

Week of 8 December 2025

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

- Q3 GDP rose 0.4% qoq and 2.1% yoy, but private final demand outpaced the RBA's expectations.
- A surge in household spending in October suggests robust consumer momentum into 4Q.
- The challenges inherent in a soft landing are becoming more meaningful for the RBA. We expanded on this here: [Prepare for a shift towards a more hawkish RBA](#).

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

- The RBA is expected to hold rates on Tuesday, but there has been a further shift in the distribution of risks to the monetary policy outlook and we expect a shift towards more hawkish communication.
- We expect employment growth of 25k and an unchanged unemployment rate at 4.3% on Thursday, though it is a close call between 4.3% and 4.4% (consensus +20k/4.4%). The NAB Business Survey (Tuesday).
- In NZ, the new RBNZ Governor talks to media on Wednesday. The week's data include international migration (Wednesday), business financial data (Thursday), and the PMI (Friday).
- The FOMC is expected to cut next week. The FOMC is divided, but market pricing anticipates the core of the committee that favoured another 25bp of adjustment this year remains intact. On the data side, September and October JOLTS data are published Tuesday and 3Q ECI Wednesday.
- The BoC is set to hold rates at its meeting Wednesday and the SNB is also seen on hold on Thursday.
- In the UK, monthly GDP growth is expected to show a modest improvement in October after recent softness, while Chancellor Rachel Reeves faces the Treasury Select Committee on Wednesday to defend the latest budget.
- In China, trade data is Monday and CPI and PPI data are out Wednesday. Japan labour cash earnings and final GDP data are Monday

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

Contents

Week of 8 December 2025	1
Week in Review	2
Key Event Previews	3
Weekly Ahead Calendar	5
Forecasts Tables	6

Key Markets

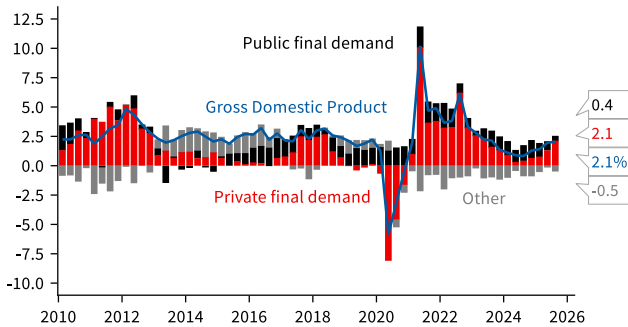
	Latest	% change	
		week	YTD
Cash rates			
RBA Cash Rate	3.60		
US Fed Funds	4.00		
RBNZ Cash Rate	2.25		
Rates			
		<i>bps</i>	<i>bps</i>
AU BBSY 3m	3.73	2.2	-73.2
AU 3y swap	4.02	13.8	23.3
AU 3yr yield	4.01	13.5	18.4
AU 10yr yield	4.67	15.5	30.8
US 10yr yield	4.09	7.5	-48.1
AU-US 10yr spread	58.1	8.0	78.8
Commodities			
		%	%
Iron ore	103	0.9	7.3
Coal (thermal)	108.5	-2.3	-13.4
Brent oil	63.2	1.3	-11.4
Gold	4198.6	-1.0	60.0
FX			
AUD/USD	0.6613	1.0	6.9
USD (DXY)	99.01	-0.5	-8.7
AUD/NZD	1.1468	0.4	3.7
AUD crosses			
AUD/JPY	102.55	0.2	5.4
AUD/CNY	4.6758	0.9	3.6
AUD/EUR	0.5676	0.5	-5.0
AUD/GBP	0.4961	0.2	0.3
Equities			
ASX 200	8628.2	0.2	5.7
ASX Resources	6513.4	2.9	26.4
ASX Financials	9024.2	0.3	4.8
US S&P 500	6857.1	0.7	16.6

Source: Bloomberg

Week in Review

Q3 GDP Wednesday showed consumer momentum was sustained in the third quarter and private demand outpaced the RBA's forecast. [GDP Q3 2025 – Speed limiter engaged?](#)

