



Week beginning 6 July 2026

# AUSTRALIA & NEW ZEALAND WEEKLY

Analysis and forecasts for this week's key releases.

## In this week's edition:

**Economic Insight:** China's greatest opportunity and biggest threat.

**The Week That Was:** On the minds of policy makers.

**Focus on New Zealand:** Keep calm and focus on the data.

## For the week ahead:

**Australia:** RBA Assistant Governor Hunter speaking.

**New Zealand:** RBNZ policy decision, Matariki public holiday.

**Japan:** Household spending, current account balance.

**China:** CPI, PPI, new lending data.

**Euro Area:** Retail sales, PPI, Sentix investor confidence.

**United States:** FOMC minutes, ISM services PMI, existing home sales, initial jobless claims.

Information contained in this report current as at 3 July 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.

# China's greatest opportunity and biggest threat



**Elliot Clarke**  
Head of International Economics,  
Westpac Group

- **The first half of 2026 has highlighted China's industrial strength. Ahead, China's greatest opportunity is also its biggest threat – a recovery in the Chinese consumer.**
- **If authorities take the initiative and reset the consumer story, GDP growth at or above 4.5% can be sustained, even as the impetus from trade fades.**
- **Successfully holding Chinese GDP growth around 4.5% through 2028 should allow the Renminbi to sustainably appreciate back to 2022 and 2018's, then short-lived, highs against the US dollar around USD6.30.**
- **The implications for Australia and our dollar are difficult to discern at this juncture. China continues to expand its sourcing network across Asia, Africa and Latin America. Australia is therefore unlikely to receive a material, sustained dividend from increased commodity volumes.**
- **However, if we lean into Asia's development, our productivity and income prospects will grow, and our dollar strengthen.**

The first half of 2026 has highlighted China's industrial strength, the trade surplus widening back to near record highs and investment in high-tech manufacturing and services continuing at pace while authorities' strategic reserves and pro-active decision making offered robust protection against an extended loss of oil supply. Ahead, China's greatest opportunity is also its biggest threat – a recovery in the Chinese consumer.

Before we delve into the detail of the consumer outlook, it is important to dig deeper into recent industrial developments and their implications. Having narrowed sharply in March to USD51bn, China's monthly trade surplus snapped back to USD85bn in April and US105bn in May. The average for the year-to-date is now USD91bn, just inside 2025's USD99bn and roughly triple 2019's USD35bn. May's 19% annual export growth is arguably outsized, but high single-digit gains are possible, if not probable, on a recurring basis. Note that it isn't just export demand that is buoying the surplus. Chinese production is also increasingly outcompeting imports when it comes to domestic demand, motor vehicles being a prime example. This is also contributing to the widening trade surplus year-on-year.

Total fixed asset investment has disappointed of late, year-to-date growth contracting 4.1% in May. While a loss of momentum in utilities and transport and mixed results within manufacturing allowed the headline contraction to occur, it was education, health and property that drove the decline.

With respect to trade income generation, it is important to recognise that investment has only plateaued after years of rapid growth. Each year that new investment holds at this level, a wave of additional capacity and efficiency is unleashed. Strengthening relationships with neighbouring nations also hold considerable promise. Indonesia and Vietnam are prime examples, having youthful and driven populations of circa 300mn and 100mn and Governments open to large-scale foreign investment.

The compounding income returns China has received through trade post pandemic should have resulted in a strong and confident household sector with burgeoning wealth. Yet, highlighted by annual nominal retail sales growth of -0.6%yr and entrenched weakness in property, this is not the case. In part this is due to the hyper-competitive behaviour of Chinese firms which has suppressed profitability – an issue authorities are now seeking to redress through their anti-involution initiatives. But the primary cause of consumer hardship is instead the disconnect that has emerged between aggregate household income and the growth of Chinese industry. If consumers are to find their feet, the benefits of trade must pass through.

