

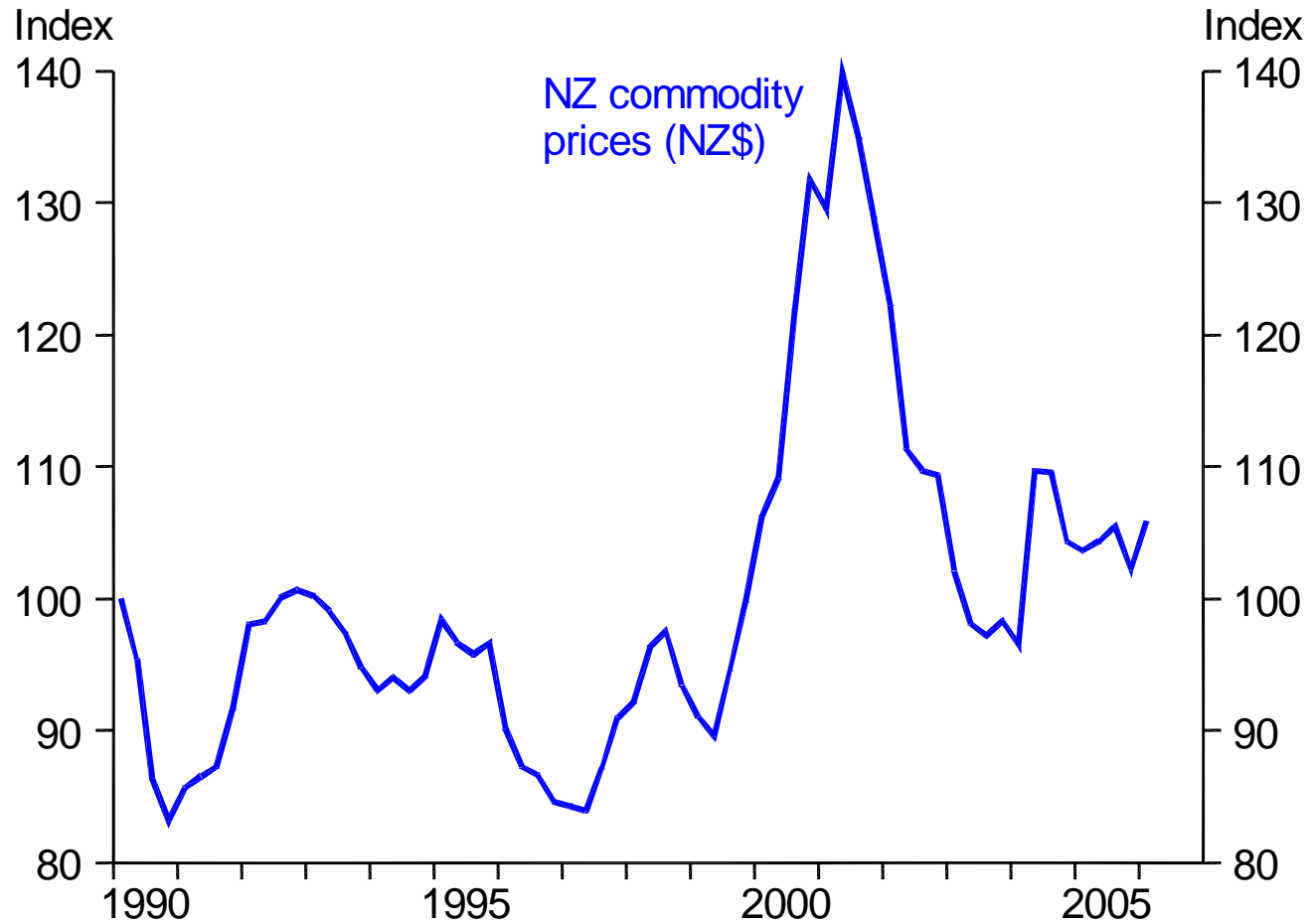
BIS Conference on Financial Globalisation

Session on Pricing in Global Markets
Comments on the New Zealand Experience

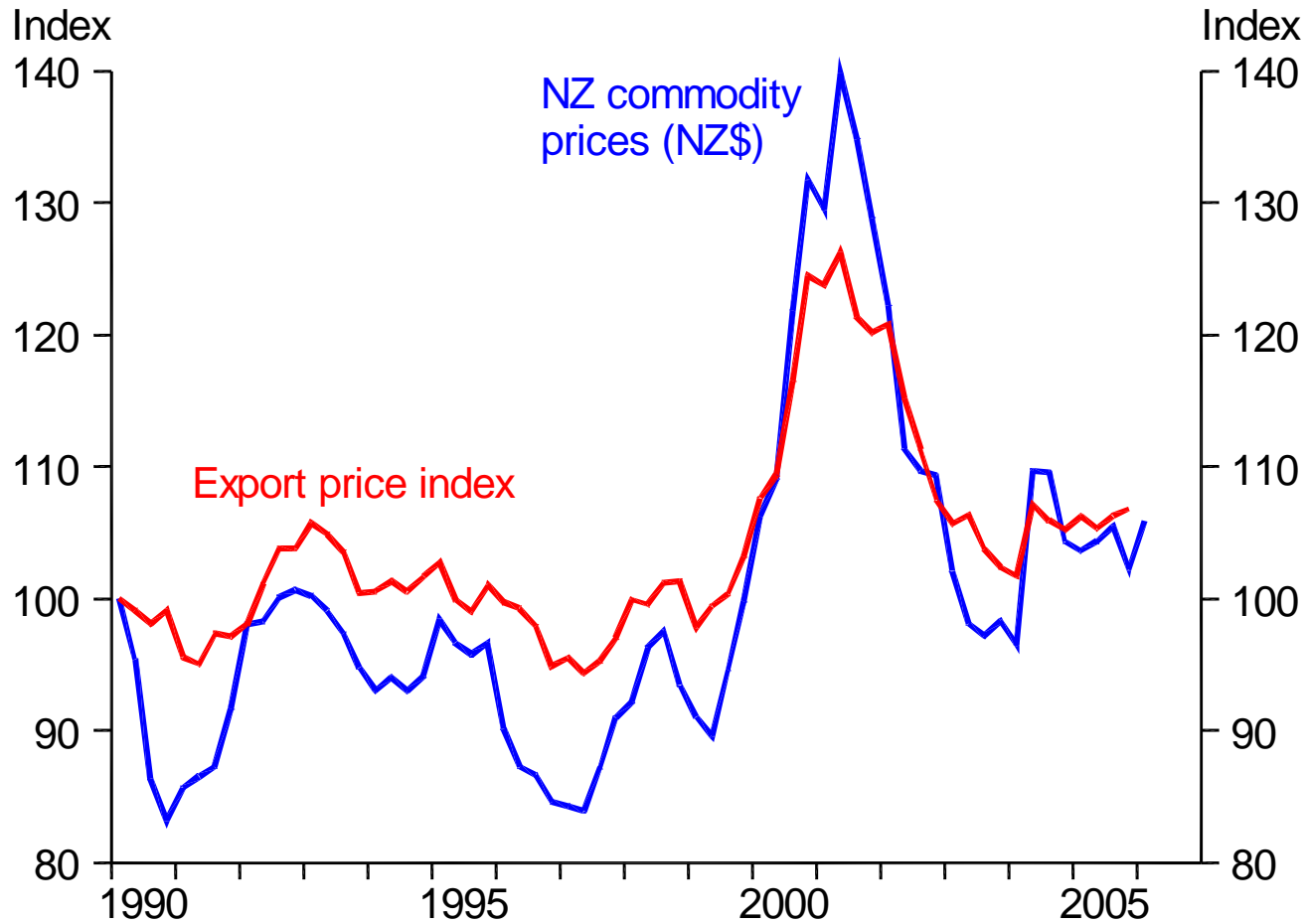
Dr Alan Bollard
Governor, Reserve Bank of New Zealand

