

Markets Research

What to Watch



Week of 8 September 2025

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

- An upside surprise to Q2 GDP was driven by household consumption and confirms the consumer is on firmer footing
- RBA's Bullock said the data were a little stronger than expected

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

- A quiet week ahead in Australia. Consumer Confidence and NAB Business Survey are Tuesday.
- In **NZ**, business financial data are released Tuesday, international migration on Wednesday, and card spending and the PMI are on Friday.
- In the **US**, PPI (Wednesday) and CPI (Thursday) headline. The FOMC goes into pre-meeting communication blackout. The preliminary QCEW benchmark revisions to March 2025 payrolls are Tuesday.
- In **Europe**, the ECB is widely expected to hold rates, but with immediate growth prospects weak, there is a case for another cut in the deposit rate. Von der Leyen delivers the annual State of the Union address Wednesday, and in France the confidence vote over planned budget measures is Monday.
- **UK** monthly GDP is out Friday.
- In **China**, trade data is out Monday, CPI & PPI is Wednesday, and aggregate financing are expected in the week from Tuesday, the Standing Committee of the NPC meets from Monday through Thursday.
- In **Japan**, a vote on whether to bring forward a LDP leadership election is expected to take place Monday, with politics the remaining hurdle to an October hike.

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

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Key Markets

		% change	
	Latest	week	YTD
Cash rates			
RBA Cash Rate	3.60		
US Fed Funds	4.50		
RBNZ Cash Rate	3.00		
Rates		bps	bps
AU BBSY 3m	3.63	1.1	-83.3
AU 3y swap	3.40	9.8	-38.8
AU 3yr yield	3.48	8.5	-34.1
AU 10yr yield	4.35	7.1	-1.6
US 10yr yield	4.15	-7.5	-41.6
AU-US 10yr spread	19.3	14.7	40.0
Commodities		%	%
Iron ore	105	1.2	7.7
Coal (thermal)	107.0	-4.1	-14.6
Brent oil	66.8	-1.1	-7.4
Gold	3554.4	3.1	35.4
FX			
AUD/USD	0.6527	-0.2	5.5
USD (DXY)	98.17	0.4	-9.5
AUD/NZD	1.1140	0.4	0.7
AUD crosses			
AUD/JPY	96.73	0.6	-0.6
AUD/CNY	4.6516	-0.2	3.1
AUD/EUR	0.5597	0.0	-6.4
AUD/GBP	0.4853	0.4	-1.9
Equities			
ASX 200	8864.3	-1.2	8.6
ASX Resources	5778.5	-1.4	12.1
ASX Financials	9644.4	-0.8	12.0
US S&P 500	6502.1	0.3	10.5

Source: Bloomberg

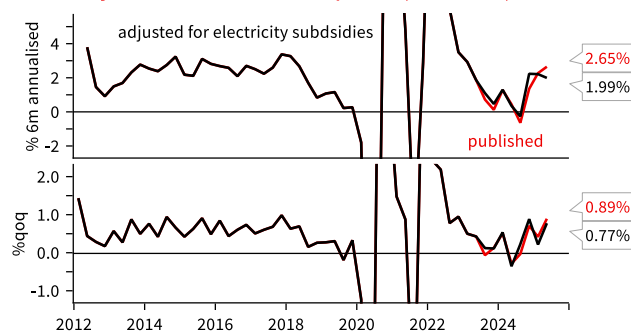
Week in Review

The Q2 GDP data showed that the soft start to 2025 belied what was a firming underlying trend. Households have clearly responded to the improved real income picture and discretionary categories were the driver of strength in Q2. RBA Governor Bullock, speaking after the data, said “*We’re seeing the private sector start to demonstrate a little bit more growth now, which I think is positive*” but retained a clear bias to further easing, saying “*it’s possible that if it keeps going, then there may not be many interest rate declines yet to come*”

Household consumption rose 0.9% qoq. The ABS again highlighted periods of promotional activity as a driver, consistent with the pattern of strong Q4, weak Q1 and strong Q2. On a 6-month annualised basis and adjusting for the treatment of electricity subsidies, consumption growth actually slowed a little to 2.0% from 2.2% despite the strong quarter. The consumer is on firmer footing than feared, but the trend is not as strong as the Q2 data in isolation suggest.

