

Markets Research

What to Watch



Week of 26 August 2024

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

- Not a big week for data or events with markets firmly focused on Jackson Hole and US Fed Chair Powell's speech which is on tonight
- In Australia the RBA Minutes for August contained little new information. Governor Bullock's push back on market pricing was repeated
- Importantly, the RBA Board is not being overly dogmatic in their guidance. The Minutes also noted: "members were alert to the possibility that labour demand could soften, perhaps quite rapidly"

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

- A lot of data in Australia, but none are likely to leave us any wiser in terms of the trajectory for the economy or rates. Monthly CPI Indicator (Wednesday) is for the first month of the quarter and is weighted to goods and gives little insight into services. We pencil in 3.4% y/y
- Australian pre-GDP partials of Construction Work Done (Wednesday) and Capex (Thursday), as well as July Retail Sales (Friday) will be looked at to glean the impacts of the recent tax cuts. Note CloudStrike outage hit in July
- US events are Durables (Tuesday), NVIDIA earnings (Wednesday), Jobless Claims (Thursday), and PCE (Friday). Jobless Claims and PCE spending the pick of the bunch given uncertainty on the activity side
- In Europe, the preliminary CPIs are on Friday, with the usual country data for Germany/Spain/Belgium out earlier on Thursday. No consensus is available at the time of publication
- In Asia, China has the 1yr Medium Term Lending Facility (Monday) with no change expected. Industrial Profits (Tuesday) are also out, but markets are likely to be more focused on the Official PMIs that are due out on the following Saturday (31 August). Japan has the Tokyo CPI on Friday.
- Finally in NZ, there is the ANZ Business Survey (Thursday) and Building Permits (Friday). Neither of these have consensus estimates.

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

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Key Markets

	Latest	% change	
		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	5.25	0.0	-25.0
Rates			
AU BBSY 3m	4.40	-1.5	-0.5
AU 3y swap	3.60	-4.1	-17.8
AU 3yr yield	3.55	-1.6	-5.6
AU 10yr yield	3.93	-0.4	-3.0
US 10yr yield	3.84	-4.0	-3.7
AU-US 10yr spread	8.2	3.6	0.7
Commodities		%	%
Iron ore	97	5.3	-23.7
Coal (thermal)	146.8	-2.2	0.2
Brent oil	77.3	-3.0	2.2
Gold	2492.5	-0.6	20.8
FX			
AUD/USD	0.6718	0.7	-1.4
USD (DXY)	101.37	-1.1	0.0
AUD/NZD	1.0920	0.9	-1.3
AUD crosses			
AUD/JPY	97.95	0.5	-1.9
AUD/CNY	4.7965	-0.4	1.0
AUD/EUR	0.6040	0.1	2.2
AUD/GBP	0.5125	0.5	4.4
Equities			
ASX 200	8023.9	0.7	5.7
ASX Resources	5289.3	0.9	-16.7
ASX Financials	8052.5	-0.1	19.9
US S&P 500	5570.6	0.5	16.8

Source: Bloomberg

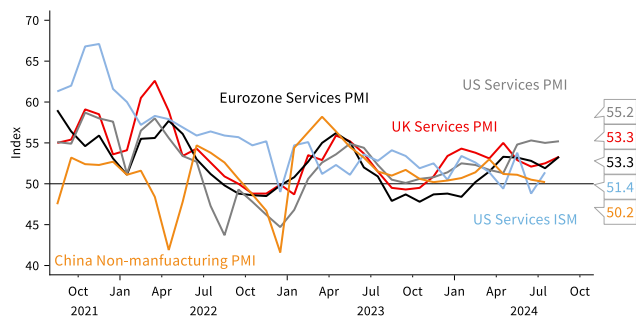
Week in review

Not a big week for data or events with markets firmly focused on Jackson Hole and US Fed Chair Powell’s speech which is on tonight. Fed speak over the past week have pointed to gradualism, while the FOMC Minutes teed up a September cut (“the vast majority observed that, if the data continued to come in about as expected, it would likely be appropriate to ease policy at the next meeting”). Markets have 31.6bps of cuts priced for September, broadly similar to last week.

