Week beginning 6 April 2026

AUSTRALIA & NEW ZEALAND WEEKLY

Analysis and forecasts for this week's key releases.

In this week's edition:

Economic Insight: Revised RBA rates view: two extra hikes, 4.85% peak, later reversal.

The Week That Was: Mixed messages.

Focus on New Zealand: Not hawkish. Not dovish. Balanced.

Forecast Update: we pencil in three more rate hikes this year and have posted our full baseline forecasts.

For the week ahead:

Australia: Household spending indicator, MI inflation gauge.

New Zealand: RBNZ Policy decision, manufactruing PMI.

Japan: Household spending.

China: CPI, PPI.

Euro area: PPI, retail sales, Sentix investor confidence.

United States: CPI, GDP, personal income, personal spending, PCE deflator, factory orders, consumer credit.

Global: Easter Monday, S&P Global Services PMIs.

Information contained in this report current as at 2 April 2026.

Revised RBA rates view: two extra hikes, 4.85% peak, later reversal

Luci Ellis
Chief Economist, Westpac Group

We have revised our view of the outlook for RBA policy, adding two further hikes to the near-term profile and pushing out the eventual reversal. We now expect 25bp rate hikes at the 16 June and 11 August decisions, in addition to the 25bp hike we already expected at the May meeting. The peak for the cash rate is now expected to be 4.85%.

This shift reflects the longer disruption to and slower recovery in fuel supply assumed in the revised baseline forecasts we first published on Friday afternoon, with the Strait of Hormuz essentially closed for eight weeks and traffic recovering only slowly after that. It also reflects the surprisingly rapid pass-through of higher fuel and other oil-derived product prices into other prices in Australia. We believe the RBA will respond to this pricing behaviour by tightening monetary policy by more than would have been needed absent that pass-through.

The halving of fuel excise, announced by national cabinet today, reduces the near-term outlook for headline CPI inflation, but a peak of 5.4%yr in June quarter remains likely. The announcement also does not affect prices of other oil-related products, including aviation fuel and various plastics, or any price increases from damage to gas and other production facilities in non-combatant Gulf states. Much of the second-round pass-through of prices is therefore likely to remain in place, and we continue to expect trimmed mean inflation to peak around 4%yr later this year.

The higher cash rate profile will weigh on Australia's economic outlook. Growth will be slower, especially consumption, and the labour market will be softer. We expect unemployment to peak around 5%, somewhat higher than the 4.7% peak we flagged last week. Headline inflation will dip below 2½% by mid 2027 and will remain in the lower half of the 2–3% target range through to 2028. Trimmed mean inflation will take a little longer to decline, but will be back in the target range in 2028.

A companion note, also to be released this afternoon, fleshes out the rest of the forecasts. The revisions incorporate the assumed longer closure of the Strait of Hormuz and other supply disruptions in the Middle East flagged last week. In addition, we have updated for the new profile for the cash rate, the changes to fuel excise and some other recent events.

Despite the weaker economic outlook and potential undershoot of the inflation target implied by these revised forecasts, we think the RBA will be slow to reverse this policy tightening and risks getting behind the curve in coming years. We push out the date for rate cuts and pencil in four rate cuts, one per quarter in February, May, August and November 2028. We have low conviction about the exact timing.

The RBA will have already been spooked by the way inflation kicked up late last year after it took back some of its earlier rate hikes (though the usual lags of policy imply that the cuts were not the cause of that increase in inflation). We therefore suspect that the unwind of the current policy tightening will involve something of a "one bitten, twice shy" mentality. Second-round pass-through to other prices and costs will only increase the RBA's reluctance to unwind the current policy tightening.

"we continue to expect trimmed mean inflation to peak around 4%yr later this year."

We also believe the RBA's evolving intellectual framework will militate against an early reversal of these hikes. A supply shock such as the one the world is now facing should ordinarily be looked through to the extent possible, so long as longer-term inflation expectations remain anchored. Because it believes Australia is starting from a position of little spare capacity, though, the RBA sees the supply shocks as a potential reason to have both a restrictive stance of policy and to revise up its view of what constitutes restrictive policy.

