

Markets Research

What to Watch



Week of 3 March 2025

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

- First month Q1 CPI shows favourable housing disinflation, likely greenlighting a May RBA rate cut.
- US tariff uncertainty remains, seeing sizable risk adverse moves. The AUD has been a major casualty, down some -2.3% on the week against a 0.7% rise in the USD (DXY).

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

- A busy week in Australia. The major pieces are Q4 GDP (Wednesday), Retail Sales (Tuesday), a speech by RBA Deputy Governor Hauser (Wednesday) and the RBA Minutes from February (Tuesday). Even though it is busy, it is hard to see any of that moving the dial as far as policy expectations go.
- Offshore, it is a very busy week with major risk events being:
 - (1) whether tariffs are imposed on Canada, Mexico and China (Tuesday);
 - (2) China's NPC and whether concrete new policies are announced (Wednesday);
 - (3) Markets sensitivity to US data which includes the ISMs (Monday and Wednesday), Payrolls and Fed Chair Powell (both Friday)
- Elsewhere the ECB meets (Thursday) and is widely expected to cut rates. Dataflow out of Europe outside of this is relatively quiet.
- In China, alongside the NPC, are the Official PMIs (Saturday March 1) and the Trade Balance (Friday).
- And in NZ are pre-GDP partials and the RBNZ's inflation conference with a variety of speakers, including BoE MPC member Mann (Friday).

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

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Key Markets

	Latest	% change	
		week	YTD
Cash rates			
RBA Cash Rate	4.10		
US Fed Funds	4.50		
RBNZ Cash Rate	3.75		
Rates			
AU BBSY 3m	4.17	-2.6	-30.0
AU 3y swap	3.71	-14.4	-7.9
AU 3yr yield	3.75	-18.4	-7.8
AU 10yr yield	4.30	-21.7	-6.7
US 10yr yield	4.22	-21.0	-34.7
AU-US 10yr spread	7.3	-0.7	28.0
Commodities			
Iron ore	103	-4.5	3.3
Coal (thermal)	102.4	-1.1	-18.2
Brent oil	73.7	-1.0	-0.7
Gold	2866.0	-2.4	9.2
FX			
AUD/USD	0.6213	-2.3	0.5
USD (DXY)	107.37	0.7	-1.0
AUD/NZD	1.1087	-0.1	-0.3
AUD crosses			
AUD/JPY	92.94	2.1	4.7
AUD/CNY	4.5262	1.9	-0.3
AUD/EUR	0.5981	1.6	-0.1
AUD/GBP	0.4937	1.9	0.1
Equities			
ASX 200	8161.8	-1.6	0.0
ASX Resources	5148.3	-4.8	-0.1
ASX Financials	8664.3	1.7	0.6
US S&P 500	5861.6	-4.2	-0.3

Source: Bloomberg

Week in Review

Locally, the first Q1 monthly CPI Indicator was the highlight. While the headline printed close to consensus at 2.5% y/y vs. 2.6%, the underlying details suggested a better inflation narrative relative to the RBA's most recent February SoMP forecasts. Key to the better narrative was the housing components with rents lifting a more moderate 0.3% m/m and new dwelling construction costs -0.1% m/m.

The data overall firms up our view for Q1 Trimmed Mean CPI of 0.6% q/q (out on April 30), which would then see the y/y rate fall to 2.8% y/y. If that quarterly pace is sustained into Q2, then that would see the y/y rate fall to 2.5% and would be two tenths below the RBA's February SoMP forecast of 2.7% (see [AUS: Monthly CPI suggests Q1 CPI will greenlight a May rate cut](#)). That should greenlight a RBA May rate cut.

Meanwhile your scribe has been on the road over the past few weeks visiting clients in QLD (Noosa, Sunshine Coast, Gold Coast and Brisbane) as well as in NSW (Sydney). The overwhelming message was conditions are still good, but firms are having trouble passing on cost growth to final prices. This very much aligns with outcomes from the NAB Business Survey. The other anecdote was on US policy uncertainty in respect of tariffs. Clients were uncertain on the cost of capital equipment coming out of the US post tariffs on steel and aluminium, while there was much angst on the AUD.

The AUD has been the usual whipping boy when it comes to risk (down -2.3% as Trump flagged 25% tariffs on Canada and Mexico would go ahead on March 4, as well as a further 10% tariff on China). Our FX strategists have been highlighting the risk of the AUD trading sub-60c if Trump fulfills more of his stated trade agenda.

