



Week beginning 24 November 2025

AUSTRALIA & NEW ZEALAND WEEKLY

Analysis and forecasts for this week's key releases.

In this week's edition:

Economic Insight: Robots, Humans and Donkeys.

The Week That Was: Chasing signal.

Focus on New Zealand: Does the RBNZ feel the need to boost the run-rate?

For the week ahead:

Australia: CPI, construction work, private capex, private sector credit.

New Zealand: RBNZ policy decision, real retail sales, employment indicator, business confidence.

Japan: jobless rate, industrial production, Tokyo CPI.

China: NBS PMIs, industrial profits.

Eurozone: European Commission economic confidence survey, IFO business climate survey.

United States*: Thanksgiving & Black Friday, Fed's Beige Book, consumer confidence, retail sales, PPI.

* The US data release schedule is being updated following the shutdown's end. Releases may be incomplete and the schedule updated at short notice for a number of weeks.

Information contained in this report current as at 21 November 2025

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.

Robots, Humans and Donkeys



Luci Ellis
Chief Economist, Westpac Group

- **AI automates some tasks previously performed by humans, but concerns about mass unemployment are overblown.** History shows that new technologies reduce the share of employment in the affected industries, but economy-wide production and employment rise. Nor will AI reduce the value of human labour. The things 'robots' can do will become more abundant, and their relative price will fall. The relative price of the things only humans can do will rise.
- **The impact will vary by occupation and experience level.** Clerical and administrative work will be more susceptible to AI automation, caring occupations and technical trades less so. Entry-level positions will be more susceptible than more senior ones, because they do more of the routine 'donkey work' amenable to automation. They are also more impacted by economic downturns generally. This explains the concerns about the entry-level and graduate job market in the US. So far, though, we do not see the same signs in Australia.
- **Demographic trends in countries like Australia (but not the US) point to a future workforce well-positioned for the AI era.** However, challenges remain in gender diversity and funding across key industries. Policy reforms and shifts in societal attitudes toward different occupations will be essential to navigate the changes.

AI – generative or otherwise – is simply another technology for automating previously manual tasks. If you can do something more productively, you need fewer people to produce current output. Understandably, people worry that their jobs will therefore disappear. Some commentators argue that AI will induce mass unemployment, requiring governments to introduce a Universal Basic Income. These messages have even come from voices in the tech industry, which hardly seems like a good way to garner public support for the industry's direction.

The good news is that with every wave of a new, transformative technology, we find new things to do. While there might be a bumpy transition, the end result is not lower employment. Consider that 300 years ago, around [two-thirds](#) of English men worked in agriculture; higher figures applied 200 years ago for agrarian colonial societies, including what became Australia. Now, [fewer than 2%](#) do, but we have more and more varied food to enjoy. The other 98% of the workforce do other things. The same process occurred when the Industrial Revolution mechanised spinning. The share of the non-agricultural workforce in England and Wales that was in the textiles industry fell even as production of clothing and

other textiles boomed. And rising manufacturing productivity in the 1900s enabled the expansion of many desirable services.

Contrary to the claims of the more tech-oriented commentators, AI does not [reduce the value of human labour](#). Quite the opposite. The supply of things 'robots' (AI) can do will expand massively, lowering their relative price. By contrast, the supply of workers available to do things that only humans can do will not increase as much, even allowing for some displacement through automation. Thus, the relative price of things only humans can do will in fact rise. The human touch, the in-person service, will become the prestige item, and a greater share of people will work in those fields.

And there will be many things that only humans can do, even as the AI models get better. In particular, knowing what the right question to ask is (which, along with "and how to ask it", is all that people mean by "prompt engineering") is a uniquely human activity.

The automation effect will not affect every job equally, of course. A range of [recent reports](#) have sought to quantify which tasks are most susceptible to full automation, which will be augmented, and thus which jobs will need to change the most. There are limitations to this work. For a start, jobs are not just a collection of disjoint tasks. The original ILO [methodology](#) also uses ChatGPT to work out which tasks are impacted and might not fully capture agentic AI's current and future capabilities.

Still, the pattern is clear – clerical and administrative work is most susceptible to automation, while for most other occupations, AI will augment rather than fully automate. Technical and building trades, along with 'caring' occupations where the human touch is so important, are the least impacted.

Another thread in the concerns about the impact of AI on the labour market is that it will be uneven across different experience levels in the same occupation. Put simply, the tasks most prone to automation are the routine ones usually performed by the less experienced members of an occupation. We already hear this concern from contacts in industries such as management consulting, tertiary education and elsewhere. If all the routine 'donkey work' in these white-collar occupations is eliminated, these contacts worry, what will the new graduate staff do? How will they learn?

