

Markets Research

What to Watch



Week of 22 April 2024

Week in Review ([jump to section](#))

- Strong US retail sales and the Fed's Powell acknowledging a 'lack of further progress on inflation' supported Fed cut repricing
- There are 44bp of cuts priced by end 2024, little changed over the week
- Local data showed the unemployment rate holding onto most of February's fall, but weaker Asian FX, risk sensitivity, and the stronger for longer USD were in the driving seat.
- Concerns about further escalation in the middle east sends AUD briefly below 64c to a new YTD low today before partly recovering

Comment – CPI variation ([jump to section](#))

- We compare recent inflation outcomes in the US, Australia and the Euro area. Adjusting for the treatment of housing shows divergent themes
- US inflation on a HICP basis has flatlined around 2.5% on a 6m annualised basis. Earlier progress was material, but it has stalled.
- Australian inflation has lagged progress elsewhere, but gradual progress looks set to continue while policy remains modestly restrictive.

Week ahead ([jump to section](#))

- Q1 CPI for Australia (Wednesday) headlines in what is a holiday shortened week given the ANZAC Day Public Holiday (Thursday). We expect Trimmed Mean inflation to print at 0.9% q/q and 3.8% y/y (consensus 0.9/3.9)
- US Q1 GDP (Thursday) headlines where the Atlanta Fed GDP Nowcast gives another well above trend read of 2.9% quarterly annualised. Also important will be Core PCE (Friday) with consensus at 0.3% m/m
- Elsewhere the PMIs in both Asia and Europe (Tuesday) will garner attention for whether the pickup in activity (particularly manufacturing) continues. Note this pick up off the lows is occurring even before rates are cut
- BoJ (Friday) seen on hold with officials evaluating the impact of a weaker yen on their growth and inflation forecasts
- Other data: China Loan Prime Rates (Monday), German IFO (Wednesday), and BoC Minutes (Wednesday). Earnings also continues with key tech: Tesla (Tuesday), IBM & Meta (Wednesday), Microsoft & Alphabet (Thursday)

Important Events Preview ([jump to section](#))

Australia Q1 CPI | NZ Trade | US Q1 GDP, PCE | CH Loan Prime Rate | EZ/UK PMIs | JN BoJ, Tokyo CPI | CA BoC Minutes

Contents

Week of 22 April 2024	1
Comment – CPI variation	2
Week in review	2
Important Events Preview	3
Weekly Calendar	5
April Calendar	6
May Calendar	7
Forecasts Table	8

Key Markets

	% change		
	Latest	week	YTD
Cash rates		<i>bps</i>	<i>bps</i>
RBA Cash Rate	4.35	0.0	0.0
US Fed Funds	5.50	0.0	0.0
RBNZ Cash Rate	5.50	0.0	0.0
Rates			
AU BBSY 3m	4.41	2.2	0.5
AU 3y swap	4.03	4.8	25.1
AU 3yr yield	3.82	-2.9	21.4
AU 10yr yield	4.25	-1.4	29.7
US 10yr yield	4.56	5.0	69.2
AU-US 10yr spread	-31.2	-6.4	-39.5
Commodities		%	%
Iron ore	116	4.3	-13.3
Coal (thermal)	129.6	0.7	-11.5
Brent oil	88.3	-2.3	15.3
Gold	2382.0	1.6	15.5
FX			
AUD/USD	0.6399	-1.1	-6.1
USD (DXY)	106.21	0.2	4.8
AUD/NZD	1.0886	0.0	-1.0
AUD crosses			
AUD/JPY	98.80	0.3	-2.8
AUD/CNY	4.6338	0.9	4.5
AUD/EUR	0.6018	0.9	2.6
AUD/GBP	0.5156	0.7	3.8
Equities			
ASX 200	7567.3	-2.8	-0.3
ASX Resources	5929.1	-1.9	-6.7
ASX Financials	7063.5	-3.1	5.1
US S&P 500	5011.1	-3.6	5.1

Source: Bloomberg

Comment – CPI variation

In this comment we look at the last mile in getting inflation back down to target and focus on the housing components which are keeping inflation elevated in the US, and to some extent in Australia. Disinflation so far has been dominated by goods and trade-exposed parts of the basket. The last mile, the task currently facing central banks as they weigh the prospect of easing, reflects domestic drivers generated by the domestic demand and supply balance.

Housing deserves its own consideration. There are big differences in the way owner-occupied housing is captured with implications for comparing the inflation signal across countries. Australia includes the cost of the newly built buildings, whereas the US includes the owners-equivalent cost of renting, effectively grossing up the weight of rent to around a third of the CPI basket, compared to 6% in Australia. The Euro-area, due to data constraints, includes neither.