The RBA has insisted that it retains its earlier strategy of holding onto as much of the post-pandemic employment gains as possible, subject to meeting the inflation target. While inflation was actually in the 2–3% target range for part of last year, underlying inflation did not get all the way back to the 2½% target midpoint before lifting again. This is clearly being interpreted in some quarters as inflation having been above target continuously. The Monetary Policy Board will therefore want to demonstrate its commitment to returning inflation back to target expeditiously and its willingness to do what it sees as necessary to achieve this.

As noted last week, there are risks on both sides of our revised baseline view. Iran is already letting some ships through the Strait, and it is possible that fuel supply recovers faster than we are currently assuming. It is also possible that a consensus forms domestically to resist second-round inflation, especially where the flow-on of higher costs to downstream prices could be construed as excessive. On the more inflationary side, it is possible that the war drags on longer, or domestic pass-through is stronger than we currently expect.

Forecast changes

- **RBA now expected to hike rates three times (May, June, August), revised up from one more (in May) previously. Peak cash rate now 4.85%, above previous peak.**
- **Longer Middle East disruption lifts peak prices for oil and gas, lengthens recovery. Infrastructure damage exacerbates the shock. Brent oil now expected to peak at an average $120/bbl in Q2 and Japanese LNG prices at $26mmbtu.**
- **Australian CPI inflation now expected to peak at 5.4%yr in June quarter, and even higher on the monthly series, despite the announced cut to fuel excise. Trimmed mean inflation peaks around 4% in 2026 H2. Food prices a particular concern through to 2028, but broader pass-through to non energy prices also an issue.**
- **Supply shock and tight monetary policy drag on demand, especially consumption and other interest-sensitive sectors. GDP growth forecast to trough at 1%yr in 2026, and remain subdued at 1.6%yr in 2027; unemployment rate peaks at 5% end-2026.**

Cliff Notes: mixed messages

Elliot Clarke, Head of International Economics

At the turn of the week, Chief Economist Luci Ellis and Westpac Economics highlighted how severe the inflationary impact is expected to be for Australia. Recognising the extreme uncertainty surrounding the conflict and the passage of time, we extended our baseline supply assumption from a one to two-month complete shutdown of the Strait of Hormuz followed by a protracted recovery in transit from 20% of pre-conflict supply in May to normal supply at year end. Also, a consequence of elevated refining margins globally, annual Australian consumer inflation is now expected to peak around 6%yr in mid-Q2. While headline inflation will fall back to target over the following year, trimmed mean inflation is forecast to remain above 3.0%yr until end-2027 and only settle in the middle of the target range in late-2028, having peaked at 4.0%yr at end-2026.

With Australia already experiencing tight capacity and elevated domestic inflation pressures, attested to again by the RBA in the March Monetary Policy Board meeting minutes, the Middle East conflict warrants pre-emptive action by the RBA through three 25bp cash rate hikes in May, June and August 2026 to 4.85%. Policy is then seen on hold until 2028, when success with inflation should allow the cash rate to be reduced by 100bps steadily through the year. The consequence for GDP is likely to be a deceleration to just 1.0%yr in 2026, followed by a sub-par 1.6%yr gain in 2027, then an above-trend 2.8%yr recovery in 2028. The unemployment rate is forecast to rise to 5.0% at end-2026, and to take until end-2028 to return to its full employment level, circa 4.5%.

To the above forecasts, time matters a great deal. If, as has been mooted in recent days (and may be confirmed in a Presidential address later today), the Trump administration calls a quick end to the US' strikes against Iran, Australian GDP and the labour market may receive a reprieve. That said, heightened inflation will remain an acute risk while transit and supply-chain disruptions persist, and businesses may also take the opportunity to re-set margins. The balance between inflation and activity risks will therefore remain in focus for the RBA over the coming year. Ahead of the Federal Budget, the Government's financial position is also in flux, although current conditions look more likely to prove a positive than negative at this stage.