We suspect these fears are overstated. The amount of ‘donkey work’ needed to teach the new graduates how to be a more senior member of the profession was surely lower than the amount that needed to be done. My own observation of the economics profession accords with this. The workload for a young public-sector economist three decades ago involved a lot of spreadsheet grunt-work that needed to be done but did not teach the young economist much after the first couple of times they did it. Nowadays, the data have become more abundant, the models more sophisticated and the expectations elevated. And despite not cutting their teeth on as much ‘donkey work’ as their predecessors, the young economists and other analysts of today certainly meet those higher expectations. A steeper learning curve was possible. (And perhaps, with less time spent learning and doing the ‘donkey work’, more time is available to develop the all-important judgement, soft skills and other things only humans can do.)

There is a less optimistic wrinkle to the issue of impact by experience level, though. Even if the skill expectations for new entrants to white-collar roles increase, these entry-level roles are still the most impacted. Academic research [shows](#) that new entrants are also the most impacted in economic downturns. It is much easier to just not hire an unknown quantity with no experience than to sack longstanding, experienced staff. These early-career experiences also seem to have a ‘scarring’ effect on people, long into their careers.

It is therefore no wonder that people are worried about the prospects for new entrants to the workforce in the AI era. In the US, signs of a weakening in this segment could be a signal of a weakening economy, but researchers from [Stanford University](#), the [St Louis Fed](#) and elsewhere suspect that AI adoption is already disrupting the jobs market. (It could also be a bit of both, or an unwind of some pandemic-era over-hiring.)

There does not seem to be evidence of this effect in Australia just yet. As Westpac Economics colleague Ryan Wells [noted last week](#), youth unemployment has been volatile and broadly picking up. But we are not yet seeing evidence of a generalised deterioration in hiring for entry-level roles. JSA notes that fill rates for vacant jobs have been improving, including in the June quarter (the [latest report](#)). If the bottom had fallen out of the entry-level jobs market, we would expect to see the average number of applicants per vacancy rise materially in key industries, but the number of qualified or suitable applicants remain steady or fall. But the JSA data show the opposite – rising average numbers of qualified/suitable applicants with total applicants steady or a little lower than a year or two ago.

The research on differential impact by occupation does suggest that some policy and societal response is needed, though. As noted above, the roles most impacted by AI are expected to be white-collar occupations with a lot of routine tasks amenable to automation. Those least impacted are the ‘caring’ occupations where human contact is needed, and technical and trades occupations, where physical processes predominate. We have [previously highlighted](#) the industry-level implications of this.

The glass-half-full view of these likely shifts is that trends in labour supply in most western countries, including Australia but not the US, are shifting in the required direction. As Ryan and I noted in a [report a couple of months ago](#), population ageing is, outside the US, leading to higher overall labour force participation, with the workforce becoming older and more female. A higher share of older, more experienced workers, who know what the right question is, are exactly the kind of workers who will be best placed to thrive in the AI era, perhaps with a little training and practice.

The glass-half-empty view, though, is that Australia already struggles to train enough technical and trades workers. A strong gender skew also limits supply: the construction industry has the lowest proportion of female workers of any industry. Even mining has a much better gender balance. Meanwhile, ‘caring’ occupations have expanded lately for other reasons, but public funding has its limits. Policy action is clearly needed around both these occupation groups. But society also needs to re-evaluate the social cachet accorded to some jobs over others.

Cliff Notes: chasing signal

Elliot Clarke, Head of International Economics
Ryan Wells, Economist

It was a relatively quiet week in Australia, the only notable data release being the [Q3 Wage Price Index](#). It printed in line with RBA and market expectations, rising 0.8% (3.4%yr). Wage dynamics vary by sector, private sector wages growth falling to its slowest pace in three years (3.2%yr) as public sector wages growth accelerated (4.3%yr), partly buoyed by base effects. Outcomes also varied by bargaining stream, with the contribution from individual arrangements trending lower as enterprise agreements added more.

Overall, the data is broadly consistent with a labour market that poses little risk to aggregate inflation, but which points to an ongoing rebalancing of jobs growth across market and non-market sectors. Taking a longer-term perspective, labour market composition is also at the heart of the debate around AI and automation, as discussed by [Chief Economist Luci Ellis](#) in this week's note.

"September's US employment report proved a vote of confidence in their economy's underlying health, consistent with the expectations of the FOMC."

Nonfarm payrolls rose 119k in the month, partly offset by a 33k reduction in July and August's cumulative gain. The 3-month average is now 62k, the top of the estimated range consistent with labour demand and supply being in balance. In September, the unemployment rate rose from 4.3% to 4.4%, but this was because of higher participation not job shedding. Hourly earnings growth was healthy but benign for inflation, wages up 0.2% in September and 3.8%yr.

