



Week beginning 4 August 2025

AUSTRALIA & NEW ZEALAND WEEKLY

Analysis and forecasts for this week's key releases.

In this week's edition:

Economic Insight: RBA policy at sixes & sevens, expected to cut in August.

The Week That Was: Guarded optimism.

Focus on New Zealand: Key labour market reports loom.

For the week ahead:

Australia: household spending, goods trade balance, job ads.

New Zealand: Q2 labour market survey, RBNZ inflation expectations.

China: CPI, PPI, current account balance, foreign reserves, Caixin services PMI.

United Kingdom: BoE policy decision.

United States: ISM services, factory orders, trade balance, consumer credit, inflation expectations.

Information contained in this report current as at 1 August 2025

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RBA policy at sixes & sevens, expected to cut in August



Luci Ellis
Chief Economist, Westpac Group

- The RBA Monetary Policy Board (MPB) in July opted to wait for more confirmation that inflation is on track to return to the midpoint of the 2–3% target range and stay there. That confirmation has now come with the full June quarter CPI data.
- We therefore expect the MPB to cut rates by 25bps at its August meeting, to 3.6%. Further cuts in November, February 2026 and May 2026, also look increasingly likely.
- This week's data removes any awkwardness posed by inflation remaining too high for the RBA's comfort, at the same time that the labour market might be starting to ease again. RBA Governor Bullock understandably downplayed the pick-up in unemployment in the month of June, given the volatility in the data. Further softening in the labour market would sit uncomfortably with a decision to hold the cash rate at restrictive levels when underlying inflation is so close to target.

Normally, monetary policy decisions should not come down to a single number tipping the balance. Monetary policy affects the economy with a lag and thus needs to be forward-looking. This time around, though, as in several recent quarters, the latest read for underlying inflation has been material for the RBA MPB's upcoming decision.

This week's trimmed mean inflation data came in close to what the RBA wanted to see. The outcome (0.6%qtr, 2.7%yr) was spot on with the RBA's (unpublished) interim forecast, even to the second decimal place (0.59%qtr) as revealed by Deputy Governor Hauser at this week's 'fireside chat'. The RBA seemed to have revised up its trimmed mean near-cast after the last couple of monthly partial inflation reads, given it would have required a 0.55%qtr print in order to reach its initial 2.6%yr estimate from the May forecast round.

Our own forecast, confirmed in Westpac Senior Economist Justin Smirk's note earlier this week, was a 'skinny' 0.7%qtr, with downside risk, so the outcome was just a shade below our expectations. Quarterly reads in the 'sixes and sevens' puts underlying inflation squarely inside the RBA's 2–3%yr target range and is consistent with monetary policy no longer needing to be restrictive.

We therefore believe that the MPB now has the confirmation it needs to continue on its 'cautious' – if not so predictable last month – path of removing current monetary restrictiveness. Accordingly, we expect the RBA to cut the cash rate by 25bps

at its August meeting in a couple of weeks to 3.6%. With the internal members likely switching their votes from hold to cut, we expect the external members who voted to hold in July will also switch to a vote to cut, leading to a unanimous decision.

We suspect that this week's data will come as something of a relief to the RBA. By cementing the inflation case to cut, it removes any awkwardness around the signs of a renewed softening in the labour market, which would otherwise conflict with its response to inflation risks. RBA Governor Bullock downplayed the pick-up in unemployment in the month of June, rightly emphasising that one should never get hung up on one monthly read of a volatile series. The increase also took the quarterly average unemployment rate exactly in line with the RBA's May forecast for June quarter. If, however, the RBA were to keep the cash rate on hold again in August, only to see further softening in the labour market in the July data released two days after the meeting, it would complicate its strategy and communication.

If we are correct that the MPB does cut in August, the path from there also looks increasingly likely to line up with our current forecast of cuts in November, then February and May 2026. Assuming our expectations are borne out, that would take the cash rate to a trough of 2.85%. We think this is at the lower end of what could be regarded as neutral, and would reflect the RBA's response to a path for underlying inflation that turns out a little lower than what it forecast in May.

We got a little more colour on the RBA's interpretation of these inflation data, with Deputy Governor Andrew Hauser 'fireside chat'. Consistent with the new practice for a MPB that is meant to be more independent than the previous Board was (wrongly) perceived to be, the Governor and Deputy Governor will not give guidance in appearances between meetings.

Hauser's discussion on the state of the economy was broadly confirmatory of our view. Inflation is in a good place and the labour market is 'close to full employment'. This does raise the question of why the RBA thought it needed the confirmation of the quarterly CPI, when it already had two-thirds of the information behind the outcome.

