



Week beginning 13 April 2026

AUSTRALIA & NEW ZEALAND WEEKLY

Analysis and forecasts for this week's key releases.

In this week's edition:

Economic Insight: On hoping you'll be wrong.

The Week That Was: Ceasefire optimism to be tested.

Focus on New Zealand: A hawkish RBNZ is prepared to act decisively.

For the week ahead:

Australia: Unemployment rate, employment change, Westpac-MI consumer sentiment, Westpac-Now.

New Zealand: Retail card spending, selected price indices, REINZ house sales and prices, net migration.

Japan: Industrial production.

China: GDP, fixed asset investment, industrial production, retail sales.

Euro area: HICP inflation, trade balance, industrial production.

UK: Monthly GDP.

United States: PPI, Federal Reserve's Biege Book, industrial production, existing home sales.

Information contained in this report current as at 10 April 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.

On hoping you'll be wrong



Luci Ellis
Chief Economist, Westpac Group

- **The economy does not care about your feelings, so forecasts must reflect what you think is the most likely outcome, not necessarily what you wish would happen. This distinction is especially salient now. The outright fall in global fuel supply has different implications than other recent supply shocks, and the outlook for Australia and the world is rough.**
- **The ceasefire announced this week was obviously welcome, but the question is whether the Strait of Hormuz opens properly. The first 24 hours after the announcement were not promising. But if it does, that would be a better outcome than the baseline forecast update we released last week. We would be happy if our baseline forecast was wrong for this reason.**
- **The key issue for Australia, and for the domestic interest rate outlook, is how much of the energy price shock is already being passed through to prices of other goods and services. The RBA will be watching for this kind of behaviour, including through its liaison program, and will see it as a further leg up in underlying inflation from a rate that was already higher than desired.**

The thing about forecasting is that your preferences do not matter. A baseline scenario is simply what you think is most likely. It is not necessarily what you wish would happen. And of course things could play out differently. It is the role of scenario and risk-sensitivity analysis to articulate these other possible future states of the world.

The disconnect between what you hope will happen and what you think will actually happen is especially salient now. The near-term outlook for Australia is tough: higher inflation, with consumers again squeezed by some combination of higher interest rates, lower income growth and higher unemployment. Things are even worse for many other countries. Australia has been able to leverage its LNG exports to ensure we have – so far – not been left short of other fuels. Many lower-income countries do not have this advantage and have been facing the prospect of shortages and rationing; some of our neighbours in the Pacific are particularly hard-hit.

The economic shock from the Gulf conflict centres on global oil and gas supply. It is different from COVID, when the disruptions were all the way down supply chains. It also differs from the energy shock following Russia's invasion of Ukraine, where the Russian oil and gas supply did not disappear, it just needed time to be redistributed to non-European nations willing to buy it despite the sanctions; the peak decline in

its oil output was [estimated](#) to be around 3 million barrels per day, but the disruption faded quickly. This time around, the oil and gas are not getting out of the Persian Gulf. Some production has been redirected through Saudi pipelines to other ports, but not all of it. Current [estimates](#) are that the net reduction of global production has been 8–9 million barrels per day for oil and one-fifth of pre-war global supply for gas. And at the same time, Russia's output capacity has been reduced by successful Ukrainian attacks on Russian oil infrastructure; news [reports](#) suggest this has cut global output by a further 0.7–1 million barrels per day.

The effect on prices from such a cut to capacity was always going to be severe.

“Forecasts are an assessment of the most likely outcome, not the preferred one.”

News this week that a two-week ceasefire had been agreed was obviously welcome. Assuming it holds well enough to reopen the Strait of Hormuz properly – a big if given the attacks in the 24 hours following its announcement – it would be a better outcome than the baseline update we released last week, and one of the “risks on both sides” we contemplated when we released it. A lasting ceasefire and faster opening up of the Strait would put energy prices on a trajectory between the one we contemplated in last week's baseline, and the one underpinning the forecasts in the March [Market Outlook](#). A return to pre-war prices is unlikely in the short term, though, given the damage to oil and gas infrastructure in the Gulf states and in Russia.

Even if the ceasefire holds well enough that the Strait stays open, a key watchpoint is whether ships enter the Gulf during the next two weeks, not just whether those previously stuck there leave. If ships do not enter, the next wave of production will not be able to be shipped. Supply will sag again a few weeks later and prices will rebound, especially for refined product.

