

## PRESS RELEASE

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While investor sentiment plummets across the Asia Pacific region, New Zealand investor confidence has remained steady but concerned during Q3 2008.

### Key Highlights of the Quarterly ING Investor Dashboard Survey

- **Index for Asia falls 39% to 86 for Q3 2008 from 141 for the same quarter last year**
- **New Zealand scores 10 points above the Asia index, at 96 for Q3 2008, on par with 98 for Q2 2008**
- **Hong Kong and China, in particular, show some of the largest falls for the year**

ING, the global financial services group, today released data from its Investor Dashboard Sentiment Index showing that confidence has taken a 39% plunge across Asia Pacific in the last year. New Zealand investors have recorded a 16% drop in confidence since Q3 2007, when they scored 114, compared to the latest score of 96 out of 200. New Zealand has the fourth highest score of all countries surveyed.

The ING Investor Dashboard is the first quarterly survey in the Asia Pacific region that provides a pan-Asia (ex-Japan, New Zealand and Australia) investor sentiment index. The survey represents a snapshot of investor sentiment conducted across 13 markets<sup>1</sup> in Asia Pacific. It provides market insights on investor attitude and outlook but also allows each market to be benchmarked and tracked against the overall investor sentiment across Asia.

The New Zealand score has risen above the overall pan-Asia ING Investor Dashboard Sentiment Index for the first time, as the pan-Asia score now stands at 86 for Q3 2008. The survey confirms that volatile market conditions and the credit crisis in the USA and Europe continue to weigh heavily on Asia Pacific investors.

In contrast to the region as a whole New Zealand investors have been tracking fairly consistently for the last nine months, since local investors first identified their concerns for the subprime and credit crisis, back in Q1 2008. This is when local confidence suffered a large slump down 24% from 118 in Q4 2007 to 90 in Q1 2008, since then results have remained steady at 98 and 96 respectively in the last two quarters.

Local investors have recorded very similar responses to many areas of the survey in Q3 as they did three months previously, while their current outlook on the economic situation for the next quarter has increased by 15%, with 43% seeing an improvement on the horizon.

Commenting on the survey ING New Zealand Investor Services Manager, Steven Giannoulis observes “the instability in the markets as a result of the credit crisis and the economic slowdown that is now spreading throughout the globe, is continuing to cause serious concern for investors, but in New Zealand investors are demonstrating a significant level of calm and caution in their decisions. Local investors are less pessimistic than last quarter and than the region as a whole, with scores improving on key questions of economic performance and personal circumstances.”

<sup>1</sup> The survey was conducted across 13 markets in Asia Pacific including Hong Kong, China, India, Indonesia, Korea, Malaysia, the Philippines, Singapore, Taiwan, Thailand, Japan, Australia and New Zealand. The pan-Asia investor sentiment index includes all Asia markets and excludes Japan, Australia and New Zealand

## **New Zealand investors are still taking a cautious view of the market and remain the most conservative**

- 43% of New Zealand Investors are taking a low risk long-term capital preservation view and 49% are taking a balanced strategy approach
  - Among Asian investors, 25% are taking a low risk long-term view and 60% are taking a balanced strategy
- 57% of New Zealand investors say the economy deteriorated in Q3 2008, 11% fewer compared to 68% in Q2 2008
  - Among Asian investors, 58% say the economy deteriorated in Q3 up 4% from 54 in Q2.
- 33% of New Zealand investors say their personal financial situation deteriorated in Q3 2008 compared to 36% in Q2 2008
  - Among Asian Investors, 40% say their financial situation deteriorated in Q3 2008
- 41% of New Zealand investors say they perceived no change in their circumstances, up 15% from Q2.
  - Among Asian investors, 32% say they perceived no change in their circumstances in Q3

### **Looking forward into Q4 2008**

- 49% of New Zealanders see their financial position improving in the next quarter an increase of 5%, while 20% see their financial position worsening
  - 45% of Asian investors see their financial position improving compared to 26% who see it worsening
- 43% of New Zealand investors view the economic situation improving, an increase of 15% from Q2
  - Among Asian Investors. 38% see their economic situation improving down from 41% in Q2

The worsening global financial situation that originated in the US subprime crisis and slowdown in the US economy remain key external concerns for investors, moving into Q4 2008, outweighing concerns over inflation.

### **View on subprime crisis:**

- 73% of New Zealand investors say they have been impacted by the subprime crisis in Q3 2008 and 72% say they will continue to be impacted by the subprime crisis in Q4 2008. This is at least 10% less than Australian, Chinese or Singapore investors, and 20% less than investors in Hong kong.

### **View on US economy:**

- 58% of New Zealand investors say they have been impacted by the US economy in Q3 2008 compared to 76% of Asian investors
- 54% of New Zealand investors say they will continue to be impacted by the US economy in Q4 2008
- 39% of New Zealand investors expect the US economy to deteriorate in Q4 2008 compared to 35% across Asia Pacific.

### **View on inflation:**

- 10% of New Zealand investors expect inflation to fall in Q4 2008
- 62% of New Zealand investors expect inflation to impact their investment decisions in Q4 2008 compared to 52% in Australia, 95% in China and 83% in Singapore.