Local data out this week meanwhile focused on housing. Cotality home values increased a solid 0.6% in March. Although affordability saw a divergence in conditions city by city, with prices down a touch in Sydney and Melbourne as strong growth continued in Brisbane, Adelaide and Perth. Where conditions are weakest, reduced turnover is holding prices up. Dwelling approvals remained volatile in February, a 29.7% monthly gain lifting the annual growth rate to 14%yr. Australia clearly has need for significant, sustained additions to housing supply across our major cities, but affordability and the cost of construction are material risks which are likely to persist into the medium term.

> **"heightened inflation will remain an acute risk while transit and supply-chain disruptions persist"**

Offshore, the list of data worthy of mention was short this week. University of Michigan consumer sentiment was, unsurprisingly, weak in March, 19% below the 5-year average and 37% under the full-history benchmark. The Conference Board's measure showed greater resilience but was still weak versus history. That said, ADP private payrolls continued to grow in March, and the retail sales control group recorded a solid gain of 0.5%mth. The ISM manufacturing index for March was also favourable, although the survey only caught the beginning of disruptions related to the Middle East conflict and the detail was also mixed, with production up, new orders down and employment contracting. China's official PMIs emphasised the nation's ability to weather uncertainty, with both the manufacturing and services indexes higher in March.

The key international data release for the week is still to come on Friday night. The US March employment report will be closely scrutinised after February's weak detail reset participants current understanding and expectations for the labour market. US policy makers have been more focused on inflation risks in recent weeks, but another poor employment result could see them reconsider this view. In contrast, a rebound in job creation will likely see market pricing for near-term policy decisions shift materially in favour of a hike, or two, as has been the case elsewhere across the developed world.

Not hawkish. Not dovish. Balanced.

Satish Ranchhod
Senior Economist

The RBNZ meets next week for its April Monetary Policy Review (Wednesday 8 April, NZ 2pm). As discussed in our preview, in the absence of major developments in the Middle East over the coming days, the RBNZ is set to leave the Official Cash Rate (OCR) at 2.25%. However, rather than the immediate OCR decision, the key focus will be on how the RBNZ is balancing the significant challenges stemming from the conflict in the Middle East and what that implies for the longer-term policy outlook.

Since the RBNZ last met in February, the risks around the economic outlook have changed significantly. Economic growth in the final quarter of last year has already come in below the RBNZ's forecast. More significantly, disruptions stemming from the war in the Middle East mean that growth over 2026 is now also likely to fall well short of the RBNZ's previous forecast. We expect the economy to grow just 1.9% in the year to December, well below the February MPS forecast for growth of 2.8%. We also expect a higher track for the unemployment rate.

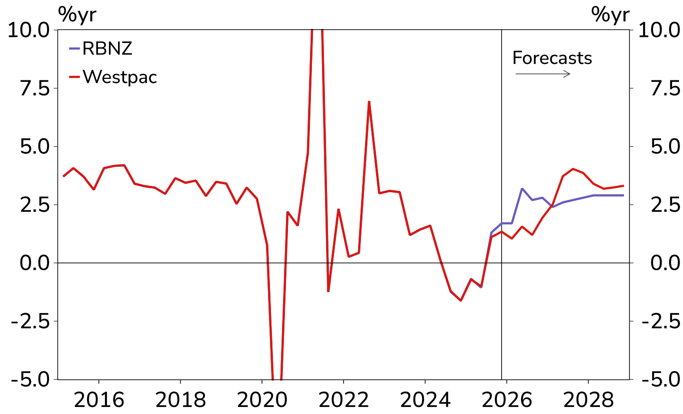
At the same time, inflation is set to run much hotter than the RBNZ had expected over 2026. We're forecasting that inflation will peak around 4.1% around the middle of this year before softening a little to 3.8% by year's end – well above the RBNZ's previous year-end forecast for 2.4%. Our stronger inflation outlook is mainly due to the direct impact of higher oil prices (i.e., higher prices for petrol and diesel). However, even if global oil prices were to drop back now, inflation is still set to linger above the RBNZ's forecast over the remainder of this year, as disruptions to supply chains and other related increases in costs of production will take time to dissipate.

