Week beginning 27 July 2026

AUSTRALIA & NEW ZEALAND WEEKLY

Analysis and forecasts for this week's key releases.

In this week's edition:

Economic Insight: High on their own (estimates of) supply.

The Week That Was: Markets on edge.

Focus on New Zealand: Inflation back at a two-year high, upside risk building.

For the week ahead:

Australia: CPI, dwelling approvals, private sector credit, Q2 export and import price indices, PPI.

New Zealand: Employment indicator, business confidence, consumer confidence.

Japan: BoJ policy decision, Tokyo CPI, jobless rate, industrial production.

China: Industrial profits, NBS manufacturing PMI, NBS non-manufacturing PMI.

Euro Area: Q2 GDP, HICP inflation, unemployment rate, economic confidence.

United Kingdom: BoE policy decision.

United States: FOMC Policy Decision, Q2 GDP, Q2 employment cost index, PCE deflator, personal income.

Information contained in this report current as at 24 July 2026.

High on their own (estimates of) supply

Luci Ellis
Chief Economist, Westpac Group

- **Monthly labour market data can be noisy, so it pays not to put too much weight on one month's figures. Assessing trends over several periods is one way to cut through the noise, though this means you are partly using stale information. Measures that deal with outliers in current-period data are another.**
- **Also important is cross-checking using related data. Not only does this allow us to smooth through noise, but sometimes it reveals something about how we should interpret fluctuations in top-line data. This is clearly the case for current labour market data, which are behaving differently to the past, but exactly how we should expect when the labour market is roughly in balance.**
- **In any assessment, it is crucial to avoid excessive focus on demand-side frames of analysis. When demand and supply are roughly in balance, supply shocks and trends are at least as important as the demand-side factors that dominate when economic slack is significant. The RBA seems to be downplaying the role for short-term noise in supply in its labour market analysis, as well as taking a different view of supply trends than Treasury.**

Recent labour market data highlight how important it is not to put too much weight on one month's figures. As our colleague Ryan Wells flagged ahead of the April release, the timing of Easter dampened employment growth in the month, only to bounce back in May. Not everyone saw that coming. The June monthly number might also have a timing-related noise component to it, in the opposite direction.

Assessing trends over several periods is one way to cut through the noise, though this means you are partly using stale information. Removing outliers from the current period's data is another, as with the trimmed mean and similar measures of underlying inflation. Also useful is triangulating across a whole dataset and related data. This is one reason why the richness and detail of the ABS's labour market data are so valuable. It affords multiple ways to cross-check.

One way to cross-check is to use a different frame for the same concept. This could mean triangulating heads employment growth with growth in hours worked, or the ratio of employment to population instead of a simple growth rate. The ABS uses estimated population growth to scale up employment changes in the sample of people it surveys into an economy-wide figure. Because official population statistics are published with a lag, this scaling (and so reported employment growth) is prone to revision, especially when population growth is changing. And as one of my old bosses used to remind us, revisions to history are one of the main causes of a change in your view about the economy. The employment-to-population ratio is robust to this issue, and an important cross-check.

Even better cross-checks on employment growth can be found in measures of labour market slack. Unemployment, underemployment and job vacancies are currently a much clearer – and less noisy – through-line on the state of the labour market than employment growth has been lately. That was not the case a few months ago, when reported underemployment was surprisingly low. As another of my old bosses always reminded us, though, if the data look wrong, they probably are. Ryan highlighted in his preview of the June labour data that, after the May release, the ABS reported some systems errors that had resulted in underemployment being understated. The corrected data line up with the recent gentle upward trend in unemployment, and might be view-changing for some observers.

> **"These correlations in short-term dynamics are exactly what we should expect to see when the labour market is roughly in balance..."**

Fluctuating separately and together

The real benefits of cross-checks go beyond smoothing through noise. They reveal how we should interpret fluctuations in employment. Currently these are much more about labour supply than they are about labour demand. Each surprise on monthly employment lately has been accompanied by a broadly equivalent movement in labour force participation. Measures of slack such as unemployment have moved much less.

Indeed, these correlations in short-term dynamics are **exactly what we should expect to see when the labour market is roughly in balance**. For most of the past few decades, labour market slack has prevailed. Additional labour demand would therefore mostly draw from workers already seeking work. In that world, positive surprises on employment would mostly correlate with negative surprises on unemployment and related measures, and participation would move relatively less.

When the labour market is tighter than full employment, you would instead expect to see employment growth constrained by supply. Positive surprises on employment would only occur alongside a positive surprise on supply, that is, participation. Measures of slack such as unemployment would be flat to down in the face of such a move.

In an over-tight market, though, you would not expect to see an increase in both employment and participation also correlating with *rises* in unemployment, as we saw in June. The current pattern suggests supply and demand are roughly in balance, but with both subject to small fluctuations around rising trends. This means that sometimes employment, unemployment and participation all rise together, while sometimes they all fall together. Still other times unemployment breaks the other way, depending on which noise was larger in the month.

