

Markets Research

What to Watch



Week of 17 February 2025

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

- Locally, it was quiet apart from the NAB Business Survey and Westpac Consumer Confidence
- Uncertainty over US trade policy continues. A 25% tariff on steel and aluminium was announced. Further product specific products have been flagged and a study into reciprocal tariffs ordered
- US Fed Chair Powell in testimony said he thought “the neutral rate has risen meaningful and “many of my colleagues on the FOMC” also do. Note the December dots showed a cluster who pencilled neutral at 3.5-4.0%.

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

- NAB sees a February rate cut as more likely than a hold on Tuesday, but it is a closer call than market pricing near of 90%. There are new forecasts and a press conference on Tuesday, and the Governor appears with colleagues in front of the House on Friday.
- Following the RBA meeting and forecast update, Q4 Wages are expected up 0.8% q/q on Wednesday. The unemployment rate is seen ticking higher to 4.1% on Thursday but look for any influence of more than usual people waiting to start work, which drove a temporary increase in the last two Januarys and suggests a change to seasonal patterns.
- Offshore the Munich security conference, which ends on Sunday, could create weekend headlines.
- It is a quieter data calendar next week in the US and Monday is the President’s Day holiday, but tariff headlines will remain a focus. FOMC Minutes are out Wednesday, and there are several Fed speakers during the week.
- Global PMIs are published Friday. In the UK, labour market data including Wages on Tuesday, and January CPI is Wednesday.
- Japan gets Q4 GDP Monday and national inflation Friday. It is a quiet week for data in China

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

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Key Markets

	% change		
	Latest	week	YTD
Cash rates			
RBA Cash Rate	4.35		
US Fed Funds	4.50		
RBNZ Cash Rate	4.25		
Rates			
		<i>bps</i>	<i>bps</i>
AU BBSY 3m	4.23	-3.1	-23.7
AU 3y swap	3.81	3.4	2.9
AU 3yr yield	3.84	5.4	1.4
AU 10yr yield	4.42	6.0	5.5
US 10yr yield	4.53	3.6	-3.8
AU-US 10yr spread	-11.4	2.4	9.3
Commodities			
		%	%
Iron ore	108	1.6	7.9
Coal (thermal)	104.3	-4.3	-16.7
Brent oil	75.2	0.7	1.3
Gold	2930.2	2.4	11.6
FX			
AUD/USD	0.6319	0.7	2.1
USD (DXY)	107.18	-0.8	-1.2
AUD/NZD	1.1116	-0.3	-0.5
AUD crosses			
AUD/JPY	96.45	-1.5	0.9
AUD/CNY	4.6042	-0.7	-2.0
AUD/EUR	0.6046	0.4	-1.1
AUD/GBP	0.5034	0.5	-1.8
Equities			
ASX 200	8555.8	0.5	4.9
ASX Resources	5455.5	0.8	5.8
ASX Financials	9213.0	0.9	6.9
US S&P 500	6115.1	0.5	4.0

Source: Bloomberg

Week in Review

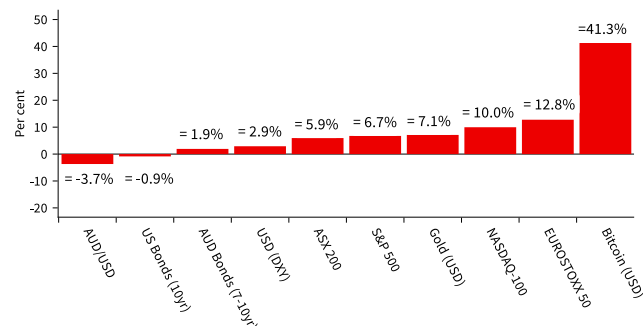
Locally, it was quiet apart from the NAB Business Survey and Westpac Consumer Confidence. Business conditions continue to be divergent across states with conditions above average in QLD, around average in NSW, but flat in VIC, SA and WA. The profitability sub-index was soft, reinforcing perceptions that firms are finding it harder to pass on still elevated cost growth to consumers (see [NAB Business Survey Jan-25 - Confidence rises amid a softening in conditions](#)).