June 2006

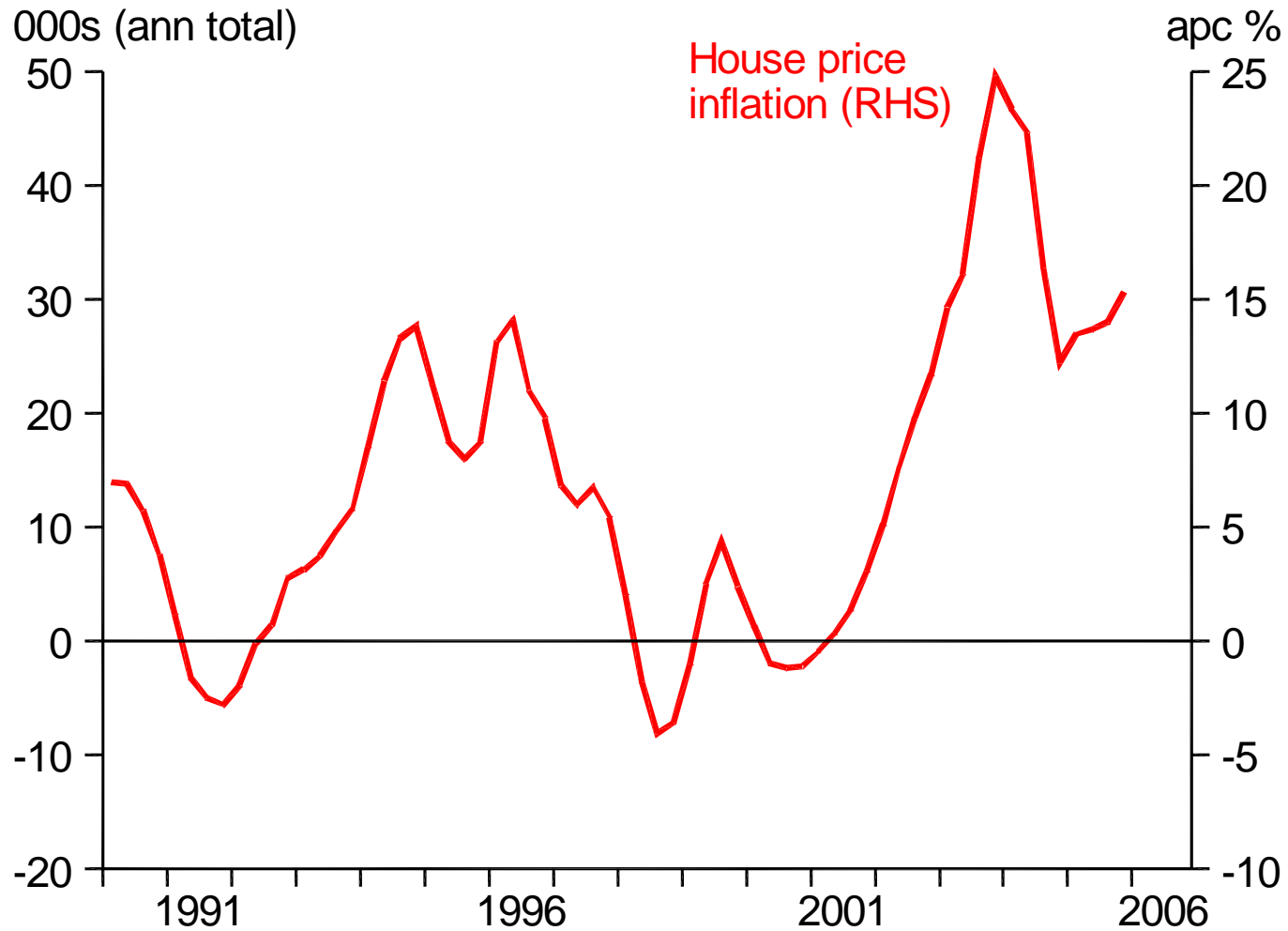
NZ a price taker on global markets



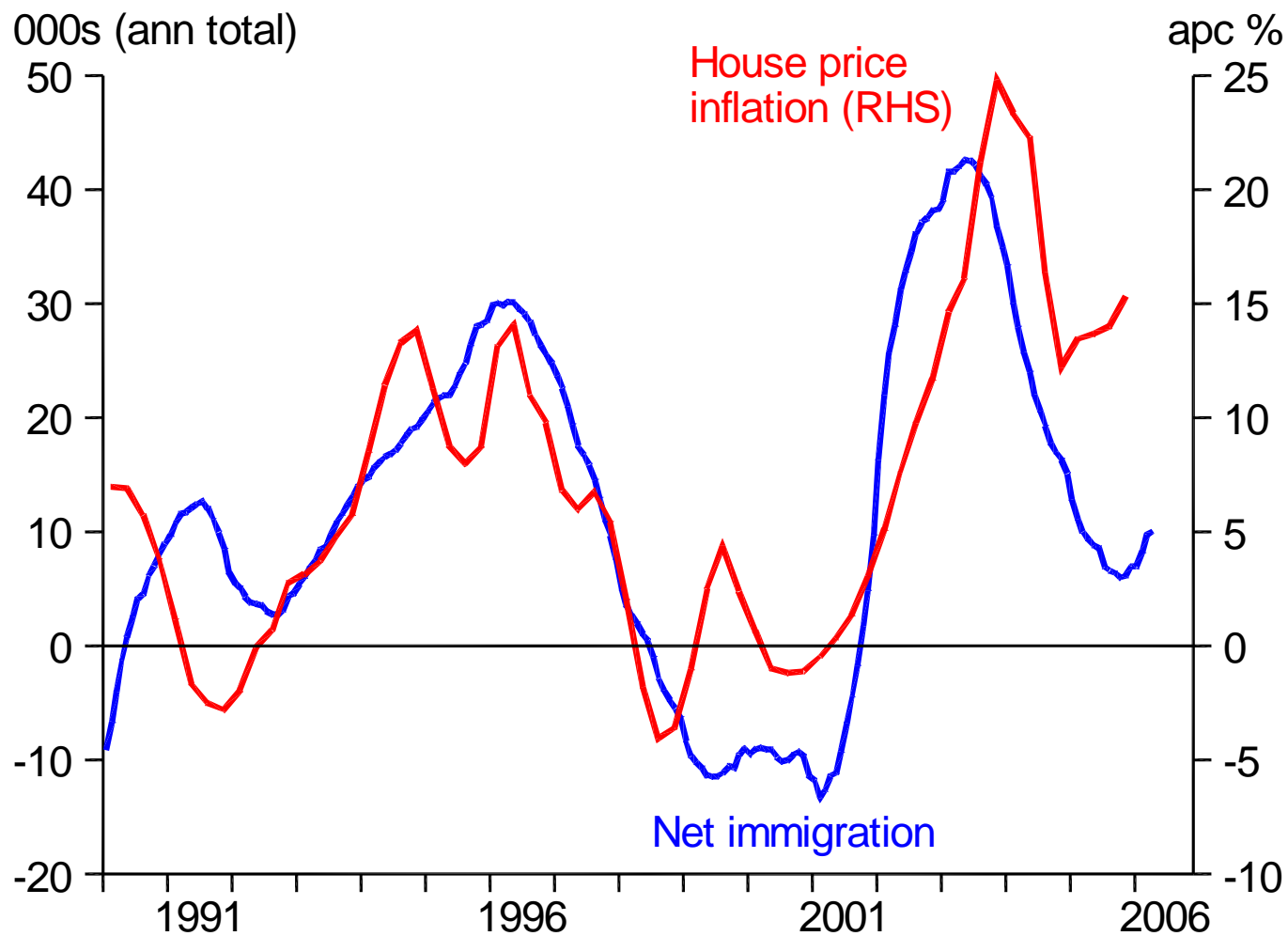
NZ a price taker on global markets