This pattern cuts against the traditional, demand-driven approach that pervades economic analysis in central banks and elsewhere. For example, in its May *Statement on Monetary Policy*, the RBA motivated its flat-to-down forecast for the participation rate as workers responding to dwindling job opportunities by withdrawing from active participation in the labour force. In that world, labour demand leads labour supply.

It seems a little odd to use a framing suited to a situation of labour market slack in your forecasts when you believe, as the RBA says it does, that the labour market is if anything tighter than full employment. This might be suggesting that it expects that its current forecasts of below-trend growth generate a reasonable amount of spare capacity quite soon. This is, after all, what it believes is needed to return inflation to target.

Bend to the trend

Perhaps more perplexing is how embedded a downbeat view of labour supply trends is in the RBA's published forecasts. Recall that Australia, along with most other advanced economies, has seen a rising trend in labour force participation rates for several decades. Ageing populations actually encourage this: Japan, where demographic ageing is considerably more advanced, now has a participation rate that exceeds the US. For many years, though, ageing populations were assumed to shrink the workforce and lower participation rates. This assumption was built into the RBA's forecasts for most of the 2010s and was the driving assumption behind Treasury's Intergenerational Reports (IGRs) – and even the need for them.

More recently, Treasury appears to have thrown in the towel on the declining labour participation narrative. As Ryan highlighted back in May, this year's budget incorporated a change in Treasury's view, which now has a rising trend forecast for participation almost identical to our own forecasts. This contrasts with the flat profile assumed in MYEFO and flat-to-down trend in past IGRs. This puts their view of the outlook for labour supply at odds with the RBA's.

To be fair, there is also a cyclical element to labour force participation. On top of the demand-leads-supply view that workers decide whether to search actively for work (and thus be recorded as unemployed as well as boosting their chances of getting a job) according to their perception of available opportunities, recent RBA research has shown how important cost-of-living pressures are for people's decisions around participation and hours worked. These dynamics were less salient before the pandemic, when inflation and interest rates were low and stable.

These dynamics are especially evident for younger workers (age 15–24), where the boundaries between work and study are more permeable and flexible work more common. The chart pack accompanying Ryan's note this week shows larger monthly swings in participation and underemployment for this age group than for older adults. But there is a demand-side element here, too, evident in trends by sex. In recent months, unemployment and underemployment rates have risen faster for female workers than for males. This is consistent with the relatively tougher times for consumer-facing businesses highlighted in our refreshed Westpac Business Signal report.

All of this points to the need to triangulate across data and adapt frameworks for a world that is roughly in balance but subject to considerable noise. Right now, the RBA appears to be using analytical frames suitable for a world of high slack, at the same time as believing there is no slack. If we are right about the longer-term trend in participation, the RBA may find itself back in that world before too long. But not in the near term. The risks of high inflation are front of mind now. Emerging slack will be more of a story late this year and early next year, and a consideration for the ultimate unwind of tight policy.

Cliff Notes: markets on edge

Elliot Clarke, Head of International Economics
Ryan Wells, Economist
Illiana Jain, Economist

The June Labour Force Survey offered both noise and signal. Employment surprised materially to the upside, rising 76.3k in the month. However, the gain was matched by a sizeable lift in labour supply, the participation rate bouncing 0.3ppts to 67.0%, a 13-month high.

The ABS noted in the June release that there was a large group of individuals outside the labour force with a job lined up in May, and that they began work in June. With the employment gain driven by new labour force entrants, the unemployment rate held steady at 4.4% (edging up from 4.37% to 4.43% at the second decimal place). Rising unemployment and the sharp lift in underemployment over recent months both suggest labour market slack is building steadily.

Unlike previous readings which implied a sudden loss of momentum, employment growth now looks to have been steadier over the first half of the year, albeit with significant month-to-month volatility. This is in line with our belief that any further softening was more likely to occur in the second half once the drag from higher inflation and recent interest rate rises works through the economy.

The Q2 Westpac Business Signal showcased that cost pressures are growing and consumer-facing industries are most exposed to deteriorating growth prospects. Together with weaker employment intentions from other business surveys, this points to a sluggish outlook for employment through the turn of the year when we expect the unemployment rate to peak around 5.0%.

“Rising unemployment and the sharp lift in underemployment... both suggest labour market slack is building steadily."

Offshore, the Middle East remained the market’s focus as tensions continued to ratchet higher. Overnight, President Trump stated he was close to deciding on a "massive attack" against Iran and threatened "major military punishment" for the Houthis and Iran if the Houthis attack any other ships in the Middle East after they targeted two Saudi ships a day earlier. This follows yesterday’s threat that US forces “will bomb and destroy ONE BRIDGE OR POWER PLANT, including those located next to, or in, the Capital City of Tehran” any time Iran’s military “shoots at a ship in the Strait of Hormuz”. Iran continues to hold to their position on retaliation, with like-for-like strikes on regional military installations and infrastructure threatened. Brent oil reached USD102 overnight and currently trades just under that level.

