



Week beginning 9 March 2026

AUSTRALIA & NEW ZEALAND WEEKLY

Analysis and forecasts for this week's key releases.

In this week's edition:

Economic Insight: The good, the bad and the simply perplexing.

The Week That Was: Known and unknown risks.

Focus on New Zealand: Middle East conflict presents two-sided risks for RBNZ.

Forecast Update: small changes from Q4 national accounts. Full assessment of war impacts to come.

For the week ahead:

Australia: Westpac-MI Consumer Sentiment, business survey.

New Zealand: net migration, manufacturing PMI.

China: CPI, PPI, trade balance.

Eurozone: industrial production.

United States: CPI, trade balance, personal income and spending, PCE deflator, UoM sentiment.

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

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The good, the bad and the simply perplexing



Luci Ellis
Chief Economist, Westpac Group

- This week's national accounts confirm that Australia is in a cyclical upswing that is becoming more broadly based. This is good news: much of the strength is in activities that invest in Australia's future. Data revisions also imply that supply capacity is better than many observers feared, and more in line with our existing view.
- The bid for resources by the public sector remains robust and possibly overlaps with the needs coming from growing business and housing investment. Consistent with this, the income tax burden on households has returned to high levels. Households are also facing higher petrol prices while the war in the Middle East continues.
- The Q4 consumption data were a puzzle, slower than we or the RBA expected. Some of the miss looks to be noise that reverses next quarter and some may be measurement issues that get revised later. Based on what we know now, though, it seems that the anticipated private sector recovery is more about investment (both business and housing) than consumption. The consumer will be reined in until the current inflation pulse subsides.

Every quarter, the ABS runs the ruler over the economy, and we [learn something](#) about the underlying activity pulse, now and in the past. The story is usually a mixed bag of positive and negative news, and some results are simply perplexing. This quarter was no different.

The good

Australia is in a cyclical upswing that is becoming more broadly based. In the December quarter, solid growth was seen across a range of both public and private demand. Business investment is looking positive even as the lumpy timing of buying in data centre equipment versus building the actual data centre induces volatility in the components. While the external sector detracted from growth overall, minerals export volumes bounced after a long period of relative stability. Factor in higher commodity prices across many key exports and the income (and tax revenue) boost from this source is material.

This is an unambiguously good thing. Growth had been lacklustre for much of the post-pandemic period, even with the ramp-up in the care economy. And stronger dwelling investment means more housing supply. Overall, we see the composition of recent and near-term growth as being consistent with investing in Australia's future.

Forecast changes

- There have been small changes to our growth and labour market forecasts flowing from the Q4 national accounts. See [Page 9](#) for more.
- A full update, including for detailed components of GDP, commodity prices and inflation – and incorporating our preliminary assessment of the likely impacts of conflict in the Middle East – will be released with our Market Outlook report on March 13.

Supply capacity is better than many observers feared. As one of my old bosses used to say, most changes to your view come from revisions to history. His observation was especially pertinent in the Q4 accounts. While growth in the quarter lagged our final estimate, the previous three quarters were each revised up slightly. As well as meaning that our year-ended growth forecast was on the money, the material cumulative revision implies that the inflation seen recently occurred alongside stronger growth than previously understood. This inherently implies that supply capacity was higher and growing faster than previous data releases implied. We have long believed that Australia can grow sustainably faster than 2%; this week's data is evidence in favour of our view and against the slow-trend hypothesis.

Productivity growth at 1.0%yr (and even higher at 1.5%yr in the market sector as mining productivity bounced back) is well above the RBA's February forecast. Commentators pointing to the flat quarterly result for productivity growth in Q4 as evidence of ongoing stagnation ignore the prospects for further data revisions in future releases, given their recent pattern. That view also ignores the inherent volatility of these imperfectly measured data, as well as the vagaries of measurement in the non-market sector.

