Week beginning 9 February 2026

AUSTRALIA & NEW ZEALAND WEEKLY

Analysis and forecasts for this week's key releases.

In this week's edition:

Economic Insight: Play in May, don't go away.

The Week That Was: Facing uncertainty.

Focus on New Zealand: Turning a corner.

For the week ahead:

Australia: Westpac–MI consumer sentiment, household spending indicator, dwelling finance, RBA speak.

New Zealand: Manufacturing PMI, net migration, RBNZ inflation expectations.

China: CPI, PPI, new home prices.

Japan: Current account balance.

Eurozone: Sentix investor confidence, trade balance, Q4 GDP.

United Kingdom: Q4 GDP.

United States: Non-farm payrolls, CPI, NFIB business sentiment, retail sales, import price index.

Information contained in this report current as at 6 February 2026.

Play in May, don't go away

Luci Ellis
Chief Economist, Westpac Group

- **With inflation now higher (and overall demand growth stronger) than previously expected, the RBA raised the cash rate in February. The question then becomes, how much more is coming and when? We believe that another cash rate increase will occur, in May.**
- **There are pathways that result in the next rate hike occurring at the March meeting, but this is less likely. The RBA believes (as we do) that much of the recent increase in inflation is temporary, which reduces the urgency of follow-up hikes.**
- **If things turn out as we expect, the RBA will be able to point to some turnaround in inflation, as temporary factors wash out by the time the August meeting comes around. This will enable the Board to take a 'wait-and-see' approach with policy already restrictive. There are scenarios where it will want to raise rates even further then, but they are not our baseline expectation.**

The shift in the interest rate outlook in Australia since six months ago is quite the turnaround. Inflation has kicked up in ways that were not apparent or expected in mid 2025. One reason was that, while a slowdown in public demand growth and pick-up in private demand growth were both expected – as can often be an issue – the net of the two has been more positive than anticipated. Prices tend to respond sooner than volumes when demand surprises. Above-average inflation in many administered prices didn't help. The RBA has responded to this, first by preparing the ground for a rate hike and ruling out the previously expected cuts, and then by delivering that rate increase at its February meeting. The question then becomes, how much more should we expect the cash rate to rise, and when?

We currently expect one more rate rise, in May. Other paths are possible if the data flow turns out differently than our expectations.

The main plank supporting this view is that the RBA Monetary Policy Board appears to be dissatisfied with the inflation trajectory implied by its staff forecasts. It therefore thinks it needs to do more than the roughly one extra hike that was priced in at the time those forecasts were finalised. It is unlikely that the data flow will turn softer soon enough to prevent it from moving in May. Even if the labour market does unravel unexpectedly, that will not happen soon enough to affect a May decision. Similarly, we think there is enough near-term momentum to inflation that the narrative that "it is showing some persistence" cannot be walked back by May.

Our expectation for the March quarter inflation print is only marginally lower than what we believe the RBA's to be. Near-term inflation outcomes would have to surprise noticeably to the downside to stay the RBA's hand at its May meeting.

Recall that RBA's forecasts are based on the technical assumption that the cash rate follows market pricing at the time the forecasts are finalised. As the Governor repeatedly emphasises in post-meeting media conferences, this is not a forecast or promise from the RBA. Rather, it is necessary to ensure that the forecasts are coherent across financial market variables. The market path for the cash rate is the one consistent with the exchange rate being where it is, another technical assumption in the RBA's forecasting framework.

You can, however, glean something about what the RBA thinks regarding the rates outlook from the inflation forecast that the market path delivers. If it is uncomfortably high for too long, this is a sign that the Board thinks it might need to do more than was priced in. Again, an alternative path is not baked in, but it does give a guide to the balance of probabilities. And if the tone of the post-meeting press conference is any guide, at least some Board members think they will have to do even more than the 60bp increase over 2026 that was priced in at the time.

"We currently expect one more rate rise in May. Other paths are possible..."

Could the rate increase come as soon as March, as a back-to-back hike? We cannot rule this out, but it is not our base-case expectation. While the staff forecasts are consistent with the RBA believing it might have to do more, the divergence from a more desirable inflation path was not large. And it is clear both from the post-meeting communication and today's testimony before the House of Representatives that the RBA thinks that '[m]uch of the increase in inflation is judged to be temporary' and only some of it is persistent. It is plausible that there are members of the Board and/or the staff that see the need for tightening as more urgent, and therefore possible that some votes for a hike will be recorded in March. Given the RBA's published assessment of the nature of the increase in inflation, though, we do not think the majority will vote for a March hike.

