



Week beginning 22 June 2026

AUSTRALIA & NEW ZEALAND WEEKLY

Analysis and forecasts for this week's key releases.

In this week's edition:

Economic Insight: RBA holds at 4.35%, ready to hike if needed; Melbourne Cup, World Cup, or Eurovision?

The Week That Was: Policy matters.

Focus on New Zealand: July RBNZ pause more likely following ceasefire.

For the week ahead:

Australia: CPI, labour force survey, job vacancies, household spending, Westpac-Now, RBA Deputy Governor Hauser speaking.

New Zealand: Q2 Westpac-McDermott Miller employment confidence.

China: current account balance, industrial profits.

Euro Area: consumer confidence, IFO business climate survey.

United States: personal income and spending, PCE deflator, durable goods orders, regional manufacturing surveys, new home sales.

Global: S&P Global PMIs.

Information contained in this report current as at 19 June 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.

RBA holds at 4.35%, ready to hike if needed



Luci Ellis
Chief Economist, Westpac Group

As was all but universally expected, the RBA Monetary Policy Board (MPB) held the cash rate steady at 4.35% at its June meeting. But in a move that was less surprising to us than to some in the market, it explicitly signalled that further hikes remain on the table.

The final sentence of the media release added the clause “including increasing the cash rate target further if required” to the usual remark about doing what is needed to achieve its policy goals. In the opening statement to the post-meeting media conference, Governor Bullock repeated this point. This drafting decision is unusual for an RBA statement, and a stronger steer than in recent communication. It suggests that the MPB wanted to hose down recent speculation that they are done hiking rates.

We therefore retain our view that further cash rate increases are coming. If we are right that the June quarter result for trimmed mean inflation will again be strong, the next hike will come at the August meeting. A longer pause is possible if the next few inflation prints are less alarming, but the direction of travel is still most likely up. We expect it will take a further unexpected weakening in the domestic economy – and a better inflation outlook – to entirely prevent further cash rate hikes from here.

The post-meeting statement highlighted the RBA’s key view that inflation was too high, and a period of slower growth would be needed to get inflation back to target. The RBA continues to view the Australian economy as facing capacity pressures, and only able to grow by about 2%yr before inflation rises. This is in line with previous RBA messaging, though lower than our own view.

The MPB has not been as spooked by the recent data flow on the household sector and labour market as market pricing implied it would be. The RBA’s forecasts, which were based on an assumed path for the cash rate of one-and-a-bit hikes, already envisaged some slowdown. Indeed, the RBA regards the labour market as still a bit tight at the current unemployment rate, a point the Governor noted in the media conference.

The energy price shock is seen adding to the pre-existing inflation problem. Energy and “most related” commodity prices were mentioned as still being above pre-war levels, and – consistent with our own [Market Outlook](#) forecasts – the recovery following resolution of the conflict is expected to be gradual.

The discussion of the real side of the economy was sanguine. The slowdown in consumer spending was “as expected”, comments on the housing market suggested little alarm, and most labour market indicators were seen as “resilient”. In the media conference, the Governor stated that it was too early to say what the effect of recent macro policy changes, including the rate rises as well as the Budget, would be on the housing market.

“RBA holds cash rate steady at June meeting as expected, strikes a hawkish tone with rate hikes still on the table.”

The tone of the discussion on pass-through of the energy shock to other prices was also more hawkish than previously. The May post-meeting statement described “early signs” that firms were looking to pass through higher costs to their own prices. This month, these were “signs”, not “early signs”, and some of the price increases were noted as already occurring, especially in new housing construction. This language is important given the importance the MPB is placing on ensuring the current energy price shock does not become embedded in ongoing inflation. Also noteworthy in the media conference, the Governor highlighted that firms can only pass on higher costs into their own prices if demand is strong enough that consumers will accept that. The comments in May that passing on costs was “reasonable” were not repeated; rather, pass-through was an “expected” reaction by businesses, especially small businesses given this is “their livelihood”.

Overall, this meeting’s outcome and communication were in line with our existing view of the RBA’s analysis of the economy. The MPB has not been spooked by recent soft data, seeing these outcomes as a necessary part of the slower growth needed to get inflation down. It is more concerned about upside risks to inflation than downside risks. And it is now seeing more pass-through into prices, especially in housing construction, as we first flagged in [early April](#).

Melbourne Cup, World Cup, or Eurovision?

- **Forecasting the future is hard. It would be nice if you could just apply mathematical models that map from the past to the future. That is what most models do – and in physics and other physical sciences that makes sense. The models might be complicated to the point of intractability, but at least conceptually, past performance is a guide to future performance.**
- **In economic systems, though, human factors matter. Where exactly the system sits on the spectrum of complexity depends on what time horizon you are forecasting and how much the outcome is shaped by human behaviour and judgement. You need to know what kind of game is being played.**
- **Some systems are like the Melbourne Cup and other horse races. Randomness can matter, but physical reality is the main determinant of outcomes. In these cases, studying the “form guide” and leveraging lag relationships can produce decent, if not perfect, forecasts.**
- **Others, including most business and military competitions, operate more like the Football World Cup. Physical reality matters, but human interactions matter even more. When forecasting these systems, always allow for second and higher-order thinking, and the fact that people and teams interact, learn and adapt.**
- **When it comes to forecasting financial markets though, it is more like forecasting Eurovision and other popularity contests. An ultimately correct view about the fundamentals might still be out of tune with the consensus or market view. Material reality wins out in the end, but the market can stay “[Bangaranga](#)” for longer than you might hope.**

Forecasting the future is hard. It would be nice if you could just apply mathematical models that map from the past to the future. That is what most models do – and in physics and other physical sciences that makes sense. The models might be complicated to the point of intractability, but at least conceptually, past performance is a guide to future performance.

In economic systems, though, human factors matter to at least some degree. Where exactly the system sits on the spectrum of complexity depends on what time horizon you are forecasting and how much the outcome is shaped by human behaviour and judgement.

Study the form guide

Many outcomes are driven by physical processes where current state depends on the previous state. Forecasting these processes is a bit like betting on horse races. Studying the form guide – knowing the current situation and recent past

performance – is a reasonable guide to the next outcome, or so I’m told. Betting on horse races or other non-human endeavours is still far from a sure thing. Random conditions matter: one horse might have a bad warm-up, or weather conditions might differ from the range seen over the period that your form guide covers. But physical reality is what matters, not least because horses do not collude amongst themselves.

There are circumstances where forecasting based on leading indicators works well, at least in the short term. Physical and decision-making processes induce [process lags](#) that predict future outcomes. Physical reality also helps determine other outcomes. For example, a country’s endowment of mineral resources and past investment in their extraction will determine whether that country is currently an energy importer or exporter, and so the impact of an energy price shock. Understanding these relationships can go a long way to supporting economic understanding more broadly, but it is not the whole picture.

Team of champions or champion team

Things get more complicated when groups of people are involved. Consider sporting competitions. You might have a team of talented players, but they need to train together and work well today. A poor playbook – the “operating model” of the team – will lead the team to underperform a better-organised team of lesser-known players. (Playing and training together in the same league – and mostly the same team, Barcelona – is, incidentally, one reason why the Spanish women’s soccer team does so well on the international stage. Examples in the current men’s World Cup competition, both positive and negative, are left as an exercise for the reader.)