The bad

The public sector continues to expand its share of the economy. While infrastructure spending has been rolling over as projects complete, other realms of public spending remain robust. The 'handover' from public to private spending was less complete than we initially thought. This becomes a particular issue if the spending calls on resources that the private sector is also competing for. As we have previously highlighted, much of the private sector investment has been

in 'structural' areas such as energy transition and data centres that are not simply responses to consumer demand and thus will be resilient to consumer weakness. They also lean heavily on construction capacity that public programs such as Housing Australia and the Brisbane Olympics also seek to draw on.

A large public sector is not inherently bad. Many of the spending initiatives, including on disability and social care, address important needs and create opportunities for the people helped. They have probably supported the labour force participation of others as well. However, all this support must be funded. One of the other features of the Q4 national accounts is that taxation as a share of household income rose over 2025, reversing almost all the reduction from the Stage 3 tax cuts. This is again a material drag on household disposable incomes and spending. Given that many Australian households are very lightly taxed, a rising tax burden on the rest has distributional implications.

Separate to the national accounts, there is a war on. The hostilities in the Middle East have closed the Strait of Hormuz and damaged Qatari LNG production. Global oil prices have spiked and local petrol prices have also risen significantly; we recently [released](#) some scenario analysis on how this might play out for inflation and growth in Australia and New Zealand. A key point is that global gas prices as well as oil prices are being affected. There is an export and tax revenue fillip for Australia from this that will cushion the cost shock.

Inflation expectations in Australia remained relatively well anchored through the post-pandemic inflation surge. The RBA even [assumes](#) this will continue when it forecasts inflation or assesses the tightness of the labour market. Thus, while it would be nervous, knowing that petrol prices are very salient for household beliefs about inflation, it should be keeping this risk in perspective and not act on a possibility that expectations might lift.

The simply perplexing

A comprehensive, interlinked data set such as the national accounts will always throw up some puzzles. We were surprised that the consumption data were not stronger in the December quarter. Some of the miss was likely noise, relating to weather effects on actual electricity consumption and the mapping from total vehicle sales to sales to households. But there is also a notable gap between our estimates of non-tourism spending offshore, such as online shopping, gaming and gambling, based on customer card spending, and the ABS's estimates based on other sources. This is an area where the data revisions my old boss used to warn about might come into play at some point.

The bottom line

The anticipated private sector recovery is underway, but it is more about investment than household consumption. The consumer will again be reined in by restrictive monetary policy and rising tax burdens until the current inflation pulse subsides.

Cliff Notes: known and unknown risks

Elliot Clarke, Head of International Economics

Illiana Jain, Economist

Ryan Wells, Economist

In Australia, GDP rose 0.8% in Q4. While this fell short of our revised forecast of 1.1%, it was still a robust result which, together with recent revisions, lifted the annual growth pace to 2.6% – the strongest outcome since Q1 2023. Today's [note](#) from Chief Economist Luci Ellis provides a succinct summary of the key takeaways from the Q4 report.

One component of demand worth highlighting here is consumer spending, having surprised to the downside in Q4 with a meagre 0.3% gain. Temporary factors look to be a partial explanation, particularly for electricity spending – milder weather and a larger impact from state electricity rebates saw volumes and prices drop. Additionally, our estimate of non-tourism spending offshore, based on card activity, was much stronger than the estimates provided by the ABS, although future revisions could see these difference narrow. Overall, consumer spending is best characterised as [steadying](#) rather than slowing, with a relatively solid outlook for disposable incomes and savings to provide a cushion against higher interest and tax payments.

[Cotality](#) data also points to further, albeit more modest, wealth gains, home prices reported to have risen 0.6% nationally in February, with affordability constraints primarily impacting Sydney and Melbourne. While [dwelling approvals](#) fell by -7.2% in January, the pipeline remains robust and should help alleviate tight supply over time. For more detail and forecasts on the housing market, see our latest [Housing Pulse](#).

Outside of domestic demand, inventories were a meaningful contributor to growth in Q4, adding +0.3ppts, but net exports a modest detractor (-0.1ppt). On external demand, partials released ahead of GDP showed the [current account balance](#) recorded its widest deficit in a decade at -\$22.1bn in Q4, largely owing to stronger import volumes and price effects – a trend that looks to have persisted in January's [goods trade](#).