Beyond May, we think it is possible that the RBA will want to keep raising rates, but that this scenario is less likely than an extended period on hold in a restrictive stance, one that is not far off the earlier peak. Our assessment of the outlook is ▸

that a downward trajectory in underlying inflation will emerge and will start to be evident in the Q2 data. Part of this will be the start of the unwinding of the temporary component of the recent increase. Those who are more familiar with the 'long and variable lags' of monetary policy will note that this would be a very quick turnaround for monetary policy to have done the deed. Watch also for the labour market slowing more and sooner than the RBA is forecasting as a signal supporting on-hold policy beyond May.

A factor that received less attention in the RBA's post-meeting communication and testimony is the role of the exchange rate in shaping the inflation outlook. Some of the recent pick-up in inflation came from consumer goods. Most of these are imported, and the weakness earlier in 2025 in the AUD, especially relative to the USD, would have played a role in this. (Recall that China's currency is managed closely to the USD, so the AUD/USD rate effectively comprises around 40% of Australia's trade-weighted index.) With the AUD now noticeably higher since the previous forecast round, the contribution to overall inflation from this source will go into reverse. Our own models as well as a commercially available whole-economy model suggest that pass-through of lower prices of imported goods through to retail prices could slow overall inflation noticeably sooner than the RBA's forecasts imply. Our own forecasts make some allowance for this, but the model-implied effect implies that this could be stronger than we assume. (There are, of course, also upside risks to inflation, notably from home-building costs.)

Bottom line: we expect another hike in the cash rate in May, and while the risks are that they move sooner or do more, the likely data flow supports a one-hike-in-May scenario.

Cliff Notes: facing uncertainty

Elliot Clarke, Head of International Economics
Mantas Vanagas, Senior Economist
Ryan Wells, Economist
Illiana Jain, Economist

The RBA Monetary Policy Board decided to raise the cash rate by 25bps to 3.85% this week, in line with economist and market expectations. Justifying the decision, the Board stated that inflation had "picked up materially" against a backdrop of "greater momentum in demand". Capacity pressures were seen as "unlikely to explain the majority of the recent increase [in inflation]", with "sector-specific demand and price pressures" which "may not persist" also evident. Together, these dynamics are contributing to elevated near-term inflation and a slower projected return to target, a clear source of discomfort for the Board.

In a video update midweek, Chief Economist Luci Ellis discussed the RBA's forecasts and the implications. A technical assumption of at least one more rate hike in 2026 together with a trimmed mean inflation forecast slightly above the mid-point at horizon's end (2.6%yr in Jun-28) suggests another rate hike is most probable. We have consequently incorporated a follow-up 25bp hike in May into our baseline view. Note though, this adjustment reinforces our view that rate cuts are likely to prove necessary down the track, most likely in November 2027 and February 2028, leaving the cash rate at 3.60%.

Higher actual and expected interest rates have softened house price growth at the margin. Stripping out the effect of 'thin' trading over summer, Cotality reports that national house price gains on a seasonally adjusted basis have moderated from 1.1% in Oct-Nov to 0.9% over Dec-Jan. Choppy monthly reads for dwelling approvals have meanwhile made assessing the strength of 'front-end' housing supply a challenge. 2025 was a more positive year for new supply, but it was still well below the Government's Housing Accord target. And headwinds are now stronger.

Before moving offshore, a final note on trade. The latest read on goods trade saw the surplus edge slightly higher to $3.4bn in December, supported by a modest gain in export earnings and a small decline in the import bill. The underlying dynamics point to a continued trend narrowing in the surplus, as global demand for commodity exports remains subdued and domestic recovery buoys consumer imports.

Offshore, there was plenty of central bank communications to parse.

The Bank of England kept rates steady at 3.75% in a 5-4 vote. Forward guidance points to a slower pace of easing in 2026 than 2025, with future decisions characterised as "a closer call". According to the minutes, there are presently three camps in the MPC. The most hawkish advocated to keep rates on hold, concerned inflation may hold above target. The middle camp, which contained Governor Bailey and Catherine Mann, noted that there is room for additional easing, but wanted further evidence that weaker activity will feed through to inflation. While the four doves that voted for a cut are already confident inflation will normalise.