Competition between businesses and conflicts between nations both fall into this category. The “form guide” of material reality, covering sizes of balance sheets or number of fighter jets, will not necessarily be a good predictor of the outcome. This is one reason some analysts misread the likelihood of a swift Russian victory over Ukraine. It was a category error to believe that the starting point of resources mattered more than the opposing side’s ability to out-organise and out-innovate. Some analysts were effectively forecasting as if it were a horse race, not a human competition.

The problem with forecasting in these environments is that it is much simpler to focus on what you can measure than to work out how people will react. Game theory can help here but quickly becomes intractable. It also presumes a lot about people’s priorities and preferences that might not be observable by a forecaster. Counting the fighter jets is so much easier.

This is an example of the broader point that we should always go beyond first-round thinking when forming our views. From [higher](#)

[participation by older workers](#) swamping ageing of the population as a determinant of labour supply, to Saudi Arabia's decision to truck oil to route around the Strait of Hormuz, people respond to their circumstances – including the human environment.

Pure [Bangaranga](#)

At least with a soccer match, the result is clearly defined: the team that scores the most goals wins. It is even harder when what you are trying to forecast is the result of a popularity contest. Consider Eurovision. Good songs and performances generally do well, but not always. 'Jury panels' of industry experts and the public both get a vote, and international sympathies matter, especially for the public vote. (This is why Germany and the UK tend to underperform most years, and Ukraine won in 2022. It is also why strong public votes have put Israel into second place both this year and last year.)

Financial markets fall into this category. At least in the short to medium term, forecasting financial prices such as equity prices or bond yields boils down to an attempt to assess what everyone else thinks about that asset and its prospects. This is essentially a popularity contest where people's beliefs about the future matter, if anything more than their understanding of the present. In this environment, it does not matter what you think about AI, or US exceptionalism, or whatever other narrative has taken hold in the moment. It matters what everyone else thinks. The market can stay bonkers (or perhaps "Bangaranga") longer than you can stay solvent.

Economics tries to handle this complexity by putting some structure around how people are assumed to form and update beliefs. Internal consistency, using all the information reasonably available, is the usual assumption here – also known as "rational expectations". Other "bounded rationality" approaches consider the cost of [obtaining](#) or [processing](#) information, or the [lags involved](#) in learning about the world. The profession has not yet settled on which of these "bounded rationality" approaches should be the standard. This is a shame, because these models have [strong implications](#) for macro policy.

Reality matters in the end

The lesson for forecasters is to know what kind of game you are forecasting. This depends partly on the time horizon and partly on the nature of the thing being forecast. The longer the horizon, the more so-called fundamentals cut through. How people react will still matter, though, and can even shape the future path in a lasting way. Always allow for second-order responses.

When thinking about the outlook for interest rates, your forecasts for inflation, the labour market and so on serve as a kind of material reality benchmark. But what matters in the short run is how the policymaker will interpret and respond to those outcomes. That might not be how you would respond to the same information if you were in their shoes. There is a role for judgement in policy decisions, which means you are forecasting someone else's judgement. A bit like predicting Eurovision, but with a lot less glitter.

Cliff Notes: policy matters

Elliot Clarke, Head of International Economics

Mantas Vanagas, Senior Economist

Ryan Wells & Illiana Jain, Economists

The RBA Monetary Policy Board (MPB) unanimously decided to [leave the cash rate unchanged](#) at 4.35% this week, as widely expected. However, in the subsequent communications, the MPB clearly leaned against the idea that the hiking cycle is definitively over. After emphasising that both headline and underlying inflation is “too high” and warning that “[t]here are signs that some firms experiencing cost pressures are increasing the prices of their goods and services and others are looking to do so”, the MPB explicitly signalled that it will not rule out “increasing the cash rate target further if required” in order to achieve its objectives.

As discussed by [Chief Economist Luci Ellis](#) in a video update midweek, markets have recently taken a larger cue from a softer run of data around consumer spending, housing and the labour market. Some of the weakness in the labour market reflected ‘abnormal seasonality’ which [we expect will revert in](#) May. But the important point is that Governor Bullock framed a weaker economy as an intended consequence of tighter monetary policy – slowing demand growth enough to squeeze inflation out of the system and prevent it from becoming embedded in expectations. With [upcoming inflation data](#) likely to show further persistence, we think the MPB will feel compelled to respond with further rate hikes in August and September.

Before moving offshore, a final note on local manufacturing. The latest [Westpac-ACCI Survey of Industrial Trends](#) revealed that momentum stalled heading into mid-year, the Actual Composite falling from a robust 57.6 in Q1 to a neutral reading of 50.5 in Q2. Underpinning the result was a flattening in new orders, a deceleration in output growth and a decline in employment. This comes as the Middle East conflict compounds the cost-of-living pressures households face, weighing on demand. It has also reignited cost pressures within manufacturing, a net 51% of firms reporting a rise in average unit costs. Firms expect further material increases in selling prices as a result, suggesting the pass-through of higher costs will persist into the second half. What was once budding optimism on the general business outlook has now collapsed to deep pessimism, leading many firms to delay or cancel plans to increase investment and hiring over the coming year.

Before moving further afield, [New Zealand received an update on economic activity](#) this week, the 0.8% rise in Q1 GDP a little less than we expected, though revisions meant the annual growth pace came out ahead of our forecasts. The pick-up in momentum evident over recent quarters likely came to a halt in Q2 due to the Middle East conflict, but this week’s apparent resolution (see below) could see the economy pick up again sooner than we had assumed.

In the US, the [first FOMC meeting with Kevin Warsh](#) as Chair was largely as anticipated. Notably, Chair Warsh focused on the practices of the Committee and the Federal Reserve as much as the economic outlook, announcing the formation of five separate task forces. On the current state of the economy, the labour market was characterised as largely in balance. The message on inflation was blunt, Chair Warsh making clear the Committee “will deliver price stability”.

Regarding the near-term policy outlook, the market showed concern over 9 of 18 respondents expecting at least one rate hike by year end. However, in the press conference, Chair Warsh made clear the degree of uncertainty participants wrestled with in coming to these views. Also, at least with respect to energy prices, in recent days risks have begun to recede.

“If the US/Iran deal holds over the coming months, we expect the FOMC to remain on hold”

The Bank of England also marked time in June, with seven of the nine Monetary Policy Committee members voting to keep Bank Rate unchanged at 3.75%. The minutes showed that Chief Economist Huw Pill and external member Megan Greene preferred a 25bp hike as a risk-management response given the possibility of material second-round effects from energy inflation. Other members took comfort from the recent fall in energy prices. The latest labour market and inflation prints were meanwhile interpreted as evidence that disinflation was well underway before the Middle East conflict. Nonetheless, the statement carried a hawkish tone, signalling the Committee still sees price risks as the dominant concern.