**“the primary cause of consumer hardship is instead the disconnect that has emerged between aggregate household income and the growth of Chinese industry. ”**

We expect this to occur but as a multi-stage, likely multi-year, structural process beginning with pro-active stimulus later this year. Initial steps are likely to focus on additional support for the housing sector and renewed subsidies for discretionary consumption. These steps are critical not only to incentivise current demand but also to promote employment in related sectors. Hiring by high-tech manufacturing and service firms is, in contrast, unlikely to accelerate given these sectors' long-standing preferences for capital over labour as well as the efficiency benefits of automation and AI. To receive direct benefits from China's industrial development, the average household will arguably need to wait until the equity valuations of these titans of industry reflect their future promise. Households will also need to have the confidence to put their wealth 'at risk'. Authorities could accelerate the development of this linkage via incentives to directly invest in financial securities and/or by building trust in wealth and retirement solutions, but we suspect this will not be an immediate priority.



If authorities take the initiative in coming months and reset the consumer story, GDP growth can be sustained at or above 4.5%, even as the impetus from trade fades. But, if the Government only guards against the downside, growth is likely to slow to 4.0% and become increasingly fragile.

With respect to currency markets, success with the consumer through 2028 should be enough for the Renminbi to sustainably appreciate back to 2022 and 2018's, then short-lived, highs against the US dollar around USD6.30. Breaking through that level is entirely possible, albeit more likely outside our current forecast window once the Renminbi's growing share of global trade and financial flows are more widely accepted. For China's competitiveness and the long-term trajectory of the currency, it is important to emphasise that the nation's economic and financial development are not occurring in a vacuum but rather in concert with the rest of Asia. On a trade-weighted basis, the anticipated currency gains will be limited and most likely offset by continued productivity wins.

The implications for Australia and our dollar are difficult to discern at this juncture. China continues to expand not only its production chain but also its sourcing network across Asia, Africa and Latin America. As such, while commodity prices should remain supportive, Australia is unlikely to receive a material, lasting dividend from increased commodity export volumes. Very clearly though, not only in China but across Asia, a broad range of new opportunities are opening up. If, as a nation, we lean into this economic and financial development, our productivity and income prospects will grow, benefitting the dollar. For now at least, the market is likely to take a wait-and-see approach with respect to our prospects, the Australian dollar lagging the performance of the Renminbi and potentially other nations across Asia who are poised to outperform.

# Cliff Notes: on the minds of policy makers

Elliot Clarke, Head of International Economics

Ryan Wells, Economist

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This week's [RBA minutes](#) provided more colour around the Monetary Policy Board's (MPB) June deliberations. Overall, the MPB views the economy as "operating with excess demand and widespread inflationary pressures". On the domestic front, there were "somewhat differing views" among MPB members regarding the extent of current capacity pressures, but they are nonetheless seen as elevated and a risk to the normalisation of inflation towards target. On the Middle East conflict, the MPB welcomed progress towards a resolution but still viewed the balance of risks as firmly skewed to the upside for inflation and the downside for growth. As such, "increasing the cash rate target" will be considered if required.

Last week's speech from [Deputy Governor Hauser](#) shed more light on the RBA's thinking on the relationship between inflation and unemployment. The main takeaway is that inflation tends to be more sensitive when the economy is already tight; but equally, that the policy trade-off in such a situation allows more scope to focus on bringing inflation down without a large cost to employment. These judgements underscore the RBA's successive rate hikes earlier in the year and their subsequent decision to pause and assess in June.

The RBA is also closely monitoring trends in the housing market and the implications for wealth and consumption. [Cotality's](#) latest home value index fell 0.4% in June, Sydney and Melbourne's correction deepening as price growth slowed from a higher base across the smaller capitals. Together with signs of slowing [credit growth](#), evidence that the RBA's rate hikes and sentiment are weighing on the market is mounting. Westpac is forecasting further house price declines through the remainder of the year, though strong population growth and [tight supply](#) will limit their scale.

Before moving offshore, a final note on trade. The [goods trade balance](#) surprised materially to the downside in May, flipping from a surplus of \$1.4bn to a deficit of \$3.0bn, the largest in over a decade. Volatility in gold flows was one of the chief culprits, accentuated by a surprisingly large fall in iron ore exports and a solid lift in car imports (i.e. EVs). Imports of equipment related to the data centre build-out have moderated but are still well above historical norms. Expect continued volatility over the coming year(s).

