



Week beginning 2 November 2026

AUSTRALIA & NEW ZEALAND WEEKLY

Analysis and forecasts for this week's key releases.

In this week's edition:

Economic Insight: RBA to hike in November, as inflation remains too high.

The Week That Was: Cliff Notes: the source and persistence of inflation.

Focus on New Zealand: A lesson to be learned.

For the week ahead:

Australia: RBA policy decision, Cotality home value index, household spending indicator, goods trade balance, dwelling approvals.

New Zealand: Q3 labour market surveys, building permits, LCI wage inflation.

China: Ratingdog manufacturing and services PMIs.

Euro Area: CPI, PPI, retail sales.

United Kingdom: BoE policy decision.

United States: nonfarm payrolls, enemployment rate, ISMs, UoM consumer Sentiment, trade balance.

Global: S&P Global manufacturing and services PMIs.

Information contained in this report current as at 30 October 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 to hike in November, as inflation remains too high



Luci Ellis
Chief Economist, Westpac Group

We reaffirm our [expectation](#) that the RBA Monetary Policy Board will again increase the cash rate at the November meeting. Today's inflation data and Senate testimony are the final pieces of information before the RBA Monetary Policy Board (MPB) meets next week. Recent data and communication have consistently pointed to the staff recommending an increase in the cash rate. We expect a majority of the external members to agree, though some members might dissent.

Inflation is above target, and above what the RBA's August forecasts implied. Some upside risks identified in August have partially materialised, particularly energy prices. The RBA is especially worried that above-target inflation will become embedded in people's expectations and pricing decisions. It will therefore deem that further policy tightening is needed.

The RBA has made it clear that it is down-weighting the recent easing in the labour market, even though this was more than it forecast. In today's [opening statement](#) to the Senate hearing, the Governor said, "Despite the unemployment rate recently rising a little more than we had expected, the labour market seems a little tighter than we had previously judged. The evidence for this is elevated underlying inflationary pressures. That is, when we exclude some of the large volatile price movements such as fuel we see inflationary pressure in areas that reflect domestic demand for goods and services." In the Senate, the Governor also said that they were not worried about the current pace of increase in unemployment.

Of course, this takes no account of the lagged relationship between the labour market and inflation. The argument is that if that measure of inflation last quarter was too high, it must therefore be that the labour market is too tight. Nor does it allow sufficiently for non-labour cost shocks, which business surveys indicate are the real issue. But whether this judgement by the RBA turns out to be right or not will not be revealed for some time, certainly not soon enough to change its mind before next week. And while some MPB members might have a more optimistic view about labour supply trends than the RBA staff, they are likely to be a minority.

The RBA is also relatively sanguine about the current downturn in the housing market. The Governor and other RBA officials are at pains to highlight that they do not target housing prices; nor should they. The RBA considers that most, though not all, of the current downswing is an expected effect of tighter monetary policy.

The question then turns to the future beyond November. While we still expect a hawkish tone in the RBA's communication until inflation has clearly turned down, further hikes beyond next week are not currently our base case. Clearly, though, the risks of another hike – most likely in February – have increased. Our current forecast for Q4 inflation would seem to give them cover for such a move. We note, however, that home-building costs in the CPI have undershot expectations in the past couple of months. This might imply a different view of the extent of domestic demand pressures than the RBA currently believes.

"We reaffirm our expectation that the RBA Monetary Policy Board will again increase the cash rate at the November meeting"

However, a lot can happen in three months, as we have just seen. The [conflict in the Middle East](#) could escalate further, lifting energy prices beyond our current base case. It could also go the other way, though, if the US and Iran manage to strike a post-midterm-election deal. And as their counterparts in New Zealand highlighted today, one risk is that the global economy weakens suddenly. In the [post-meeting statement](#), the RBNZ Monetary Policy Committee said, "the world economy could tip abruptly into a downturn causing weaker inflation over the medium term." This risk was something the RBNZ MPC thought could crystallise in the next six weeks. Whether on this timetable or something more drawn out, this possibility does not appear to be on the RBA's radar. Nor is it our base case, though we have [previously worried](#) that the AI financing boom could hit a wall quite suddenly.

Cliff Notes: the source and persistence of inflation

Elliot Clarke, Head of International Economics

Ryan Wells, Economist

Illiana Jain, Economist

In Australia this week, all eyes were on the [September CPI](#). Headline inflation rose 0.8% (4.3%yr) in the month, largely owing to a 9.4% jump in fuel prices and a seasonal surge in domestic and international holiday travel & accommodation. The underlying inflation pulse also proved hotter than anticipated for Q3 overall, up 1.0% (3.7%yr).

While some parts of the basket are seeing disinflation – housing in particular looks to be cooling faster than expected as builders lure sales with discounts – other components are still showing persistence. Highlighting this is market services ex volatiles, which the RBA watches closely as an indicator of price pressures related to domestic capacity. In Q3, this metric rose 1.2% (3.2%yr), and the monthly detail points to momentum holding up – in line with our expectations for another chunky read in Q4.

