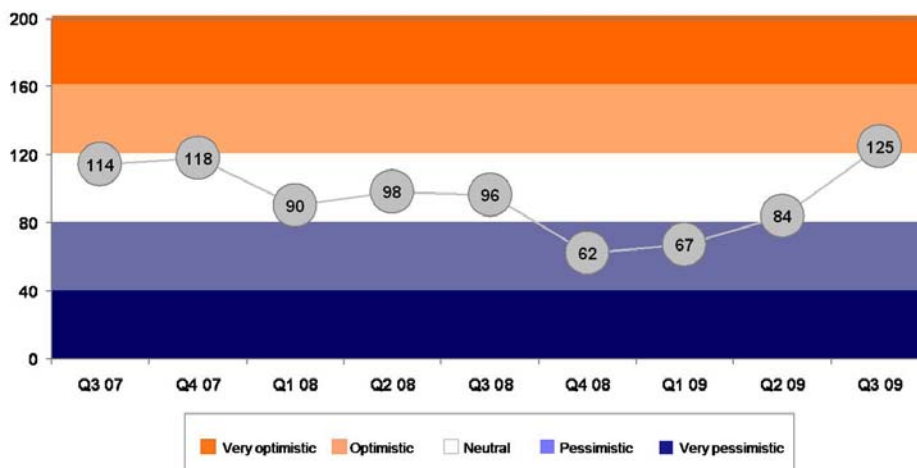
Investor sentiment improves in New Zealand, and across Asia

Optimism among New Zealand’s private high net worth investors improved significantly this quarter as investor sentiment rose by 41 points to 125 (out of 200). This moves New Zealand investors into the optimistic zone for the first time since the ING Dashboard was introduced two years ago. This is according to data released today from global financial services group ING as part of its quarterly ING Investor Dashboard Survey.

In comparison, investor sentiment in Australia improved by 27 points, taking their score from 116 to 143. And across Asia, the quarterly ING Investor Dashboard Survey showed a slight improvement increasing from 132 in Q2 2009 to 143 this quarter.

The overall index score of 143 represents a 96% upswing in investor sentiment in Asia (ex-Japan, New Zealand and Australia) since the last quarter of 2008, and is the highest score in the two-year history of the survey.

New Zealand Investor Sentiment Index Score Tracker October 2007-October 2009



According to Stuart Millar, ING NZ Investment Strategist, the leap of 41 points in overall sentiment locally for the September quarter is in response to continued positive economic momentum and relatively better domestic equity market performance.

“New Zealand investors have been cautious not to overreact to early signs that the recession is coming to an end. Although global markets were quicker to respond to initial signs of recovery, local investors adopted more of a ‘wait and see’ approach before re-engaging with equity markets.

“While New Zealand’s investor sentiment score has now rebounded significantly, to a certain extent we are playing catch up with the rest of the region. It appears that the caution we witnessed in previous quarters – while investors were waiting for further signs of improvement or simply less bad news – has now been replaced with a surge in confidence as local investors start to see more positive returns on their investments.”

Outlook brighter as investors welcome upturn in economy

Positive sentiment scores from New Zealand investors throughout the survey point to strong expectations that the economy, both locally and globally, is on the road to recovery for 2010.

Key figures highlighting the optimism felt by New Zealand high net worth investors this quarter include:

- 71% of New Zealand investors felt that economic conditions had improved over the previous quarter, compared to 25% in Q2, and 72% of New Zealand investors are optimistic that conditions will continue to improve in Q4.
 - These compare to 76% of Australian investors feeling that economic conditions had improved in Q3 (up from 46% in Q2), and 78% feeling that conditions will continue to improve next quarter.
- 34% of New Zealand investors reported an increase in their return on investment over the last quarter (compared to 11% in Q2’09), with 56% expecting their returns will continue to improve next quarter.
 - Comparably, 58% of Australian investors reported an improvement in their return on investment last quarter (up from 39% in Q2), with 66% feeling that they will continue to see increased returns during Q4 of this year.
- At an individual level, 32% of New Zealand investors felt that their personal financial situation had improved during the last quarter, with 38% feeling that it had stayed the same and 30% feeling that it has deteriorated. This compared to 18%, 35% and 48% for the same figures last quarter.
- Looking ahead, 45% of New Zealand investors think their personal financial situation will improve next quarter, 45% think that it will stay the same and only 10% of investors think their financial situation may deteriorate.
 - In Australia, 50% of investors felt their personal financial situation had improved (36% in Q2), with 33% feeling that it had stayed the same (33% in Q2) and 17% feeling that it had deteriorated (30% in Q2).