If the ceasefire does not hold, the reprieve on fuel supply will be brief. Trust between the parties is low and Iranian control of the Strait – even jointly with Oman – is an unstable equilibrium that is unacceptable to much of the rest of the world. Even if the ceasefire gets back on track after its rocky start, flare-ups later in the year cannot be ruled out.

The real question for Australia, and for the domestic interest rate outlook, is how much of the energy price shock is already being passed through to prices of other goods and services. On this there is less cause for optimism. While 'temporary fuel levies' are easier to unwind as fuel prices decline, for many products, list prices have been lifted significantly and a reversal seems less likely. Building materials are a particular issue, with the cost of building a detached home increasing as much as 10%, on our preliminary estimates. The lift in pricing has been widespread across industries and in some cases quite large relative to overall inflation trends. The RBA will be watching for this kind of behaviour, including through its liaison program, and will see it as a further leg up in underlying inflation from a rate that was already higher than desired.

Our next forecast round, scheduled for release next week, will contemplate both the case where traffic through the Strait remains disrupted and one where the ceasefire holds.

If the ceasefire does hold, downside risks to growth diminish and inflation risks ease. Because of the downstream pass-through to other prices we are already seeing, though, the inflation risks do not disappear and the RBA is still likely to raise the cash rate further. Still, it would be a better outcome than our current published baseline. This would be one of the instances where we would be quite happy to be wrong.

Cliff Notes: ceasefire optimism to be tested

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

Ahead of the worst of the current conflict, the [ABS' household spending indicator](#) gained 0.3% in February, in line with January's result and the trend pace of the past two years. Services continued to drive growth overall, aided in particular by holiday-related spending. Goods spending only managed a 0.1% gain, however, remaining weak.

Our Westpac-DataX Card Tracker suggests spending growth is likely to moderate in coming months as higher energy prices and weaker sentiment are felt, though a lasting end to hostilities could ease concern and see households look through some of the [cost shock](#) already in train. Geopolitical considerations are challenging for market participants to digest, let alone households and small business. For these individuals, [in the fulness of time](#), pricing responses and time delays up and down the supply chain could prove as, or more, significant than the energy market dynamics currently being witnessed. Risks for the Australian consumer are therefore likely to linger.

In New Zealand, [the RBNZ](#) maintained the stance of policy as expected. However, our New Zealand team took the commentary to be hawkish, with a particular focus on second-round inflation pressures. The RBNZ's short-term inflation forecast is now 4.2%yr at June 2026, in line with Westpac NZ Economics' 4.1%yr projection. As a result, Westpac's expected timing for the first hike for the coming cycle has been brought forward from December to September 2026, with the risk of a further acceleration if evidence of second-round inflation impacts accumulates.

Further afield, the data flow was concentrated in the US and mixed in tone. Over the Easter long weekend, nonfarm payrolls rebounded 178k in March, bringing the three-month average back up to 68k compared to an average monthly outcome of -8k in the second half of 2025 and 10k over the full year. The unemployment rate was also consistent with labour supply and demand being in balance in March, edging back down to 4.3%. Note though, this outcome was due to a further decline in the participation rate (now down 0.7ppts since April 2025) rather than an increase in household survey employment.

The weak outcomes for employment through late-2025 look to increasingly be affecting household demand – indeed, the downward revision to Q4 GDP to just 0.5% annualised was in part due to sub-par consumption growth (1.9% annualised).

Since the turn of the year, momentum looks to have slowed further, with real personal consumption expenditure up just 0.1% in February after a flat January. With business investment soft and susceptible to downside risks (core goods order growth in Q1-to-date is less than a third of the pace

registered in Q4), US Q1 GDP growth looks likely to maintain a pace well below trend, closer to Q4's third estimate than the 1.3% annualised pace currently projected by the [Atlanta Fed's GDPNow nowcast](#). This is before the sentiment and cost of living shock emanating from the Middle East is felt.

“pricing responses and time delays... could prove as, or more, significant than the energy market dynamics”

The above outcomes are unlikely to materially alter FOMC member's baseline view and overall risk assessment. While the [latest meeting minutes](#) indicate “a vast majority of participants” see “risks to the employment side of the mandate... [as] skewed to the downside”, the labour market is considered to be in good health overall. Active risk assessment is therefore likely to focus more on price uncertainty, both with respect to the initial jump in energy prices and second-round effects which, over time, could build greater persistence into the core inflation pulse. This is not to say that the FOMC will vote on hiking interest rates anytime soon, in contrast to the RBA and RBNZ, but it likely means debate over a need to cut further will be deferred for the foreseeable future.