Fresh for markets today are the potential implications of the imposition of an announced 10% to 12.5% tariff by the US on 99% of its imports effective 12:01am Friday Washington time. The basis for the tariff is an assessment by US authorities of 60 countries’ restrictions on the use of forced labour in their production chain, though the tariff catches exporters to the US to almost the same degree. This measure replaces the temporary 10% tariff set to expire at 12:00am. As a result, it should have little-to-no net impact on US inflation or growth. That said, it maintains pressure on US households and businesses at a particularly inopportune time and so is a threat to sentiment.

Against that backdrop, the ECB left rates unchanged while emphasising the full inflationary impact of higher energy prices are yet to be felt and that risks remain skewed to the upside. While June inflation surprised to the downside and the ECB, as yet, has seen no evidence of secondary effects from 2026’s energy price spike, heightened uncertainty and the skew of risks favour another hike in September along with the possibility of another late in the year, if conditions do not improve.

Turning to the UK, attention centred on the first week of UK Prime Minister Andy Burnham's government. Aside from cabinet appointments, Burnham indicated he would operate within existing fiscal rules while pursuing a "new economic model" aimed at boosting growth, likely through cost-of-living measures. He has already removed VAT from household electricity bills and is expected to announce initiatives targeting youth employment and further education. Markets are anticipating a generous Budget in November, although higher-than-expected borrowing is likely to constrain policymakers.

Economic data recently received for the UK is broadly reassuring. Labour market indicators pointed to stabilisation, the unemployment rate holding at 4.9% in the three months to May and employment rising by 148k. That said, alternative measures, including the Bank of England's Decision Maker Panel, suggest the labour market is at risk of weakening further. The latest inflation data is consistent with a gradual easing in domestic pressures. Consumer prices rose 0.1% in June, slowing annual inflation from 2.8%yr to 2.6%yr. Services inflation was little changed at 3.6%yr, however, indicating that underlying price pressures remain. Taken together, the data did little to materially alter expectations for Bank of England policy.

Inflation back at a two-year high, upside risk building

Satish Ranchhod
Senior Economist

Inflation in New Zealand has risen to a two-year high, boosted by large increases in fuel and electricity costs. Under the surface, the various measures of core inflation have remained contained thus far, but they've lingered above 2% for an extended period various measures pointing to spare capacity in the economy. More recently, fuel prices have been charging higher again as tensions in the Middle East have flared, and business surveys point to the risk of a broadening in price pressures. Against that backdrop, the risks for inflation are firmly to the upside and the RBNZ is set to continue hiking the OCR through the latter part of the year.

Gassed up

New Zealand consumer prices rose 1.5% in the June quarter. That saw the annual inflation rate rising to 4.1%, up from 3.1% in the year to March and the highest level in two years.

The rise in inflation was in line with our expectations. However, it was above the RBNZ's updated July forecast which anticipated 3.9% annual inflation.

The June quarter rise in inflation was predominantly due to increases in fuel costs in the wake of the Middle East war, with petrol prices up 20% over the June quarter and diesel prices up nearly 50%.

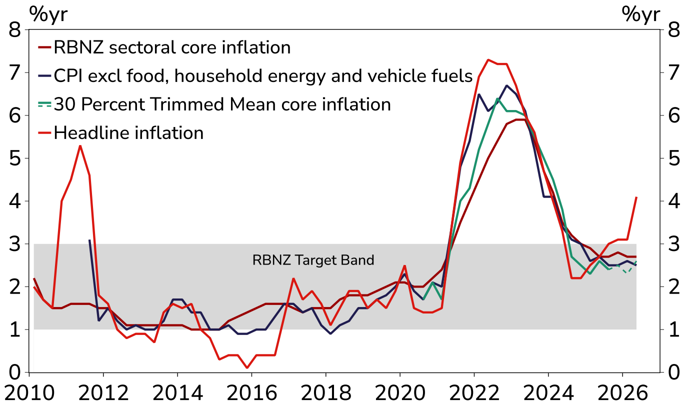
There have also been continued large increases in electricity charges, which rose 4% over the June quarter, leaving them up 12% over the past year. That was slightly lower than the 12.5% rise in the year to March. But before that, the last time we saw increases this large was 1989.

The key concern for the RBNZ is that those large increases in energy costs could spillover into a broader lift in consumer prices, with many businesses reporting sizeable increases in their operating costs over the past few months. The June quarter did see a sizeable 1.6% rise in the cost of a newly built home following very muted gains over the past year. Construction firms have reported increases in building costs in recent months, with at least some of that stemming from the increases in global oil prices. These increases have flowed through to higher transport costs, as well as higher costs for materials like PVC piping.

Core inflation contained, but not 'low'

However, while increases in fuel prices and related operating costs are flowing through to higher output prices in some specific sectors, at this stage we haven't observed evidence of any "second round" impacts that would point to a more generalised increase in inflation. Most measures of core inflation (including those that exclude the direct impacts of higher fuel costs) remained contained within the RBNZ's target band in June, and several edged back slightly.

Consumer prices and core inflation



Source: Stats NZ, RBNZ, Macrobond, Westpac Economics

While the lack-of-a-pickup in underlying inflation in the June quarter was welcome news for the RBNZ, core inflation is not 'low'. The various measures of core inflation have lingered above the 2% midpoint of the RBNZ's target range for an extended period, and some are still close to 3%. That's despite a sharp slowdown in economic growth and softness in the labour market.