Mr Giannoulis added: "While investors have already been adapting to the effects of inflation on their investment portfolios, the downturn in economic growth is providing less demand to fuel further inflation. Considering the turbulence in the US economy that is now sending shocks around all global markets, the sentiment of New Zealand investors is both realistic and cautious, an approach that has served them well and has not given way to panic. We expect 2009 will be a tough year and going into 2010 may be tough as well."

### **New Zealand investors move increasingly towards low risk investments as risk appetites continue to fall**

Not surprisingly, the data shows that New Zealand investors have a higher preference for lower-risk investments given the current market volatility. 58% of local investors view low-risk investments as favourable compared to 22% for medium-risk investments and 9% for high-risk investments. This is a more conservative response than Asian investors where 48% favour low risk investments and still 24% find high risk investments favourable.

New Zealand investors have a less favourable perspective on local stocks and superannuation than their Australian counterparts. While both are continuing to hold on to cash, New Zealanders remain shy of investing in local stocks and invest less than Australian investors in superannuation.

- Currently 68% of New Zealand investors are holding cash/ deposits in Q3 2008, while 27% say they will start to invest and/or invest more into cash in Q4 2008
- Currently 21% of New Zealanders are holding local stocks, while 13% say they intend to start to invest and/or invest more in local stocks in Q4 2008
- In Australia 58% of investors are currently holding their local stocks and 21% intend to start to invest/invest more in Q4 2008
- Currently 55% of New Zealand investors are paying into superannuation funds and 16% intend to invest more in Q4 2008
- In Australia currently 81% of investors hold superannuation funds, with 26% intending to invest more in Q4 2008.

"In the last few years we've seen some Asian markets have been performing better than our European and US counterparts and so with capital preservation strategies in place, local investors need to plan for the longer term, say over 3-5 years, and not be too easily affected by the daily ups and downs in the market. Stock markets can rebound six months before the end of a recession. So it is important for investors to have a plan for how they want to be positioned in the market. They should also invest in stages instead of all at once" commented Steven Giannoulis.

For detailed (high-resolution) data charts on the ING Investor Dashboard Sentiment Index, please download the results presentation from: [http://www.ing.asia/investor\\_dashboard](http://www.ing.asia/investor_dashboard)

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## Notes to Editors

### About the ING Investor Dashboard

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. Each market covered by the survey is assigned an investor sentiment score ranging from 0 (the least optimistic) to 200 (the most optimistic).

It is the first quarterly survey in Asia Pacific which provides a specific industry benchmark for pan-Asia (ex-Japan) investor sentiment. Each quarter, the pan-Asia ING Investor Dashboard sentiment index is also developed as part of the survey. The pan-Asia sentiment index is derived from the median sentiment index scores of 10 of the Asian markets including China, Hong Kong, India, Indonesia, Korea, Malaysia, the Philippines, Singapore, Taiwan, and Thailand (excludes Japan, Australia and New Zealand).

The ING Investor Dashboard was launched in Asia Pacific following the success of ING's Investor Barometer in Europe. The Investor Barometer is published regularly in the Netherlands and Belgium to gauge the confidence of private investors. It is considered an authoritative measure of the sentiment of private investors and is closely followed by key players in the European financial industry.

The Q3 2007, Q4 2007, Q1 2008 and Q2 2008 surveys were carried out in August 2007, December 2007, March 2008 and June 2008 respectively. The Q3 2008 survey was conducted in September 2008 and involved face-to-face or online interviews with a total of 1,307 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.

### Profile of ING

ING is a global financial institution of Dutch origin offering banking, insurance and asset management to over 85 million private, corporate and institutional clients in more than 50 countries. With a diverse workforce of about 130,000 people, ING comprises a broad spectrum of prominent companies that increasingly serve their clients under the ING brand.

### Profile of TNS

TNS is the world's foremost provider of custom research and analysis, combining in-depth industry sector understanding with world-class expertise in the areas of Retail and Shopper Insights, Stakeholder Management, New Product Development and Brand and Communications. It works in partnership with its clients, meeting their needs for high-quality information, analysis and foresight across a network of over 70 countries.

## APPENDIX

Q3 08 Ranking	Country	Q3 08 Index Score	Q2 08 Index Score	Q1 08 Index Score	Q4 07 Index Score	Q3 07 Index Score
1	India	156	163	168	167	168
2	The Philippines	138	110	121	153	148
3	Indonesia	123	108	131	136	133
4	New Zealand	96	98	90	118	114
5	Australia	95	105	89	131	125
6	China	88	117	136	132	164
7	Malaysia	87	82	128	124	148
8	Thailand	84	81	131	134	129
9	Hong Kong	79	123	107	148	141
10	Singapore	71	90	88	136	141
11	Korea	65	87	96	113	137
11	Taiwan	65	109	105	83	134
13	Japan	53	73	60	71	89

Note: The Investor Sentiment Score gauges the confidence of private investors in investment across 13 Asia Pacific countries.