Over in the US, nonfarm payrolls disappointed in June, with only 57k jobs created and April/May revised down by a combined 74k. The three-month average is now 111k versus 164k in May, though June's result still suggests labour demand is at least keeping pace with supply. Household survey employment is materially weaker, however, declining 507k in

June and averaging a loss of 195k jobs per month over the past three. Further, continuing the trend of the past 18 months, the participation rate fell to 61.5% in June; had participation held steady since January 2025, the unemployment rate would now be above 5%, not the reported 4.2%. Taken together, these outcomes imply the labour market is most likely marking time. That said, the downside risks the household survey allude to are worth close attention.

Also consistent with the FOMC becoming less concerned with inflation in coming months was the latest ISM manufacturing report. Most notably, the prices component fell 9.1pts to 73, signalling a turn in upstream price pressures. Together with the decline in oil benchmarks in recent weeks and the available detail of both the CPI and PPI, which have offered little evidence of material secondary inflation effects from the Middle East conflict, this moderation should alleviate concerns amongst the FOMC that a sustained re-acceleration in consumer inflation is a probable risk.

The preliminary release for June Euro Area inflation was also supportive of an increasingly benign inflation outlook, prices falling 0.1% versus a 0.1% expected gain. The improvement was broad based too, annual headline inflation moderating to 2.8%yr from 3.2%yr and core inflation to 2.4%yr from 2.6%yr. Importantly, this was achieved while the labour market remains historically tight.

FOMC Chair Kevin Warsh picked up on this improvement in inflation prospects at the [ECB's Sintra Forum on Central Banking](#), highlighting that inflation expectations and risks "have come down" in recent weeks. Admittedly he is focused on the US but, per the Euro Area data above, the narrative is broadly true for developed economies across the northern hemisphere. The keynote panel at the conference also discussed several other important topics including the need for greater flexibility and timeliness when conducting monetary policy, how AI advances are being factored into decision making and the importance of safeguarding financial stability.

Finally to Asia where the Q2 Tankan was received positively, participants focusing on the increase in large manufacturer sentiment from 17 to 22. Other outcomes were less positive, however. Smaller manufacturers are more cautious, as are service firms. R&D expectations were also revised down, and profitability and labour market indicators came under pressure. Overall, the survey suggests the BoJ needs to keep evolving risks in mind as they continue to normalise policy.

# Keep calm and focus on the data

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Westpac New Zealand  
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**We expect the Reserve Bank of New Zealand (RBNZ) will [leave the Official Cash Rate \(OCR\) unchanged at 2.25% at its 8 July policy meeting](#), while maintaining a data-dependent tightening bias. The Monetary Policy Committee (MPC) is likely to emphasise that future policy adjustments will depend on evidence of second-round inflation pressures, sustained wage growth, and rising medium- to long-term inflation expectations. In addition, signs that the economic recovery is gaining traction and that the output gap is narrowing will also be important considerations in determining when policy tightening becomes appropriate.**

The RBNZ's communications are expected to retain language indicating that OCR increases are likely at upcoming meetings. However, this guidance will increasingly be framed as conditional, rather than indicative of a predetermined path. This shift is important, as it reflects the MPC's intention to re-anchor expectations around the flow of data, particularly after markets became overly focused on the prospect of a July rate hike following the May Monetary Policy Statement (MPS).

While it is notable that three MPC members voted in favour of a rate hike in May, developments over the past six weeks have significantly altered the economic backdrop. In particular, the easing of tensions in the Middle East and the associated sharp decline in oil prices have materially reduced inflation risks. As a result, it is entirely plausible that a formal vote on raising the OCR may not be required at the July meeting.

If a vote does take place, we expect only a small minority to support an immediate increase. It is unlikely that members who favoured holding rates in May will shift towards tightening at this stage. In addition, those who previously supported a hike may instead prefer to wait for the upcoming flow of key economic data before revisiting the case for higher interest rates at the September meeting.

A key objective for the RBNZ's communications at this meeting will be to redirect market attention towards upcoming data releases as the key determinants of future OCR decisions. The MPC is likely to use this opportunity to correct the perception that a July hike was effectively "pre-committed." Instead, the Bank will reaffirm that its forward guidance is conditional and responsive to evolving economic conditions.