The updated BoE forecasts certainly make the case for additional easing in 2026. Most notably, the inflation profile has been revised down significantly, now foreseeing a return to 2.0%yr by Q3 this year and a pace at year end 0.5ppts lower than expected three months ago. GDP growth is forecast to be 0.3ppt lower in Q4 2026 at 1.1%yr, and the unemployment rate 0.3ppts higher at 5.3%. We continue to anticipate a further Bank Rate cut in March followed by a final cut in Q2.

The European Central Bank meanwhile decided to hold rates steady in February. No new forecasts were released, and the central bank's forward guidance was largely unchanged, with the Governing Council set to "follow a data-dependant and meeting-by-meeting approach". In the press conference, President Lagarde highlighted external risks stemming from "a volatile global policy environment" and weaker sentiment in financial markets. On inflation, she stated that underlying inflationary pressures remain consistent with the 2% target, but also acknowledged that euro appreciation could push inflation below the desired level.

The stable outlook for inflation allowed President Lagarde to reiterate that the ECB is in a "good place", signalling that she, and likely most Governing Council members, currently see no reason to alter the existing policy stance. We hold a similar view, expecting policy to be unchanged through 2026, though we are mindful of the potential disinflationary impact of euro appreciation.

Finally to the US, the ISM PMIs for January pointed to improved conditions in the manufacturing sector and little change for services. The manufacturing PMI rose 4.7pts overall as the new orders component gained 9.7pts and employment was up 3.3pts. Note though that employment remains 4.8pts below the pre-COVID average, consistent with other labour market indicators which point to limited marginal labour demand. For services, conditions were unchanged overall despite a large decline in inventories and export orders. Employment also fell 1.4pts to be 6.3pts below its pre-COVID average.

Upstream prices pressures remain evident across the economy, the manufacturing prices component up 0.5pts in the month to be 3.2pts higher than its historic average and the services measure up 1.5pts, 10.4pts above the pre-COVID average. Tariffs, energy costs and capacity constraints across the economy are likely fuelling these pressures.

Turning a corner

Michael Gordon
Senior Economist

This week's labour force surveys showed that the jobs market remains soft, but with some early signs of improvement as the economy starts to regain momentum. With the details largely in line with the RBNZ's previous forecasts, we don't think it will have given them much new to ponder, over and above the already-improving flow of data in the last few months.

The Household Labour Force Survey (HLFS) showed a 0.5% rise in the number of people employed over the December quarter. That was more than what was suggested by the Monthly Employment Indicator (MEI), a comprehensive measure based on income tax data, which formed the basis of our forecast. However, there was an even larger rise in the labour force participation rate from 70.3% to 70.5%, with the net result being a small rise in the unemployment rate.

It's actually not uncommon for both employment and participation to surprise in the same direction, and it most likely reflects the sampling error that is inherent in the household survey. We generally recommend focusing on the unemployment rate, where any such sampling errors will cancel each other out. In this case, unemployment ticked up from 5.3% to 5.4% – above our forecast of a flat outturn, but not meaningfully different.

There was a further lift in average hours per worker, a positive indicator for December quarter GDP. In the early stages of an economic recovery, it's not surprising to see businesses trying to get more out of their existing workers before they resort to more hiring. Our discussions with businesses suggest that there has been a degree of labour hoarding during the recent downturn, as employers were concerned about being caught out again by the skill shortages that were prominent a few years back.

Given the existing degree of slack in the labour market, wage trends unsurprisingly remained subdued. The Labour Cost Index rose by 0.4% overall for the quarter, with a 0.5% rise in the private sector and a more modest 0.3% rise in the public sector. On an annual basis the LCI rose by 2.0%, its slowest pace since March 2021. Other measures such as the QES average hourly earnings, which more closely reflect what workers actually receive in hand, also slowed on an annual basis.

