

# Markets Research

## What to Watch



Week of 16 May 2025

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

- The big news over the past week was the large reduction in tariffs from the reset on US-China trade
- Rate cut expectations have been pared, with trade policy developments rather than economic data in the driver's seat
- For the record, Q1 Wages rose 0.9% q/q, near the RBA's expectations, and the unemployment rate was steady at 4.1% despite a surge in employment.

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

- In Australia, the RBA meets (Tuesday) and is widely expected to cut rates. The uncertainty is whether it will be 25bps or 50bps. Alongside the decision is the latest Statement on Monetary Policy which contains more detailed assessments and the staff's central forecasts for the economy
- US data is relatively quiet with most focus likely to be on the 'big beautiful' budget bill discussions, and retailer earnings (Home Depot on Tuesday and Target on Thursday) for inflation and consumer anecdotes
- EZ/UK is where the S&P Global PMIs (Thursday) take most prominence. Also in Europe there is a UK-EU Summit (Monday) and the EC's latest forecasts for the bloc (Monday). In the UK, CPI (Wednesday) is expected to rise
- In China the monthly activity figures (Monday) will provide a key guide to momentum amidst heightened uncertainty.
- NZ has a busy week with mostly second-tier data. The week includes: PSI (Monday), Trade Balance (Wednesday), Budget (Thursday) and Retail Sales Volumes (Friday).

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

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### Key Markets

	% change		
	Latest	week	YTD
<b>Cash rates</b>			
RBA Cash Rate	4.10		
US Fed Funds	4.50		
RBNZ Cash Rate	3.50		
<b>Rates</b>			
		<i>bps</i>	<i>bps</i>
AU BBSY 3m	3.85	-1.2	-61.9
AU 3y swap	3.54	21.4	-24.9
AU 3yr yield	3.62	20.8	-20.3
AU 10yr yield	4.47	18.2	10.9
US 10yr yield	4.42	4.3	-14.7
AU-US 10yr spread	4.9	13.9	25.6
<b>Commodities</b>			
		%	%
Iron ore	101	3.8	1.8
Coal (thermal)	99.0	0.5	-21.0
Brent oil	65.0	1.7	-11.3
Gold	3219.8	-3.2	22.7
<b>FX</b>			
AUD/USD	0.6425	0.2	3.8
USD (DXY)	100.69	0.3	-7.2
AUD/NZD	1.0882	-0.2	1.7
<b>AUD crosses</b>			
AUD/JPY	93.36	-0.2	4.2
AUD/CNY	4.6269	0.3	-2.5
AUD/EUR	0.5735	-0.6	4.2
AUD/GBP	0.4824	-0.1	2.5
<b>Equities</b>			
ASX 200	8341.8	1.3	2.2
ASX Resources	5250.6	3.1	1.9
ASX Financials	8926.7	1.3	3.6
US S&P 500	5916.9	4.5	0.6

Source: Bloomberg

## Week in Review

Australian wages and labour market data were both out this week, but the more consequential news was once again policy developments offshore. After weekend talks in Switzerland, China and the US announced an agreement to scrap the ratcheting higher in tariffs and counter-tariffs that followed 'liberation day', and pause for 90 days the 24% reciprocal tariff. 20% fentanyl tariffs remain, but other than the reset this week puts China in the same position as other trading partners, with the country-specific tariff paused and a baseline 10% tariff in place.

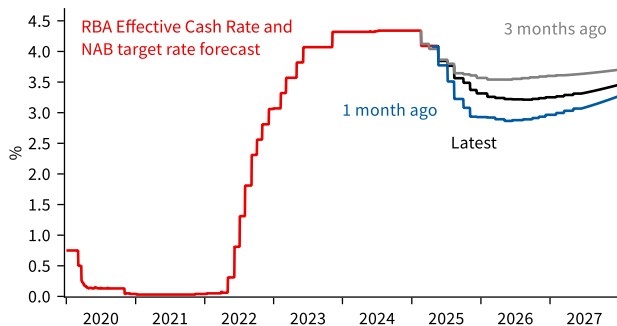
The path to get here created significant disruption to activity, and with negotiations and sector specific tariff workstreams ongoing, significant uncertainty remains, but the reset reduces the headwinds to global and US growth. Large shifts in policy continue drive large shifts in any baseline outlook. NAB pushed back the first Fed cut to October from July. [\(Tariff agreement eases tariff growth headwind, delays Fed cuts\)](#)

As for the local data, [Q1 WPI rose 0.9% q/q, supported by administered pay rises](#). That was broadly in line with the RBA's expectation and modestly overstates the underlying pace of wages pressure due to administered pay rises for aged care and childcare workers.