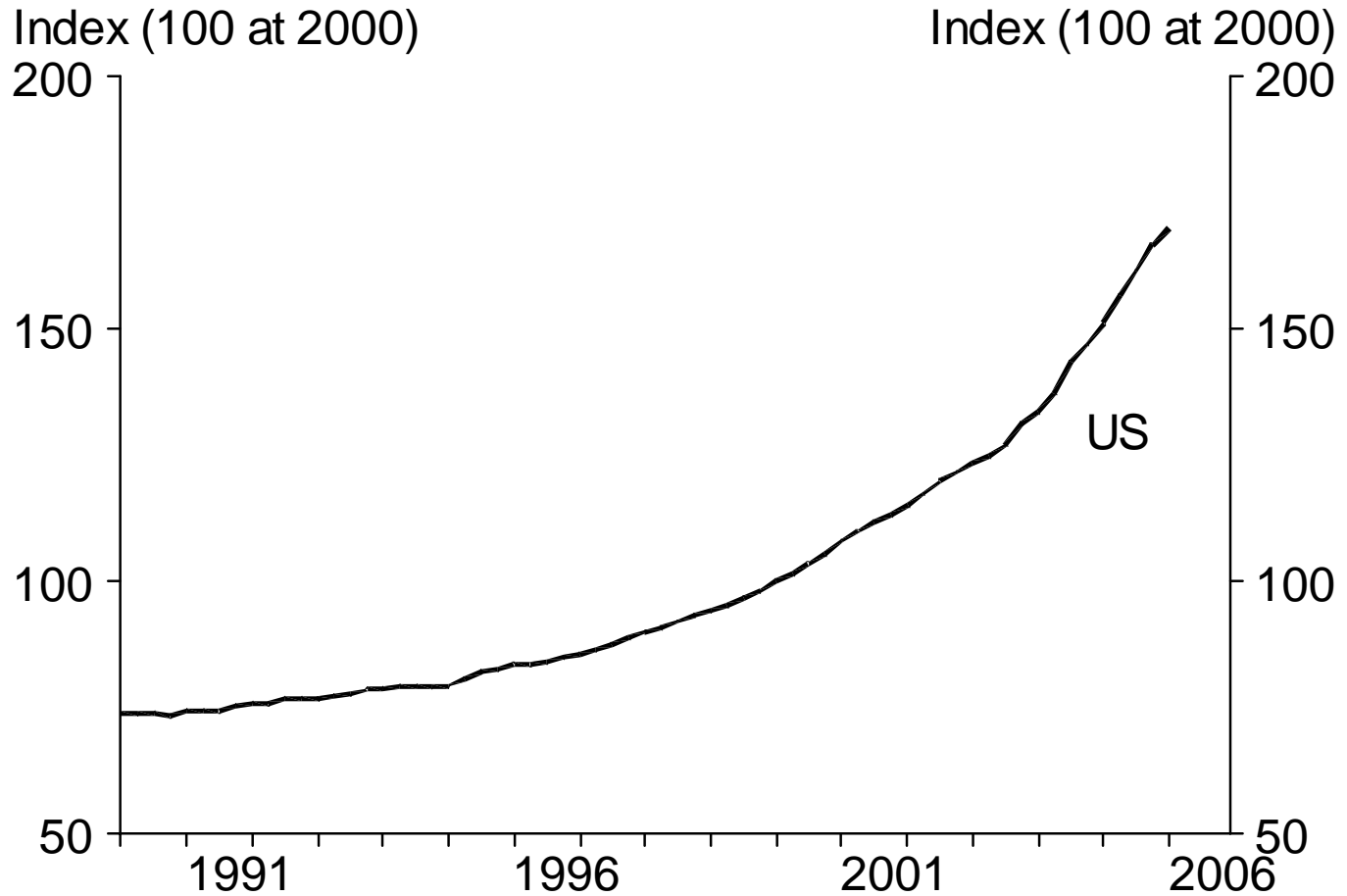
NZ house prices traditionally driven by immigration



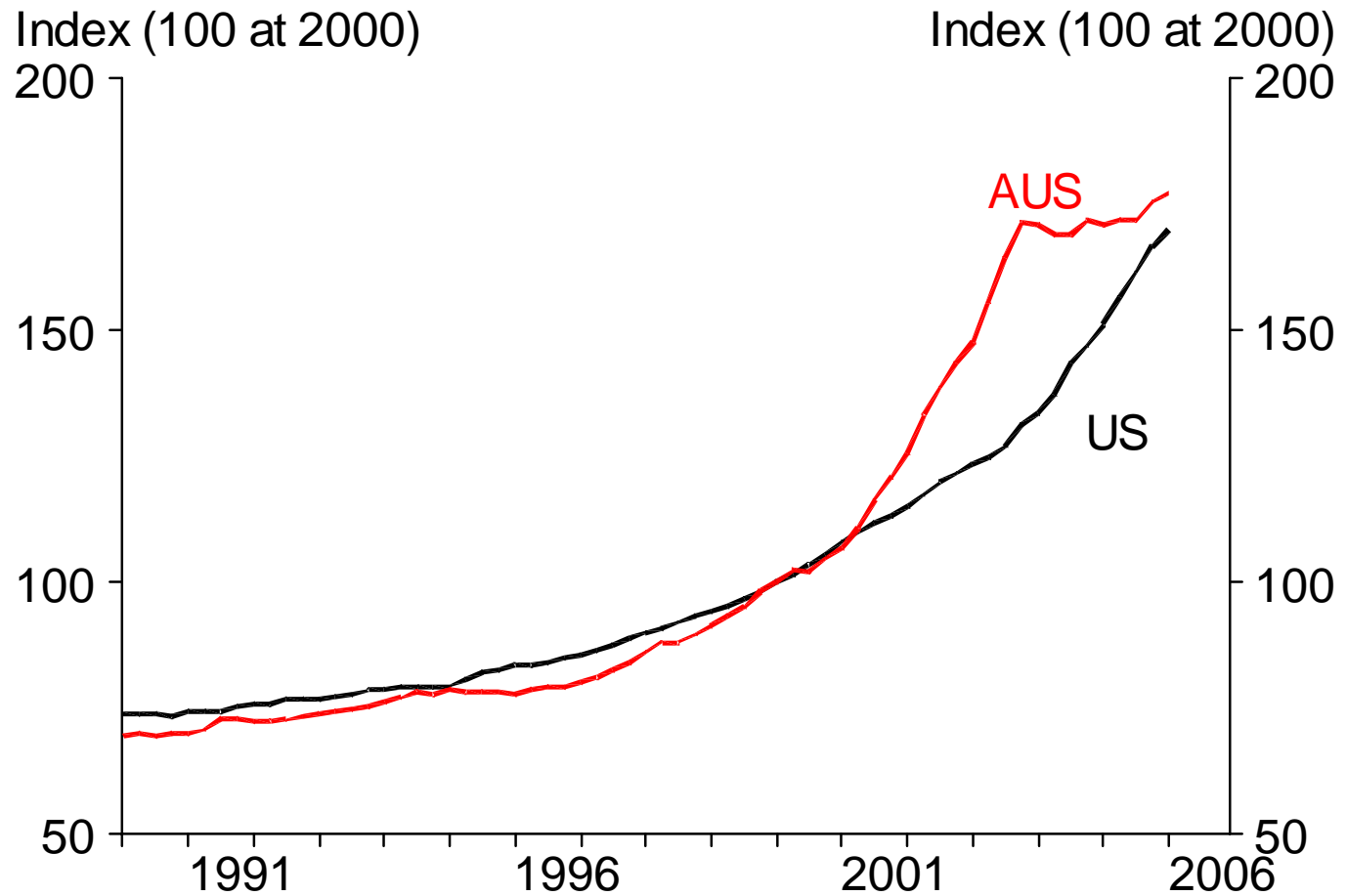
NZ house prices traditionally driven by immigration



