



Week beginning 30 March 2026

AUSTRALIA & NEW ZEALAND WEEKLY

Analysis and forecasts for this week's key releases.

In this week's edition:

Economic Insight: The epic blunder of fighting the last war.

The Week That Was: A fork in the road.

Focus on New Zealand: Inflation up, growth down, OCR on hold?

Forecast Update: our new baseline incorporates a 2-month closure of the Strait of Hormuz.

For the week ahead:

Australia: RBA Minutes, private credit, dwelling approvals, goods trade balance, job vacancies.

New Zealand: employment indicator, business confidence, building permits.

Japan: CPI, jobless rate, industrial production, manufacturers index.

China: NBS PMIs.

Euro area: HICP inflation, unemployment rate.

United States: non-farm payrolls, unemployment rate, ISMs, retail sales, Conf. Board consumer confidence.

Global: Good Friday.

Information contained in this report current as at 27 March 2026.

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.

The epic blunder of fighting the last war



Luci Ellis
Chief Economist, Westpac Group

- **The Middle East conflict and the resulting fuel crisis are not the same as previous crises and should not require COVID-style policy responses such as work-from-home mandates. Governments and other decision-makers need to avoid the temptation to “fight the last war”. Nor should they fall into the trap of “we must do something, and this is something”, when that something is ill-suited to the current problem.**
- **The focus should instead be on the key issue for the world economy: how the conflict maps into energy-supply disruption via the closure of the Strait of Hormuz and/or damage to oil and gas infrastructure in other Gulf states. Time is almost up on our initial assumption that the Strait would be closed for about a month, so we have updated our baseline forecast to reflect this. But the Strait is a time-limited source of leverage for Iran. At some point, third-party countries will respond to the damage being done to them; already some tankers are being allowed through.**
- **This is a significant shock to the economy and a challenging situation for public policy. For the next few weeks, though, the appropriate monetary policy response is “wait and see”. The current crisis is not (yet) a financial crisis or a pandemic requiring immediate, potentially out-of-cycle, action. And conditions could be quite different in a month’s time. Domestic conditions will continue to shape the RBA’s decisions at its regular meetings.**

“Fighting the last war” is a common cognitive trap: trying to make a current crisis fit a past one. We saw attempts to make COVID fit the GFC template by expecting borrower distress despite massive fiscal support and, in [some quarters](#), to make the AI boom fit the COVID template of sudden mass job losses, at least in the US.

The current conflict in the Middle East is producing plenty of examples of this behaviour, again misguided. The US/Israel attack has not gone the same way as the US intervention in Venezuela, nor are the implications like those of Russia’s invasion of Ukraine. The geographic pinch-point of the Strait of Hormuz shapes both the energy-price implications and the military ones. The context also differs significantly: the world is not emerging from a pandemic, with macroeconomic policy highly expansionary and other supply chains already disrupted.

The domestic context in Australia also differs in important ways, particularly the ceiling on east coast wholesale gas prices introduced after the 2022 episode. We are also four years further along with [solar and battery installation](#). These changes mean that, for Australia, this is mostly an issue of fuel prices and availability, rather than electricity (as in 2022–23).

In addition, the current conflict bears little resemblance to the COVID pandemic, so policy responses should differ. We were surprised that work-from-home mandates have been seriously proposed. A fuel shortage is not a respiratory virus, and there is no reason to prevent or discourage workers from attending their workplace if they commute by foot, bicycle or public transport. Better responses would be to expand public transport coverage and frequency, encourage carpooling (including more extensive transit lanes), and cancel non-essential government travel. Only if those policies fail, or fuel shortages become so extreme that critical workers need to be prioritised, would WFH become an appropriate response.

Likewise, businesses are not facing a sudden loss of income as the community goes into lockdown. Income support measures should therefore be much more targeted, if they are needed at all.

The main similarity to the pandemic is stockpiling, as people fear downstream supply disruptions. Policy responses to address this make more sense than mandating work-from-home. Options include publicising the restocking of petrol stations that had run out of some fuels, as well as measures already taken such as temporary changes to fuel standards and the oil-for-gas supply [deal with Singapore](#).

A kinetic war between US/Israel and Iran could drag on without necessarily having its current dramatic impact on global energy markets. For the rest of the world, the key issues are closure of the Strait of Hormuz and actual or threatened damage to gas and other civilian infrastructure in non-combatant Gulf states. But closure of the Strait is a time-limited source of leverage for Iran. At some point, third-party countries will respond to the damage being done to them; already [some tankers](#) are being allowed through.

The immediate issue for the global and Australian economies is fuel availability. Higher prices will curb demand, but periods of localised unavailability will be especially disruptive.

The implications for macroeconomic policy depend on the broader effects on inflation and growth. The RBA was already hiking rates ahead of the outbreak of the conflict. Demand growth had picked up a little more sharply than they, or we, had expected. And with the economy no longer running with significant spare capacity as in the 2010s, even small upside demand or downside supply shocks show up in prices rather than being absorbed. More frequent policy adjustments should therefore be expected.

As [highlighted](#) by the RBA’s counterparts at the RBNZ, policymakers should ordinarily try to look through the first-round, fuel-specific impacts on inflation from a shock like ▶

this. Second-round effects such as higher transport and materials costs flowing through to other prices may, however, require a response. A lift in inflation expectations is also a watch point. But if the supply-disruption element of the conflict fades over the next month or so, these effects will also be short-lived. While the update to our baseline forecast is more severe than this, the risks around it are two-sided. It will therefore pay to wait to see which scenario plays out ahead of the May meeting. A May rate hike is still on the cards for pre-existing domestic reasons, but pre-judging the second-round effects on inflation, and the need for any hikes beyond the next one, is a much less secure strategy.