A hawkish RBNZ is prepared to act decisively



Kelly Eckhold
Chief Economist NZ

Views on the likely duration and the severity of the war waxed and waned over the week as markets wavered between the prospect of an end to a civilization (as mooted by President Trump) and the alternative of world peace in our time. The reality remains cloudy and the prospects of a long bumpy road ahead remain the base case. This week the RBNZ channelled these themes of uncertainty and the prospect of potentially longer-lived inflationary impacts, by delivering a hawkish hold. We brought forward our view of when the OCR will begin to normalise and have further fine-tuned how the overall tightening cycle may evolve.

The Iran war and its impacts on New Zealand remained front and centre this week. It's very well understood that the impact will critically depend on the size and duration of the disruption to global energy supply. And this week we saw the full gamut of possibilities on how the war could impact on New Zealand. Businesses and consumers have taken an initial pessimistic view of how the war will impact the operating environment. The questions now are whether those views will be borne out and just how far off course will inflation be knocked and for how long.

The early part of the week was dominated by Trump's Tuesday deadline to Iran to reopen the Straits of Hormuz to traffic or suffer devastating attacks on civilian infrastructure. Fortunately (and as frankly had seemed most likely) cooler heads prevailed, with a hastily arranged cease-fire "deal" announced that at the least allows for a couple of weeks of breathing space for further negotiations towards a permanent truce to occur. That at least is an advance on where we have been in the last six weeks, which had seen little evidence that discussions were even occurring between key players in Iran, Israel and the US. Initial negotiations will take place this weekend and reports concerning these will help determine the tone when markets reopen on Monday.

News of the ceasefire has seen a marked reduction in the risk premia evident in oil and refined products markets, resulting in a fall in prices. However, we think that the reality around the opposing parties' views on the "deal" means the prospect for a quick resolution of the situation looks low. As we stand today nothing has really changed in terms of New Zealand's medium-term fuel security situation as no meaningful increase in tanker flows out the Persian Gulf is occurring. That said, news that Asian refineries are securing crude feedstock from elsewhere – notably the US – was welcome. This would appear to lower the near-term risk of interruption to fuel inflows into New Zealand. This provides breathing space for the government to work on additional storage options and to fine-tune plans for the hopefully unlikely situation where interventions to allocate scarce fuel stocks become necessary.

This week the RBNZ channelled the themes of uncertainty about the outlook, but also realism on just how long-lasting the impact of the war might have on the economy and inflation outlook. The tone of the RBNZ's commentary shifted from the relatively sanguine approach that Governor Breman had communicated a couple of weeks ago. We signalled in our [OCR preview](#) that such a shift could be in the offing as the broader MPC had a greater opportunity to weigh in. And it seems the MPC was presented some initial forecasts which showed a markedly higher inflation profile was in the offing.

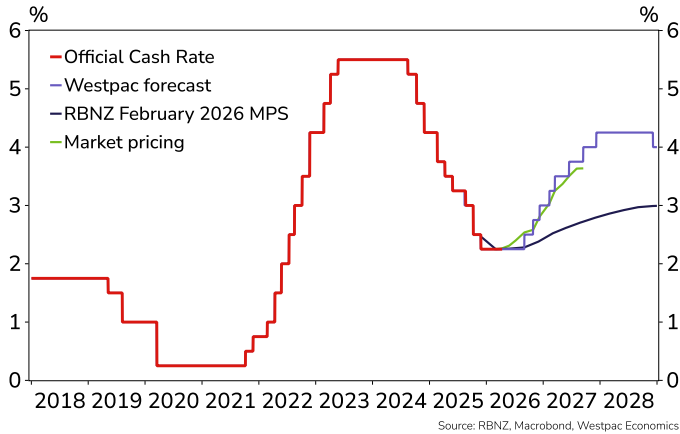
The MPC seems to have separated into a couple of camps: a more hawkish group that sees an argument for a proactive approach to lean against potentially persistent inflation pressures with a higher OCR from perhaps in May or July; and a more dovish camp that's happier to take more time to assess given the possibility that the activity implications of the oil shock could dampen inflation over the medium term. That latter group might perhaps be happier to wait until later in the year before beginning to raise rates, but even among this group there seems no appetite for OCR cuts. Hence, as it was before the Iran war, the issue for the MPC is when, not if, to tighten.