Hauser also noted that there was a range of views among MPB members about how tight the labour market is. Perhaps some of them are mindful that an extended period of lower unemployment and high participation could have resulted in some path-dependence in the unemployment rate that is feasible without instigating faster wages growth.

Cliff Notes: guarded optimism

Elliot Clarke, Head of International Economics
Ryan Wells, Economist

All eyes were on the long-awaited [Q2 CPI](#) in Australia. In the event, the data confirmed that inflation is on track to sustainably return to the centre of the RBA's 2-3% target range. The disinflationary pulse was clearly on display across the bulk of the consumer basket, with the crucial trimmed mean measure tracking a 6-month annualised pace only a whisker above the midpoint (2.6%yr). The 0.7% gain in headline inflation brought the annual pace down towards the bottom of the band at 2.1%yr, as energy rebates continued to suppress electricity prices through the year – note, this dynamic is set to reverse in coming quarters.

Following the Q2 CPI release, [Chief Economist Luci Ellis](#) reaffirmed our call for RBA rate cuts in August, November, February and May for a terminal rate of 2.85% -- which we see as the lower end of the neutral range. With inflation now clearly on a sustainable path towards the midpoint, the other side of the Board's mandate – full employment – will become the focus of analysis. This was alluded to in the RBA Deputy Governor's 'fireside chat' this week, with Hauser stating that keeping the economy balanced "won't be an easy task" and that, if unemployment were to rise sharply, they would "have to react".

We also received constructive updates on the Australian consumer this week. For [retail sales](#), nominal trade beat expectations, rising 1.2% in June and 0.8% through Q2. However, price growth was the primary support for nominal sales during the quarter, real retail sales rising just 0.3%. The signal from [personal credit growth](#) was also promising, suggesting credit card activity may have picked up towards the end of Q2. While it remains to be seen if these outcomes are more signal than noise, following such a lengthy period of disappointment, these outcomes are certainly welcome. For our in-depth take on the health of the Australian consumer, please see our latest [Red Book](#).

Before moving offshore, it is also worth noting that [dwelling approvals](#) surprised sharply to the upside in June, up 11.9% (27.4%yr). Most of the heavy lifting was done by the often-volatile private units component, while the more stable private detached houses segment continued to track a flat trend. The outlook remains positive given the promise of RBA rate cuts, a labour market in robust health and housing demand clearly in excess of available supply.

Offshore, the US was the dominant market for both policy and data developments this week.

At their July meeting, [the FOMC voted](#) to leave the fed funds rate unchanged, albeit with two dissents – Bowman and Waller preferring to cut. The statement outlined that, while

growth moderated in H1 2025, labour market conditions remain solid. Inflation meanwhile "remains somewhat elevated", running at an above-target rate abstracting from the impact of tariffs. Made clear in the press conference is that while activity growth is positive and the labour market in balance, i.e. the unemployment rate is stable, the majority of the Committee believe it is appropriate to keep pressure on inflation to bring it closer to target.

The FOMC are mindful of the potential for downside risks to compound, however. While US GDP rose 3.0% annualised in Q2, this was primarily the result of a reversal of Q1's abnormal trade flows to get ahead of the implementation of tariffs. Domestic demand grew just 1.4% annualised through H1 2025, half the average of the prior 10 years. Consumption was weaker still, registering growth of just 0.9% annualised over the first 6 months of the year while housing investment contracted 3.0% annualised. Government demand was flat over the period, and business investment growth weak at 1.9% annualised in Q2 after Q1's 10.3% annualised surge. If these trends continue, the labour market will weaken further in coming months and the FOMC will be justified in moving closer towards a neutral setting. Note though, because of the presence of structural supports for inflation as well as tariffs, we continue to expect just 50bps of easing in H2 2025 and an unchanged stance thereafter versus the market expectation of around 110bps of easing through to end-2026. We also see the US 10-year continuing to drift higher on fiscal concerns.

Other data released this week was relatively insignificant. And both the Bank of Canada and Bank of Japan kept their policy stance and tone unchanged.

In the Bank of Canada's messaging, notable was the resilience of Canada and the global economy to the trade uncertainty created by the US. In Canada, trade-exposed sectors have shown weaker demand for labour, but other sectors are in robust shape, seeing excess supply only slowly trend up in aggregate. Ahead, this disinflationary pressure will be judged against the inflationary consequence of tariffs to gauge the appropriate stance for policy. Downside risks for employment and activity will also be closely monitored but, to a degree, have already been protected against by the Bank of Canada returning policy near neutral.