In particular, we do not expect an out-of-cycle RBA decision. These are rare: the last one was in March 2020, just ahead of lockdown, and the one before that was in [1997](#), both to cut rates. Even during the GFC, there were no out-of-cycle policy decisions. The decision tree facing the RBA also does not require one. May seems a long way away, but by then either things will have de-escalated, or the war will have escalated, drawn in Gulf states and worsened energy supply. De-escalation would see some of the inflationary shock soon moderate, weakening the case for further policy tightening. Escalation would be an even larger negative shock to global growth than we are already facing, but also inflationary. With the Board already split on the need to hike expeditiously, we see neither the need, nor the appetite, to bring forward that decision in either scenario. This is not COVID, and we do not expect policymakers to act like it is.

Forecast changes

- The US/Israel-Iran conflict is likely to result in a more prolonged disruption to energy production in the Middle East and shipping through the Strait of Hormuz than we previously assumed.
- We have therefore revised our baseline forecast to assume an eight-week closure of the Strait of Hormuz and a slower recovery, compared with the previous assumption of a one-month closure and one month of recovery. Shipping traffic through the Strait is assumed to be closer to 20% of normal in May, with a gradual return to normal by year end.
- Oil is now expected to average US\$120/bbl (Brent) in Q2, from \$90/bbl previously. It is expected to remain \$13 higher even by the end of the year. Japanese LNG prices are expected to peak at a quarterly average of US\$26mmbtu over the next few quarters.
- We have also made more allowance for wider refinery margins and downstream flow-on from transport and fertiliser costs into prices, especially food prices, as well as some moderate second-round effects including wages. We continue to assess that there will be minimal impact on Australia's domestic electricity prices.
- For Australia, headline inflation peaks at 5.5% in 2026 Q2. Trimmed mean inflation is less affected but still peaks at 4% by end 2026.
- At 1.4%, GDP growth over 2026 is more than 1ppt weaker relative to pre-war forecast and 0.6ppts weaker than our March Market Outlook base case. The unemployment rate is also higher in the second half of 2026, reaching 4.7% in Q4.
- There have been no changes to our forecasts for interest rates and exchange rates.
- There are risks on both sides of this base case, depending on the progress of negotiations between US/Israel and Iran, the status of the Strait of Hormuz and whether there is further damage to energy infrastructure.
- Additional detail on our revised base case forecasts will be released on Monday.

Cliff Notes: a fork in the road

Elliot Clarke, Head of International Economics
Ryan Wells, Economist

In Australia, [February's CPI](#) came in slightly below expectations, headline inflation ticking down to 3.7%yr from 3.8%yr, while trimmed mean inflation held steady at 3.3%yr. Constructive elements of the detail included: dwelling purchases posting its smallest increase in ten months; a below-expectations annual increase in education prices; and lower childcare costs, the result of increased take-up of the Childcare Subsidy following the introduction of the three-day guarantee. There were also a couple of upside surprises, however, most notable were clothing and some food-related categories. The impact from electricity rebates has also now abated, bringing reported electricity prices back into line with actual prices.

The net result is that the inflationary pulse Australia was experiencing prior to the current surge in fuel prices was marginally softer than expected. While fuel will undoubtedly boost headline inflation from March, the trimmed mean pulse is likely to hold above but near the top of the target range through 2026. For a detailed view of how each state's economy is positioned to weather coming headwinds, see our latest [Coast-to-Coast](#) report.

The Q1 [Westpac-ACCI Survey of Industrial Trends](#) meanwhile showed that the long-awaited improvement in manufacturing conditions is finally materialising, the Actual Composite rising to 59.3 – a strong expansionary read. Underpinning the move was a surge in output growth, another solid lift in new orders and, encouragingly, a rise in employment and overtime. Note though, this survey was largely completed before the onset of the Middle East conflict. Australian manufacturing's acute exposure to fuel and energy costs is likely to see a partial reversal in Q2 and a degree of apprehension over the outlook.

“the trimmed mean pulse is likely to hold above but near the top of the target range through 2026”

Offshore, data released was inconsequential. The preliminary March S&P Global PMIs for the major advanced economies unsurprisingly pointed to softer momentum and heightened inflationary pressures in the initial weeks of the Middle East conflict. FOMC members Bowman and Waller meanwhile were focused more on labour market weakness than inflation, though they felt it prudent to wait-a-while to assess the implications of the current conflict for price risks.

Regarding the state of the Middle East conflict, equity markets took solace in news the White House had been involved in initial intermediated discussions over the path to a ceasefire, although uncertainty over who in Iran's leadership will take the lead in any formal negotiations has kept participants guessing on both the timing and potential success of these initiatives. The overnight extension of the 5-day reprieve for Iranian energy infrastructure by President Trump to 10 days is a positive step towards fruitful negotiations, however.

Iran's military actions have also been relatively contained this week, and safe passage through the Strait of Hormuz has been provided to several ships, consistent with prior communications from Iranian officials that ships operated by countries not involved in the conflict are free to transit if Iran's conditions are met. It is not clear if this includes a payment of up to US\$2 million per shipment as previously telegraphed. If Iranian authorities hold to this guidance, China's fleet and vessels from other non-aligned countries such as Malaysia (a key supplier to Australia who reportedly reached an agreement with Iran overnight) could slowly reduce the current global deficiency in crude and LNG supply, even if the US/Israel and Iran continue military actions against one another. The key risk remains the intentional, or unintentional, destruction of production and/or logistics facilities, turning a temporary loss of supply into an enduring one. The duration of this conflict and lost supply matters a great deal to both the persistence of global consumer inflation and the policy outlook.