Offshore, uncertainty over US trade policy continues. A 25% tariff on steel and aluminium was announced early in the week. Further product specific products have been flagged for pharma, cars, and tech. While a study into reciprocal tariffs has been ordered – i.e. adjusting tariff rates to match duties/barriers imposed by other countries.

Markets though appear to be becoming less reactive to tariff headlines. It is also still unclear to what extent tariffs prove to be inflationary and the impact on activity. Two notes published this week by NAB explore what tariffs could mean for the Fed, as well as potential implications for Australia (see: [Macro Thematic: Tariffs and what it could mean for the Fed](#) and [Macro Thematic: Tariffs and the stakes for Australia](#)).

Other important headlines during the week include hopes of a US-brokered truce between Russia and Ukraine. European equities were buoyed and since Trump was elected the Eurostoxx50 has risen almost 13%. Truce hopes also played out in FX with EUR up 1.4% on the week to 1.0467. Despite truce hopes, gold continues its rise, up 2.3% to \$2,927.

Asset Returns Since Trump Was Elected



Source: National Australia Bank, Bloomberg

Other events in the week were US Fed Chair Powell's Testimony, US CPI and PPI. While Powell's remarks were close to his post-FOMC remarks, he did note he thought "the neutral rate has risen meaningful and "many of my colleagues on the FOMC" also do. Note the December dot plot showed a significant cluster with a long-run dot between 3.5-4.0%, and another cluster around 3%; Powell seems to be in the 3.5-4.0% camp.

As for US CPI, this printed hotter than expected, but not for the PPI components that feed into the Fed's preferred core PCE measure. Most mappings suggest a Core PCE print of 0.3% m/m and 2.6% y/y. US yields did a round trip following the two data points. The US 10yr currently is around 4.53%. though on the week is up 9.5bps following last Friday's Payrolls. The AUD is also up 0.7% to 0.6317, broadly in line with USD weakness with the DXY -0.6%. Looking to the RBA on Tuesday, markets are around 90% priced for a 25bp cut.

Week Ahead

It is a full week in **Australia**. The RBA meeting and forecast update is expected to see a first cut, after rates had been on hold since November 2023. The timing isn't ideal, with important Q4 wages data on Wednesday and Employment data on Thursday following in the days after the meeting. RBA leadership is quizzed in front of the House economics committee on Friday.

From the **RBA**, NAB sees a cut as more likely than not, though we are less convinced than market pricing near 90%. Good news on inflation in the last few months means the door to a cut is open, but a resilient labour market and an outlook for a pickup in activity do not create any urgency and there remains some value in waiting to get a better sense of the trajectory of the labour market and the extent of the pickup in consumption.

The unemployment rate is expected to tick up to 4.1% from 4.0%, but watch for seasonal shifts, with a higher number of people attached to a job they have not yet started a feature of the last couple of Januarys and reflective of shifting hiring patterns.

In **NZ**, the RBA on Wednesday is the focus. BNZ expects the RBNZ to lower its cash rate by 50 basis points to 3.75%. Such a cut is the widely held consensus view and markets are pricing a 50-point cut as all but a done deal. Before the RBNZ, the PSI is Monday and household inflation expectations are Tuesday.

Offshore, the Munich Security Conference comes to end on Sunday. The **US** data calendar is comparatively quiet following retail sales this evening, though tariff headlines will continue to be watched closely. There are also a number of Fed speakers scheduled, including Waller at 10am Sydney time on Tuesday. The January FOMC Minutes are published Wednesday. Note Monday is the President's Day holiday

Preliminary PMIs are in focus Friday. The focus will be on whether the recent recovery in the US manufacturing PMI is sustained and whether the convergence in services activity that has seen **Europe** improve as the US expansion pace slowed sustains.