[GDP Q2 2025 – Consumers lead the way.](#)

Quarterly Household Consumption (Volumes)



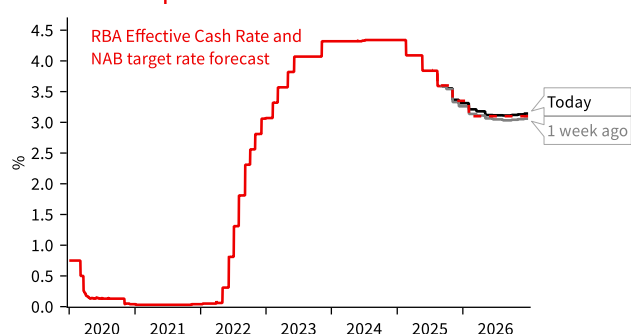
Source: National Australia Bank, ABS

July household spending rose 0.5% mom, suggesting the improved underlying trend continued into Q3. [AUS: Household Spending Indicator up 0.5% mom in July](#)

NAB continues to expect the RBA to ease policy in November and February, as it moves policy to a broadly neutral stance of 3.1%. Policy normalisation is now reasonably well progressed, and GDP data will increase the RBA’s confidence that consumption will be a support for growth. Given uncertainty about how restrictive policy remains, and amid some upside risks to inflation, namely from shelter categories, there is little urgency to adjust policy quickly while the labour market remains resilient.

Market pricing pared rate cut expectations, with 28bps of cuts priced by year end, from 34bp a week ago.

RBA Market Expectations



Source: National Australia Bank, Bloomberg

Week Ahead

The domestic calendar goes quiet in the week ahead. The **NAB Business Survey** and **Westpac-Melbourne Institute Consumer Confidence** are both Tuesday, but there is nothing of note from the ABS until August employment on 18 September. RBA Assistant Governor Brad Jones speaks on a panel at FINSIA’s The Regulators event on Friday.

In **NZ**, business financial data are released Tuesday, international migration on Wednesday, and card spending and the PMI are on Friday.

In the **US**, following payrolls data tonight, attention turns back to inflation with **PPI (Wednesday)** and **CPI (Thursday)**. There will also be some interest in just how large downward revisions will be in the preliminary benchmark revision to March 2025 payrolls, due Tuesday. The FOMC goes into pre-meeting blackout from tomorrow (Saturday) ahead of the 17 September decision.

In **Europe**, the **ECB** headlines what is otherwise a quiet data calendar. With a good prospect inflation falls below target in 2026 and immediate growth prospects still weak, there is a case for another cut in the deposit rate, it might take until October or December though, with markets well priced for a hold on Wednesday. New forecasts and Lagarde’s press conference will be in focus for how high the bar is to another adjustment.

On the political calendar, the vote of confidence on French Prime Minister Francois Bayrou’s proposed budget measures is set for Monday. European Commission President Ursula von der Leyen delivers an annual State of the Union address to the European Parliament on Wednesday.

In **Japan**, a vote on whether to bring forward a LDP leadership election is expected to take place Monday, as PM Ishiba’s future remains under threat. Though recent opinion polls have swung in his favour. The political backdrop is the remaining hurdle to an October hike from the BoJ.

OPEC+ meets Sunday (7 September), with the path forward reported still up for debate this week after the fast-tracked addition of 2.5 million barrels a day that was finalized at its previous gathering.

In the **UK**, monthly GDP data for July is Friday, and follows an upside surprise 0.4% mom gain in June. BoE’s Breeden appears with Bank of France’s Villeroy on Wednesday.

In **China**, Trade data is Monday, CPI and PPI are Wednesday and aggregate financing data is due in the week from Tuesday. The Standing Committee of the 14th National People’s Congress, China’s top legislature, will hold its 17th session in Beijing from Monday 8 September through the 12th.