One interesting tidbit from the RBNZ's communications was the sense that coming into the war the economy was gathering momentum following a slightly disappointing December quarter. The RBNZ retains optimism that economic momentum won't be unduly undermined by the war given the assumption that it will be over relatively soon. Certainly, some of the data seemed to support that optimism given that the Business NZ PMI for March showed resilience by falling only modestly, although understandably respondents expressed more concerns in the comments submitted with their responses. The ANZ's Heavy Traffic Index – a measure of commercial traffic flows – was also resilient in March, although light traffic volumes declined, likely reflecting higher fuel prices. We also notice that weekly filled jobs trends continued to track in line with year earlier levels through March, suggesting that any job shedding due to the war has not started.

This more hawkish take from the MPC prompted us to bring forward when we expect OCR increases to begin, from December to September 2026. We expect 25bp interest rate hikes at each meeting from then until the OCR reaches 3.5% – at which point the OCR will be firmly in the neutral zone from the RBNZ's perspective. After then, the outlook is cloudier and we expect a slower approach where the OCR increases at Monetary Policy Statements only and the pace of tightening accordingly slows. We continue to believe that the same shape

of the latter part of the interest rate cycle where the OCR rises above our assessment of neutral (which remains at 3.75%), peaking at 4.25% in December 2027 and remaining at 4.25% through 2028 before returning to 3.75% in 2029. Hence, we have brought forward our OCR profile by two meetings.

RBNZ Official Cash Rate



There is a lot of uncertainty about how the economic outlook will play out for obvious reasons. Hence, we think that it's easier to break down the entire interest rate cycle into two components: the initial move of the OCR from stimulatory levels to the neutral zone; and then what happens from there. For now, we suspect it will be easier to get a handle on the first part of the cycle. And indeed, the bar to starting the lift-off of the OCR towards neutral levels is likely a lot lower than moving the OCR above neutral and beyond.

The key focus for the MPC seems to be what the high-frequency data can tell them about the peak in inflation, but especially how persistent inflation pressures are likely to be. Top of mind are indicators of inflation expectations (especially medium-term expectations), firm pricing behaviour and wage growth trends. The reality is that little will be learned about wage setting trends for some time – and indeed stronger wage growth if in the offing is more likely a 2027 than a 2026 story. So, the focus should be on what we can learn from the monthly inflation expectations surveys, the Quarterly Survey of Business Opinion and monthly Selected Price Indices to see if there are signs of broad and potentially persistent inflation pressures.

Looking to the week ahead, there are several data releases to watch. On Monday, we'll get the March Business NZ PSI which will provide a snapshot of how the service sector has been tracking coming into the current period. Later in the week, we'll get updates on migration and house sales. The latter is likely to show that house price growth has remained muted, with abundant supply and upward pressure on borrowing costs keeping a lid on prices.

On Friday we'll get updates on both selected consumer prices and retail spending for March. Those releases will warrant close attention, with the impacts of the Middle East conflict likely to be evident. On retail spending, we're expecting a fuel-related rise in spending as prices rocketed higher over the month and many people rushed to fill their tanks ahead of further price increases. However, increased spending on essentials like fuel and groceries is weighing on spending in other areas such as hospitality. As a result, core (ex-fuel) spending is likely to be down. On the price front, March's Selected Prices update will show a sharp rise in fuel costs. The big question is how those costs are rippling through the economy more broadly. The full impact of those indirect fuel price rises won't be evident until later this year. However, we will see some early impacts, with airlines announcing large increases in domestic and international airfares during the month.

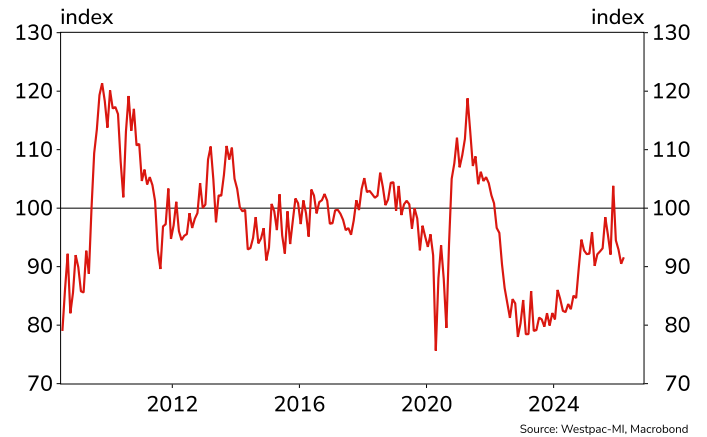
AUS: Apr Westpac-MI Consumer Sentiment (index)

Apr 14, Last: 91.6

Consumer sentiment edged 1.2% higher to 91.6 in March from 90.5 in February. The survey was conducted in the first week of the month, during the initial outbreak of conflict in the Middle East but prior to the RBA's 25bp rate hike in the third week of the month. While the survey as a whole showed a slight improvement, daily responses showed a material weakening over the course of the survey week with responses captured in the last three days of the week consistent with an index read of just 84.