The Global PMIs were on the positive side, especially for the US and UK. While European services activity jumped, it appeared this was partly due to a surge in French services activity related to the Olympics. Notwithstanding that, the services side of the global economy appears to be performing relatively well, in contrast to the manufacturing side.

One reason behind strength in services is that labour markets are holding up. US Jobless Claims remained low over the week, pushing back on concerns the labour market was slowing more rapidly. While there were downward revisions to US payrolls, it was largely as expected.

Global Services PMIs

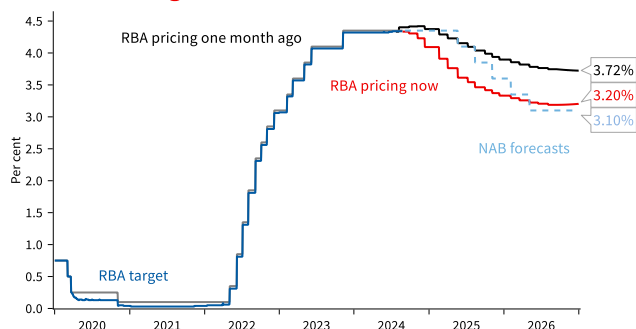


Source: National Australia Bank, Institute for Supply Management (ISM), China Federation of Logistics & Purchasing, Account in-house, Bloomberg, Macrobond

In Australia the RBA Minutes for August contained little new information. Governor Bullock’s push back on market pricing was repeated: “based on the information available at the time of the meeting, it was unlikely that the cash rate target would be reduced in the short term”.

Importantly, the RBA Board is not being overly dogmatic in their guidance. The Minutes note: “members were alert to the possibility that labour demand could soften, perhaps quite rapidly”. Of course, there is little evidence of labour demand softening. (see [AUS: RBA Minutes re-iterate the push back against near-term cuts](#)).

RBA Cash Pricing



Source: National Australia Bank, Macrobond

Week Ahead in Brief

A lot of data in **Australia**, but none are likely to leave us any wiser in terms of the trajectory for the economy or rates. The Monthly CPI Indicator (Wednesday) is for the first month of the quarter, and thus is heavily weighted to goods, and should be heavily discounted given it provides little insight into services inflation. Additionally, government energy subsidies are set to swing inflation heavily with monthly timing uncertain. NAB has pencilled in 3.4% y/y, but there is a large degree of uncertainty on timing of rebates, and airfares.

Pre-GDP partials of Construction Work Done (Wednesday) and Capex (Thursday) will help to update our views of Q2 GDP. NAB’s Q2 GDP forecast is for 0.2% q/q. The big unknown is consumption and a soft GDP number will contrast sharply to the already known 1.5% q/q rise in hours worked.

Also out are Retail Sales for July and Credit Stats (Friday). Retail Sales will be watched closely for any response to the recent tax cuts, but we will think this will be overshadowed by a retracement after recent strength driven by sales activity. The CrowdStrike outage also occurred in July and could have impacted the numbers.

Offshore, the wrap up from Jackson Hole tonight and Saturday will likely dominate the start of the week. We think Fed Chair Powell will tow a similar line to recent Fed commentary, guiding to gradual rate cuts.

US events for the week are Durables (Tuesday), NVIDIA earnings, and whose market cap now comprises some 6% of the S&P500 (Wednesday). Jobless Claims (Thursday) will remain front and centre given “some” FOMC members in the recent Minutes highlighted the “risk that a further gradual easing in labor market conditions could transition to a more serious deterioration”. PCE (Friday) the pick of the bunch, with likely more focus on the spending numbers.

In **Europe**, the preliminary CPIs are on Friday, with the usual country data for Germany/Spain/Belgium out earlier on Thursday. No consensus is available at the time of publication, though markets are likely to be sensitive to a miss in either direction. Markets are pricing an 87% chance of an ECB September rate cut. It is very quiet in the **UK** with no top-tier data of note with Summer Holidays still in full swing.