GDP Growth

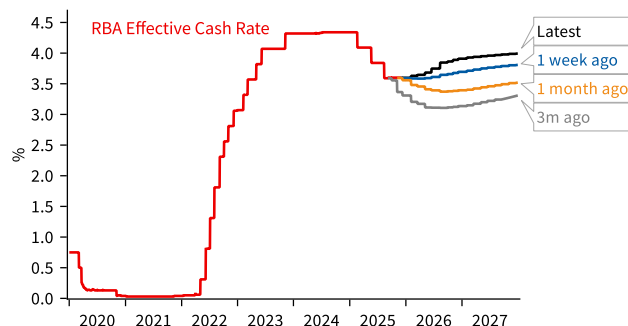


October Household Spending data was strong and points to healthy consumer spending into the fourth quarter. The 1.3% mom jump in spending was broad based across states and industries and comes after slower growth in the past couple of months. [AUS: Broad-based jump in household spending \(1.3% mom\).](#)

The private sector rebound is good news and the shifting composition of growth means the pickup won't necessarily translate into labour market tightening or a reacceleration in wages growth. But given a starting point near balance and capacity utilisation levels that point to capacity constraints across a breadth of industries, the challenges inherent in a soft landing are becoming more meaningful for the RBA. We expanded this here: [Prepare for a shift towards a more hawkish RBA.](#)

Governor Bullock speaking in front of the Senate Economics committee said *"Costs are biting on businesses and that they're able to pass them on doesn't necessarily mean that we're operating beyond potential, but it does mean that demand is recovering enough to allow businesses to pass on costs."* That is a view that is consistent with indications from the NAB Business Survey that firms have taken the opportunity to expand margins in recent months. Consumer momentum suggests that dynamic may continue, and indeed October CPI last week showed additional breadth to inflation, with strength through consumer goods categories that will support 4Q trimmed mean. We now pencil in a 0.9% qoq.

RBA Market Expectations



Week Ahead

The RBA and NAB Business Survey (Tuesday) and November employment (Thursday) are some of the last notable domestic data points this year. Late December data from the ABS is, as usual, delayed to early January, meaning the local calendar winds down, although the usual December mid-year Federal budget update is still to come.

Communication following the RBA's November meeting carefully avoided explicit mention of the possibility of a hike. With the recent run of inflation and activity data showing the challenges of the soft landing are intensifying, we think the RBA will shift to a more hawkish footing on Tuesday. We don't expect pushback on market pricing the risk of hikes next year, and wouldn't be surprised to see a less balanced characterisation of risks in the outlook.

For employment on Thursday, we pencil in a 25k employment gain. For choice, we opt for 4.3% on the unemployment rate, but after 4.34% in October and with little pressure in either direction it is a close call between 4.3% and 4.4%.

Globally, central banks are in focus as we head into the end of the year. The FOMC, BoC, and SNB meet in the week ahead. The ECB, BoJ, and the RBNZ to round things out the following week.

Markets price a 92% probability of a cut from the FOMC, having swung back in that direction since comments from NY's Williams signalled the core of the committee comfortable that recalibration can extend to a third cut this year remains intact. We expect the communication to suggest a meeting-by-meeting approach for the path forward. New projections will be influential, but it is delayed payrolls data early the following week that will set the tone for early 2026, with the data needing to surprise on the soft side to support further near-term adjustment. Focus also remains on who will be the next Fed chair. Odds on favourite Kevin Hasset appears at the WSJ CEO Council Summit Monday.

On the data side, September and October JOLTS data are published Tuesday and Q3 ECI Wednesday.

The UK releases monthly GDP for October and where the consensus looks for a modest improvement in growth on the last three-monthly outturns. UK Chancellor Rachel Reeves appears before the Treasury Select Committee on Wednesday to defend the recent budget.

The BoC is set to hold rates at its meeting Wednesday and the SNB is also seen on hold on Thursday.

In China, trade data is Monday and CPI and PPI data are out Wednesday. Japan labour cash earnings and final GDP data are Monday.