For the [Bank of Japan](#), higher near-term inflation has not shifted their perspective on policy or the known risks to the outlook. FY2025 annual inflation (to March 2026) is now expected to come in at 2.7%yr, up from 2.2%yr. However, being the result of a one-off surge in the price of rice, it is being looked through, with the BoJ's focus remaining on

wage outcomes and their impact on demand-driven inflation. Corporate profit margins are supportive of further robust wage gains, but the uncertainty clouding the global outlook is not. Our base expectation is that the BoJ will remain patient and only raise their policy rate again in March 2026. But we are mindful of their take on the summer bonuses data due late August. If this shows enough promise, and global uncertainty ebbs, the next rate hike could come in January 2026 instead.

Before concluding for the week, it is worth highlighting that the White House continues to announce updated tariff rates for nations across the world, effective 7 August. This week, the administration announced that country's who have a trade deficit with the US will have a minimum tariff of 10% (Australia included), and those with a trade surplus a minimum rate of 15%. Individual country rates vary significantly though, with recent examples including: Switzerland, 39%; Canada, 35% (excluding USMCA goods); South Africa, 30%; India, 25%; Taiwan, 20%; and Thailand / Cambodia, 19%. Industry tariffs are still be assessed by the administration and there is the potential for retaliation. US trade policy is therefore likely to remain a focus for markets in the weeks to come ahead of clear evidence of the policy's impact on the US economy – which is likely into Q4.

Key labour market reports loom

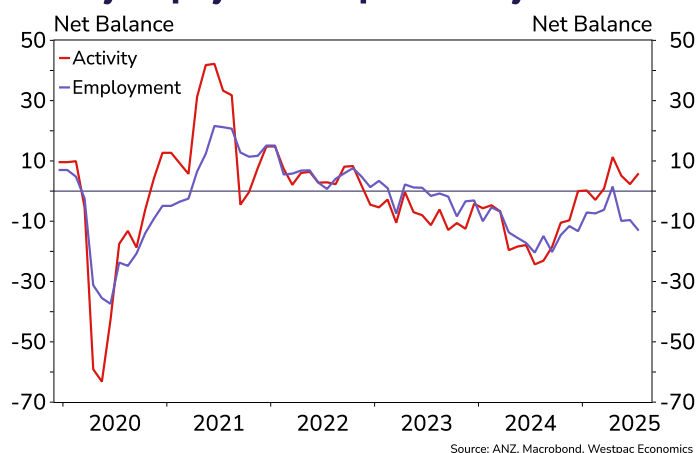


Darren Gibbs
Senior Economist NZ

For the most part it has been another subdued week for Kiwi financial markets, with the focus for local investors mostly on a busy week of central bank meetings and important data releases across the globe. This week's domestic data has not shifted the dial as far market pricing for the next RBNZ meeting is concerned. The market continues to assess an 85% probability of a 25bp cut in the OCR on 20 August – in line with Westpac's view – and a better-than-even chance of a final 25bp cut early next year.

One piece of international news of direct relevance to New Zealand was President Trump's announcement that goods from New Zealand will face a tariff of 15% from 1 August, up from the 10% tariff that had been announced originally on 2 April. This is also higher than the tariff that will be faced by Australian exporters, which was confirmed at 10%, putting New Zealand at a slight competitive disadvantage in key exports such as beef and lamb. While this additional tariff is clearly disappointing and unhelpful, we continue to think that the tariff will be manageable for most commodity exporters given the high prices that are currently being achieved. The level of the exchange rate also continues to be supportive of the export sector. And in many cases these tariffs – should they not be reversed by legal challenge – will likely ultimately be paid by the US consumer. But for some, such as those operating in the wine industry, a 15% tariff will likely be challenging.