The just released [minutes of the October FOMC meeting](#) highlight that, at the time of their deliberations, participants "saw risks to both sides of the Committee's dual mandate", but "many" felt that "downside risks to employment had increased since earlier in the year". At the time, members expected a further modest softening in the labour market, a view that is consistent with the above September result. With the next employment report not available until after the December meeting, the FOMC is likely to remain on hold into year-end; then, if the trend continues, slowly ease in 2026 as inflation risks ebb and downside risks for employment continue to edge up. We expect two 25bp rate cuts in the first half of 2026; the market currently has those two rate cuts priced plus an 80% chance of another two cuts in the second half.

Data out this week for the UK and Euro Area was inconsequential. The latest round of activity data for China released last Friday, however, highlighted a need for active policy easing in scale. In October, there was no improvement in consumer demand, year-to-date growth in retail sales instead edging down to a modest 4.3%. Property investment meanwhile continued to contract at a rapid rate, -14.7%ytd, as residential property sales declined 9.4%ytd and prices fell another 0.5% for new homes and 0.7% for existing.

Total fixed asset investment has lost the support of high-tech manufacturing investment, which is plateauing after incredible growth over the past five years, and so is currently down -1.7%ytd from -0.5%ytd in September. A statement of intent is needed from policy makers not only to support stronger domestic activity but also confidence amongst both households and business. The near-term path for sentiment will prove critical to medium-term capacity and wealth opportunities, and therefore to authorities' stated ambitions for the long run.

Does the RBNZ feel the need to boost the run-rate?



Kelly Eckhold
Chief Economist NZ

Economic data this week continued to be mixed ahead of the last RBNZ interest rate meeting of 2025 next week. Generally, the economic data seems to point to the RBNZ delivering a 25bp cut to 2.25%. But the pessimists on the MPC may want a 2% OCR to support the economy through the Christmas break. That shouldn't be ruled out.

The highlight of the New Zealand calendar in the coming week will be the final RBNZ interest rate meeting of 2025 – which is also the final meeting that Governor Hawkesby will be involved in. Financial markets have settled on the expectation that the RBNZ will deliver a 25bp cut to 2.25% and [we concur with that assessment as a central scenario](#). Beyond the 25bp cut, we expect the RBNZ to signal a conditional easing bias for early 2026 and the RBNZ's OCR projections to be revised down by around 30-35 basis points compared to their August projections. This would leave the low point in the RBNZ's projections at around 2.20% in the first half of 2026. Some move higher in the OCR should be evident in the RBNZ's projections through 2026 and 2027.

We don't think the data alone will get the MPC to a track that's 50 basis points or lower than presented in August, as the data has not fallen all to one side. Recent weeks have seen some firm manufacturing PMI data, but a still weak services sector PSI. The most important weaker indicator in recent months was June quarter GDP, which [RBNZ Chief Economist Paul Conway described in an interview to Bloomberg](#) as "raising the possibility of a more prolonged period of excess capacity." Conway also indicated that he saw the 50bp cut in October as "offsetting" that weakness. Otherwise, the data seem consistent with continued below-trend growth, implying the RBNZ will continue to take a cautious view consistent with their nowcasts. On the inflation front [we revised down slightly our forecast for the Q4 CPI](#) in response to the softness in rents and some other areas. However, the exchange rate is noticeably weaker and will push prices higher in 2026. The RBNZ might also note the improved global economic outlook and reduced agricultural sector tariffs as helping to reduce the uncertainty that the MPC has worried about.

So on balance the data likely points to just a 25bp cut, but how about strategy? The data can only take the RBNZ so far and the fog is dense – if only because New Zealand's key economic statistics (such as [GDP](#)) have significant shortcomings. External MPC member Gai has discussed [the case for incorporating uncertainty impacts on policy strategy](#) in an effort to boost the economy more effectively. He has also discussed [techniques for combating uncertainty](#) in a follow-up

speech in recent weeks. Gai's comments make a case taking aggressive action and by using scenario analysis to illustrate the data dependency in future policy. We think it's very likely we see some scenarios in the Monetary Policy Statement to illustrate some quite different policy paths in 2026.

On being aggressive, the choice is akin to the different batting approaches of two of New Zealand's finest test batsmen: Glenn Turner and Brendon McCullum. Is the best approach to take a Glenn Turner-esque methodical risk-averse approach, or the Brendon McCullum swashbuckling strategy and get down the wicket and play a big shot? For the RBNZ MPC we think the key question is "Does the RBNZ think they will need to come back to cut rates more in 2026?" If so, then the case for coming down the pitch and cutting 50bp now will look compelling.

So, we can see that depending on how individual MPC members view the risks and the appropriate strategy, there could be potential for a split in views that we will be looking for in the statement of record. We expect the MPC to be debating between a 25 and 50bp cut at this meeting. A vote may be required if individuals have quite different ideas on the appropriate policy strategy.