In Asia, **China** has the 1yr Medium Term Lending Facility (Monday) with no change expected. Industrial Profits (Tuesday) are also out, but markets are likely to be more focused on the Office PMIs that are due out on the following Saturday (31 August). **Japan** has the Tokyo CPI on Friday along with the usual monthly data flow.

Finally in **NZ**, there is the ANZ Business Survey (Thursday) and Building Permits (Friday). Neither of these have consensus estimates.

Important Events Preview

Selection of key data. full calendar below.

Monday 26

CH 1yr Medium Term Lending Facility

No change expected.

GE German IFO

The disappointing August flash PMIs have already foreshadowed a downbeat survey read. The survey has become less market moving given the PMIs are released a few days prior to the IFO.

US Durable goods

Consensus is for core durables to rise 0.1% m/m.

Tuesday 27

CH Industrial profits

US Consumer Confidence (Conference Board)

Consensus for consumer confidence is for it to be little changed at 100.0.

Wednesday 28

AU Monthly CPI Indicator, Construction

The Monthly CPI Indicator is more likely to be noise than signal given it is set to be buffeted by government subsidies. It is also the first month of the quarter which is more goods heavy and has less coverage of services.

NAB has pencilled in 3.4% y/y. which is one-tenth below the consensus of 3.5%. We see risks as being centred around the forecasts. The key uncertainties this month surrounds the monthly timing of the energy subsidies:

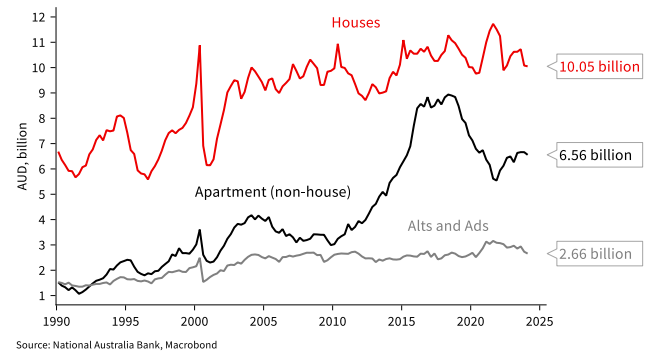
- Nationwide households are receiving \$300 off their energy bill for the year. Energy retailers are guiding most households will receive their bill relief payments automatically from their electricity provider in quarterly instalments of \$75 on their electricity bill from 31 July, 31 October, 31 January, and 30 April.
- This means most of the effect of the federal government’s energy bill relief will be felt in August and September. The government had guided that the relief would lower energy bills by 17% on average compared to the prior year and thus lower headline inflation over the year by around ½ per cent.
- QLD and WA are also providing further energy relief with QLD’s payment the bigger driver this month. QLD is giving households \$1,000, which is credited from 1 July 2024. WA is also giving an extra \$400 in two instalments from 20 July and 7 December.

Of the major components of the goods-heavy first month which we have indicators for, we think rents rose 0.6%

m/m, new dwelling construction costs up 0.4% m/m, and we have pencilled in flat holiday travel and accommodation despite a normal seasonal rise.

As for Construction Work Done, it is a pre-GDP partial and we expect it to rise 0.1% q/q. Key themes remain with the backlog of housing being worked through, while non-residential construction remains strong.

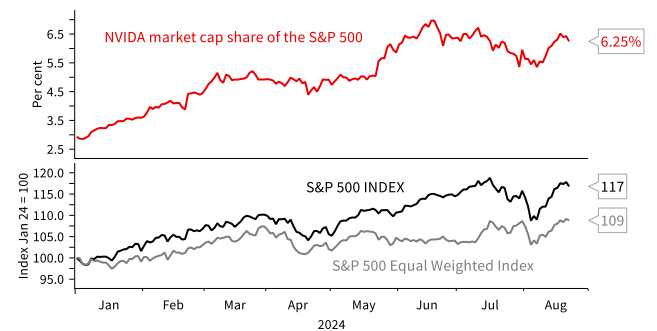
Private Residential Construction Work (Chain Volume)



US NVIDIA earnings; Fed’s Bostic

Given NVIDIA’s share of the S&P500, earnings may be important for the direction of risk sentiment. Key will be the outlook for Blackwell chip shipments after they had been reported to be facing delays of up to three months.