It is a busy **UK** calendar data calendar as well. Labour market data is published. Wages growth increased in November and there is a risk that extends in December, but the outlook is still for moderation through 2025. Unemployment may tick up again to 4.5%. The same day, Governor Bailey speaks in a fireside chat in Brussels. January CPI (Wednesday) looks set to rise to 2.8% y/y from 2.5% on a headline basis thanks to private school fee tax changes, energy costs and a reversal higher in air fares.

In **Japan**, GDP data is published Monday and seen up 0.3% q/q in Q4. CPI is published Friday. It is a quiet data calendar in **China**, with Loan Prime Rates seen steady for a fourth consecutive month on Thursday.

Important Events Preview

Selection of key data. Full calendar below.

Sunday 16

US/EZ Munich Security Conference

The Munich Security Conference comes to end on Sunday. Over the past few days hopes have been building of a US-brokered truce between Russia and Ukraine. Momentum is being driven by the US, but it is unclear how quickly any deal will be agreed to. Either way a peace deal sometime in 2025 is looking more promising.

Monday 17

NZ Performance of Services Index

JN Q4 GDP

Japanese Q4 GDP is seen up 0.3% q/q, a similar pace to Q3. Some volatility under the surface could see drivers shift away from consumption, expected to pull pack a little after strength in Q4, toward business spending, which is seen bouncing back from a softer Q3.

US Public Holiday (Presidents Day), Fed's Bowman

Cash bond and equity markets are closed.

Tuesday 18

AU RBA meeting and SoMP update

NAB sees a February rate cut as more likely than a hold, but it is a closer call than market pricing near 90%. The post meeting statement and Governor Bullock in the press conference are likely to be noncommittal about the path forward.

Since the November SoMP forecasts, the RBA has realised a downside surprise to growth in Q3 GDP, a downside surprise to wages in Q3 WPI, a sharp downside surprise to the unemployment rate, and a more benign Q4 inflation outcome. That is a complicated picture as the RBA staff update their SoMP forecasts.

While inflation data since the November meeting gives the Board the option to begin to moderate policy from modestly restrictive levels, the broader macro backdrop does not create any urgency to move. There remains some option value in waiting to get a better handle on the trajectory of the labour market and the extent of the pickup in activity growth. By April, the RBA would have 2 more unemployment prints, Q4 GDP, Q4 WPI, and the February CPI Indicator. By May, the RBA would have Q1 CPI and an additional 2 employment prints.

For the RBA to cut, the RBA will likely need to reassess what levels of underutilisation are consistent with full employment to remain comfortable on the inflation

trajectory beyond flowing through the recent CPI data into their near-term forecasts.

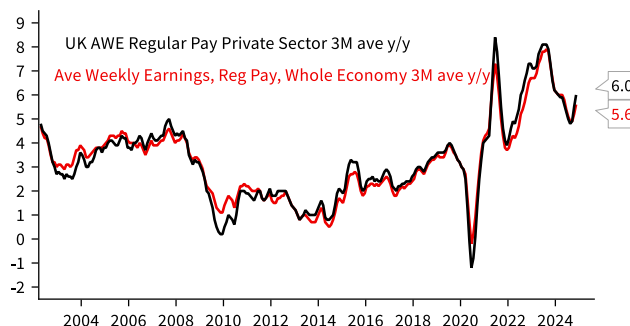
NAB pencils in a gradual cutting cycle that extends to 100bp of cuts over 2025 and an ultimate terminal rate of 3.1%. That is supported by an assessment that current labour market conditions are not a source of meaningful inflationary pressure and a forecast for modest further cooling in the labour market. That benign outlook supports ongoing gradual policy normalisation to support a recovery in growth and minimise labour market spare capacity, but it equally does not create urgency to move quickly. [NAB Monetary Policy Update: The RBA to gradually ease from February](#)

UK Labour Market Data, BoE's Bailey

Earnings recorded a jump in the November release, with headline regular (ex-bonus) pay at 5.6% 3M y/y and the in-focus private sector measure rising to 6% 3m y/y. These rises were thought to contain an element of catch-up to other surveys. There is a risk this process continues into the December release with headline earnings rising to 5.9% and private sector wages increasing to 6.3%. Looking forward and with various employment surveys pointing to a gradual moderation in pay in 2025 as Budget measures hit, we expect earnings to ease gradually lower over the coming year, consistent with the BoE's 2025 private sector earnings forecast of 3.75%. Unemployment likely ticked up to 4.5% from 4.4% while vacancies fell.