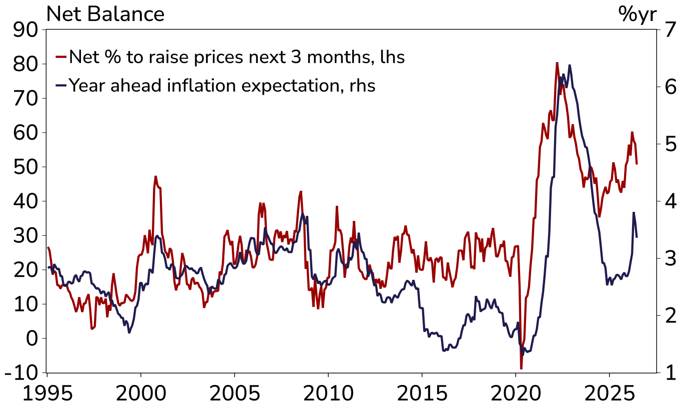
Looking under the surface at the big inflation groups, prices in the domestically oriented non-tradables group rose 3.4% in the year to June. That was a slightly smaller rise than the 3.5% increase seen in the year to March, but still firm.

Non-tradables inflation has trended down over the past couple of years as economic growth and the labour market have softened. We've also seen housing rent inflation (which is the largest single component of the CPI) slowing to its lowest level in more than two decades in response to increases in housing supply and low population growth.

However, the easing in domestic inflation looks like it has flattened off in recent quarters. We're continuing to see large increases in central and local government charges, which were up 8.3% over the past year. We're also seeing inflation in more market-oriented and labour-intensive areas holding at above average levels despite softness in the jobs market.

On the imported front, tradables prices were up 4.9% over the past year. That's up sharply from the 2.5% rise in the year to March. Higher fuel costs have been a significant driver of the rise in imported inflation. In addition, the lower New Zealand dollar is also playing an important role, with the NZD trade-weighted exchange rate down almost 4% over the past year. Excluding food and fuel costs, tradables prices were up 1.9% over the past year – the largest rise since 2023. Furthermore, given significant increases in operating costs in the wake of the Middle East war, imported inflation pressures are set to remain firm over the coming months.

Business inflation expectations



Source: ANZ, Macrobond, Westpac Economics

With upside risks mounting, inflation is set to outstrip the RBNZ's forecast

The outlook for inflation through the second half of the year hinges on what happens to oil prices. We've been forecasting that inflation would slow modestly to a still hot rate of 3.5% by the end of this year. However, with oil prices rising sharply as tensions have again flared up in the Middle East, the risks for inflation are firmly to the upside.

Local petrol prices have nudged slightly higher over the past couple of weeks. However, if sustained, the recent sharp rise in global oil prices could see local pump prices for 91-unleaded rising back up to around $3.20 to $3.30 ltr. Even if we saw a more modest rise back up to $3.10 ltr, overall inflation would remain around 4% through the back part of the year.

Those higher oil prices would also mean that there is a greater risk of related increases in other prices. While softness in demand has limited increases in consumer prices thus far, business surveys were already pointing to pressures on operating costs and margins before the latest rise in oil prices. The longer oil prices remain high, the more likely it is that rising cost of production will flow through to higher prices for consumers.

In its July update, which was prepared soon after the signing of the Memorandum of Understanding (MOU) between the US and Iran, the RBNZ assumed that inflation would slow to 3.3% by the September quarter. With June quarter inflation coming in ahead of their forecasts and oil prices even higher than they were before the MOU was signed, at this stage it seems increasingly likely that inflation will run well ahead of the RBNZ's expectations over the latter part of the year.

Against this increasingly worrying outlook for inflation, we expect that the RBNZ will deliver further increases in the OCR through the back part of the year. We're forecasting 25bp hikes at both the RBNZ's September and December policy meetings. However, with energy costs bubbling away and growing risk of passthrough to other prices, an additional rate hike in October can't be ruled out. Of course, much will depend on how the economy responds to the policy tightening already underway and to the renewed global uncertainty.

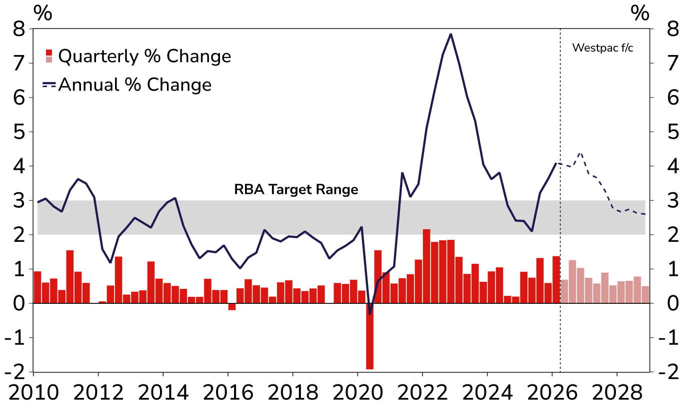
AUS: Q2 Headline CPI (%qtr)

Jul 29, Last: 1.4, Westpac f/c: 0.7
Mkt f/c: 0.7, Range: 0.6 to 1.1

Headline CPI rose 1.4%qtr in Q1, lifting annual inflation to 4.1%yr and signalling a renewed pickup in price pressures. The early impacts of the Gulf crisis were a key driver, particularly through higher automotive fuel prices.