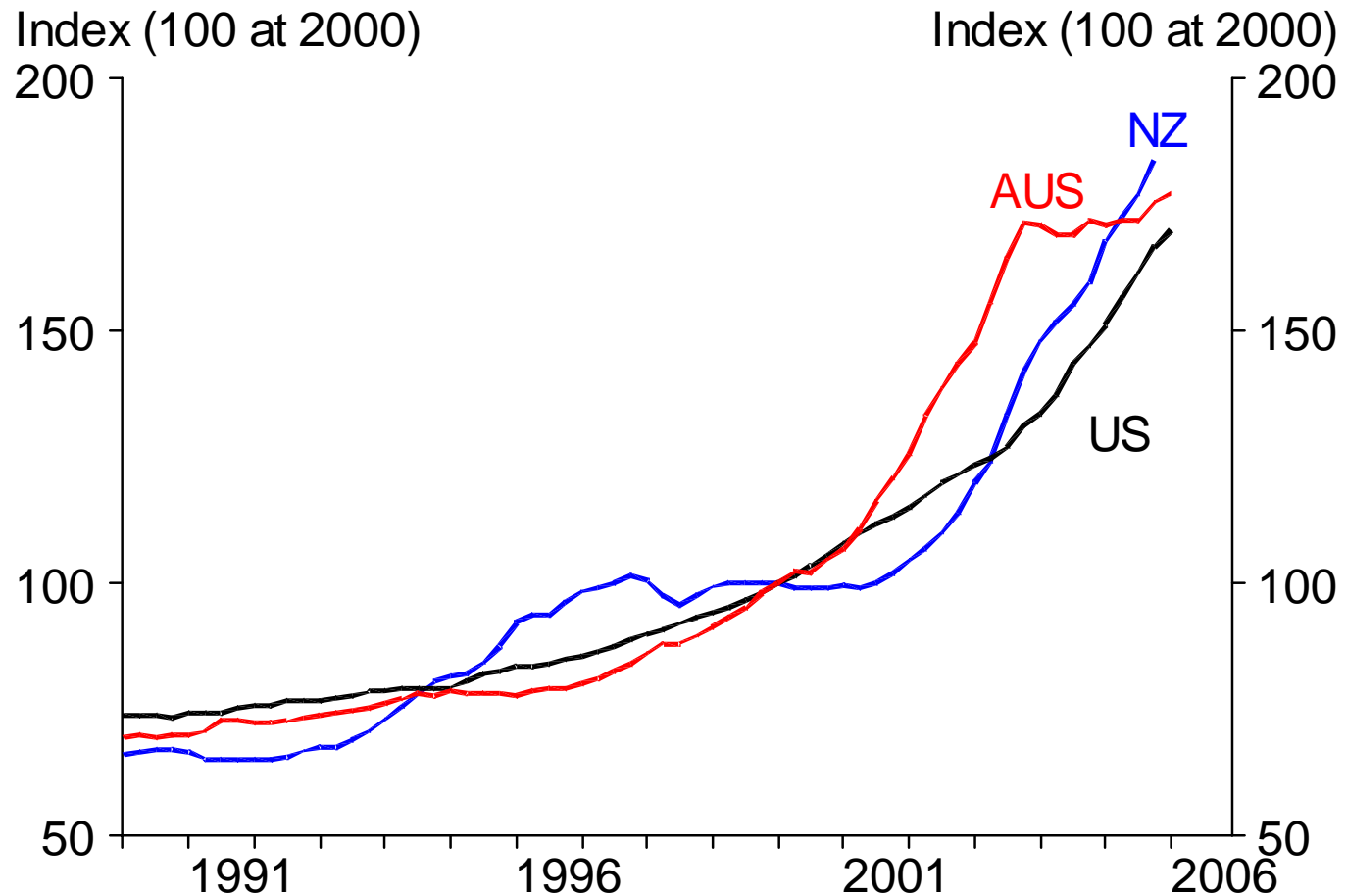
House price levels interlinked



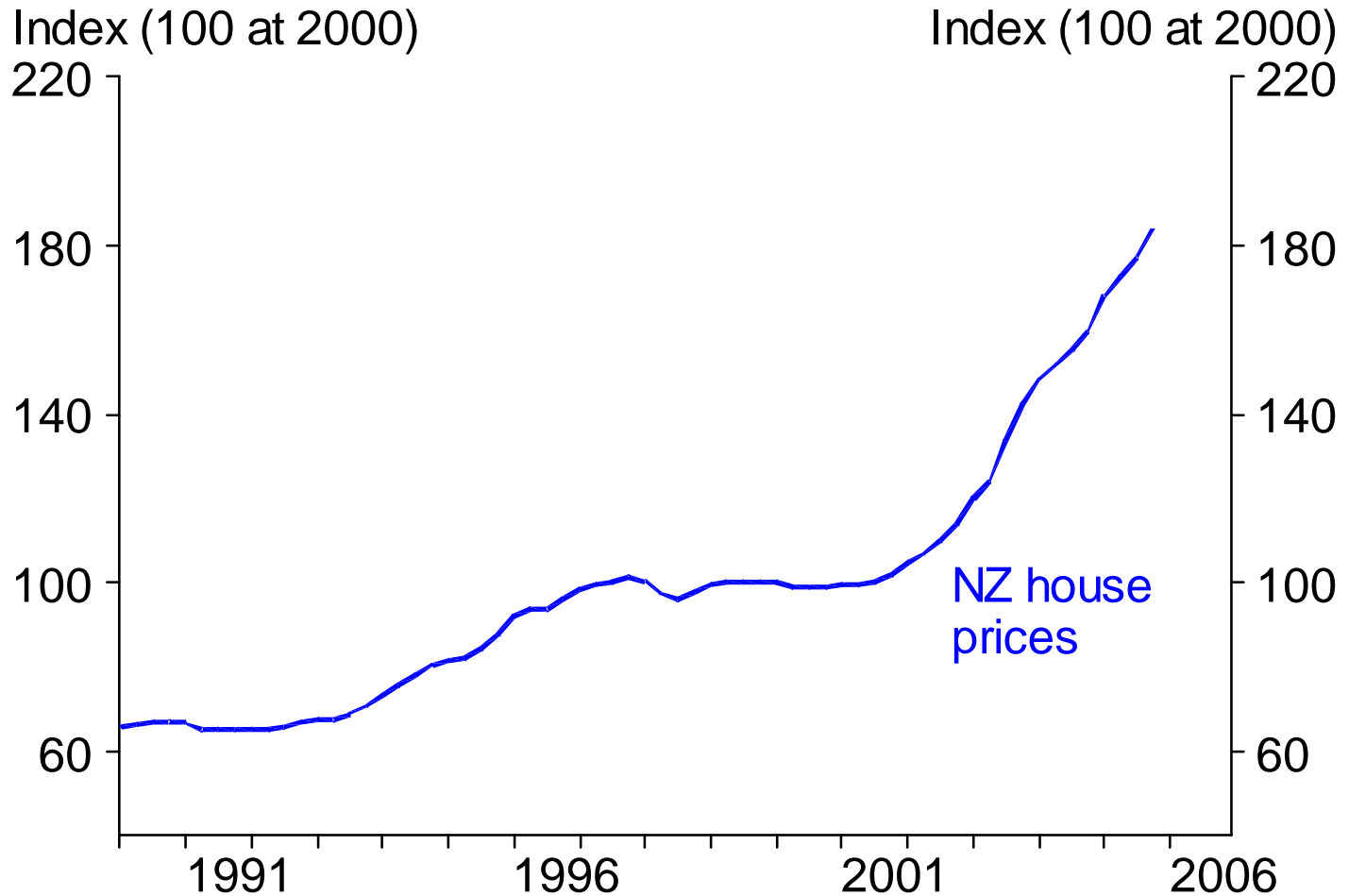
House price levels interlinked