Meanwhile BoE Governor Bailey is speaking in a fireside chat in Brussels.

UK Wages



Source: National Australia Bank, Bloomberg, Macrobond

CA CPI (January)

With the prospect of tariffs front and centre, it is likely short-term macro data take more of a backseat unless it prints well wide of expectations. Consensus expects Core Median at 2.4% y/y and Trimmed Mean at 2.6%.

Wednesday 19

AU Q4 Wages

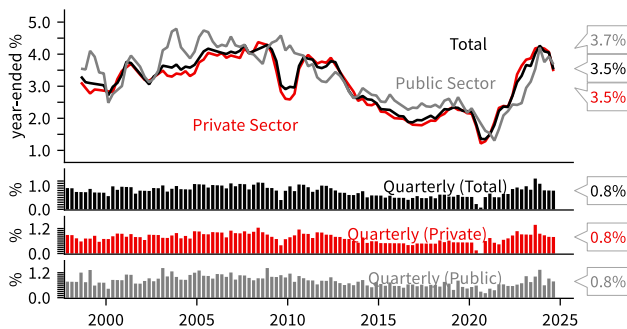
We expect Q4 WPI growth of 0.8% q/q and 3.2% y/y. Wages pressures have moderated from their peaks as the labour market has rebalanced from its post-pandemic tights, even as the unemployment rate remains low.

Beyond the evolution of underlying wage pressures. Base effects have driven a more noticeable deceleration in

year-ended rates. Wages growth peaked at 4.3%, slowed to 3.5% in Q3, and is expected to fall further to 3.2% in Q4. Higher award wage increases and a large pay rise for aged care workers drove a spike in Q3 2023 wage growth that dropped out of the calculation last quarter. A higher share of public sector workers getting pay rises and catch up increases associated with newly agreed enterprise agreements drove a strong outcomes in Q4 2023 and is expected to drop out of the year-ended calculation this quarter, though there is some upside risk if the higher prevalence of Q4 pay rises for public sector workers repeats.

Looking forward, with the labour market remaining healthy and collective agreements continuing to embed average wage increases near 4%, we don't expect wages growth pressures to moderate sharply from here. Also note that further pay level adjustments for aged care workers and childcare workers will be measured in the next quarter. We expect those pay adjustments will add a cumulative 0.25-0.5ppt to overall WPI with most impact in Q1 2025, with some impact in Q4 2025 and Q1 2026.

Wage Price Index by Sector



Source: National Australia Bank, ABS

NZ RBNZ meeting

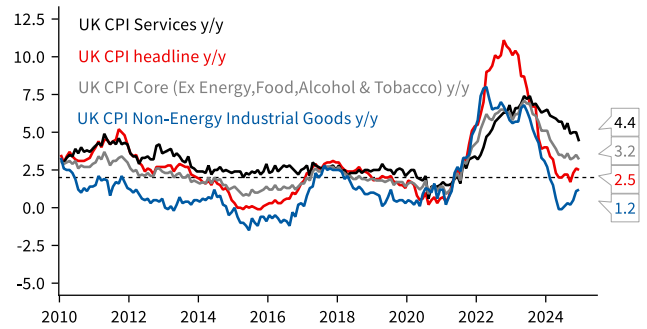
BNZ expects the RBNZ to lower its cash rate by 50 basis points to 3.75%. Such a cut is the widely held consensus view and markets are pricing a 50-point cut as all but a done deal. It would be a massive surprise if the RBNZ did anything but deliver.

