



Week beginning 9 September, 2024

AUSTRALIA & NEW ZEALAND WEEKLY

Analysis and forecasts for this week's key releases.

In this week's edition:

Economic Insight: When the rear-view mirror is foggy, triangulate.

The Week That Was: Consumers on a tightrope.

Focus on New Zealand: Better times ahead for the dairy sector.

For the week ahead:

Australia: Westpac-MI Consumer Sentiment, business survey, RBA's Hunter speaking.

New Zealand: REINZ housing data, selected price indices, net migration, retail card spending.

China: CPI, PPI, trade balance, money supply, new loans.

Eurozone: ECB policy decision, industrial production.

United Kingdom: Monthly GDP, average weekly earnings, unemployment rate.

United States: CPI, PPI, consumer credit, NFIB small business optimism.

Information contained in this report current as at 6 September 2024

Past performance is not a reliable indicator of future performance. The forecasts given above are predictive in character. Whilst every effort has been taken to ensure that the assumptions on which the forecasts are based are reasonable, the forecasts may be affected by incorrect assumptions or by known or unknown risks and uncertainties. The results ultimately achieved may differ substantially from these forecasts.

When the rear-view mirror is foggy, triangulate



Luci Ellis
Chief Economist, Westpac Group

The national accounts for the June quarter showed that private sector demand is stagnant. Household consumption went backwards in the quarter, which was weaker than even we expected. Public demand did all the heavy lifting on growth, as it has done for the past few quarters.

These data are for the June quarter, the proverbial ‘rear-view mirror’. They have information value, but much of the focus should be on what they tell us about the near-term outlook and economic behaviour more broadly. And even the past does not stand still. We need to be mindful that revisions can change the story. We must also be mindful of noise, shifting seasonality and artefacts of measurement. Sometimes, though, these complications can be used to aid our understanding and shape our view of the outlook

Local markets were heavily focused this week on the June quarter national accounts. Our [note](#) on the subject highlighted the key points. Foremost amongst these is that despite strong population growth, private sector demand is stagnant. Household consumption went backwards in the quarter, which was weaker than even we expected. Public demand did all the heavy lifting on growth, as it has done for the past few quarters.

When all the detail is fully combed over, we can still take some overarching lessons. The first is the simple fact that these data are for the June quarter. We are now in the final month of the September quarter. This is the proverbial ‘rear-view mirror’. The data have information value, but much of the focus should be on what they tell us about the near-term outlook and economic behaviour more broadly.

The consumption data are a good illustration of that lesson. As noted, the outcome was weaker than even we expected. This is not because households had boosted their saving. The household saving ratio remained unusually low, at 0.6%. Rather, household incomes were still being squeezed to some extent. While real household disposable income is no longer declining in year-ended terms, it was still down 4.7% since the peak in September quarter 2021. In per capita terms, real incomes are down a whopping 10.3% over this period.

The implications for the future are that any tendency to catch up on consumption as tax cuts boost income will be tempered by some reversion in saving to rates more like those seen in the past. There is no iron law that the saving rate must revert to some centre of gravity, and in any case, it is prone to revisions. However, the arithmetic of compulsory (and rising) superannuation contributions and contractual repayments of principal on mortgages implies that saving rates cannot remain at ultra-low levels forever.

This is especially important given that the Stage 3 tax cuts took effect after the period recorded in the latest national accounts. Most observers (including us) are working on the assumption that the extra income will support a pick-up in consumption growth. Given the latest data, though, especially the renewed drag from tax, it looks as though the risks here are to the downside.

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The second lesson is that even the past does not stand still. As highlighted in the team’s note on Wednesday, the latest national accounts included significant revisions to the profile for investment for previous quarters. And the hours worked data – so crucial to estimates of productivity – have been revised significantly, though the revisions have differed in the labour force survey (LFS) versus the national accounts.

The third lesson is to be mindful of noise, shifting seasonality and artefacts of measurement. The productivity data are a case in point. Never mind that productivity growth in the market sector was a not-too-shabby 1.1% over the year. Those minded to catastrophise about Australia’s productivity performance will focus on the quarterly fall, as hours worked was strong in the quarter despite weak GDP growth. Yet average earnings per hour worked was also weak, leaving growth in unit labour costs over the past couple of quarters at a less concerning annualised rate of 3.4% – in line with the outcomes recorded over

2019 when underlying inflation was below the target range. The resolution might be found by recalling the distinction between hours worked and hours paid. One area where seasonal patterns seem to have shifted in a lasting way post-pandemic has been the pattern of leave-taking. We note that June quarter outcomes for growth in hours worked have been systematically stronger than surrounding quarters over the post-pandemic years, even more so for the LFS than the national accounts.