Employment surged 89k in April, well above expectations, but the unemployment rate continues to go nowhere, steady at 4.1%. That circle is squared by a 3 tenth jump in the participation rate, payback for a sharp fall in February alongside a 50k drop in employment. Looking through the noise, the takeaway is that trend employment growth near 26k is keeping pace with population growth, erasing a tentative trend slowdown. [\(AUS: Unemployment still moving sideways as employment bounces\)](#).

The net domestic data flow has done little to change the calculus for the RBA. Highlighting the exceptionally elevated uncertainty, market pricing has more so teed off the moving target that is the scale of the trade policy shock. There are 3 cuts priced from the RBA by year-end, from 4 a week ago and 5 a month ago.

### RBA Market Expectations



Elsewhere, US 10yr yields are 14bp higher over the week at 4.42%. The dollar is modestly higher against the euro, while the AUD is little changed near 0.6422.

Taylor Nugent, NAB

## Week Ahead

In **Australia**, the RBA meets (Tuesday) and is widely expected to cut rates. The uncertainty is whether it will be 25bps or 50bps. The consensus and market pricing tip 25bps and that is where the clear risk is relative to NAB's forecast of a 50bp move. While the global backdrop is a little less pessimistic following the US' 90 day pause, the domestic backdrop still merits getting to neutral relatively quickly.

Alongside the decision is the latest Statement on Monetary Policy which contains more detailed assessments and the staff's central forecasts for the economy. There could be some downward revision to their near-term growth forecast, but we do not expect much change to their unemployment or inflation projections.

A further read on the RBA's view of the international environment will likely come with Deputy Governor Hauser's speech (Thursday) on "*Open the Door and See the Mountain: Reflections from a Recent Trip to China*". Note Governor Bullock is also heading to China on 28-30 May.

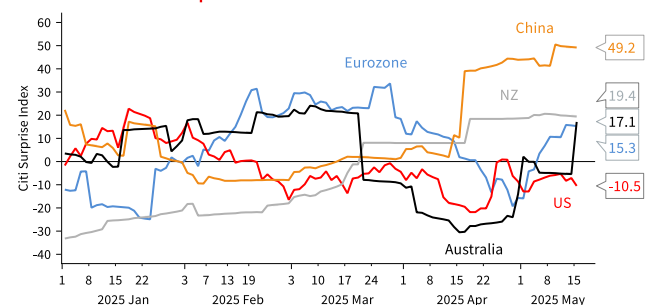
**Globally**, with the US' 90-day tariff pause in effect for China and other trading partners, focus is on whether trade deals are finalised with countries. The contents of those prospective deals also key, particularly in regard to any currency commitments or purchase commitments of US goods or even US financial assets such as Treasuries.

**US** data is relatively quiet with most focus likely to be on budget discussions and retailer earnings (Home Depot on Tuesday and Target on Thursday) for inflation and consumer anecdotes. Hard data is mostly housing related and the S&P Global preliminary PMIs.

**EZ/UK** is where the S&P Global PMIs (Thursday) take most prominence. Consensus is for a tick up in both services and manufacturing following the US' 90-day tariff pauses. Also in Europe there is a UK-EU Summit (Monday) and the EC's latest forecasts for the bloc (Monday). In the **UK**, CPI (Wednesday) is expected to rise given higher utility and other prices combine with the introduction of higher minimum wages.

In **China** the monthly activity figures (Monday) will provide a key guide to momentum amidst heightened uncertainty. Finally in **NZ** it is relatively busy week with the PSI (Monday), Trade Balance (Wednesday), Budget (Thursday) and Retail Sales Volumes (Friday).