Besides the expected cut, the big interest for markets is what the Bank will intimate about its future rate track. We think the RBNZ will project further rate reduction and a quicker decline than published in its November MPS. To start with, if it goes 50 it will already be a bigger drop than the Bank's model delivered previously. We anticipate a projected OCR low of around 3.0% will be repeated.

UK January CPI

The UK inflation report for January is likely to make uncomfortable reading, extending the recent rise in the headline rate closer to 3%, while the recent slowdown in core and services measures will more than reverse. Headline CPI looks set to rise to 2.8% y/y from 2.5% thanks to private school fee tax changes, energy costs and a reversal higher in air fares. Core CPI will rise to 3.6% y/y from 3.2%, while services prices will rebound to 5.2% y/y from 4.4%. The headline measure will rise towards 3.5% in coming months.

UK CPI



Source: National Australia Bank, Bloomberg

US FOMC Minutes, Housing Starts

The FOMC minutes are unlikely to contain much new on top of Chair Powell's recent testimony. Fed officials since the last meeting have indicated they are broadly of the view of holding and not pre-empting potential tariff impacts on the economy.

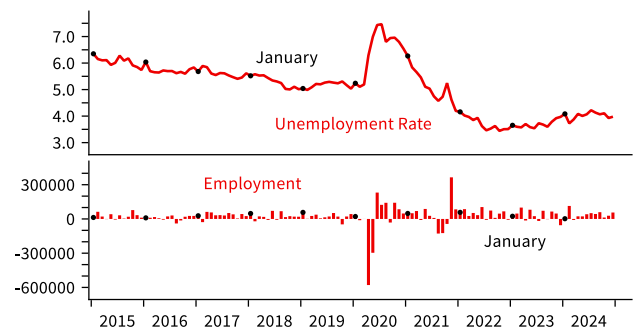
Thursday 20

AU January Employment

January's employment data could see seasonal quirks that temporarily increase the unemployment rate. We pencil in a 4.1% unemployment rate from 4.0% in December on a 15k employment gain but suggest the first thing to check if the unemployment rate does move higher is whether the attached to a job but yet to start work phenomenon is once again the culprit. If so, it is likely to unwind in February.

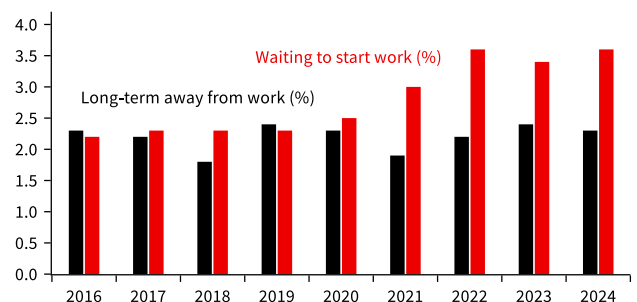
Recent Januarys has also seen a fall in measured hours worked, as more people than usual have been away from work in early January.

Employment and Unemployment



Source: National Australia Bank, Australian Bureau of Statistics, Macrobond

Job attached as a share of not employed in January



Source: National Australia Bank, ABS

Friday 21

AU RBA Parliamentary Testimony

A reasonably full complement (ex Chris Kent) of Senior RBA leadership is in front of the House of Representatives Standing Committee on Economics. Expect a grilling one way or the other for justification on the RBA's Tuesday decision. In attendance are Michele Bullock, Governor; Andrew Hauser, Deputy Governor; Sarah Hunter, Assistant Governor (Economic); and Brad Jones, Assistant Governor (Financial System).

JN CPI (January)

Consensus sees core CPI lifting to 2.5% y/y from 2.4%, while headline CPI is expected to be 4.0% y/y from 3.6%.

