

Markets Research

What to Watch



Week of 31 March 2025

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

- The Australian budget came and went with comparatively little fanfare earlier this week and an election has now been called for 3 May.
- February CPI Indicator was 2.4% y/y, in line with our forecast, leaving our expectation for a 0.6% q/q trimmed mean on 30 April unchanged.
- Offshore, new 25% tariffs on autos were the news of the week, set to take effect on 3 April

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

- In Australia, the RBA meets (Tuesday) and is widely expected to be on hold, as it waits for more information on inflation (Q1 CPI April 30) and wages growth (Q1 WPI May 14). RBA's Kent (Wednesday) also gives a likely update on the RBA's transition to a new ample-reserves system.
- Australian data flow is heavy, with most focus on Retail Sales (Tuesday). Also of interest will be Credit (Monday) as well as Dwelling Prices (Tuesday) to see whether Melbourne prices continues to stabilise.
- Offshore, all focus is on the US' 'Liberation Day' reciprocal tariffs (April 2). It is still unclear how large tariffs will be and what countries will be impacted. Note the earlier announced auto tariffs take also take effect this week.
- Also out in the US are JOLTS (Tuesday), Payrolls (Friday) and the ISMs (Tuesday and Thursday). Fed Chair Powell rounds up the week (Friday)
- In Europe the prelim CPI (Tuesday) dominates and where the consensus expects core CPI to be 2.5% y/y. There is plenty of ECB speak with the ECB hosting an AI Conference (Tuesday)
- For China the Official PMIs (Monday) would generally headline, but given the proximity of the US' reciprocal tariffs (April 2), trade and possible retaliation will dominate
- NZ sees the ANZ Business Survey (Tuesday) and a temporary central bank governor is also expected to be appointed

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

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Key Markets

	% change		
	Latest	week	YTD
Cash rates			
RBA Cash Rate	4.10		
US Fed Funds	4.50		
RBNZ Cash Rate	3.75		
Rates		<i>bps</i>	<i>bps</i>
AU BBSY 3m	4.18	2.1	-28.5
AU 3y swap	3.68	1.3	-10.2
AU 3yr yield	3.76	0.1	-6.7
AU 10yr yield	4.46	6.7	9.9
US 10yr yield	4.34	9.8	-22.5
AU-US 10yr spread	11.6	-3.1	32.3
Commodities		%	%
Iron ore	103	3.0	3.2
Coal (thermal)	96.8	-1.0	-22.8
Brent oil	74.1	2.7	0.3
Gold	3076.6	1.8	17.2
FX			
AUD/USD	0.6283	0.2	1.5
USD (DXY)	104.30	0.2	-3.9
AUD/NZD	1.0995	-0.5	0.6
AUD crosses			
AUD/JPY	94.76	-1.2	2.7
AUD/CNY	4.5644	-0.3	-1.1
AUD/EUR	0.5822	-0.4	2.7
AUD/GBP	0.4854	0.1	1.9
Equities			
ASX 200	7979.8	0.6	-2.2
ASX Resources	5274.8	1.2	2.3
ASX Financials	8387.0	2.3	-2.6
US S&P 500	5693.3	0.5	-3.2

Source: Bloomberg

Week in Review

In Australia the Monthly CPI Indicator fell a tenth to 2.4% from 2.5% (NAB 2.4%, Consensus 2.5%) while the annual trimmed mean slipped a tenth to 2.7% from 2.8% (NAB 2.7%, no consensus available). We continue to think the RBA was a little too cautious on the inflation outlook in February and expect a 0.6% q/q for trimmed mean in the full CPI on 30 April, though the risk does tilt up to a 0.7%, which is the RBA's pick. We will publish a full Q1 CPI preview shortly. ([AUS: No surprises in the February CPI Indicator](#))

Earlier in the week, the budget showed little change to underlying cash balance estimates. There was a surprise income tax cut, though it is fairly modest and is described as a 'top-up' to previous cuts. Overall, the fiscal impulse is broadly neutral for 2025-26. ([Federal Budget in Brief](#).) An election has been called for 3 May.