RBNZ Governor Breman has already outlined how she is thinking about those challenges in a recent speech. That speech described an orthodox (and sensible) approach to monetary policy in the face of a supply shock, of which the current oil price is a typical example. The Governor noted that the RBNZ would not react to the immediate fuel-related lift in inflation. The RBNZ can't offset a rise in oil prices that has already occurred with higher interest rates now, but doing so would compound the downward pressure on growth. Furthermore, with interest rates taking around 12 to 18 months to have their maximum impact, hiking rates now would potentially result in an even deeper fall in inflation at the same time as the eventual falls in oil prices will naturally pull it lower.

Instead, the focus for the RBNZ will be the longer-term outlook for inflation. And this is where things start to get murky. The key issue for the RBNZ is whether the current sharp rise in prices will have lingering effects, resulting in higher inflation even when oil prices eventually ease. That could occur if businesses come to expect continued large increases in operating costs and raise their prices accordingly. There's also the risk that we see demands for higher-than-normal cost-of-living increases as workers try to recoup the current loss of spending power. Both of those risks are very plausible given that we've recently been through an extended period of high inflation and related pressure on businesses' operating costs. And if those risks do materialise, the current uplift in inflation could end up being much more protracted.

It will take some time before we know whether those longer-term inflation risks (sometimes referred to as 'second round' impacts of an oil price shock) are manifesting. The starting point for the economy is important on this front and provides some cause for optimism. Soft activity in recent years has left the New Zealand economy with a high level of spare capacity, including a higher-than-average unemployment rate. That will limit the ability to push through larger increases in output prices or wages (though that does also imply related pressure on margins and households' purchasing power).

GDP growth forecasts



Source: RBNZ, Macrobond, Westpac Economics

We are already seeing reports of businesses raising their prices due to the direct impact of increases in fuel prices on their operating costs (e.g., higher airfares and fuel surcharges within the land transport industry). Perhaps of more concern for the RBNZ, the latest ANZ Business Outlook Survey (which was conducted following the outbreak of the war) showed a sharp rise in inflation expectations, along with increases in the number of businesses who said they are planning to increase their prices. That said, given the outlook for inflation, it would be surprising if surveyed inflation expectations did not rise in the near-term. Some comfort might be taken from firms' expectations for wage growth. These remained muted in the survey, suggesting that firms are not expecting current cost increases to feed a wage-price spiral.

The RBNZ's discussion of how its balancing the impact on growth and near-term inflation will be crucial for how markets react next week. Markets have been very focused on the rise in inflation pressures and related hawkish comments from other central banks. That's seen financial markets also pulling forward expectations for rate hikes here: at the time of writing, market pricing was consistent with an 60% chance of an OCR hike in July, and just over two hikes are priced in before the end of the year.

In its communications on 8 April, the RBNZ will balance a desire to avoid a further tightening of financial conditions with the desire to not sound complacent about the medium-term inflation risks that come with an energy price shock. Reinforcement of the approach communicated in Governor Breman's speech guidance should continue to lean against the market's current pricing for earlier rate hikes, especially as liquidity issues in the domestic market continue to ease. We continue to forecast just one 25bp hike this year, but also that significant tightening will occur in 2027 once the activity implications of the energy shock begin to dissipate.

The RBNZ's guidance about what to expect at future meetings will also likely echo the Governor's speech. In crafting this guidance, the MPC will aim to reassure markets that it will not overreact to the shock, which could cause markets to further tighten financial conditions. At the same time, the RBNZ will need to ensure it sounds credible to households and businesses about its willingness to tighten policy if inflation expectations and pricing behaviour evolve in a manner inconsistent with achieving the inflation target over the medium-term. While monetary policy should look through a temporary spike in energy prices, the MPC will need to be vigilant – and be seen to be vigilant – against the risk that inflation becomes persistent.

As we discuss in our latest Hawks, doves, and kiwis note, there are clearly risks on both sides for the OCR. Governor Breman's recent speech did draw on feedback from other MPC members, but there could still be a range of views among the Committee. Furthermore, this is a fast-changing situation. And with inflation pressures continuing to build over the past few days, even more dovish or balanced members of the MPC could start to change their assessments of risks. With that in mind, the Record of Meeting accompanying next week's interest rate review will be monitored closely to see where the members of the Committee see the risk. Key areas where the views of the Committee could diverge include the likely duration of the conflict, the impact on the economy, the likelihood of second-round effects driving persistent inflation over the medium-term, and the appropriate course for monetary policy over time. Such discussions might provide some insight into how the consensus view of the MPC might evolve as more is learnt about the evolution of the conflict and its economic impacts.