Global S&P Preliminary PMIs

The focus of the February PMIs will be twofold: First, whether the recent rebound in US manufacturing activity back into expansion at 51.2 (also seen at 50.9 on the ISM measure) is sustained. Secondly, whether the convergence in services activity that has seen Europe improve back to 51.3 (and Germany to 52.5) as the US expansion pace slowed to 52.9 (and ISM to 52.8) also holds. The latter convergence has seen some outperformance in the economic surprise indexes.

Weekly Calendar of Economic Releases

Date	Time	Country	Event	Period	Consensus	NAB	Previous
Monday, 17 February	8:30 AM	NZ	Performance Services Index	Jan	--		47.9
	8:45 AM	NZ	Net Migration SA	Dec	--		2070.00
	10:50 AM	JN	GDP SA QoQ	4Q P	0.3%		0.3%
	3:30 PM	JN	Industrial Production MoM	Dec F	--		0.3%
	3:30 PM	JN	Tertiary Industry Index MoM	Dec	0.1%		-0.3%
	1:30 AM	US	Fed's Harker Speaks on the Economic Outlook	--	--		--
	2:20 AM	US	Fed's Bowman Speaks to American Bankers Association	--	--		--
Tuesday, 18 February	10:00 AM	US	Fed's Waller Gives Speech on Economic Outlook	--	--		--
	2:30 PM	AU	RBA Cash Rate Target	Feb 18	4.10		4.35
	2:30 PM	AU	RBA-Statement on Monetary Policy	--	--		--
	6:00 PM	UK	ILO Unemployment Rate 3Mths	Dec	4.6%		4.4%
	6:00 PM	UK	Claimant Count Rate	Jan	--		4.6%
	6:00 PM	UK	Jobless Claims Change	Jan	--		0.7
	6:45 PM	FR	CPI YoY	Jan F	--		1.4%
	8:00 PM	EC	ECB's Holzmann Speaks in Vienna	--	--		--
	8:30 PM	UK	BOE's Bailey Speaks	--	--		--
	9:00 PM	GE	ZEW Survey Expectations	Feb	17.50		10.3
	9:00 PM	GE	ZEW Survey Current Situation	Feb	-89.00		-90.4
	12:30 AM	US	Empire Manufacturing	Feb	-1.00		-12.6
	12:30 AM	CA	CPI YoY	Jan	1.9%		1.8%
	2:20 AM	US	Fed's Daly Speaks to American Bankers Association	--	--		--
	5:00 AM	US	Fed's Barr Discusses AI, Financial Stability	--	--		--
Wednesday, 19 February	10:50 AM	JN	Core Machine Orders MoM	Dec	0.4%		3.4%
	11:30 AM	AU	Wage Price Index QoQ	4Q	0.8%		0.8%
	11:30 AM	AU	Wage Price Index YoY	4Q	3.2%		3.5%
	12:00 PM	NZ	RBNZ Monetary Policy Statement	--	--		--
	12:00 PM	NZ	RBNZ Official Cash Rate	Feb 19	3.75		4.3
	12:30 PM	JN	BOJ Board Takata Speech in Miyagi	--	--		--
	6:00 PM	UK	CPI YoY	Jan	2.7%		2.5%
	6:00 PM	UK	CPI Core YoY	Jan	--		3.2%
	11:00 PM	US	MBA Mortgage Applications	Feb 14	--		2.3%
	12:30 AM	US	Housing Starts	Jan	1393.50		1499.0
	6:00 AM	US	FOMC Meeting Minutes	Jan 29	--		0.0
Thursday, 20 February	11:30 AM	AU	Employment Change	Jan	20.0		56.3
	11:30 AM	AU	Unemployment Rate	Jan	4.1%		4.0%
	12:30 AM	US	Philadelphia Fed Business Outlook	Feb	25.40		44.3
	12:30 AM	US	Initial Jobless Claims	Feb 8	215.50		213.0
	1:35 AM	US	Fed's Goolsbee Speaks in Moderated Q&A	--	--		--
	2:00 AM	US	Leading Index	Jan	--		-0.1%
	3:00 AM	EC	ECB's Nagel Speaks on Panel	--	--		--
	4:05 AM	US	Fed's Musalem Speaks to Economic Club of NY	--	--		--
Friday, 21 February	8:45 AM	NZ	Trade Balance NZD	Jan	--		218.6
	9:30 AM	AU	RBA-Parliamentary Testimony	--	--		--
	10:30 AM	JN	Natl CPI YoY	Jan	4.0%		3.6%
	11:30 AM	JN	Jibun Bank Japan PMI Mfg	Feb P	--		48.7
	6:00 PM	UK	Retail Sales Inc Auto Fuel MoM	Jan	--		-0.3%
	7:15 PM	FR	HCOB France Manufacturing PMI	Feb P	--		45.0
	7:15 PM	FR	HCOB France Services PMI	Feb P	--		48.2
	7:15 PM	FR	HCOB France Composite PMI	Feb P	--		47.6
	7:30 PM	GE	HCOB Germany Manufacturing PMI	Feb P	46		45.0
	8:00 PM	EC	HCOB Eurozone Manufacturing PMI	Feb P	47		46.6
	8:30 PM	UK	S&P Global UK Manufacturing PMI	Feb P	--		48.3
	8:30 PM	UK	S&P Global UK Services PMI	Feb P	--		50.8
	12:30 AM	CA	Retail Sales MoM	Dec	1.6%		0.0%
	1:30 AM	EC	ECB's Lane Gives Speech in Vienna	--	--		--
	1:45 AM	US	S&P Global US Manufacturing PMI	Feb P	--		51.2
	2:00 AM	US	U. of Mich. Sentiment	Feb F	--		67.8
	2:00 AM	US	Existing Home Sales	Jan	4.15		4.2
	4:45 AM	CA	Bank of Canada Governor Tiff Macklem Speaks in Mississauga	--	--		--
Upcoming Central Bank Interest Rate Announcements							Current
	Feb 18	Australia, RBA					4.35
	Mar 20	UK, BOE					4.50
	Mar 19	US, Federal Reserve (Upper Bound)					4.50
	Feb 19	New Zealand, RBNZ					4.00
	Mar 12	Canada, BoC					3.00
	Mar 6	Europe, ECB					2.75
	Mar 19	Japan, BoJ					0.50