Selected Economic Events Preview

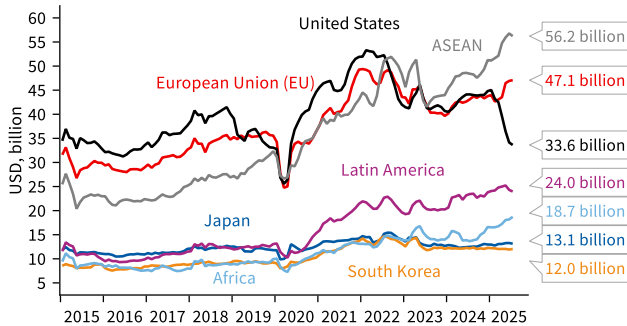
Full calendar below

Monday 8

CH Trade (August)

So far, aggregate Chinese exports have been resilient to tariff impacts, even as shipments to the US have more noticeably fallen back. Expectations are for export growth to slow from its July pace of 7.2% yoy

China Exports (3m moving average)



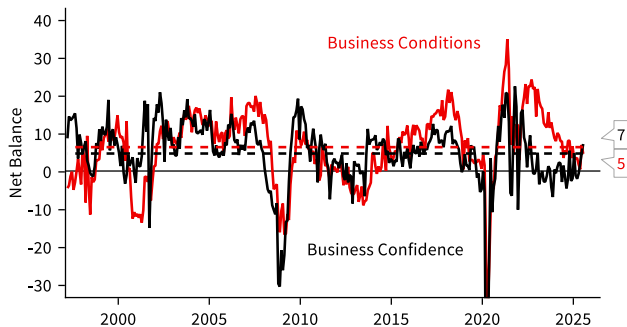
Source: National Australia Bank, China General Administration of Customs (GAC), Macrobond

Tuesday 9

AU Consumer Confidence & NAB Business Survey

The NAB Business Survey showed a further improvement in confidence in July, while conditions steadied near its long run average.

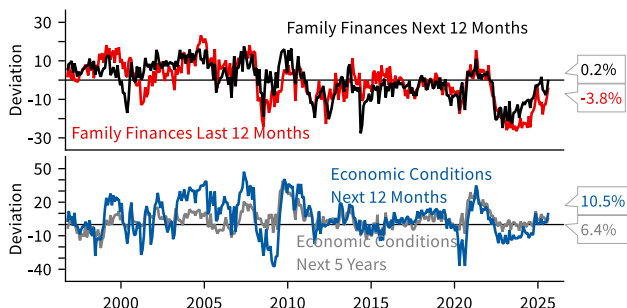
NAB Business Survey



Source: National Australia Bank, National Australia Bank, Macrobond

Consumer confidence jumped 6% in July to 98.5, its highest in 3 years and only a little below its long run average. There has been a noticeable improvement in perceptions of family finances.

Consumer Sentiment (Deviation from Average)*



Source: National Australia Bank, Melbourne Institute of Applied Economic & Social Research, Macrobond, Bloomberg

NZ Manufacturing Activity (Q2)

Business financial data is the last of the major Q2 GDP partial indicators. BNZ expect these to infer modest gains in wholesale trade and service sector activity, and a decline in manufacturing activity. We will then look to finalise our Q2 GDP pick which currently sits at -0.2% q/q. For reference, the RBNZ estimated a 0.3% contraction for that quarter in its August MPS.

Wednesday 10

NZ Migration (Jul)

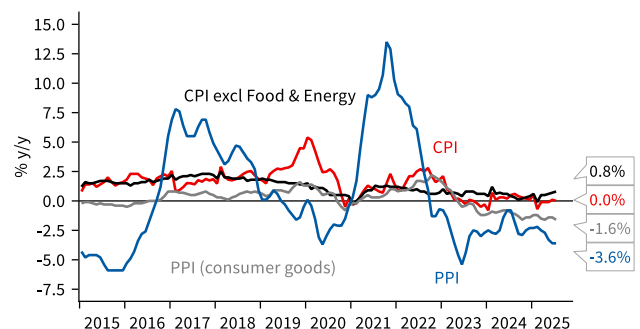
July's migration figures are due on Wednesday. Annual net migration was stable in June, and BNZ look for more of the same in July.

Tourist arrivals data are released at the same time. July short-term visitor arrivals are seen well above year earlier levels. But even with an increase in the order of, say 6% y/y, visitor numbers are expected to remain well below pre-Covid levels.