Offshore, the focus was on the escalating conflict in the Middle East. Over the past week, the US and Israel have undertaken targeted military actions against Iran. The Supreme Leader Ayatollah Ali Khamenei was killed along with several other senior leaders. Iran has retaliated against US assets in the region, Israel and some other infrastructure across the Middle East. For the world more broadly, the main risks surround energy supply through the Strait of Hormuz and the shutting down of sea/air freight and passenger flights through the region. The US has offered to guard ships travelling along the Strait of Hormuz and to insure them to mitigate transit risks. Earlier in the week, we undertook an initial estimate of [the potential cost to the Australian and New Zealand economies](#) of three potential scenarios for the conflict.

In the US meanwhile, the ISM services PMI provided a slight reprieve, the headline index increasing 2.3pts to 56.1, a high back to mid-2022. New orders gained 5.5pts in the month, but employment a more modest 1.5pts, while the prices paid component eased back to now be modestly below the 5-year average. Comments from respondents suggest demand for data centres and continued resilience in consumer spending are benefitting the sector. Manufacturing conditions remain soft, the headline ISM manufacturing index broadly unchanged in the month. New orders lost momentum, and the employment index remained sub-50. The prices paid component points to cost pressures, however, rising back to its highest level since mid-2022.

Late in the week in Asia, guidance from China's annual National People's Congress implied quality growth and stability will be authorities' focus in 2026. The overall growth target was lowered from "around 5.0%" to "around 4.5-5%", and the Central Government fiscal target kept at 4% of GDP. The top three priorities focus on improving domestic industries and technologies, aided by a 7.0% annual increase in research and development spending throughout the decade. Boosting domestic demand was the fourth most important priority, but little policy detail was offered here. On the housing market, authorities are still aiming to 'stabilise' the sector – this applies to prices and construction activity. We believe pro-active stimulus is necessary to achieve growth of around 4.5% this year and to ward off downside risks for the years to come. This is most likely to take the form of additional funding for local governments and financial sector initiatives to turn the housing market. For consumption, confidence is key. An improvement here will require evidence of greater job creation and broad, sustained gains for wealth.

Lastly, Japanese Financial Statement data for Q4 2025 indicates that conditions are likely to warrant another rate hike by the Bank of Japan in 2026. Profitability rose 4.7%yr, putting operating margins at their highest level since the 1960s. This was mostly the result of businesses in the services sector which have been aided by the tourism boom post-COVID. That said, most industries have experienced a persistent uptrend in profitability since the pandemic – this will ensure nominal wage increases can continue in 2026. Investment growth is also strong, 7.3%yr, particularly in the services sector. Reports suggest much of the investment is to counteract labour shortages.