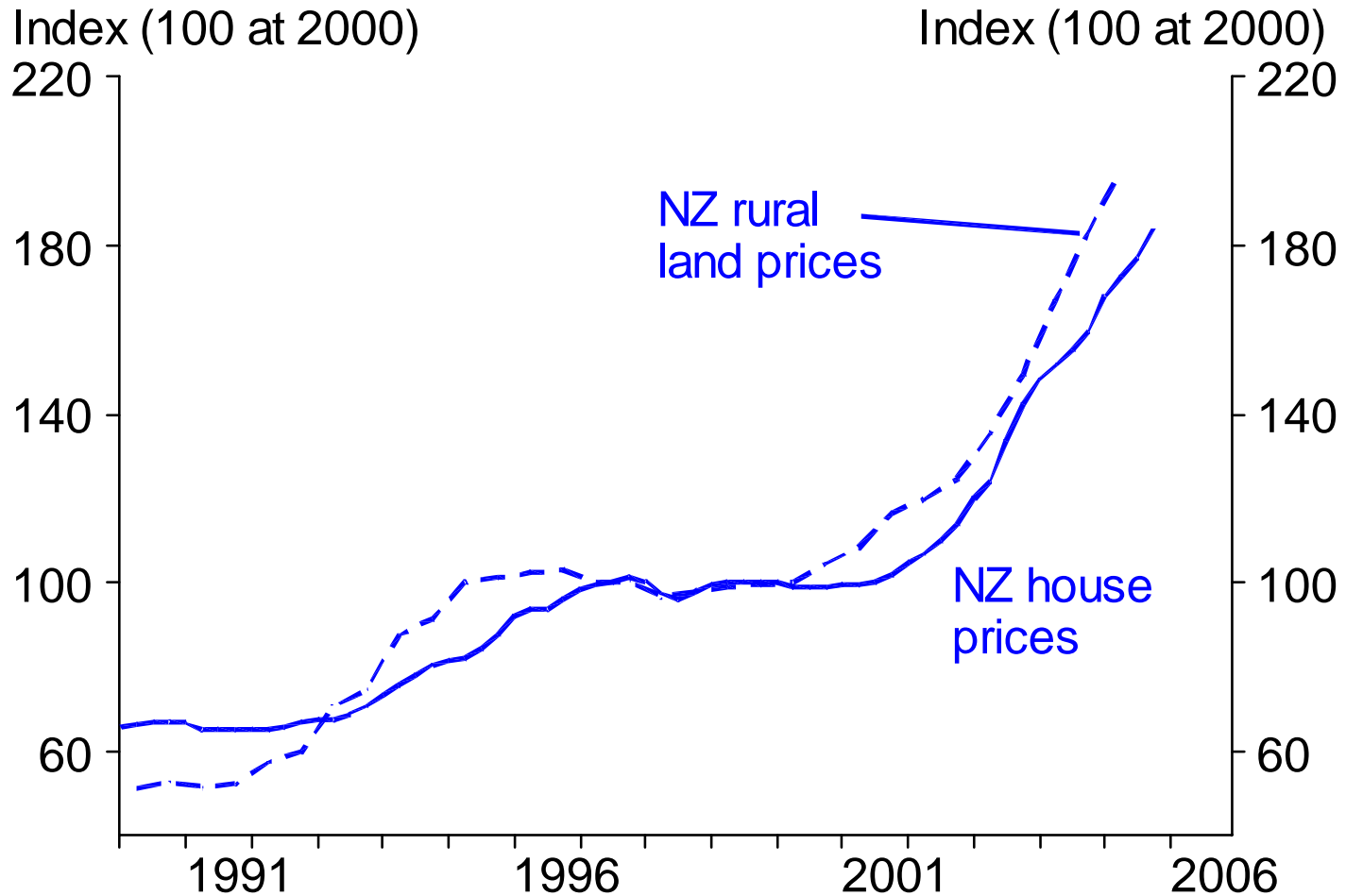
House price levels interlinked



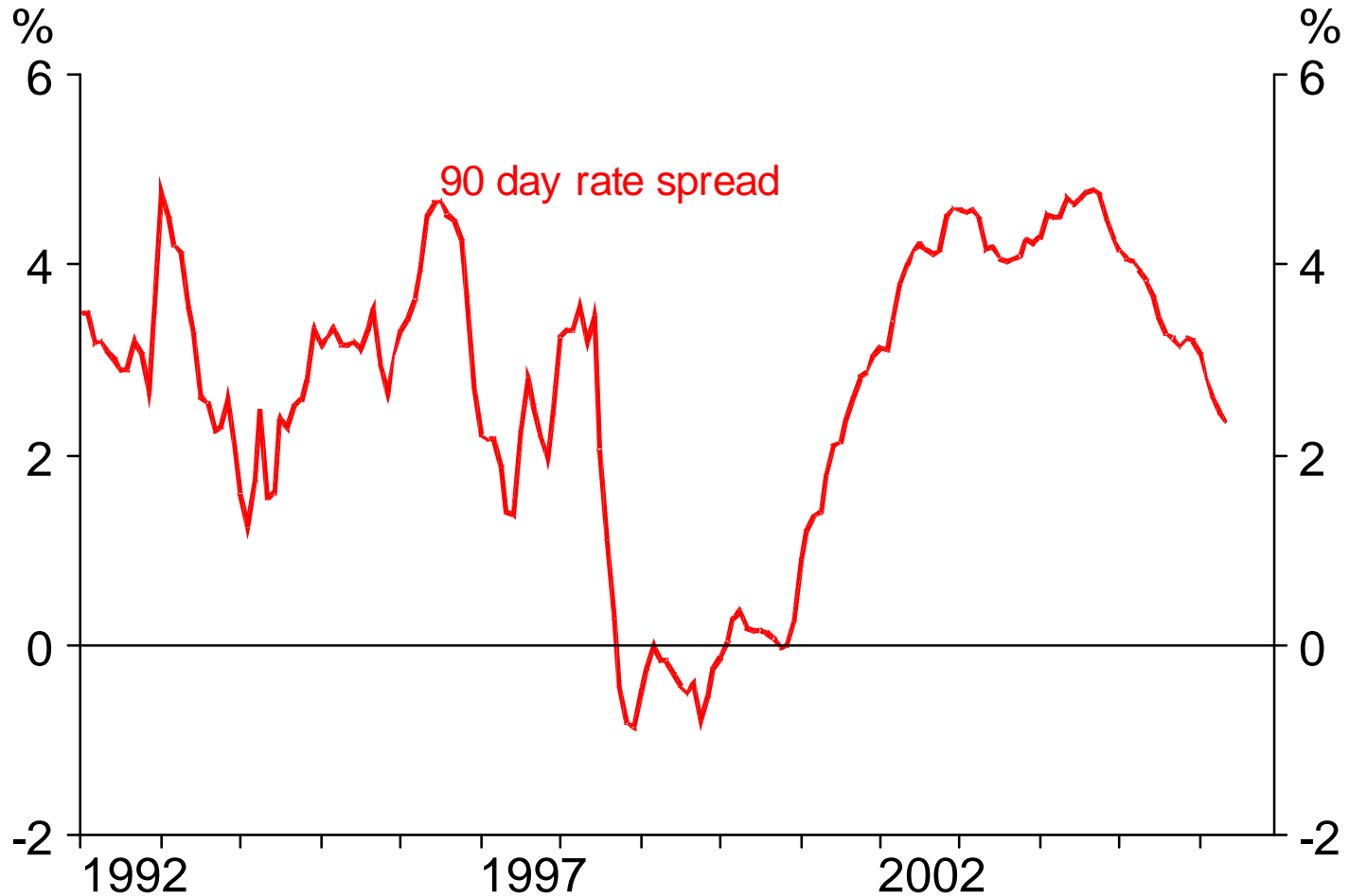
Agricultural land prices also linked