While we see a 25bp cut and perhaps another 5bp of easing in the RBNZ OCR track as a central scenario, other outcomes are possible. A hawkish scenario, with a 5% probability, would see a 25bp cut and a flat OCR profile from here, suggesting the easing cycle is likely over outside of further negative shocks. A more dovish scenario (with a 25% probability) is a 50bp cut and projections of a flat to falling OCR profile through 2026. This latter dovish outcome would be the MPC seeing the recovery in growth as unconvincing and significant excess capacity driving inflation quickly to 2% and then lower. The implied easing bias would still be data-dependent, with the larger OCR cut marketed as helping to balance the risks that growth doesn't broaden through the summer trading period, thus keeping the RBNZ ahead of the curve.

Finally, there is potential for some evolution in the MPC's communication approach around individual members' views. The drums are beating for some changes in this area – and we note the Bank of England has just begun including short statements from each MPC member on their votes and views of the outlook. Innovation in this area would be in line with the approach the Swedish Riksbank already takes and is now mainstream globally. There's an opportunity for the RBNZ to get in front of the debate here and include more of this sort of detail in the Statement of Record – we look forward to that.

AUS: Oct CPI (%ann)

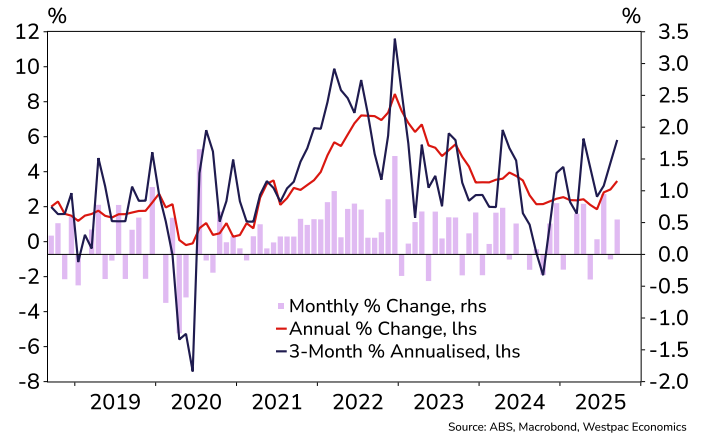
Nov 26, Last: 3.5, Westpac f/c: 3.9
Market f/c: 3.5, Range: 3.2 to 3.9

From the October release, the Monthly CPI is now the official CPI. As such, the ABS is now highlighting the monthly percentage change as well as the annual percentage change they focused on with the Monthly CPI Indicator.

Westpac is forecasting a 0.1% rise in October, and with -0.3% dropping out from October 2024, the annual pace is forecast to lift from 3.5%yr to 3.9%yr.

October is traditionally a softer month, the seasonally adjusted estimate is 0.5%, and the stronger outcome compared October 2024 is due to a smaller fall in electricity (-6.0%), a stronger gain in dwellings (0.4%), a smaller decline in rents (-0.2%) and a positive bump up in holiday travel & accommodation (2.6%).

Monthly Headline CPI



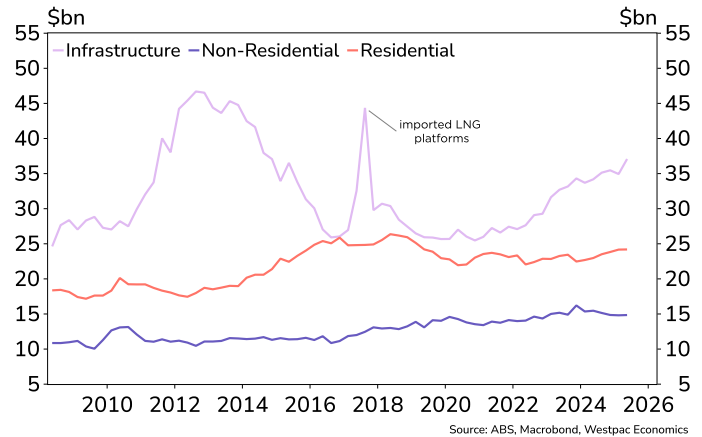
AUS: Q3 Construction Work Done (%qtr)

Nov 26, Last: 3.0, Westpac f/c: -1.1
Market f/c: 0.3, Range: -3.2 to 3.0

Construction activity lifted 3.0% (4.8%yr) in Q2. Growth was boosted by technical factors, such as imported structures and equipment being counted on a cash basis. Looking through this volatility, conditions remain patchy at best with public activity continuing to fall and residential work barely advancing.

For Q3, we expect engineering construction to unwind the previous mining-related spike. Outside of this, we see engineering construction remaining elevated but with growth starting to moderate. This is consistent with state budget plans and recent downward revisions to public infrastructure growth estimates. We also expect resi construction to continue to expand, while non-resi building construction stabilises. Recent strength in capital goods inflow poses an upside risk, if the new capital recorded as new work completed.