NVIDIA and the S&P 500



Thursday 29

NZ ANZ Business Survey

AU Capex

One of the pre-GDP partials and where the ‘equipment, plant & machinery’ line feeds directly into Q2 GDP. NAB expects this to rise 0.1% q/q. The survey also contains expectations for future spend.

EZ Regional CPIs – Germany, Spain

Ahead of the wider Eurozone measure, country level CPIs are in for Germany, Spain and Belgium.

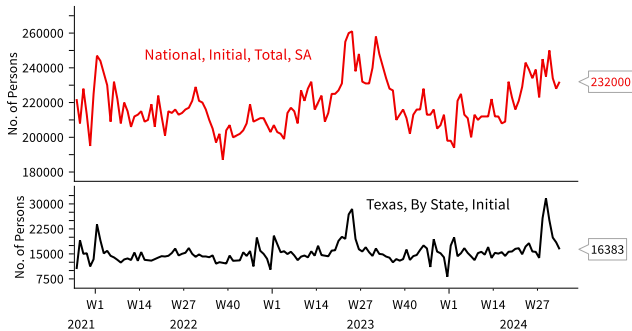
US Jobless Claims, Trade, Second read on Q2 GDP

We expect markets to remain sensitive to Jobless Claims given the Fed’s pivot to looking more at the employment side of their mandate. As noted in the recent FOMC Minutes:

“a majority of participants remarked that the risks to the employment goal had increased” and that “some participants noted the risk that a further gradual easing in labor market conditions could transition to a more serious deterioration”.

No consensus for Jobless Claims is available at the time of publication, but claims overall have ticked back from their elevated levels of prior weeks. Hurricane activity in Texas was one factor behind the prior spike.

United States, Unemployment, Jobless Claims



Source: National Australia Bank, U.S. Department of Labor, Macrobond

Friday 30

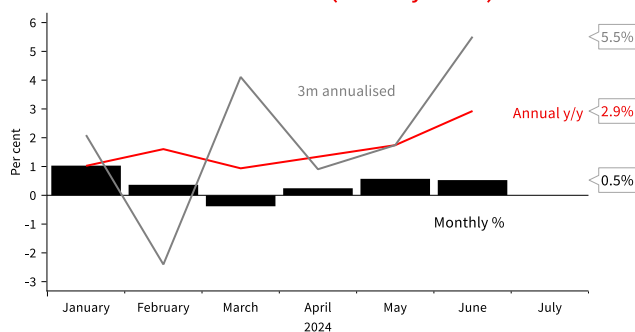
AU Retail Sales (July), Credit

NAB has pencilled in growth of 0.0% m/m for Retail Sales, which is weaker than the consensus of 0.3% m/m. Our final outcome is broadly in line with insights from our transactions data ([NAB Monthly Data Insights – July 2024](#)).

Retail Sales has grown solidly over the past few months and the Statistician has previously attributed this to a pickup in sales activity ahead of the end of financial year. An easing back in sales activity should see growth ease.

Apart from an easing in sales activity, another reason to expect a subdued read is from possible impacts from the CrowdStrike outage which occurred later in July. These two effects may overshadow the tax cut impact in July.