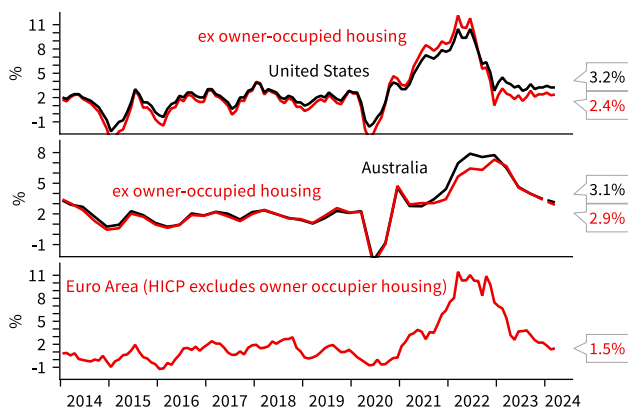
Rents inflation tends to be correlated with labour market tightness over time but average rents paid are slow moving and inertial. Putting the US CPI on a similar basis to the Euro area suggests earlier and more material improvement in inflation pressure, but questionable ongoing progress with 6m annualised US HICP inflation near 2.5% for a year. Cue FOMC officials that are failing to build confidence they can ease back on restriction.

Australian inflation was dominated by housing construction costs, which remain elevated but have eased. The current inflation picture is characterised by elevated but easing labour cost pressure, so far persistent domestic non-labour cost pressure, and a much improved but no longer improving imported cost picture. Disinflation progress has been later than the US, but so far the data flow suggests it is ongoing, if gradual. The chart below includes our Q1 forecast.

Rates will need to remain at their only modestly restrictive levels to keep the outlook for further progress intact. We continue to expect the RBA can inch away from restrictive settings from November but with labour markets proving resilient and an improving real income backdrop in train over the course of this year the RBA will tread carefully.

In Europe, recent inflation outcomes and broader data flow, puts the ECB at the vanguard of easing (ditto the BoC).

Headline CPI by country (6m annualised)



Source: NAB, U.S. Bureau of Labor Statistics (BLS), Australian Bureau of Statistics, Eurostat

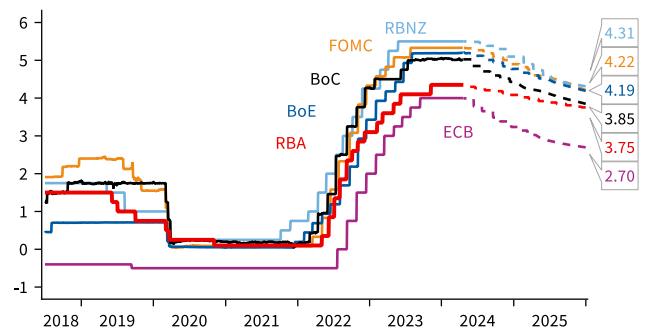
Taylor Nugent, NAB

Week in review

Markets this week continued to weigh the fallout of the stronger than expected US CPI the week before and the prospect for further escalation in the Middle east. US Retail sales on Monday were strong, and some of the apparent slowing in January and February was revised away, further playing into the theme that stubborn strength in activity and bumpiness in inflation is keeping sufficient comfort to cut out of reach.

Fed Chair Powell on Wednesday effectively endorsed the recent price action in the US rates market by noting that recent data shows a ‘lack of further progress on inflation’ and observing that “it is appropriate to allow restrictive policy further time to work and let the data and the evolving outlook guide us.” Markets currently price a cut in September and 44bp of cuts by the end of the year.

Policy rate pricing



Source: National Australia Bank, Bloomberg

Locally, the unemployment rate rose a tenth to 3.8%, holding onto most of its decline seen in February (when the measured unemployment rate fell back to 3.7% from 4.1%). Broadly, the data confirms the unemployment rate has been steady a bit below 4% since late last year. Outside the January read, unemployment has now been below 4.0% for 2 years. The RBA will need to mark their near-term forecast to lower recent outcomes at their May 7 forecast update but with GDP growth below trend and the pulse of employment growth still cloudy, the RBA will likely hold onto their forecast for gradual cooling in the labour market. See [AUS: Unemployment edges higher but holds onto most of February’s improvement](#).

For the AUD though, the local data took a backseat to the interrelated milieu of the stronger USD, Asian FX weakness, and sensitivity to global risk sentiment. The AUD saw its highs for the week of 0.6493 on Monday ahead of the strong US retail sales data. It hit a new YTD low today of 0.6363 today amid a broad flight to safety on reports Israel launched a retaliatory strike on Iran and of an explosion in an explosion in Iran’s central city of Isfahan. The AUD was back to 0.64 at the time of writing, with US Treasuries also retracing gains. NAB has updated our FX forecasts to reflect a later expected start date to US policy easing and consequently a ‘stronger-for-longer’ AUD view. See [FX Strategy Forecast Update](#)

Taylor Nugent, NAB

Week Ahead

Fallout from Israel's strikes in Iran, which occurred on Friday morning, will likely continue to dominate market sentiment early into the week. The key question is if Israel's retaliation to Iran's initial retaliation perpetuates a spiralling tit-for-tat escalation. Markets continue to discount this scenario with large risk-off moves on Friday morning partly reversing by the afternoon. We will find out more as the days progress. Either way tensions will remain elevated.

As for data, in **Australia Q1 CPI (Wednesday)** dominates domestically in a holiday-shortened week given the ANZAC Day Public Holiday on Thursday. We expect trimmed mean inflation to print at 0.9% q/q and 3.8% y/y (consensus 0.9/3.9). We assess risks as slightly to the downside, and the RBA February SoMP had pencilled in 0.8% q/q. We expect the data to reinforce only gradual progress on domestic price pressures, keeping the RBA on the side lines until late 2024.