With inflation running well above the RBA's August forecasts, and some of the energy risks flagged then materialising, we [continue to expect](#) the Monetary Policy Board will deliver a 25bp rate hike to 4.85% in November. Beyond November, another rate hike in February is a risk, but is not currently part of our base case.

Across the Tasman, [the RBNZ this week surprised](#) market expectations for a 25bp rate hike, deciding instead to wait for further information before taking the next step with policy. The decision was made 4:3, with the Governor in the 'on hold' camp. A 25bp hike in December to 3.00% and further tightening in 2027 (Westpac NZ forecasts a peak of 4.00% in September) seems probable; however, each decision will depend on fuel prices, inflation expectations and evidence of second-round pricing pressures, along with the evolution of global economic risks.

In the US, [the FOMC also held rates steady](#) at its October meeting. Based on prior comments by key members, the decision was not a surprise, and neither were Governor Cook and Cleveland Fed President Hammack's dissents in favour of a 25bp hike. The Committee remains positive on economic activity, characterising it in the statement as "expanding at a strong pace" (an upgrade from "solid" in September). Chair Warsh also subsequently emphasised the breadth of economic growth outside of tech-related investment (evinced by Q3 GDP the day after; see below).

The Committee refrained from spotlighting key price risks in the statement. However, inflation "remains elevated" and the FOMC are determined to achieve a "timely" and sustainable return of annual inflation to 2.0%yr after 6 years above target. This guidance and the "accumulation of more information will help the Committee determine the policy stance" suggests another 25bp hike is likely in December. Thereafter, the FOMC

will remain attentive to any broadening in inflation and related risks through 2027; although, in the absence of another shock, we expect them to remain on hold.

The Q3 GDP report certainly supported Chair Warsh's view on the breadth of growth, the 3.4% annualised gain for GDP benefitting from a 3.8% annualised increase in household consumption, 12.7% growth in non-residential investment as well as a robust increase in government spending. Notably though, the contribution from business investment was effectively offset by net exports' drag given most of the componentry related to AI infrastructure investment is imported. This is not to say that US firms won't benefit from the investment once complete, but simply that much of the initial return goes to the foreign businesses who provide the necessary capital equipment.

On consumption, the monthly PCE data implies downside risks remain for the consumer, the increase in nominal spending seen in the month requiring dissaving and, on a real basis, consumption flat in the month following a 0.5% gain in August. Cost-of-living pressures and uncertainty over the outlook is expected to see household consumption growth average around trend over the coming year, albeit with considerable volatility quarter to quarter. This should see PCE inflation slow back towards its 2.0%yr medium-term target as the FOMC desires, from 3.6%yr and 3.1%yr for the headline and core measures respectively as of September.

Across the Atlantic, [the ECB also left its key policy rates unchanged](#) in October. Of note from the meeting communications, energy prices continue to pose upside risks for inflation, but also downside risks for growth. "While the full effects of the energy shock are still unfolding, underlying inflation has remained broadly stable so far and wages do not show a material response". "Financing conditions have [also] tightened", "which is likely to weigh on inflation and growth". In the press conference, President Lagarde noted that, between the October and December meetings, a significant amount of new economic information will be released, allowing forecasts and risks assessments to be tested.

Based on the October meeting communications, we continue to expect a rate hike at the December meeting but believe this will be prove to be the last hike of the cycle. Note though, the spectrum of risks Europe faces is broad and skewed towards inflation in the near term, hence the Council's guidance will remain hawkish. President Lagarde also announced today that she will step down as ECB President in February ahead of the scheduled conclusion of her term next October.

A lesson to be learned



Kelly Eckhold
Chief Economist NZ

The RBNZ delivered the biggest shock to markets outside of a crisis period in over 20 years this week by leaving the OCR unchanged. Markets had priced around a 98% probability of a 25bp increase, and all major domestic analysts concurred. After the CPI data the week earlier, we belatedly shifted our call to a hike despite plenty of good arguments in favour of the RBNZ sticking to its plan to pause. With the benefit of hindsight, too much weight was put on market pricing and short-term inflation drivers and not enough on the medium term. That's an important lesson to be learned.

The highlight of an action-packed week of central banking news was the unexpected decision of the RBNZ to leave the OCR at 2.75%, despite near unanimous analyst expectations and market pricing in favour of a 25bp hike. We had shifted sides from a hold to a hike just a week earlier, in the wake of a CPI outcome that was weaker than RBNZ expectations on the surface, but with some evidence of firm core inflation undertones.

While we clearly cannot claim to have gotten this call right, we always thought that the outcome was not the “done deal” that markets had priced in. For example, in our preview of the meeting we noted:

“We still think a more measured tightening approach is appropriate from here. Raising the OCR at every meeting until something ‘breaks’ could be a risky strategy if downside growth concerns crystallise.”

And we saw a vote on the decision as very possible:

“A vote seems very possible as differences in view will likely remain among the MPC about how much the medium-term inflation outlook has really shifted in recent weeks.”

The 4:3 vote that was ultimately required to bring the MPC to a decision is a testament to just how finely balanced the decision was. We had thought that the hike was perhaps around a 60-70% probability whereas the Record of Meeting implies something more like a 50:50 call.