### 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

Tapas Strickland, NAB

## Economic Events Preview

*Selection of key data. Full calendar below.*

### Monday 19

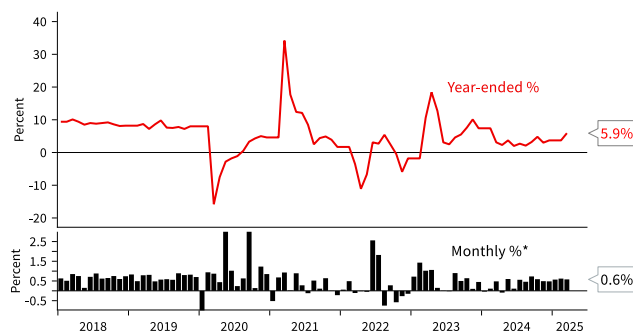
#### NZ Performance of Services Index

The PSI needs to lift a long way from March's 49.1 fairly soon to be consistent with current moderate economic growth forecasts for 2025.

#### CH Retail Sales, Industrial Production, FAI (Apr)

Data is for April and could pick up some of the tariff uncertainty, though the trade data did surprise with a fall in exports to the US offset by a rise to ASEAN and Europe. Consensus sees Industrial Production at 5.9% y/y from 7.7% and Retail Sales at 6.0% y/y from 5.9%. Note retail sales growth has been very stable at 0.6% m/m

##### China Retail Sales



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

#### EZ UK-EU Summit, EC Spring Forecasts, Final CPI (Apr)

UK and EU leaders will meet in London to discuss a resetting of post-Brexit relations. The key area of focus will be in deeper cooperation on defence and security.

#### CA Public Holiday (Victoria Day)

#### US Budget mega bill heads for floor debate

There is a lot of uncertainty around the embryonic 'big beautiful' budget bill. Press report Speaker Johnson wants to prepare the bill for floor debate and will be meeting with the House Rules Committee on Monday. Markets are likely to increasingly focus on the debt and deficit trajectory from the proposals emanating from the House and Senate before they head for reconciliation.

#### US Fed's Williams, Bostic, Logan and Jefferson

The Atlanta Fed is holding its financial markets conference with the topic this year being '[Financial Intermediation In Transition](#)'. Of interest will be discussion on private credit. As well as nonbanks in the Treasury market given recent sharp moves that were attributed to an unwind of basis trades. Not linked to the conference, the Fed's Williams is in moderated conversation, and Kashkari in moderated Q&A.

### Tuesday 20

#### AU RBA Meeting (cut)

The RBA is widely expected to cut rates by 25bps to 3.85%. NAB's view has been that the deterioration in the global backdrop which occurred in early April had warranted the RBA moving more quickly to neutral and eventually into stimulatory territory, starting with a 50bp move in May.

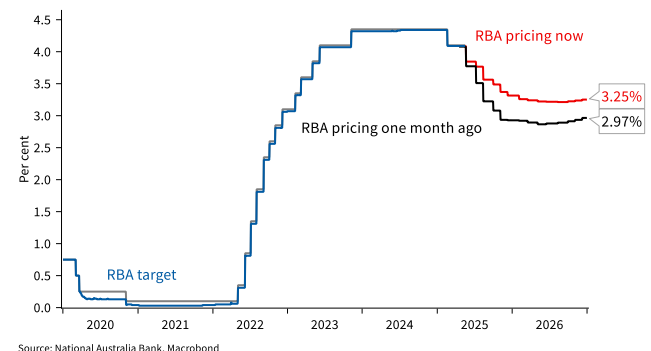
The global backdrop now is now clearly less pessimistic following the US' 90-day pauses. Domestically, consumption indicators point to downside risk to the RBA's expected pickup in consumption. Retail volumes were flat in Q1 as was the household spending indicator. The RBA's February SoMP forecasts had expected consumption growth to average 0.7% q/q in Q1 and Q2.

The RBA will likely have to trim their GDP forecasts and pushout the pace of pickup in consumption growth. As such we still think the RBA should take policy to a neutral policy setting relatively quickly.

On Tuesday we see the RBA deciding whether to move rates by 25bps or 50bps. They may also discuss the merits of keeping policy unchanged – note a three-option discussion was common during the prior hiking cycle.