Conventional methods of seasonal adjustment struggle in those situations. Looking at year-ended data smooths out these lingering seasonal issues to some extent, but if seasonal patterns are shifting, some noise remains. If shifting seasonality in leave-taking is indeed the culprit, though, then the noise in hours worked will be largely offset by surprises on average earnings per hour in the opposite direction.

What to do under these circumstances, when even the past is hard to predict?

One helpful approach is to triangulate across multiple data sets. A good example of the value of this approach comes from the large revisions to US payrolls data last month. This was less of a surprise to us than it was to some observers because we had already seen [signs of fragility](#) in other US labour market data, including the household survey and other business surveys.

Another helpful triangulation is to use the discrepancies between different data sources as information themselves. Since Australia's international borders reopened, growth in hours worked in the national accounts has grown faster than the LFS measure. This is because temporary residents are counted in the former but not the latter. (So are defence personnel and the under-15s, but we do not think they are driving the result.)

We can use this fact to help shape our view of the outlook: given that much of the recent strength in population growth appears to be catch-up after the borders reopened, growth rates will eventually ease. And so too will the outsized contribution of additional temporary residents. Growth in national accounts hours worked will therefore likely converge back to its LFS counterpart.

This is yet another reason to believe that Australia is not unique. While there will be bumps along the way – including a drag from the expansion in the care economy – the recent past for productivity need not imply a stagnant future.

Cliff Notes: consumers on a tightrope

Elliot Clarke, Head of International Economics

Illiana Jain, Economist

Ryan Wells, Economist

In Australia, Q2 [GDP](#) printed broadly as expected at 0.2%qtr (1.0%yr). The themes of recent quarters were once again on display. The consumer remained weak, a 0.2% decline in Q2 leaving aggregate consumption just 0.5% higher than a year ago at June, and 2.0%yr lower on a per capita basis. Elevated inflation, interest rates and a historically-high tax take are increasingly putting household savings in a precarious position; on our estimates, around half of the pandemic savings 'buffer' has now been drawn down, and the savings rate held at just 0.6% in Q2. In tandem with weak sentiment, the status quo for income and savings suggests any pick-up in household spending will be [gradual at best](#).

Other parts of the domestic economy were also soft in Q2. Despite rapid population growth and an existing need for additional capacity, new business investment and housing construction only managed to eke out a gain of 0.1%. Public demand continues to provide strong support for GDP growth however, its share of the economy rose to a fresh record high of 27.3%, with further gains likely over coming quarters. In [this week's essay](#), Chief Economist Luci Ellis puts the latest data in context.

On trade, the [current account deficit](#) slid further to -\$10.7bn in Q2, in line with Westpac's bottom-of-the-range forecast. The main surprise was the strength of spending from foreign students, which drove a 6.0% lift in total service exports. Contributions from other areas of the trade account were broadly as expected, service imports consolidating as outbound tourism flows normalised whilst the goods trade surplus narrowed on falling commodity prices and flatlining resource export volumes – a theme still evident in the July data for Australia's [trade in goods](#).

Before moving offshore, a final note on housing. The latest [CoreLogic data](#) continues to highlight a varied picture by capital city, the smaller capital cities of Perth, Adelaide and Brisbane recording solid gains while Sydney remains subdued and Melbourne goes backwards. The lack of sustainable upward momentum in [dwelling approvals](#) points to risks for residential construction activity once existing projects are worked through. For more detail on the housing market, see our latest [Housing Pulse](#) on Westpac IQ.

Elsewhere, US data was the focus. The ISM manufacturing and non-manufacturing indexes rose by 0.4 and 0.1pts to 47.2 and 51.5 respectively, remaining below their 5-year pre-COVID averages. The market showed particular

concern over the surveys' price measures; however, these indexes are still in line with their 2015-2019 averages, a period when core PCE inflation averaged 1.6%yr and peaked at 2.0%yr. The ISMs meanwhile suggest employment is declining in manufacturing and only edging higher in the service sector. A similar view was provided by the latest Beige Book from the Federal Reserve, with employment assessed as steady overall, but with "isolated reports" of reduced hours and shifts as three districts reported slight activity growth and nine districts no or negative growth.