In the final analysis, the RBNZ has merely followed through on the pause it signalled for this meeting back in the September Monetary Policy Statement. All MPC members continue to see a case for a higher OCR in time, but there are different views around the timing of those increases. Governor Breman noted that further interest rate increases remain likely in coming meetings but are conditional on the whether the outlook evolves in line with expectations. Indeed, the Governor noted in later comments to press that a December hike was a “high”

probability and that the outlook remains for OCR “hikes” as the base case. This suggests that the RBNZ’s view on the terminal OCR hasn’t really shifted down from the 3.25% level presented back in September. And it may be reasonable to speculate, subject to data evolving as the RBNZ expects, that a modest upgrade in those forward OCR forecasts could be in the offing.

So how did we all get this so wrong? This outcome was a real shock given the historical record shows that over the history of the OCR the market has without exception correctly predicted a 25bp hike when the implied probability built into markets was as high as it was. Clearly some recalibration of the model is required. We can identify two key areas where lessons should be learned: too much weight on market pricing; and not enough on drivers of medium-term inflation.

Market pricing did not adequately reflect the MPC’s desire to shift strategy.

Firstly, and most importantly, we put too much weight on market pricing and too little on the RBNZ’s clearly stated strategy of preferring a pause at the October meeting to assess the impact of interest rate increases already done. In our Preview we incorrectly surmised that silence equated to assent and that market pricing of a hike would make an OCR hike the less disruptive option – especially given the sense that a hike to 3% was still likely in December as implied by the RBNZ’s September forecasts. From a macroeconomic perspective, raising rates six weeks early is of little consequence.

This logic, as sound as it was, was wrong, as market pricing did not reflect a large enough change in the medium-term inflation outlook to justify a change in RBNZ strategy. Markets at least partially held the view, based on a long history of revealed RBNZ preference, that the RBNZ keeps moving the OCR in the same direction until confronted with compelling evidence that a halt to the cycle is in prospect. That operating approach may be under review now.

It’s not uncommon for other central banks to take breaks while amid an interest rate cycle to gather information on the impact of work already done before moving forward. This week’s pause by the FOMC in the face of a fierce set of monthly inflation readings in the last month is an example. Pausing does not need to imply stopping or reversing. Indeed, taking a more measured approach could prove to be solid risk management – as we identified in our MPR preview note. Risk management concerns probably should have greater prominence in this cycle given we are seeing a measure of

supply side cost shocks that might not be persistent. The Statement of Record contains a wealth of material related to these sorts of uncertainties and concerns. Markets were not listening to these concerns, however.

An insufficient focus on drivers of medium-term inflation

Markets were not listening to the alarm bells because there was a heavy focus on factors that may be more relevant to the short-term inflation outlook than medium-term inflation. Top of mind were the rise in energy prices and fall in the exchange rate. Both factors look set to significantly boost the short-term inflation outlook – for example we currently forecast December quarter annual inflation of 4.3%, with upside risks from there if fuel prices do not fall over the balance of the quarter. However, our analysis of the data surprises suggested no significant shift to the implied RBNZ OCR track one year ahead. Upward pressure on the future OCR projection from the lower exchange rate and stronger GDP was balanced by higher long term interest rates and the lower Q3 CPI outcome. Higher energy prices were not seen as a key factor as they don't impact medium term inflation unless inflation expectations are dislodged (no evidence was found of that since September) or if the increase in energy prices is viewed as persistent (futures markets continue to imply lower forward energy prices, although MPC hawks clearly see risks of persistent inflation coming from supply shocks).

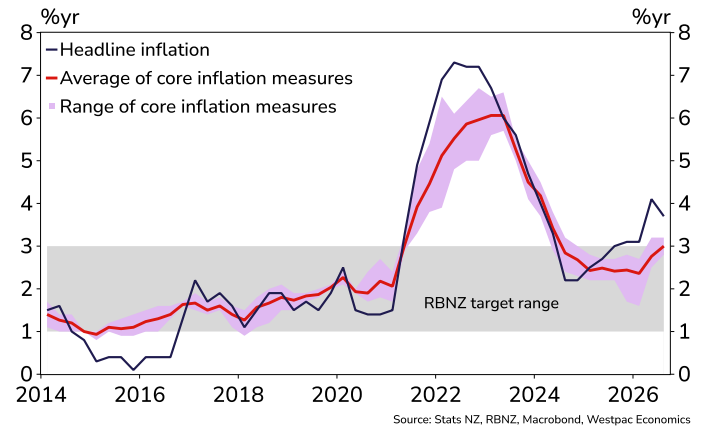
The RBNZ's communications at the MPR and in its aftermath are directing markets to pay more attention to medium-term inflation drivers in the future. Hence the references to the strength of demand and inflation expectations. The risk to the RBNZ's inflation forecasts are to the upside, and hence we might reasonably expect some upgrade of the OCR profile when we see new forecasts in December. But it's not a done deal by any means as data and events between now and then will dictate what stance the RBNZ takes. This week's business and consumer confidence reports do not seem to present many smoking guns of imminent second-round inflation pressures, even though business and consumer sentiment seems to be taking the higher oil price in its stride.