Inflation up, growth down, OCR on hold?



Kelly Eckhold
Chief Economist NZ

As the war has drawn on and evidence of disruption to the NZ economy has accumulated, we have had another cut at estimating the impact on the economic outlook. The hit to growth and employment looks significant and inflation is set to move well above the top of the RBNZ's target range. The RBNZ noted an intention to try and look through the direct impacts of the shock. But there is significant uncertainty around the outlook so we should be humble around what we know now about how things will develop over the year ahead.

The Iran war is expected to significantly crimp the previously expected recovery.

The Iran war has not moderated in the last couple of weeks and in some sense the pressure on the New Zealand economy has intensified as early hopes of a fast resolution and quick return to global economic normality have waned. We can't say with any certainty when the conflict will end. But we now think it will be at least another month until we see tangible signs of an end to the war with the possibility of more normal service to the global oil markets returning.

Crude oil prices have remained volatile but refined fuels markets have continued to tighten as the flow of crude oil around the world has now been constrained for more than three weeks. Damage to infrastructure in the Persian Gulf has accumulated which means that even if the war ended tomorrow, the path to normality will take some time. As refined fuels spreads are wider and capacity at the Asian refineries where we and our trading partners access fuel has declined, pressure has built on the economic outlook.

We continue to assume that the Iran war eases in around a month and that crude oil and refined fuels prices will gradually ease over the rest of 2026. Crude oil prices are expected to drop back to around pre-war levels by the start of 2027. However, refined fuels prices remain elevated compared to levels seen a few months ago as we expect some element of a war risk premium to remain, and damage to infrastructure may take time to repair. That means inflation in New Zealand will likely linger at elevated levels for much of this year.

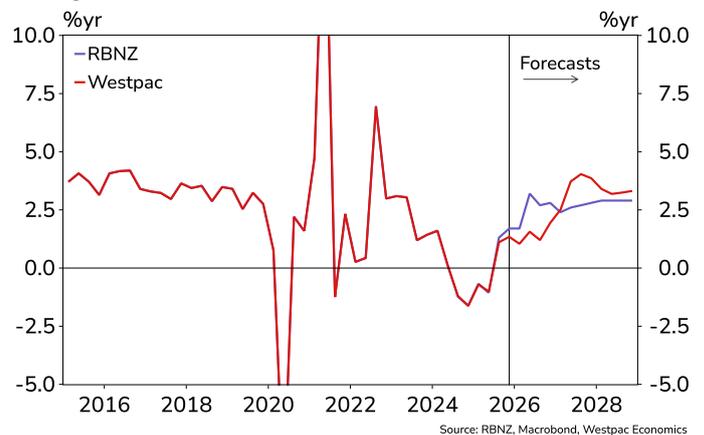
We think that the Iran War will have damaged confidence in the household and business sectors and will be prompting changes in spending and investment plans given people have no real idea on when conditions will improve. We saw an early read on this with the monthly consumer confidence survey for March released today. This showed that consumer confidence

dropped sharply over the month and currently likely sits some distance below the average level of confidence reported for the month overall.

We've pulled down our forecast for GDP growth over 2026 to 1.9% (from 2.8% previously). In the very near term, we've pencilled in a fall in quarterly GDP of 0.4% in the June quarter. That's mainly due to an expected drop in household spending in response to increases in living costs and related falls in consumer confidence. Those headwinds will not be significantly offset by the Government's support package targeting lower income households.

We also expect weakness in investment spending over the coming year, with some businesses likely to delay major capital spending in response to the increased uncertainty about the outlook for economic growth and the near-term downturn in demand that may be experienced in some industries. We will learn more about this when the NZIER QSBO is available on 21 April.

GDP growth forecasts



The most direct impact of the shock on exports will be felt in the tourism sector, with the recent strong growth in international arrivals likely to be reversed for a period due to a combination of flight disruptions, much higher airfares and perhaps consumer reluctance to travel long distances. The economic impact will be partly mitigated by fewer New Zealanders choosing to holiday abroad. At this stage we have made no major changes to our forecasts for the volume of merchandise trade. As is usually the case in New Zealand, weaker global growth is likely to manifest mostly through lower prices, rather than lower volumes.

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Growth is expected to pick up again next year as the eventual fall in oil prices boosts households' disposable incomes. However, the recovery in investment spending is expected to be more gradual, with businesses likely to remain cautious about major capital expenditure until they are confident that the recovery is entrenched.

We anticipate that the shock will put paid to the recovery in the labour market we had expected over 2026. We now expect unemployment will rise from 5.4% currently to 5.6% in the middle of this year, before easing back gradually. With a softer outlook for economic growth, businesses are likely to remain cautious about taking on new staff, and some firms may shed workers.

With weakness in activity and the jobs market, the overall level of wage inflation is expected to remain moderate in the near term (though some workers with specialised skills may be able to negotiate larger pay increases in response to the rise in living costs). Longer term, as the economy recovers, we are likely to see demands for larger cost-of-living adjustments to wages as workers try to claw back the loss in their purchasing power.