The April survey is in the field over the week ending April 11. It will almost certainly show a decline with the Middle East conflict escalating (albeit with a ceasefire announced on April 8) and big spike in fuel prices (up +44c a litre vs last month). With last month's RBA rate hike and wider inflation fears also in the mix, sentiment looks primed for a sizeable fall.

Consumer Sentiment Index



AUS: Mar Labour Force – Employment Change (000s)

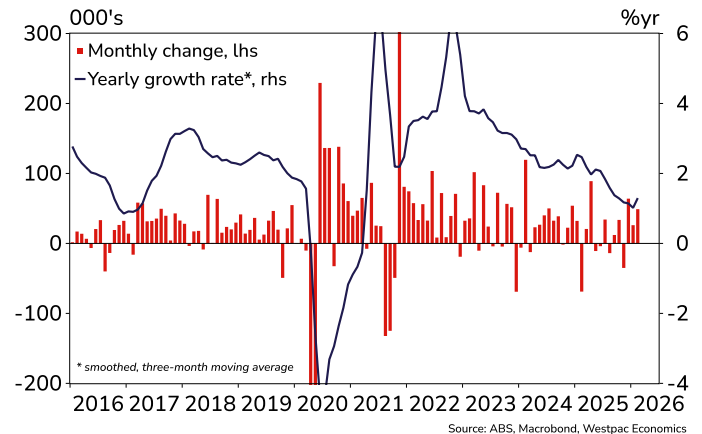
Apr 16, Last: 48.9, Westpac f/c: 25
Market f/c: 20.0, Range: 5.0 to 35.0

Feb's gain in employment was firmer than expected, but it was partly a result of a shift in seasonal patterns around marginally attached workers, resulting in softer Jan reads and stronger Feb reads for employment.

Having now moved past this seasonal dynamic, we have pencilled in a lift in employment of +25k for March – slightly firmer than the average gain over the preceding twelve months, reflecting the pre-conflict trend of firming employment growth.

The March survey was in the field from March 1 to 14. This will garner significant interest given it is the first official economic data release that overlaps the Middle East conflict. However, it is far too early to detect any meaningful shift in broad labour market conditions in response. See our preview here.

Employment growth moving past its trough



AUS: Mar Labour Force – Unemployment Rate (%)

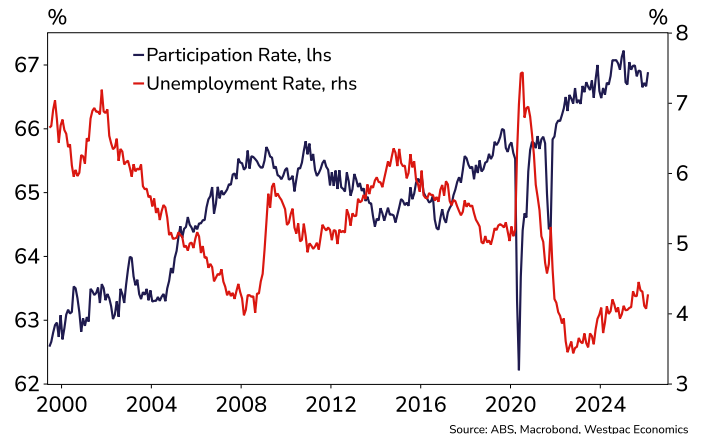
Apr 16, Last: 4.3, Westpac f/c: 4.2
Market f/c: 4.3, Range: 4.2 to 4.4

The unemployment rate lifted from 4.1% over Dec/Jan to 4.3% in Feb, taking it back to the levels seen through most of the second half of last year. The increase was mainly due to a lift in the participation rate, from 66.7% to 66.9%.

Lower prints for unemployment around in Dec/Jan came from lower labour force participation – while employment growth was weak, growth in the size of the labour force was even weaker, resulting in apparent 're-tightening'.

For March, we have pencilled in a slight dip in the participation rate to 66.8%, seeing the unemployment rate tick down to 4.2%. Looking further ahead, we think the unemployment rate will rise to 5% by year-end. See our preview here.