The clear risk to our view is that the RBA only moves by 25bps. Markets price 24.6bps for May and broadly see a quarterly cutting cadence (May, August and November) taking the cash rate down to somewhere near 3.2%.

#### RBA Cash Pricing



Source: National Australia Bank, Macrobond

As for the other data flow relative to the RBA's prior February SoMP forecasts, they have broadly come in line. The unemployment rate has held steady at 4.1% vs. a forecast lift to 4.2% in Q2 2025. Q1 Trimmed Mean inflation at 0.7% q/q and 2.9% y/y suggest the RBA's Q2 2025 forecast of 2.7% is on track. Finally, the underlying cash rate assumption based on market pricing is around 20bps lower at 3.2% vs. the 3.4% in Q2 2026.

#### UK BoE Chief Economist Pill

#### CA CPI (Apr)

#### US Home Depot Earnings, Fed's Bostic, Daly, Hammack, Musalem

Earnings by Home Depot will be parsed for inflation anecdotes. Walmart which reported recently said it planned to raise prices in May and into the summer, when tariff-affected merchandise hits its store shelves.

CFO Rainey said: “We’re wired for everyday low prices, but the magnitude of these increases is more than any retailer can absorb... It’s more than any supplier can absorb. And so I’m concerned that consumer is going to start seeing higher prices. You’ll begin to see that, likely towards the tail end of this month, and then certainly much more in June”. Consumer so far though were not shifting behaviour.

## WD G-7 Finance Ministers through to May 22

## Wednesday 21

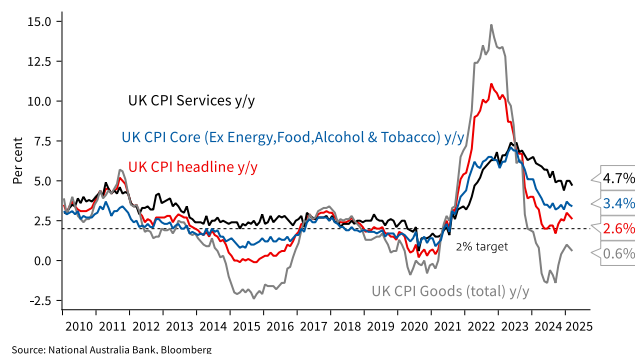
### NZ Trade Balance

### JN Trade Balance

### UK CPI (Apr)

UK inflation is set to record a sizeable jump in April as a raft of higher utility and other prices combine with the introduction of higher minimum wages and as employers pay higher National Insurance costs. While no consensus forecasts are available at the time of publication, we expect headline CPI to rise from 2.6% in March to 3.5%. The risks are on the upside with the BoE forecasting a 3.4% average in Q2, rising to 3.5% in Q3. Core inflation should rise from 3.4% to 3.9%. Headline inflation is unlikely to decline back below 3% until early 2026.

### UK Inflation



### US 20-year Bond Auction (\$16bn)

## Thursday 22

### NZ Budget Plan

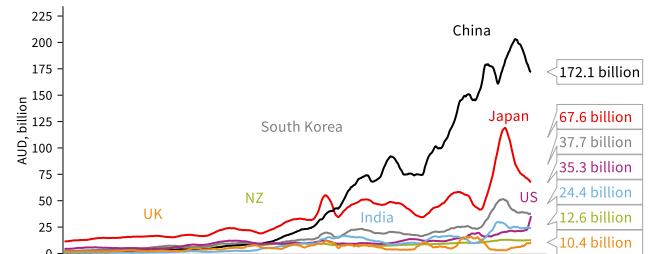
Finance Minister Willis has indicated that Budget 2025 will maintain previous forecasts of a small fiscal surplus by fiscal year 2029. The path back to surplus is challenging and being threatened by expected downgrades to economic growth forecasts and associated revenue projections.

There are many moving parts to consider regards the outlook for the bond programme. According to our BNZ colleagues, it is possible that various factors roughly balance out such that borrowing requirements are broadly unchanged relative to the Half Year outlook. And that is their best guess. But even if they were accurate in forecasts of the Government’s funding needs, they can’t rule out NZDM using T-bills rather than bonds as a funding mechanism. Additionally, there will be a smoothing overlay applied to any funding programme.