Activity/employment compared with year earlier

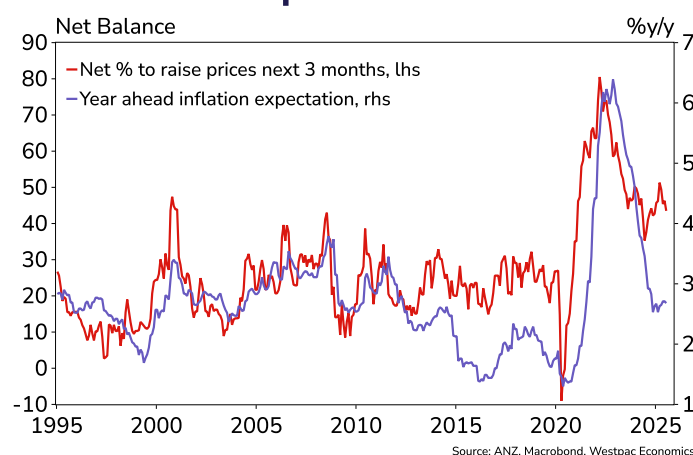


Turning to this week's local news, the ANZ business survey for July portrayed a broadly similar picture to the June survey. Both general confidence and firms' outlook for year ahead

activity remained at historically high levels, led by optimism in the agriculture sector. By contrast, the retail, construction and manufacturing sectors continued to report lower activity than a year earlier, and all sectors reported weaker employment than a year earlier. Somewhat surprisingly, expectations regarding the outlook for residential construction slumped to the lowest reading in a year. However, this indicator is volatile from month to month and so we would not read much into a single month's outcome.

Regarding inflation, the net proportion of respondents expecting to raise their selling prices over the next three months fell to the lowest level since December last year, led by softening expectations in the manufacturing and services sector. Even so, it remains higher than historically consistent with annual inflation remaining in the 1-3% target band. By contrast, firms' forecast of annual inflation a year ahead remained steady at 2.7%. This is in line with the average reading in the low inflation era, but above where it stood in the years leading up to the pandemic when CPI inflation was running below 2%.

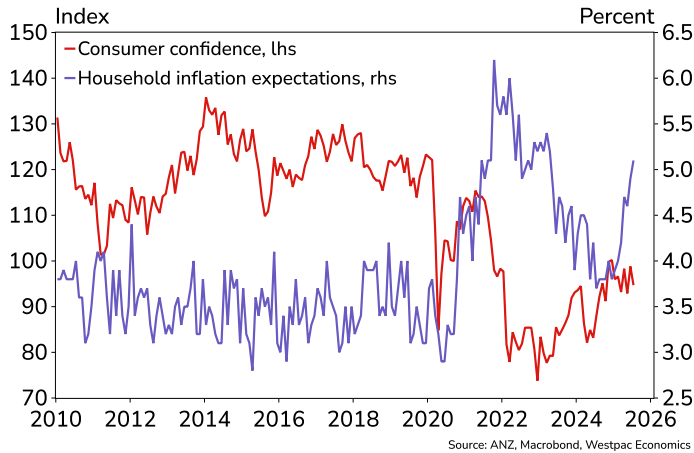
Business inflation expectations



Turning to the consumer, confidence appears to have stepped back in July with the ANZ's index falling 4pts to 94.7, thus remaining within the choppy range seen this year and at a level that is well below the long-term average – although closer to trend considering consumer confidence has been trending down for several years. At least part of the discontent felt by households likely owes to the recent uplift in food price inflation, with year-ahead expectations of CPI inflation nudging up to a fresh 2-year high of 5.1%.

Perceptions regarding the current state of the labour market and the economy also continue to weigh heavily, with the current conditions index sitting at just 85.4 in July. Meanwhile, respondents' expectations regarding house prices also moderated in July, with the expected price increase over the coming year falling to a more than 1-year low of 2.9%.

Consumer confidence and inflation expectations

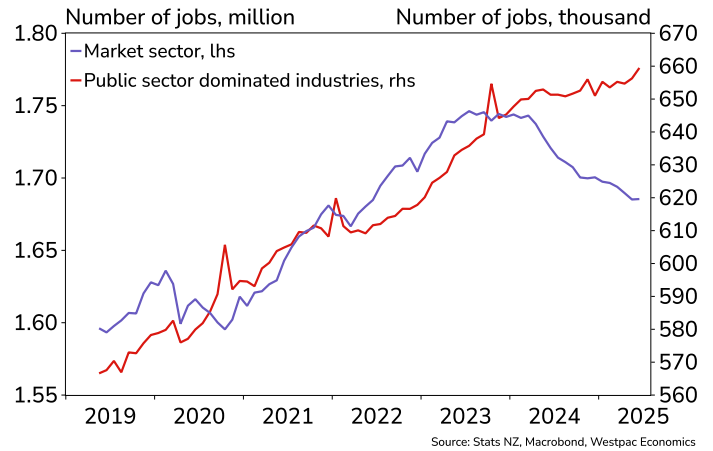


Staying with the housing market, dwelling consent issuance also remained in a choppy sideways trend in June, falling 6%/m following a 10%/m increase in May. Over the June quarter the number of consents issued was almost identical to a year earlier, and consistent with annual building levels remained at around 33,000 to 34,000 per year. This is down sharply from the peak but still a historically robust level of building considering the present rate of population growth and the stage of the construction cycle. That activity has contributed to the stability seen in house prices even as the number of house sales has increased from previous low levels.