Australian Dollar



Source: National Australia Bank, Bloomberg

Offshore, developments in the later part of the week have dominated with a clear risk adverse tone. The ASX 200 is down some -1.6% on the week and the S&P500 is down a sharper -4.2%. The key catalysts were survey data coming in soft, and Trump's Truth Social Post on going ahead with tariffs on Canada and Mexico (as well as additional on China).

Yields have also seen sizeable moves with the US 10yr down 21bps on the week to 4.22%. Australian yields have moved by a similar amount, meaning the AU-US 10yr spread was little changed on the week at +7.3. Rates markets are still trying to assess the relative impacts of possible tariffs on inflation and growth. US Fed Funds pricing has edged a little more towards pricing cuts, with around 65bps worth of cuts in 2025, up from 46bps last week.

Week Ahead

A busy week ahead in **Australia**. The major pieces are Q4 GDP (Wednesday), Retail Sales (Tuesday), a speech by RBA Deputy Governor Hauser (Wednesday) and the RBA Minutes from February (Tuesday). Even though it is busy, it is hard to see any of that moving the dial as far as policy is concerned.

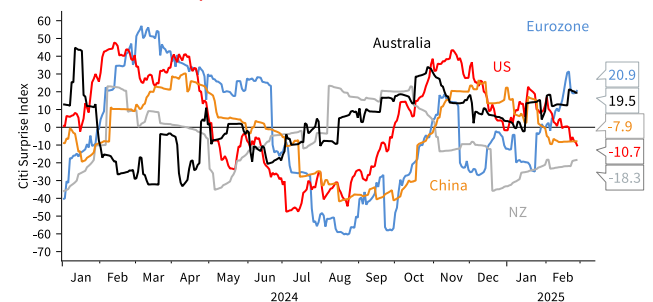
For Q4 GDP we see growth of 0.5% q/q and 1.2% y/y, while we see downside risks to retail sales (due to payback from Cyber Monday being in December) and have pencilled in a below consensus read of -0.8% m/m vs. a 0.3% consensus.

Offshore, it is a very busy week with major risk events being: (1) whether **tariffs are imposed on Canada, Mexico and China** (Tuesday); (2) **China's NPC** and whether concrete policies are announced (Wednesday); (3) Market sensitivity to US data which includes the **ISMs** (Monday and Wednesday), **Payrolls** and Fed Chair **Powell** (both Friday)

On tariffs, Trump's Truth Social post of still intending on going ahead with a 25% tariff on Canada and Mexico, as well as imposing a further 10% tariff on China (on top of the recently enacted 10%) has put Tuesday March 4 in the spotlight. The same day Trump is giving a speech to a joint sitting of Congress which may give an indication as to how much of the campaign rhetoric will find its way into real policy.

Should tariffs go ahead, there will be focus on the degree of retaliation by Canada, Mexico and China. There are clear downside risks to markets should this eventuate. And Trump has also indicated reciprocal tariffs could be announced from April 2. How business is reacting to trade uncertainty will be important and it is worth noting US data flow has started to undershoot expectations.

Citi Economic Surprise Indexes*



* The surprise indices measure data surprises relative to market expectations. A positive reading means that data releases have been stronger than expected and a negative reading means that data releases have been worse than expected
Source: National Australia Bank, Macrobond

As for data, consensus for **US Payrolls** (Friday) sit at 158k and the unemployment rate is expected to be unchanged at 4.0%. The Fed of course seems asymmetric, happy to sit on the sidelines given the state of the labour market and tariff uncertainty, and as such markets are likely to be sensitive to data missing expectations. Powell is also speaking on Friday.

Elsewhere the **ECB** meets (Thursday) and is widely expected to cut rates. Dataflow out of Europe outside of this is relatively quiet. In **China**, alongside the NPC, are the Official PMIs (Saturday March 1) and the Trade Balance (Friday). And in NZ are pre-GDP partials and the RBNZ's inflation conference with a variety of speakers, including BoE MPC member Mann (Friday).

Important Events Preview

Selection of key data. Full calendar below.

Saturday 1

CH Official PMIs (Feb)

The data will likely take a backseat given the National People’s Congress this week and the prospect of an additional 10% US tariff effective from March 4 following Trump’s recent Truth Social post.