Looking further ahead, we expect the RBNZ to continue signalling a path towards eventual policy normalisation, but with a recalibrated timeline. Prior to the war in the Middle East, the MPC's baseline view, as articulated in their February

Statement, was for a single OCR increase no earlier than the end of 2026. Given that inflation remains above previous forecasts, the Bank may now indicate that the first increase could occur as early as September. However, this will likely be presented as a possibility rather than a certainty, with a clear emphasis on the need for supporting evidence.

The trajectory of tightening beyond the initial move is also expected to be gradual, particularly if second-round inflation pressures remain contained. And on that front, this week's business confidence survey showed that the number of businesses who are planning on raising prices has been dropping back again as oil prices have eased. This week's consumer confidence survey similarly showed that inflation expectations have dropped back to pre-Iran war levels. Evidence on persistent second round pricing pressures from oil prices now looks very thin indeed.

While consecutive rate increases from September cannot be ruled out, this scenario is unlikely to be presented as the central case. A slower pace of tightening would be more consistent with the gradual recovery in activity and less-worrying inflation outlook. Indeed, if incoming data point to weaker growth or if the detail of the June quarter inflation report (out on 21 July) is softer than expected, the start of the tightening cycle could be pushed back to December.

In terms of financial markets pricing, we anticipate some moderation in expectations for policy tightening over the remainder of 2026. Pricing is likely to converge towards one to two 25 basis point increases by year-end, with further adjustments contingent on the evolving data flow.

## Arguments in favour of a July hike

Arguments in favour of an immediate rate hike have centred largely on interpretations of the May MPS as signalling a July move. However, we think that is a misinterpretation of what the RBNZ's projections intended to signal. While the RBNZ's May Statement did indicate that the OCR was expected to rise over the coming months, that was not a precommitment. The projected path for the OCR is always dependent on the evolution of economic conditions. Indeed, the Governor's remarks at the time deliberately emphasised uncertainty, noting that rate increases would depend on factors such as oil prices, the strength of growth, and evidence of persistent inflation pressures. Similarly, comments from Assistant Governor Silk have reinforced the message that all policy options remain on the table heading into the July review.

Other arguments for tightening include the recent depreciation of the New Zealand dollar, driven in part by widening interest rate differentials with other economies. While a weaker currency does add to inflation pressures, its persistence remains uncertain. Moreover, currency depreciation also supports the tradable sector and contributes to a rebalancing of the economy. As such, exchange rate movements alone are unlikely to justify an immediate policy response.

On the growth side, the easing of tensions in the Middle East is expected to provide some support to activity in the second half of 2026. Lower energy prices have improved the terms of trade and have already underpinned modest gains in business and consumer confidence. However, these improvements are unlikely to fully restore the more optimistic growth outlook presented in the February MPS. Survey evidence continues to point to weak momentum, with backward-looking indicators suggesting that the recovery remains in its early stages.

## Arguments in favour of no change

In contrast, [the case for holding the OCR steady](#) is supported by several factors. Most notably, the sharp decline in oil prices (down around \$40 /barrel since May) has significantly altered the inflation outlook. Oil prices are now well below the levels assumed in the RBNZ's May projections, and forecasts for inflation have been revised lower. We now expect CPI inflation will peak at 4% in the June quarter before slowing to 3.5% by the end of this year. That would be well below the 4.1% rate the RBNZ assumed for year-end inflation in its May MPS projections.

Furthermore, with lower oil prices and near-term inflation, the risk of higher fuel costs passing through to a broader uplift in inflation pressures is also lower. That risk was a key concern highlighted by MPC members who voted for a hike in May. Measures of shorter-term inflation expectations have eased as energy prices have declined. Similarly, the labour market remains relatively soft, limiting the risk of wage-driven inflation.

Crucially, a substantial amount of new data will become available between the July and September meetings. This includes the June quarter CPI, business surveys, labour market indicators, and key measures of inflation expectations. With the sharp decline in energy prices significantly reducing the merit of pre-emptive action, we suspect even more hawkish MPC members will now be content to see what this data reveals.

Economic activity also appears to have been subdued in the June quarter, with most indicators pointing to little or no growth. This suggests that the output gap may have widened, reinforcing the case for patience.