The labour force surveys were the last major data release ahead of the Reserve Bank's Monetary Policy Statement on 18 February (aside from their own survey of inflation expectations, which will be released next Friday). The details were largely in line with the RBNZ's November MPS forecasts, with some small overs and unders. Still-muted wage pressures mean that the RBNZ has time to assess the strength and durability of the recovery before they start reversing last year's rate cuts. We're comfortable with our forecast that the first OCR hike will come in December 2026.

That said, it's clear that monetary policy is moving into a new phase. As we discussed in last week's essay, the RBNZ is under no immediate pressure to follow the RBA into raising rates, as current conditions are quite different across their respective economies. But there's likely to be a vigorous discussion around the committee table about the appropriate timing of rate hikes. Our latest Hawks, Doves and Kiwis report considers the arguments that might be made in both directions.

The other data this week generally continued the positive tone of recent months. The latest GlobalDairyTrade auction saw a 6.7% jump in world dairy prices, the third consecutive gain. Dairy prices have now erased the steep fall that we saw in November and December, though they're still down about 8% on this time last year. The rebound in prices has been a surprise given the well-documented surge in global milk production, but it indicates that the level of demand also remains robust. We recently nudged up our farmgate milk price for this season by 10 cents to $9.40/kg; the latest auction result leaves us with some upside risk to that.

Finally, dwelling consents eased back by 4.6% in December, but that followed a cumulative 22% rise since June. Around 36,600 new dwellings have been consented over the past year, the highest annual total in two years. Lower interest rates have been encouraging developers to bring new projects to market, by both reducing developers' financing costs and supporting a lift in buyer demand.

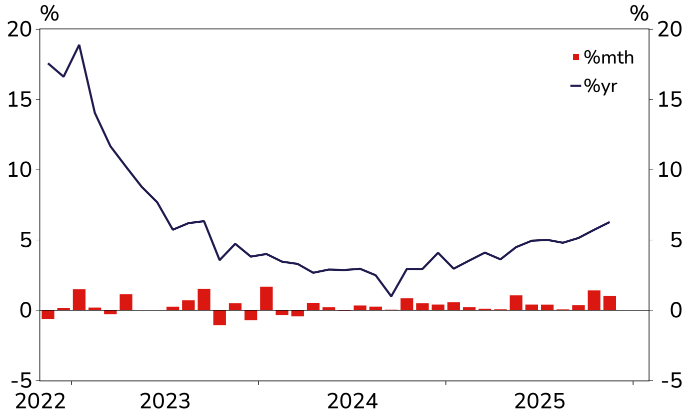
AUS: Dec Household Spending Indicator (%mth)

Feb 9, Last: 1.0, Westpac f/c: flat
Mkt f/c: 0.1, Range: –0.6 to 0.8

The Household Spending Indicator rose 1% in Nov following a 1.4% surge in with Oct – the first back-to-back 1%mth+ gains since October 2022, lifting annual growth to 6.3%yr, the fastest pace since Sep2023.

The detail from our **Westpac-DataX Card Tracker** suggests the ABS spending indicator will be about flat for the Dec month. Note that the ABS measure has a narrower definition than our card data. In particular, it excludes international transactions (i.e. by Australians abroad) which look to have been particularly strong into year-end. Even with a flat month, the indicator will have posted a strong 2.4%qtr gain for Q4 as a whole. That points to a real, inflation-adjusted gain of 1-1.5%qtr, a material step-up on the 0.2%qtr rise in Q3.

Monthly household spending indicator



Source: ABS, Macrobond, Westpac Economics

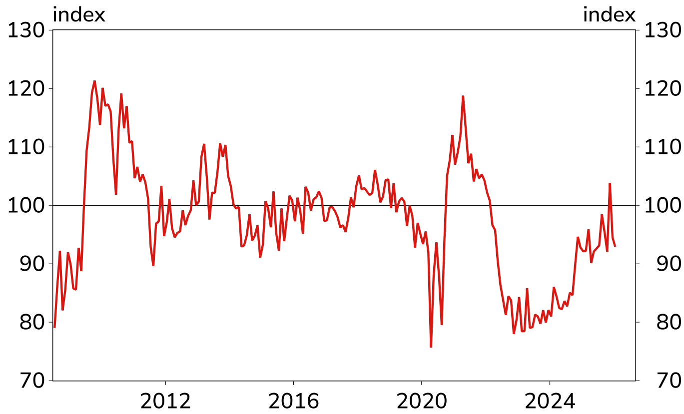
AUS: Jan Westpac-MI Consumer Sentiment (index)

Feb 10, Last: 92.9

Consumer sentiment slipped 1.7% lower to 92.9 in Jan from 94.5 in Dec. While confidence is still well above the extreme lows recorded during the protracted 'cost of living' crisis in 2022–24, consumers started the year in a relatively downbeat mood, renewed inflation and rate rise concerns weighing on expectations for family finances and the wider economy.