For what it is worth, consensus sees a small tick up in the manufacturing PMI (to 49.9 from 49.1) and non-manufacturing PMI (50.5 from 50.2).

Monday 3

NZ International Trade

For Q4 trade volumes, our BNZ cousins look for the data to infer gains of 1.3% and 1.2% for exports and imports of total goods and services respectively, as per what they have pencilled into their Q4 GDP calculations.

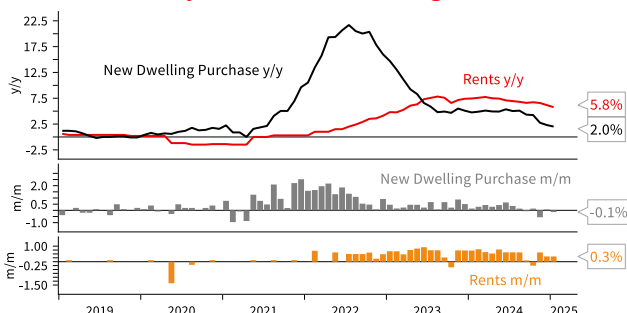
AU Inventories (Q4), Dwelling Price (Feb)

NAB expects inventories to add 0.2 points to Q4 GDP (which is published on March 5). Also contained are data on wages and company profits.

Dwelling price might be the one to watch to see to what extent momentum is starting to turn in the housing market following the RBA’s rate cut in mid-February.

Also important for the inflation outlook is rental growth. The most recent monthly CPI indicator suggested a sharp slowdown in rents, which together with moderating new dwelling costs, is acting as a significant disinflationary force on the overall CPI.

Australian Monthly CPI Indicator - Housing Inflation*



* Original (non-seasonally adjusted)
Source: National Australia Bank, Australian Bureau of Statistics, Macrobond

CH Caixin Manufacturing PMI

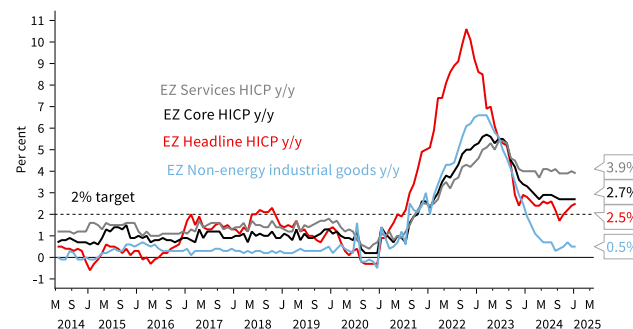
Again, will take a backseat given the NPC and the prospect of additional tariffs. Consensus sees the Caixin Manufacturing PMI lifting to 50.4 from 50.2.

EZ CPI (Jan), Final-PMIs

The release follows preliminary inflation readings from Spain, Italy, Germany and France. Headline HICP is

expected to tick down from January’s 2.5% y/y to 2.3%, maybe 2.2%. Core prices are seen easing to 2.5% from 2.7%. Services inflation could record their lowest level since May 2024. Since then, services inflation has stubbornly held a 3.9%-4.1% range. In February services prices should ease to 3.7% from 3.9%, with lower insurance and medical costs helping to ease pressures. By late summer services, aided by wage moderation which will please the ECB - could be suitably below 3%. This is the area to watch.

Euro Area Inflation

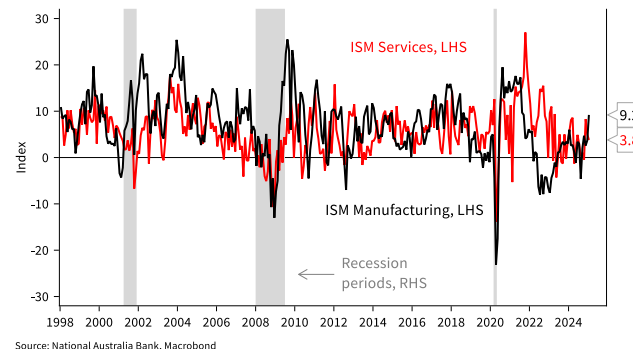


Source: National Australia Bank, Bloomberg

US Manufacturing ISM, Fed speak

The ISMs will be closely watched to see to what extent uncertainty stemming from Trump’s policies are weighing on the business sector. Headline consensus stands at 50.5 from 50.9. Of more interest though will be the new orders and inventory components which have historically been used as good cyclical indicators of the US economy. Elsewhere the Fed’s Musalem is speaking at the National Association of Business Economics conference.