The final data release of note this week was the Monthly Employment Indicator for June. According to Stats NZ, the number of filled jobs – as measured by tax records – rose 0.1%/m. Unfortunately, as is usually the case, the previous month was revised down to show a 0.1%/m decline compared to the 0.1%/m increase reported earlier. It seems very likely that the June estimate will face a similar revision when the July figures are released later this month.

As currently reported, the number of filled jobs declined 0.3% in the June quarter – the fifth consecutive quarterly decline. The industry detail pointed to continued growth in areas dominated by the public sector. Specifically, the number of people working in public administration and safety, education and training, and the healthcare and social assistance industries rose 0.3% in the June quarter and was 0.7% higher than a year earlier. By contrast, the number of jobs elsewhere in the economy fell 0.5% in the quarter and by 2.4% over the past year. Jobs growth is noticeably stronger in the South Island than the North Island (where urban areas predominate).

Monthly Employment Indicator



Turning to the week ahead, the focus will remain on the labour market with the release on Wednesday of the Household Labour Force Survey (HLFS) and Labour Cost Index (LCI) for the June quarter. As my colleague Michael Gordon [writes in his preview](#), in line with the Monthly Employment Indicator, we expect that the HLFS will report a 0.3% decline in employment in the June quarter, in contrast with the 0.2%/q increase that the RBNZ had forecast in the May Monetary Policy Statement. We expect that job losses will likely continue to be concentrated amongst younger people, some of whom may have simply exited the labour force and returned to education and other training. But while the labour force participation rate is likely to have declined, dampening the impact on the official measure of unemployment, we still expect the unemployment rate to have increased to 5.3% from 5.1% in the March quarter – a tenth higher than the RBNZ's May forecast.

We also expect to see further evidence of wage inflation dropping back to levels consistent with low and stable inflation. We forecast a 0.5%/q lift in the LCI in the June quarter following a 0.4%/q increase in the March quarter. If we are correct, annual growth will slow to 2.3% from 2.9% previously, helped by the dropping out of earlier large settlements in the public sector.

AUS: Jun Household Spending Indicator (%mth)

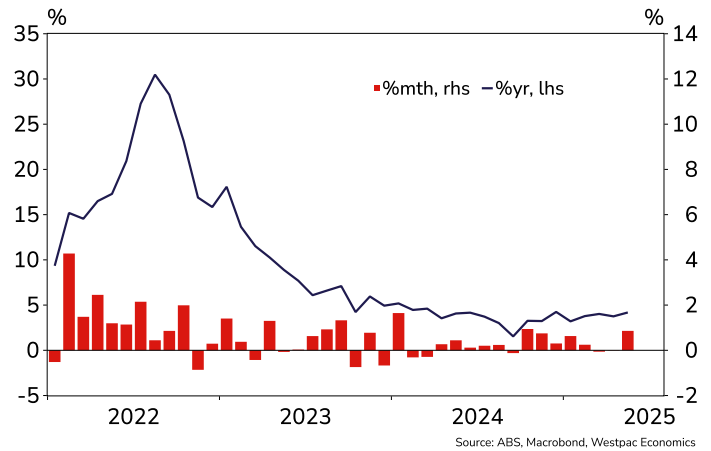
Aug 5, Last: 0.9, Westpac f/c: 0.7

Mkt f/c: 0.8, Range: 0.6 to 1.2

The ABS monthly household spending indicator (MHSI) rose 0.9%_{mth} in May – the strongest monthly gain since Oct, lifting the annual rate to 4.2%_{yr}. Even with that, the first two months of Q2 tracked a slower pace than Q1, which saw a 1%_{qtr} gain and a flat result for volumes.

Our **Westpac-DataX Card Tracker** suggests the May result carried into Jun – broadly corroborated by the solid rise in retail sales. That said, new vehicle sales look to have dipped slightly in the month (the MHSI includes vehicle sales as well). Overall, we expect Jun to show another reasonably solid +0.7%_{mth} gain. That should see nominal sales up ~1%_{qtr} again. Volumes should be a bit firmer for Q2 though given a slightly smaller CPI rise in the quarter – likely printing close to the 0.3%_{qtr} rise posted by real retail sales in the quarter.