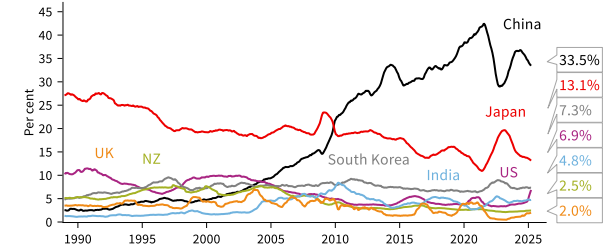
## AU RBA Deputy Gov. speaks

RBA Deputy Governor is speaking on “Open the Door and See the Mountain: Reflections from a Recent Trip to China” at the Lowy Institute in Sydney. His views on China will be of high interest given China accounts for around 34% of Australia’s goods exports.

### Australian Merchandise Exports by Country (Rolling Annual)



### Share of Goods Exports



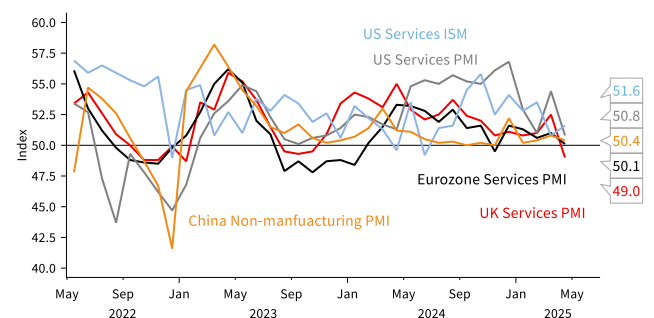
Source: National Australia Bank, Australian Bureau of Statistics, Macrobond, Bloomberg

## JN Prelim. PMIs (May)

### EZ/UK Prelim. PMIs (May), ECB Minutes

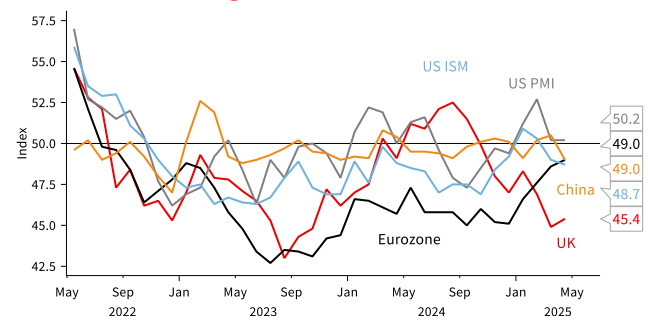
Services PMI activity across jurisdictions collectively took a hit in April as tariff uncertainty bit and pushing most to the 50 boom-bust level. We doubt the preliminary May numbers will show much improvement. In manufacturing the UK stands out among the weaker reports while the US measure remains below that of the ISM.

### Global Services PMIs



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

### Global Manufacturing PMIs

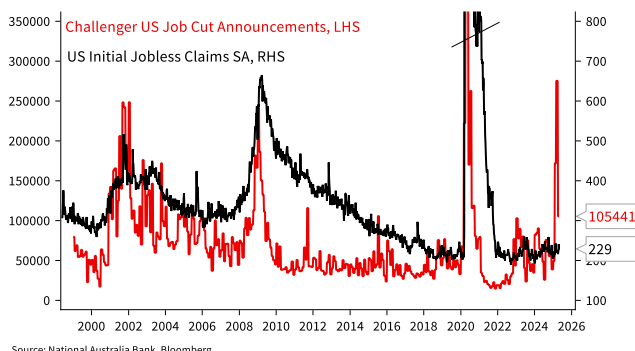


Source: National Australia Bank, S&P Global, Institute for Supply Management (ISM), China Federation of Logistics & Purchasing, Macrobond

## US PMIs (May), Jobless Claims, Fed's Williams, Target

Aside from the PMIs mentioned above, Jobless will continue to garner focus. Claims to date remain low, while Challenger job cut announcements have retraced. Retailer Target also worth a look for inflation anecdotes.