US ISM Cycle Indicator (New Orders less Inventories)



Source: National Australia Bank, Macrobond

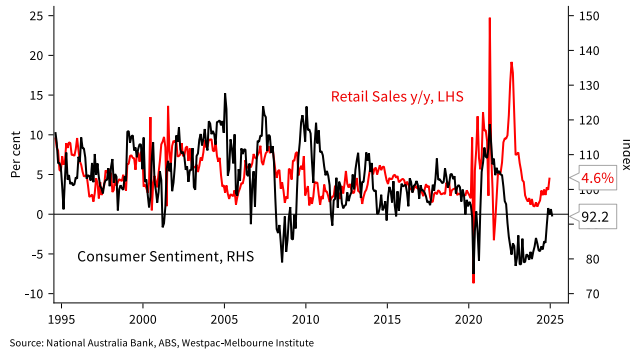
Tuesday 4

NZ Building permits

AU Net exports (Q4), Retail Sales (Jan), RBA Minutes

Retail Sales are for January and NAB has pencilled in a non-consensus fall of -0.8% m/m (consensus + 0.3%). The Statistician noted in December that “Cyber Monday fell in early December and boosted spending to begin the month”, and as such we look for some retracement this month after the lack of retracement in December (recall retail printed at -0.1% m/m vs. consensus of -0.7%).

Australian Retail Sales Growth and Consumer Sentiment



The RBA Minutes are for the February Meeting where they cut rates in a widely expected decision. Although much has been said by RBA officials since then, it will be interesting to see how close the actual decision was. NAB continues to expect the RBA to cut rates in May, with the first month inflation data showing further encouraging disinflationary signs ([AUS: Monthly CPI suggests Q1 CPI will greenlight a May rate cut](#)).

Also out is the net export contribution to Q4 GDP. Here we look for a small contraction of -0.1 points. Following the data NAB will firm up its Q4 GDP print which we currently have pencilled in 0.5% q/q and 1.2% y/y.

**US/CA/MX 25% tariff on Canada, Mexico due
US/CH 10% additional tariff on China
US Trump speech to joint session of Congress**

All eyes on whether the US goes ahead with a 25% tariff on Canada and Mexico, as well as the additional 10% tariff on China. There will likely be plenty of insights into Trump’s trade agenda with the President giving his first address to a joint session of congress (note presidents typically address a joint session soon after they take office).

Wednesday 5

AU Q4 GDP, RBA’s Hauser

NAB expects Q4 GDP to rise 0.5% q/q and 1.2% y/y. Such an outcome would be similar to the RBA’s February SoMP projection of 1.1% y/y. We continue to expect GDP growth to strengthen over 2025, making H2 2024 the low point in growth for the cycle. Also of interest will be unit labour costs and measures of productivity growth (see [NAB Q4 GDP Preview for details](#)).

CH National People’s Congress, Caixin Services PMI

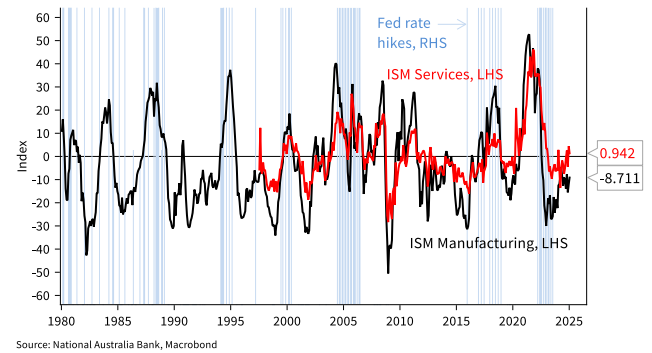
China’s National People’s Congress starts today with lots of focus on priorities and potential policies. It is unclear how much in terms of concrete policy will come out of the NPC given uncertainties around Trump’s trade agenda.

US ISM Services, ADP Employment, Fed’s Beige Book

Consensus sees the Services ISM broadly steady at 53.0 from 52.8. Given the uncertainty being picked up in other surveys, risks would appear to be to the downside. Along with new orders and inventories, we will be watching

closely the prices and supplier delivery indexes, which in prior cycles have proved a good gauge to inflationary pressure and the Fed’s reaction to them.