For Q2, we expect headline CPI to increase 0.7%qtr, nudging the annual rate down to 4.0%yr. While the temporary halving of the fuel excise has weighed on the quarterly outcome, other potential sources of upside pressure, particularly holiday travel, have been softer than feared. For June, we expect the monthly CPI to rise 0.4%mth, taking annual inflation to 4.2%yr (see here for our full preview).

Headline CPI Inflation



Source: ABS, Macrobond, Westpac Economics

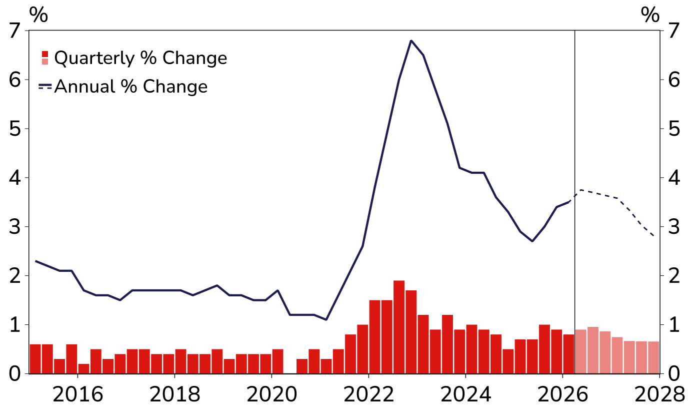
AUS: Q2 Trimmed Mean CPI (%qtr)

Jul 29, Last: 0.8, Westpac f/c: 0.9
Mkt f/c: 0.9, Range: 0.8 to 1.0

Trimmed mean inflation rose 0.8%qtr in Q1, with annual inflation up 3.5%yr. The quarter was likely too early to capture any meaningful second-round effects from the Middle East conflict, with the strength instead reflecting the demand-driven pick-up in prices that was playing out through the second half of 2025.

We expect trimmed mean inflation to be 0.9%qtr in Q2, taking the annual pace to 3.7%yr. Some spillovers from the conflict are already appearing in categories such as new dwelling purchase costs, repairs & maintenance, and meals out & takeaway. For June, we expect monthly trimmed mean inflation to rise 0.4%mth/3.7%yr.

Trimmed Mean Inflation



Source: ABS, Macrobond, Westpac Economics

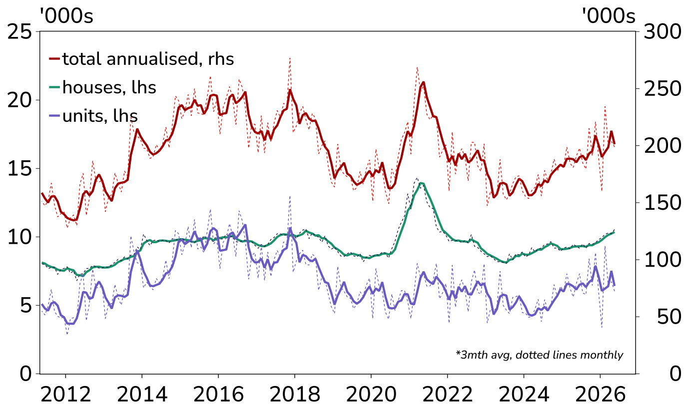
AUS: Jun Dwelling Approvals (%mth)

Jul 30, Last: –1.1, Westpac f/c: –2.0
Market f/c: -0.5, Range: -5.2 to 3.0

Dwelling approvals fell 1.1%mth in May, the annual pace easing to 5.3%yr. Approvals have settled back from the elevated levels seen in Feb but have yet to really 'roll over', with little overtly negative impact from rate hikes to date. The private detached dwelling approvals component for example continued to rise in May, up 2.8%mth and 13.2%yr.

June may start to see more of an interest-rate softening effect show through, potentially with higher building costs and uncertainty around fuel costs and tax policy changes also in the mix. We remain wary of the positive momentum coming into this and the support coming from both extremely tight supply and various government policy measures aimed at lifting new building. However, on balance, June is expected to show a clearer softening with a 2% decline in approvals.