In Asia, the Bank of Japan raised its policy rate by 25bps to 1.0%. This follows strong wage outcomes earlier this year and growing evidence of pass-through to domestic inflation, particularly for services. In Governor Ueda’s absence, Deputy Governor Uchida signalled further rate hikes ahead. We expect that productivity gains and sustained domestic inflation pressures will support the BoJ reaching a terminal rate of around 1.5% in mid-2027.

The Policy Board also confirmed that it will continue tapering JGB purchases, albeit at a slower pace. Importantly, the Bank retains the flexibility to scale up purchases in the event of disorderly moves in yields and will continue to pre-commit to purchase amounts on a quarterly basis.



On the data front, Chinese activity disappointed again in May. Retail sales contracted over the year, -0.6%yr, as soft income growth, declining wealth and an absence of confidence weighed. Fixed asset investment fell 4.1%ytd, driven by declines in sectors including property, health and education, but also owing to a lull in previously strong areas of the economy, namely manufacturing and utilities. Industrial production growth of 5.4%ytd shows the effective use of current capacity to meet strong growth in external demand, however. Aggregate growth in the economy is largely dependent on net exports' contribution at present. This is unsustainable given the record-high level of the trade surplus, hence the need for material and urgent stimulus for the domestic economy.

Finally, to the Middle East conflict. A resolution now looks to be in effect, at least for the next 60 days after a 14-point Memorandum of Understanding was signed by both the US and Iran. On day 1 of the Strait's re-opening, several VLCCs, which each carry 2 million barrels of oil, were seen transiting the Strait as others readied at port. Further, not only will shipments from other Middle East countries now come to the global market, but also from Iran – waivers allowing the nation to freely sell into the global market without delay and, as conditions are met, the removal of sanctions should confirm long-term access. Negotiations over Iran's nuclear program are still necessary, and until agreed there is risk of further conflict. Also, it will take time for damaged infrastructure and global inventories to be rebuilt. Still, the initial market reaction has been positive, the price of Brent oil falling from a recent peak near USD110 per barrel to USD79, compared to an average of USD63 in Q4 2025.

July RBNZ pause more likely following ceasefire



Satish Ranchhod
Senior Economist

With global fuel prices dropping back, the current uplift in inflation is likely to be slightly more moderate than expected, and the risks of a widespread and enduring lift in pricing pressures is less pronounced. This gives the RBNZ more breathing space to observe how the economy is tracking before hiking the Official Cash Rate. We continue to expect that the RBNZ will keep the cash rate on hold until September. And depending on how fuel prices evolve, the RBNZ might become circumspect about how quickly rates need to rise beyond that time.

After a firm start to the year, economic momentum has faded

The [latest GDP figures](#) showed that the New Zealand economy had been gaining traction in the early part of the year, ahead of the conflict in the Middle East. The economy grew by 0.8% in the March quarter, with activity up 1.5% over the past year – the latter slightly firmer than expected due to an upward revision to growth in the December quarter. Growth was also a bit firmer than the RBNZ had expected, underpinned by earlier interest rate reductions and the continued strength in the agricultural sector.

But despite that encouraging start to the year, more recent data have shown that the economy's momentum has been dented by the conflict in the Middle East. The significant rise in living costs has been weighing on households' spending, and recent business surveys (including this week's PMI and PSI) have shown a downturn in trading activity over the past few months. On top of that, the related nervousness about the outlook has seen plans for hiring and capital expenditure wound back.

It hasn't all been bad news though. Demand for our key commodity exports has remained firm, with notable strength in dairy and red meat prices. And trade data for May revealed strong growth in both consumer and capex imports, suggesting that businesses had been anticipating robust demand prior to the conflict.

Nevertheless, the economy is on course for another year of soggy growth. We expect that economic activity will expand by just 1.4% over 2026 (a rate that's well below average), with unemployment lingering above 5%.

Inflation pressures moderating

Against that challenging backdrop, the easing in tensions in the Middle East has been a welcome respite. The immediate impact for New Zealand households and businesses has been

a decline in fuel costs. With global oil prices dropping back, the average price of 91 unleaded around the country has already fallen around 6 c/ltr over the past week, with diesel prices down nearly 20 c/ltr. And if global oil prices remain around current levels, 91-unleaded could drop by another 20 to 30 c/ltr over the coming weeks. That would take prices back to around \$2.80 to \$2.90 / ltr.

But while the global headwinds that have been buffeting the New Zealand economy have moderated, it will still take time for the disruptions to global supply chains and related increases in cost pressures to fully reverse. In the meantime, fuel costs remain well above the levels we saw prior to the conflict, and that is continuing to squeeze households' finances. Similarly in the business sector, many firms are likely to see continued increases in materials costs over the next few months. Given ongoing concerns about the durability of the ceasefire in the Middle East, it's also likely that businesses will remain reluctant to take on new staff or commit to significant capital expenditure (at least until we see definitive signs of a turn in economic activity).

We're currently reviewing our forecasts in light of the changing global backdrop. However, we've already made some changes to our [inflation forecasts](#). We've revised down our forecast for inflation through the middle part of the year and now expect that it will peak at 4.2%yr in the September quarter (down from our previous forecast of 4.5%). That downwards revision is in part due to the easing in oil prices. We've also seen softness in airfares. More generally, subdued demand has constrained how far many businesses have been able to raise their prices despite increases in operating costs.

Our updated forecast for inflation is slightly lower than the RBNZ assumed in their latest projections in May (which showed inflation peaking at 4.3%).

The changing global backdrop gives the RBNZ more headroom

These shifts in the global and domestic outlooks have important implications for the RBNZ. At the time of their last policy statement in May, all members of the RBNZ's Monetary Policy Committee agreed that the Official Cash Rate would likely need to rise through the latter part of the year. However, the Committee was split in terms of how quickly hikes were needed - three members voted for an immediate hike in May, the other three (including the Governor) voted to keep the OCR on hold. Those members who voted for a hold wanted to see how inflation pressures were shaping up. In particular, there were questions



about whether the recent uplift in fuel prices would give rise to a more widespread and long-lasting lift in price pressures.

We're still looking at a firm near-term inflation outlook. However, with global fuel costs dropping back, the longer-term risks to the inflation outlook are now less pronounced. And with softness in domestic activity and the labour market, the RBNZ has more headroom to watch how the economy is tracking before it hikes the OCR.

Given that moderation in longer-term inflation risks, we continue to expect that the RBNZ will remain on hold until September. We can't entirely rule out an earlier start at the July policy meeting, and financial markets still see a strong chance of a July hike (around 85%). However, we think that recent developments have certainly strengthened the case for a continued hold. Even some of those on the Committee who had previously advocated for a hike may reconsider how quickly policy needs to be adjusted given the changing global backdrop. They may now see merit in waiting to see the outcome of the June quarter CPI and labour market reports, as well as the next round of inflation expectation surveys, which will all be released between the July and September OCR reviews.

Depending on how fast oil prices fall, the RBNZ could also become more circumspect about just how far and fast the OCR ultimately has to rise. However, this isn't a one-way bet, with the longer-term outlook for activity and monetary policy opaque. Although global headwinds are easing back, inflation remains elevated, including the domestic non-tradable components which have been slow to decline. In addition, the easing in near-term cost pressures and economic uncertainty that we're now seeing could help the economy regain its momentum sooner than we previously thought.