Monthly household spending indicator



AUS: Jun Goods Trade Balance (\$bn)

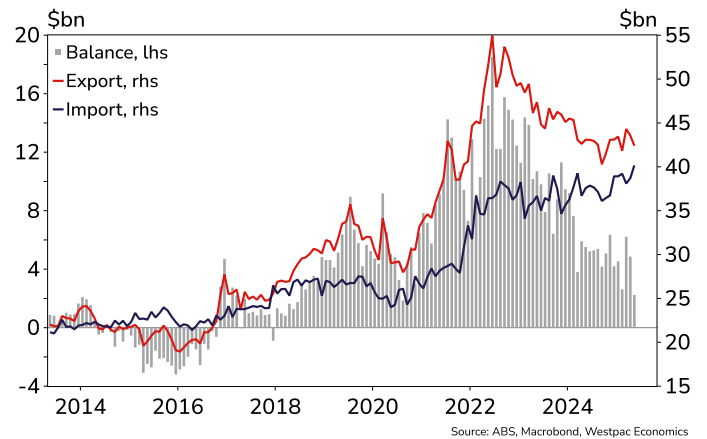
Aug 7, Last: 2.2, Westpac f/c: 3.5

Mkt f/c: 3.7, Range: 2.0 to 5.4

Last month, Australia's goods trade surplus dropped to \$2.2bn, the lowest level in almost five years. Goods exports fell, while imports brought an upside surprise, surging 3.8%_{mth}. The increase in imports was broad-based across major trading partners, suggesting a shift in global trading patterns as exporters are moving away from the US into other markets.

We are looking to see if strong imports were maintained in June, after the US-China tensions eased, and the US-UK reached a trade deal. On the exports side, data from major ports are pointing to a sharp recovery in coal exports, while LNG outflows should also increase. Meat exports are set to support the rural goods outflows. Overall, we expect a recovery in the goods trade surplus in June to around \$3.5bn.

Goods trade surplus



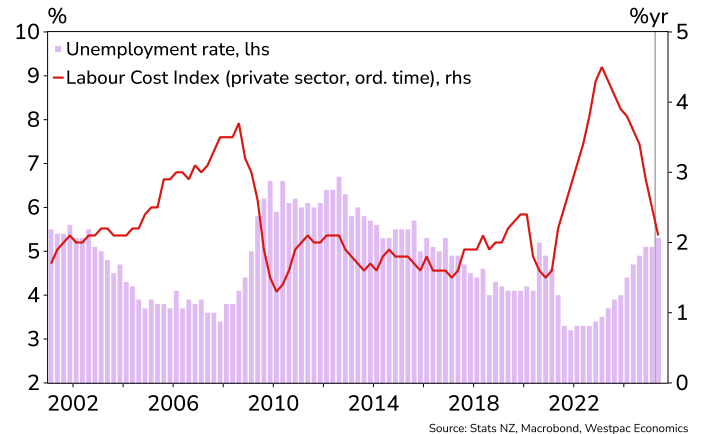
NZ: Q2 Labour Market Surveys

Aug 6, Unemployment Rate – Last: 5.1%, Westpac f/c: 5.3%

Labour Cost Index, Private – Last: +0.4%, Westpac f/c: +0.5%

We expect the unemployment rate to rise from 5.1% to 5.3% for the June quarter. Monthly data has pointed to further job losses, particularly among younger people. We expect that many of these people will have exited the workforce altogether, dampening the extent of the rise in the unemployment rate. Our expectations for employment and wage growth are softer than the Reserve Bank's last published forecasts in May, though more in line with the information it would have had at its 9 July policy review.