CH CPI & PPI

China's CPI is expected to slip back into deflation in August, from 0.0% yoy in July, weighed by food prices. The core measure has trended higher recently, up to 0.8% yoy in July, but services inflation is lower than a year ago and the increase has been driven by goods components like cars, furniture, and household appliances that have been boosted by the government's trade in scheme. Underlying price pressure remain soft. PPI deflation is expected to moderate from -3.6% in July on a combination of higher commodity prices and favourable base effects.

China Inflation



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

US PPI

The PPI comes ahead of the more informative CPI this month, and is seen at 0.3% mom after a sharp upside surprise in the prior month.

Thursday 11

EZ ECB September meeting

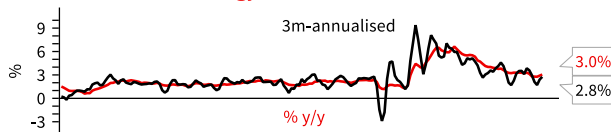
Markets are priced for a hold from the ECB's September meeting. With immediate growth prospects still weak (and facing an additional headwind from this month's US tariff increase), and the prospect of an appreciating Euro, lower energy prices and some deflationary pressure from a re-routing of China goods to Europe, taking inflation below the ECB's 2% target, we anticipate one further (25bp) rate cut. Updated projections are also released. The previous forecasts showed inflation dipping below 2% in 2026, though was downplayed as a temporary, energy-driven dynamic.

US CPI

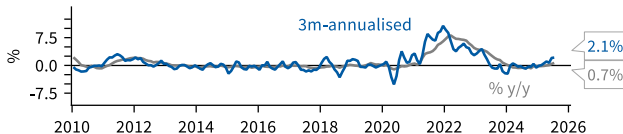
It is downside risks to the labour market, rather than the extent of short-term inflation pressure, that is capturing the immediate imagination of Fed Chair Powell. But until and unless spare capacity is evident in the hard data, inflation dynamics can't be fully dismissed. Pipeline goods pressures remain elevated and should continue to support CPI outcomes in the near term, but breadth will also be key. Services inflation was stronger in July data, and Chicago's Goolsbee for one has said *"that makes me a little uneasy, because that's very unlikely to be caused by tariffs"*

US CPI

All Items Less Food & Energy



Commodities Less Food, Energy & Used Cars & Trucks



Source: National Australia Bank, BLS

Friday 12

NZ Card Spending & Business NZ PMI

We suspect electronic card transactions at retail outlets may rise again in August, building on the modest improvement in July. This would add to signs of recovery into Q3.

The PMI for August will provide the latest pulse on the manufacturing sector into the middle of Q3. The PMI jumped up from 49.2 to 52.8 in July. A similar reading in August would support the notion of manufacturing activity making a positive contribution to growth in Q3.