Those are likely to have intensified in Feb with the RBA raising the official cash rate by 25bps in the month and indicating that inflation was likely to take a long time to bring back to target, implying some further increase may be required.

Consumer Sentiment Index



Source: Melbourne Institute of Applied Economic & Social Research, Macrobond, Westpac Economics

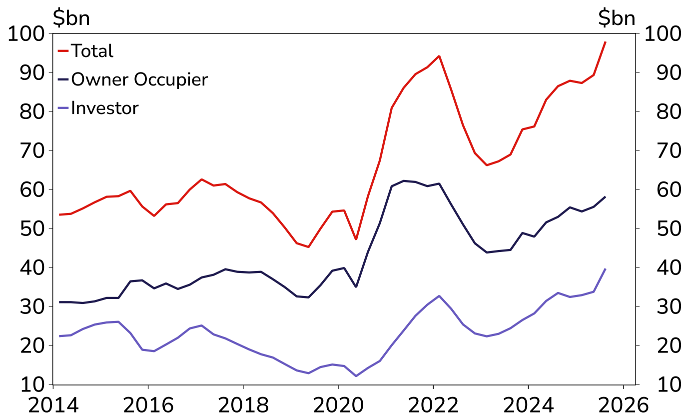
AUS: Q4 Housing Finance Approvals (%qtr)

Feb 11, Last: 9.6, Westpac f/c: 7.5
Mkt f/c: 6.0, Range: 2.0 to 12.0

The total value of housing finance approvals rose 9.6% in Q3, annual growth lifting to 13.2%yr. The gain has mostly been driven by rising average loan size with the number of loans up 5.8%yr. Investor lending was the stand-out in Q3, up +17.6% to a record high, albeit with its share of total loans still below its previous peak. Owner-occupier loans rose 4.7%qtr.

The Q4 update is expected to show another robust gain. Credit growth accelerated into year-end, with investor strength continuing. The expansion of the First Homebuyer Guarantee scheme also looks to have driven a lift in owner occupier demand in the quarter as well. Preliminary estimates of the value of sales, which have tended to be revised up, also point to strength. All up, we expect the total value of finance approvals to post a 7.5% gain, investors likely leading again.

Dwelling Finance Approvals



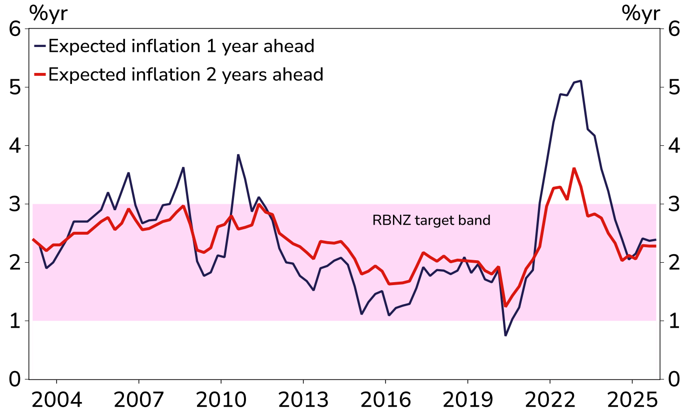
Source: ABS, Macrobond, Westpac Economics

NZ: Q1 RBNZ Survey of Expectations (%)

Feb 13, Expected inflation two years ahead, last: 2.28

It's likely that we will see some rise in inflation expectations in the RBNZ's latest survey of businesses, at least at near-term horizons. The past few months have seen inflation surprising to the upside and signs of a recovery in activity have been building. This will be an important consideration for the RBNZ ahead of its 18 February policy meeting, especially if we see longer-term expectations lift. Other recent data already suggest that the inflation outlook is likely to be stronger than the RBNZ had anticipated.