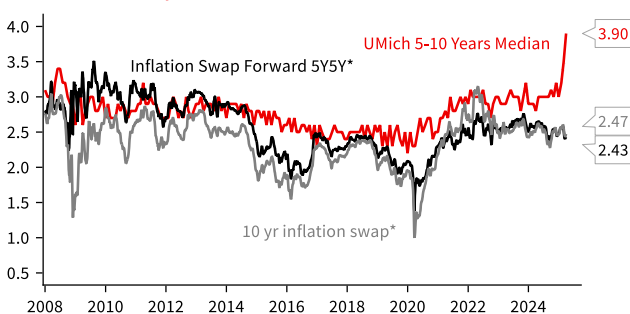
Globally, the week started with S&P Global PMIs, which provided some relief from the strong of downside surprises in soft US data, the services PMI rising to 53.5 from 51.6, though the expectations for the year ahead fell to their lowest since October 2022 and jobs growth was subdued amid heightened uncertainty and concerns over rising costs.

The week had every chance of being a lull before the 2 April deadline for the 'reciprocal tariff' announcements, but in the event, there was no escape from tariff developments. President Trump signed a proclamation imposing 25% tariffs on auto imports from 3 April. About 50% of the 16m auto purchases in the US last year were imported. New vehicles are 4.4% of the CPI, with used vehicles another 2.4%.

The negative for growth but positive for prices reality of tariff policy is dominating policymakers communication. Musalem said he was wary of assuming a full 'look-through' strategy will necessarily be appropriate given the risk of second round effects. We detailed the framework the FOMC previously used to consider tariff risk several weeks ago in [Tariffs and what it could mean for the Fed](#) and Musalem's comments are in line with our conclusion that the path the FOMC takes is likely to sit somewhere between a neat 'look-through' scenario and a mechanical response to initial inflation impacts.

Erstwhile dove Goolsbee in an FT interview said "if you start seeing market-based long-run inflation expectations start behaving the way these surveys have done in the last two months, I would view that as a major red flag area of concern." For now at least, that remains a hypothetical.

US Inflation Expectations



*2 week moving average
Source: National Australia Bank, Bloomberg

Week Ahead

In **Australia**, the RBA meets (Tuesday) and is widely expected to be on hold, as it waits for more information on inflation (Q1 CPI April 30) and wages growth (Q1 WPI May 14). Note the next RBA meeting is not until May 19-20 where markets are 70% priced for a cut. NAB expects the RBA to cut rates in May. The April Board Meeting will also include discussions around financial stability given the FSR (Thursday).

RBA Assistant Governor Kent (Wednesday) speaks post Board and where we will likely get an update of the RBA's transition from the pandemic-era excess reserves system to a new ample-reserves system with full allotment open market.

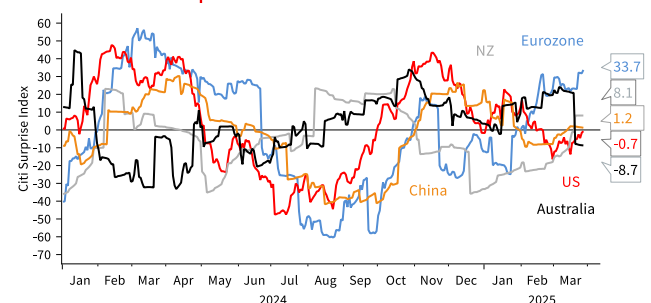
There is also plenty of data out with the most important pieces being Retail Sales (Tuesday) and Household Spending (Friday). Also of interest will be Credit (Monday) for any changes in bank lending shares, as well as Dwelling Prices (Tuesday) to see whether Melbourne continues to stabilise.

Offshore, all focus is on the **US** 'Liberation Day' reciprocal tariffs (April 2). It is still unclear how large tariffs will be and what countries will be impacted. Note the earlier announced auto tariffs take also take effect this week. Post tariff announcement, markets will be looking for a pivot to a pro-growth deregulation/tax cut agenda. Failure to pivot would be a significant headwind. Also out in the US are JOLTS (Tuesday), Payrolls (Friday) and the ISMs (Tuesday and Thursday). Fed Chair Powell rounds up the week (Friday) and will be closely watched given some concerns from Fed officials around inflation expectations.