Participation and unemployment rates lift

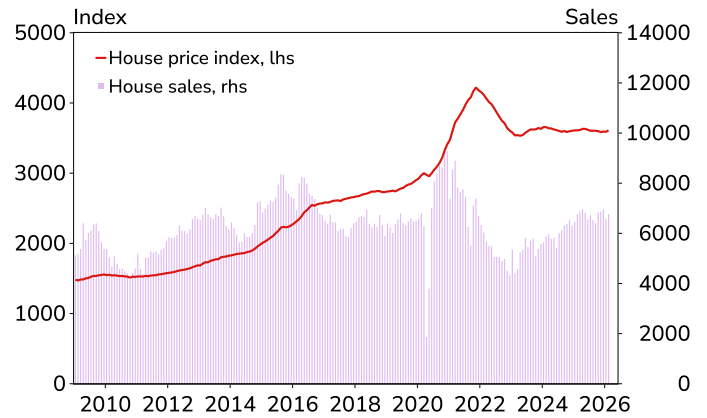


NZ: Mar REINZ House Sales and Prices (%yr)

Apr 15, Sales last: 0.3, Prices last: 0.0

February was a perkier month for the housing market, with a lift in the number of sales and a 0.6% seasonally adjusted rise in prices. However, neither measure has escaped from the generally sideways trend of the last year or so. Low mortgage rates are supporting demand, but the ample supply of homes on the market, low population growth and falling rents mean that there is a lack of pressure on house prices. The move higher in fixed-term mortgage rates in recent months has likely weighed on investor sentiment as well.

REINZ house sales and prices

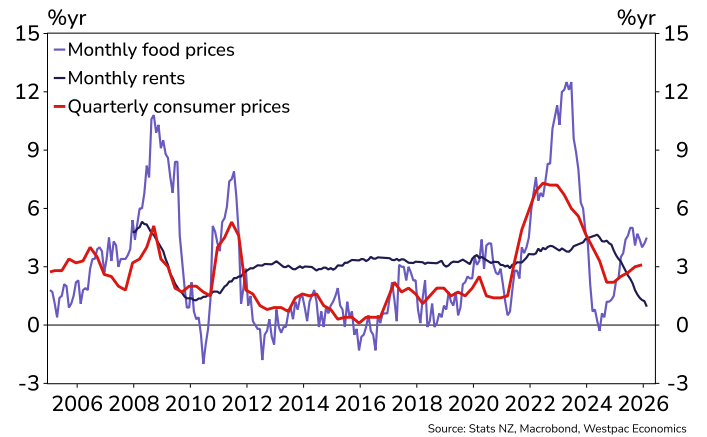


NZ: Mar Selected Prices (%mth)

Apr 17

The SPI covers around 50% of the full CPI (out 21 April) and will provide an early read on how the Middle East conflict has affected inflation pressures. Petrol prices are estimated to be up 20% over the past month with diesel prices up 50%. Importantly, those higher fuel prices have been flowing through to other prices. While the full impact of those indirect price rises won't be evident until later this year, March did see large increases in domestic and international airfares. There could be some related softness in other prices, like holiday accommodation, but that would only offset a small proportion of the other cost increases were seeing. On the housing front, we're expecting to see continued softness in rents.

NZ selected consumer prices

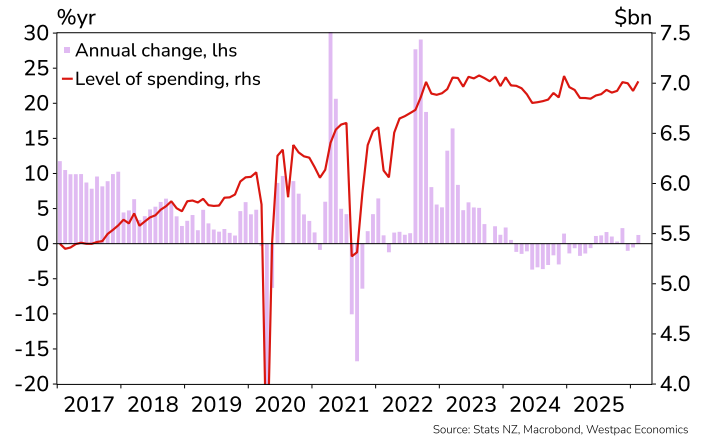


NZ: Mar Retail Card Spending (%mth)

Apr 17, Last: 1.4, Westpac: 0.5

We're expecting a 0.5% rise in retail card spending in March. But underlying that is an ugly breakdown of spending across categories. Underpinning the expected rise in spending is the large increases in petrol and diesel prices over the past month as a result of the Middle East war. We also saw households rushing to fill tanks and keep them full. We're also expecting a pick-up in grocery food spending, in part due to concerns about shortages which saw some households stocking up. However, core spending (ex fuel) is likely to be down over the month, with higher fuel prices and increased spending on essentials likely to see households reining in their spending in discretionary areas. In particular, we expect a sharp fall in hospitality spending.