Is core inflation high enough yet to shift the strategy?

Another interesting point made by the Governor was that the markets (and analysts) misinterpreted how the September quarter CPI was read by the RBNZ, which evidently took greater comfort from the outcome. Governor Breman has noted she wished the RBNZ has protocols in place to communicate with markets the RBNZ's view on that CPI data given that it seems to have been a factor that figured importantly in at least some MPC member's thinking. Headline inflation was lower than the RBNZ expected and importantly the core inflation measures, that we had thought might have been of concern to the MPC, do not yet seem to have been at a level sufficient to shift the RBNZ from its pause-then-hike strategy. We remain

sceptical that a 3.25% OCR will prove sufficient to bring core inflation down significantly. But core inflation appears to need to lift for the MPC to become more agitated. It likely will lift, but we won't get more data on that until January 2027.

Headline and core inflation measures



December hike likely but not a done deal

We expect a further 25bp hike at this year's final meeting on 9 December and then 25bp increases in the February and March 2027 meetings, followed by a slower pace of increases at the June and September Monetary Policy Statement meetings. Our forecast of a peak OCR of 4% from September 2027 has remained unchanged throughout, as has our assessment of a 3.75% neutral OCR.

That said, in the current uncertain environment, it goes without saying that the evolution of monetary policy will depend on how both global events and key data evolve. Therefore, as the RBNZ noted itself, the exact timing of the tightening profile is highly uncertain and even the tightening we forecast at the December meeting should not be regarded as a done deal.

Looking ahead, the 'hardest' data to come will be the Q3 labour market surveys where we anticipate a small fall in the unemployment rate to 5.5% but still moderate wage pressures. The December quarter RBNZ inflation expectations surveys will be of significant interest (17, 20 and 24 November) for MPC members looking for persistent inflation impacts. The usual run of monthly activity and selected prices indicators will be useful in narrowing down Q4 growth and inflation momentum. And finally, the MPC's focus on external risks will imply keeping an eye on global fixed income, equity and credit markets for signs of imminent calamity.

Finally, November 7 is the general election. A close race is envisaged that could impact on the RBNZ's mandate. We will be offering client briefings on Monday 9 November and Tuesday 10 November to outline the immediate implications of the election outcome for markets and the economy. Contact your relationship manager for details.

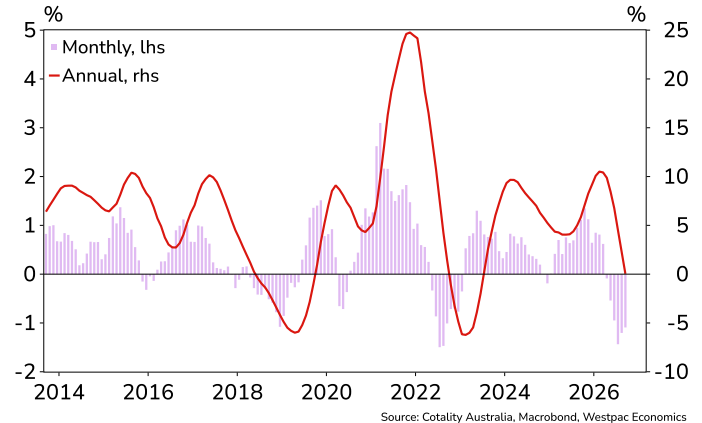
AUS: Oct Cotality Home Value Index (%mth)

Nov 2, Last: -1.1, Westpac f/c: -1.3

The Cotality home value index – covering all of Australia – fell 1.1% in Sep with downward revisions shaving a further 0.4% off prices. The correction has now seen prices decline 5.2% from their March peak, annual growth stalling flat. Cotality reported 97% of capital city suburbs experienced falls over the three months to September.

The October update is set to be another weak one with an added hit coming from the RBA's interest rate rise in late September. The daily measure (covering the five major capital cities rather than all of Australia) is tracking a 1.5% decline vs 1.3% in September. The detail points to slightly bigger falls in Sydney, Brisbane and Perth with Melbourne continuing to record more moderate declines. Note that seasonality is usually a slight positive in the October month.

Dwelling price correction deepening



AUS: Sep Dwelling Approvals (%mth)

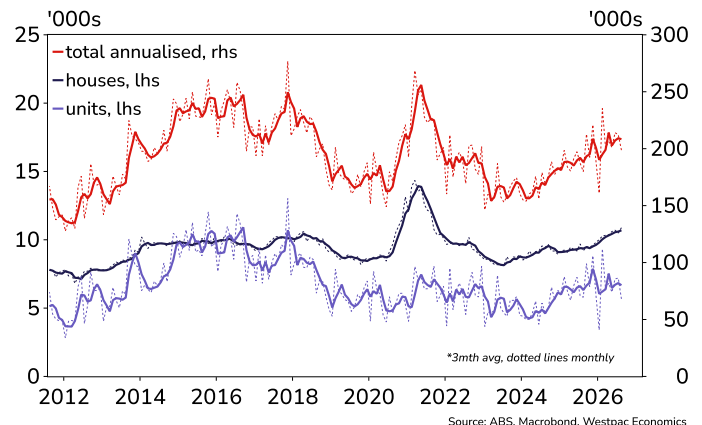
Nov 2, Last: -6.1, Westpac f/c: -7.0

Market f/c: 2.0, Range: -7.0 to 5.0

Dwelling approvals fell 6.1% in August, with the annual pace easing slightly to 10.3%yr. Weakness centred on unit approvals with private detached house approvals actually posting a solid rebound from a July month fall, touching a new cycle high (up 18.4%yr).