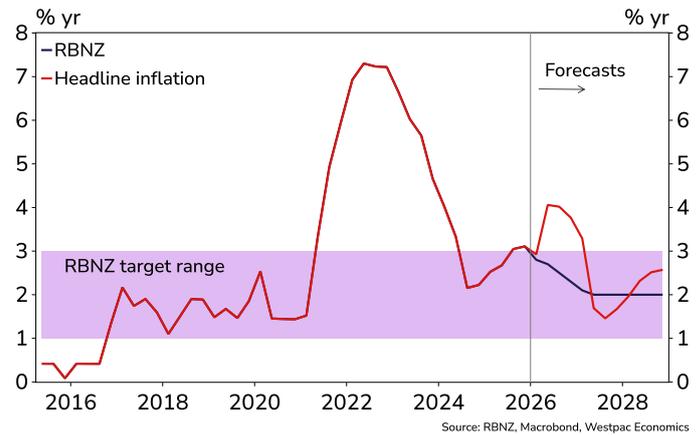
Another sector that won't likely see an improvement over 2026 now is the housing market. The hit to the household sector coming from the increase in fuel costs combined with the weaker labour market is likely to be a kick in the guts of a housing market that was already just treading water. We now expect house prices to fall around 1% over 2026 as buyers step back from the market. Further ahead, we expect a return to more moderate rates of house price growth.

Our revised economic outlook also has implications for the Government's fiscal position. As growth is expected to be weaker then so also will be government revenue. Spending is also likely to be higher than expected as unemployment rises. The Government's fuel package announced this week will have just a modest impact given the Government indicates that the roughly \$370 m cost implied will fit within current operating allowances. The bottom line is that the OBEGALx deficit in 2026/27 is now likely to be around \$4bn larger than we had forecast previously. A surplus might still be achievable in 2029/30, but the cumulative deficit over the forecast period would be around \$7-8bn higher than forecast previously, with net core Crown debt peaking at around 46% of GDP. Treasury's forecasts are likely to be more pessimistic than our own with implications for the forecast bond programme.

There are consequential implications for the inflation outlook. We now expect that inflation will peak at 4.1% in mid-2026, and that it will remain above 3% through the first quarter of 2027. That is up sharply from our previous forecasts, which assumed a peak in inflation of around 3.2%. And importantly, inflation is set to remain well above the levels the RBNZ had previously assumed for all of 2026. Higher refined fuels costs are the key driver here. There are direct impacts on petrol and diesel costs, but also indirect impacts through a broad range of goods and services.

When oil prices do eventually drop back, inflation is expected to fall to levels that are lower than we previously assumed (a pattern that is often seen in the wake of oil price spikes). In our updated projections, inflation is expected to briefly dip below 2% in late-2027, before rising back up to around 2.3% further ahead.

CPI inflation forecasts



The extent of the current uplift in inflation signals upside risk for inflation expectations and business price setting behaviour. In the near term, any uplift in output prices will be moderated by the softness in activity. However, when activity recovers, we expect some firms will attempt to rebuild margins, while workers are likely to ask for larger wage increases to offset the erosion of their purchasing power.

This leaves the question on how the RBNZ will respond to the significant change in circumstances. The RBNZ is "exquisitely skewed" between a much higher inflation outlook and the likelihood and increasing excess capacity amid weak growth.

Governor Breman released a speech this week discussing the framework the RBNZ expects to follow. Breman's emphasis was that policy would be focused on medium term inflation pressures, and that for now there's little evidence these have lifted by enough to justify near-term OCR hikes. Breman indicated that rate hikes will only be brought forward should there be an accumulation of evidence suggesting that the oil shock is generating second-round pressures on wages and prices, leading to higher inflation over the medium term. Those second-round effects – which are more likely to occur if the conflict is prolonged – are unlikely to be evident for some time.

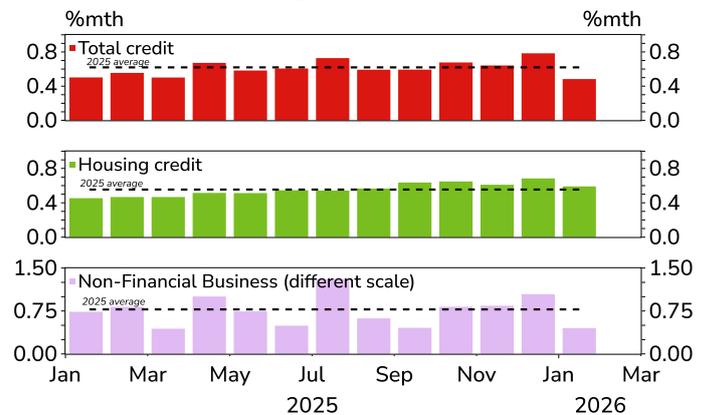
AUS: Feb Private Sector Credit (%mth)

Mar 31, Last: 0.5 Westpac f/c: 0.6
Mkt f/c: 0.6, Range: 0.2 to 0.7

Private sector credit growth reached 0.8%*mth* in December but eased to 0.5%*mth* in January, surprising to the downside as all major credit components reported weaker growth.

We expect growth to rebound to 0.6%*mth* in February – slightly below the average pace of 0.7%*mth* recorded in the second half of last year. The RBA cash rate increase in early February and weaker consumer sentiment at the start of the year are likely to affect credit flows with a lag. With house prices remaining firm, though somewhat lower than last year, credit growth should be supported for now. However, inflationary pressures and rising interest rate expectations from higher energy prices represent a downside risk for Q2 and beyond.