Middle East conflict presents two-sided risks for RBNZ

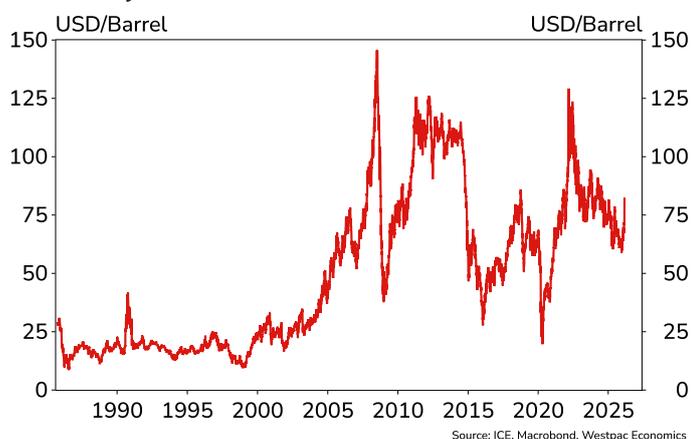


Darren Gibbs
Senior Economist

New hostilities in the Middle East, which have led to a sharp increase in the prices of crude oil and petroleum, have caused markets to worry about the potential for a protracted lift in inflation and tighter policy from the world’s inflation-targeting central banks. We think that such an outcome is less likely in New Zealand, where a starting point of spare capacity means less risk of second-round effects from a temporary rise in petrol prices. Indeed, given that starting point, it would be folly to entirely rule out scenarios that could lead to further policy easing. This might occur if the conflict led to a severe downward revision to the outlook for global growth and commodity prices, dampening New Zealand’s fledgling recovery and posing downside risks to the medium-term inflation outlook. In the meantime, faced with two-sided uncertainty, we think that the RBNZ will become even more wedded to the “on hold” stance communicated at last month’s meeting.

The main driver of domestic and international financial markets over the past week has been the attack on Iran by the US and Israel, and Iran’s retaliation targeting both Israel and US interests across multiple other nations in the region. The most enduring market impact to date has been on the price of crude oil and other key energy products. For example, at the time of writing, Brent crude has increased by \$13/bbl to \$85/bbl. This increase is on top of the rise seen through January and February as market participants began to anticipate this conflict. The increase in the price of refined petroleum has been even larger, with refiners’ margins also widening as usually happens when crises trigger worries about refinery capacity.

Crude Oil, Brent



Source: ICE, Macrobond, Westpac Economics

Elsewhere, safe-haven flows back to the US dollar have seen the risk-sensitive NZ dollar fall about 2% to just below 0.5900, compounding the local currency impact of higher US dollar energy prices. Global equity prices are slightly lower and term interest rates slightly higher – the latter reflecting concerns about the potential impact of higher oil prices on inflation and central bank policy.

As discussed in a joint report with our Australian colleagues, [the economic impact on New Zealand will depend on the duration of the military conflict](#), and the associated disruption and damage caused to international supply chains. If the conflict is resolved relatively quickly – say within the next month or so – with little damage to energy infrastructure, the economic implications for New Zealand and elsewhere could be negligible. However, a protracted conflict, especially one resulting in significant disruptions to oil supply and/or significant negative impacts on financial asset prices, could have more material downside impacts on New Zealand and its major trading partners. This would be especially so if the stresses created by the conflict were to expose other perceived economic and financial vulnerabilities across the global economy (e.g. risks associated with private credit, AI investment and associated asset valuations or China’s domestic economy).

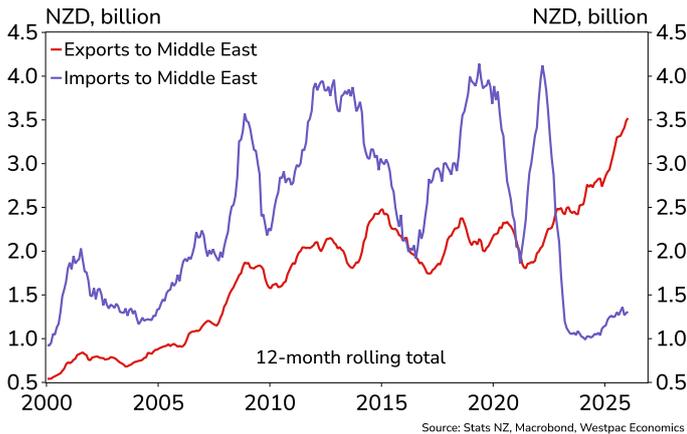
In terms of direct exposure to the Middle East region, New Zealand has little trade with Iran. However, New Zealand’s exports to the Middle East have grown to exceed \$3bn in the past year – the majority being dairy products sent to Saudi Arabia and the United Arab Emirates. Ongoing conflict would create logistical difficulties for exporters attempting to get product to the region and would increase the cost of doing business. There will also be an impact on traded services. The closure of airspace in the Middle East is impacting the movement of people as well as goods. Inbound tourism would be negatively impacted if important gateway airports to New Zealand, such as Dubai and Doha, were to remain largely closed for an extended period. Some people may be reluctant to travel through the region for a period even once the current conflict ends.