We expect the September update to show a much clearer weakening. New construction is coming under pressure from multiple fronts: interest rate rises; a sharp downturn in established markets; and rising costs – with a great deal of uncertainty around each of these. New home sales have fell sharply through the September quarter and we expect to see detached house approvals show something similar. Unit approvals are coming off a weak read and should be more stable. Total approvals are expected to print 7% lower.

Building approvals



AUS: RBA Policy Decision (%)

Nov 3, Last: 4.60, Westpac f/c: 4.85

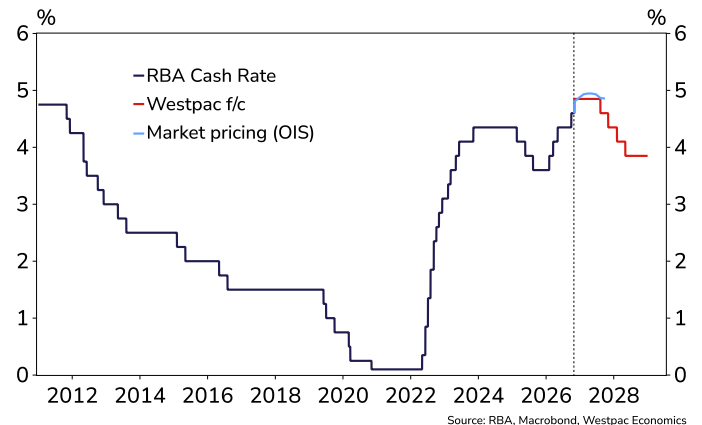
Market f/c: 4.85, Range: 4.60 to 4.85

We reaffirm our expectation that the RBA Monetary Policy Board (MPB) will decide to raise the cash rate by 25bps to 4.85% at the November meeting.

Inflation is above target, and above what the RBA's August forecasts implied. Some upside risks identified in August have partially materialised, particularly energy prices. The RBA is especially worried that above-target inflation will become embedded in people's expectations and pricing decisions.

Recent data and communication have consistently pointed to the RBA staff recommending an increase in the cash rate. We expect a majority of the external board members to agree, though some members might dissent.

RBA to raise cash rate by 25bps in November



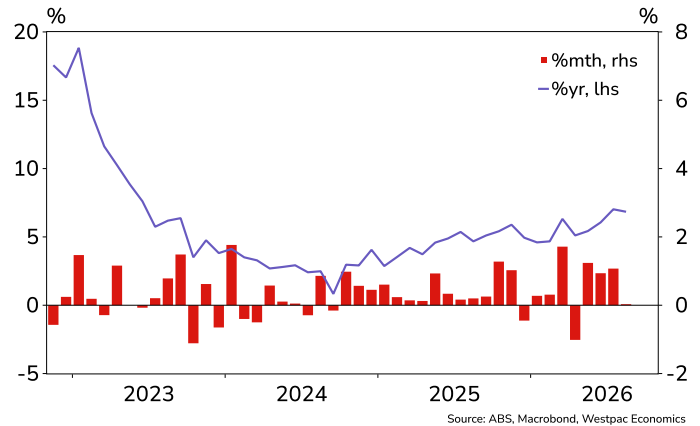
AUS: Sep Household Spending Indicator (%mth)

Nov 4, Last: flat, Westpac f/c: -0.5
Market f/c: 0.2, Range: -0.5 to 0.8

The household spending indicator was unchanged in August, annual growth easing to 6.8%yr. The detail showed a modest rotation away from discretionary categories towards non-discretionary.

Our **Westpac-DataX Card Tracker** showed a decent rise in the September month although new vehicle sales (which are not covered by the tracker but are in scope for the spending indicator) look to have posted a decline. Overall we expect the indicator to show a 0.5% decline in the September month. Note that the update will also include Q3 estimates of real spending – we expect this to show a 0.6%qtr gain with prices up 1.2%qtr and nominal spend up 1.8%qtr.