US Fed Pressure Index (Prices Paid and Supplier Deliveries)



The Beige Book is also worth a detailed look for anecdotes on how trade/tariff uncertainty is impacting business plans. As for ADP Employment, it is expected to come in at 148k.

Thursday 6

NZ Building Work Put in Place (Q4)

A pre-GDP partial. Our BNZ cousins look for total real building work put in place to fall around 2%, to be consistent with our GDP thoughts. Any cumulative material deviation from the estimates for external trade and building work could have implications for their preliminary GDP forecast of 0.2% for Q4.

AU Building Approvals (Jan), Trade Balance (Jan)

Building approvals are expected to be flat this month, while the trade balance should lift after last month’s was weighed down by a surge in defence aircraft. The consensus for the trade balance is for a surplus of \$5.6bn and NAB is a little higher at \$6.0bn.

EZ ECB decision (25bp cut), Retail Sales

The ECB will cut rates by 25bps, reducing the Deposit Rate to 2.5%. This will be the sixth cut in this cycle from the peak of 4.5% and fifth back-to-back cut. Markets fully price the move, which is in line with our long-term call. There is a good chance the ECB removes the line in its policy statement on monetary policy being restrictive.

New staff inflation forecasts are likely to modestly nudge up the headline and core estimates for 2025 from 2.1% and 2.3% respectively, while the 2025 GDP forecast will likely be lowered slightly from 1.1%. We expect the ECB to take a pause at the next (April) meeting, which is priced at 64%, with a further cut to 2.2% in June. Though we expect the ECB to start discussions on an April pause, we do not see ECB President Lagarde making such a view public.

US Jobless Claims, Fed talk

Jobless Claims ticked up recently with many attributing the rise to adverse weather. No consensus was available at the time of publication.

Friday 7

NZ/UK RBNZ Inflation Conference – BoE's Mann speaks

The RBNZ is holding its inflation conference. Speakers include current BoE MPC member Catherine Mann and former Fed Chairman Ben Bernanke. The conference will be livestreamed. RBNZ MPC members are speaking, including welcoming and opening remarks from RBNZ Governor Orr on Thursday from 9.30am. We are not expecting any guidance for current RBNZ policy.

CH Trade Balance

GE Factory Orders

CA Employment

US Payrolls, Fed's Powell

Payrolls are expected to rise 158k with the unemployment rate stable at 4.0% and average hourly earnings of 4.2% y/y. Of equal interest this month is the Fed's Powell, speaking on the Economic Outlook at the Chicago Booth School's 2025 Monetary Policy Forum.