### US Jobless Claims and Job Cuts



## Friday 23

### NZ Retail Sales Volumes, RBNZ Inflation Expectations

Our BNZ colleagues look for sales volumes to be broadly flat in the quarter on a seasonally adjusted basis, which would see annual growth also near zero.

Also out is the RBNZ's household inflation expectations survey, which will provide some colour on households' inflation views. Ahead of that, on Wednesday, the RBNZ will launch its new business expectations survey.

### JN CPI (Apr)

Consensus sees core CPI (ex food and energy) at 3.0% y/y from 2.9%. Note pricing for a 25bp hike from the BoJ has shifted into 2026 given the global uncertainty with only a cumulative 17bps priced by the December 2025 meeting.

### UK Retail Sales

### CA Retail Sales

### US Building Permits



## Weekly Calendar of Economic Releases

Date	Time	Country	Event	Period	Consensus	NAB	Previous
Monday, 19 May	7:20 AM	US	Fed's Williams Gives Commencement Address	--	--		--
	8:30 AM	NZ	Performance Services Index	Apr	--		49.10
	8:45 AM	NZ	PPI Input QoQ	1Q	--		-0.9%
	11:30 AM	CH	New Home Prices MoM	Apr	--		-0.1%
	12:00 PM	CH	Retail Sales YoY	Apr	6.0%		5.9%
	12:00 PM	CH	Industrial Production YoY	Apr	5.8%		7.7%
	2:30 PM	JN	Tertiary Industry Index MoM	Mar	-0.2%		0.0%
	7:00 PM	EC	CPI YoY	Apr F	2.2%		2.2%
	7:00 PM	EC	CPI MoM	Apr F	0.6%		0.6%
	7:30 PM	EC	ECB's Muller Speaks in Tallinn	--	--		--
	10:30 PM	US	Fed's Bostic Gives Opening Remarks	--	--		--
	10:45 PM	US	Fed's Jefferson Gives Keynote, Bostic Moderates	--	--		--
	10:45 PM	US	Fed's Williams Speaks in Moderated Discussion	--	--		--
	12:00 AM	US	Leading Index	Apr	-0.8%		-0.7%
	2:30 AM	SZ	SNB's Schlegel Speaks in Lucerne	--	--		--
	3:15 AM	US	Fed's Logan Gives Remarks, Moderates Panel	--	--		--
	3:30 AM	US	Fed's Kashkari Participates in Q&A	--	--		--
Tuesday, 20 May	11:00 AM	CH	1-Year Loan Prime Rate	May 20	3.00		3.1
	2:30 PM	AU	RBA Cash Rate Target	May 20	3.85		4.1
	2:30 PM	AU	RBA-Statement on Monetary Policy	--	--		--
	4:55 PM	EC	ECB's Wunsch Speaks at AFME Event in Frankfurt	--	--		--
	6:00 PM	UK	BOE's Pill Speaks	--	--		--
	8:00 PM	EC	ECB's Knot Presents DNB's Financial Stability Overview	--	--		--
	10:30 PM	US	Philadelphia Fed Non-Manufacturing Activity	May	--		-42.70
	10:30 PM	CA	CPI NSA MoM	Apr	0.5%		0.3%
	10:30 PM	CA	CPI YoY	Apr	2.3%		2.3%
	11:00 PM	US	Fed's Bostic Gives Opening Remarks	--	--		--
	11:00 PM	US	Fed's Barkin Gives Speech at Richmond Fed Conference	--	--		--