NZ retail card spending



China: Q1 GDP

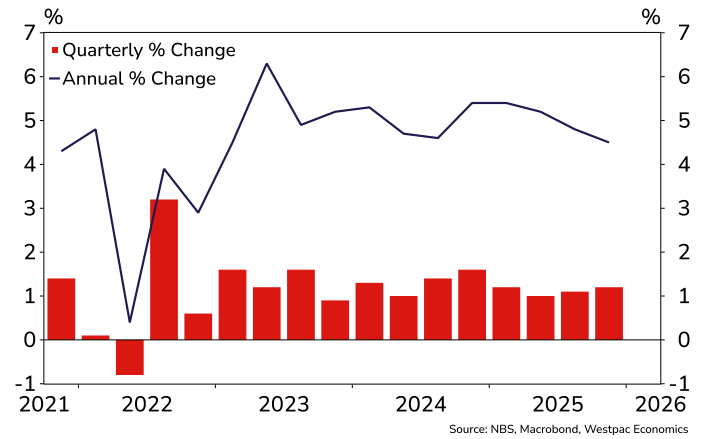
Apr 16, %y/y, Last: 4.5%, Mkt f/c: 4.8%, WBC f/c: 4.8%

China's authorities achieved their 5.0% growth ambition in 2025, albeit with an abnormally large contribution from net exports and despite persistent weakness in household demand. Given the scale of their trade surplus and China's dominant position in global manufacturing, such a feat will be very difficult to repeat in 2026 and beyond.

This year, growth is likely to be softer, closer to 4.5% than 5.0%, and will increasingly rely on the consumer and domestically-focused investment (housing and infrastructure) as trade provides support only at the margin.

In getting a read on growth opportunities in 2026, the monthly activity data to March will be as important as the GDP detail. This is true both for the baseline view and the risks.