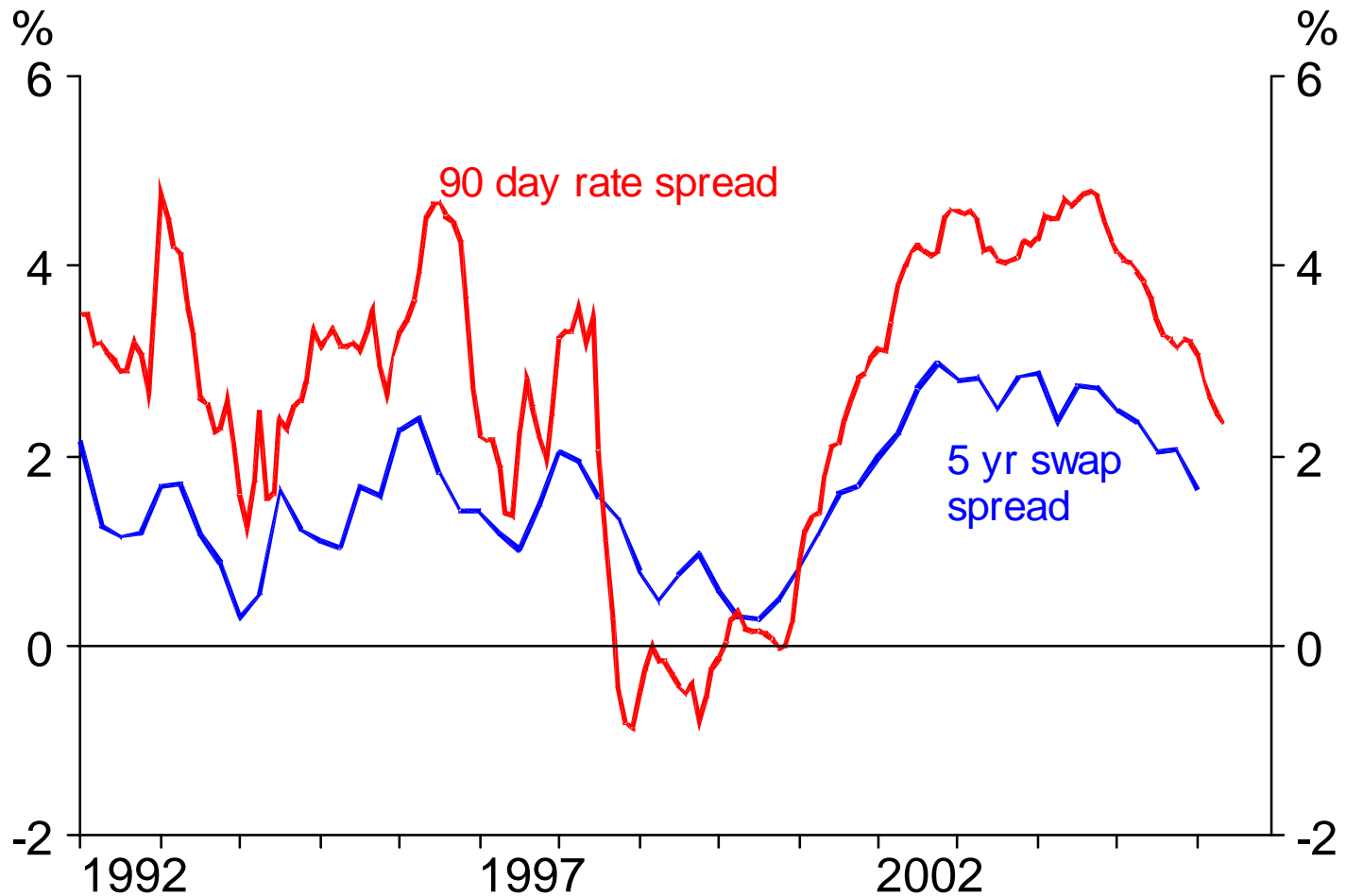
Agricultural land prices also linked



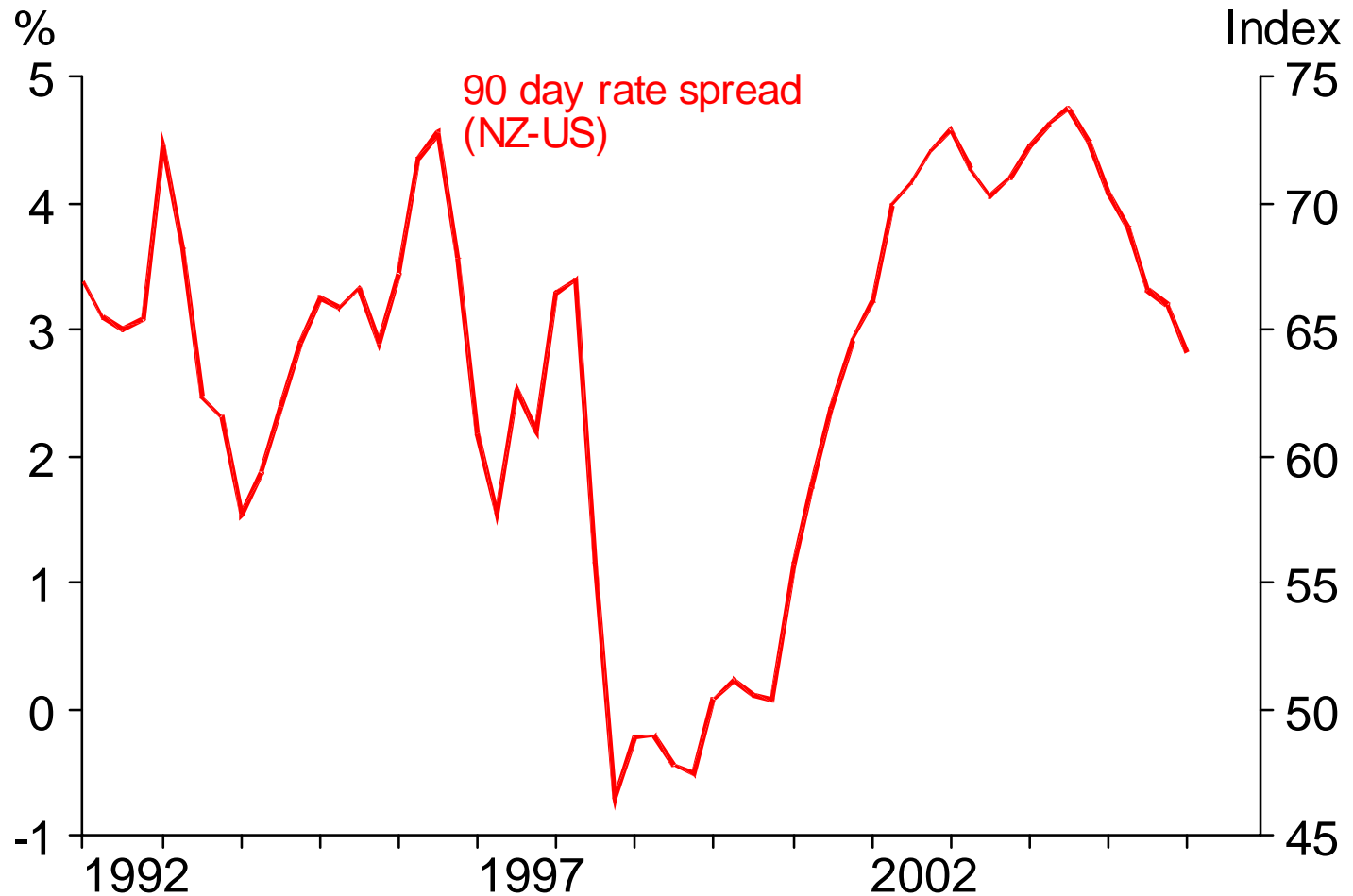
NZ debt markets increasingly linked globally