More constructive was the July JOLTS report. Though job openings fell to 7.673mn, their weakest print since January 2021, the hiring and separation rates were little changed at 3.5% and 3.4%, consistent with pre-pandemic rates – a robust period for job growth.

The shift in risks now openly being discussed by FOMC members has led some market participants to fear a disappointing read for August nonfarm payrolls tonight. Overall though, the labour market data points to a continued moderation in employment growth not a sustained decline. The best response to such a turn of events is steady, confident policy easing, 25bps at a time at successive meetings, all the while noting a willingness to do more if necessary. This is why we expect a 25bp cut at each FOMC meeting from September 2024 to March 2025 and, after that, another cut per quarter to year end, bringing cumulative easing over the cycle to 200bps.

This looks to be the approach being taken by the Bank of Canada in the north, another 25bp cut delivered this week at its September meeting along with clear guidance more easing will follow assuming current trends persist. While GDP growth surprised in Q2, the quarter is assessed to have ended on a weak note. The labour market also continues to slow as excess supply puts "downward pressure on inflation", limiting the significance of persistence in shelter and some other service prices.

Better times ahead for the dairy sector



Darren Gibbs
Senior Economist

It has been a quiet week for data and events in New Zealand, leaving financial markets mostly focused on key developments offshore – especially those in the US, where the impending release of the August employment report will help shape expectations for the Federal Reserve’s policy decision later this month.

On the local data front, the Overseas Trade Indexes revealed a 2%q/q lift in the merchandise terms of trade in the June quarter, albeit leaving the index down 1.7%y/y. Export prices rose just over 5%q/q, led by higher prices for dairy products, meat and aluminium. Import prices rose 3%q/q – more than we had expected – thanks in part to a near 10%q/q lift in prices for non-fuel crude materials. Export volumes fell 4.3%q/q, not least due to double-digit declines in dairy and forestry exports, while import volumes grew 3.2%q/q. This means that net goods exports will make a large negative contribution to what we expect to be a very weak GDP outcome in the June quarter (this is likely to be partially offset by a positive contribution from inventory building).

The other notable feature of the trade report was a significant revision to estimates of exports of services. In particular, the surprising slump that was previously reported for the March 2024 quarter has been revised away, with exports now almost 16% higher than estimated originally. All else equal, this means that the current account deficit in the year to March 2024 is likely to be revised down to 6.5% of GDP from 6.8% of GDP previously – still very high, but a welcome revision, nonetheless. This revision will only have a small impact on GDP, however, as the upward revision to exports of services will be balanced by a downward revision to household consumption spending (the latter previously overstated because of the underestimation of tourist spending).

News this week from the construction sector was not as weak as we had expected, with Stats NZ reporting that the volume of building work done fell just 0.2%q/q in the June quarter. Activity was 6.1% lower than a year earlier and is now 9% below its 2022 peak. As in recent quarters, a 0.7%q/q decline in residential construction played the most significant role in driving output lower, whereas non-residential construction fell by just 0.1%q/q (steeper declines are likely in coming quarters given recent trends in consents). It is worth noting that these figures are provisional and that large revisions are possible when annual benchmarks are

incorporated in the September quarter (the construction sector was a source of large downwards revisions to GDP last year, likely due to the cancellation or delay of consented projects).

In other news, the GDT index fell 0.4% at this week’s dairy auction, with whole milk powder falling 2.5%. While this outcome was softer than indicated by the futures market, most of the strong gains from the previous auction were maintained.

As a result, we have taken the opportunity to update our farmgate milk price forecast for the 2024/25 season.

We now anticipate a milk price of \$8.70/kg, up 30c from our opening forecast and 90c higher than our current estimate for last season (Fonterra will publish its final accounts for 2023/24 on 25 September). Our forecast compares favourably with Fonterra’s recently upgraded midpoint forecast of \$8.50/kg. However, we caution that it is still early in the season and a wide range of possible outcomes remains feasible depending on how prices track in coming months.

Declines in mortgage interest rates over the past month or so mean that there are signs that the housing market now has a little more spring in its step. This week Auckland’s largest realtor reported a modest lift in house sales in August, albeit with the median sales price about 3% lower than a year earlier. Meanwhile, the latest NZHL survey reported that real estate agents are noticing an upturn in attendance at open homes, especially by potential first homeowners. According to the survey, buyers are no longer being put off by the potential for higher mortgage interest rates, but do continue to harbour concerns about their job security. However, the latest weekly data – based on tax filings through to mid-August – suggests that the number of filled jobs has steadied in recent weeks following a steep decline through the June quarter. We will continue to monitor this data closely over coming weeks to see whether this more encouraging trend is sustained.