In the **US it is Q1 GDP (Thursday)** that is set to dominate with Fed officials in blackout for most of the week given the proximity of the next FOMC meeting (on 2 May). The early consensus pegs growth at 2.3% annualised, though the Atlanta Fed's GDP Now estimate sits at 2.9%. Durables (Wednesday) will firm up expectations. Core PCE (Friday) is also out, though much will be known from the GDP report.

Elsewhere the **PMIs in both Asia and Europe (Tuesday)** will garner attention for whether the pickup in activity (particularly in manufacturing) continues. We wrote on this topic last week, and highlighted that this recovery is occurring in the absence of rate cuts. A rosier view of manufacturing is emerging given government initiatives globally to increase domestic manufacturing capacity, increased defence spending, as well as retailers having actively managed their post-pandemic bloated inventories.

In **Japan the BoJ (Friday)** meets, though expectations are for no change. Governor Ueda recently noted the possibility a weak yen could push up trend inflation through rises in imported goods prices. The BOJ will certainly scrutinise how the yen's declines so far this year could affect the economy and prices and take the findings into account in producing fresh quarterly growth and inflation forecasts.

Other data includes: China Loan Prime Rates (Monday); German IFO (Wednesday); and BoC Minutes (Wednesday). The **BoC Minutes** are worth a closer look given further progress was seen on inflation following the BoC's most recent meeting. Governor Macklem post that meeting said that they are "seeing what we need to see" on inflation, however, they "need to see it for longer to be confident". Markets price a 65% chance a rate cut could come at the next meeting.

The **earnings season** also continues with the big tech names reporting this week. Key names include: Tesla (Tuesday); IBM & Meta (Wednesday); and Microsoft & Alphabet (Thursday)

Tapas Strickland, NAB | tapas.strickland@nab.com.au

Important Events Preview

Australian events and a selection of key offshore data; full calendar below

Monday 22

CH China loan prime rate

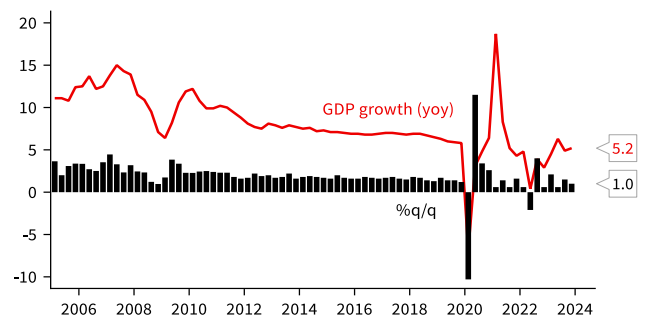
No change expected to either the 1yr or 5yr rate.

Tuesday 23

EZ/UK/US S&P Preliminary Apr PMI activity

Preliminary PMIs are for April. Financial markets tend to focus more on the EZ and UK, rather than the US which has the well-established ISMs. Global manufacturing activity does appear to be improving with PMIs moving back up to the 50 area. In Europe manufacturing activity remains the laggard, thanks largely to Germany and France, but it has improved of late in the UK to 50.3. One thing to watch out for regarding the manufacturing PMIs is if there is any rise in the price component. For services, the UK continues to enjoy PMIs above 53, while the EZ has also seen a spurt back above 50 in the last two months.

Economic growth (%)



Source: National Australia Bank, China National Bureau of Statistics (NBS), Macrobond

UK BoE Chief Economist Huw Pill

No speech topic available, but given recent wage and inflation prints have printed slighter hotter than expected, his views will be important for the timing of prospective rate cuts. Markets price the first rate cut by September 2024 and for all of 2024 there is only 43bps priced.

Wednesday 24

AU Q1 CPI

We expect Q1 Trimmed Mean CPI of 0.9% q/q and 3.8% y/y, a slight tick up on the 0.8% seen in Q4 2023 (consensus 0.9/3.9). We see the risks as skewed to a 0.8% q/q which is what the RBA forecast back in February (we are at 0.86 unrounded). Two reasons Q1 trimmed mean should print higher than Q4 2023 are the drags from the increase to rent assistance and falling goods prices will not repeat in Q1. For headline we expect 0.8% q/q and 3.5% y/y. The data are likely to confirm only gradual progress on domestic price pressures, keeping the RBA on

the side lines until later in the year (for further details please see our [CPI Preview: Q1 CPI to keep RBA patient](#)).

Table 1. Consumer Price Index Forecasts									
	Actual					Forecast			
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Headline CPI									
CPI - NSA									
%q/q	1.4	0.8	1.2	0.6	0.8	0.7	0.7	0.8	
%y/y	7.0	6.0	5.4	4.1	3.5	3.4	2.9	3.1	
	RBA November SoMP:					3.3	3.2		
Core Measures									
Trimmed F									
%q/q	1.2	1.0	1.2	0.8	0.9	0.8	0.7	0.7	
%y/y	6.5	5.8	5.1	4.2	3.8	3.7	3.2	3.1	
	RBA February SoMP:					3.6	3.1		