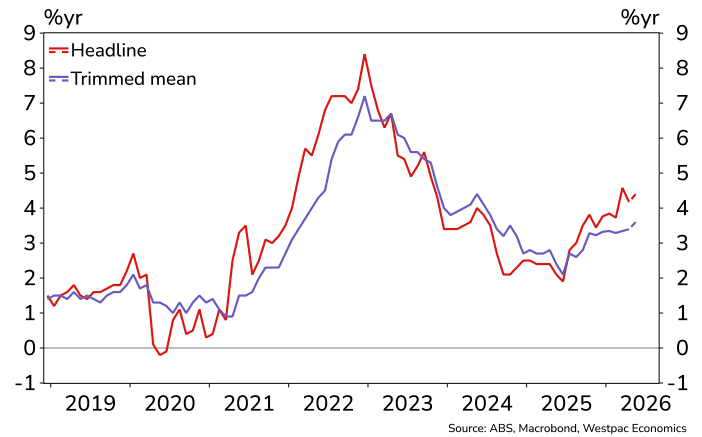
AUS: May CPI (%ann)

June 24, Last: 4.2, Westpac f/c: 4.4
Market f/c: 4.3, Range: 3.8 to 4.9

In April, headline inflation undershot expectations easing to 4.2%yr with trimmed-mean inflation rising to 3.4%yr. Despite this firming, there was only limited indications of a broadening in pass-through from the Middle East energy shock.

The focus in May will again be on evidence of second round effects from higher oil prices. We expect the CPI to fall -0.3% mth, rising to 4.4%yr annually. The weakness is centred on lower fuel prices and softer clothing. The trimmed mean is forecast to rise 0.4% mth/3.6%yr, though uncertainty on the strength and speed of price adjustments remains a key downside risk. For the full preview, see [here](#).

Inflation with forecasts



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

Jun 25, Last: -18.6, Westpac f/c: +45
Market f/c: +30, Range: +15 to +45

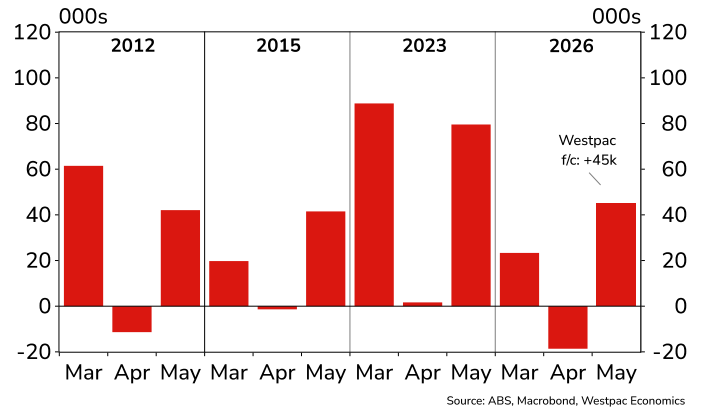
April surprised materially to the downside across most fronts. Employment fell by 18.6k in the month, against expectations for a modest increase.

As discussed in [our preview](#), the weakness in employment might be related to an 'abnormal seasonality' – this year's April LFS ran over the full Easter long weekend, and so it may have captured a bit more Easter holiday-related softness in the raw data that was not fully removed by seasonal adjustment.

We expect a bounce-back of +45k in May. This would amount to an average monthly gain of around +13k/mth over April and May, a clear step down from the +30k/mth pace over Q1.

Employment Change in 'Full Overlap' Years

Years April LFS Covers Good Friday & Easter Monday



AUS: May Labour Force – Unemployment Rate (%)

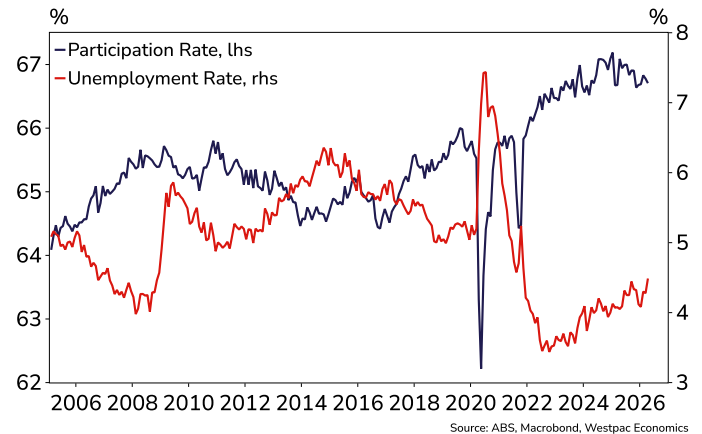
Jun 25, Last: 4.5, Westpac f/c: 4.4
Market f/c: 4.4, Range: 4.3 to 4.6

Despite a tick down in the participation rate to 66.7%, the fall in employment was large enough to see the unemployment rate jump from 4.3% to 4.5% in April, the highest since the 'delta' COVID-19 outbreak in late-2021.

As stated above, this weakness possibly due to extra holiday-related weakness tied to the survey's timing over Easter. This is set to fade in May's data. With the participation rate ticking back up to 66.8%, we expect the unemployment rate will fall from 4.5% to 4.4%.

If April's decline was indeed driven entirely by Easter or other noise, May's data could surprise to the stronger side, meaning a potentially lower unemployment rate.

Unemployment rate at 4½%, highest since Nov-21



AUS: Q2 Job Vacancies (%qtr)

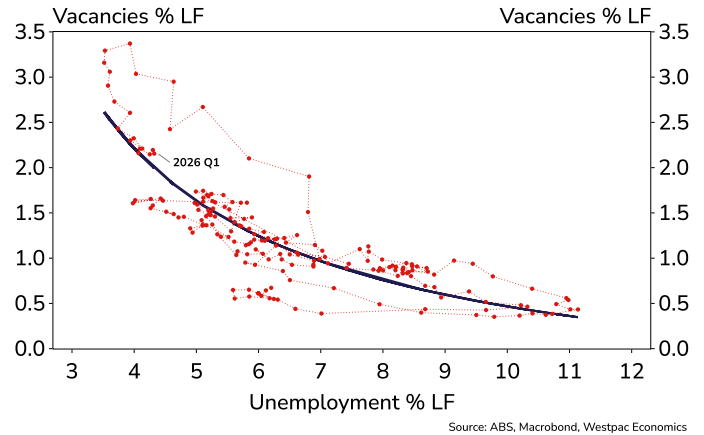
Jun 25, Last: 2.7, Westpac f/c: -3.5

The number of job vacancies increased by 8.9k (2.7%) between November and February. That result was consistent with the recovery that was taking place in the labour market earlier in the year, prior to the onset of the Middle East conflict.

While the level of job vacancies remains elevated, as a share of the labour force it has come back down to more normal levels. As seen on the chart rightwards, we are around the 'steeper' part of the Beveridge Curve – suggesting that the relationship between vacancies and unemployment continues to behave broadly as expected.