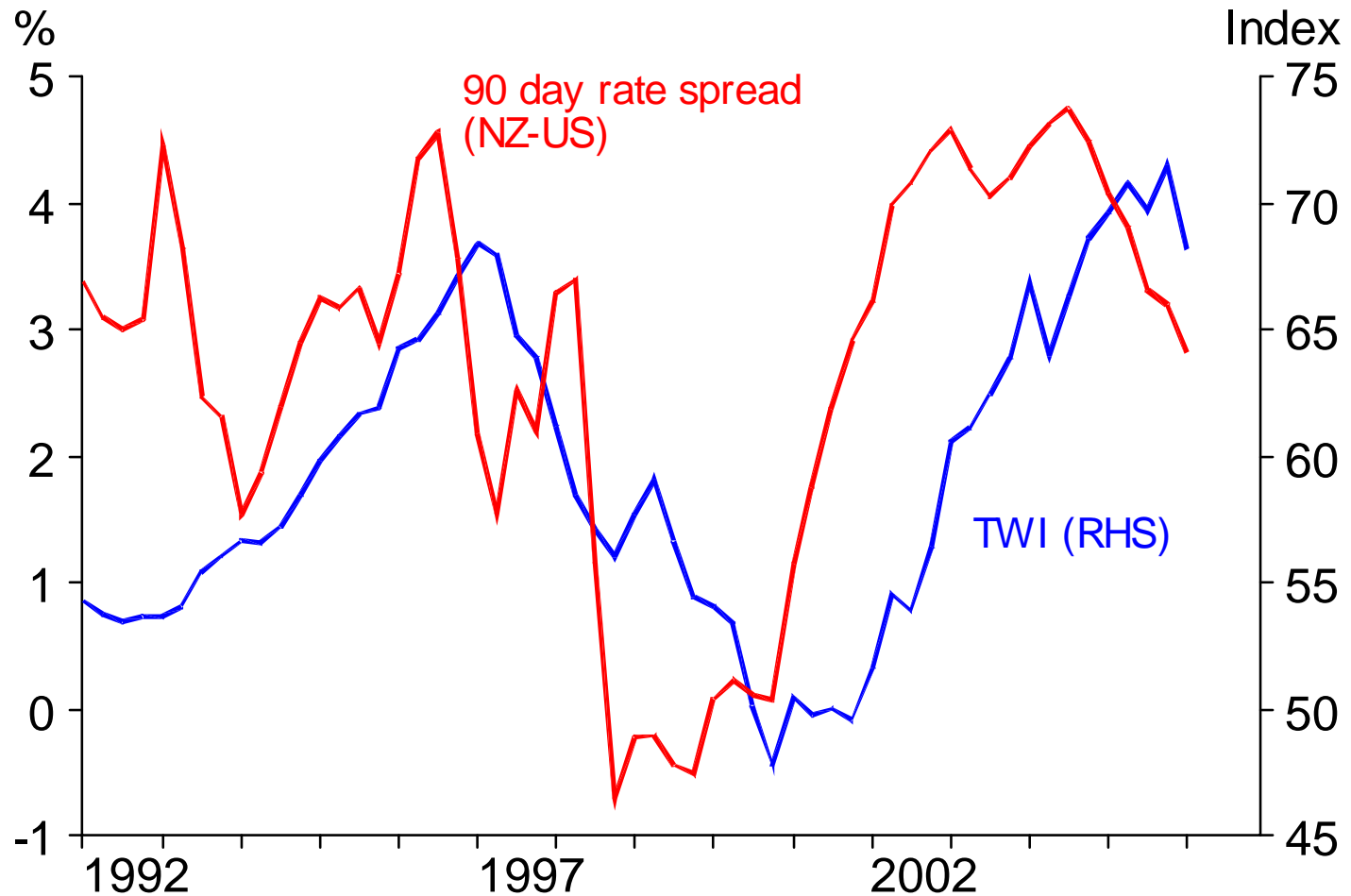
NZ debt markets increasingly linked globally