Monthly household spending indicator



AUS: Sep Goods Trade Balance (\$bn)

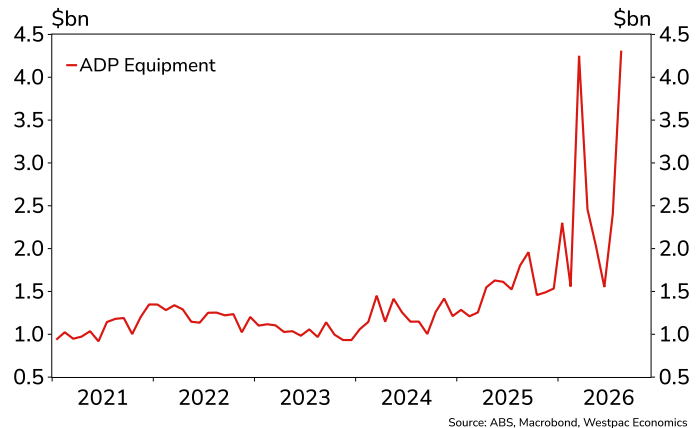
Nov 5, Last: 0.5, Westpac f/c: 2.0
Market f/c: 1.0, Range: -1.0 to 2.5

Australia's goods trade surplus narrowed to \$0.5bn in August. Recently, the trade balance has been oscillating between small deficits and surpluses with significant volatility in the underlying trade mix.

Swings in non-monetary gold, fuel and cars have all played a large role, but the most eye-catching result from Aug was the 79% surge in automatic data processing equipment (ADP) imports, which captures the investment upswing related to data centres.

For September, we expect an increase in the surplus as the ADP import surge unwinds, though we are likely in store for ongoing monthly volatility in trade for some time.

ADP equipment imports

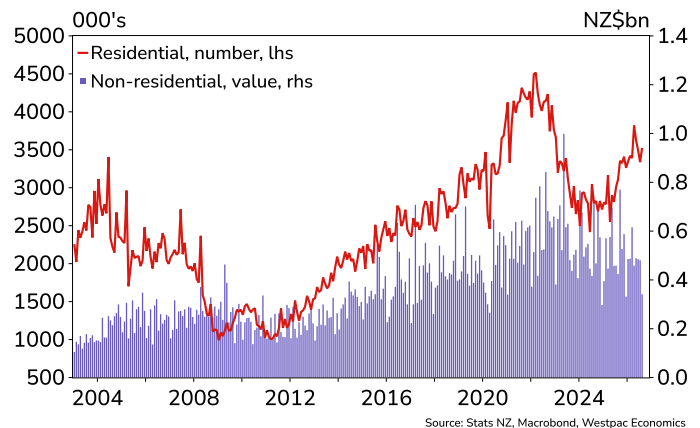


NZ: Sep Building Consents (%mth)

Nov 3, Last: +5.6%, Westpac f/c: Flat

Annual residential building consent numbers are currently at a three year high, and we expect that they will remain firm in the September update. However, monthly consent numbers are showing signs of peaking, with falls in three of the last four months. We're watching to see if that trend has continued, particularly given the ongoing softness in the housing market. In the non-residential space, we've seen softness in the number of retail and office developments, but greater resilience in the industrial and storage segment.

NZ building consents

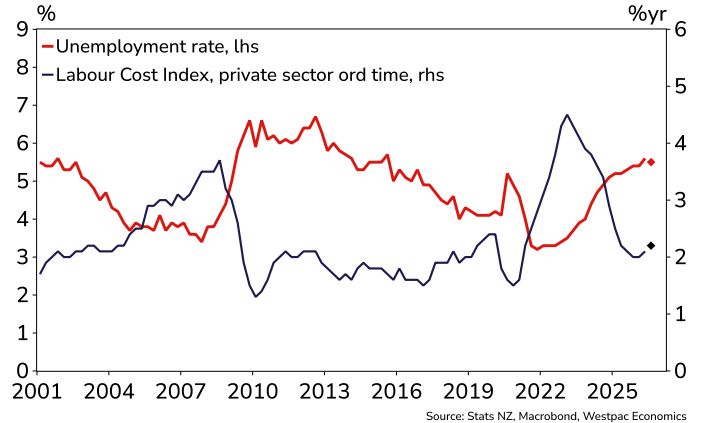


NZ: Q3 Labour Market Surveys (%)

Nov 4, Unemployment Rate, Last: 5.6, Westpac f/c: 5.5
LCI Private Sector, Last: 0.7, Westpac f/c: 0.5

We expect the unemployment rate to edge down to 5.5% for the September quarter. Job numbers have been gaining momentum in recent months, and now look to be enough to outstrip population growth. However, the existing slack in the labour market is likely to be keeping wage growth subdued, despite cost-of-living pressures on workers. Our forecasts are a little more positive overall than what the RBNZ assumed in its September MPS forecasts.