Direct imports from the Middle East region amounted to just over \$1bn over the past year, led by imports of fertiliser. Since the closure of the Marsden Point refinery, New Zealand’s supply of petroleum products is mostly sourced from refineries in South Korea and Singapore. However, those refineries rely significantly on crude oil sourced from the Middle East and transported through the Strait of Hormuz. In the event of a prolonged conflict that cuts crude supply to refineries, this

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leaves New Zealand exposed to potential supply disruptions as well as higher prices. Our onshore inventory of refined petroleum products is very low in absolute terms and relative to global peers. The issues could move beyond a simple question of costs towards that of physical availability and the need to prioritise use. Such disruptions would raise the economic cost to New Zealand.

New Zealand, Foreign Trade Goods



As a rough guide, a \$USD10 increase in the price of oil adds around 11c/litre to domestic pump prices (assuming no change in the NZ dollar). If that sort of move in oil prices was sustained, it would directly and quickly add 0.1 to 0.2ppts to the CPI. However, the large increase in refining margins means the inflationary impact of the recent rise in oil prices could be significantly larger. At current levels, the combined impact of higher oil prices and refining margins could see pump prices for 91 unleaded rising to around \$2.85/ltr. If sustained, that would directly add around 0.5ppts to annual inflation this year.

Moreover, a sustained oil price rise would likely pass through to local transport and other costs, leading to an additional CPI impact over time. Such increases tend to be around 30% of the direct impact of higher fuel prices, so could add a further 0.1 to 0.2ppts to annual inflation (those such effects take longer to manifest than changes in oil prices).

The impact of those increases in fuel and transportation costs could be compounded by disruptions to global supply chains, which could impact the availability of some productive inputs or consumer goods, both here and in other regions. Such disruptions would further add to domestic cost pressures. However, the impact on consumer prices would also depend on the strength of domestic demand. In sectors where demand is already soft, increases in costs could result in pressure on firms' margins, rather than significant increases in output prices.

Provided there was no significant damage to energy infrastructure, most of the above effects would unwind once the conflict was resolved and oil prices returned to pre-conflict levels. But should there be damage and/or ongoing instability in the region even after the current conflict ends, oil prices

could remain elevated for an extended period. Supply chain impacts could also be prolonged depending on the nature of the damage caused during the period of kinetic fighting and the impact on risk preferences of insurers for example.

So, what does this mean for the RBNZ? In many respects it is too soon to tell given uncertainty about the likely duration of the conflict and what damage and disruption might be caused, especially to key energy infrastructure. But the RBNZ's standard approach is to look through a near-term lift in inflation caused by higher oil prices, where that lift reflects a supply shock (due to geopolitical events or other temporary disruptions). In part this is due to the accompanying downside risks for growth, which could pose downside risks to inflation beyond the near-term (higher domestic petrol prices will reduce household disposable incomes, depressing demand elsewhere in the economy). It also reflects the expectation that any monetary policy response to a temporary inflation shock would only impact the economy after the shock had already passed, thus serving to amplify the cycle in inflation.

That said, the RBNZ will be mindful of the risk of a further uplift in inflation expectations should inflation remain in the upper part the RBNZ's target band for an extended period, especially with the post-Covid surge in inflation still front of mind for many households and businesses. Given the current level of spare capacity in the New Zealand economy, we think there is less risk of a meaningful lift in inflation expectations than would otherwise be the case. However, the risk is not negligible. For this reason, the RBNZ will also likely be reluctant to ease policy further even if the outlook for the economy were to weaken materially.

But it would be folly to entirely rule out the possibility of further policy easing if the impact on the global economic outlook and export commodity prices was to prove severe. In the past, the more serious episodes of Middle East tensions have sometimes led to large falls in business confidence and output. While we are not expecting that this time, those downside risks can't be ruled out.