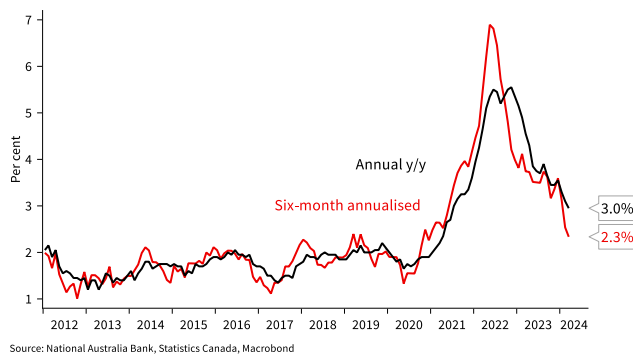
NZ Trade Balance

EZ German Apr Ifo (less market moving given the PMIs)

CA BoC Minutes and Retail Sales

The BoC Minutes could garner more attention given further progress was seen on inflation following the BoC’s most recent meeting. Governor Macklem post that meeting said that they are “seeing what we need to see” on inflation, however, they “need to see it for longer to be confident”. How much longer is uncertain and the Minutes may help shed light on that. Markets currently price a 65% chance a rate cut could come at the next meeting in June.

Canada Core Inflation (Average of Trimmed and Median)



US Durable Goods

Durables will be mostly looked at for what it says about Q1 GDP which is released the next day on Thursday. Consensus for Durables ex transport sits at 0.3% m/m.

Thursday 25

AU/NZ ANZAC Day Public Holiday

Both sides of the Tasman observe this as a public holiday. Given many will likely take a long weekend amid school holidays in NSW, it could mean thin trading on Friday too.

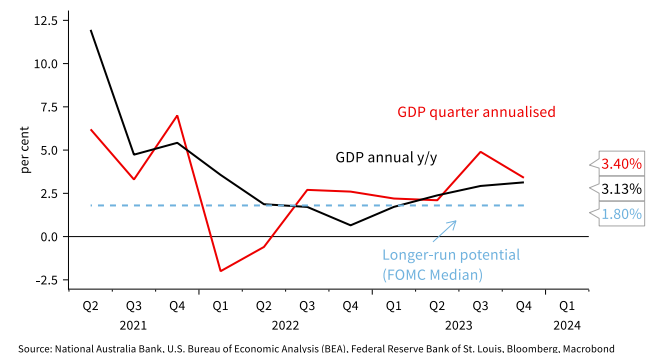
EZ ECB Consumer 1 & 3-year Mar Inflation Expectations

In February consumers saw 1-year inflation at 3.1% - a low for this cycle, while the 3-year was seen at 2.5%

US Q1 GDP, Jobless Claims, Inventories

US Q1 GDP growth is expected again to be a blockbuster and print well above longer-run potential. The Atlanta Fed’s GDP Now estimate pegs Q1 growth at 2.9% annualised, well above the longer-run potential growth seen by the US Fed of 1.80%. The early consensus sits at 2.3%. The longer that growth remains above potential alongside too high inflation, the greater the likelihood that pushes prospective rate cuts out, as well as starting to shift thoughts to whether policy is tight enough and whether the Fed should actually be hiking rates further rather than cutting them. Note the GDP figures also include the quarter measure of Core PCE inflation, which will provide a good guide to the March month core PCE on Friday.

US GDP Growth



Friday 26

NZ Consumer Confidence

JN BoJ decision & Tokyo CPI

The BoJ is unlikely to hike rates again so soon after last month’s meeting, especially given softer than expected CPI data. BoJ Governor Ueda recently did note though the possibility a weak yen could push up trend inflation through rises in imported goods prices “...if the impact becomes too big to ignore, it might lead to a change in monetary policy”. The BOJ will scrutinise how the yen’s declines so far this year could affect the economy and prices and take the findings into account in producing fresh quarterly growth and inflation forecasts that are published alongside the meeting.

US PCE deflators and final-Uni Michigan Confidence

March month Core PCE inflation should not surprise given the GDP numbers on Thursday will have the March quarter PCE numbers. Consensus prior to GDP sits at 0.3% m/m, a pace that is too hot for the Fed to contemplate cutting rates until later this year.