Looking at next week’s local calendar, most interest will probably centre on Thursday’s release of the Electronic

Card Transactions report and the Selected Price Indexes, both for August. After six consecutive months of decline, the former should show that recent personal tax cuts are beginning to lift retail spending out of the doldrums.

Meanwhile, the latter will help us refine our forecast for the Q3 CPI, in large part because it will provide information about some of the most volatile tradable components (such as food prices and international airfares). We will also be interested to see whether dwelling rentals – a large non-tradable component of the CPI – have maintained the softer growth trend seen in recent months. The coming week will also bring further activity indicators for the June quarter, helping us to finalise our GDP estimate ahead of the release of the National Accounts on 19 September. Finally, we will receive an update on migrant and international visitor arrivals for July, the BusinessNZ manufacturing PMI for August and perhaps updated home sales data.

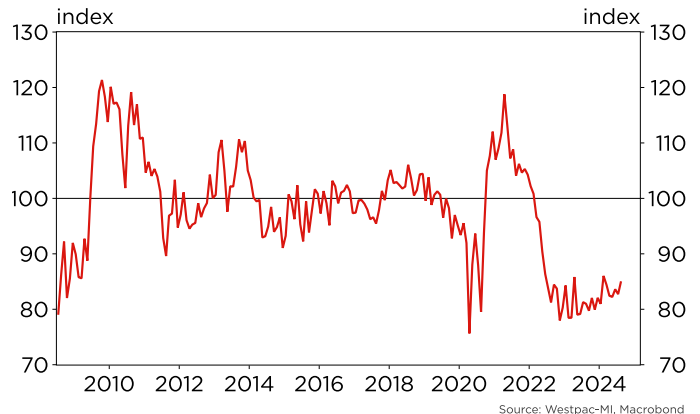
AUS: Sep Westpac-MI Consumer Sentiment (index)

Sep 10, Last: 85.0

Consumer sentiment rose 2.8% to 85 in August from 82.7 in July. There looked to have been a small sigh of relief after the RBA Board left interest rates unchanged at its August meeting and a little more residual support coming from tax cuts and other fiscal measures. However, the Index remains at very weak levels by historical standards.

September is likely to see the same themes, perhaps with a bit more unease about prospects for the economy following the latest national accounts update.

Westpac-MI Consumer Sentiment

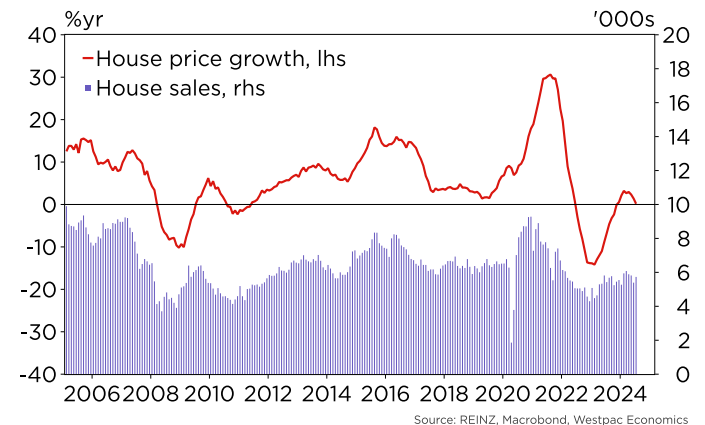


NZ: Aug REINZ House Sales and Prices

Sep 13 (TBC), Sales last: 14.5%yr, Prices last: 0.2%yr

The New Zealand housing market has lost momentum in recent months, after a flurry of activity early in the year. With mortgage rates now falling as the RBNZ begins its easing cycle, there are signs of renewed interest among potential buyers - though we don't expect that to translate into a lift in sales as soon as in August. Any boost to prices is more likely to be a 2025 story, given the existing logjam of unsold homes on the market. REINZ has not confirmed the release date for this report, but on its usual schedule it would be due by this Friday.