Weekly Calendar of Economic Releases

Date	Time	Count	Event	Period	Consensus	NAB	Previous	
Saturday, 1 March	12:30 PM	CH	Manufacturing PMI	Feb	49.95		49.1	
	12:30 PM	CH	Non-manufacturing PMI	Feb	50.50		50.2	
Monday, 3 March	8:45 AM	NZ	Terms of Trade Index QoQ	4Q	1.4%		2.4%	
	9:00 AM	AU	S&P Global Australia PMI Mfg	Feb F	--		50.60	
	11:00 AM	AU	Melbourne Institute Inflation MoM	Feb	--		0.1%	
	11:30 AM	AU	Company Operating Profit QoQ	4Q	1.5%		-4.6%	
	11:30 AM	AU	Inventories SA QoQ	4Q	0.1%		-0.9%	
	11:30 AM	JN	Jibun Bank Japan PMI Mfg	Feb F	--		48.9	
	11:30 AM	AU	ANZ-Indeed Job Advertisements MoM	Feb	--		0.2%	
	12:45 PM	CH	Caixin China PMI Mfg	Feb	50.35		50.10	
	8:00 PM	EC	HCOB Eurozone Manufacturing PMI	Feb F	--		47.30	
	8:30 PM	UK	S&P Global UK Manufacturing PMI	Feb F	--		46.4	
	9:00 PM	EC	CPI Estimate YoY	Feb P	2.3%		2.5%	
	9:00 PM	EC	CPI Core YoY	Feb P	2.6%		2.7%	
	12:00 AM	CA	Bloomberg Nanos Confidence	Feb 28	--		49.29	
	1:30 AM	CA	S&P Global Canada Manufacturing PMI	Feb	--		51.6	
	1:45 AM	US	S&P Global US Manufacturing PMI	Feb F	--		51.6	
	2:00 AM	US	Construction Spending MoM	Jan	-0.1%		0.5%	
	2:00 AM	US	ISM Manufacturing	Feb	50.50		50.9	
	4:35 AM	US	Fed's Musalem Speaks on Economy, Policy	--	--		--	
	Tuesday, 4 March	8:45 AM	NZ	Building Permits MoM	Jan	--		-5.6%
		10:30 AM	JN	Jobless Rate	Jan	2.4%		2.4%
10:50 AM		JN	Company Profits YoY	4Q	0.3%		-3.3%	
11:30 AM		AU	Net Exports of GDP	4Q	-0.1%		0.1%	
11:30 AM		AU	RBA Minutes of Feb. Policy Meeting	--	--		--	
11:30 AM		AU	Retail Sales MoM	Jan	0.3%		-0.1%	
		US	US tariffs on Canada, Mexico and China due to take effect	--	--		--	
6:20 AM		US	Fed's Williams Speaks at Bloomberg Invest Forum	--	--		--	
Wednesday, 5 March		8:45 AM	AU	RBA's Hauser-Speech	--	--		--
		9:00 AM	AU	S&P Global Australia PMI Services	Feb F	--		51.4
	11:30 AM	AU	GDP SA QoQ	4Q	0.5%		0.3%	
	11:30 AM	AU	GDP YoY	4Q	1.2%		0.8%	
	11:30 AM	JN	Jibun Bank Japan PMI Services	Feb F	--		53.1	
	12:30 PM	JN	BOJ Deputy Governor Uchida Speech in Shizuoka	--	--		--	
	12:45 PM	CH	Caixin China PMI Services	Feb	50.80		51.0	
	8:00 PM	EC	HCOB Eurozone Services PMI	Feb F	--		50.7	
	8:30 PM	UK	S&P Global UK Services PMI	Feb F	--		51.1	
	9:00 PM	EC	PPI YoY	Jan	--		0.0%	
	11:00 PM	US	MBA Mortgage Applications	Feb 28	--		-1.2%	
	12:15 AM	US	ADP Employment Change	Feb	147.50		183.00	
	1:30 AM	UK	BOE's Bailey, Pill, Greene and Taylor Speak	--	--		--	
	1:45 AM	US	S&P Global US Services PMI	Feb F	--		49.7	
	2:00 AM	US	Factory Orders	Jan	1.4%		-0.9%	
	2:00 AM	US	ISM Services Index	Feb	53.00		52.8	
	6:00 AM	US	Federal Reserve Releases Beige Book	--	--		--	
	Thursday, 6 March	11:30 AM	AU	Building Approvals MoM	Jan	0.1%		0.7%
11:30 AM		AU	Trade Balance	Jan	5629		5085.0	
9:00 PM		EC	Retail Sales YoY	Jan	--		1.9%	
12:15 AM		EC	ECB Deposit Facility Rate	Mar 6	2.50		2.8	
12:30 AM		US	Trade Balance	Jan	-91.25		-98.4	
12:30 AM		US	Nonfarm Productivity	4Q F	1.2%		1.2%	
12:30 AM		US	Unit Labor Costs	4Q F	3.0%		3.0%	
12:30 AM		US	Initial Jobless Claims	Feb 22	221.00		242.0	
12:45 AM		EC	ECB President Christine Lagarde Holds Press Conference	--	--		--	
Friday, 7 March		7:30 AM	US	Fed's Waller Speaks on the Economic Outlook	--	--		--
	11:00 AM	US	Fed's Bostic Speaks on Economy, Birmingham	--	--		--	
	11:30 AM	AU	Household Spending YoY	Jan	3.4%		4.3%	
	6:00 PM	GE	Factory Orders WDA YoY	Jan	--		-6.3%	
	8:30 PM	EC	ECB's Lagarde, Nagel, Knot, Panetta at IWD Event	--	--		--	
	9:00 PM	EC	GDP SA QoQ	4Q F	--		0.1%	
	--	CH	Trade Balance YTD	Feb	--		992.2	
	12:30 AM	CA	Net Change in Employment	Feb	--		76.0	
	12:30 AM	CA	Unemployment Rate	Feb	--		6.6%	
	12:30 AM	US	Change in Nonfarm Payrolls	Feb	158.00		143.0	
	12:30 AM	US	Two-Month Payroll Net Revision	Feb	--		100.0	
	12:30 AM	US	Unemployment Rate	Feb	4.0%		4.0%	
	2:15 AM	US	Fed's Bowman Speaks on Policy Transmission	--	--		--	
	2:45 AM	US	Fed's Williams Speaks on Panel on Policy Transmission	--	--		--	
	4:30 AM	US	Fed's Powell Speaks on the Economic Outlook	--	--		--	
Upcoming Central Bank Interest Rate Announcements							Current	
	Apr 1	Australia, RBA				4.10		
	Mar 20	UK, BOE				4.50		
	Mar 19	US, Federal Reserve (Upper Bound)				4.50		
	Apr 9	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: [The Forward View – February 2025: Coming in for landing](#)