Fewer New Zealand Investors are concerned about the impact of the economic slowdown on their job security in Q3, with 68% now saying it will have no impact and 28% feeling it will have a slightly negative impact; this compares to 56% and 40% in answer to the same question in Q2’09.

ING NZ’s Stuart Millar continued: “New Zealand is recovering from five consecutive quarters of negative growth, and the improvement in investor sentiment is consistent with the optimism being shown in consumer and business confidence surveys.

“There is a risk that investors will now become overly optimistic, increasing the possibility of disappointment. It appears that equity markets both locally and across Asia are now priced for a V-shaped economic recovery, despite the fact that many economists expect a long and slow recovery as consumers continue to reduce their debt burden.

“We have already seen stock markets rally in anticipation of a resumption in earnings growth and so disappointing corporate earnings announcements or weakened economic dataflow over the coming months could lead to a period of consolidation.”

New Zealanders still retain the most conservative strategy on their investments

When compared to their Asian counterparts, New Zealand investors are still taking the most conservative approaches to their investment strategies. According to the research, 52% of investors continue to take a conservative, long-term, cash preservation strategy when investing, with 45% maintaining a balanced approach, and only 3% adopting an aggressive strategy with shorter investment horizon. In Australia, 25% of investors have adopted a conservative strategy, 65% a balanced strategy and 10% an aggressive strategy.

When it comes to choosing investments, 62% of New Zealand investors continue to favour holding cash and deposits (down from 70% in Q2). Next to cash, residential real estate remains the most popular investment tool, with 51% of investors holding a property as part of their portfolio (down from 59% in Q2), followed by an investment property (50% in Q3, up from 42% in Q2) and investments in a superannuation scheme (39% in Q3, down from 43% in Q2).

Investments in the local stock market also increased slightly with 23% of New Zealand high net worth investors holding stock as part of their portfolio (20% in Q2), while 43% of Australians invested in their local stock market last quarter (42% in Q2).

Looking ahead

Most New Zealand investors now believe the stock market will remain steady or continue to rise in the next quarter, with 39% expecting to see a rise in share prices in Q4'09 compared to 24% in the last survey. Only 16% think it will decline in the next three months, compared to 42% in Q2.

Of those New Zealand investors with investments overseas, the destinations where they are most likely to increase their investments in the next quarter are:

- 22% will invest more in Asia (down from 25% in Q2)
- 20% will invest more in US (up from 11% in Q2)
- 20% will invest more in UK (up from 14% in Q2)
- 67% will invest more in Australia (up from 36% in Q2).

Although inflation does not appear to be a major concern for local investors, with only 33% saying it will affect their investment decisions in the next quarter, almost two thirds of investors (63%), forecast inflation will rise in Q4'09, up from 53% in Q2'09. Both here and in Australia, 83% and 90% of investors respectively expect inflation to rise in 2010.

Stuart concluded: “While economic and earnings growth appears to be gathering momentum, and rising investor optimism is justified, it is important for investors to exercise some caution in respect of the outlook for both the global and domestic economy. The recovery in many regions remains fragile and still reliant on government stimulus in many instances.

“In particular, for local investors the current strength of the New Zealand dollar represents a potential barrier to sustainable growth in the domestic economy. Any further strength in the local currency could cut off growth in the export sector, leaving the economy reliant on domestic demand and gains in housing to lead the economy out of recession. This is not the sort of sustainable recovery we need.”

ENDS

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ING Profile

ING is a global financial institution of Dutch origin offering banking, investments, life insurance and retirement services to over 85 million private, corporate and institutional clients in more than 40 countries. With a diverse workforce of about 110,000 people, ING is dedicated to setting the standard in helping our clients manage their financial future.