Australian Retail Sales Growth (Monthly Value)



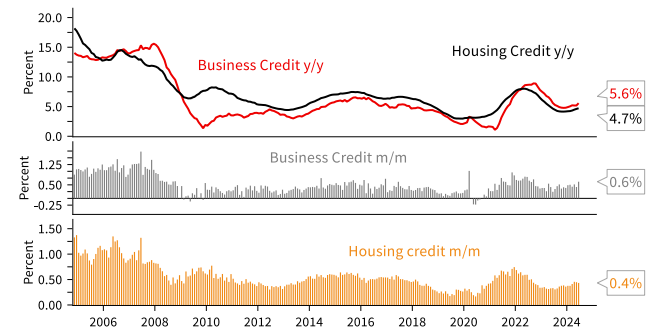
Source: National Australia Bank, ABS

As for Credit, we previously limited our coverage of this data given limited implications from slow moving m/m changes. However, the recent RBA Minutes had pointed to the lift in business credit growth as one reason why financial conditions may be less tight:

“Members noted that financial conditions appeared to have eased modestly, as housing prices and credit growth had picked up and bond yields had declined” [RBA Minutes August](#)

Accordingly, we will start to focus a little more on this indicator. We expect credit growth to be 0.5% m/m, which is in line with the consensus.

Australia Credit Growth



Source: National Australia Bank, Reserve Bank of Australia, Macrobond

NZ Building Permits

JN Tokyo CPI, Unemployment, Retail Sales

Tokyo CPI for August is the pick of the indicators with core inflation still expected to be relatively soft at 1.4% y/y from 1.5%. The Jobless Rate is expected to be unchanged at 2.5% y/y.

EZ CPI, Unemployment

No consensus at time of publication for CPI. We think Core and Services inflation in August likely didn't move far from their prior 2.9% y/y and 4% y/y respective levels.

As for Headline, we look for it to ease a few tenths from 2.6% y/y in July towards 2% over the next two months. We caution this likely won't last and the headline rate will rise back towards 3% by year-end.

Given current drivers we expect markets to focus on the lower headline outcome which supports an ECB rate cut in September. Markets are pricing in an 87% chance of a September rate cut.

CA GDP

US PCE, Final-Uni Mich Cons Sentiment, Chicago PMI

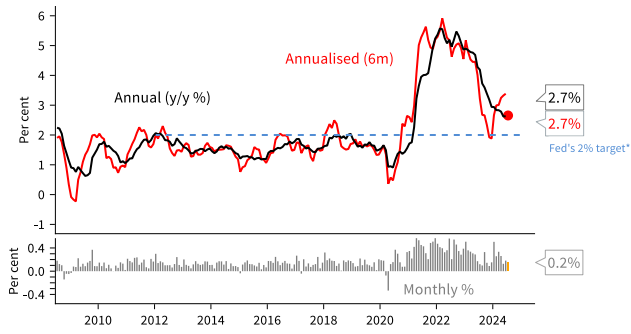
While the PCE deflator normally gets top billing, the personal spending numbers are likely to garner more attention given uncertainties around the growth outlook, and more confidence on the inflation outlook.

Consensus sees a solid month for personal spending of 0.5% m/m (from 0.3% m/m previously). If realised this would be another sign of resilience. As for the PCE deflator, consensus sees core at 2.7% y/y, from 2.6% y/y.

Such an outcome should lend support for the majority view in the FOMC that *“recent data had increased their confidence that inflation was moving sustainably toward 2 percent”*, while also pushing back on the need for an aggressive rate cut cycle.

Markets currently price a 26% chance of a supersized 50bp rate cut in September, but are pricing a relatively fast rate cut profile with a cumulative 210bps of cuts over the next ten meetings (or around ten 25bp rate cuts).

US - Core PCE Inflation



Source: National Australia Bank, U.S. Bureau of Economic Analysis (BEA), Federal Reserve, Macrobond