Private sector credit growth



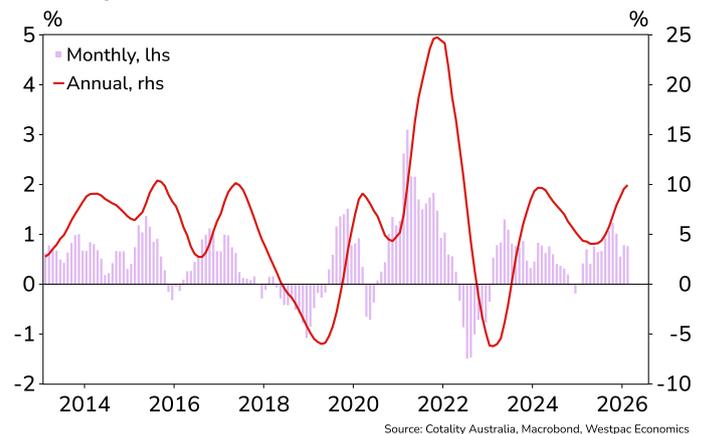
AUS: Mar Cotality Home Value Index (%mth)

Apr 1, Last: 0.6, Westpac f/c: 0.7

The Cotality home value index rose 0.6% in Feb following a 0.7%*mth* in Jan, a 0.4% rise in Dec and 0.9-1.2%*mth* gains through Aug-Nov. Despite the softer tone in recent months, annual growth still lifted, rising to 9.6%*yr*. The detail shows a significant slowing in price growth and a pull-back in turnover in the Sydney and Melbourne markets but a much more muted slowing effect in other markets.

The daily measure points to a similar 0.7% rise for the March month, the detail again showing softness in Sydney and Melbourne but robust gains in Brisbane, Adelaide and Perth. Weekly auction activity – which is only a meaningful guide to conditions in Sydney and Melbourne – suggests there has been a further weakening in these markets into month-end.

Cotality home value index



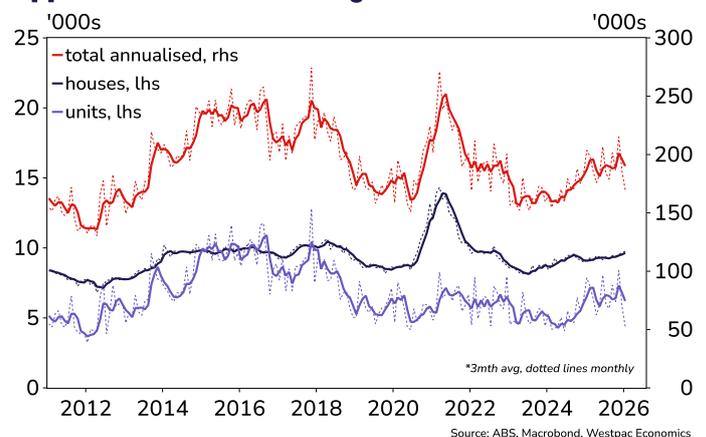
AUS: Feb Dwelling Approvals (%mth)

Apr 1, Last: -7.2, Westpac f/c: 5.0
Market f/c: 6.0, Range: -1.0 to 14.0

Dwelling approvals have been very choppy over the last six months, most recently falling 7.2% in Jan after a 14.9% drop in Dec unwind 15.9% jump in Nov, the swings driven by high rise. On a rolling 3*mth* avg basis, growth has slowed back to 0.9%*qtr*. As always, housing data needs to be treated with more caution over the December-January low period.

Feb is likely to see some 'pop' higher for headline approvals, with high rise approvals coming off an 18*mth* low. The segment can be very hard to predict but is generally slower to respond to cyclical shifts, suggesting what we have seen recently is more likely to be lumpiness-related noise than a response to the changed interest rate environment. On balance we expect a 5% rise in total approvals with upside risks if high rise returns to average level of the last two years.

Approvals ascent re-emerges



AUS: Q1 Job Vacancies (%qtr)

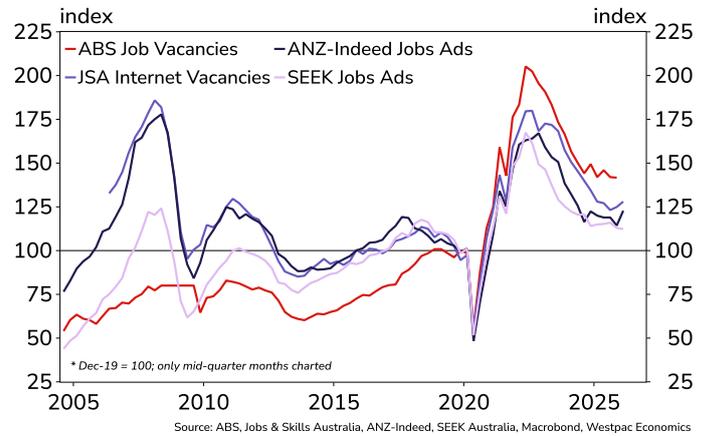
Apr 2, Last: -0.2, Westpac f/c: 3.0

Job vacancies fell by just -0.7k (-0.2%) between Aug and Nov, a smaller decline than expected. Over 2025, job vacancies have been broadly steady around 40% higher than pre-COVID levels.

While vacancies have been stable, the size of the labour force has continued to grow, seeing the vacancy rate nudge lower. The unemployment rate also gradually rose over last year. Overall, the labour market is operating around the Beveridge curve, suggesting the relationship between vacancies and unemployment is behaving broadly as expected.

Monthly partial indicators were on the stronger side in recent months, suggesting the official ABS stock measure of vacancies will likely bounce higher in Q1. We have pencilled in a lift of 3.0% for the quarter.