Labour market surveys



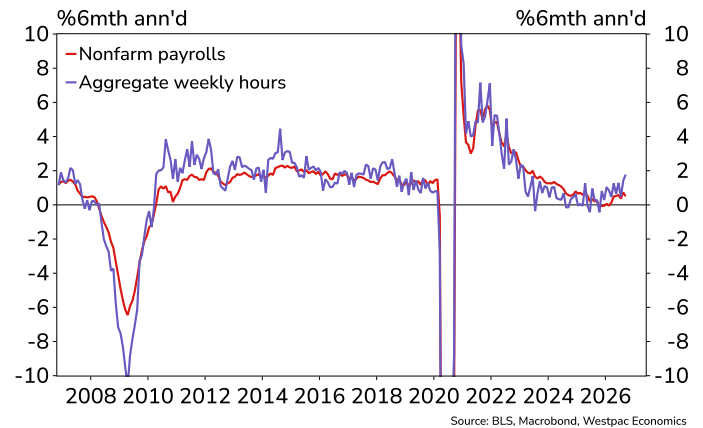
US: Oct Employment Report

Nov 6, Payrolls, Last: 29k, Market f/c: 55k, WBC f/c: 75k
Nov 6, U/E rate, Last: 4.2%, Market f/c: 4.2%, WBC f/c: 4.3%

Nonfarm payrolls have shown considerable volatility of late, July's -10k followed by a 133k gain in August then a 29k increase in September. However, the 3-month average of 51k is likely a good guide on underlying momentum. In October, we look for a 75k gain, although we expect some of that increase to be offset by a modest reduction to the prior two months, keeping the 3-month average around 50k.

While the participation rate has lifted in recent months, it remains well below the average of 2025. Month-to-month, a change either way is not guaranteed, but it seems likely that the participation rate will trend higher in coming months. We therefore expect the unemployment rate to edge up.

Labour demand resilient



What to watch

	For	Data/Event	Unit	Last	Market f/c	Westpac f/c	Risk/Comment
Mon 02							
Aus	Oct	Cotality Home Value Index	%mth	-1.1	-	-1.3	Interest rate rises are adding downward pressure.
	Oct	MI Inflation Gauge	%ann	4.8	-	-	Provides a reliable directional signal for monthly inflation.
	Sep	Dwelling Approvals	%mth	-6.1	2.0	-7.0	New construction is under pressure from mutlipel fronts.
Chn	Oct	RatingDog Manufacturing PMI	index	52.1	52.0	-	A bright spot as low borrowing rates support manufacturers.
US	Oct	ISM Manufacturing	index	54.5	54.7	-	Underlying momentum solid despite brewing cost pressures.
	Sep	Construction Spending	%mth	0.9	0.5	-	Data centres supporting as higher rates hit housing demand.
		Fedspeak	-	-	-	-	Goolsbee.
World	Oct	S&P Global Manufacturing PMI	index	-	-	-	Final estimate for Japan, Europe, UK and US.
Tues 03							
Aus	Nov	RBA Policy Decision	%	4.60	4.85	4.85	RBA worried above-target inflation could become entrenched.
NZ	Sep	Building Permits	%mth	5.6	-	Flat	Annual total elevated, maybe close to a peak.
US	Sep	JOLTS Job Openings	000s	7079	7100	-	Vacancies to unemployed almost in balance.
	Sep	Factory Orders	%mth	0.1	1.1	-	Core orders running stronger than the headline figure.
	Sep	Durable Goods Orders	%mth	1.8	-	-	Final estimate.
Wed 04							
Aus	Sep	Household Spending Indicator	%mth	0.0	0.2	-0.5	Softer new vehicles sales to act as a drag.
NZ	Q3	Employment	%qtr	0.5	0.4	0.5	Jobs growth is gradually picking up momentum...
	Q3	Unemployment Rate	%	5.6	5.5	5.5	...potentially enough to tip the unemployment rate lower..
	Q3	LCI Wage Inflation (Pvte, Ord Time)	%qtr	0.7	0.5	0.5	...though existing slack will keep wage pressures subdued.
	Oct	ANZ Commodity Prices	%mth	0.6	-	-1.0	Pullback in beef prices, some gains in dairy.
Chn	Oct	RatingDog Services PMI	index	51.6	51.4	-	Growth accelerated for second consecutive month.
Eur	Oct	CPI	%ann	3.8	3.9	3.9	The ECB sees effects of the energy shock as still unfolding.
US	Sep	Trade Balance	US\$bn	-105.6	-107.9	-	Capital goods imports driving the widening deficit.
	Oct	ISM Services	index	54.9	54.7	-	Higher costs the key pressure point among surveyed firms.
World	Oct	S&P Global Services PMI	index	-	-	-	Final estimate for Europe, UK and US.
Thur 05							
Aus	Sep	Goods Trade Balance	\$bn	0.5	1.0	2.0	Unwind in data centre-related equipment import surge.
		RBA Deputy Governor	-	-	-	-	Hauser speaking in Canberra, 5:45pm AEDT.
Eur	Sep	PPI	%ann	8.2	-	-	Energy accounting for near 60% of the annual increase.
UK	Nov	BoE Policy Decision	%	3.75	4.00	-	Economic activity proving resilient, price pressures mount.
US		Initial Jobless Claims	000s	194	-	-	Trending lower.
		Fedspeak	-	-	-	-	Hammack, Barkin.
Fri 06							
Eur	Sep	Retail Sales	%mth	0.1	-	-	Weak demand for consumer credit a headwind.
US	Oct	Nonfarm Payrolls	000s	29	55	-	The FOMC views the labour market as both resilient and ...
	Oct	Average Hourly Earnings	%mth	0.1	0.3	-	... broadly in balance. Continued gains in tech infrastructure ...
	Oct	Unemployment Rate	%	4.2	4.2	-	... is likely to support outcomes over the coming year and ...
	Nov	Uni. Of Michigan Sentiment	index	48.0	47.3	-	... precluding a broadening of weakness in consumer spending.
	Sep	Consumer Credit	%bn	8.3	12.0	-	Softer-than-expected in September; some firming anticipated.
		Fedspeak	-	-	-	-	Logan, Williams.