Softening jobs market sees wage growth ease

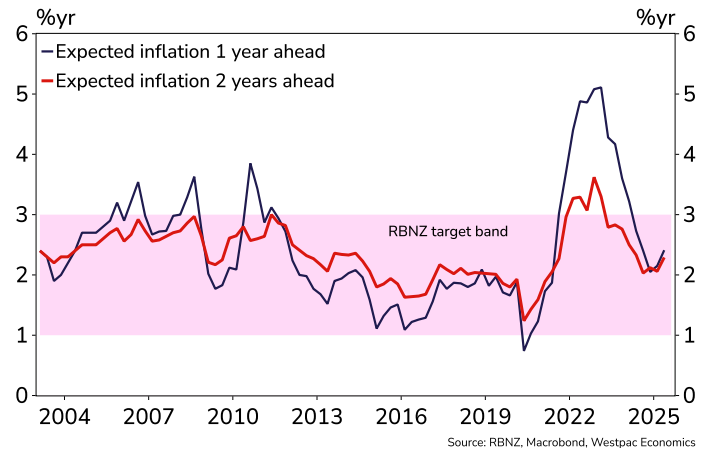


NZ: Q3 RBNZ Survey of Expectations

Aug 7, Expected Inflation Two Years Ahead, Last: 2.29%

Inflation expectations will be a key focus for the RBNZ ahead of its August policy meeting. While the RBNZ maintains an easing bias, inflation is pushing higher, raising questions about the extent and pace of further rate cuts. If longer-term expectations remain contained, it will be easier for the RBNZ to look through the recent uplift in inflation. Expectations of inflation have been pushing higher in recent months at all horizons, and we expect that trend will continue in the September quarter survey. Even so, longer-term expectations are likely to remain close to 2%.

Inflation expectations within the target range



What to watch

	For	Data/Event	Unit	Last	Market f/c	Westpac f/c	Risk/Comment
Mon 04							
Aus		Bank Holiday	–	–	–	–	NSW only. Markets still open.
	Jul	MI Inflation Gauge	%ann	2.4	–	–	Consistent with inflation at mid-point of target range.
Eur	Aug	Sentix Investor Confidence	index	4.5	8.0	–	Confidence remains shaky as trade uncertainties loom.
US	Jun	Factory Orders	%mth	8.2	–5.0	–	Weakness in durable goods orders to drive decline.
Tue 05							
Aus	Jul	ANZ–Indeed Job Ads	%mth	1.8	–	–	Foreshadowed the stabilisation in official job vacancies.
	Jun	Household Spending	%mth	0.9	0.8	0.7	Another solid gain likely in June, with vols up over the quarter.
NZ	Jul	ANZ Commodity Prices	%mth	–2.3	–	–1.5	Softer dairy, stronger meat prices.
Chn	Jul	Caixin Services PMI	index	50.6	–	–	Services is lagging as consumers build confidence
Eur	Jun	PPI	%ann	0.3	–	–	Greater trade with China could see producer prices decline.
US	Jun	Trade Balance	USDbn	–71.5	–62.0	–	Imports of critical inputs still driving a widening trade deficit.
	Jul	ISM Services	index	50.8	51.5	–	Consumers remain resilient thus far.
World	Jul	S&P Global Services PMI	index	–	–	–	Final estimate.
Wed 06							
NZ	Q2	Unemployment Rate	%	5.1	5.3	5.3	Rise in unemployment rate dampened by falling participation ...
	Q2	Employment	%qtr	0.1	–0.2	–0.3	... with job losses most prominent among youth.
	Q2	LCI Wage Inflation (Pvte, Ord. Time)	%qtr	0.4	0.6	0.5	Labour costs back in line with 2% overall inflation.
Eur	Jun	Retail Sales	%mth	–0.7	0.4	–	Pace of consumer spending starting to slow.
Thu 07							
Aus	Jun	Goods Trade Balance	AUDbn	2.2	5.4	3.5	Port data points to solid growth in export volumes.
NZ	Q3	RBNZ Inflation Expectations	%ann	2.3	–	–	Has picked up, but remains contained in target range.
Chn	Jul	Foreign Reserves	USDbn	3317	–	–	Downside risk as China continues to unwind its UST portfolio.
UK		BoE Policy Decision	%	4.25	4.00	4.00	Cautious cut amid lasting inflation and weaker labour market.
US	Q2	Productivity	%qtr	–1.5	2.5	–	US bucking the longer-term global trend of weak productivity.
		Initial Jobless Claims	000s	218	–	–	Remains low compared to history.
	Jun	Wholesale Inventories	%mth	0.2	–	–	Final estimate
	Jun	Consumer Credit	USDbn	5.1	7.2	–	Growth pace remains weak.
	Jul	NY Fed 1-Yr Inflation Expectations	%ann	3.02	–	–	Back to pre ‘Liberation Day’ levels.
Fri 08							
Jpn	Jun	Household Spending	%ann	4.7	2.7	–	Rice prices are weighing on consumer sentiment.
	Jun	Current Account Balance	¥bn	3436.4	1598.4	–	Pull-back in purchases of foreign securities buoys surplus.
Chn	Q2	Current Account Balance	USDbn	165.4	–	–	Surplus widening on firm global export demand.
Sat 09							
Chn	Jul	CPI	%ann	0.1	–	–	Excess capacity weighs on producer prices, which coupled ...
	Jul	PPI	%ann	–3.6	–	–	... with soft demand is keeping consumer prices low.