Globally, expectations for further interest rate increases have also moderated, with many central banks adopting a more cautious stance. This international backdrop supports a more measured approach by the RBNZ.

## Scenarios

The most likely outcome remains a balanced approach that retains a tightening bias while underscoring data dependence. However, more hawkish and dovish possibilities exist including:

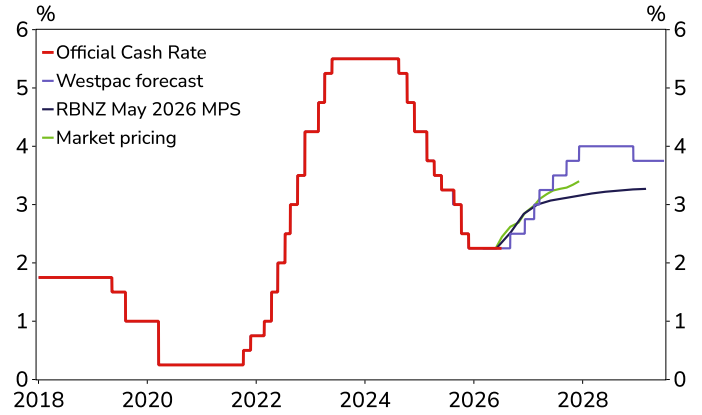
- A hawkish scenario where the OCR is increased and language suggesting the RBNZ's views haven't shifted much. In such circumstances, markets would assume at least 3, possibly 4 hikes in aggregate for 2026. We see this as implausible and assign a 10% probability to it.
- A dovish scenario that seriously questions a hike before December. The forward guidance could be omitted noting that inflation risks seem much less prominent relative to the still large level of excess capacity. The press statement could note that evidence of strong core inflation and broadening second-round inflation pressures would need to be seen to justify a lift in the OCR, and that such evidence is lacking at this stage. This is more plausible and we attach a 30% probability to this scenario.

## NZ: RBNZ Monetary Policy Review

**July 8, Last: 2.25%, Westpac: 2.25%, Market: 2.50%**

We expect the RBNZ to leave the OCR at 2.25% at its 8 July Review. Much has changed over the past six weeks, most notably oil prices have fallen much more rapidly than expected. The related moderation in inflation pressure gives the RBNZ more time to wait-and-watch how the economy is tracking, especially with a large amount of important economic data to be released after the July review. Forward guidance should remain consistent with a lift in the OCR this year. However, the message is expected to be more data dependent than came across at the May Statement. While three MPC members had voted for a rate hike in May, we think the “on hold” decision may well be reached by consensus.

## RBNZ Official Cash Rate



# What to watch

	For	Data/Event	Unit	Last	Market f/c	Westpac f/c	Risk/Comment
<b>Mon 06</b>							
<b>Aus</b>	Jun	MI Inflation Gauge	%ann	4.4	–	–	Provides a general gauge of inflation pressures.
	Jun	ANZ-Indeed Job Ads	%mth	1.8	–	–	Indicative of broadly stable labour demand.
<b>NZ</b>	Jun	ANZ Commodity Prices	%mth	0.7	–	–	Favourable supply and demand conditions supporting prices.
<b>Eur</b>	Jul	Sentix Investor Confidence	index	–13.4	–	–	Better news on US-Iran should support a recovery.
	May	PPI	%ann	4.9	–	–	Upstream price pressures mounting across Europe ...
	May	Retail Sales	%mth	–0.4	0.3	–	... and consumers are starting to feel the pinch.
<b>US</b>	Jun	S&P Global Services PMI	index	51.3	51.3	–	Final estimate.
	Jun	ISM Services PMI	index	54.5	54.1	–	Activity burgeoning, employment rising, prices surging.
<b>Tue 07</b>							
<b>Jpn</b>	May	Household Spending	%ann	–0.5	–2.3	–	Still in decline despite solid real wage gains.
<b>US</b>	May	Trade Balance	US\$bn	–55.9	–78.7	–	US upped oil exports materially in recent months.
<b>Wed 08</b>							
<b>Aus</b>		RBA Assist' Governor (Economic)	–	–	–	–	Hunter speaking at 11:00am AEST.
<b>NZ</b>		RBNZ Policy Decision	%	2.25	2.50	2.25	RBNZ to hold the OCR but signal data-dependent rate rises.
<b>Jpn</b>	May	Current Account Balance	¥bn	3908	4120	–	Surplus strengthening underneath usual seasonal noise.
<b>US</b>	May	Wholesale Inventories	%mth	0.3	0.3	–	Final estimate.
	Jun	FOMC Minutes	–	–	–	–	Will provide more colour on the Committee's deliberations.
	May	Consumer Credit	\$bn	20.7	17.5	–	Credit flowing against a backdrop of income pressures.
<b>Thu 09</b>							
<b>NZ</b>	Jun	Manufacturing PMI	index	49.9	–	–	Business conditions starting to firm as oil prices have dropped.
<b>Chn</b>	Jun	CPI	%ann	1.2	1.1	–	Consumer inflation benign despite pressure from Middle East ...
	Jun	PPI	%ann	3.9	4.1	–	... aiding much-needed discretionary spending capacity.
	Jun	New YTD Loans	CNYbn	9110	11110	–	Credit growth softer than last year as domestic demand ...
	Jun	M2 Money Supply	%ann	8.6	8.4	–	... struggles to gain momentum note data due 9–15 July.
<b>US</b>		Initial Jobless Claims	000s	215	218	–	Still at low levels versus history.
	Jun	Existing Home Sales	%mth	3.2	0.9	–	Elevated mortgage rates keep sales volumes range-bound.
<b>Fri 10</b>							
<b>NZ</b>		Matariki Public Holiday	–	–	–	–	Public holiday, markets closed.