In the near term, faced with such two-sided uncertainty, we think that the RBNZ will likely become even more wedded to the "on hold" stance that it communicated at last month's meeting. As the conflict plays out, the RBNZ will assess how this is impacting the economic outlook and the medium-term path of inflation. Fortunately for the RBNZ, it will not have to publish updated forecasts until the next Monetary Policy Statement in late May. However, RBNZ Governor Breman is scheduled to give an address to a Business NZ CEO Forum on 24 March, touching on the current economic outlook. This might provide some insight into the RBNZ's early thinking. We expect the RBNZ to communicate a more dovish message compared to current market pricing, which this week has been leaning towards a greater chance of the OCR being hiked sooner than December.

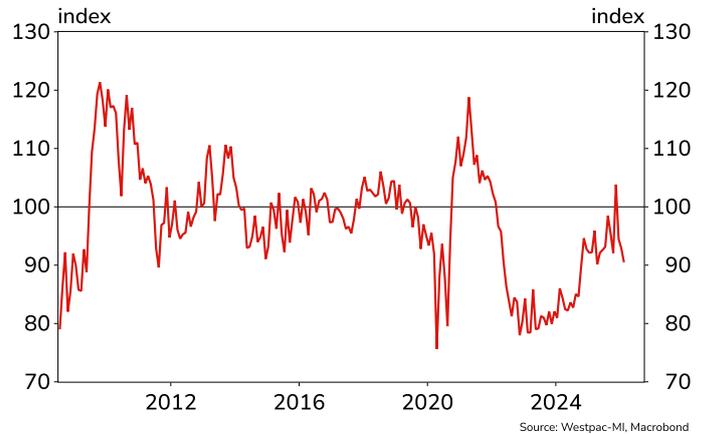
AUS: Mar Westpac-MI Consumer Sentiment (index)

Feb 10, Last: 90.5

Consumer sentiment declined 2.6% to 90.5 in February, reacting to the RBA's 25bp hike. The impact was slightly milder than the average 3.8% sentiment fall seen following cash rate rises historically. At 90.5, the Index level is down sharply on reds late last year but still well above the extreme lows sustained through most of 2022–2024.

The March survey is in the field over the week ending March 7. It will capture reactions to widening conflict in the Middle East after the US and Israel launched attacks on Feb 28. Inflation concerns will likely be key with average pump prices for petrol up 16c a litre compared to the Feb survey. The RBA Governor has also warned that it may be little harder for the RBA to 'look through' price shocks given the elevated starting point for inflation and a risk that inflation expectations become unanchored.

Consumer Sentiment Index



US: Feb CPI (%mth)

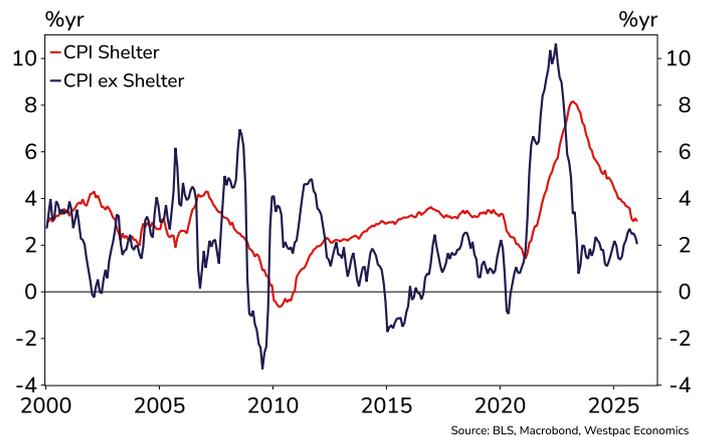
Mar 11, Last: 0.2, Wespac f/c: 0.2, Market f/c: 0.2

US inflation remains above the FOMC's 2.0%yr target, and the trajectory back to it remains highly uncertain. While annual headline inflation has slowed to 2.4%yr, we are yet to see any material impact of tariffs on businesses' cost base flow through to consumer inflation.

Of bigger concern for us is that core services inflation is showing persistence, having averaged a circa 4.0% annualised pace in December and January. Notably, this is despite shelter inflation having largely normalised.

While it is too soon to gauge the impact of the US and Israel's strikes on Iran, the pre-emptive rise in the price of oil since mid-December will be felt in coming months through energy and transport services.