Partial indicators point to a lift in Q1



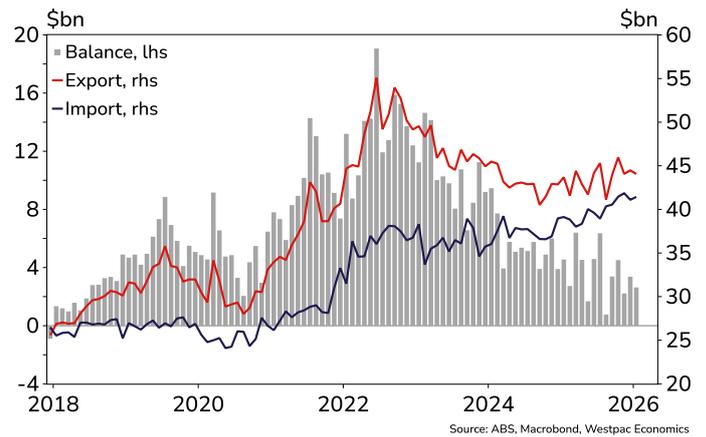
AUS: Feb Goods Trade Balance (\$bn)

Apr 2, Last: 2.6, Westpac f/c: 1.5
Mkt f/c: 2.9 Range: 1.5 to 3.5

Lower exports and higher imports saw the monthly goods trade surplus narrow to \$2.6bn in January. We expect this trend to continue in February – we forecast a further narrowing to \$1.5bn.

Major commodities are likely to report lower exports, as adverse weather has disrupted production and shipments. Coal production in Queensland appears to have been particularly affected. Iron ore shipments are also likely to decline. Significant AUD appreciation is set to weigh on exports of other goods. On the imports side, January saw large monthly changes across major categories, but overall imports increased by a relatively modest 0.8%*mt*. We may see notable compositional shifts again, although total imports are expected to be only slightly lower.

Goods trade balance

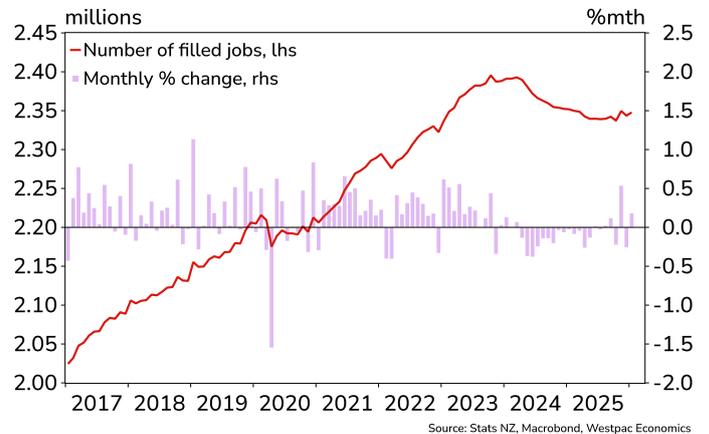


NZ: Feb Monthly Employment Indicator (%*mt*)

Mar 30, Last: 0.2, Westpac f/c: 0.6

The MEI is likely to add to the evidence that the New Zealand economy was regaining momentum prior to the Iran conflict. The weekly snapshots provided by Stats NZ are now running slightly higher than a year earlier, having been down year-on-year since mid-2024. For the February month, we expect an initial print of around +0.6%, although both that and the 0.2% rise in January are likely to be revised down a little in subsequent releases.

Monthly Employment Indicator

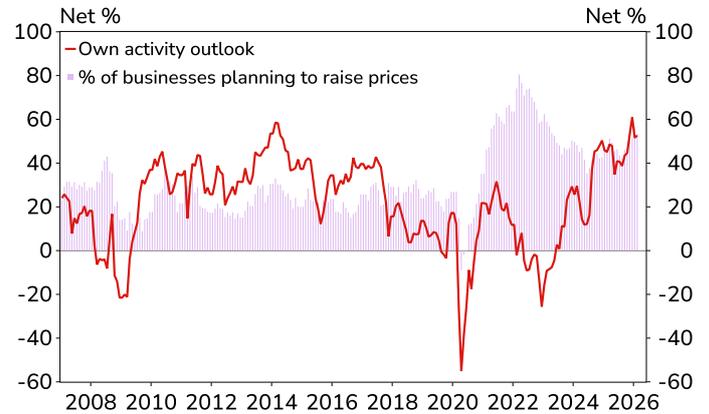


NZ: Mar ANZ Business Confidence (index)

Mar 31, Last: 59.2

ANZ's monthly survey is likely to show a sharp deterioration in business sentiment since the start of the Iran conflict – and as with their consumer confidence survey, it will have worsened over the course of the month, with the headline result only capturing the average. The surge in fuel prices will no doubt send inflation expectations and pricing intentions higher as well; the big question for the RBNZ will be around the potential for ongoing rounds of price increases, given that businesses' own customers are also facing a significant hit to their purchasing power.

Business confidence high prior to Iran conflict

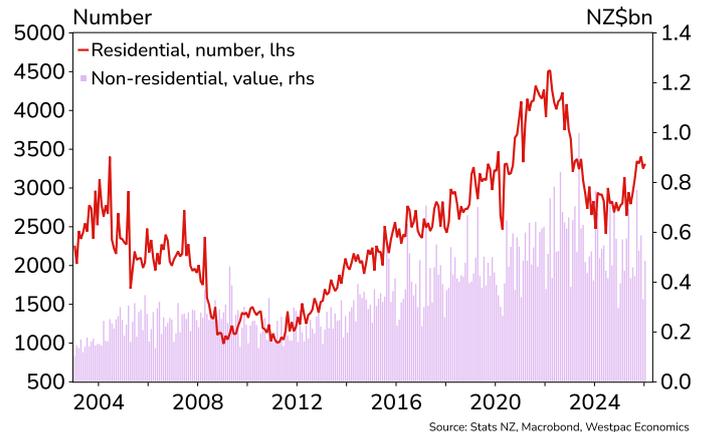


NZ: Feb Building Consents (%mth)

Apr 1, Last: 1.9, Westpac f/c: 5.0

Following a modest 2% rise in January, we're forecasting a 5% rise in dwelling consent numbers in February. That's in part due to an expected bounce in multi-unit consents after softness in January. More notably, if we smooth through the monthly swings, the total number of homes consented over the past 12 months has been trending higher and looks set to reach its highest level since 2023. But while this is encouraging, the lift in consents does pre-date the Middle East conflict and related increases in uncertainty around the economic outlook. We expect those factors will weigh on new construction over the year ahead.