Weekly Calendar of Economic Releases

Date	Time	Count	Event	Period	Consensus	NAB	Previous
Monday, 26 August	11:20 AM	CH	1-Yr Medium-Term Lending Facility Rate	Aug 26	2.30		2.3
	3:00 PM	JN	Leading Index CI	Jun F	--		108.60
	5:30 PM	SW	Riksbank minutes from August meeting published	--	--		--
	6:00 PM	GE	IFO Business Climate	Aug	--		87.00
	10:00 PM	CA	Bloomberg Nanos Confidence	Aug 23	--		53.37
	10:30 PM	US	Durables Ex Transportation	Jul P	0.1%		0.4%
	10:30 PM	US	Cap Goods Orders Nondef Ex Air	Jul P	0.1%		0.9%
	12:30 AM	US	Dallas Fed Manf. Activity	Aug	--		-17.5%
Tuesday, 27 August	9:50 AM	JN	PPI Services YoY	Jul	2.9%		3.0%
	11:30 AM	CH	Industrial Profits YoY	Jul	--		3.6%
	4:00 PM	GE	GDP SA QoQ	2Q F	--		-0.1%
	8:00 PM	UK	CBI Total Dist. Reported Sales	Aug	--		-30.0
	8:45 PM	EC	ECB's Knot Speaks	--	--		--
	11:00 PM	US	S&P CoreLogic CS 20-City YoY NSA	Jun	--		6.8%
	12:00 AM	EC	ECB's Nagel Speaks	--	--		--
	12:00 AM	US	Conf. Board Consumer Confidence	Aug	100.00		100.3
Wednesday, 28 August	12:00 AM	US	Richmond Fed Manufact. Index	Aug	--		-17.0
	12:30 AM	US	Dallas Fed Services Activity	Aug	--		-0.1
	8:45 AM	NZ	Filled Jobs SA MoM	Jul	--		-0.1%
	11:30 AM	AU	Construction Work Done	2Q	0.5%		-2.9%
	11:30 AM	AU	CPI YoY	Jul	3.4%		3.8%
	11:30 AM	AU	CPI Trimmed Mean YoY	Jul	--		4.1%
	4:00 PM	GE	GfK Consumer Confidence	Sep	--		-18.4
	6:00 PM	EC	M3 Money Supply YoY	Jul	--		2.2%
Thursday, 29 August	9:00 PM	US	MBA Mortgage Applications	Aug 23	--		-10.1%
	10:15 PM	UK	BOE's Mann Speaks in Frankfurt	--	--		--
	8:00 AM	US	Fed's Bostic Speaks on Economic Outlook	--	--		--
	11:00 AM	NZ	ANZ Activity Outlook	Aug	--		16.3%
	11:30 AM	AU	Private Capital Expenditure	2Q	1.0%		1.0%
	2:00 PM	EC	EU27 New Car Registrations	Jul	--		4.3%
	7:00 PM	EC	Services Confidence	Aug	--		4.8
	7:00 PM	EC	Industrial Confidence	Aug	--		-10.5
Friday, 30 August	7:00 PM	EC	Economic Confidence	Aug	--		95.8
	7:15 PM	EC	ECB's Lane Speaks on Panel in Frankfurt	--	--		--
	9:00 PM	CA	CFIB Business Barometer	Aug	--		55.40
	10:00 PM	GE	CPI EU Harmonized YoY	Aug P	--		2.6%
	10:30 PM	CA	Current Account Balance	2Q	--		-5.4
	10:30 PM	CA	Payroll Employment Change - SEPH	Jun	--		41.0
	10:30 PM	US	GDP Annualized QoQ	2Q S	2.8%		2.8%
	10:30 PM	US	Wholesale Inventories MoM	Jul P	--		0.2%
	10:30 PM	US	Retail Inventories MoM	Jul	--		0.9%
	10:30 PM	US	Initial Jobless Claims	Aug 24	232.00		232.0
	10:30 PM	US	Continuing Claims	Aug 17	1870.00		1863.0
	12:00 AM	US	Pending Home Sales MoM	Jul	--		4.8%
	3:00 AM	EC	ECB's Nagel Speaks in Frankfurt	--	--		--
	5:30 AM	US	Fed's Bostic Gives Intro to Fed, Economic Outlook	--	--		--
	8:00 AM	NZ	ANZ Consumer Confidence Index	Aug	--		87.9
	8:45 AM	NZ	Building Permits MoM	Jul	--		-13.8%
9:30 AM	JN	Jobless Rate	Jul	2.5%		2.5%	
9:30 AM	JN	Tokyo CPI Ex-Fresh Food, Energy YoY	Aug	1		1.5	
9:50 AM	JN	Industrial Production MoM	Jul P	3.6%		-4.2%	
9:50 AM	JN	Retail Sales YoY	Jul	2.8%		3.7%	
9:50 AM	JN	Industrial Production YoY	Jul P	2.7%		-7.9%	
11:30 AM	AU	Retail Sales MoM	Jul	0.3%		0.5%	
11:30 AM	AU	Private Sector Credit YoY	Jul	--		5.6%	
4:00 PM	UK	Nationwide House PX MoM	Aug	--		0.3%	
4:45 PM	FR	CPI EU Harmonized YoY	Aug P	--		2.7%	
5:05 PM	EC	ECB's Schnabel Speaks in Tallinn	--	--		--	
5:35 PM	EC	ECB's Schnabel, Rehn, Kazaks, Simkus, Muller on Panel	--	--		--	
5:55 PM	GE	Unemployment Change (000's)	Aug	--		18.0	
7:00 PM	EC	CPI MoM	Aug P	--		0.0%	
7:00 PM	EC	CPI Core YoY	Aug P	2.9%		2.9%	
10:30 PM	CA	Quarterly GDP Annualized	2Q	1.8%		1.7%	
10:30 PM	CA	GDP MoM	Jun	0.1%		0.2%	
10:30 PM	US	Personal Income	Jul	0.2%		0.2%	
10:30 PM	US	Personal Spending	Jul	0.5%		0.3%	
10:30 PM	US	Core PCE Price Index YoY	Jul	2.7%		2.6%	
11:45 PM	US	MNI Chicago PMI	Aug	--		45.3	
12:00 AM	US	U. of Mich. Sentiment	Aug F	67.80		67.8	
Saturday, 31 August	11:30 AM	CH	Manufacturing PMI	Aug	49.2%		49.4%
	11:30 AM	CH	Non-manufacturing PMI	Aug	50.00		50.2
Upcoming Central Bank Interest Rate Announcements							Current
	Sep 24	Australia, RBA				4.35	
	Sep 19	UK, BOE				5.00	
	Sep 18	US, Federal Reserve (Upper Bound)				5.50	
	Oct 9	New Zealand, RBNZ				5.25	
	Sep 4	Canada, BoC				4.50	
	Sep 12	Europe, ECB				3.75	
	Sep 20	Japan, BoJ				0.25	