Inflation expectations within the target range



Source: RBNZ, Macrobond, Westpac Economics

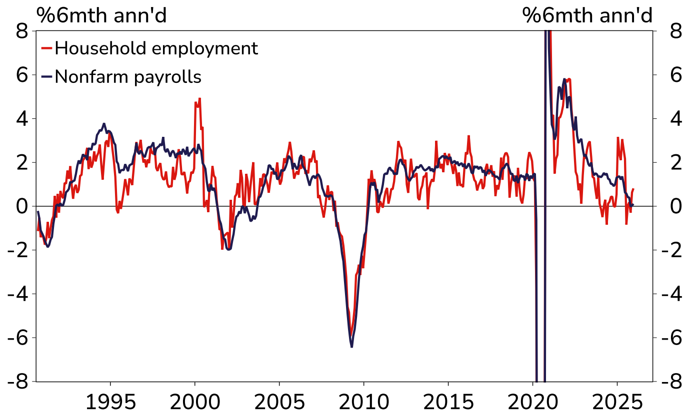
US: Jan employment report

Feb 11, payrolls, Last: 50k, WBC f/c: 70k, Mkt f/c: 70k
Feb 11, u/e rate, Last: 4.4%, WBC f/c: 4.4%, Mkt f/c: 4.4%

Nonfarm payrolls growth has essentially stalled over the past six months as labour demand abated and supply was restrained by decelerating population growth. In the short term, employment growth is likely to remain relatively weak and susceptible to a downside surprise.

Over the course of 2026, employment growth should stabilise at a low but positive rate, seeing the unemployment rate edge up towards 5.0%, assuming constant participation. A more abrupt rise is possible but not probable given recent data. Without such a shock, the FOMC is unlikely to cut more than once more over the coming year.

Jobs growth has stalled



Source: BLS, Macrobond, Westpac Economics

US: Jan CPI (%mth)

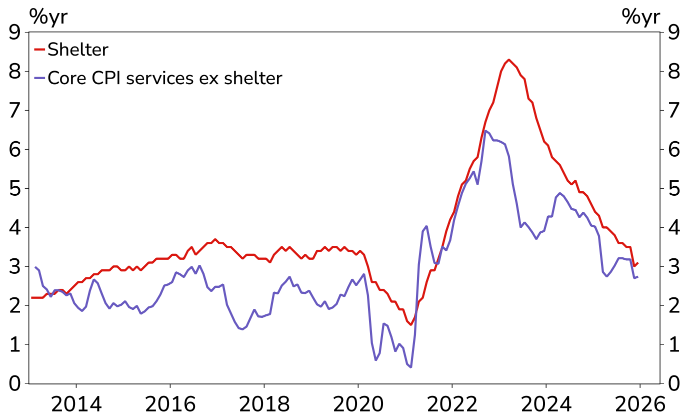
Feb 13, Last: 0.3, Westpac f/c: 0.3
Mkt f/c: 0.3, Range: 0.1 to 0.4

On a monthly basis and over the year, US consumer inflation remains materially above the FOMC's medium-term target of 2.0%yr. This is likely to remain the case for some time.

Dec's 0.3% gain was principally due to persistent strength in core services, across shelter, transport and medical care. Capacity is constrained in each of these sectors, giving persistence to the price gains. Evidence of tariffs remains limited, indicating firms are currently only able to slowly passthrough their higher cost of production. Again this argues for a lengthy period of inflation above target.

As for the labour market, making the case for significant additional monetary easing based on the inflation outlook is likely to prove a challenge.