Based on the available partial monthly indicators, we think a fall in the official ABS measure of job vacancies is likely in Q2. We have pencilled in around -3.5%qtr.

Beveridge Curve



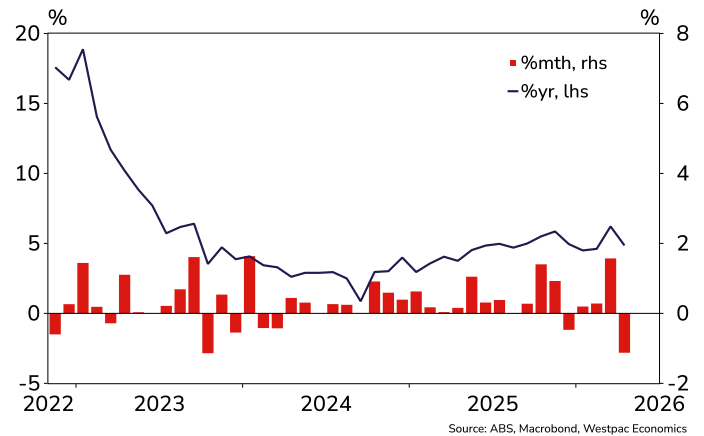
AUS: May Household Spending Indicator (%mth)

Jun 25, Last: -1.1, Westpac f/c: 0.7
Market f/c: 0.5, Range: -0.5 to 4.5

The Household Spending Indicator fell -1.1% in April, unwinding most of the 1.6% jump in March. The main driver was a mostly price-led unwind in auto fuel-related spending, reflecting the temporary halving of fuel excise tax and waiving of GST.

May was a more settled month for fuel prices although it saw a third 25bp interest rate rise from the RBA and a sharp fall in consumer sentiment. Our [Westpac-DataX Card Tracker](#) points to a clear moderation in momentum with activity ex-fuel stalling flat in recent weeks. However, that's likely to be more evident as June spending figures roll in with the wash-up for the May month still pointing to a +0.7% gain in the Household Spending Indicator.

Monthly household spending indicator



AUS: Q2 Westpac-Now – First Estimate (%qtr)

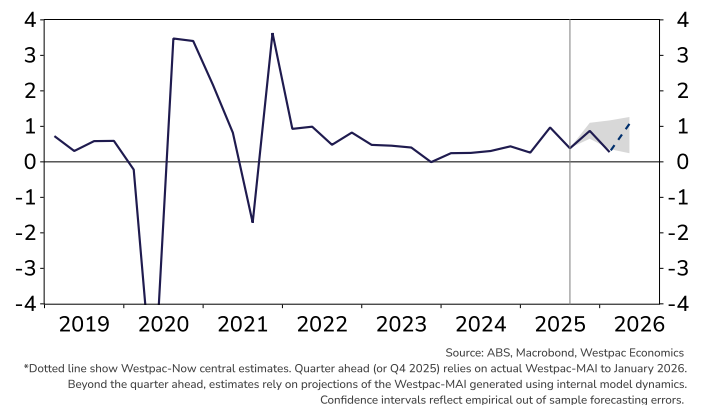
Jun 26, Last: 0.4 (Q1 2026)

Westpac-Now's final estimate for Q1 had GDP growth moderating to just 0.4%qtr in Q1 2026, down sharply from the 0.9%qtr recorded in Q4 2025. This was broadly in line with the 0.3%qtr recorded in the Q1 National Accounts, signalling that Australia's cyclical upturn had come to an end.

Westpac-Now also pointed to growth stalling at just 0.1%qtr in Q2 2026, with a 'negative quarter' well within standard confidence intervals. We expect our first estimate for Q2 2026 to reinforce the view that activity eased through the first half of 2026, with something close to a flat quarter the most likely outcome.

Quarterly GDP Growth*

Quarterly % growth. Axis truncated for covid.

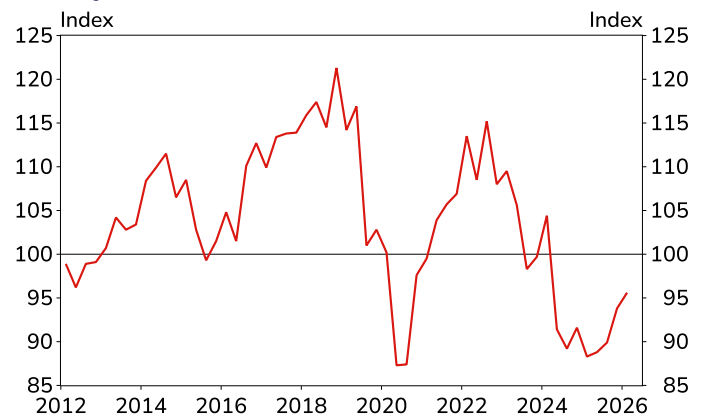


NZ: Q2 Westpac-McDermott Miller Employment Confidence (index)

Jun 23, Last: 95.6

The Employment Confidence Index rose slightly in the March quarter survey, led by a lift in perceptions about job availability. That measure in particular is often a useful leading indicator of the unemployment rate, which looked to have reached its peak for the cycle until the Middle East conflict provided a fresh blow to the economy. As with our consumer confidence index, the March survey was held early in the month, largely before the conflict began to flow through into fuel prices, while the latest survey was held in early June before the US-Iran peace agreement was reached.