Mining-related infrastructure spike to unwind



AUS: Q3 Private CAPEX & 2025/26 Plans (%qtr)

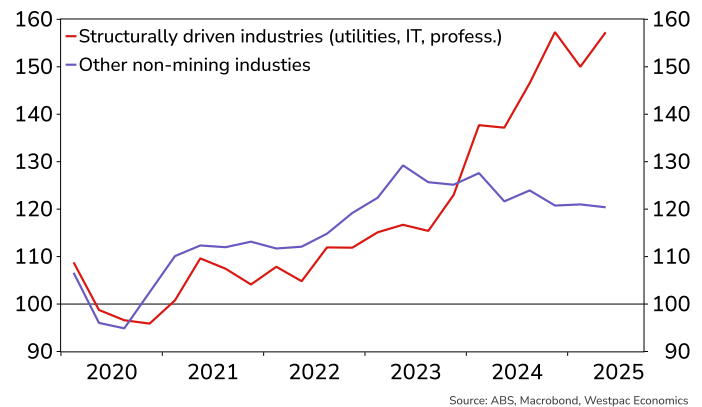
Nov 27, Last: 0.2, Westpac f/c: 0.5
Market f/c: 0.5, Range: flat to 2.5

Private capex grew by 0.2% in Q2. Structurally driven industries, such as IT, energy, and scientific/technical services, continued to lead, while more cyclical industries showed some weakness. We expect a similar dynamic to persist in Q3; however, we will be closely examining the data to see how consumer facing sectors are responding. Partial indicators, such as imports of capital goods, business sentiment and capex intentions in business surveys point to a lift in Q3 of around 0.5%qtr.

Est 3 for 2025/26 capex plans, after our adjustment, was consistent with subdued 3.7%yr nominal and 1.2%yr real growth. With the domestic recovery gathering pace and the global economic backdrop looking somewhat more resilient, we think that Est 4 will indicate firmer momentum. Our expectation for unadjusted plans is \$185bn.

CAPEX in different industries

Index 2020 = 100, Chain volume measures



AUS: Oct Private Sector Credit (%mth)

Nov 28, Last: 0.6, Westpac f/c: 0.6

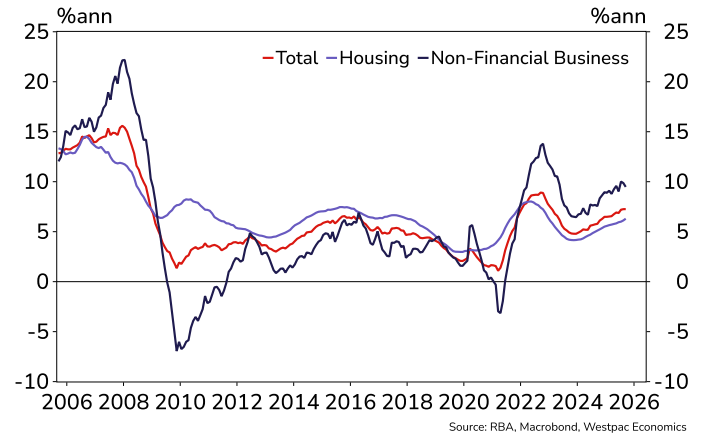
Market f/c: 0.6, Range: 0.4 to 0.7

Over the past six months, private sector credit growth has ranged between 0.6%*mth* and 0.7%*mth*, up from the 0.5% average seen throughout 2024 and early 2025.

For Oct, we anticipate this stronger trend to continue, with another 0.6%*mth* rise expected. Housing credit growth is likely to remain the key driver, following an acceleration in Aug and Sep. The Government's FHB 5% deposit scheme, introduced in Oct, may further boost housing credit, presenting some upside risk to our headline growth estimate.

We will also be closely watching business credit – recent months have been softer, and whether that persists will be a key question. Personal credit has averaged a solid 0.5%*mth* pace in the last six months, and given firmer consumer spending recently, we expect Oct to be similar or higher.

Private sector credit growth

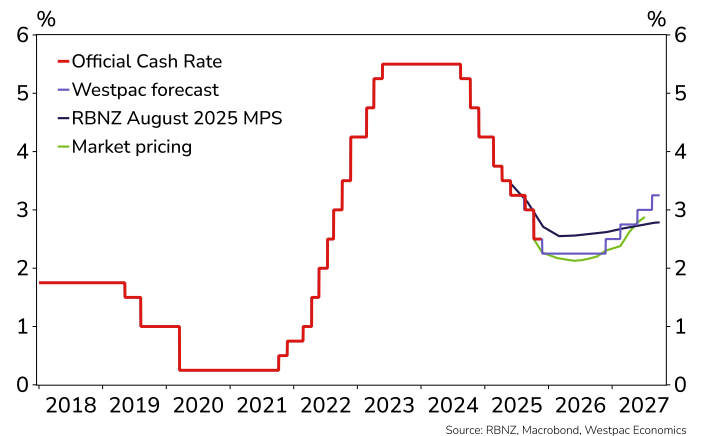


NZ: Nov RBNZ Policy Decision (%)