Notes to Editors

About the ING Investor Dashboard

Now published for over two years, the ING Investor Dashboard was the first quarterly survey in the Asia Pacific region to provide a pan-Asia investor sentiment index. Conducted quarterly across 13 markets in Asia Pacific, it provides market insights into investor attitude and outlook and allows each market to be benchmarked and tracked against the overall investor sentiment across Asia using the pan-Asia Index. The pan-Asia investor sentiment index includes all Asia markets and excludes Japan, Australia and New Zealand.

The ING Investor Dashboard survey measures and tracks investor sentiment and behaviour of mass affluent investors each quarter from 13 Asia Pacific markets (including China, Hong Kong, India, Indonesia, Korea, Malaysia, the Philippines, Singapore, Taiwan, Thailand, Japan, Australia and New Zealand), and is the first quarterly survey in Asia Pacific which provides a specific industry benchmark for pan-Asia (ex-Japan) investor sentiment.

The Q3 2009 survey was conducted in September 2009 and involved online interviews with a total of 1,342 mass affluent investors across the 13 Asia Pacific markets. The respondents are aged 30 years and above, and have disposable assets or investments of US\$100,000 and above, with the exception of Indonesia (disposable assets or investments of US\$56,000 and above) and the Philippines (disposable assets or investments of US\$100,000 or monthly income of Php250,000 and above).

The survey is conducted by international and independent research firm TNS and is tracked extensively by major financial and business media organisations across all 13 markets in Asia.

Profile of ING

ING is a global financial institution of Dutch origin offering banking, investments, life insurance and retirement services to over 85 million private, corporate and institutional clients in more than 40 countries. With a diverse workforce of about 110,000 people, ING is dedicated to setting the standards in helping our clients manage their financial future.

About TNS

TNS, who recently merged with Research International, is the world's largest custom research agency delivering actionable insights and research-based business advice to its clients so they can make more effective business decisions. TNS offers comprehensive industry knowledge within the Consumer, Technology, Finance, Automotive and Political & Social sectors, supported by a unique product offering that stretches across the entire range of marketing and business issues, specialising in product development & innovation, brand & communication, stakeholder management, retail & shopper, and qualitative research. Delivering best-in-class service across more than 75 countries, TNS is part of Kantar, the world's largest research, insight and consultancy network. Please visit www.tns-global.com.hk for more information.

Profile of Research International

Founded in 1962, Research International is owned by WPP, the leading global communications services company. Also part of the Kantar group, the parent company for WPP's worldwide information and consultancy interests, Research International boasts an extensive network with offices in more than 50 countries. Research International has specialist knowledge in sectors from automotive and financial services to new media, retail, technology and packaged goods. Established in Asia in 1991, its offices in Asia Pacific include Singapore, Malaysia, Thailand, Indonesia, the Philippines, China, Taiwan, Hong Kong, South Korea, Japan, India, Australia and New Zealand. For further information, please go to: www.research-int.com.

ING Investor Dashboard Asia Pacific score tracker

Q1 09 Rank	Country	Q3 09 Index Score	Q2 09 Index score	Q1 09 Index score	Q4 08 Index Score	Q3 08 Index Score	Q2 08 Index Score	Q1 08 Index Score
1	India	168	182 (1)	133 (1)	76	156	163	168
2	China	162	158 (2)	124 (2)	103	88	117	136
3	Taiwan	153	136 (3)	95 (4)	76	65	109	105
4	Singapore	149	120 (8)	58 (12)	56	71	90	88
5	Korea	145	122 (6)	73 (6)	69	65	87	96
6	Australia	143	116 (10)	62 (9)	66	95	105	89
7	Hong Kong	139	125 (5)	58 (11)	62	79	123	107
8	Philippines	135	116 (9)	89 (5)	95	138	110	121
9	Malaysia	133	122 (7)	60 (10)	65	87	82	128
10	Indonesia	131	129 (4)	96 (3)	109	123	108	131
11	New Zealand	125	84 (13)	67 (7)	62	96	98	90
12	Thailand	113	113 (11)	65 (8)	59	84	81	131
13	Japan	91	99 (12)	55 (13)	52	53	73	60

ING Investor Dashboard – New Zealand



■ Very optimistic
 ■ Optimistic
 ■ Neutral
 ■ Pessimistic
 ■ Very pessimistic