Building consents picking up

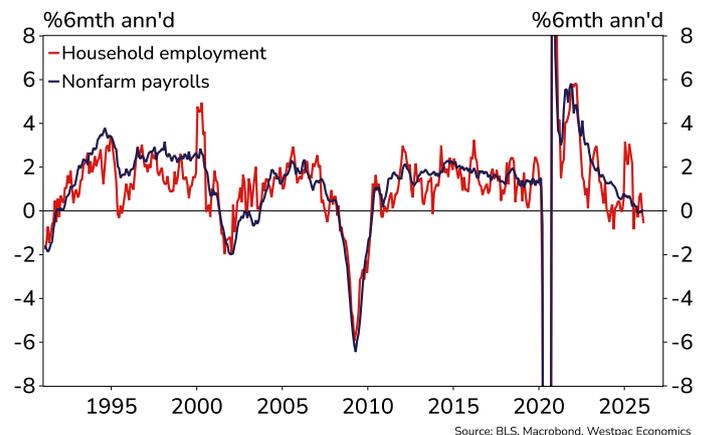


US: Mar employment report

Apr 3, payrolls, Last: -92k, WBC f/c: 70k, Mkt f/c: 51k
Apr 3, U/E rate, Last: 4.4%, WBC f/c: 4.4%, Mkt f/c: 4.4%

The US labour market surprised to the downside in February, with 92k jobs lost in the month and a 69k cumulative downward revision to December and January. Nonfarm payrolls employment rose by just 13k per month over the year to February, a marked step down from 89k the year prior. If this trend rate of growth continues for employment, the unemployment rate will edge up towards 5.0% through the remainder of the year. Given the comparatively low level of participation, there is also a risk of a step change in the unemployment rate any given month. For the FOMC, downside risks will have to be balanced against inflation pressures.

Labour demand has stalled



What to watch

	For	Data/Event	Unit	Last	Market f/c	Westpac f/c	Risk/Comment
Mon 30							
NZ	Feb	Monthly Employment Indicator	%mth	0.2	-	0.6	Signs of picking up prior to the Iran conflict.
Eur	Mar	Economic Confidence Indicator	index	98.3	-	-	Economic sentiment set to drop on weak consumer confidence.
US	Mar	Dallas Fed Manufacturing survey	index	0.2	-	-	Volatile, but pointing to a tentative improvement in 2026.
		Fedspeak	-	-	-	-	Williams.
Tue 31							
Aus	Mar	RBA Minutes	-	-	-	-	Will provide more colour around the 5-4 split vote to hike.
	Feb	Private Sector Credit	%mth	0.5	0.6	0.6	With house prices firm credit growth should see support.
NZ	Mar	ANZ Business Confidence	index	59.2	-	-	An immediate response to the Iran conflict and fuel prices.
Jpn	Mar	Tokyo CPI	%ann	1.6	1.6	-	Core inflation decelerating but still sustainable.
	Feb	Jobless Rate	%	2.7	2.7	-	Labour market is softening marginally.
	Feb	Industrial Production	%mth	4.3	-2.0	-	Very strong start to the year for factory output.
Chn	Mar	NBS Manufacturing PMI	index	49.0	50.2	-	Factory activity softened as expected ...
	Mar	NBS Non-Manufacturing PMI	index	49.5	50.0	-	... post-LNY data will provide a clearer read.
Eur	Mar	HICP Inflation	%ann	1.9	2.7	-	ECB now forecasting inflation above target in 2026.
UK	Q4	GDP	%qtr	0.1	-	-	Final estimate.
US	Jan	S&P/CS Home Price Index	%mth	0.5	-	-	Stabilising but on fragile footing as confidence falters.
	Mar	Chicago PMI	index	57.7	-	-	Middle East conflict brings apparent exuberance into question.
	Mar	Conf. Board Consumer Confidence	index	91.2	88.0	-	Confidence revisiting pandemic- and tariff-era lows.
	Feb	JOLTS Job Openings	000s	6946	-	-	Labour market is not a source of inflationary pressure.
		Fedspeak	-	-	-	-	Goolsbee.
Wed 01							
Aus	Feb	Dwelling Approvals	%mth	-7.2	6.0	5.0	Volatile high-rise approvals to come off an 18-month low.
NZ	Feb	Building Permits	%mth	1.9	-	5.0	Consent issuance to continue trending higher.
Jpn	Q1	Tankan Large Manufacturers	index	15	16	-	How will manufacturers react to offshore risks?
Chn	Mar	RatingDog Manufacturing PMI	index	52.1	52.5	-	Suggests export-facing businesses are faring better.
Eur	Feb	Unemployment Rate	%	6.1	6.1	-	Continues to surprise and hit new record lows.
US	Mar	ADP Employment Change	000s	63	40	-	Been on the firmer side of official payrolls figures of late.
	Feb	Retail Sales	%mth	-0.2	0.4	-	Momentum decelerating but consistent with growth at trend.
	Mar	ISM Manufacturing	index	52.4	52.3	-	Echoing the positive signals from regional surveys recently.
		Fedspeak	-	-	-	-	Musalem.
World	Mar	S&P Global Manufacturing PMI	index	-	-	-	Final estimate for Japan, Europe, UK and US.
Thu 02							
Aus	Feb	Goods Trade Balance	\$bn	2.6	2.9	1.5	Adverse weather disruptions to major commodity exports.
	Q2	Job Vacancies	%qtr	-0.2	-	3.0	Monthly indicators point to a bounce in Q1.
US	Feb	Trade Balance	US\$bn	-54.5	-66.0	-	Volatile as companies adapt to tariffs.
		Initial Jobless Claims	000s	-	-	-	Still at a low level versus history.
Fri 03							
Chn	Mar	RatingDog Services PMI	index	56.7	53.7	-	Suggests Lunar New Year holiday spend was firm.
US	Mar	Nonfarm Payrolls	000s	-92	51	70	Jobs growth revised lower, strikes also temporarily weighing.
	Mar	Unemployment Rate	%	4.4	4.4	4.4	Constrained labour supply keeps unemployment low ...
	Mar	Average Hourly Earnings	%mth	0.4	0.3	-	... and wages growth fairly robust.
	Mar	ISM Services	index	56.1	-	-	Shaky confidence puts services activity boom at risk.
World	Mar	S&P Global Services PMI	index	-	-	-	Final estimate for Japan, US.