In **Europe** the prelim CPI (Tuesday) dominates and where the consensus expects core CPI to be 2.5% y/y. There is plenty of ECB speak with the ECB hosting an AI Conference (Tuesday) and speakers include President Lagarde and chief economist Lane. EU defence ministers are meeting during the week as are NATO foreign ministers. Across the channel in the **UK** it is very quiet with only the final-PMIs of any note.

For **China** the Official PMIs (Monday) would generally headline, but given the proximity of the US' reciprocal tariffs (April 2), trade and possible retaliation will dominate. **Japan** sees the Tankan Survey (Tuesday) as well as the usual slew of Industrial Production/Retail Sales (Monday). In **NZ**, the ANZ business survey is on Monday. Also during the week are credit aggregates, and government finance statistics. With Hawkesby previously announced as acting governor only until 31, a temporary governor will also be appointed

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

Important Events Preview

Selection of key data. Full calendar below.

Monday 31

NZ ANZ Business Survey (Feb)

ANZ business survey will be checked for firms' latest thoughts on activity, inflation, profitability, and investment and employment intentions. Lower interest rates are supportive, but uncertainty is elevated. Perhaps the latter has taken the edge of firms' previous optimism, but BNZ look for the survey to retain its generally positive hue on the economic outlook.

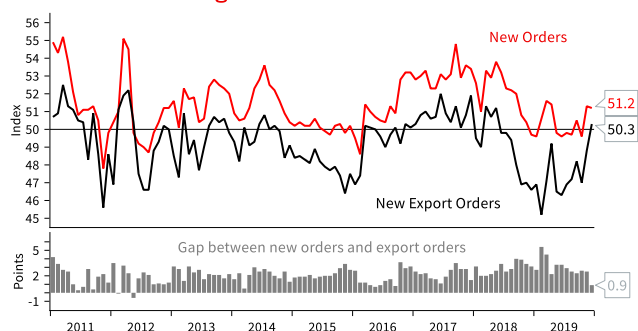
AU Credit (Feb)

JN Industrial Production, Retail Sales

CH Official PMIs (Mar)

The PMIs will likely take a backseat given the US is set to announce its 'Liberation Day' reciprocal tariffs on April 2. Consensus for the PMIs are for a small rise (Manufacturing 50.4 from 50.2; Non-manufacturing PMI 50.6 from 50.4). The details on new orders may provide some insight into how recent tariffs may impact on export demand.

China Manufacturing PMI – New Orders Index



Source: National Australia Bank, China Federation of Logistics & Purchasing, Macrobond, Bloomberg

GE/IT Prelim-CPI (Feb)

Ahead of the Eurozone measure, Germany and Italy have their CPIs. No consensus at the time of publication.

US Chicago PMI (Mar)

Tuesday 1

AU RBA (hold) and presser

The RBA is widely expected to keep rates on hold in April as it waits further information on inflation (Q1 CPI April 30) and on wages growth (WPI May 14). Note the next RBA meeting is not until May 19-20 where markets are 70% priced for a cut.

The recent RBA Minutes noted that when the Board decided to cut rates in February, the observations and judgements they applied were that inflation had come in lower than expected, the Board gave greater weight to potential downside risks, and also judged the labour

market might not be as tight as previously thought (see [AUS: RBA Minutes contain little new](#)).

Going forward those judgements put a hefty premium on realised wage data (to confirm the labour market is not as tight as embodied in the central projection), and on realised inflation data (to ensure upside risks to inflation continue to abate). NAB expects the RBA will continue to build confidence that while the labour market is tight, it isn't excessively tight so as to hamper a sustained moderation in inflation.