Employment Confidence Index



What to watch

	For	Data/Event	Unit	Last	Market f/c	Westpac f/c	Risk/Comment
Mon 22							
Eur	Jun	Consumer Confidence	index	-19	-16	-	Remains deeply pessimistic owing to current conditions.
Tue 23							
NZ	Q2	Westpac MM Employment Conf.	index	95.6	-	-	Surveyed before the ceasefire announcement.
Jpn	Jun	S&P Global Manufacturing PMI	index	54.5	-	-	Activity supported by new orders and inventory expansion ...
	Jun	S&P Global Services PMI	index	50.0	-	-	... though services activity looks to have stagnated.
Eur	Jun	S&P Global Manufacturing PMI	index	51.6	51.5	-	Upturn in manufacturing activity has lost momentum ...
	Jun	S&P Global Services PMI	index	47.7	49.3	-	... with cost pressures for services on a persistent uptrend.
UK	Jun	S&P Global Manufacturing PMI	index	53.9	50.0	-	Upturn gathering pace, with production hitting a 3mth high ...
	Jun	S&P Global Services PMI	index	49.3	53.0	-	... services takes a setback with the first fall in a year.
US	Jun	S&P Global Manufacturing PMI	index	55.1	54.6	-	May recorded the fastest upturn in production since Apr-22 ...
	Jun	S&P Global Services PMI	index	50.7	51.0	-	... but sluggish growth in services is a drag on overall activity.
	Jun	Richmond Fed Manufacturing	index	13	8	-	Some reversal expected following May's bounce.
Wed 24							
Aus	May	Monthly Headline CPI	%ann	4.2	4.3	4.4	Lower fuel prices will continue to weigh on the headline print.
	May	Monthly Trimmed Mean CPI	%ann	3.4	3.5	3.6	Construction costs becoming a key pressure point.
		RBA Deputy Governor Hauser	-	-	-	-	Speaking in Melbourne, 6:00pm AEST.
Ger	Jun	IFO Business Climate Survey	index	84.9	85.5	-	Continues to suggest a weak growth outcome for H2 2026.
US	May	New Home Sales	%mth	-6.2	3.5	-	Builders are reporting bloated inventories of homes.
Thu 25							
Aus	May	Employment Change	000s	-18.6	30	45	Bounce-back from holiday-related weakness in April ...
	May	Unemployment Rate	%	4.5	4.4	4.4	... will give a clearer idea of underlying momentum.
	Q2	Job Vacancies	%qtr	2.7	-	-3.5	Partial indicators point to a small pull-back.
	May	Household Spending Indicator	%mth	-1.1	0.5	0.7	Moderation in consumer momentum further ahead.
US	May	Personal Income	%mth	0.0	0.4	-	A strong jobs report likely supported income growth and ...
	May	Personal Spending	%mth	0.5	0.6	-	... higher spending despite bleak sentiment among consumers.
	May	PCE Deflator	%mth	0.4	0.4	-	Non-durables and services driving most of the increase.
	May	Durable Goods Orders	%mth	8.0	-4.7	-	Upheld by tech-related investment; transport adds volatility.
	May	Chicago Fed Activity	index	0.14	-	-	Growth moving above trend signalling pressures on inflation.
		Initial Jobless Claims	000s	226	-	-	Seasonal volatility high this time of year.
	Q1	GDP	%ann'd	1.6	1.7	-	Final estimate.
	Jun	Kansas City Fed Manufacturing	index	8	-	-	Defying expectations for steep falls amid higher input costs.
		Fedspeak	-	-	-	-	Williams.
Fri 26							
Aus	Q2	Westpac-Now	%qtr	0.4	-	-	First estimate will likely point to a further softening in activity.
Jpn	Jun	Tokyo CPI	%ann	1.4	1.6	-	Pass-through of higher labour and import costs likely.
Chn	Q1	Current Account Balance	US\$bn	184.1	-	-	Final estimate.
US	May	Wholesale Inventories	%mth	0.6	0.2	-	Normalising from its surge in March.
	Jun	Uni. Of Michigan Sentiment	index	48.9	50.0	-	Final estimate.
		Fedspeak	-	-	-	-	Goolsbee, Kashkari.
Sar 27							
Chn	May	Industrial Profits	%ann	24.7	-	-	Manufacturing industry a key source of strength.

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.

Economic & financial forecasts

Interest rate forecasts

Australia	Latest (19 Jun)	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28
Cash	4.35	4.85	4.85	4.85	4.85	4.85	4.85	4.60	4.35	4.10	3.85
90 Day BBSW	4.47	4.90	4.90	4.95	4.95	4.95	4.80	4.55	4.30	4.05	3.95
3 Year Swap	4.44	4.65	4.65	4.60	4.50	4.40	4.30	4.20	4.10	4.00	3.90
3 Year Bond	4.45	4.65	4.65	4.60	4.50	4.40	4.30	4.20	4.10	4.00	3.90
10 Year Bond	4.80	4.90	4.90	4.90	4.85	4.85	4.85	4.85	4.85	4.90	4.95
10 Year Spread to US (bps)	35	40	40	35	30	25	20	15	10	10	10
United States											
Fed Funds	3.625	3.625	3.625	3.625	3.625	3.625	3.625	3.625	3.625	3.625	3.625
US 10 Year Bond	4.45	4.50	4.50	4.55	4.55	4.60	4.65	4.70	4.75	4.80	4.85
New Zealand											
Cash	2.25	2.50	3.00	3.50	3.75	4.00	4.25	4.25	4.25	4.25	4.00
90 Day Bill	2.71	2.95	3.40	3.75	4.00	4.25	4.45	4.45	4.45	4.40	4.15
2 Year Swap	3.38	3.85	4.15	4.30	4.40	4.40	4.35	4.30	4.25	4.20	4.15
10 Year Bond	4.44	4.65	4.80	4.95	5.05	5.10	5.10	5.10	5.10	5.05	5.05
10 Year Spread to US (bps)	-1	15	30	40	50	50	45	40	35	25	20

Exchange rate forecasts

	Latest (19 Jun)	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28
AUD/USD	0.6992	0.72	0.73	0.73	0.74	0.74	0.74	0.73	0.73	0.73	0.73
NZD/USD	0.5735	0.59	0.60	0.62	0.64	0.65	0.66	0.66	0.66	0.66	0.66
USD/JPY	161.37	158	156	154	152	150	148	146	144	142	140
EUR/USD	1.1428	1.17	1.18	1.19	1.20	1.21	1.22	1.22	1.22	1.21	1.21
GBP/USD	1.3169	1.35	1.36	1.37	1.38	1.39	1.40	1.41	1.41	1.40	1.40
USD/CNY	6.7682	6.75	6.70	6.60	6.50	6.45	6.40	6.35	6.35	6.30	6.30
AUD/NZD	1.2204	1.22	1.22	1.19	1.16	1.14	1.12	1.11	1.11	1.11	1.11

Australian economic forecasts

% change	2026				2027				Calendar years			
	Q1	Q2(f)	Q3(f)	Q4(f)	Q1(f)	Q2(f)	Q3(f)	Q4(f)	2025	2026(f)	2027(f)	2028(f)
GDP %qtr	0.3	0.0	0.1	0.3	0.4	0.4	0.4	0.4	-	-	-	-
%yr end	2.5	1.6	1.3	0.7	0.9	1.2	1.4	1.5	2.5	0.7	1.5	2.6
Unemployment rate %	4.2	4.4	4.6	4.9	5.0	4.9	4.9	4.9	4.3	4.9	4.9	4.5
Wages (WPI) (sa) %qtr	0.8	0.8	1.0	0.8	0.8	0.8	0.8	0.8	-	-	-	-
%yr end	3.3	3.2	3.4	3.4	3.4	3.4	3.2	3.2	3.4	3.4	3.2	3.4
Headline CPI %qtr	1.4	1.0	1.5	0.7	0.7	0.7	0.8	0.5	-	-	-	-
%yr end	4.1	4.4	4.6	4.7	4.0	3.7	3.0	2.8	3.6	4.7	2.8	2.2
Trimmed Mean CPI %qtr	0.8	1.0	1.1	0.9	0.8	0.7	0.7	0.7	-	-	-	-
%yr end	3.4	3.8	3.8	3.8	3.7	3.5	3.2	3.0	3.4	3.8	3.0	2.4

New Zealand economic forecasts

% Change	2026				2027				Calendar years			
	Q1	Q2(f)	Q3(f)	Q4(f)	Q1(f)	Q2(f)	Q3(f)	Q4(f)	2025	2026(f)	2027(f)	2028(f)
GDP %qtr	0.8	-0.3	0.4	0.6	1.1	0.6	0.8	0.8	-	-	-	-
Annual avg change	0.8	1.5	1.6	1.6	1.6	1.8	2.2	2.6	0.3	1.6	2.6	3.4
Unemployment rate %	5.3	5.4	5.5	5.6	5.5	5.3	5.1	4.9	5.4	5.6	4.9	4.4
CPI %qtr	0.9	1.5	1.1	0.5	0.5	0.1	0.6	0.4	-	-	-	-
Annual change	3.1	4.1	4.2	4.1	3.7	2.3	1.8	1.7	3.1	4.1	1.7	2.0

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.