Weekly Calendar

Date	Time	Country	Event	Period	Consensus	NAB	Previous
Monday, 22 April	11:15 AM	CH	5-Year Loan Prime Rate	Apr 22	3.95		3.95
	7:05 PM	UK	BOE's Benjamin speaks	--	--		--
	1:30 AM	EC	ECB's Villeroy speaks in Paris	--	--		--
Tuesday, 23 April	10:30 AM	JN	Jibun Bank Japan PMI Mfg	Apr P	--		48.2
	5:15 PM	FR	HCOB France Manufacturing PMI	Apr P	--		46.2
	5:15 PM	FR	HCOB France Services PMI	Apr P	--		48.3
	5:30 PM	GE	HCOB Germany Manufacturing PMI	Apr P	43.50		41.90
	6:00 PM	EC	HCOB Eurozone Manufacturing PMI	Apr P	46.55		46.1
	6:30 PM	UK	S&P Global UK Manufacturing PMI	Apr P	--		50.3
	9:15 PM	UK	BOE's Huw Pill speaks	--	--		--
	11:45 PM	US	S&P Global US Manufacturing PMI	Apr P	51.80		51.90
	12:00 AM	US	New Home Sales	Mar	670.00		662.0
Wednesday, 24 April	8:45 AM	NZ	Trade Balance NZD	Mar	--		-218.0
	11:30 AM	AU	CPI YoY	Mar	3.4%	3.4%	3.4%
	11:30 AM	AU	CPI Trimmed Mean QoQ	1Q	0.9%	0.9%	0.8%
	11:30 AM	AU	CPI QoQ	1Q	0.8%	0.8%	0.6%
	11:30 AM	AU	CPI Trimmed Mean YoY	1Q	3.8%	3.8%	4.2%
	11:30 AM	AU	CPI YoY	1Q	3.5%	3.5%	4.1%
	6:00 PM	GE	IFO Business Climate	Apr	89.00		87.8
	9:00 PM	US	MBA Mortgage Applications	Apr 19	--		3.3%
	10:30 PM	US	Durable Goods Orders	Mar P	2.8%		1.3%
	12:00 AM	EC	ECB's Schnabel Speaks in Frankfurt	--	--		--
	3:30 AM	CA	Bank of Canada Releases Summary of Deliberations	--	--		--
Thursday, 25 April	5:00 PM	EC	ECB's Schnabel Speaks in Frankfurt	--	--		--
	6:00 PM	EC	ECB Publishes Economic Bulletin	--	--		--
	6:20 PM	EC	ECB's Vujcic Speaks	--	--		--
	10:30 PM	US	GDP Annualized QoQ	1Q A	2.3%		3.4%
	10:30 PM	US	Personal Consumption	1Q A	--		3.3%
	10:30 PM	US	Core PCE Price Index QoQ	1Q A	--		2.0%
	10:30 PM	US	Wholesale Inventories MoM	Mar P	0.2%		0.5%
	10:30 PM	US	Initial Jobless Claims	Apr 20	215.00		212
	1:15 AM	EC	Bundesbank Chief Nagel Speaks About Climate Change	--	--		--
	3:30 AM	EC	ECB's Panetta Speaks in Frankfurt	--	--		--
Friday, 26 April	9:30 AM	JN	Tokyo CPI YoY	Apr	2.5%		2.6%
	9:30 AM	JN	Tokyo CPI Ex-Fresh Food YoY	Apr	2.2%		2.4%
	9:30 AM	JN	Tokyo CPI Ex-Fresh Food, Energy YoY	Apr	2.7%		2.9%
	11:30 AM	AU	PPI YoY	1Q	--		4.1%
	11:30 AM	AU	PPI QoQ	1Q	--		0.9%
	11:30 AM	AU	Import Price Index QoQ	1Q	0.1%		1.1%
	11:30 AM	AU	Export Price Index QoQ	1Q	-0.6%		5.6%
	6:00 PM	EC	M3 Money Supply YoY	Mar	0.5%		0.4%
	6:00 PM	SZ	SNB's Jordan Speaks at Central Bank AGM in Bern	--	--		--
	7:00 PM	EC	ECB's Centeno Participates in Panel in Frankfurt	--	--		--
	10:30 PM	US	Personal Income	Mar	0.5%		0.3%
	10:30 PM	US	Personal Spending	Mar	0.6%		0.8%
	10:30 PM	US	PCE Deflator MoM	Mar	0.3%		0.3%
	10:30 PM	US	PCE Core Deflator MoM	Mar	0.3%		0.3%
--	JN	BOJ Target Rate (Upper Bound)	Apr 26	--		0.1	
12:00 AM	US	U. of Mich. Sentiment	Apr F	77.90		77.9	
Upcoming Central Bank Interest Rate Announcements						NAB	Current
	May 7	Australia, RBA			4.35	4.35	
	May 9	UK, BOE			5.25	5.25	
	May 1	US, Federal Reserve (Upper Bound)			5.50	5.50	
	May 22	New Zealand, RBNZ			5.50	5.50	
	Jun 5	Canada, BoC			5.00	5.00	
	Jun 6	Europe, ECB			4.00	4.00	
	Apr 26	Japan, BoJ (Upper Bound)			0.10	0.10	