2025 target achieved; 2026 at risk



What to watch

	For	Data/Event	Unit	Last	Market f/c	Westpac f/c	Risk/Comment
Mon 13							
NZ	Mar	BusinessNZ PSI	index	48.0	-	-	Began the year on a contractionary heading.
Jpn		BoJ Governor Ueda	-	-	-	-	Speaking at Trust Companies Conference.
US	Mar	Existing Home Sales	%mth	1.7	0.1	-	Low turnover in established market reflects rate pressures.
Tue 14							
Aus		RBA Deputy Governor Hauser	-	-	-	-	Fireside chat at NYU, at 8:45am AEST.
	Apr	Westpac-MI Consumer Sentiment	index	91.6	-	-	Will capture the full reaction to US-Iran oil price shock.
	Mar	NAB Business Conditions	index	7	-	-	Conditions on shaky footing, confidence evaporating.
NZ	Feb	Net Migration	no.	4460	-	-	Recent signs of an uptick, though data is prone to revisions.
Jpn	Feb	Industrial Production	%mth	-2.1	-	-	Final estimate.
US	Mar	NFIB Small Business Optimism	index	98.8	-	-	Acute risks facing small businesses amid uncertainty.
	Mar	PPI	%mth	0.7	1.2	-	Wholesale inflation already lifting pre-conflict.
		Fedspeak	-	-	-	-	Goolsbee.
Wed 15							
NZ	Mar	REINZ House Prices	%yr	0.0	-	-	Prices remain muted despite low mortgage rates...
	Mar	REINZ House Sales	%yr	0.3	-	-	...with an ample supply of homes available for sale.
Jpn	Feb	Core Machinery Orders	%mth	-5.5	-1.1	-	Exceptionally volatile, but was on a firmer footing pre-conflict.
Eur	Feb	Industrial Production	%mth	-1.5	0.4	-	PMIs pointing to a slowdown in industrial activity.
US	Apr	Fed Empire State Manuf Survey	index	-0.2	-	-	Blizzards impact, but high-tech skew is paying dividends.
	Mar	Import Price Index	%ann	1.3	-	-	Headline vs. ex petroleum will give sense of scale.
	Apr	NAHB Housing Market	index	18.1	-	-	Surge in fuel costs rubs salt in the wound for homebuilders.
		Federal Reserve's Beige Book	-	-	-	-	Update on conditions across the districts.
		Fedspeak	-	-	-	-	Bowman.
Thu 16							
Aus		RBA Deputy Governor Hauser	-	-	-	-	Panel participation at IIF Forum, 6:00am AEST.
	Apr	MI Inflation Expectations	%ann	5.2	-	-	Fuel price shock is salient to consumers.
	Mar	Employment Change	000s	48.9	20.0	25	The first 'hard' economic data since conflict begun, but it ...
	Mar	Unemployment Rate	%	4.3	4.3	4.2	... will take longer for labour market weakening to take hold.
		RBA Assistant Governor Hunter	-	-	-	-	Panel participation at IMF Spring Meetings, 4:30am AEST.
Chn	Q1	GDP	%ann	4.5	4.8	4.8	Growth expected to remain sub-5% on an annual basis.
	Mar	Retail Sales	ytd %yr	2.8	-	-	Lunar New Year muddies the read on local consumption ...
	Mar	Industrial Production	ytd %yr	6.3	-	-	... but its clear that foreign demand remains a key support.
	Mar	Fixed Asset Investment	ytd %yr	1.8	2.0	-	Cooling in high-tech manufacturing investment largely done.
Eur	Mar	HICP Inflation	%ann	2.5	2.5	-	Final estimate.
UK	Feb	Monthly GDP	%mth	0.0	-	-	Shaky start to the year, before conflict impacts.
US		Initial Jobless Claims	000s	-	-	-	Still at a low level versus history.
	Apr	Phily Fed Manufacturing	index	18.1	-	-	Continues to outperform all other regions.
	Mar	Industrial Production	%mth	0.2	0.1	-	Set to slow near-term given fuel intensity of industry.
		Fedspeak	-	-	-	-	Williams.
Fri 17							
Aus	Q1	Westpac-Now	%qtr	0.6	-	-	Refined Q1 GDP growth nowcast.
NZ	Mar	Selected Price Indices - Food	%mth	-0.1	-	0.3	Grocery food price pushing higher.
	Mar	Selected Price Indices - Rents	%mth	-0.1	-	0.1	Very weak, with the demand-supply balance favouring tenants.
	Mar	Retail Card Spending	%mth	1.4	-	0.5	Core spending to fall, as higher fuel price constrain spending.
Eur	Feb	Trade Balance	€bn	12.1	-	-	Maintaining a solid surplus despite trade disputes.

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Economic & financial forecasts

Interest rate forecasts

	Latest (10 Apr)	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28
Australia										
Cash	4.10	4.60	4.85	4.85	4.85	4.85	4.85	4.85	4.60	4.35
90 Day BBSW	4.32	4.80	4.90	4.90	4.95	4.95	4.95	4.80	4.55	4.30
3 Year Swap	4.65	4.80	4.75	4.70	4.65	4.60	4.50	4.40	4.30	4.20
3 Year Bond	4.66	4.80	4.75	4.70	4.65	4.60	4.50	4.40	4.30	4.20
10 Year Bond	4.97	5.05	5.05	5.05	5.05	5.05	5.00	4.95	4.90	4.90
10 Year Spread to US (bps)	67	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	4.30	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	2.50	3.00	3.50	3.75	4.00	4.25	4.25	4.25
90 Day Bill	2.54	2.50	2.95	3.40	3.75	4.00	4.25	4.45	4.45	4.45
2 Year Swap	3.49	3.75	4.05	4.30	4.40	4.40	4.40	4.35	4.30	4.25
10 Year Bond	4.69	4.85	4.95	5.00	5.05	5.10	5.10	5.10	5.10	5.10
10 Year Spread to US (bps)	39	45	55	55	55	55	50	45	40	35

Exchange rate forecasts

	Latest (10 Apr)	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28
AUD/USD	0.7069	0.72	0.72	0.73	0.73	0.74	0.74	0.74	0.73	0.73
NZD/USD	0.5848	0.59	0.61	0.62	0.64	0.66	0.67	0.67	0.67	0.67
USD/JPY	159.25	156	155	154	152	150	148	146	144	142
EUR/USD	1.1690	1.17	1.18	1.19	1.20	1.21	1.22	1.22	1.22	1.22
GBP/USD	1.3418	1.35	1.36	1.37	1.38	1.39	1.40	1.41	1.41	1.41
USD/CNY	6.8320	6.85	6.80	6.70	6.60	6.50	6.45	6.40	6.35	6.35
AUD/NZD	1.2089	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

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.



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