Sydney Time. Dates reflect 24 hours from 7am

Forecasts Table

For NAB Economics Latest Forecast Update, see: [Slow growth and further gradual progress on inflation](#)

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	0.2	0.5	0.0	0.3	0.4	0.5	0.4	0.6	0.6	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Dwelling Investment	-0.2	0.6	0.2	-3.6	-0.5	0.1	-0.8	0.6	0.3	0.4	0.4	0.5	0.5	0.6	0.6	0.7
Underlying Bus. Investment	4.5	2.2	0.9	1.4	-1.3	0.2	-0.2	0.1	0.5	0.6	0.5	0.6	0.5	0.4	0.4	0.4
Public Final Demand	0.7	2.3	1.3	0.4	0.6	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Domestic Final Demand	0.7	1.1	0.6	0.3	0.2	0.5	0.4	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5
(% y/y)	2.7	2.8	3.0	2.8	2.3	1.7	1.4	1.7	2.1	2.1	2.2	2.1	2.0	2.0	2.0	2.0
Inventories	(contr) 0.1	-1.0	0.3	-0.3	0.7	-0.3	-0.2	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Net Exports	(contr) -0.4	0.5	-0.7	0.4	-0.9	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1
Gross Domestic Product	0.6	0.4	0.2	0.3	0.1	0.2	0.3	0.6	0.7	0.6	0.5	0.5	0.5	0.5	0.5	0.5
(% y/y)	2.3	1.9	2.1	1.6	1.1	0.9	0.9	1.2	1.7	2.1	2.3	2.3	2.2	2.1	2.1	2.1
Labour Market																
Employment	0.8	0.9	0.6	0.8	0.5	0.8	0.4	0.3	0.3	0.4	0.5	0.4	0.4	0.4	0.5	0.4
Unemployment Rate	(%) 3.6	3.6	3.7	3.9	3.9	4.1	4.3	4.5	4.6	4.6	4.6	4.6	4.6	4.5	4.5	4.4
WPI Wages	1.0	0.8	1.3	1.0	0.9	0.8	1.1	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
(% y/y)	3.7	3.6	4.0	4.2	4.1	4.1	3.8	3.7	3.7	3.8	3.5	3.4	3.4	3.3	3.3	3.2
Inflation																
CPI Trimmed Mean	1.2	0.9	1.2	0.8	1.0	0.8	0.8	0.7	0.7	0.7	0.6	0.7	0.6	0.6	0.6	0.6
(% y/y)	6.5	5.8	5.1	4.1	4.0	3.9	3.5	3.5	3.1	2.9	2.8	2.7	2.6	2.6	2.5	2.4
CPI Headline	1.4	0.8	1.2	0.6	1.0	1.0	0.3	0.6	0.7	0.7	0.9	0.6	0.6	0.6	0.6	0.6
(% y/y)	7.0	6.0	5.4	4.1	3.6	3.8	2.9	3.0	2.7	2.4	3.0	3.0	2.9	2.8	2.5	2.4