In our view the RBA's February inflation forecasts remain a little cautious in the near-term with the monthly inflation indicator consistent with a quarterly trimmed mean inflation print of 0.6% q/q. The RBA in their February forecast had trimmed mean inflation at 0.7% q/q (see [AUS: no surprises in the February CPI Indicator](#)).

NAB continues to be of the view that the RBA will cut rates again in May. Our call thereafter is for three further rate cuts taking the cash rate to 3.1% by February 2026. A key risk to that view is that the labour market is tighter than our assessment, or that it potentially re-tightens alongside a pickup in activity.

AU Retail Sales (Feb), Dwelling Prices (Mar)

Also out in Australia is Retail Sales for February and Dwelling Prices for March. Consensus for retail is 0.4% m/m, in line with our expectations which is informed from our high frequency data insights publication (see [NAB Monthly Data Insights February 2025](#)). It is also worth noting that the ABS is phasing out the retail trade publication, with the last publication set for July 2025.

As for dwelling prices, of interest will be the extent the rise in Melbourne dwelling prices is sustained.

JN Tankan Survey (Q1)

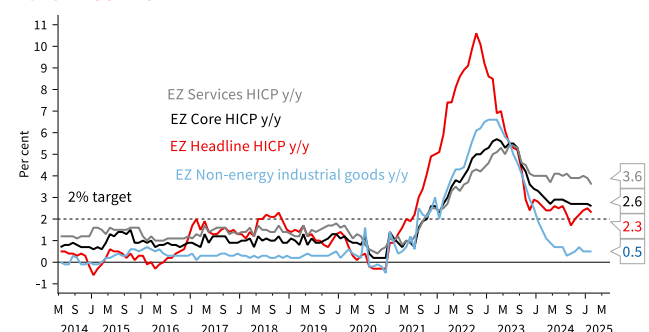
CH Caixin Manufacturing PMI

EZ/UK Final-PMIs (Manufacturing)

EZ Prelim-CPI (Mar), ECB AI Conference

Following preliminary March inflation from France, Spain, Germany and Italy, EZ HICP is expected to see headline inflation remaining at 2.3% y/y. Core prices are forecast to ease 1/10th to 2.5%. After remaining stable around 4% for months, services prices last month started what is expected to be a multi-month decline to the high 2's by mid-year. For March we expect a decline to 3.5% from 3.6%, with risks to the downside.

Euro Area HICP



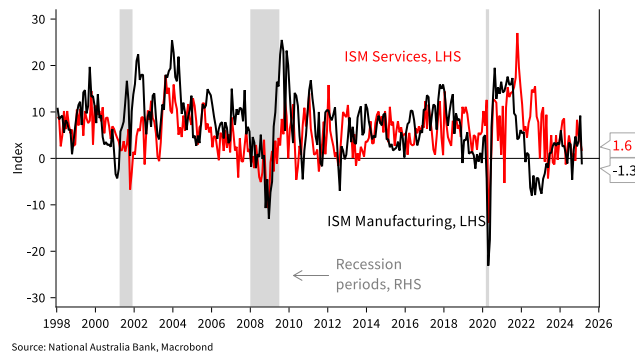
Source: National Australia Bank, Bloomberg

US Manufacturing ISM (Mar), JOLTS (Feb)

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 49.8 from 50.3. Of particular interest will be the new orders and inventory components which have historically been used as good cyclical indicators of the US economy.

Also out are JOLTs for February with all eyes on whether government employment uncertainty and the imposition of tariffs is impacting job openings – consensus is for 7,690k vs. 7,740k.

US ISM Cycle Indicator (New Orders less Inventories)



Wednesday 2

NZ Building Permits (Feb)

AU RBA's Kent, Building Approvals (Feb)

RBA Assistant Governor Kent is speaking on "The RBA's Monetary Policy Implementation System – Some Important Updates". This will be a follow up to his speech of exactly one year ago where he said the RBA planned to transition from the pandemic-era excess reserves system to a new ample-reserves system with full allotment open market operations. We anticipate further details around the frequency of OMO operations, the term of funding and possibly the price of the full-allotment operations.

Also out are building approvals which we expect will be flat after the sharp 6.9% mm rise in January.