Building approvals



Source: ABS, Macrobond, Westpac Economics

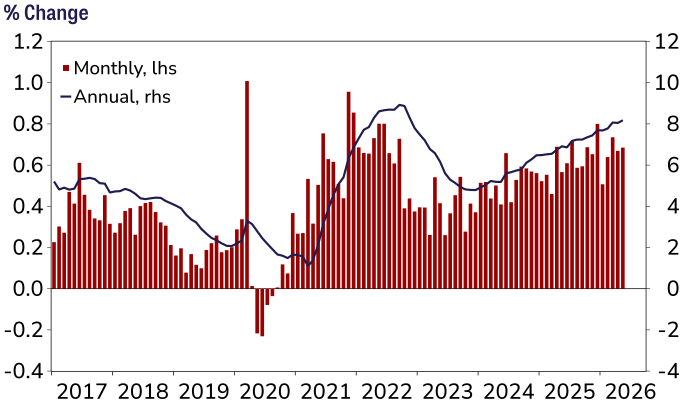
AUS: Jun Private Sector Credit (%mth)

Jul 31, Last: 0.7 Westpac f/c: 0.6
Mkt f/c: 0.6, Range: 0.3 to 0.7

The May private sector credit data surprised to the upside, with growth of 0.7%mth aligning with the average over the past twelve months. The components showed diverging trends – housing credit growth eased, while business credit growth accelerated to a five-month high.

The latest numbers are likely to show that a similar dynamic across the major categories continued in June. Higher-frequency indicators are consistent with slowing housing credit, with the tax changes announced in the federal budget acting as a major catalyst. Meanwhile, the underlying trend in business credit should remain firmer, although some payback after May's increase is possible. Overall, this suggests that a tick down to 0.6%mth in the private sector credit growth is the most likely outcome.

Private Sector Credit Growth



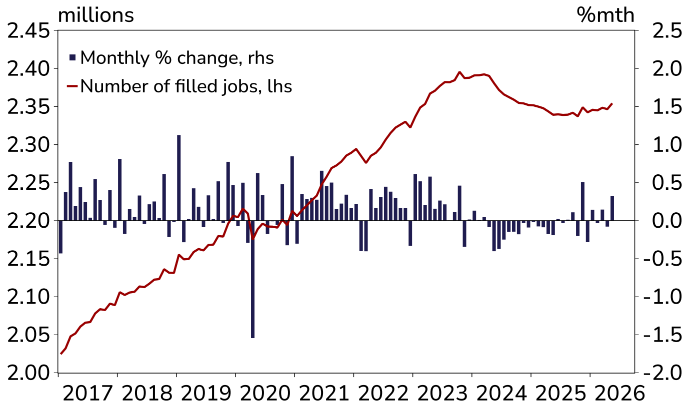
Source: RBA, Macrobond, Westpac Economics

NZ: Jun Monthly Employment Indicator (%mth)

Jul 28, Last: 0.3, Westpac f/c: 0.2

The MEI has been showing a modest uptick in employment since late 2025, adding to the evidence that the New Zealand economy was regaining momentum prior to the Iran conflict. The weekly snapshots provided by Stats NZ suggest that the labour market has held its ground during the conflict, with the number of filled jobs continuing to track slightly above year-ago levels. Given that the MEI tends to be overstated on the first release, we expect to see a 0.2% rise for June initially, which is then likely to be revised closer to flat. The May increase is also likely to be revised lower.

Monthly Employment Indicator



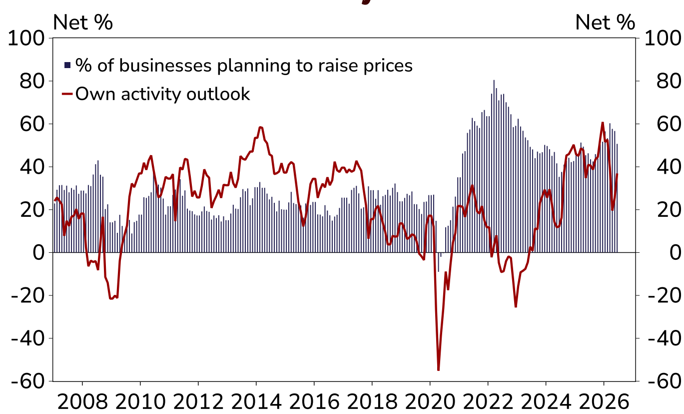
Source: Stats NZ, Macrobond, Westpac Economics

NZ: Jul ANZ Business Confidence (index)

Jul 30, Last: 36.6

Business confidence rose strongly in June, reflecting the US-Iran peace deal and the decline in oil prices at the time. The resumption in hostilities means that the headline measures of confidence are likely to head lower again for the July survey (though noting that fuel prices at the pump had not yet lifted during the survey period). The various inflation gauges will be of particular interest, given the RBNZ's concerns about the possibility of second-round price pressures. Firm's pricing intentions eased in the June survey but have remained elevated for several years.

ANZ Business Outlook survey



Source: ANZ, Macrobond, Westpac Economics

US: Jul FOMC meeting (%)

Jul 28-29, Last: 3.625, Mkt f/c: 3.625, WBC f/c: 3.625

In July, the FOMC is likely to focus their discussions and post-meeting communications on short and medium-term inflation risks while keeping the policy stance unchanged. Between the June and July meetings, consumer price data has been benign and the labour market broadly neutral for inflation. That said, capacity is tight, Brent oil has surged back through USD100 again this week, while the outlook for AI-related investment remains strong and, at least in the near term, price inelastic.

If the conflict in the Middle East abates again, our base expectation is that, by September, the FOMC is likely to be comfortable to look through residual price risks for the foreseeable future. But, if risks are as they are today, there is a material chance of a tightening, as market pricing suggests.