Key Event Previews

Full calendar below

Monday

JN GDP (Q3 F), BoP Current Account (Oct), Labor Cash Earnings (Oct)

CH Trade Balance (Nov)

UK BoE's Taylor, Lombardelli Speeches

Tuesday

AU RBA Policy Decision (Unch.), NAB Business Survey (Nov)

The RBA is expected to keep rates unchanged at 3.60% next Tuesday. However, we anticipate a more hawkish tone in the accompanying statement and press conference. With October CPI pointing to further breadth in inflation pressures and signs of momentum in private demand, there has been a further shift in the distribution of risks to the monetary policy outlook.

NAB continues to forecast the RBA on hold in 1H26 for now, but this forecast will be under review should evidence of a tighter labour market, more persistent price pressures or a further acceleration in domestic economic activity be realised in coming months.

CH Aggregate Financing (Nov)

UK BoE's Ramsden, Lombardelli, Mann, Dhingra Parliamentary Testimony

EZ Nagel Speech

US JOLTs Job Openings, Hirings, Quits (Sep & Oct)

Wednesday

NZ RBNZ Governor Breman Q&A, Migration and Travel (Oct)

New RBNZ Governor Dr Breman is hosting a media function as she enters her second week in the role. Clear communication can be expected if her assured effort at her first public appearance this week is anything to go by. BNZ will be all ears although they doubt the Governor will provide anything specific regards near term monetary policy.

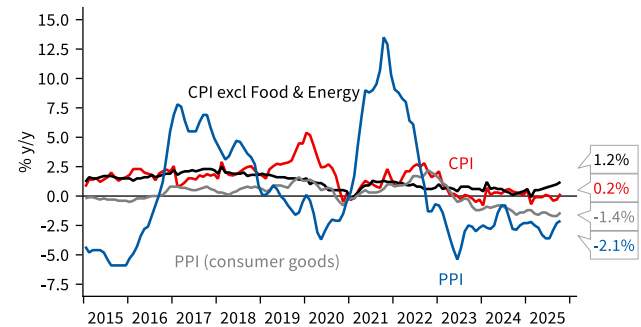
In October's migration and tourism data, BNZ will look for more evidence that net migration inflows are turning the corner. BNZ will also look for confirmation of some momentum in tourism.

JP PPI (Nov)

CH PPI, CPI (Nov)

Chinese CPI growth is expected to rise a little further in October as food prices weigh down less on aggregate inflation.

China Inflation



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

EZ ECB President Lagarde Speech London

US FOMC Meeting (cut 25bps)

Following the resumption of official US economic data, there's been some evidence that weakness in the labour market has continued. Comments from influential FOMC members such as New York Fed President John Williams underpin the likelihood of a 25bp rate cut, that will take the FFTR range to 3.50-3.75%. Markets have swung back in favour of a cut and now price one with 92% probability. However, we think the cut will likely come across as a hawkish ease, with the communication adopting a meeting-by-meeting approach for the end January meeting. New quarterly economic forecasts, including dots will be influential.

CA BoC Meeting (Unch.)

The BoC is expected to be on hold on Tuesday. November employment data tonight is unlikely to shift the dial, given it follows a couple of stronger reports and an upside surprise in Q3 GDP growth recently. Having already eased policy noticeably down to 2.25%, the BoC is likely to be on the sidelines for a while.

Thursday

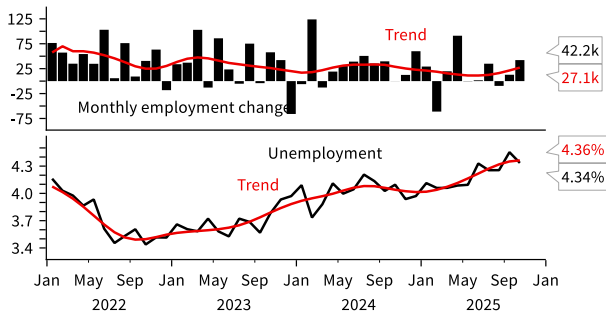
NZ Business Financial Data (Q3)

BNZ will finalise their Q3 GDP forecasts after they have seen the business financial data. BNZ will be looking for data which imply a significant GDP contribution from manufacturing, aided by restarts at Methanex and Tiwai Point and a strong bounce in meat processing; a modest increase in wholesale trade; and a small pick-up in services. On balance BNZ think there is a greater chance that these data will nudge their Q3 GDP forecast even higher while bearing in mind that their current 0.6% is above the RBNZ's 0.4% expectation.