Sydney Time. Dates reflect 24 hours from 7am

Forecasts Table

For NAB Economics Latest Forecast Update, see: [RBA revisions, rates and risks ahead](#)

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	0.4	0.5	-0.1	0.2	0.6	-0.3	0.0	0.3	0.4	0.6	0.6	0.5	0.5	0.5	0.5	0.4
Dwelling Investment	0.2	0.6	-0.2	-3.2	1.0	0.7	1.2	-1.4	-0.7	-0.9	-1.0	-0.4	-0.2	0.3	0.6	0.8
Underlying Bus. Investment	4.5	2.3	1.1	1.3	-0.7	-0.4	-0.6	0.1	0.2	-0.4	0.2	0.6	0.2	0.5	0.2	0.5
Public Final Demand	0.7	1.6	1.7	0.1	0.8	0.9	2.4	1.0	0.8	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Domestic Final Demand	0.8	1.1	0.6	0.2	0.6	0.2	0.7	0.4	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6
(% y/y)	2.9	2.9	3.0	2.7	2.4	1.6	1.7	1.9	1.8	2.1	1.9	2.0	2.0	2.2	2.2	2.2
Inventories	(contr)	0.1	-1.3	0.4	-0.1	0.7	-0.3	-0.4	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Net Exports	(contr)	-0.5	0.5	-0.3	0.1	-1.3	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gross Domestic Product	0.5	0.3	0.5	0.2	0.2	0.2	0.3	0.3	0.6	0.5	0.5	0.6	0.5	0.6	0.6	0.6
(% y/y)	2.7	2.0	2.1	1.5	1.1	1.0	0.8	1.0	1.4	1.7	1.9	2.2	2.1	2.2	2.3	2.3
Labour Market																
Employment	0.8	0.9	0.5	0.7	0.4	0.6	0.9	0.7	0.6	0.6	0.3	0.4	0.4	0.4	0.4	0.4
Unemployment Rate	(%)	3.6	3.6	3.7	3.9	3.9	4.1	4.1	4.0	4.1	4.2	4.3	4.2	4.2	4.2	4.2
WPI Wages	1.0	0.8	1.3	1.1	0.8	0.8	0.8	0.8	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8
(% y/y)	3.7	3.6	4.0	4.3	4.1	4.1	3.5	3.2	3.3	3.4	3.4	3.5	3.4	3.3	3.3	3.2
Inflation																
CPI Trimmed Mean	1.2	0.9	1.2	0.8	1.0	0.9	0.8	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.6
(% y/y)	6.5	5.8	5.1	4.2	4.0	4.0	3.6	3.2	2.8	2.6	2.4	2.5	2.6	2.5	2.4	2.4
CPI Headline	1.4	0.8	1.2	0.6	1.0	1.0	0.2	0.3	0.6	0.7	1.0	0.6	0.6	0.6	0.5	0.6
(% y/y)	7.0	6.0	5.4	4.1	3.6	3.8	2.8	2.5	2.2	1.8	2.6	3.0	3.0	2.9	2.4	2.4