# Economic & financial forecasts

## Interest rate forecasts

Australia	Latest (3 July)	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	4.46	4.90	4.90	4.95	4.95	4.95	4.80	4.55	4.30	4.05	3.95
3 Year Swap	4.39	4.65	4.65	4.60	4.50	4.40	4.30	4.20	4.10	4.00	3.90
3 Year Bond	4.41	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)	32	40	40	35	30	25	20	15	10	10	10
<b>United States</b>											
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	4.48	4.50	4.50	4.55	4.55	4.60	4.65	4.70	4.75	4.80	4.85
<b>New Zealand</b>											
Cash	2.25	2.50	2.75	3.25	3.50	3.75	4.00	4.00	4.00	4.00	3.75
90 Day Bill	2.73	2.75	3.15	3.50	3.75	4.00	4.20	4.20	4.20	4.15	3.95
2 Year Swap	3.39	3.55	3.85	4.05	4.20	4.25	4.20	4.20	4.15	4.15	4.10
10 Year Bond	4.45	4.40	4.55	4.80	5.00	5.05	5.05	5.05	5.05	5.05	5.05
10 Year Spread to US (bps)	-4	-10	5	25	45	45	40	35	30	25	20

## Exchange rate forecasts

	Latest (3 July)	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28
AUD/USD	0.6940	0.72	0.73	0.73	0.74	0.74	0.74	0.73	0.73	0.73	0.73
NZD/USD	0.5697	0.59	0.60	0.62	0.64	0.65	0.66	0.66	0.66	0.66	0.66
USD/JPY	161.19	158	156	154	152	150	148	146	144	142	140
EUR/USD	1.1444	1.17	1.18	1.19	1.20	1.21	1.22	1.22	1.22	1.21	1.21
GBP/USD	1.3365	1.35	1.36	1.37	1.38	1.39	1.40	1.41	1.41	1.40	1.40
USD/CNY	6.7813	6.75	6.70	6.60	6.50	6.45	6.40	6.35	6.35	6.30	6.30
AUD/NZD	1.2147	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	3.5	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	-0.1	0.6	0.7	1.0	0.5	0.6	0.7	-	-	-	-
Annual avg change	0.8	1.6	1.8	1.9	2.0	2.1	2.4	2.6	0.3	1.9	2.6	3.2
Unemployment rate %	5.3	5.4	5.4	5.3	5.2	5.1	5.0	4.9	5.4	5.3	4.9	4.4
CPI %qtr	0.9	1.4	0.7	0.4	0.6	0.2	0.7	0.4	-	-	-	-
Annual change	3.1	4.0	3.7	3.5	3.1	1.9	1.9	2.0	3.1	3.5	2.0	2.0

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