Corporate Directory

Westpac Economics / Australia

Sydney

Level 19, 275 Kent Street
Sydney NSW 2000
Australia

E: economics@westpac.com.au

Luci Ellis

Chief Economist Westpac Group
E: luci.ellis@westpac.com.au

Matthew Hassan

Head of Australian Macro-Forecasting
E: mhassan@westpac.com.au

Elliot Clarke

Head of International Economics
E: eclarke@westpac.com.au

Sian Fenner

Head of Business and Industry Economics
E: sian.fenner@westpac.com.au

Justin Smirk

Senior Economist
E: jsmirk@westpac.com.au

Pat Bustamante

Senior Economist
E: pat.bustamante@westpac.com.au

Mantas Vanagas

Senior Economist
E: mantas.vanagas@westpac.com.au

Ryan Wells

Economist
E: ryan.wells@westpac.com.au

Illiana Jain

Economist
E: illiana.jain@westpac.com.au

Neha Sharma

Economist
E: neha.sharma1@westpac.com.au

Luka Belobrajdic

Economist
E: luka.belobrajdic@westpac.com.au

Westpac Economics / New Zealand

Auckland

Takutai on the Square
Level 8, 16 Takutai Square
Auckland, New Zealand

E: economics@westpac.co.nz

Kelly Eckhold

Chief Economist NZ
E: kelly.eckhold@westpac.co.nz

Michael Gordon

Senior Economist
E: michael.gordon@westpac.co.nz

Darren Gibbs

Senior Economist
E: darren.gibbs@westpac.co.nz

Satish Ranchhod

Senior Economist
E: satish.ranchhod@westpac.co.nz

Paul Clark

Industry Economist
E: paul.clarke@westpac.co.nz

Westpac Economics / Fiji

Suva

1 Thomson Street
Suva, Fiji

Shamal Chand

Senior Economist
E: shamal.chand@westpac.com.au



 westpaciq.com.au

©2026 Westpac Banking Corporation ABN 33 007 457 141 (including where acting under any of its Westpac, St George, Bank of Melbourne or BankSA brands, collectively, “Westpac”). References to the “Westpac Group” are to Westpac and its subsidiaries and includes the directors, employees and representatives of Westpac and its subsidiaries.

Things you should know

We respect your privacy: You can view the [New Zealand Privacy Policy here](#), or the Australian [Group Privacy Statement here](#). Each time someone visits our site, data is captured so that we can accurately evaluate the quality of our content and make improvements for you. We may at times use technology to capture data about you to help us to better understand you and your needs, including potentially for the purposes of assessing your individual reading habits and interests to allow us to provide suggestions regarding other reading material which may be suitable for you.

This information, unless specifically indicated otherwise, is under copyright of the Westpac Group. None of the material, nor its contents, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party without the prior written permission of the Westpac Group.

Disclaimer

This information has been prepared by Westpac and is intended for information purposes only. It is not intended to reflect any recommendation or financial advice and investment decisions should not be based on it. This information does not constitute an offer, a solicitation of an offer, or an inducement to subscribe for, purchase or sell any financial instrument or to enter into a legally binding contract. To the extent that this information contains any general advice, it has been prepared without taking into account your objectives, financial situation or needs and before acting on it you should consider the appropriateness of the advice. Certain types of transactions, including those involving futures, options and high yield securities give rise to substantial risk and are not suitable for all investors. We recommend that you seek your own independent legal or financial advice before proceeding with any investment decision.

This information may contain material provided by third parties. While such material is published with the necessary permission none of Westpac or its related entities accepts any responsibility for the accuracy or completeness of any such material. Although we have made every effort to ensure this information is free from error, none of Westpac or its related entities warrants the accuracy, adequacy or completeness of this information, or otherwise endorses it in any way. Except where contrary to law, Westpac Group intend by this notice to exclude liability for this information. This information is subject to change without notice and none of Westpac or its related entities is under any obligation to update this information or correct any inaccuracy which may become apparent at a later date. This information may contain or incorporate by reference forward looking statements. The words “believe”, “anticipate”, “expect”, “intend”, “plan”, “predict”, “continue”, “assume”, “positioned”, “may”, “will”, “should”, “shall”, “risk” and other similar expressions that are predictions of or indicate future events and future trends identify forward-looking statements. These forward-looking statements include all matters that are not historical facts. Past performance is not a reliable indicator of future performance, nor are forecasts of future performance. Whilst every effort has been taken to ensure that the assumptions on which any forecasts are based are reasonable, the forecasts may be affected by incorrect assumptions or by known or unknown risks and uncertainties. The ultimate outcomes may differ substantially from any forecasts.

Conflicts of Interest: In the normal course of offering banking products and services to its clients, the Westpac Group may act in several capacities (including issuer, market maker, underwriter, distributor, swap counterparty and calculation agent) simultaneously

with respect to a financial instrument, giving rise to potential conflicts of interest which may impact the performance of a financial instrument. The Westpac Group may at any time transact or hold a position (including hedging and trading positions) for its own account or the account of a client in any financial instrument which may impact the performance of that financial instrument.

Author(s) disclaimer and declaration: The author(s) confirms that (a) no part of his/her compensation was, is, or will be, directly or indirectly, related to any views or (if applicable) recommendations expressed in this material; (b) this material accurately reflects his/her personal views about the financial products, companies or issuers (if applicable) and is based on sources reasonably believed to be reliable and accurate; (c) to the best of the author’s knowledge, they are not in receipt of inside information and this material does not contain inside information; and (d) no other part of the Westpac Group has made any attempt to influence this material.

Further important information regarding sustainability related content: This material may contain statements relating to environmental, social and governance (ESG) topics. These are subject to known and unknown risks, and there are significant uncertainties, limitations, risks and assumptions in the metrics, modelling, data, scenarios, reporting and analysis on which the statements rely. In particular, these areas are rapidly evolving and maturing, and there are variations in approaches and common standards and practice, as well as uncertainty around future related policy and legislation. Some material may include information derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information. There is a risk that the analysis, estimates, judgements, assumptions, views, models, scenarios or projections used may turn out to be incorrect. These risks may cause actual outcomes to differ materially from those expressed or implied. The ESG-related statements in this material do not constitute advice, nor are they guarantees or predictions of future performance, and Westpac gives no representation, warranty or assurance (including as to the quality, accuracy or completeness of the statements). You should seek your own independent advice.

Additional country disclosures:

Australia: Westpac holds an Australian Financial Services Licence (No. 233714). You can access [Westpac’s Financial Services Guide here](#) or request a copy from your Westpac point of contact. To the extent that this information contains any general advice, it has been prepared without taking into account your objectives, financial situation or needs and before acting on it you should consider the appropriateness of the advice.