NZ housing market subdued prior to OCR cut



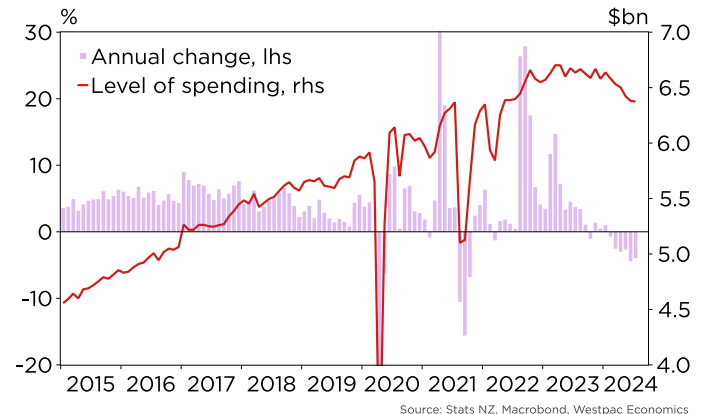
NZ: Aug Retail Card Spending (%mth)

Sep 12, Last: -0.1, Westpac f/c: +0.7

Total retail spending fell 0.1% in July, its sixth consecutive month of decline. While spending on essentials like fuel and groceries has held up, the pressure on household finances has seen spending in discretionary areas dropping back.

We're forecasting a 0.7% rise in spending in August. That's due to tax cuts and other support measures targeted at low-to-middle income families. That's likely to boost spending in areas like groceries and (potentially) hospitality.

Income tax cuts could lift retail spend in Aug



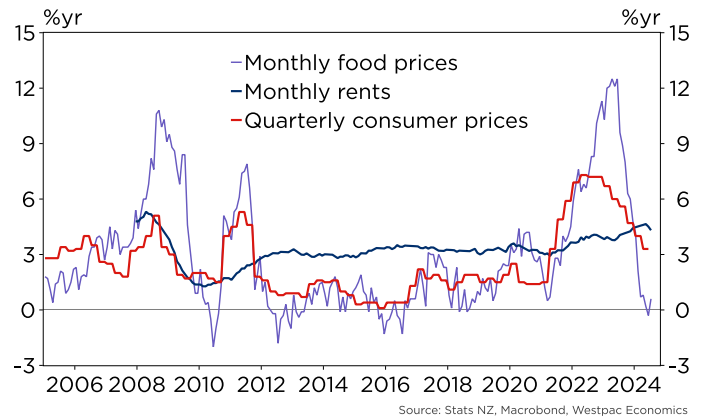
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NZ: Aug Selected Price Indices

Sep 12

Stats NZ's monthly price data covers around 45% of the CPI. There are two key areas to watch in the August update. First is whether the cooling in discretionary spending areas (like holiday/travel costs) has continued. While those prices are not typically a focus for monetary policy, weakness in such areas has been a significant drag on overall inflation over the past year. Second is the high-frequency indicators of domestic prices, like rents and takeaway foods. With a downturn in domestic activity, we have seen some softness in these areas. If that continues in August, it would reinforce expectations that medium-term inflation is trending back to 2%.

Mixed directions for monthly consumer prices



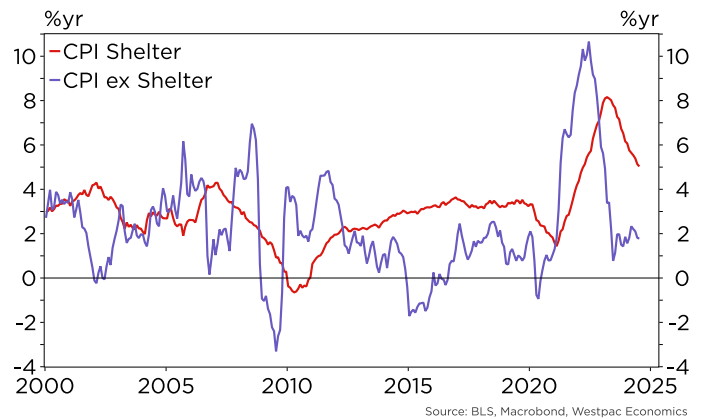
US: Aug CPI (%mth)

Sep 11, Last: 0.2, Westpac f/c: 0.2
Market f/c: 0.2, Range: 0.1 to 0.2

The August CPI report is likely to show further progress in the return of annual inflation to the FOMC's medium-term target of 2.0%, a 0.2% increase in headline prices to leave the annual rate around 2.6% versus 2.9% in July. With shelter the only reason annual headline inflation has been materially above 2.0% for more than a year, risks are arguably skewed to the downside.