AU Employment (Nov)

Following strong employment growth in October (+42k), NAB expects employment to rise by around +25k in November, broadly in line with the “break-even rate”. We anticipate the unemployment rate will hold at 4.3%, after 4.34% in October, though it is a close call with 4.4% given limited directional pressures. Labour demand indicators are mixed: capacity utilisation has been moving higher, but measures of job ads have not seen a pickup. Looking ahead, both NAB and the RBA expect the unemployment rate to hover near 4.4% over the forecast horizon.

Australian Employment



Source: National Australia Bank, ABS

SZ SNB Meeting (Unch.)

UK BoE Governor Bailey Speech

US Weekly Jobless Claims, Trade Balance (Sep)

Initial claims will be in focus after a sharp drop this week, where seasonal adjustment challenges around Thanksgiving were the likely culprit.

Friday

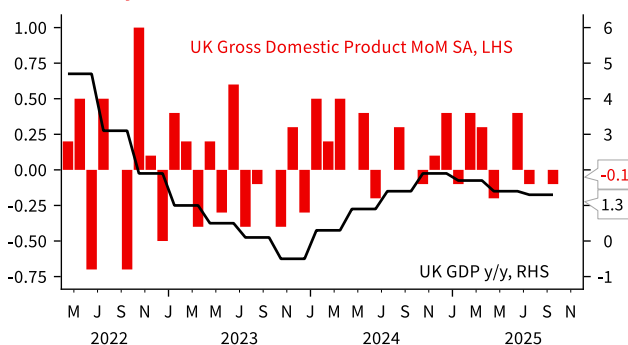
NZ Business Manufacturing PMI (Nov)

The PMI has seemingly settled above the breakeven 50 mark while the PSI has been languishing below 50. We'll want to see more upbeat outturns, especially from services, to provide us with some comfort that the expected lift in Q3 GDP can be sustained into the fourth quarter.

UK Monthly GDP (Oct)

Following -0.1% mom in Sep, 0% in Aug and -0.1% in Jul, the consensus looks for an uninspiring modest improvement to +0.1%.