US 'Liberation Day' (reciprocal tariffs), ADP

President Trump is due to announce reciprocal tariffs. It is still unclear how large tariffs will be and what countries will be impacted. Important will be how trading partners respond – whether there is scope to negotiate lower tariffs, or whether there is tit-for-tat retaliation.

Markets will also be on alert (and expecting) for a post-tariff pivot towards the pro-growth deregulation/tax cut agenda. Such a pivot would help stabilise sentiment which has become fragile as the Administration has to date mostly focused on the trade agenda.

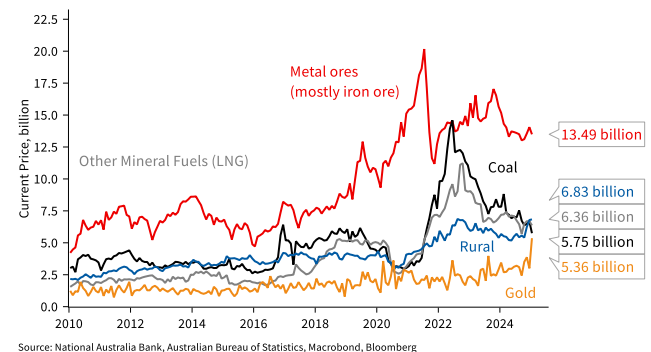
given the RBA's observation of increased exposure to margin calls (from hedging of foreign asset exposures), which have the potential to amplify shocks:

"Unexpected liquidity calls – including capital calls on private asset exposures, abrupt policy shifts (like the introduction of the Early Release Scheme) or margin calls on foreign exchange hedges – could lead to synchronised asset sales in some domestic markets as funds attempt to raise cash quickly. The management of liquidity demands resulting from margin calls on foreign exchange hedges (when the Australian dollar depreciates) will become increasingly important as foreign assets are expected to comprise a larger share of superannuation fund investment portfolios in the future. Over time, a reduction in the flow of net contributions into the sector, and the eventual transition to outright cash outflows (as more and more members enter the decumulation phase of retirement), will also present new challenges for liquidity management".

Comments on private credit will also be closely watched given intense focus on the sector.

For the goods trade balance, we expect a surplus of \$6bn supported by the increased value of gold exports alongside the rise in the gold price. It is worth noting that gold is set to be Australia's second largest export.

Major Goods Exports



CH Caixin Services PMI

EU/US NATO foreign ministers meet

EZ/UK Final-PMIs (Services)

US Services ISM (Mar), Jobless Claims, Trade (Feb)

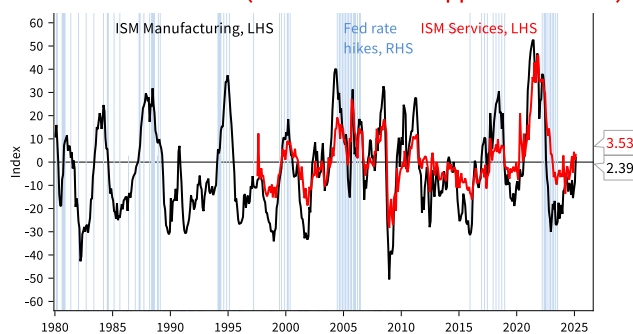
Consensus sees the Services ISM broadly steady at 53.1 from 53.5 despite US policy uncertainty. Risks as such would appear to be to the downside. Along with new orders and inventories, we will be watching closely the prices and supplier delivery indexes, which in prior cycles have proved a good gauge to inflationary pressure and the Fed's reaction to them. Jobless Claims will also continue to be watched closely given the rise in layoff announcements.