Coming after the August employment report, this release will provide a clear assessment of the balance of risks ahead of the September FOMC meeting, when we expect the first 25bp cut of this cycle.

Sans shelter, inflation below 2%yr



What to watch

	For	Data/Event	Unit	Last	Market f/c	Westpac f/c	Risk/Comment
Mon 09							
Jpn	Q2	GDP	%qtr	0.8	0.8	-	Final estimate.
	Jul	Current Account Balance	¥bn	1533.5	2496	-	Investment income not as supportive of Yen as it used to be.
Chn	Aug	CPI	%yr	0.5	0.8	-	Soft consumer demand and excess capacity..
	Aug	PPI	%yr	-0.8	-1.5	-	... suppressing inflation pressures.
	Aug	M2 Money Supply	%yr	6.3	6.2	-	Weak credit demand warrants additional policy support...
	Aug	New Loans	ytd	13523	14600	-	... note data is due 915 September.
Eur	Sep	Sentix Investor Confidence	index	-13.9	-11.0	-	Uncertainty over politics introducing volatility.
US	Jul	Consumer Credit	\$bn	8.9	11.2	-	Rates and labour market uncertainty are headwinds.
Tue 10							
Aus	Sep	WBC-MI Consumer Sentiment	index	85.0	-	-	Consumer blues continue.
	Aug	NAB Business Conditions	index	6	-	-	Volatility around employment sub-index of late.
Chn	Aug	Trade Balance	US\$bn	84.7	81.5	-	Benefitting from robust demand across Asia.
UK	Jul	ILO Unemployment Rate	%	4.2	-	-	Conditions tight, but gradually moving into balance...
	Jul	Average Weekly Earnings	%yr	4.5	-	-	... seeing wages growth move off its peak.
US	Aug	NFIB Small Business Optimism	index	93.7	93.6	-	Still well below average, pointing to lingering uncertainty.
Wed 11							
Aus		RBA Assist' Governor (Economic)	-	-	-	-	Hunter speaking at the Barrenjoey Economic Forum.
NZ	Jul	Net Migration	no.	2710	-	-	Now running below average, after record highs last year.
UK	Jul	Monthly GDP	%	0.0	-	-	Public demand and services consumption resilient.
US	Aug	CPI	%mth	0.2	0.2	0.2	Another benign read anticipated.
Thu 12							
Aus	Sep	MI Inflation Expectations	%yr	4.5	-	-	Provides a general view on risks.
NZ	Aug	Retail Card Spending	%mth	-0.1	-	0.7	Expected boost from tax cuts and other support measures.
	Aug	Food Price Index	%mth	0.4	-	0.4	Seasonal lift in fresh produce prices.
	Aug	Rent Price Index	%mth	0.2	-	0.3	Pressures starting to ease.
Eur	Sep	ECB Policy Decision (Deposit)	%	3.75	3.50	3.50	Authorities growing confident in inflation's trajectory.
US	Aug	PPI	%mth	0.1	0.2	-	Broadly consistent with at-target goods inflation.
		Initial Jobless Claims	000s	227	-	-	To remain at a low level, for now.
Fri 13							
NZ	Aug	Manufacturing PMI	index	44.0	-	-	Up in July, but manufacturers remain under pressure.
	Aug	REINZ House Sales	%yr	14.5	-	-	Lower mortgage rates may help to revive buyer interest...
	Aug	REINZ House Price Index	%yr	0.2	-	-	...though the impact on prices likely to be muted at first.
Eur	Jul	Industrial Production	%mth	-0.1	-0.3	-	Stuck in the slow lane as global demand weakens.
US	Aug	Import Price Index	%mth	0.1	-0.3	-	Shipping costs a potential risk.
	Sep	Uni. Of Michigan Sentiment	index	-	-	-	Rate cuts to support as labour market remains robust..