Expectations being closely monitored

Source: University of Michigan, Macrobond, Westpac Economics

US: Q2 GDP (%ann'd)

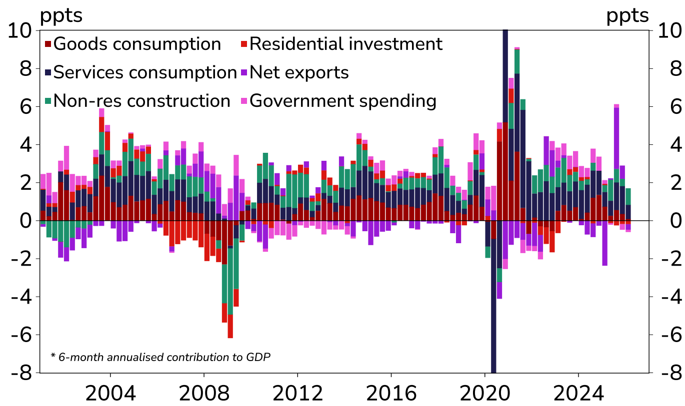
Jul 30, Last: 2.1, Mkt f/c: 2.3, WBC f/c: 1.8

Q1 GDP was lopsided, household consumption having effectively stalled and housing investment contracting while business investment surged. Business investment also had a narrow base, however, with equipment investment and intangibles related to tech driving the result.

Q2 is likely to be quite similar. On the latest partial data, the consumer remains under pressure and is cautious on discretionary spending. Business investment outside tech also remains subject to considerable headwinds and uncertainty.

We forecast a 1.8% annualised gain in Q2, broadly in line with the Atlanta Fed's nowcast, but modestly below the consensus estimate. As has been the case for recent quarterly readings, outsized volatility is likely estimate to estimate for Q2.

Consumer demand brittle



Source: BEA, Macrobond, Westpac Economics

What to watch

	For	Data/Event	Unit	Last	Market f/c	Westpac f/c	Risk/Comment
Mon 27							
Chn	Jun	Industrial Profits	%ann	21.1	–	–	Profit growth still faces demand-side headwinds.
Ger	Jul	IFO Business Climate Survey	index	85.6	86.0	–	Recovering after the energy price shock.
US	Jun	Durable Goods Orders	%mth	–4.5	1.5	–	Business investment trends in focus.
	Jul	Dallas Fed Manufacturing Survey	index	0.0	–	–	Manufacturing activity continues to face headwinds
Tue 28							
Aus		RBA Governor Bullock	–	–	–	–	Annual Anika Foundation speech, 1:05pm AEST.
NZ	Jun	Employment Indicator	%mth	0.3	–	–	Jobs have held their ground through the Iran conflict.
US	Jun	Advance Goods Trade Balance	$bn	–105.9	–100.0	–	Deteriorated sharply in May.
	May	S&P/CS Home Price Index	%mth	–0.04	–	–	US house price growth is turning negative.
	Jul	Richmond Fed Manufact Survey	index	4	–	–	Sentiment turned positive in recent months.
	Jul	Conf. Board Consumer Confidence	index	91.2	92.3	–	Consumers remain downbeat.
Wed 29							
Aus	Jun	Monthly CPI	%ann	4.0	4.0	4.2	The signing of the MoU in June helped to soften the rise...
	Jun	Monthly Trimmed Mean CPI	%ann	3.6	3.7	3.7	...but upside risks will remain front of mind for the RBA.
	Q2	Quarterly CPI	%qtr	1.4	0.7	0.7	Fuel excise cut will limit upside pressures to headline CPI ...
	Q2	Quarterly Trimmed Mean CPI	%qtr	0.8	0.9	0.9	... but underlying pressures will firm.
US	Jul	FOMC Policy Decision	%	3.625	3.625	3.625	Fed on hold, assessment of inflation in focus.
Thu 30							
Aus		RBA Assistant Governor (Economic)	–	–	–	–	Hunter fireside chat at Barrenjoey Forum, 8:40am AEST.
	Jun	Dwelling Approvals	%mth	–1.1	–0.5	–2.0	May begin to see interest rate rises have an effect.
	Q2	Export Price Index	%qtr	0.5	0.7	0.5	Commodity prices the main driver.
	Q2	Import Price Index	%qtr	0.1	–0.2	2.3	Inflationary impulse, mainly due to higher energy prices.
NZ	Jul	ANZ Business Confidence	index	36.6	–	–	Resumption of Iran conflict will weigh on confidence.
Eur	Jul	Economic Confidence	index	95.0	–	–	Likely to signal that recovery gathers pace.
	Q2	GDP	%qtr	0.0	0.2	–	Low growth, but contraction is likely to be avoided.
	Jun	Unemployment Rate	%	6.2	6.2	–	Stable labour market conditions persist.
UK	Jul	BoE Policy Decision	%	3.75	3.75	3.75	Weak labour market offsets the energy price impulse.
US	Jun	Personal Income	%mth	0.7	0.3	–	Household incomes continue to support spending.
	Jun	Personal Spending	%mth	0.7	0.4	–	Consumers remain key to growth momentum.
	Jun	PCE Deflator	%mth	0.4	–0.1	–	Inflation progress remains under scrutiny.
	Q2	GDP	%ann'd	2.1	2.3	1.8	The consumer and non-tech businesses face growing headwinds.
	Wkly	Initial Jobless Claims	000s	187	205	–	Have been broadly stable for a while.
Fri 31							
Aus	Q2	PPI	%qtr	0.4	–	–	Input costs on the rise.
	Jun	Private Sector Credit	%mth	0.7	0.6	0.6	Evidence of slower housing credit following int rate increases.
NZ	Jul	ANZ Consumer Confidence	index	91.3	–	–	Living costs incl. fuel remain major concern for households.
Jpn	Jul	Tokyo CPI	%ann	1.7	1.8	–	Leading indicator for the national prices.
	Jun	Jobless Rate	%	2.5	2.5	–	Low and stable.
	Jun	Industrial Production	%mth	0.1	1.0	–	Has been moving broadly sideways for a while.
	Jul	BoJ Policy Decision	%	1.00	1.00	–	Policy on hold after the June hike,
Chn	Jul	NBS Manufacturing PMI	index	50.3	50.1	–	Manufacturing activity appears to be broadly stable.
	Jul	NBS Non–Manufacturing PMI	index	50.2	50.0	–	Domestic demand for services in focus.
Eur	Jul	HICP Inflation	%ann	2.8	2.9	–	Looking for signs of broadening inflationary impulse.
US	Q2	Employment Cost Index	%mth	0.9	0.8	–	Stable inflationary pressures in the US labour market.
	Jul	Chicago PMI	index	56.7	–	–	Manufacturing momentum remains uneven.
	Jul	Uni. Of Michigan Sentiment	index	54.4	54.2	–	Final estimate, sentiment remains near historical lows.