	11:30 PM	US	Fed's Collins Hosts Fed Listens Event in New Hampshire	--	--		--
	3:00 AM	US	Fed's Musalem Speaks on Economy, Policy	--	--		--
Wednesday, 21 May	8:45 AM	NZ	Trade Balance NZD	Apr	--		970.0
	9:00 AM	US	Fed's Hammack, Daly Give Keynote, Bostic Moderates	--	--		--
	9:50 AM	JN	Trade Balance	Apr	227.10		559.4
	4:00 PM	UK	CPI MoM	Apr	--		0.3%
	4:00 PM	UK	CPI YoY	Apr	--		2.6%
	9:00 PM	US	MBA Mortgage Applications	May 2	--		-4.2%
Thursday, 22 May	9:50 AM	JN	Core Machine Orders MoM	Mar	-1.6%		4.3%
	10:30 AM	JN	Jibun Bank Japan PMI Mfg	May P	--		48.7
	5:00 PM	AS	ECB's Holzmann Speaks in Vienna	--	--		--
	5:15 PM	FR	HCOB France Manufacturing PMI	May P	--		48.7
	5:15 PM	FR	HCOB France Services PMI	May P	--		47.3
	5:15 PM	FR	HCOB France Composite PMI	May P	--		47.8
	5:30 PM	GE	HCOB Germany Manufacturing PMI	May P	49.0		48.4
	6:00 PM	GE	IFO Business Climate	May	87.50		86.9
	6:00 PM	EC	HCOB Eurozone Manufacturing PMI	May P	49.40		49.0
	6:30 PM	AU	RBA's Hauser-Speech	--	--		--
	6:30 PM	UK	S&P Global UK Manufacturing PMI	May P	--		45.40
	6:30 PM	UK	S&P Global UK Services PMI	May P	--		49.0
	8:50 PM	UK	BOE's Breeden Speaks	--	--		--
	9:00 PM	UK	BOE's Dhingra Speaks	--	--		--
	9:30 PM	EC	ECB Publishes Account of April 16-17 Policy Meeting	--	--		--
	10:30 PM	UK	BOE Chief Economist Huw Pill Speaks in Vienna	--	--		--
	10:30 PM	US	Chicago Fed Nat Activity Index	Apr	--		0.0
	10:30 PM	US	Initial Jobless Claims	May 3	227.50		241.0
	11:30 PM	EC	ECB's Nagel Gives Press Conference at G-7	--	--		--
	11:45 PM	US	S&P Global US Manufacturing PMI	May P	--		50.2
Friday, 23 May	12:00 AM	US	Existing Home Sales	Apr	4.15		4.0
	4:00 AM	US	Fed's Williams Gives Keynote Remarks	--	--		--
	8:45 AM	NZ	Retail Sales Ex Inflation QoQ	1Q	--		0.9%
	9:30 AM	JN	Natl CPI YoY	Apr	3.5%		3.6%
	4:00 PM	UK	Retail Sales Inc Auto Fuel MoM	Apr	--		0.4%
	6:30 PM	EC	ECB's Lane Speaks in Florence	--	--		--
	7:00 PM	EC	Euro Area Indicator of Negotiated Wage Rates	--	--		--
	12:00 AM	US	New Home Sales	Apr	700.00		724.0
	10:30 PM	US	New York Fed Services Business Activity	May	--		-19.8
	12:00 AM	US	U. of Mich. Sentiment	May P	53.50		52.2
Upcoming Central Bank Interest Rate Announcements	1:00 AM	EC	ECB's Lane, BOE's Lombardelli, Riksbank's Seim in DC	--	--		--
	May 20	Australia, RBA					4.10
	May 8	UK, BOE					4.50
	May 7	US, Federal Reserve (Upper Bound)					4.50
	May 28	New Zealand, RBNZ					4.00
	Jun 4	Canada, BoC					2.75
	Jun 5	Europe, ECB					2.25
	Jun 17	Japan, BoJ					0.50