Ex-shelter CPI inflation risks clear



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What to watch

	For	Data/Event	Unit	Last	Market f/c	Westpac f/c	Risk/Comment
Mon 09							
Jpn	Jan	Current Account Balance	¥bn	728.8	1015.9	-	Likely reversal from last month's narrowing in surplus.
Chn	Feb	PPI	%ann	-1.4	-1.1	-	Authorities have committed to increasing inflation but ...
	Feb	CPI	%ann	0.2	0.9	-	... no concrete policies have been laid out yet.
Eur	Mar	Sentix Investor Confidence	index	4.2	-3.0	-	Energy woes likely to dampen confidence.
US	Feb	NY Fed 1-Yr Inflation Expectations	%ann	3.09	-	-	Anchored pre-Middle East turmoil.
Tue 10							
Aus	Mar	Westpac-MI Consumer Sentiment	index	90.5	-	-	Reactions to Middle East conflict in focus.
	Feb	NAB Business Conditions	index	7	-	-	Will confidence remain resilient despite headwinds?
Jpn	Jan	Household Spending	%mth	-2.6	-	-	Real spending lags as inflation bites into bottom line
	Feb	Machinery Orders	%yr	25.3	-	-	AI build out is supporting machinery demand from Japan.
	Q4	GDP	%qtr	0.1	0.3	-	Final estimate
Chn	Feb	Trade Balance	US\$bn ytd	-	175	-	Surplus is wide compared to history.
US	Feb	NFIB Small Business Optimism	index	99.3	99.6	-	Hiring woes are plaguing small businesses.
	Feb	Existing Home Sales	%mth	-8.4	-1.2	-	High borrowing costs are discouraging sales.
Wed 11							
US	Feb	CPI	%mth	0.2	0.2	0.2	Core services inflation is showing persistence.
Jpn	Feb	PPI	%ann	2.3	2.2	-	Import costs are keeping producer costs high.
Thu 12							
Aus	Mar	MI Inflation Expectations	%ann	5.0	-	-	Inflation expectations at their highest since June 2025.
Eur	Mar	ECB Speak	-	-	-	-	Governing Council Member Isabel Schnabel to speak.
US		Initial Jobless Claims	000s	213	-	-	Still at very low levels versus history.
Fri 13							
NZ	Feb	Manufacturing PMI	index	55.2	-	-	Business conditions have been firming in recent months.
	Jan	Net Migration	no.	2870	-	-	Steady at low but positive levels.
Eur	Jan	Industrial Production	%mth	-1.4	0.5	-	Demand weaken in the wake of global slowdown.
UK	Jan	Trade Balance	GBPmn	4340	-	-	Deficit has widened since the start of 2025.
US	Jan	Personal Income	%mth	0.3	0.5	-	Real income and spending have remained resilient despite ...
	Jan	Personal Spending	%mth	0.4	0.3	-	... the inflationary pulse. This has kept services-related ...
	Jan	PCE Deflator	%mth	0.4	0.3	-	... inflation strong.
	Q4	GDP	%ann'd	1.4	1.4	-	Second estimate.
	Jan	Durable Goods Orders	%mth	-1.4	0.4	-	Showing persistent strength ex. transport orders.
	Mar	Uni. Of Michigan Sentiment	index	56.6	56.3	-	Gauge on inflation expectations are key.
	Jan	JOLTS Job Openings	000s	6542	-	-	Labour demand and supply are broadly in balance.