Thursday 3

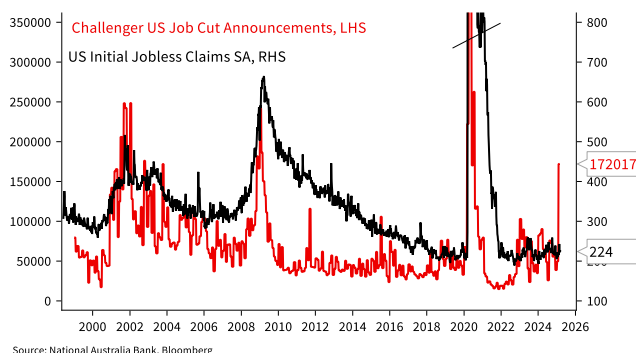
AU RBA FSR, Trade Balance

The RBA publishes its semi-annual financial stability review. Of interest will be commentary on super funds

US Fed Pressure Index (Prices Paid and Supplier Deliveries)



US Jobless Claims and Job Cuts



Friday 4

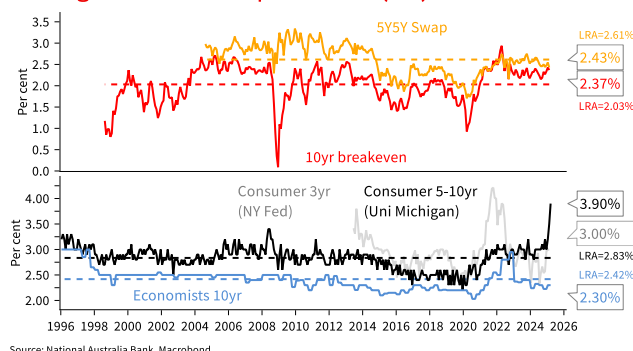
AU Household Spending (Feb)

US Payrolls (Mar), Fed Chair Powell

Consensus expects payrolls to rise 135k and for the unemployment rate to be unchanged at 4.1%. Average hourly earnings are expected to tick along at 0.3% m/m.

Fed Chair Powell is also speaking on Friday and will no doubt be asked on reciprocal tariffs and the dataflow over the week. More recently a few Fed officials have become concerned about the rise in inflation expectations.