Economic & financial forecasts

Interest rate forecasts

	Latest (6 Sep)	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
Australia											
Cash	4.35	4.35	4.35	4.10	3.85	3.60	3.35	3.35	3.35	3.35	3.35
90 Day BBSW	4.36	4.42	4.42	4.19	3.96	3.73	3.50	3.55	3.55	3.55	3.55
3 Year Swap	3.55	3.75	3.70	3.65	3.60	3.55	3.50	3.50	3.50	3.55	3.60
3 Year Bond	3.51	3.70	3.65	3.55	3.50	3.40	3.35	3.30	3.30	3.35	3.40
10 Year Bond	3.89	4.00	3.90	3.90	3.90	4.00	4.05	4.05	4.10	4.10	4.15
10 Year Spread to US (bps)	18	15	15	15	10	10	5	5	5	5	5
United States											
Fed Funds	5.125	5.125	4.625	4.125	3.875	3.625	3.375	3.375	3.375	3.375	3.375
US 10 Year Bond	3.71	3.85	3.75	3.75	3.80	3.90	4.00	4.00	4.05	4.05	4.10
New Zealand											
Cash	5.25	5.25	4.75	4.50	4.25	4.00	3.75	3.75	3.75	3.75	3.75
90 Day Bill	5.13	5.05	4.75	4.50	4.25	4.00	3.85	3.85	3.85	3.85	3.85
2 Year Swap	3.79	3.80	3.90	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
10 Year Bond	4.19	4.20	4.20	4.25	4.30	4.35	4.40	4.40	4.40	4.35	4.35
10 Year Spread to US	48	35	45	50	50	45	40	40	35	30	25

Exchange rate forecasts

	Latest (6 Sep)	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
AUD/USD	0.6728	0.66	0.67	0.68	0.69	0.70	0.71	0.72	0.72	0.73	0.73
NZD/USD	0.6212	0.60	0.61	0.62	0.62	0.63	0.63	0.63	0.63	0.63	0.64
USD/JPY	142.56	150	150	148	146	144	142	140	138	136	134
EUR/USD	1.1116	1.10	1.10	1.11	1.12	1.13	1.13	1.14	1.14	1.15	1.15
GBP/USD	1.3176	1.29	1.29	1.30	1.30	1.31	1.31	1.32	1.32	1.32	1.32
USD/CNY	7.0836	7.15	7.10	7.05	7.00	6.90	6.80	6.70	6.60	6.55	6.50
AUD/NZD	1.0825	1.10	1.10	1.10	1.11	1.12	1.13	1.14	1.14	1.14	1.14

Australian economic growth forecasts

	2024				2025				Calendar years			
% Change	Q1	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2023	2024f	2025f	2026f
GDP %qtr **	-	-	-	-	-	-	-	-	-	-	-	-
%yr end **	-	-	-	-	-	-	-	-	-	-	-	-
Unemployment Rate %	3.9	4.1	4.2	4.3	4.4	4.5	4.6	4.6	3.9	4.3	4.6	4.5
Wages (WPI) %qtr	0.9	0.8	0.8	0.7	0.7	0.7	0.8	0.8	-	-	-	-
%yr end	4.1	4.1	3.5	3.2	3.0	2.9	2.9	3.1	4.2	3.2	3.1	3.3
CPI Headline %qtr	1.0	1.0	0.3	0.4	0.7	0.9	1.1	0.7	-	-	-	-
%yr end	3.6	3.8	2.9	2.6	2.4	2.3	3.2	3.5	4.1	2.6	3.5	2.8
CPI Trimmed Mean %qtr	1.0	0.8	0.8	0.7	0.8	0.7	0.7	0.7	-	-	-	-
%yr end	4.0	3.9	3.5	3.4	3.1	2.9	2.8	2.9	4.1	3.4	2.9	2.6

** Forecasts currently under review.

New Zealand economic growth forecasts

	2024				2025				Calendar years			
% Change	Q1	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2023	2024f	2025f	2026f
GDP %qtr	0.2	-0.6	-0.2	0.4	0.5	0.5	0.5	0.6	-	-	-	-
Annual avg change	0.2	-0.3	-0.3	-0.3	-0.3	0.1	0.8	1.3	0.6	-0.3	1.3	2.3
Unemployment Rate %	4.4	4.6	5.0	5.3	5.5	5.6	5.6	5.6	4.0	5.3	5.6	4.9
CPI %qtr	0.6	0.4	1.1	0.4	0.5	0.4	0.8	0.5	-	-	-	-
Annual change	4.0	3.3	2.6	2.5	2.4	2.4	2.1	2.2	4.7	2.5	2.2	2.1

Past performance is not a reliable indicator of future performance. The forecasts given above are predictive in character. Whilst every effort has been taken to ensure that the assumptions on which the forecasts are based are reasonable, the forecasts may be affected by incorrect assumptions or by known or unknown risks and uncertainties. The results ultimately achieved may differ substantially from these forecasts.



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