New Zealand: In New Zealand, Westpac Institutional Bank refers to the brand under which products and services are provided by either Westpac (NZ division) or Westpac New Zealand Limited (company number 1763882), the New Zealand incorporated subsidiary of Westpac (“WNZL”). Any product or service made available by WNZL does not represent an offer from Westpac or any of its subsidiaries (other than WNZL). Neither Westpac nor its other subsidiaries guarantee or otherwise support the performance of WNZL in respect of any such product. WNZL is not an authorised deposit-taking institution for the purposes of Australian prudential standards. The current disclosure statements for the New Zealand branch of Westpac and WNZL can be obtained at www.westpac.co.nz.

Singapore: This material has been prepared and issued for distribution in Singapore to institutional investors, accredited investors and expert investors (as defined in the applicable Singapore laws and regulations) only. Recipients of this material in Singapore should contact Westpac Singapore Branch in respect of any matters arising from, or in connection with, this material. Westpac Singapore Branch holds a wholesale banking licence and is subject to supervision by the Monetary Authority of Singapore.

Disclaimer continues overleaf ▶

Fiji: Unless otherwise specified, the products and services for Westpac Fiji are available from www.westpac.com.fj © Westpac Banking Corporation ABN 33 007 457 141. This information does not take your personal circumstances into account and before acting on it you should consider the appropriateness of the information for your financial situation. Westpac Banking Corporation ABN 33 007 457 141 is incorporated in NSW Australia and registered as a branch in Fiji. The liability of its members is limited.

Papua New Guinea: Unless otherwise specified, the products and services for Westpac PNG are available from www.westpac.com.pg © Westpac Banking Corporation ABN 33 007 457 141. This information does not take your personal circumstances into account and before acting on it you should consider the appropriateness of the information for your financial situation. Westpac Banking Corporation ABN 33 007 457 141 is incorporated in NSW Australia. Westpac is represented in Papua New Guinea by Westpac Bank - PNG - Limited. The liability of its members is limited.

U.S.: Westpac operates in the United States of America as a federally licensed branch, regulated by the Office of the Comptroller of the Currency. Westpac is also registered with the US Commodity Futures Trading Commission ("CFTC") as a Swap Dealer, but is neither registered as, or affiliated with, a Futures Commission Merchant registered with the US CFTC. The services and products referenced above are not insured by the Federal Deposit Insurance Corporation ("FDIC"). Westpac Capital Markets, LLC ("WCM"), a wholly-owned subsidiary of Westpac, is a broker-dealer registered under the U.S. Securities Exchange Act of 1934 ("the Exchange Act") and member of the Financial Industry Regulatory Authority ("FINRA"). In accordance with APRA's Prudential Standard 222 'Association with Related Entities', Westpac does not stand behind WCM other than as provided for in certain legal agreements between Westpac and WCM and obligations of WCM do not represent liabilities of Westpac.

This communication is provided for distribution to U.S. institutional investors in reliance on the exemption from registration provided by Rule 15a-6 under the Exchange Act and is not subject to all of the independence and disclosure standards applicable to debt research reports prepared for retail investors in the United States. WCM is the U.S. distributor of this communication and accepts responsibility for the contents of this communication. Transactions by U.S. customers of any securities referenced herein should be effected through WCM. All disclaimers set out with respect to Westpac apply equally to WCM. If you would like to speak to someone regarding any security mentioned herein, please contact WCM on +1 212 389 1269. Investing in any non-U.S. securities or related financial instruments mentioned in this communication may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the SEC in the United States. Information on such non-U.S. securities or related financial instruments may be limited. Non-U.S. companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect in the United States. The value of any investment or income from any securities or related derivative instruments denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related derivative instruments.

The author of this communication is employed by Westpac and is not registered or qualified as a research analyst, representative, or associated person of WCM or any other U.S. broker-dealer under the rules of FINRA, any other U.S. self-regulatory organisation, or the laws, rules or regulations of any State. Unless otherwise specifically stated, the views expressed herein are solely those of the author and may differ from the information, views or analysis expressed by Westpac and/or its affiliates.

UK: The London branch of Westpac is authorised in the United Kingdom by the Prudential Regulation Authority (PRA) and is subject to regulation by the Financial Conduct Authority (FCA) and limited regulation by the PRA (Financial Services Register number: 124586).

The London branch of Westpac is registered at Companies House as a branch established in the United Kingdom (Branch No. BR000106). Details about the extent of the regulation of Westpac's London branch by the PRA are available from us on request.

This communication is not being made to or distributed to, and must not be passed on to, the general public in the United Kingdom. Rather, this communication is being made only to and is directed at (a) those persons falling within the definition of Investment Professionals (set out in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order")); (b) those persons falling within the definition of high net worth companies, unincorporated associations etc. (set out in Article 49(2) of the Order); (c) other persons to whom it may lawfully be communicated in accordance with the Order or (d) any persons to whom it may otherwise lawfully be made (all such persons together being referred to as "relevant persons"). Any person who is not a relevant person should not act or rely on this communication or any of its contents. In the same way, the information contained in this communication is intended for "eligible counterparties" and "professional clients" as defined by the rules of the Financial Conduct Authority and is not intended for "retail clients". Westpac expressly prohibits you from passing on the information in this communication to any third party.

European Economic Area ("EEA"): This material may be distributed to you by either: (i) Westpac directly, or (ii) Westpac Europe GmbH ("WEG") under a sub-licensing arrangement. WEG has not edited or otherwise modified the content of this material. WEG is authorised in Germany by the Federal Financial Supervision Authority ("BaFin") and subject to its regulation. WEG's supervisory authorities are BaFin and the German Federal Bank ("Deutsche Bundesbank"). WEG is registered with the commercial register ("Handelsregister") of the local court of Frankfurt am Main under registration number HRB 118483. In accordance with APRA's Prudential Standard 222 'Association with Related Entities', Westpac does not stand behind WEG other than as provided for in certain legal agreements (a risk transfer, sub-participation and collateral agreement) between Westpac and WEG and obligations of WEG do not represent liabilities of Westpac. Any product or service made available by WEG does not represent an offer from Westpac or any of its subsidiaries (other than WEG). All disclaimers set out with respect to Westpac apply equally to WEG.

This communication is not intended for distribution to, or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation.

This communication contains general commentary, research, and market colour. The communication does not constitute investment advice. The material may contain an 'investment recommendation' and/or 'information recommending or suggesting an investment', both as defined in Regulation (EU) No 596/2014 (including as applicable in the United Kingdom) ("MAR"). In accordance with the relevant provisions of MAR, reasonable care has been taken to ensure that the material has been objectively presented and that interests or conflicts of interest of the sender concerning the financial instruments to which that information relates have been disclosed.

Investment recommendations must be read alongside the specific disclosure which accompanies them and the general disclosure which can be found [here](#). Such disclosure fulfils certain additional information requirements of MAR and associated delegated legislation and by accepting this communication you acknowledge that you are aware of the existence of such additional disclosure and its contents.

To the extent this communication comprises an investment recommendation it is classified as non-independent research. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and therefore constitutes a marketing communication. Further, this communication is not subject to any prohibition on dealing ahead of the dissemination of investment research.