US Long-run Inflation Expectations (CPI)*



Weekly Calendar of Economic Releases

Date	Time	Country	Event	Period	Consensus	NAB	Previous
Monday, 31 March	10:50 AM	JN	Industrial Production MoM	Feb P	1.9%		-1.1%
	10:50 AM	JN	Retail Sales MoM	Feb	--		1.2%
	11:00 AM	AU	Melbourne Institute Inflation MoM	Mar	--		-0.2%
	11:30 AM	AU	Private Sector Credit MoM	Feb	0.5%		0.5%
	12:30 PM	CH	Manufacturing PMI	Mar	50.40		50.2
	12:30 PM	CH	Non-manufacturing PMI	Mar	50.60		50.4
	7:00 PM	EC	ECB's Panetta Speaks in Rome	--	--		--
	7:00 PM	EC	ECB's Villeroy Speaks in Paris	--	--		--
	7:30 PM	UK	Mortgage Approvals	Feb	--		66.19
	11:00 PM	GE	CPI MoM	Mar P	0.4%		0.4%
	11:00 PM	GE	CPI YoY	Mar P	2.3%		2.3%
	11:00 PM	GE	CPI EU Harmonized YoY	Mar P	--		2.6%
Tuesday, 1 April	12:45 AM	US	MNI Chicago PMI	Mar	45.50		45.5
	10:30 AM	JN	Jobless Rate	Feb	--		2.5%
	10:30 AM	JN	Job-To-Applclicant Ratio	Feb	--		1.3%
	10:50 AM	JN	Tankan Large Mfg Index	1Q	12.00		14.0
	11:30 AM	JN	Jibun Bank Japan PMI Mfg	Mar F	--		48.3
	11:30 AM	AU	Retail Sales MoM	Feb	0.4%		0.3%
	12:45 PM	CH	Caixin China PMI Mfg	Mar	50.60		50.80
	2:30 PM	AU	RBA Cash Rate Target	Apr 1	4.1		4.10
	5:00 PM	UK	Nationwide House PX MoM	Mar	--		0.4%
	5:00 PM	UK	Nationwide House Px NSA YoY	Mar	--		3.9%
	6:50 PM	FR	HCOB France Manufacturing PMI	Mar F	46.10		48.9
	6:55 PM	GE	HCOB Germany Manufacturing PMI	Mar F	48.30		48.3
	7:00 PM	EC	HCOB Eurozone Manufacturing PMI	Mar F	48.95		48.7
	7:30 PM	UK	S&P Global UK Manufacturing PMI	Mar F	47.20		44.6
	8:00 PM	EC	CPI MoM	Mar P	0.6%		0.4%
	12:30 AM	CA	S&P Global Canada Manufacturing PMI	Mar	--		47.8
	12:45 AM	US	S&P Global US Manufacturing PMI	Mar F	51.65		49.80
	1:00 AM	US	JOLTS Job Openings	Feb	7690.00		7740.00
	1:00 AM	US	JOLTS Quits Rate	Feb	--		2.1%
	1:00 AM	US	ISM Manufacturing	Mar	49.80		50.3
Wednesday, 2 April	3:30 AM	EC	ECB's Lane Speaks at AI Conference	--	--		--
	8:45 AM	NZ	Building Permits MoM	Feb	--		2.6%
	10:25 AM	AU	RBA's Kent-Speech	--	--		--
	11:30 AM	AU	Building Approvals MoM	Feb	-1.5%		6.3%
	9:30 PM	EC	ECB's Schnabel Speaks in Paris	--	--		--
	10:00 PM	US	MBA Mortgage Applications	Mar 28	--		-2.0%
	11:15 PM	US	ADP Employment Change	Mar	119.0		77.0
	1:00 AM	US	Factory Orders	Feb	0.4%		1.7%
	1:00 AM	US	Durable Goods Orders	Feb F	-1.0%		0.9%
Thursday, 3 April	7:30 AM	US	Fed's Kugler Speaks on Inflation Expectations	--	--		--
	11:30 AM	AU	RBA-Financial Stability Review	--	--		--
	11:30 AM	AU	Job Vacancies QoQ	Feb	--		4.2%
	11:30 AM	AU	Trade Balance	Feb	5300.00		5620.0
	6:50 PM	FR	HCOB France Services PMI	Mar F	46.00		46.6
	6:50 PM	FR	HCOB France Composite PMI	Mar F	46.10		47.0
	7:30 PM	UK	S&P Global UK Services PMI	Mar F	53.20		53.2
	11:30 PM	US	Trade Balance	Feb	-110.00		-131.4
	11:30 PM	US	Initial Jobless Claims	Mar 29	225.00		224.0
	1:00 AM	US	ISM Services Index	Mar	53.10		53.5
	3:30 AM	US	Fed's Jefferson Gives Keynote on Communication	--	--		--
	5:30 AM	US	Fed's Cook Speaks on Economic Outlook	--	--		--
Friday, 4 April	5:00 PM	GE	Factory Orders MoM	Feb	--		-7.0%
	5:45 PM	FR	Industrial Production MoM	Feb	--		-0.6%
	11:30 PM	US	Change in Nonfarm Payrolls	Mar	135.00		151.0
	11:30 PM	CA	Net Change in Employment	Mar	--		1.1
	11:30 PM	CA	Unemployment Rate	Mar	--		6.6%
	11:30 PM	US	Unemployment Rate	Mar	4.1%		4.1%
Upcoming Central Bank Interest Rate Announcements	11:30 PM	US	Average Hourly Earnings MoM	Mar	0.3%		0.3%
	Apr 1	Australia, RBA					4.10
	May 8	UK, BOE					4.50
	May 7	US, Federal Reserve (Upper Bound)					4.50
	Apr 9	New Zealand, RBNZ					4.00
	Apr 16	Canada, BoC					2.75
	Apr 17	Europe, ECB					2.50
	May 1	Japan, BoJ					0.50

Sydney Time. Dates reflect 24 hours from 7am

Forecasts Table

For NAB Economics Latest Forecast Update, see: [The Forward View – March 2025: More progress, lingering risks](#)