US University of Michigan Consumer Sentiment

Weekly Calendar of Economic Releases

Date	Time	Country	Event	Period	Consensus	Previous
Monday, 8 September	9:50 AM	JN	GDP SA QoQ	2Q F	0.3%	0.3%
	9:50 AM	JN	BoP Current Account Balance	Jul	3114.70	1348.2
	4:00 PM	GE	Industrial Production SA MoM	Jul	--	-1.9%
	--	CH	Exports YoY	Aug	5.5%	7.2%
	--	CH	Trade Balance	Aug	97.44	98.2
Tuesday, 9 September	10:30 AM	AU	Westpac Consumer Conf SA MoM	Sep	--	5.7%
	11:30 AM	AU	NAB Business Confidence	Aug	--	7.4
	11:30 AM	AU	NAB Business Conditions	Aug	--	4.80
	4:45 PM	FR	Industrial Production MoM	Jul	--	3.8%
	9:30 PM	EC	ECB's Nagel Speaks at BIS Event	--	--	--
	9:50 PM	SZ	SNB's Schlegel Speaks on BIS Panel	--	--	--
	--	CH	(09 Sep - 15 Sep) New Yuan Loans CNY YTD	Aug	13670.92	12870.92
	--	CH	(09 Sep - 15 Sep) Money Supply M2 YoY	Aug	8.6%	8.8%
	1:15 AM	EC	ECB's Villeroy Speaks at BIS Event	--	--	--
	1:15 AM	UK	BOE's Breeden Moderates Fireside Chat	--	--	--
Wednesday, 10 September	8:45 AM	NZ	Net Migration SA	Jul	--	1670.0
	11:30 AM	CH	PPI YoY	Aug	-3	-4
	11:30 AM	CH	CPI YoY	Aug	-0.2%	0.0%
	9:00 PM	US	MBA Mortgage Applications	Sep 5	--	-1.2%
	10:30 PM	US	PPI Final Demand MoM	Aug	0.3%	0.9%
	12:00 AM	US	Wholesale Inventories MoM	Jul F	--	0.2%
Thursday, 11 September	9:50 AM	JN	PPI YoY	Aug	2.7%	2.6%
	10:15 PM	EC	ECB Deposit Facility Rate	Sep 11	2.00	2.0
	10:30 PM	US	CPI MoM	Aug	0.3%	0.2%
	10:30 PM	US	CPI Ex Food and Energy MoM	Aug	0.3%	0.3%
	10:30 PM	US	CPI Ex Food and Energy YoY	Aug	3.1%	3.1%
	10:30 PM	US	Initial Jobless Claims	Aug 30	230.00	237.0
	10:45 PM	EC	ECB President Christine Lagarde Holds Press Conference	--	--	--
Friday, 12 September	8:30 AM	NZ	BusinessNZ Manufacturing PMI	Aug	--	52.8
	12:00 PM	AU	RBA's Jones-Panel	--	--	--
	2:30 PM	JN	Industrial Production MoM	Jul F	--	-1.6%
	4:00 PM	UK	Industrial Production MoM	Jul	--	0.7%
	4:00 PM	GE	CPI YoY	Aug F	--	2.2%
	4:00 PM	UK	Manufacturing Production MoM	Jul	--	0.5%
	4:00 PM	GE	CPI EU Harmonized YoY	Aug F	--	2.1%
	4:45 PM	FR	CPI EU Harmonized YoY	Aug F	--	0.8%
	12:00 AM	US	U. of Mich. Sentiment	Sep P	59.30	58.2
Upcoming Central Bank Interest Rate Announcements						Current
	Sep 30	Australia, RBA				3.60
	Sep 18	UK, BOE				4.00
	Sep 17	US, Federal Reserve (Upper Bound)				4.50
	Oct 8	New Zealand, RBNZ				4.00
	Sep 17	Canada, BoC				2.75
	Sep 11	Europe, ECB				2.00
	Sep 19	Japan, BoJ				0.50

Sydney Time. Dates reflect 24 hours from 7am

Forecasts Tables

For NAB Economics Latest Forecast Update, see: [The Forward View – August 2025: Firmer consumer and steady outlook](#)