As part of her efforts to improve central bank transparency, Governor Breman has introduced a full press conference at interim reviews, and this will be the first review under that new framework. Historically, the RBNZ has not released updated forecasts at review meetings, and instead released them at the more complete quarterly updates. However, given the large changes in the economic landscape in recent weeks, the RBNZ is likely to discuss the risks around their previous forecasts. And we wouldn't rule out the chance that they could release some initial forecasts of key variables, like GDP, inflation, and the OCR.

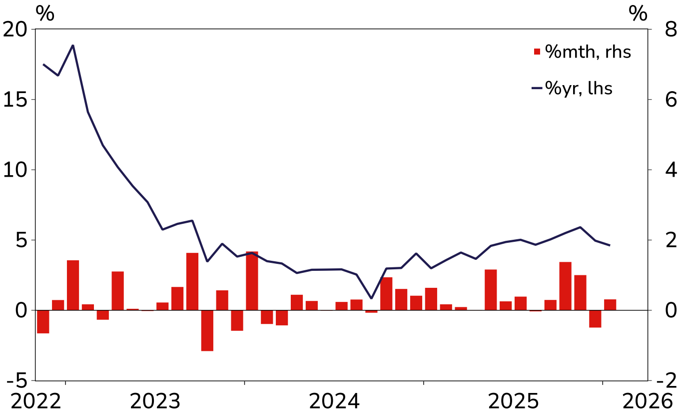
AUS: Feb Household Spending Indicator (%mth)

Apr 7, Last: 0.3, Westpac f/c: –0.2
Mkt f/c: 0.2, Range: –0.2 to 0.4

The Household Spending Indicator rose 0.3%mth in January, in line with its average monthly pace over the past two years. Annual growth eased back to 4.6%yr, having averaged just over 5%yr through the second half of 2025.

The detail from our **Westpac-DataX Card Tracker** suggests the ABS spending indicator will show a dip for the February month. Our forecast 0.2% decline in the month would take annual growth to 4.2%yr. With population growth tracking at 1.6%yr, the 2.6%yr pace in per capita terms this points to a slight decline in real, inflation-adjusted terms. Of course, all of this pre-dates the Middle East conflict and associated fuel price surge. Our card tracker shows this has already seen significant disruptions to activity in March (see here).

Monthly household spending indicator



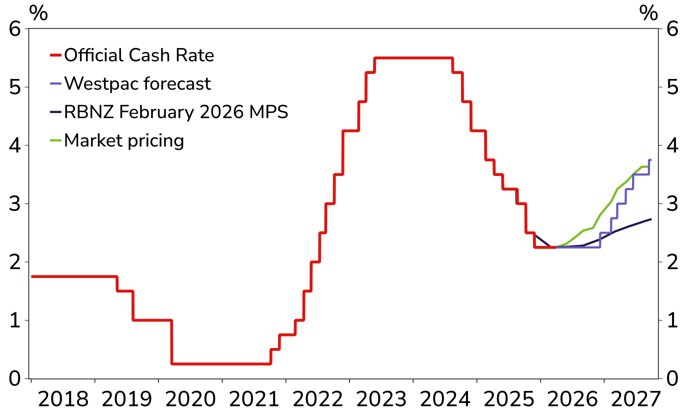
Source: ABS, Macrobond, Westpac Economics

NZ: RBNZ Monetary Policy Review

Apr 8, Official Cash Rate – last: 2.25%, Westpac: 2.25%, Market: 2.25%

We expect the RBNZ to hold the OCR at 2.25% at its 8 April review. We expect the RBNZ to emphasise that it will not react to the first-round impact of higher energy prices on near-term inflation, but that it will respond should there be evidence of second round effects that might create persistent inflation. The Bank is not scheduled to present revised economic projections at this meeting. However, it is possible that the RBNZ will provide some guidance of the likely magnitude of the upward revision to near-term inflation and downward revision to GDP.