Sydney Time. Dates reflect 24 hours from 7am

April Calendar

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
31	01	02	03	04	05	06
	JN Tankan Large Mfg Index 1Q JN Jibun Bank Japan PMI Mfg Mar P CH Caixin China PMI Mfg Mar AU CoreLogic House Px MoM Mar US S&P Global US Manufacturing PMI Mar P US ISM Manufacturing Mar	AU Melbourne Institute Inflation MoM Mar AU RBA Minutes of March Policy Meeting -- EC HCOB Eurozone Manufacturing PMI Mar P UK S&P Global UK Manufacturing PMI Mar P GE CPI YoY Mar P US Factory Orders Feb US JOLTS Job Openings Feb US Durable Goods Orders Feb P	CH Caixin China PMI Services Mar EC CPI MoM Feb F US ADP Employment Change Mar US ISM Services Index Mar	NZ Building Permits MoM Feb AU Building Approvals MoM Feb EC HCOB Eurozone Services PMI Mar P UK S&P Global UK Services PMI Mar P EC PPI YoY Feb US Trade Balance Feb US Initial Jobless Claims Mar 9 US Continuing Claims Mar 2	AU Trade Balance Feb GE Factory Orders MoM Feb FR Industrial Production MoM Feb EC Retail Sales MoM Feb CA Unemployment Rate Mar US Change in Nonfarm Payrolls Mar US Unemployment Rate Mar	
07	08	09	10	11	12	13
	JN Labor Cash Earnings YoY Feb JN BoP Current Account Balance Feb AU Home Loans Value MoM Feb GE Industrial Production SA MoM Feb	AU Westpac Consumer Conf SA MoM Mar AU NAB Business Confidence Mar CH (09 Apr - 15 Apr) Money Supply M2 YoY Feb	JN PPI YoY Mar NZ RBNZ Official Cash Rate Apr 10 US MBA Mortgage Applications Mar 8 US CPI MoM Feb US CPI Ex Food and Energy MoM Feb CA Bank of Canada Rate Decision Apr 10 US FOMC Meeting Minutes Mar 20	CH PPI YoY Mar CH CPI YoY Mar EC ECB Deposit Facility Rate Apr 11 US PPI Final Demand MoM Feb US Initial Jobless Claims Mar 9	NZ BusinessNZ Manufacturing PMI Feb NZ Food Prices MoM Feb JN Industrial Production MoM Jan F GE CPI YoY Mar P UK Monthly GDP (MoM) Jan FR CPI YoY Feb F CH Trade Balance Mar US U. of Mich. Sentiment Mar P	
14	15	16	17	18	19	20
	NZ Performance Services Index Feb JN Core Machine Orders MoM Jan US Retail Sales Advance MoM Feb	CH Industrial Production YoY Mar CH GDP YoY 1Q CH Retail Sales YoY Mar UK Weekly Earnings ex Bonus 3M/YoY Feb UK ILO Unemployment Rate 3Mths Feb GE ZEW Survey Expectations Mar CA CPI YoY Feb US Industrial Production MoM Feb	NZ CPI QoQ 1Q UK CPI YoY Feb EC CPI YoY Feb F	AU NAB Business Confidence 1Q AU Unemployment Rate Feb AU Employment Change Feb US Initial Jobless Claims Mar 9	JN Natl CPI YoY Feb UK Retail Sales Inc Auto Fuel MoM Feb	
21	22	23	24	25	26	27
	AU Judo Bank Australia PMI Composite Mar P CH 5-Year Loan Prime Rate Mar 20	JN Jibun Bank Japan PMI Mfg Mar P FR HCOB France Composite PMI Mar P EC HCOB Eurozone Manufacturing PMI Mar P UK S&P Global UK Manufacturing PMI Mar P US S&P Global US Manufacturing PMI Mar P	NZ Trade Balance NZD Feb AU CPI YoY Feb AU CPI Trimmed Mean QoQ 1Q AU CPI QoQ 1Q GE IFO Business Climate Mar US Durable Goods Orders Feb P	US GDP Annualized QoQ 4Q T US Core PCE Price Index QoQ 4Q T US Initial Jobless Claims Mar 9	JN Tokyo CPI Ex-Fresh Food YoY Mar AU PPI YoY 1Q US Personal Income Feb US Personal Spending Feb US PCE Core Deflator MoM Feb JN BOJ Policy Balance Rate Mar 19 US U. of Mich. Sentiment Mar P	
28	29	30	01	02	03	04
	GE CPI YoY Mar P	JN Jobless Rate Feb JN Industrial Production MoM Jan F NZ ANZ Business Confidence Mar CH Manufacturing PMI Mar AU Retail Sales MoM Feb CH Caixin China PMI Mfg Mar EC CPI MoM Feb F EC GDP SA QoQ 1Q A CA GDP MoM Jan US Conf. Board Consumer Confidence Mar				