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Economic & financial forecasts

Interest rate forecasts

Australia	Latest (30 Oct)	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28
Cash	4.60	4.85	4.85	4.85	4.60	4.35	4.10	3.85	3.85	3.85
90 Day BBSW	4.90	4.95	4.95	4.80	4.55	4.30	4.10	3.95	3.95	3.95
3 Year Swap	4.82	4.90	4.85	4.75	4.65	4.55	4.45	4.35	4.30	4.25
3 Year Bond	4.81	4.90	4.85	4.75	4.65	4.55	4.45	4.35	4.30	4.25
10 Year Bond	5.13	5.20	5.15	5.10	5.05	5.05	5.00	5.00	5.00	5.00
10 Year Spread to US (bps)	20	15	15	15	15	10	0	-5	-10	-15
United States										
Fed Funds	3.875	4.125	4.125	4.125	4.125	4.125	3.875	3.625	3.625	3.625
US 10 Year Bond	4.92	5.05	5.00	4.95	4.90	4.95	5.00	5.05	5.10	5.15
New Zealand										
Cash	2.75	3.00	3.50	3.75	4.00	4.00	4.00	4.00	3.75	3.75
90 Day Bill	3.16	3.40	3.75	4.00	4.20	4.20	4.20	4.15	3.95	3.95
2 Year Swap	3.96	4.10	4.20	4.25	4.20	4.20	4.15	4.15	4.10	4.10
10 Year Bond	4.85	5.00	5.00	5.00	5.05	5.05	5.05	5.05	5.05	5.05
10 Year Spread to US (bps)	-10	-5	0	5	15	10	5	0	-5	-10

Exchange rate forecasts

	Latest (30 Oct)	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28
AUD/USD	0.7039	0.72	0.72	0.73	0.73	0.73	0.73	0.72	0.72	0.72
NZD/USD	0.5633	0.56	0.58	0.61	0.63	0.64	0.64	0.64	0.65	0.65
USD/JPY	157.47	156	154	153	152	151	150	149	148	146
EUR/USD	1.1187	1.14	1.16	1.18	1.20	1.21	1.22	1.22	1.21	1.21
GBP/USD	1.3386	1.34	1.35	1.36	1.38	1.39	1.40	1.41	1.41	1.40
USD/CNY	6.6587	6.65	6.60	6.50	6.45	6.40	6.35	6.35	6.30	6.30
AUD/NZD	1.2479	1.27	1.24	1.20	1.16	1.15	1.13	1.12	1.12	1.11

Australian economic forecasts

	2026				2027				Calendar years			
% change	Q1	Q2	Q3(f)	Q4(f)	Q1(f)	Q2(f)	Q3(f)	Q4(f)	2025	2026(f)	2027(f)	2028(f)
GDP %qtr	0.3	0.4	0.5	0.2	0.4	0.3	0.4	0.5	-	-	-	-
%yr end	2.5	2.1	2.2	1.5	1.6	1.5	1.4	1.6	2.6	1.5	1.6	2.4
Unemployment rate %	4.2	4.4	4.6	4.7	4.7	4.8	4.8	4.7	4.3	4.7	4.7	4.5
Wages (WPI) (sa) %qtr	0.8	0.8	1.0	0.8	0.8	0.8	0.8	0.8	-	-	-	-
%yr end	3.2	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	0.6	1.3	1.3	0.4	0.5	1.0	0.5	-	-	-	-
%yr end	4.1	3.9	3.9	4.6	3.6	3.4	3.2	2.4	3.6	4.6	2.4	2.3
Trimmed Mean CPI %qtr	0.8	0.8	1.0	0.9	0.7	0.7	0.7	0.7	-	-	-	-
%yr end	3.5	3.6	3.7	3.5	3.3	3.3	3.1	2.9	3.3	3.5	2.9	2.4

New Zealand economic forecasts

	2026				2027				Calendar years			
% Change	Q1	Q2	Q3(f)	Q4(f)	Q1(f)	Q2(f)	Q3(f)	Q4(f)	2025	2026(f)	2027(f)	2028(f)
GDP %qtr	0.9	0.2	0.6	0.7	0.9	0.5	0.6	0.7	-	-	-	-
Annual avg change	0.9	1.7	2.1	2.4	2.4	2.5	2.6	2.6	0.3	2.4	2.6	3.0
Unemployment rate %	5.4	5.6	5.5	5.5	5.4	5.3	5.2	5.0	5.4	5.5	5.0	4.4
CPI %qtr	0.9	1.5	0.7	1.2	0.3	0.4	0.5	0.2	-	-	-	-
Annual change	3.1	4.1	3.7	4.3	3.7	2.5	2.3	1.4	3.1	4.3	1.4	1.9

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