Sydney Time. Dates reflect 24 hours from 7am

## Forecasts Table

For NAB Economics Latest Forecast Update, see: [The Forward View – April 2025: Calm before the storm](#)

### Australian Economic Forecasts

		2024				2025				2026			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>GDP</b>													
Household Consumption		0.5	-0.2	-0.1	0.4	0.5	0.4	0.4	0.5	0.5	0.5	0.4	0.4
Dwelling Investment		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		-1.1	-0.2	-0.8	0.0	0.0	-0.1	-0.7	-0.2	0.2	0.4	0.2	0.4
Public Final Demand		1.0	1.0	2.7	0.9	1.0	0.7	0.8	0.6	0.6	0.6	0.6	0.6
Domestic Final Demand		0.5	0.3	0.7	0.5	0.5	0.5	0.4	0.5	0.5	0.6	0.5	0.5
(% y/y)		2.3	1.5	1.7	2.1	2.1	2.3	2.0	1.9	2.0	2.0	2.1	2.2
Inventories	(contr)	0.7	-0.3	-0.3	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Exports	(contr)	-1.2	0.1	0.1	0.2	-0.1	0.0	0.1	0.0	0.0	0.0	0.1	0.0
Gross Domestic Product		0.2	0.2	0.3	0.6	0.4	0.6	0.5	0.5	0.6	0.6	0.5	0.6
(% y/y)		1.1	1.0	0.8	1.3	1.5	1.9	2.0	2.0	2.1	2.2	2.2	2.3
<b>Labour Market</b>													
Employment		0.3	0.6	0.8	0.6	0.4	0.5	0.3	0.3	0.4	0.5	0.4	0.3
Unemployment Rate	(%)	3.9	4.1	4.1	4.0	4.1	4.2	4.3	4.4	4.4	4.3	4.3	4.3
WPI Wages		0.7	0.9	0.9	0.7	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8
(% y/y)		4.0	4.1	3.6	3.2	3.4	3.4	3.4	3.5	3.4	3.3	3.3	3.2
<b>Inflation</b>													
CPI Trimmed Mean		1.0	0.9	0.8	0.5	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6
(% y/y)		4.0	4.0	3.6	3.3	2.9	2.7	2.5	2.5	2.5	2.5	2.5	2.5
CPI Headline		1.0	1.0	0.2	0.2	0.9	0.6	0.6	0.6	1.0	0.6	0.6	0.6
(% y/y)		3.6	3.8	2.8	2.4	2.4	2.0	2.4	2.8	2.8	2.8	2.8	2.8

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

### Exchange Rate Forecasts

	15-May	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
<b>Majors</b>						
AUD/USD	0.641	0.66	0.68	0.70	0.72	0.73
NZD/USD	0.59	0.61	0.63	0.65	0.67	0.68
USD/JPY	145.2	138	130	125	120	119
EUR/USD	1.13	1.18	1.24	1.23	1.25	1.26
GBP/USD	1.33	1.37	1.43	1.41	1.44	1.45
USD/CNY	7.27	7.25	7.15	7.00	6.90	6.80
USD/CAD	1.38	1.36	1.33	1.30	1.28	1.28
USD/CHF	0.83	0.79	0.74	0.75	0.74	0.73

### Australian Cross Rates

AUD/NZD	1.08	1.08	1.08	1.08	1.07	1.07
AUD/JPY	93.2	91	88	88	86	87
AUD/EUR	0.57	0.56	0.55	0.57	0.58	0.58
AUD/GBP	0.48	0.48	0.48	0.50	0.50	0.50
AUD/CNY	4.66	4.79	4.86	4.90	4.97	4.96
AUD/CAD	0.89	0.90	0.90	0.91	0.92	0.93
AUD/CHF	0.53	0.52	0.50	0.52	0.54	0.53

### Interest Rate Forecasts

	15-May	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
<b>Australian Rates</b>						
RBA cash rate	4.10	3.60	3.10	2.85	2.60	2.60
3 month bill rate	3.86	3.44	3.14	2.80	2.71	2.71
3 Year Swap Rate	3.24	3.25	3.05	2.95	2.85	2.95
10 Year Swap Rate	4.08	4.10	4.15	3.90	3.95	3.95
<b>Offshore Policy Rates</b>						
US Fed funds	4.50	4.50	4.50	4.00	3.75	3.75
RBNZ OCR	3.50	3.25	2.75	2.75	2.75	2.75
<b>10-year Bond Yields</b>						
Australia	4.21	4.20	4.25	4.00	4.05	4.05
United States	4.22	4.25	4.25	4.00	4.00	4.00
New Zealand	4.44	4.45	4.45	4.30	4.30	4.30

### Global GDP

	2024	2025	2026
Australia	1.0	1.8	2.2
United States	2.8	1.3	1.5
Eurozone	0.8	0.9	1.3
United Kingdom	1.1	0.9	0.9
Japan	0.1	1.0	0.5
China	5.0	4.1	3.9
India	6.3	6.0	6.2
New Zealand	-0.5	0.8	2.7
World	3.3	2.7	2.8

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