May Calendar

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
28	29	30	01	02	03	04
			NZ Unemployment Rate 1Q JN Jibun Bank Japan PMI Mfg Apr P UK S&P Global UK Manufacturing PMI Apr P US ADP Employment Change Apr US S&P Global US Manufacturing PMI Apr P US JOLTS Job Openings Mar US ISM Manufacturing Apr US FOMC Rate Decision (Upper Bound) May 1	NZ Building Permits MoM Mar JN BOJ Minutes of March Meeting -- AU Trade Balance Mar AU Building Approvals MoM Mar EC HCOB Eurozone Manufacturing PMI Apr P US Trade Balance Mar US Initial Jobless Claims Apr 20 US Factory Orders Mar US Durable Goods Orders Mar P	NO Deposit Rates May 3 US Change in Nonfarm Payrolls Apr US Unemployment Rate Apr US ISM Services Index Apr	
05	06	07	08	09	10	11
	AU Melbourne Institute Inflation MoM Apr CH Caixin China PMI Services Apr FR HCOB France Services PMI Apr P	AU Retail Sales Ex Inflation QoQ 1Q AU RBA Cash Rate Target May 7 AU RBA-Statement on Monetary Policy --	GE Industrial Production SA MoM Mar SW Riksbank Policy Rate May 8 US MBA Mortgage Applications Apr 19	JN Labor Cash Earnings YoY Mar UK Bank of England Bank Rate May 9 US Initial Jobless Claims Apr 20 CH Exports YoY Apr CH Trade Balance Apr	NZ BusinessNZ Manufacturing PMI Apr JN BoP Current Account Balance Mar UK GDP QoQ 1Q P CA Unemployment Rate Apr US U. of Mich. Sentiment Apr F	CH PPI YoY Apr CH CPI YoY Apr
12	13	14	15	16	17	18
NZ Performance Services Index Apr NZ Food Prices MoM Apr AU NAB Business Conditions Apr	JN PPI YoY Apr GE CPI YoY Apr P GE CPI EU Harmonized YoY Apr P UK ILO Unemployment Rate 3Mths Mar GE ZEW Survey Expectations May US PPI Final Demand MoM Apr	CH 1-Yr Medium-Term Lending Facility Rate May 15 AU Wage Price Index YoY 1Q FR CPI EU Harmonized YoY Apr P FR CPI YoY Apr P EC GDP SA QoQ 1Q A US MBA Mortgage Applications Apr 19 US CPI MoM Apr US Empire Manufacturing May US Retail Sales Advance MoM Apr	AU RBA's Hunter-Speech -- JN GDP SA QoQ 1Q P AU Unemployment Rate Apr JN Industrial Production MoM Mar P US Housing Starts Apr US Initial Jobless Claims Apr 20 US Industrial Production MoM Apr	CH Industrial Production YoY Apr CH Retail Sales YoY Apr EC CPI YoY Apr F		
19	20	21	22	23	24	25
JN Tertiary Industry Index MoM Mar	AU Westpac Consumer Conf SA MoM May AU RBA Minutes of May Policy Meeting -- CA CPI YoY Apr	JN Core Machine Orders MoM Mar NZ RBNZ Official Cash Rate May 22 UK CPI YoY Apr US MBA Mortgage Applications Apr 19 US Existing Home Sales Apr	JN Jibun Bank Japan PMI Mfg Apr P FR HCOB France Manufacturing PMI Apr P FR HCOB France Services PMI Apr P GE HCOB Germany Manufacturing PMI Apr P EC HCOB Eurozone Manufacturing PMI Apr P UK S&P Global UK Manufacturing PMI Apr P US Initial Jobless Claims Apr 20 US S&P Global US Manufacturing PMI Apr P US New Home Sales Mar	NZ Trade Balance NZD Mar JN Natl CPI YoY Mar UK Retail Sales Inc Auto Fuel MoM Mar US Durable Goods Orders Mar P US U. of Mich. Sentiment Apr F		
26	27	28	29	30	31	01
GE IFO Business Climate Apr	AU Retail Sales MoM Mar US Conf. Board Consumer Confidence Apr	US MBA Mortgage Applications Apr 19 GE CPI YoY Apr P US Federal Reserve Releases Beige Book --	NZ Building Permits MoM Mar AU Building Approvals MoM Mar US GDP Annualized QoQ 1Q S US Initial Jobless Claims Apr 20	JN Jobless Rate Mar JN Tokyo CPI Ex-Fresh Food YoY Apr JN Industrial Production MoM Mar P AU Private Sector Credit MoM Mar CH Manufacturing PMI Apr FR CPI YoY Apr P FR GDP QoQ 1Q P EC CPI MoM Apr P CA Quarterly GDP Annualized 1Q US PCE Core Deflator MoM Mar		

Forecasts Table

For NAB Economics Latest Forecast Update, see: [Labour market strong, housing supply falling behind](#)

Australian Economic Forecasts																
	2023				2024				2025				2026			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GDP																
Household Consumption	0.1	0.1	-0.2	0.1	0.1	0.3	0.5	0.5	0.5	0.4	0.4	0.5	0.5	0.5	0.5	0.5
Dwelling Investment	-0.5	0.7	0.6	-3.8	-2.4	-2.2	-1.1	0.0	1.6	1.4	1.5	1.6	1.3	1.1	0.9	0.7
Underlying Bus. Investment	4.3	2.5	0.7	0.7	-0.7	-0.3	0.1	0.5	0.5	0.6	0.6	0.9	0.8	0.8	0.9	1.1
Public Final Demand	0.8	2.0	1.5	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Domestic Final Demand	0.6	0.9	0.6	0.1	0.1	0.2	0.4	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
(% y/y)	2.3	2.3	2.3	2.3	1.7	1.0	0.8	1.2	1.7	2.1	2.2	2.3	2.3	2.4	2.4	2.4
Inventories	0.3	-1.2	0.3	-0.3	0.2	0.1	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(contr)	-0.5	0.8	-0.6	0.6	-0.3	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Exports																
Gross Domestic Product	0.6	0.5	0.3	0.2	0.2	0.3	0.6	0.6	0.6	0.5	0.6	0.6	0.6	0.6	0.6	0.6
(% y/y)	2.5	2.1	2.1	1.5	1.2	1.1	1.4	1.7	2.1	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Labour Market																
Employment	0.7	0.9	0.6	0.7	0.5	0.3	0.3	0.3	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.4
Unemployment Rate	(%) 3.6	3.6	3.7	3.9	3.9	4.1	4.3	4.5	4.5	4.5	4.4	4.4	4.4	4.3	4.3	4.3
WPI Wages	0.9	1.0	1.3	0.9	0.9	0.9	1.1	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
(% y/y)	3.6	3.7	4.1	4.2	4.2	4.1	3.9	3.9	3.9	3.9	3.6	3.6	3.6	3.6	3.6	3.6
Inflation																
CPI Trimmed Mean	1.2	1.0	1.2	0.8	0.9	0.8	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6
(% y/y)	6.5	5.8	5.1	4.2	3.8	3.6	3.2	3.1	2.9	2.8	2.7	2.6	2.6	2.5	2.5	2.5
CPI Headline	1.4	0.8	1.2	0.6	0.8	0.8	0.8	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6
(% y/y)	7.0	6.0	5.4	4.1	3.5	3.5	3.0	3.1	3.1	3.0	2.8	2.8	2.6	2.5	2.5	2.5