RBNZ Official Cash Rate



Source: RBNZ, Macrobond, Westpac Economics

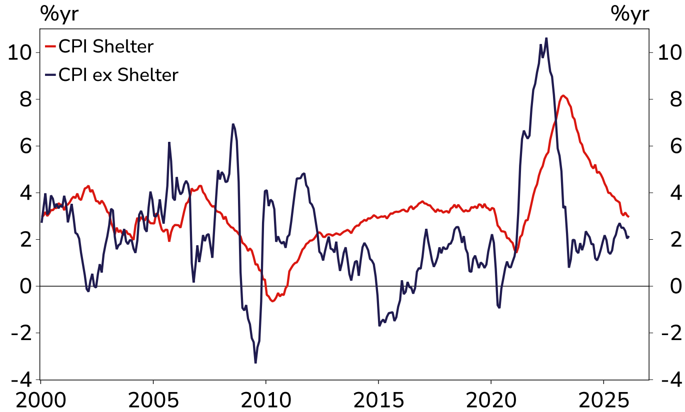
US: Mar CPI

Apr 10, %m/m, Last: 0.3%

February saw a 0.3% increase in headline consumer prices as both food and energy contributed to the aggregate impulse. The gain for core prices was measured at 0.2%, although that means underlying inflation continues to run meaningfully above the FOMC's 2.0% target on both an annual and annualised basis.

March is likely to see a material step up in headline inflation as the Middle East conflict shocks energy prices higher. Firms may also take the opportunity to push through additional increases to strengthen margins. All the while, capacity pressures continue to hold up price growth for services, and the weaker dollar and tariff costs support core goods pricing. Inflation risks will remain a lasting concern for the FOMC.

Domestic pressures persist; energy to jolt



Source: BLS, Macrobond, Westpac Economics

What to watch

	For	Data/Event	Unit	Last	Market f/c	Westpac f/c	Risk/Comment
Mon 06							
US	Mar	ISM Services PMI	index	56.1	54.9	–	Confidence shock could arrest the upturn in services activity.
World		Easter Monday	–	–	–	–	Markets closed.
Tue 07							
Aus	Mar	MI Inflation Gauge	%ann	3.6	–	–	Will kick materially higher given the fuel price shock.
	Mar	ANZ–Indeed Job Ads	%mth	3.2	–	–	Labour demand is stabilising, but outlook is cloudy.
	Feb	Household Spending Indicator	%mth	0.3	0.2	–0.2	Card activity suggests momentum is pulling back in early-26.
NZ	Mar	ANZ Commodity Prices	%mth	4.2	–	–	Overall index up due to dairy prices, others mixed.
Jpn	Feb	Household Spending	%mth	–1.0	–1.3	–	Households on fragile footing, even before Middle East.
Eur	Apr	Sentix Investor Confidence	index	–3.1	–5.2	–	Global inflation and growth risks do not bode well for confidence.
US	Feb	Durable Goods Orders	%mth	0.0	–	–	Businesses may delay investment plans amid uncertainty.
	Mar	NY Fed 1-Yr Inflation Expectations	%ann	3.0	–	–	Surge in fuel prices will have a salient impact on expectations.
	Feb	Consumer Credit	$bn	8.1	–	–	On a firmer trend compared to this time last year.
		Fedspeak	–	–	–	–	Goolsbee.
World	Mar	S&P Global Services PMI	–	–	–	–	Final estimates for Eurozone and UK.
Wed 08							
NZ		RBNZ Policy Decision	%	2.25	2.25	2.25	Key focus will be the discussion of longer term risks.
Eur	Feb	PPI	%ann	–2.2	–	–	Producer price deflation may reverse over coming months.
	Feb	Retail Sales	%mth	–0.1	0.2	–	Choppy over recent months, but annual growth is lifting.
US		FOMC Meeting Minutes	–	–	–	–	Deliberations around conflict risks will be a key focus.
Thu 09							
US	Feb	Personal Income	%mth	0.4	–	–	Income growth continues to outpace inflation, allowing ...
	Feb	Personal Spending	%mth	0.4	–	–	... real consumption to maintain stable growth, but the war ...
	Feb	PCE Deflator	%mth	0.3	–	–	... poses a material risk to both these trends near-term.
		Initial Jobless Claims	000s	–	–	–	Still at a low level versus history.
	Q4	GDP	%ann'd	0.7	–	–	Final estimate closely watched given downward revisions.
Fri 10							
NZ	Mar	Manufacturing PMI	index	55	–	–	Watching for signs of easing as global pressures mount.
Chn	Mar	CPI	%ann	1.3	1.1	–	Temporary boost from Lunar New Year spend will abate ...
	Mar	PPI	%ann	–0.9	0.6	–	... overcapacity and subdued demand back in spotlight.
US	Mar	CPI	%mth	0.3	–	–	Authorities will be focused on second-round effects.
	Feb	Factory Orders	%mth	0.1	–	–	Conflict may put some investment plans on the back burner.
	Apr	Uni. Of Michigan Sentiment	index	53.3	–	–	Flailing sentiment puts consumer spending at risk.