Services inflation a persistent concern



Source: BLS, Macrobond, Westpac Economics

What to watch

	For	Data/Event	Unit	Last	Market f/c	Westpac f/c	Risk/Comment
Mon 09							
Aus	Dec	Household Spending Indicator	%mth	1.0	0.1	0.0	Growth accelerated significantly in Oct and Nov.
Jpn	Dec	Current Account Balance	¥bn	3674	1081	–	Seasonality drives a sharp deterioration.
Eur	Feb	Sentix Investor Confidence	index	–1.8	–	–	Investor sentiment improved early this year.
US	Dec	NY Fed 1Y Inflation Expectations	%ann	3.4	–	–	Consumer inflation expectations remain elevated.
		Fed Speak	–	–	–	–	Fed's Waller and Bostic scheduled to speak.
Tue 10							
Aus	Feb	Westpac–MI Consumer Sentiment	index	92.9	–	–	Consumer reaction to higher interest rates in focus.
	Jan	NAB Business Conditions Survey	index	9	–	–	Businesses feeling somewhat more comfortable.
US	Jan	NFIB Small Business Sentiment	index	99.5	99.8	–	Ticked higher in the last two months of 2025.
	Q4	Employment Cost Index	%qtr	0.8	0.8	–	Stable inflationary pressures in the US labour market.
	Dec	Import Price Index	%mth	–1.8	–	–	Will be analysed for evidence of tariff pass-through.
	Dec	Retail Sales	%mth	0.4	0.4	–	US consumer spending maintains the firm pace of growth.
		Fed Speak	–	–	–	–	Fed's Hammack and Logan scheduled to speak.
Wed 11							
Aus		RBA Speak	–	–	–	–	Fireside chat with Deputy Governor Andrew Hauser at 12:30.
	Q4	Housing Finance Approvals	%qtr	9.6	6.0	7.5	Another steep increase in Q4 is on the cards…
	Q4	Owner-Occupier Loans	%qtr	4.7	–	–	…as the latest credit data signalled stronger growth…
	Q4	Investor Loans	%qtr	17.6	–	–	…mainly driven by investors.
Chn	Jan	PPI	%ann	–1.9	–1.5	–	Persistent deflationary pressures driven by overcapacity.
	Jan	CPI	%ann	0.8	0.3	–	Remains very low, only slightly above zero.
US	Jan	Non-fram payrolls	000s	50	70	70	Modest employment growth…
	Jan	Unemployment Rate	%	4.4	4.4	4.4	…sufficient to keep the unemployment rate stable.
Thu 12							
Aus		RBA Speak	–	–	–	–	Senate Testimony, 9.00am AEDT.
		RBA Speak	–	–	–	–	Assistant Governor Hunter speaking in Perth, 3:45pm AEDT.
UK	Q4	GDP	%qtr	0.1	0.2	–	Growth momentum remained subdued at the end of 2025.
US	Wkly	Initial Jobless Claims	000s	231	–	–	Consistent with broadly stable labour market conditions.
	Jan	Existing Home Sales	%mth	5.1	–3.2	–	Fed policy easing late in 2025 supporting the housing market.
Fri 13							
NZ	Jan	Manufacturing PMI	index	56.1	–	–	Reached a four-year high in December.
	Dec	Net Migration	no.	990	–	–	Steady at low but positive levels.
	Q1	RBNZ Inflation Expectations	%ann	2.28%	–	–	Upside risk, CPI stronger than expected and activity firming.
Chn	Jan	New Home Prices	%mth	-0.37	–	–	Have been falling since mid-2023.
Eur	Dec	Trade Balance	€bn	10.7	–	–	Exports to the US and China in focus.
	Q4	GDP	%qtr	0.3	0.3	–	Second estimate of Q4 growth.
US	Jan	CPI	%mth	0.3	0.3	0.3	Broadly stable inflationary pressures.
		Fed Speak	–	–	–	–	Fed's Miran and Logan scheduled to speak.

Economic & financial forecasts

Interest rate forecasts

Australia	Latest (6 Feb)	Mar–26	Jun–26	Sep–26	Dec–26	Mar–27	Jun–27	Sep–27	Dec–27	Mar–28	Jun–28
Cash	3.85	3.85	4.10	4.10	4.10	4.10	4.10	4.10	3.85	3.60	3.60
90 Day BBSW	3.93	4.05	4.15	4.15	4.15	4.20	4.20	4.05	3.80	3.70	3.70
3 Year Swap	4.30	4.25	4.20	4.10	4.00	3.90	3.80	3.70	3.60	3.55	3.50
3 Year Bond	4.30	4.25	4.20	4.10	4.00	3.90	3.80	3.70	3.60	3.55	3.50
10 Year Bond	4.83	4.80	4.80	4.80	4.80	4.75	4.70	4.65	4.60	4.60	4.60
10 Year Spread to US (bps)	64	55	50	45	40	30	20	10	0	-5	-10
United States											
Fed Funds	3.625	3.375	3.375	3.375	3.375	3.375	3.375	3.375	3.375	3.375	3.375
US 10 Year Bond	4.18	4.25	4.30	4.35	4.40	4.45	4.50	4.55	4.60	4.65	4.70
New Zealand											
Cash	2.25	2.25	2.25	2.25	2.50	2.75	3.00	3.25	3.50	3.75	3.75
90 Day Bill	2.49	2.35	2.35	2.40	2.70	2.95	3.20	3.40	3.70	3.85	3.85
2 Year Swap	3.10	3.05	3.20	3.40	3.60	3.75	3.85	3.95	4.00	4.00	4.00
10 Year Bond	4.54	4.60	4.65	4.75	4.75	4.90	4.90	4.95	4.95	4.95	4.95
10 Year Spread to US (bps)	35	35	35	40	35	45	40	40	35	30	25