Source: ABS, NAB Economics. Quarterly percent change unless specified

Exchange Rate Forecasts

	18-Apr	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
Majors						
AUD/USD	0.640	0.65	0.67	0.69	0.71	0.72
NZD/USD	0.59	0.60	0.61	0.62	0.64	0.65
USD/JPY	154.4	150	146	143	140	137
EUR/USD	1.06	1.07	1.09	1.11	1.13	1.14
GBP/USD	1.24	1.25	1.28	1.30	1.31	1.32
USD/CNY	7.24	7.24	7.20	7.15	7.10	7.00
USD/CAD	1.38	1.37	1.36	1.35	1.34	1.33
USD/CHF	0.91	0.91	0.89	0.87	0.86	0.85

Australian Cross Rates

	18-Apr	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
AUD/NZD	1.09	1.08	1.10	1.11	1.11	1.11
AUD/JPY	98.7	98	98	99	99	99
AUD/EUR	0.60	0.61	0.61	0.62	0.62	0.63
AUD/GBP	0.52	0.52	0.52	0.53	0.54	0.55
AUD/CNY	4.63	4.71	4.82	4.93	5.01	5.04
AUD/CAD	0.88	0.89	0.91	0.93	0.94	0.96
AUD/CHF	0.58	0.59	0.60	0.60	0.61	0.61

Interest Rate Forecasts

	18-Apr	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
Australian Rates						
RBA cash rate	4.35	4.35	4.35	4.10	3.85	3.60
3 month bill rate	4.36	4.25	4.14	3.97	3.81	3.56
3 Year Swap Rate	4.03	4.05	3.90	3.70	3.50	3.60
10 Year Swap Rate	4.48	4.55	4.55	4.25	4.00	3.95
Offshore Policy Rates						
US Fed funds	5.50	5.50	5.25	5.00	4.50	4.25
RBNZ OCR	5.50	5.50	5.50	5.25	5.00	4.50
10-year Bond Yields						
Australia	4.25	4.30	4.30	4.05	3.80	3.75
United States	4.56	4.20	4.00	3.75	3.50	3.50
New Zealand	4.81	4.70	4.50	4.25	4.10	4.10

Global GDP

	2023	2024	2025	2026
Australia	2.1	1.3	2.2	2.3
United States	2.5	2.4	1.3	1.8
Eurozone	0.5	0.3	1.0	1.5
United Kingdom	0.1	0.3	0.8	1.2
Japan	1.9	0.3	0.6	0.6
China	5.2	4.5	4.8	4.5
India	7.7	6.6	6.2	6.4
New Zealand	0.6	0.3	2.7	3.0
World	3.3	2.9	3.0	3.1

Contacts

Markets Research

Skye Masters

Head of Research, Markets
+61 2 9295 1196
skye.masters@nab.com.au

Markets Economics

Tapas Strickland

Head of Market Economics
+61 2 9237 1986
tapas.strickland@nab.com.au

Taylor Nugent

Senior Economist
+61 3 8619 1008
taylor.nugent@nab.com.au

Foreign Exchange

Ray Attrill

Head of FX Strategy
+61 2 9293 7170
ray.attrill@nab.com.au

Rodrigo Catril

Senior FX Strategist
+61 2 9293 7109
rodrigo.h.catril@nab.com.au

Fixed Income

Kenneth Crompton

Senior Interest Rate Strategist
+61 2 9293 7132
Kenneth.crompton@nab.com.au

Michael Bush

Head of Credit Research
+61 3 8641 0575
michael.d.bush@nab.com.au

Evy Noble

Analyst, Credit Research
+61 2 7226 7336
evy.noble@nab.com.au

London/Europe

Gavin Friend

Senior Markets Strategist
+44 207 710 1588
gavin.friend@eu.nabgroup.com

Group Economics

Alan Oster

Group Chief Economist
+61 414 444 652
alan.oster@nab.com.au

Gareth Spence

Head of Australian Economics
+61 436 606 175
gareth.spence@nab.com.au

Tony Kelly

Senior International Economist
+61 477 746 237
antony.kelly@nab.com.au

Brody Viney

Senior Economist
+ 61 452 673 400
brody.viney@nab.com.au

Important Notice

This document has been prepared by National Australia Bank Limited ABN 12 004 044 937 AFSL 230686 ("NAB"). Any advice contained in this document has been prepared without taking into account your objectives, financial situation or needs. Before acting on any advice in this document, NAB recommends that you consider whether the advice is appropriate for your circumstances. NAB recommends that you obtain and consider the relevant Product Disclosure Statement or other disclosure document, before making any decision about a product including whether to acquire or to continue to hold it.

Please [click here](#) to view our disclaimer and terms of use.