Economic & financial forecasts

Interest rate forecasts

Australia	Latest (6 Mar)	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	4.07	4.05	4.15	4.15	4.15	4.20	4.20	4.05	3.80	3.70	3.70
3 Year Swap	4.42	4.25	4.20	4.10	4.00	3.90	3.80	3.70	3.60	3.55	3.50
3 Year Bond	4.43	4.25	4.20	4.10	4.00	3.90	3.80	3.70	3.60	3.55	3.50
10 Year Bond	4.84	4.75	4.80	4.80	4.80	4.75	4.70	4.65	4.60	4.60	4.60
10 Year Spread to US (bps)	70	55	50	45	40	30	20	10	0	-5	-10
United States											
Fed Funds	3.625	3.625	3.375	3.375	3.375	3.375	3.375	3.375	3.375	3.375	3.375
US 10 Year Bond	4.14	4.20	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	3.00	3.50	3.75	4.00	4.25	4.25
90 Day Bill	2.48	2.35	2.35	2.40	2.75	3.30	3.65	3.90	4.15	4.35	4.35
2 Year Swap	3.09	3.25	3.50	3.75	4.00	4.20	4.30	4.30	4.30	4.25	4.20
10 Year Bond	4.49	4.70	4.75	4.85	4.85	4.95	5.00	5.00	5.00	5.00	5.00
10 Year Spread to US (bps)	35	45	45	50	45	50	50	45	40	35	30

Exchange rate forecasts

	Latest (6 Mar)	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28
AUD/USD	0.7038	0.70	0.71	0.72	0.72	0.73	0.73	0.74	0.74	0.73	0.73
NZD/USD	0.5909	0.59	0.60	0.62	0.63	0.65	0.67	0.68	0.68	0.68	0.67
USD/JPY	157.49	151	149	147	145	144	143	142	141	140	139
EUR/USD	1.1620	1.19	1.20	1.20	1.21	1.21	1.22	1.22	1.21	1.21	1.21
GBP/USD	1.3370	1.37	1.38	1.38	1.39	1.39	1.40	1.41	1.41	1.40	1.40
USD/CNY	6.9007	6.90	6.85	6.80	6.70	6.60	6.50	6.45	6.40	6.35	6.35
AUD/NZD	1.1911	1.18	1.18	1.17	1.14	1.12	1.10	1.09	1.09	1.08	1.09

Australian economic forecasts*

	2025		2026				2027		Calendar years			
% Change	Q3	Q4	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f	2025	2026f	2027f	2028f
GDP %qtr	0.5	0.8	0.5	0.6	0.6	0.6	0.6	0.6	-	-	-	-
%yr end	2.1	2.6	2.7	2.4	2.5	2.3	2.4	2.4	2.6	2.3	2.4	2.6
Unemployment rate %	4.3	4.2	4.1	4.2	4.3	4.4	4.5	4.5	4.2	4.4	4.5	4.4
Wages (WPI) %qtr	0.8	0.8	0.8	0.7	0.7	0.8	0.7	0.8	-	-	-	-
%yr end	3.4	3.4	3.3	3.1	3.0	3.0	3.0	3.1	3.4	3.0	3.0	3.4
CPI Headline %qtr	1.3	0.6	1.1	0.7	1.0	0.5	0.6	0.5	-	-	-	-
%yr end	3.2	3.6	3.8	3.8	3.4	3.3	2.8	2.6	3.6	3.3	2.6	2.7
CPI Trimmed Mean %qtr	1.0	0.9	0.9	0.7	0.8	0.7	0.7	0.6	-	-	-	-
%yr end	3.0	3.4	3.5	3.5	3.4	3.2	2.9	2.8	3.4	3.2	2.6	2.5

* Full forecast update will be released with our Market Outlook report on March 13.

New Zealand economic forecasts

	2025		2026				2027		Calendar years			
% Change	Q3	Q4f	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f	2025f	2026f	2027f	2028f
GDP %qtr	1.1	0.6	1.0	0.5	0.9	0.9	1.1	0.5	-	-	-	-
Annual avg change	-0.5	0.4	0.9	2.0	2.5	2.8	3.3	3.3	-0.3	0.4	2.8	3.1
Unemployment rate %	5.3	5.4	5.3	5.1	4.9	4.7	4.6	4.5	5.1	5.4	4.7	4.4
CPI %qtr	1.0	0.6	0.5	0.5	0.9	0.4	0.4	0.4	-	-	-	-
Annual change	3.0	3.1	2.6	2.6	2.5	2.3	2.3	2.2	2.2	3.1	2.3	2.5

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