Exchange rate forecasts

	Latest (6 Feb)	Mar–26	Jun–26	Sep–26	Dec–26	Mar–27	Jun–27	Sep–27	Dec–27	Mar–28	Jun–28
AUD/USD	0.6940	0.70	0.71	0.72	0.72	0.73	0.73	0.74	0.74	0.73	0.73
NZD/USD	0.5968	0.60	0.61	0.63	0.63	0.64	0.65	0.66	0.66	0.66	0.66
USD/JPY	156.69	151	149	147	145	144	143	142	141	140	139
EUR/USD	1.1790	1.19	1.20	1.20	1.21	1.21	1.22	1.22	1.21	1.21	1.21
GBP/USD	1.3552	1.37	1.38	1.38	1.39	1.39	1.40	1.41	1.41	1.40	1.40
USD/CNY	6.9398	6.90	6.85	6.80	6.70	6.60	6.50	6.45	6.40	6.35	6.35
AUD/NZD	1.1629	1.16	1.16	1.14	1.14	1.14	1.12	1.12	1.12	1.11	1.11

Australian economic forecasts

	2025		2026				2027		Calendar years			
% Change	**Q3**	**Q4f**	**Q1f**	**Q2f**	**Q3f**	**Q4f**	**Q1f**	**Q2f**	**2024**	**2025f**	**2026f**	**2027f**
GDP %qtr	0.4	0.9	0.7	0.5	0.6	0.6	0.6	0.6	–	–	–	–
%yr end	2.1	2.4	2.8	2.6	2.7	2.5	2.3	2.3	1.3	2.4	2.5	2.3
Unemployment rate %	4.3	4.2	4.3	4.3	4.4	4.5	4.5	4.5	4.0	4.2	4.5	4.5
Wages (WPI) %qtr	0.8	0.8	0.8	0.7	0.7	0.8	0.8	0.8	–	–	–	–
%yr end	3.4	3.4	3.2	3.1	3.0	3.0	3.1	3.1	3.2	3.4	3.0	3.1
CPI Headline %qtr	1.3	0.6	1.1	0.7	1.0	0.4	0.5	0.5	–	–	–	–
%yr end	3.2	3.6	3.8	3.7	3.4	3.2	2.6	2.4	2.4	3.6	3.2	2.5
CPI Trimmed Mean %qtr	1.0	0.9	0.8	0.7	0.8	0.6	0.7	0.6	–	–	–	–
%yr end	3.0	3.4	3.4	3.5	3.2	3.0	2.8	2.7	3.3	3.4	3.0	2.6

New Zealand economic forecasts

	2025		2026				2027		Calendar years			
% Change	**Q3**	**Q4f**	**Q1f**	**Q2f**	**Q3f**	**Q4f**	**Q1f**	**Q2f**	**2024**	**2025f**	**2026f**	**2027f**
GDP %qtr	1.1	0.5	0.9	0.4	0.8	0.9	1.1	0.7	–	–	–	–
Annual avg change	-0.5	0.4	0.8	1.8	2.2	2.5	3.0	3.1	-0.3	0.4	2.5	3.4
Unemployment rate %	5.3	5.4	5.3	5.2	5.1	4.9	4.7	4.5	5.1	5.4	4.9	4.3
CPI %qtr	1.0	0.6	0.4	0.4	0.8	0.5	0.4	0.4	–	–	–	–
Annual change	3.0	3.1	2.5	2.4	2.2	2.1	2.1	2.1	2.2	3.1	2.1	2.1

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