UK Monthly GDP



Source: National Australia Bank, Bloomberg, Macrobond

Weekly Ahead Calendar

Date	Time	Country	Event	Period	Consensus	Previous
Monday, 8 December	10:30 AM	JN	Labor Cash Earnings YoY	Oct	2.2%	2.1%
	10:50 AM	JN	GDP SA QoQ	3Q F	-0.5%	-0.4%
	10:50 AM	JN	BoP Current Account Balance	Oct	3150.00	4483.3
	11:01 AM	UK	S&P Global, KPMG and REC UK Report on Jobs	--	--	--
	6:00 PM	GE	Industrial Production SA MoM	Oct	--	1.3%
	--	CH	Exports YoY	Nov	4.2%	-1.1%
	--	CH	Trade Balance	Nov	103.72	90.1
	2:00 AM	EC	ECB's Cipollone Speaks in Frankfurt	--	--	--
	4:00 AM	EC	ECB's Villeroy Speaks in Paris	--	--	--
	4:00 AM	UK	BOE's Taylor Speaks	--	--	--
	5:30 AM	UK	BOE's Lombardelli Speaks	--	--	--
Tuesday, 9 December	11:30 AM	AU	NAB Business Confidence	Nov	--	5.50
	11:30 AM	AU	NAB Business Conditions	Nov	--	9.20
	2:30 PM	AU	RBA Cash Rate Target	Dec 9	3.6	3.60
	7:00 PM	EC	ECB's Nagel Speaks in Frankfurt	--	--	--
	2:00 AM	US	BLS Releases Sept. & Oct. JOLTS Data	--	--	--
	6:10 AM	NZ	RBNZ Governor Breman hosts media Q+A	--	--	--
Wednesday, 10 December	8:45 AM	NZ	Net Migration SA	Oct	--	1800.0
	10:50 AM	JN	PPI YoY	Nov	2.7%	2.7%
	12:30 PM	CH	PPI YoY	Nov	-2.0%	-2.1%
	12:30 PM	CH	CPI YoY	Nov	0.7%	0.2%
	9:55 PM	EC	ECB's Lagarde Speaks London	--	--	--
	11:00 PM	US	MBA Mortgage Applications	Dec 5	--	-1.4%
	12:30 AM	US	Employment Cost Index	3Q	0.9%	0.9%
	1:45 AM	CA	Bank of Canada Rate Decision	Dec 10	2.25	2.3
	6:00 AM	US	FOMC Rate Decision (Upper Bound)	Dec 10	3.75	4.0
Thursday, 11 December	11:30 AM	AU	Employment Change	Nov	18.0%	42.2%
	11:30 AM	AU	Unemployment Rate	Nov	4.4%	4.3%
	7:30 PM	SZ	SNB Policy Rate	Dec 11	--	0.0%
	12:30 AM	US	Initial Jobless Claims	Nov 29	220.00	191.0
	12:30 AM	US	Trade Balance	Sep	-66.6	-59.6
	2:00 AM	US	Wholesale Inventories MoM	Sep F	--	0.0%
Friday, 12 December	8:30 AM	NZ	BusinessNZ Manufacturing PMI	Nov	--	51.4
	3:30 PM	JN	Industrial Production MoM	Oct F	--	1.4%
	6:00 PM	UK	Monthly GDP (MoM)	Oct	0.1%	-0.1%
	6:00 PM	GE	CPI YoY	Nov F	2.3%	2.3%
	6:45 PM	FR	CPI YoY	Nov F	--	0.9%
	12:00 AM	US	Fed's Paulson Speaks on Economic Outlook	--	--	--
	12:30 AM	US	Fed's Hammack Speaks at Real Estate Roundtable Series	--	--	--
Upcoming Central Bank Interest Rate Announcements						Current
	Dec 9	Australia, RBA				3.60
	Dec 18	UK, BOE				4.00
	Dec 10	US, Federal Reserve (Upper Bound)				4.00
	Feb 18	New Zealand, RBNZ				4.00
	Dec 10	Canada, BoC				2.25
	Dec 18	Europe, ECB				2.00
	Dec 19	Japan, BoJ				0.50

Sydney Time. Dates reflect 24 hours from 7am

Forecasts Tables

See: [Australia Forward View](#)

Australian Economic Forecasts

		2024				2025				2026				2027			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GDP	(% yoy)																
Household Consumption		0.9	0.2	0.5	0.9	0.8	2.1	2.5	2.5	2.5	2.0	2.0	2.0	1.9	1.9	1.9	1.8
Dwelling Investment		-1.0	-0.9	0.0	5.3	6.7	5.6	6.5	5.2	3.5	3.9	2.9	3.1	3.2	3.1	3.0	3.0
Underlying Bus. Investment		3.6	1.2	-0.4	-2.3	-0.7	-2.0	3.0	3.6	3.9	5.2	2.1	2.1	2.2	2.2	2.1	2.2
Public Final Demand		4.3	3.7	4.8	5.6	4.2	2.8	1.4	1.3	2.1	2.5	1.6	1.6	1.6	1.6	1.6	1.6
Domestic Final Demand	(% qoq)	0.5	0.4	0.7	0.6	0.3	0.5	1.2	0.5	0.5	0.5	0.6	0.6	0.5	0.5	0.5	0.5
	(% yoy)	2.2	1.4	1.8	2.2	2.0	2.1	2.6	2.5	2.8	2.8	2.2	2.2	2.2	2.2	2.2	2.1
Gross Domestic Product	(% qoq)	0.3	0.2	0.3	0.5	0.4	0.7	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
	(% yoy)	1.1	0.9	0.8	1.3	1.4	2.0	2.1	2.0	2.2	1.9	2.1	2.1	2.1	2.1	2.0	2.1
Labour Market																	
Employment	(% qoq)	0.3	0.6	0.9	0.5	0.3	0.6	0.2	0.4	0.5	0.5	0.4	0.4	0.4	0.4	0.3	0.4
Unemployment Rate	(%)	3.9	4.1	4.1	4.0	4.1	4.2	4.3	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4
WPI Wages	(% qoq)	0.7	0.9	0.8	0.8	1.0	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
	(% yoy)	4.0	4.1	3.5	3.2	3.5	3.4	3.4	3.5	3.3	3.3	3.3	3.2	3.2	3.2	3.2	3.2
Inflation																	
CPI Trimmed Mean	(% qoq)	1.0	0.9	0.8	0.6	0.7	0.7	1.0	0.9	0.8	0.7	0.6	0.6	0.62	0.62	0.62	0.62
	(% yoy)	4.0	4.0	3.6	3.3	2.9	2.7	3.0	3.3	3.4	3.4	3.1	2.8	2.6	2.5	2.5	2.5
CPI Headline	(% qoq)	1.0	1.0	0.2	0.2	0.9	0.8	1.2	0.6	1.1	0.7	0.6	0.6	0.6	0.6	0.6	0.6
	(% yoy)	3.6	3.8	2.8	2.4	2.4	2.2	3.1	3.6	3.7	3.7	3.1	3.1	2.6	2.5	2.5	2.5