Nov 26, Last: 2.50, Westpac f/c: 2.25, Market f/c: 2.25

We expect the RBNZ will deliver a 25bp cut in the OCR to 2.25%. That will be accompanied by a downward revision in the projected OCR track of around 30-35bp, with a low point in the projection of around 2.20% in the first half of 2026. The implication is a mild and data-dependent easing bias for next year. The key judgements are likely around the extent of excess capacity, the short-term growth profile, the short-term inflation profile and the extent of anchoring of inflation expectations. A vote at this meeting is possible should members have very different ideas of the current policy strategy. The choice would be between a 25 and 50bp cut.

RBNZ Official Cash Rate

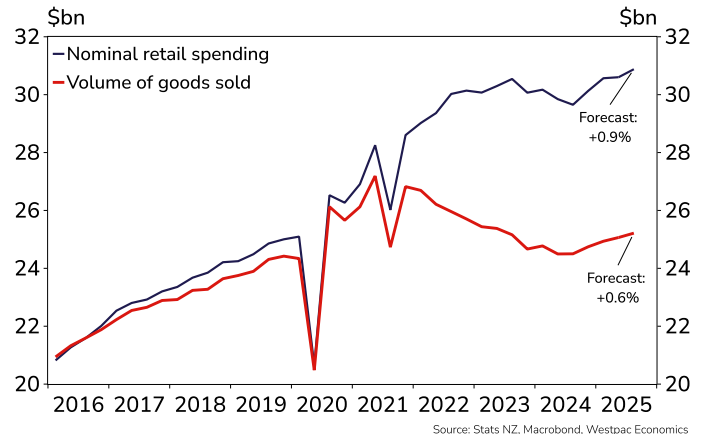


NZ: Q3 Real Retail Spending (%qtr)

Nov 27, Last: 0.5, Westpac f/c: 0.6, Market f/c: 0.6

Retail spending rose 0.5% over the June quarter, its third increase in a row. We expect that trend to continue through the September quarter. We're forecasting a 0.6% rise in the volume of goods sold, including a 0.4% lift in the 'core' categories (which exclude fuel and motor vehicle purchases). That sort of lift would be in line with monthly spending updates. But while spending did show signs of firming through mid-2025, recent updates indicate that the momentum in spending has eased as we've moved into the final part of the year.

Retail spending

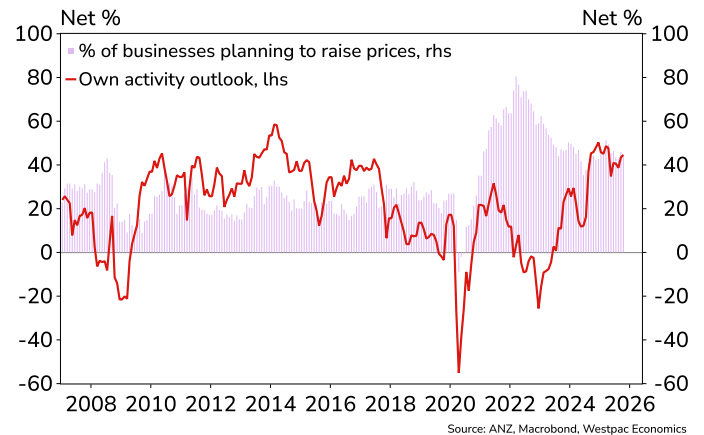


NZ: Nov ANZ Business Confidence

Nov 27, Last: 58.1

The October survey showed a solid rise in general business sentiment following the RBNZ's larger 50bp OCR cut that month, but only modest gains among the more detailed questions. While the movement for the month may not seem like a ringing endorsement of the RBNZ's efforts to provide a "circuit breaker", this survey has always reported high levels of confidence throughout 2025, and was only slightly dented by the US tariff announcement in April. Despite their confidence in the outlook, firms continue to report that current conditions are tough – and year-ago comparisons are getting harder now, as there was a pickup in activity in late 2024. The cost and pricing measures of the survey have been rangebound over the last year or so, but are worth keeping an eye on as the depreciation of the NZ dollar becomes significant.