Economic & financial forecasts

Interest rate forecasts

Australia	Latest (24 Jul)	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	4.60	4.35	4.10	3.85	3.85	3.85
90 Day BBSW	4.54	4.90	4.90	4.95	4.80	4.55	4.30	4.05	3.95	3.95	3.95
3 Year Swap	4.70	4.60	4.60	4.50	4.40	4.30	4.20	4.10	4.00	3.95	3.90
3 Year Bond	4.72	4.60	4.60	4.50	4.40	4.30	4.20	4.10	4.00	3.95	3.90
10 Year Bond	5.08	4.90	4.90	4.90	4.85	4.85	4.85	4.85	4.85	4.85	4.85
10 Year Spread to US (bps)	37	40	40	35	30	25	20	15	10	5	0
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	4.71	4.50	4.50	4.55	4.55	4.60	4.65	4.70	4.75	4.80	4.85
New Zealand											
Cash	2.50	2.75	3.00	3.50	3.75	4.00	4.00	4.00	4.00	3.75	3.75
90 Day Bill	2.91	3.00	3.40	3.75	4.00	4.20	4.20	4.20	4.15	3.95	3.95
2 Year Swap	3.78	3.70	3.95	4.10	4.25	4.20	4.20	4.15	4.15	4.10	4.10
10 Year Bond	4.77	4.55	4.65	4.80	5.00	5.05	5.05	5.05	5.05	5.05	5.05
10 Year Spread to US (bps)	7	5	15	25	45	45	40	35	30	25	20

Exchange rate forecasts

	Latest (24 Jul)	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28
AUD/USD	0.6977	0.71	0.72	0.72	0.73	0.73	0.73	0.73	0.72	0.72	0.72
NZD/USD	0.5781	0.59	0.60	0.62	0.64	0.65	0.66	0.66	0.66	0.66	0.66
USD/JPY	163.82	162	160	159	158	156	154	152	150	148	146
EUR/USD	1.1381	1.16	1.17	1.18	1.19	1.20	1.21	1.22	1.22	1.21	1.21
GBP/USD	1.3312	1.35	1.35	1.36	1.37	1.38	1.39	1.40	1.41	1.41	1.40
USD/CNY	6.7752	6.75	6.70	6.60	6.50	6.45	6.40	6.35	6.35	6.30	6.30
AUD/NZD	1.2076	1.20	1.19	1.16	1.14	1.12	1.11	1.10	1.10	1.10	1.10

Australian economic forecasts

	2026				2027				Calendar years			
% change	**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	0.7	1.3	1.0	0.7	0.6	0.9	0.5	–	–	–	–
%yr end	4.1	4.0	4.0	4.4	3.8	3.7	3.3	2.8	3.6	4.4	2.8	2.6
Trimmed Mean CPI %qtr	0.8	0.9	1.0	0.8	0.8	0.7	0.7	0.7	–	–	–	–
%yr end	3.5	3.7	3.7	3.6	3.5	3.3	3.0	2.8	3.4	3.6	2.8	2.4

New Zealand economic forecasts

	2026				2027				Calendar years			
% Change	**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	1.5	0.7	0.4	0.5	0.2	0.7	0.4	–	–	–	–
Annual change	3.1	4.1	3.7	3.5	3.1	1.8	1.9	1.9	3.1	3.5	1.9	2.0

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