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Economic & financial forecasts

Interest rate forecasts

Australia	Latest (27 Mar)	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28
Cash	4.10	4.35	4.35	4.35	4.35	4.35	4.35	3.85	3.60	3.60
90 Day BBSW	4.30	4.40	4.40	4.40	4.45	4.45	4.30	3.80	3.70	3.70
3 Year Swap	4.80	4.60	4.45	4.40	4.35	4.25	4.10	3.95	3.80	3.60
3 Year Bond	4.82	4.62	4.47	4.42	4.37	4.27	4.12	3.97	3.82	3.62
10 Year Bond	5.11	4.95	4.90	4.85	4.80	4.75	4.75	4.70	4.70	4.70
10 Year Spread to US (bps)	70	65	55	45	35	25	20	10	5	0
United States										
Fed Funds	3.625	3.375	3.375	3.375	3.375	3.375	3.375	3.375	3.375	3.375
US 10 Year Bond	4.42	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	2.50	3.00	3.50	3.75	4.00	4.25	4.25
90 Day Bill	2.54	2.45	2.50	2.90	3.40	3.75	4.00	4.25	4.45	4.45
2 Year Swap	3.52	3.60	3.85	4.10	4.30	4.40	4.40	4.40	4.35	4.30
10 Year Bond	4.76	4.80	4.95	4.95	5.05	5.10	5.10	5.10	5.10	5.10
10 Year Spread to US (bps)	34	50	60	55	60	60	55	50	45	40

Exchange rate forecasts

	Latest (27 Mar)	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28
AUD/USD	0.6909	0.72	0.72	0.73	0.73	0.74	0.74	0.74	0.73	0.73
NZD/USD	0.5761	0.59	0.61	0.62	0.64	0.66	0.67	0.67	0.67	0.665
USD/JPY	159.64	156	155	154	152	150	148	146	144	142
EUR/USD	1.1542	1.17	1.18	1.19	1.20	1.21	1.22	1.22	1.22	1.22
GBP/USD	1.3343	1.35	1.36	1.37	1.38	1.39	1.40	1.41	1.41	1.41
USD/CNY	6.9128	6.85	6.80	6.70	6.60	6.50	6.45	6.40	6.35	6.35
AUD/NZD	1.1963	1.22	1.18	1.18	1.14	1.12	1.11	1.10	1.10	1.10

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	0.1	0.3	0.4	0.5	0.5	-	-	-	-
%yr end	2.1	2.6	2.6	1.9	1.7	1.4	1.4	1.8	2.6	1.4	2.0	2.8
Unemployment rate %	4.3	4.3	4.2	4.3	4.5	4.7	4.7	4.6	4.3	4.7	4.5	4.4
Wages (WPI) %qtr	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.8	-	-	-	-
%yr end	3.3	3.4	3.3	3.2	3.2	3.2	3.2	3.2	3.4	3.2	3.0	3.4
CPI Headline %qtr	1.3	0.6	1.4	2.1	0.7	0.3	0.5	0.6	-	-	-	-
%yr end	3.2	3.6	4.1	5.5	4.8	4.5	3.6	2.1	3.6	4.5	2.4	2.7
CPI Trimmed Mean %qtr	1.0	0.9	0.9	1.0	1.0	0.9	0.8	0.7	-	-	-	-
%yr end	3.0	3.4	3.5	3.9	4.0	4.0	3.8	3.5	3.4	4.0	3.0	2.7

New Zealand economic forecasts

	2025		2026		2027				Calendar years			
% Change	Q3	Q4	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f	2024	2025	2026f	2027f
GDP %qtr	0.9	0.2	0.8	-0.4	0.5	1.0	1.4	0.8	-	-	-	-
Annual avg change	-0.6	0.2	0.6	1.2	1.3	1.5	1.9	2.4	-0.3	0.2	1.5	3.5
Unemployment rate %	5.3	5.4	5.4	5.6	5.6	5.4	5.1	4.9	5.1	5.4	5.4	4.6
CPI %qtr	1.0	0.6	0.8	1.6	1.0	0.4	0.3	0.1	-	-	-	-
Annual change	3.0	3.1	2.9	4.1	4.0	3.8	3.3	1.7	2.2	3.1	3.8	1.7

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