Australian Economic Forecasts

		2024				2025				2026			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GDP													
	Household Consumption	0.5	-0.3	0.0	0.7	0.4	0.9	0.5	0.5	0.6	0.6	0.6	0.6
	Dwelling Investment	0.7	0.5	1.6	0.7	2.1	0.4	0.7	0.7	0.5	0.5	0.4	0.4
	Underlying Bus. Investment	-1.7	0.2	-0.8	0.3	0.1	-1.0	0.4	1.0	0.4	0.7	0.7	1.0
	Public Final Demand	1.0	1.1	2.8	0.4	-0.2	0.0	0.5	0.4	0.4	0.4	0.4	0.4
	Domestic Final Demand	0.5	0.3	0.8	0.6	0.3	0.5	0.5	0.6	0.5	0.6	0.6	0.6
	(% y/y)	2.3	1.6	1.8	2.3	2.0	2.2	1.9	1.9	2.2	2.3	2.3	2.3
	Inventories	(contr)	0.5	-0.1	-0.3	0.1	0.3	-0.1	0.0	0.1	0.0	0.0	0.0
	Net Exports	(contr)	-1.0	-0.1	0.1	0.0	-0.2	0.1	0.0	0.0	0.0	0.0	0.0
	Gross Domestic Product		0.2	0.1	0.3	0.6	0.3	0.6	0.5	0.6	0.5	0.6	0.6
	(% y/y)		1.2	0.9	0.8	1.3	1.4	1.8	2.0	2.0	2.2	2.2	2.3
Labour Market													
	Employment		0.3	0.6	0.8	0.5	0.4	0.6	0.3	0.3	0.4	0.5	0.6
	Unemployment Rate	(%)	3.9	4.0	4.1	4.0	4.1	4.2	4.3	4.4	4.4	4.3	4.2
	WPI Wages		0.7	0.9	0.8	0.8	0.9	0.8	0.8	0.8	0.8	0.8	0.8
	(% y/y)		4.0	4.1	3.5	3.2	3.4	3.4	3.4	3.5	3.4	3.3	3.3
Inflation													
	CPI Trimmed Mean		1.0	0.8	0.8	0.5	0.7	0.7	0.6	0.6	0.6	0.6	0.6
	(% y/y)		4.0	4.0	3.6	3.2	2.9	2.7	2.5	2.6	2.6	2.5	2.5
	CPI Headline		1.0	1.0	0.2	0.2	0.9	0.8	0.6	0.6	1.0	0.6	0.6
	(% y/y)		3.6	3.8	2.8	2.4	2.4	2.2	2.6	3.0	3.0	2.8	2.8

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

See: [Global FX Strategist](#)

Exchange Rate Forecasts

	4-Sep	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
Majors						
AUD/USD	0.653	0.68	0.71	0.72	0.73	0.73
NZD/USD	0.59	0.62	0.64	0.65	0.67	0.67
USD/JPY	148.2	138	130	128	126	126
EUR/USD	1.17	1.23	1.24	1.26	1.27	1.28
GBP/USD	1.34	1.38	1.39	1.41	1.44	1.45
USD/CNY	7.14	7.00	6.90	6.80	6.80	6.80
USD/CAD	1.38	1.33	1.28	1.28	1.28	1.26
USD/CHF	0.81	0.76	0.76	0.75	0.73	0.73
Australian Cross Rates						
AUD/NZD	1.11	1.11	1.11	1.11	1.09	1.09
AUD/JPY	96.7	94	92	92	92	92
AUD/EUR	0.56	0.55	0.57	0.57	0.57	0.57
AUD/GBP	0.49	0.49	0.51	0.51	0.51	0.50
AUD/CNY	4.66	4.76	4.90	4.90	4.96	4.96
AUD/CAD	0.90	0.90	0.91	0.92	0.93	0.92
AUD/CHF	0.53	0.52	0.54	0.54	0.53	0.53

Interest Rate Forecasts

	4-Sep	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
Australian Rates						
RBA cash rate	3.60	3.35	3.10	3.10	3.10	3.10
3 month bill rate	3.58	3.31	3.21	3.21	3.21	3.21
3 Year Swap Rate	3.40	3.10	3.15	3.25	3.25	3.35
10 Year Swap Rate	4.23	4.15	4.00	3.95	3.95	3.95
Offshore Policy Rates						
US Fed funds	4.50	4.00	3.75	3.75	3.50	3.25
RBNZ OCR	3.00	2.50	2.50	2.50	2.50	2.50
10-year Bond Yields						
Australia	4.35	4.25	4.10	4.05	4.05	4.05
United States	4.15	4.25	4.10	4.00	4.00	4.00
New Zealand	4.41	4.50	4.40	4.40	4.40	4.45

See: [Global Forward View](#)

Global GDP

	2024	2025	2026	2027
US	2.8	1.6	1.6	1.9
Euro-zone	0.8	1.2	1.2	1.3
Japan	0.2	1.0	0.7	0.6
UK	1.1	1.1	0.9	1.5
Canada	1.6	1.2	0.8	2.1
China	5.0	4.8	4.0	3.9
India	6.7	6.7	6.2	6.4
Latin America	2.4	2.2	1.7	1.9
Other East Asia	4.0	3.3	3.2	3.4
NZ	-0.6	0.7	2.7	2.4
Global	3.3	3.1	2.9	3.0
Major trading partners	3.5	3.4	3.0	3.1

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