Business sentiment remains high

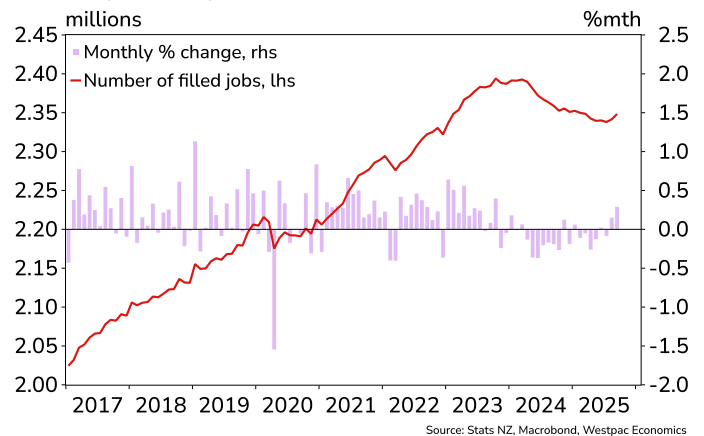


NZ: Oct Monthly Employment Indicator (%mth)

Nov 28, Last: 0.3, Westpac f/c: flat

The Monthly Employment Indicator showed a 0.3% rise in filled jobs in September, the most positive result since October 2023 (which itself was boosted by temporary hires for the general election). However, the MEI is typically overstated on the first release, due to incomplete information at month-end. We expect the September result will ultimately be revised down to around flat, putting it in line with the previous few months. The weekly snapshots provided by Stats NZ have remained subdued in recent weeks, at a time when we normally see a seasonal lift in hiring. We expect the October MEI to print close to flat initially, possibly revised to a minus in future releases.

Monthly Employment Indicator



What to watch

	For	Data/Event	Unit	Last	Market f/c	Westpac f/c	Risk/Comment
Mon 24							
Ger	Nov	IFO Business Climate Survey	index	88.4	–	–	Despite weak conditions, businesses are bullish on outlook.
US	Oct	Chicago Fed Activity Index	index	–0.12	–	–	Data previously delayed by government shutdown.
	Nov	Dallas Fed Manufacturing Survey	index	–5	–	–	Regional manufacturing surveys remain very volatile.
Tue 25							
US	Sep	Retail Sales	%mth	0.6	–	–	Data previously delayed by government shutdown.
	Sep	PPI	%mth	–0.1	–	–	Data previously delayed by government shutdown.
	Aug	Business Inventories	%mth	0.2	–	–	Data previously delayed by government shutdown.
	Sep	S&P Cotality CS Home Price Index	%mth	0.19	–	–	Affordability remains a looming constraint on price growth.
	Nov	Richmond Fed Manufacturing Index	index	–4	–	–	Regional manufacturing surveys remain very volatile.
	Nov	Conf. Board Consumer Confidence	index	94.6	93.3	–	Present situation souring, expectations looking shaky.
	Oct	Pending Home Sales	%mth	0.0	–	–	Contract signings slowly trending higher.
Wed 26							
Aus	Oct	Monthly CPI	%ann	3.5	3.5	3.9	Falling electricity and rents limiting the monthly increase.
	Q3	Construction Work Done	%qtr	3.0	0.3	–1.1	Mining-related infrastructure spike set to unwind.
		RBA Head of International Dept	–	–	–	–	Smith speaking at securitisation conference, 1:05pm AEDT.
NZ		RBNZ Policy Decision	%	2.50	2.25	2.25	RBNZ to maintain modest data-dependent easing bias.
US	Wkly	Initial Jobless Claims	000s	220	–	–	No signs of material job shedding.
	Sep	Durable Goods Orders	%mth	2.9	–	–	Core orders tracking gradual uptrend.
	Nov	Chicago PMI	index	43.8	–	–	Points to downside risk around activity.
	Nov	Federal Reserve's Beige Book	–	–	–	–	Qualitative update on conditions across the regions.
Thu 27							
Aus	Q3	Private New Capital Expenditure	%qtr	0.2	0.5	0.5	Growth led by structural industries, like IT and energy.
NZ	Q3	Real Retail Sales	%qtr	0.5	0.6	0.6	Spending firmed through the middle part of the year.
	Nov	ANZ Business Confidence	index	58.1	–	–	Headline measure rose strongly after the 50bp OCR cut.
Chn	Oct	Industrial Profits	%ann	21.6	–	–	Base effects to see growth remain elevated for time being.
Eur	Nov	EC Economic Confidence Survey	index	96.8	–	–	Uptick in business confidence a promising sign.
US		Thanksgiving	–	–	–	–	Markets closed.
Fri 28							
Aus	Oct	Private Sector Credit	%mth	0.6	0.6	0.6	Government's FHB 5% deposit scheme poses upside risks.
NZ	Nov	ANZ Consumer Confidence	index	92.4	–	–	Confidence still low, despite falls in interest rates.
	Oct	Employment Indicator	%mth	0.3	–	0.0	Weekly snapshots soft; Sep rise likely to be revised down.
Jpn	Oct	Jobless Rate	%	2.6	2.5	–	Structural forces keep conditions tight.
	Nov	Tokyo CPI	%ann	2.7	2.7	–	Inflation looking sustainable on a core basis.
	Oct	Industrial Production	%mth	2.6	–0.6	–	Still growing year-on-year, but outlook remains cloudy.
US		Black Friday	–	–	–	–	Markets close early.
Sun 30							
Chn	Nov	NBS Manufacturing PMI	index	49.0	–	–	Although abnormal seasonality muddled October's read ...
	Nov	NBS Non-Manufacturing PMI	index	50.1	–	–	... it's clear the domestic economy is in need of more support.