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	0.6	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	0.0	-0.5	-0.1	-0.4	-1.0	-0.5	-0.4	-0.1	0.3
Underlying Bus. Investment	4.5	2.3	1.1	1.3	-0.7	-0.4	-0.6	0.6	-0.1	0.3	0.2	0.6	0.4	0.5	0.2	0.4
Public Final Demand	0.7	1.6	1.7	0.1	0.8	0.9	2.4	1.1	1.0	0.8	0.8	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	0.8	0.5	0.6	0.6	0.5	0.5	0.6	0.5	0.5
(% y/y)	2.9	2.9	3.0	2.7	2.4	1.6	1.7	2.3	2.2	2.6	2.6	2.3	2.3	2.2	2.1	2.1
Inventories (contr)	0.1	-1.3	0.4	-0.1	0.7	-0.3	-0.4	0.2	0.0	0.0	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	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Gross Domestic Product	0.5	0.3	0.5	0.2	0.2	0.2	0.3	0.5	0.5	0.6	0.6	0.5	0.5	0.6	0.5	0.6
(% y/y)	2.7	2.0	2.1	1.5	1.1	1.0	0.8	1.2	1.5	2.0	2.2	2.2	2.2	2.2	2.2	2.2
Labour Market																
Employment	0.7	1.0	0.5	0.7	0.3	0.6	0.9	0.7	0.7	0.6	0.4	0.3	0.4	0.4	0.4	0.3
Unemployment Rate (%)	3.6	3.6	3.7	3.9	3.9	4.1	4.1	4.0	4.1	4.1	4.2	4.2	4.2	4.2	4.2	4.2
WPI Wages	1.0	0.8	1.3	1.0	0.8	0.9	0.9	0.7	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	4.0	4.1	3.6	3.2	3.3	3.3	3.2	3.4	3.4	3.3	3.3	3.2
Inflation																
CPI Trimmed Mean	1.2	0.9	1.2	0.8	1.0	0.9	0.8	0.5	0.6	0.6	0.6	0.7	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	0.2	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	2.4	2.1	1.7	2.5	2.9	3.0	2.9	2.4	2.4

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

Exchange Rate Forecasts

	27-Feb	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
Majors						
AUD/USD	0.621	0.65	0.64	0.66	0.67	0.69
NZD/USD	0.56	0.58	0.57	0.59	0.60	0.62
USD/JPY	149.6	155	155	153	150	144
EUR/USD	1.04	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	7.28	7.25	7.40	7.30	7.25	7.20
USD/CAD	1.44	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	92.9	101	99	101	101	99
AUD/EUR	0.60	0.63	0.61	0.62	0.63	0.64
AUD/GBP	0.49	0.51	0.50	0.52	0.52	0.53
AUD/CNY	4.53	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	0.56	0.58	0.57	0.58	0.59	0.60

Interest Rate Forecasts

	27-Feb	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
Australian Rates						
RBA cash rate	4.10	4.10	3.85	3.60	3.35	3.10
3 month bill rate	4.12	4.01	3.76	3.51	3.29	3.23
3 Year Swap Rate	3.71	3.75	3.55	3.55	3.45	3.35
10 Year Swap Rate	4.27	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	3.75	3.75	3.25	2.75	2.75	2.75
10-year Bond Yields						
Australia	4.30	4.40	4.30	4.30	4.05	4.05
United States	4.22	4.30	4.25	4.25	4.00	4.00
New Zealand	4.42	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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