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	0.1	0.5	-0.2	-0.1	0.4	0.3	0.7	0.6	0.5	0.5	0.5	0.4	0.4	
	Dwelling Investment	0.0	0.6	-0.2	-3.0	0.7	0.6	1.5	-0.4	-0.2	-0.1	-0.5	-1.0	-0.5	-0.5	-0.1	0.3	
	Underlying Bus. Investment	4.1	2.6	0.7	1.8	-1.1	-0.2	-0.8	0.0	0.2	0.3	0.1	0.6	0.4	0.5	0.3	0.4	
	Public Final Demand	0.8	1.6	1.9	-0.3	1.0	1.0	2.7	0.9	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	0.1	0.5	0.3	0.7	0.5	0.4	0.7	0.6	0.5	0.5	0.6	0.5	0.6	
	(% y/y)	2.9	2.9	3.0	2.6	2.3	1.5	1.7	2.1	2.0	2.4	2.3	2.4	2.5	2.3	2.2	2.2	
	Inventories	(contr)	0.1	-1.3	0.4	-0.2	0.7	-0.3	-0.3	0.1	-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	0.0	-1.2	0.1	0.1	0.2	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
	Gross Domestic Product	0.5	0.3	0.5	0.1	0.2	0.2	0.3	0.6	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	1.3	1.6	2.0	2.3	2.2	2.2	2.2	2.2	2.2		
Labour Market																		
Employment		0.8	1.0	0.5	0.7	0.3	0.6	0.8	0.6	0.8	0.5	0.4	0.4	0.4	0.4	0.4	0.3	
Unemployment Rate	(%)	3.6	3.6	3.7	3.9	3.9	4.0	4.1	4.0	4.1	4.2	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	0.61	0.62	0.62	0.65	0.64	0.60	0.60	0.60	
(% 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	2.5	2.5	2.5	2.5	
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	0.6	0.6	
(% v/v)		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	2.5	2.4	

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

Exchange Rate Forecasts

	27-Mar	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
Majors						
AUD/USD	0.629	0.65	0.66	0.67	0.69	0.71
NZD/USD	0.57	0.58	0.59	0.60	0.62	0.64
USD/JPY	150.8	145	142	138	134	130
EUR/USD	1.08	1.09	1.10	1.11	1.12	1.14
GBP/USD	1.29	1.27	1.31	1.35	1.34	1.35
USD/CNY	7.26	7.30	7.30	7.30	7.25	7.15
USD/CAD	1.43	1.43	1.41	1.39	1.37	1.35
USD/CHF	0.88	0.88	0.87	0.86	0.86	0.85

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

Australian Cross Rates

AUD/NZD	1.10	1.11	1.11	1.12	1.11	1.11
AUD/JPY	94.9	94	94	92	92	92
AUD/EUR	0.58	0.60	0.60	0.60	0.62	0.62
AUD/GBP	0.49	0.51	0.50	0.50	0.51	0.53
AUD/CNY	4.57	4.75	4.82	4.89	5.00	5.08
AUD/CAD	0.90	0.93	0.93	0.93	0.95	0.96
AUD/CHF	0.56	0.57	0.58	0.58	0.59	0.60

Interest Rate Forecasts

	27-Mar	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
Australian Rates						
RBA cash rate	4.10	3.85	3.60	3.35	3.10	3.10
3 month bill rate	4.13	3.76	3.51	3.29	3.23	3.23
3 Year Swap Rate	3.69	3.55	3.55	3.45	3.35	3.35
10 Year Swap Rate	4.36	4.28	4.25	4.00	4.00	4.00
Offshore Policy Rates						
US Fed funds	4.50	4.50	4.25	4.00	3.75	3.50
RBNZ OCR	3.75	3.25	2.75	2.75	2.75	2.75
10-year Bond Yields						
Australia	4.47	4.30	4.30	4.05	4.05	4.05
United States	4.34	4.25	4.25	4.00	4.00	4.00
New Zealand	4.56	4.45	4.45	4.30	4.30	4.30

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

Gregorius Steven

Senior Associate, Interest Rate Strategy

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

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