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

See: [Global FX Strategist](#)

Exchange Rate Forecasts

	4-Dec	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
Majors						
AUD/USD	0.661	0.69	0.71	0.72	0.71	0.70
NZD/USD	0.58	0.60	0.62	0.63	0.63	0.63
USD/JPY	155.1	144	140	135	135	135
EUR/USD	1.17	1.20	1.21	1.23	1.22	1.21
GBP/USD	1.33	1.35	1.36	1.38	1.37	1.36
USD/CNY	7.07	7.05	6.95	6.90	6.85	6.85
USD/CAD	1.40	1.36	1.32	1.28	1.30	1.29
USD/CHF	0.80	0.77	0.76	0.75	0.76	0.76
Australian Cross Rates						
AUD/NZD	1.15	1.15	1.15	1.14	1.13	1.11
AUD/JPY	102.5	99	99	97	96	95
AUD/EUR	0.57	0.58	0.59	0.59	0.58	0.58
AUD/GBP	0.50	0.51	0.52	0.52	0.52	0.51
AUD/CNY	4.68	4.86	4.93	4.97	4.86	4.80
AUD/CAD	0.92	0.94	0.94	0.92	0.92	0.90
AUD/CHF	0.53	0.53	0.54	0.54	0.54	0.53

Interest Rate Forecasts

	4-Dec	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
Australian Rates						
RBA cash rate	3.60	3.60	3.60	3.60	3.60	3.60
3 month bill rate	3.68	3.77	3.77	3.77	3.77	3.80
3 Year Swap Rate	4.02	3.80	3.85	3.95	3.95	3.95
10 Year Swap Rate	4.72	4.50	4.50	4.55	4.55	4.55
Offshore Policy Rates						
US Fed funds	4.00	3.75	3.50	3.25	3.25	3.25
RBNZ OCR	2.25	2.25	2.25	2.25	2.25	2.50
10-year Bond Yields						
Australia	4.67	4.50	4.50	4.55	4.55	4.55
United States	4.09	4.25	4.30	4.35	4.40	4.40
New Zealand	4.33	4.35	4.40	4.45	4.50	4.60

See: [Global Forward View](#)

Global GDP

	2024	2025	2026	2027
US	2.8	1.8	1.7	1.9
Euro-zone	0.8	1.3	1.1	1.3
Japan	0.1	1.4	0.7	0.7
UK	1.1	1.3	1.0	1.3
Canada	1.6	1.1	0.9	2.1
China	5.0	4.8	4.0	3.9
India	6.7	7.1	6.2	6.4
Latin America	2.4	2.2	1.8	2.0
Other East Asia	4.0	3.4	3.2	3.4
NZ	-0.6	0.6	2.8	2.5
Global	3.3	3.2	2.9	3.0
Major trading partners	3.5	3.5	3.1	3.1

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