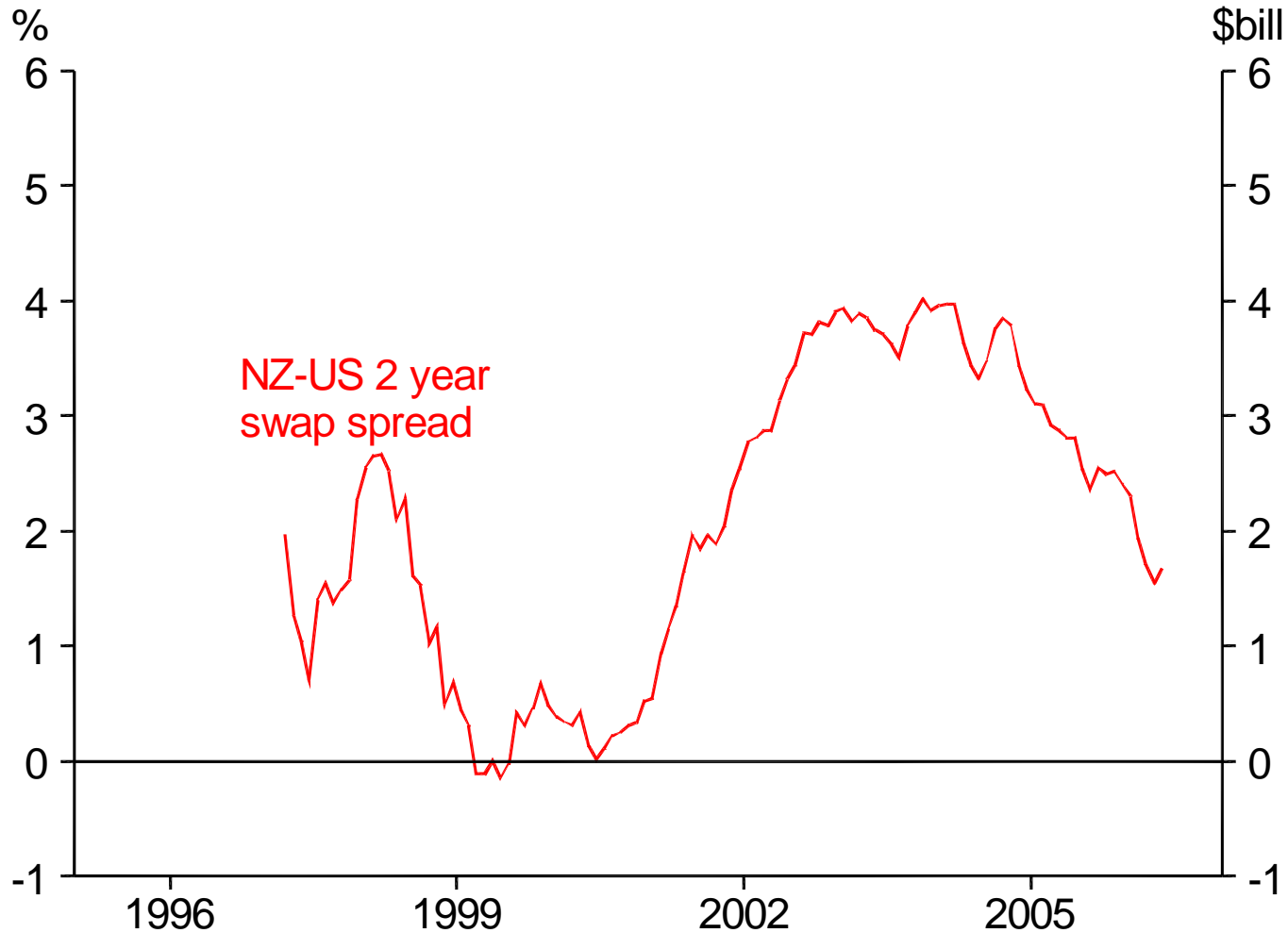
We cannot control the mix



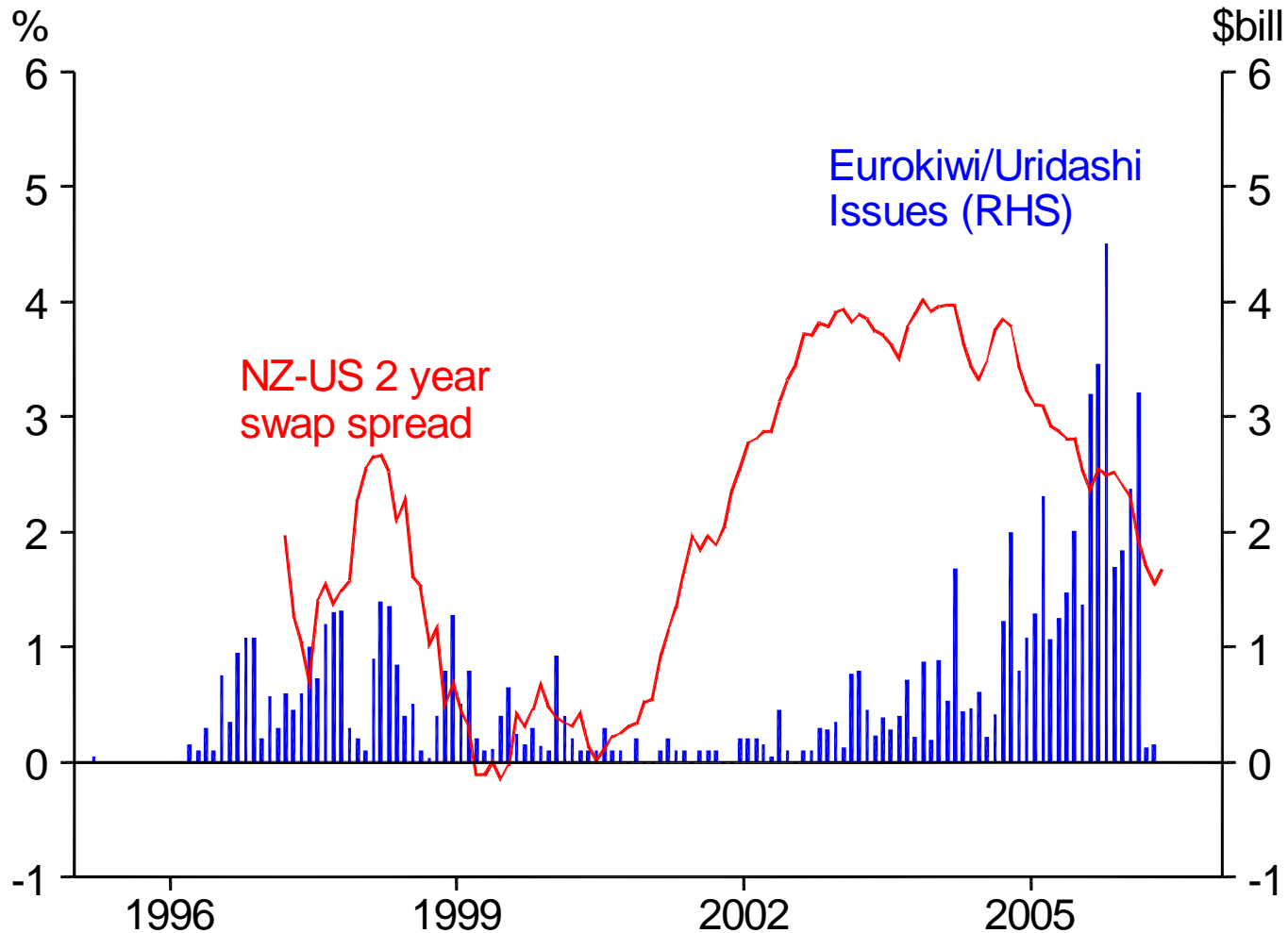
We cannot control the mix



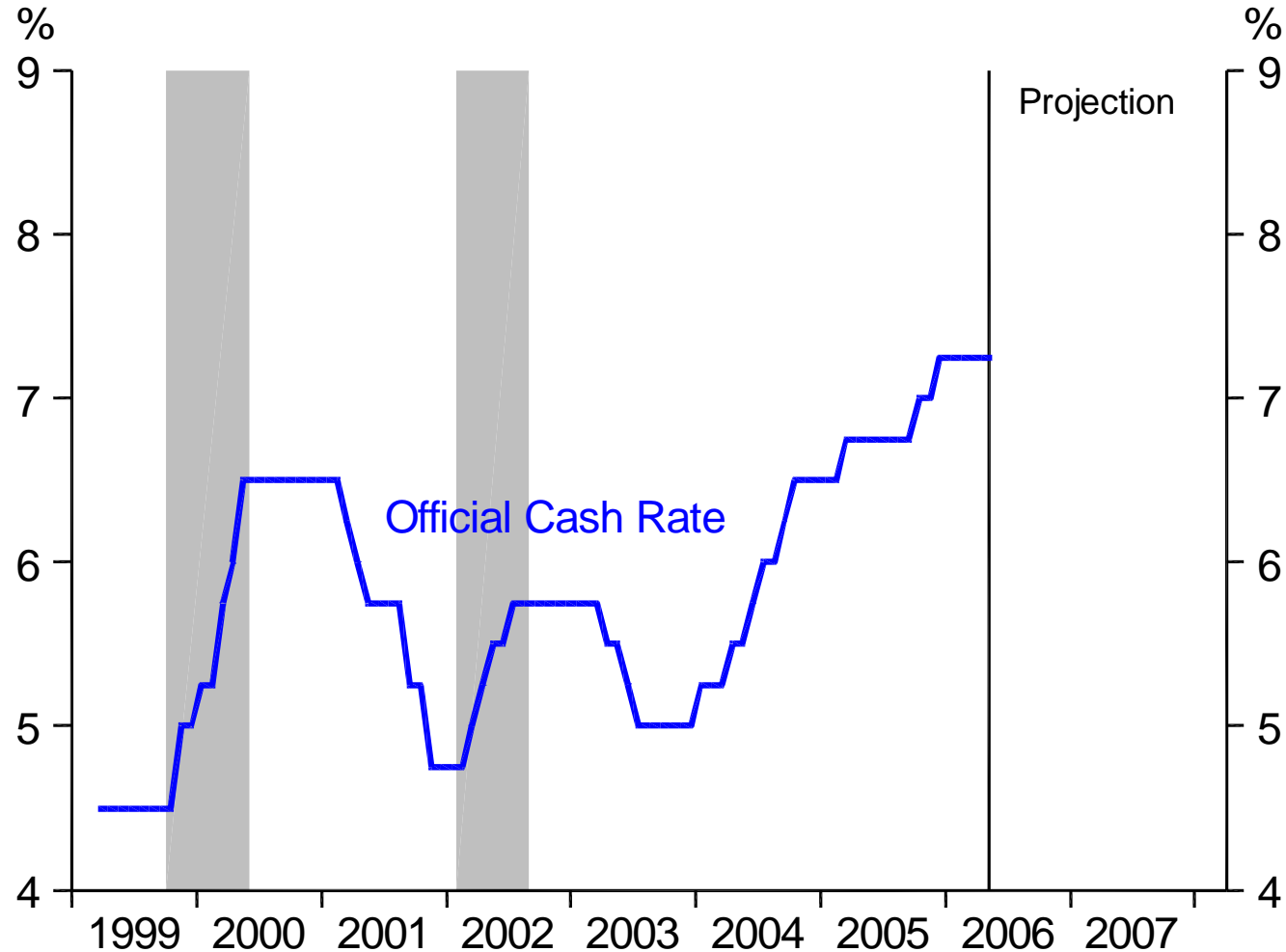
With the interest rate spread attracting capital



With the interest rate spread attracting capital



And slower response to monetary policy



And slower response to monetary policy