Economic & financial forecasts

Interest rate forecasts

Australia	Latest (2 Apr)	Jun–26	Sep–26	Dec–26	Mar–27	Jun–27	Sep–27	Dec–27	Mar–28	Jun–28
Cash	4.10	4.60	4.85	4.85	4.85	4.85	4.85	4.85	4.60	4.35
90 Day BBSW	4.30	4.80	4.90	4.90	4.95	4.95	4.95	4.80	4.55	4.30
3 Year Swap	4.71	4.80	4.75	4.70	4.65	4.60	4.50	4.40	4.30	4.20
3 Year Bond	4.72	4.80	4.75	4.70	4.65	4.60	4.50	4.40	4.30	4.20
10 Year Bond	5.03	5.05	5.05	5.05	5.05	5.05	5.00	4.95	4.90	4.90
10 Year Spread to US (bps)	66	65	65	60	55	50	40	30	20	15
United States										
Fed Funds	3.625	3.625	3.625	3.625	3.625	3.625	3.625	3.625	3.625	3.625
US 10 Year Bond	4.38	4.40	4.40	4.45	4.50	4.55	4.60	4.65	4.70	4.75
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	2.51	2.45	2.50	2.90	3.40	3.75	4.00	4.25	4.45	4.45
2 Year Swap	3.43	3.60	3.85	4.10	4.30	4.40	4.40	4.40	4.35	4.30
10 Year Bond	4.72	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 (2 Apr)	Jun–26	Sep–26	Dec–26	Mar–27	Jun–27	Sep–27	Dec–27	Mar–28	Jun–28
AUD/USD	0.6878	0.72	0.72	0.73	0.73	0.74	0.74	0.74	0.73	0.73
NZD/USD	0.5701	0.59	0.61	0.62	0.64	0.66	0.67	0.67	0.67	0.665
USD/JPY	159.35	156	155	154	152	150	148	146	144	142
EUR/USD	1.1536	1.17	1.18	1.19	1.20	1.21	1.22	1.22	1.22	1.22
GBP/USD	1.3236	1.35	1.36	1.37	1.38	1.39	1.40	1.41	1.41	1.41
USD/CNY	6.9099	6.85	6.80	6.70	6.60	6.50	6.45	6.40	6.35	6.35
AUD/NZD	1.2047	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	0.2	0.1	0.2	0.3	0.4	–	–	–	–
%yr end	2.1	2.6	2.6	1.9	1.6	1.0	0.9	1.1	2.6	1.0	1.6	2.8
Unemployment rate %	4.3	4.3	4.2	4.3	4.6	4.9	5.0	4.9	4.3	4.9	4.9	4.5
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	3.1	3.3
CPI Headline %qtr	1.3	0.6	1.5	1.9	0.9	0.3	0.5	0.6	–	–	–	–
%yr end	3.2	3.6	4.2	5.4	5.0	4.6	3.6	2.3	3.6	4.6	2.4	2.3
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	2.4

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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