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

Exchange Rate Forecasts						
	22-Aug	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
Majors						
AUD/USD	0.672	0.67	0.69	0.71	0.72	0.74
NZD/USD	0.62	0.61	0.62	0.64	0.65	0.66
USD/JPY	145.6	146	143	140	137	134
EUR/USD	1.11	1.09	1.11	1.13	1.14	1.16
GBP/USD	1.31	1.28	1.30	1.31	1.32	1.34
USD/CNY	7.14	7.20	7.15	7.10	7.00	6.90
USD/CAD	1.36	1.36	1.35	1.34	1.33	1.32
USD/CHF	0.85	0.89	0.87	0.86	0.85	0.84

Global GDP				
	2023	2024	2025	2026
Australia	2.0	1.0	2.1	2.1
United States	2.5	2.2	1.4	1.8
Eurozone	0.6	0.8	1.2	1.4
United Kingdom	0.1	1.1	0.9	1.2
Japan	1.8	-0.2	0.7	0.7
China	5.2	4.7	4.6	4.4
India	7.7	6.6	6.2	6.4
New Zealand	0.6	0.2	2.5	3.1
World	3.2	3.0	3.0	3.1

Australian Cross Rates						
	22-Aug	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
AUD/NZD	1.09	1.10	1.11	1.11	1.11	1.12
AUD/JPY	97.8	98	99	99	99	99
AUD/EUR	0.60	0.61	0.62	0.62	0.63	0.64
AUD/GBP	0.51	0.52	0.53	0.54	0.55	0.55
AUD/CNY	4.80	4.82	4.93	5.01	5.04	5.11
AUD/CAD	0.91	0.91	0.93	0.94	0.96	0.98
AUD/CHF	0.57	0.60	0.60	0.61	0.61	0.62

Interest Rate Forecasts						
	22-Aug	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
Australian Rates						
RBA cash rate	4.35	4.35	4.35	4.35	4.10	3.85
3 month bill rate	4.35	4.40	4.35	4.22	3.98	3.74
3 Year Swap Rate	3.60	3.95	3.80	3.70	3.60	3.45
10 Year Swap Rate	4.05	4.50	4.40	4.40	4.35	4.25
Offshore Policy Rates						
US Fed funds	5.50	5.00	4.50	4.00	3.50	3.00
RBNZ OCR	5.25	5.25	4.75	4.50	4.00	3.50
10-year Bond Yields						
Australia	3.93	4.25	4.20	4.20	4.15	4.05
United States	3.84	4.25	4.10	4.00	3.90	3.80
New Zealand	4.20	4.55	4.45	4.40	4.35	4.30

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