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Economic & financial forecasts

Interest rate forecasts

Australia	Latest (1 Aug)	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27
Cash	3.85	3.60	3.35	3.10	2.85	2.85	2.85	2.85	2.85
90 Day BBSW	3.69	3.55	3.30	3.05	2.95	2.95	2.95	2.95	2.95
3 Year Swap	3.39	3.35	3.45	3.60	3.75	3.80	3.85	3.90	3.95
3 Year Bond	3.47	3.40	3.50	3.65	3.80	3.85	3.90	3.95	3.95
10 Year Bond	4.32	4.35	4.40	4.40	4.45	4.50	4.55	4.60	4.65
10 Year Spread to US (bps)	-6	-15	-15	-20	-20	-20	-20	-20	-20
United States									
Fed Funds	4.375	4.125	3.875	3.875	3.875	3.875	3.875	3.875	3.875
US 10 Year Bond	4.38	4.50	4.55	4.60	4.65	4.70	4.75	4.80	4.85
New Zealand									
Cash	3.25	3.00	3.00	3.00	3.00	3.00	3.25	3.50	3.75
90 Day Bill	3.19	3.10	3.10	3.10	3.10	3.20	3.45	3.70	3.85
2 Year Swap	3.16	3.30	3.35	3.50	3.65	3.80	3.90	3.95	4.00
10 Year Bond	4.55	4.65	4.70	4.75	4.80	4.85	4.90	4.95	4.95
10 Year Spread to US (bps)	17	15	15	15	15	15	15	15	10

Exchange rate forecasts

	Latest (1 Aug)	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27
AUD/USD	0.6433	0.66	0.68	0.69	0.70	0.71	0.71	0.72	0.72
NZD/USD	0.5881	0.60	0.61	0.61	0.62	0.62	0.62	0.63	0.63
USD/JPY	150.66	143	141	139	137	136	135	134	133
EUR/USD	1.1415	1.18	1.19	1.19	1.20	1.21	1.21	1.21	1.21
GBP/USD	1.3199	1.37	1.37	1.37	1.37	1.37	1.37	1.38	1.38
USD/CNY	7.2087	7.15	7.10	7.05	7.00	6.95	6.90	6.80	6.70
AUD/NZD	1.0939	1.10	1.12	1.13	1.13	1.14	1.14	1.14	1.14

Australian economic forecasts

	2025				2026				Calendar years			
% Change	Q1	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2024	2025f	2026f	2027f
GDP %qtr	0.2	0.6	0.4	0.5	0.5	0.5	0.6	0.6	-	-	-	-
%yr end	1.3	1.7	1.8	1.7	2.0	2.0	2.1	2.2	1.3	1.7	2.2	2.6
Unemployment rate %	4.1	4.2	4.3	4.4	4.4	4.5	4.5	4.5	4.0	4.4	4.5	4.3
Wages (WPI) %qtr	0.9	0.8	0.7	0.6	0.8	0.8	0.7	0.7	-	-	-	-
%yr end	3.4	3.4	3.2	3.1	3.0	2.9	2.9	3.0	3.2	3.1	3.0	3.0
CPI Headline %qtr *	0.9	0.7	0.9	0.6	0.6	0.8	0.7	0.5	-	-	-	-
%yr end *	2.4	2.1	3.0	3.4	3.1	2.9	2.7	2.6	2.4	3.4	2.6	2.6
CPI Trimmed Mean %qtr *	0.7	0.6	0.7	0.6	0.5	0.6	0.6	0.6	-	-	-	-
%yr end *	2.9	2.7	2.6	2.6	2.5	2.4	2.3	2.3	3.3	2.6	2.3	2.6

* Forecasts currently under review

New Zealand economic forecasts

	2025				2026				Calendar years			
% Change	Q1	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2024	2025f	2026f	2027f
GDP %qtr	0.8	0.3	0.7	0.9	0.8	0.7	0.7	0.7	-	-	-	-
Annual avg change	-1.1	-0.8	0.2	1.3	2.1	2.7	2.9	2.9	-0.6	1.3	2.9	2.8
Unemployment rate %	5.1	5.3	5.3	5.2	5.0	4.8	4.6	4.4	5.1	5.2	4.4	4.1
CPI %qtr	0.9	0.5	0.9	0.5	0.5	0.4	0.9	0.4	-	-	-	-
Annual change	2.5	2.7	3.0	3.0	2.5	2.3	2.3	2.1	2.2	3.0	2.1	2.0

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