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Economic & financial forecasts

Interest rate forecasts

Australia	Latest (21 Nov)	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
Cash	3.60	3.60	3.60	3.35	3.10	3.10	3.10	3.10	3.10	3.10
90 Day BBSW	3.65	3.65	3.50	3.25	3.15	3.15	3.20	3.20	3.20	3.20
3 Year Swap	3.73	3.55	3.50	3.50	3.60	3.70	3.80	3.90	3.95	4.00
3 Year Bond	3.74	3.60	3.55	3.55	3.65	3.75	3.85	3.90	3.95	4.00
10 Year Bond	4.45	4.35	4.35	4.40	4.45	4.50	4.55	4.60	4.60	4.60
10 Year Spread to US (bps)	36	20	20	20	15	10	10	10	5	0
United States										
Fed Funds	3.875	3.875	3.625	3.375	3.375	3.375	3.375	3.375	3.375	3.375
US 10 Year Bond	4.09	4.15	4.15	4.20	4.30	4.40	4.45	4.50	4.55	4.60
New Zealand										
Cash	2.50	2.25	2.25	2.25	2.25	2.50	2.75	3.00	3.25	3.50
90 Day Bill	2.44	2.35	2.35	2.35	2.40	2.70	2.95	3.20	3.40	3.70
2 Year Swap	2.60	2.65	2.90	3.10	3.35	3.55	3.70	3.85	3.95	4.00
10 Year Bond	4.12	4.15	4.30	4.45	4.55	4.70	4.85	4.90	4.95	4.95
10 Year Spread to US (bps)	3	0	15	25	25	30	40	40	40	35

Exchange rate forecasts

	Latest (21 Nov)	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
AUD/USD	0.6445	0.66	0.67	0.69	0.70	0.71	0.72	0.72	0.73	0.73
NZD/USD	0.5594	0.57	0.57	0.59	0.60	0.61	0.62	0.63	0.64	0.65
USD/JPY	157.19	153	152	151	150	148	146	144	142	140
EUR/USD	1.1541	1.16	1.17	1.18	1.19	1.19	1.20	1.20	1.21	1.21
GBP/USD	1.3090	1.33	1.33	1.34	1.35	1.36	1.37	1.37	1.38	1.38
USD/CNY	7.1124	7.10	7.05	7.00	6.95	6.90	6.80	6.70	6.60	6.50
AUD/NZD	1.1521	1.16	1.17	1.16	1.16	1.16	1.15	1.14	1.13	1.12

Australian economic forecasts

	2025				2026				Calendar years			
% Change	Q1	Q2	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2024	2025f	2026f	2027f
GDP %qtr	0.3	0.6	0.6	0.6	0.6	0.6	0.6	0.6	–	–	–	–
%yr end	1.4	1.8	2.1	2.1	2.4	2.4	2.4	2.4	1.3	2.1	2.4	2.6
Unemployment rate %	4.1	4.2	4.3	4.4	4.5	4.5	4.6	4.6	4.0	4.5	4.6	4.4
Wages (WPI) %qtr	1.0	0.8	0.8	0.8	0.8	0.7	0.7	0.8	–	–	–	–
%yr end	3.5	3.4	3.4	3.4	3.2	3.1	3.0	3.0	3.2	3.4	3.0	3.1
CPI Headline %qtr	0.9	0.7	1.3	0.6	0.9	0.8	0.7	0.5	–	–	–	–
%yr end	2.4	2.1	3.2	3.6	3.6	3.6	2.9	2.8	2.4	3.6	2.8	2.6
CPI Trimmed Mean %qtr	0.7	0.7	1.0	0.7	0.6	0.6	0.5	0.6	–	–	–	–
%yr end	2.9	2.7	3.0	3.1	3.0	2.9	2.4	2.3	3.3	3.1	2.3	2.6

New Zealand economic forecasts

	2025				2026				Calendar years			
% Change	Q1	Q2	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	2024	2025f	2026f	2027f
GDP %qtr	0.9	-0.9	0.4	0.8	0.6	0.3	0.8	1.2	–	–	–	–
Annual avg change	-1.1	-1.1	-0.4	0.3	0.5	1.2	1.6	2.1	-0.6	0.3	2.1	3.4
Unemployment rate %	5.1	5.2	5.3	5.4	5.4	5.3	5.1	4.9	5.1	5.4	4.9	4.3
CPI %qtr	0.9	0.5	1.0	0.4	0.4	0.5	0.8	0.5	–	–	–	–
Annual change	2.5	2.7	3.0	2.9	2.3	2.3	2.1	2.3	2.2	2.9	2.3	2.1

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