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

Exchange Rate Forecasts						
	13-Feb	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
Majors						
AUD/USD	0.632	0.65	0.64	0.66	0.67	0.69
NZD/USD	0.57	0.58	0.57	0.59	0.60	0.62
USD/JPY	152.6	155	155	153	150	144
EUR/USD	1.05	1.04	1.05	1.06	1.07	1.08
GBP/USD	1.26	1.27	1.27	1.28	1.28	1.29
USD/CNY	7.29	7.25	7.40	7.30	7.25	7.20
USD/CAD	1.42	1.43	1.44	1.41	1.39	1.37
USD/CHF	0.90	0.89	0.89	0.88	0.87	0.87

Australian Cross Rates						
AUD/NZD	1.11	1.12	1.12	1.13	1.13	1.12
AUD/JPY	96.5	101	99	101	101	99
AUD/EUR	0.60	0.63	0.61	0.62	0.63	0.64
AUD/GBP	0.50	0.51	0.50	0.52	0.52	0.53
AUD/CNY	4.60	4.71	4.74	4.82	4.86	4.97
AUD/CAD	0.90	0.93	0.92	0.93	0.93	0.95
AUD/CHF	0.57	0.58	0.57	0.58	0.59	0.60

Interest Rate Forecasts						
	13-Feb	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
Australian Rates						
RBA cash rate	4.35	4.10	3.85	3.60	3.35	3.10
3 month bill rate	4.18	4.01	3.76	3.51	3.29	3.23
3 Year Swap Rate	3.81	3.75	3.55	3.55	3.45	3.35
10 Year Swap Rate	4.43	4.38	4.28	4.25	4.00	4.00
Offshore Policy Rates						
US Fed funds	4.50	4.50	4.50	4.25	4.00	3.75
RBNZ OCR	4.25	3.75	3.25	2.75	2.75	2.75
10-year Bond Yields						
Australia	4.42	4.40	4.30	4.30	4.05	4.05
United States	4.53	4.30	4.25	4.25	4.00	4.00
New Zealand	4.52	4.50	4.45	4.45	4.30	4.30

Global GDP				
	2023	2024	2025	2026
Australia	2.0	1.0	1.8	2.3
United States	2.9	2.7	1.9	2.1
Eurozone	0.5	0.6	1.0	1.5
United Kingdom	0.3	0.9	0.9	1.2
Japan	1.7	-0.1	1.0	0.7
China	5.2	4.7	4.6	4.4
India	7.7	6.6	6.2	6.4
New Zealand	0.7	-0.2	1.7	3.1
World	3.3	3.1	3.1	3.2

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