

What to Watch

Week of 5 January 2026

- The November CPI (Wed) headlines locally.
- US payrolls (Fri) is the key release globally.
- Prelim EZ CPI (Wed), CA Unemployment (Fri), CH CPI (Fri).

The key focus in Australia is November CPI on Wednesday. We expect headline inflation at 3.6% yoy and trimmed mean at 3.3% yoy. The RBA's attention will stay on the Q4 trimmed mean outcome, released with December CPI on 28 January, ahead of the 3 February meeting, but the detail in Wednesday's data will help firm forecasts. Also on Wednesday, we see November building approvals posting a 1% mom gain after a fallback in October. The November trade surplus (Thurs) is seen widening to \$5bn.

It is a **quiet week ahead in New Zealand**, with no major data releases.

In the **US**, **December non-farm payrolls** will continue to clear the fog on labour market momentum following the government shutdown. The early consensus is for 55k payrolls growth and the unemployment rate at 4.5%. Ahead of payrolls are JOLTs and ADP (Wed) and jobless claims (Thurs). Other data include ISM manufacturing (Mon) and ISM services (Wed), alongside trade balance (Thurs) and University of Michigan consumer sentiment (Fri). Fed speakers include Richmond's Barkin speaking on the economic outlook on Tuesday.

Canada's December jobs report will be released on Friday, after November data showed a surprise fall in the unemployment rate to 6.5%.

Elsewhere, analysts generally expect **preliminary CPI data for the Eurozone** on Wednesday to see headline fall a tenth to 2.0% yoy, with core steady at 2.4% yoy. Industrial production for France and Germany (Nov) on Friday.

In **China**, the RatingDog services PMI (Monday) follows surprising strength in December PMI data so far. Also released are December CPI and PPI (Fri). **Japan** Labour cash earnings are Thursday.

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Key Data

	Latest	Next
GDP	2.1% yoy	4Q on 4 Mar
Unemployment	4.3%	Dec on 22 Jan
Inflation	3% yoy	4Q on 28 Jan
RBA	3.6%	3 Feb

Key Markets

	% change		
	Latest	Week	YTD
Rates		bps	bps
AU BBSY 3m	3.79	1.0	0.3
AU 3y swap	4.13	4.3	2.2
AU 3yr yield	4.20	7.7	6.0
AU 10yr yield	4.79	4.8	4.7
US 10yr yield	4.17	3.4	0.0
AU-US 10yr spread	62.1	1.4	4.7
Commodities		%	%
Iron ore	104	0.3	-0.9
Coal (thermal)	107.5	-0.7	-14.2
Brent oil	60.9	-1.6	-14.4
Gold	4347.0	-4.1	0.6
FX			
AUD/USD	0.6677	-0.6	0.1
USD (DXY)	98.32	0.4	-9.4
AUD/NZD	1.2	0.8	0.1
AUD crosses			
AUD/JPY	104.66	-0.5	0.1
AUD/CNY	4.6649	-0.7	0.1
AUD/EUR	0.5683	-0.4	0.0
AUD/GBP	0.5	-0.4	0.0

Source: Bloomberg

Week Ahead Calendar

Highlighted events are previewed below.

			Event	Period	Survey	Previous
Monday, 5 Jan	12:45	CH	RatingDog China PMI Composite	Dec	--	51.2
	12:45	CH	RatingDog China PMI Services	Dec	52.0	52.1
	20:30	UK	Mortgage Approvals	Nov	64.0	65.0
	20:30	UK	M4 Money Supply YoY	Nov	--	3.5%
	02:00	US	ISM Manufacturing	Dec	48.4	48.2
Tuesday, 6 Jan	18:45	FR	CPI YoY	Dec P	0.9%	0.9%
	20:00	GE	CPI Saxony MoM	Dec	--	-0.2%
	20:00	GE	CPI Saxony YoY	Dec	--	2.2%
	20:00	EC	HCOB Eurozone Composite PMI	Dec F	51.9	51.9
	00:00	US	Fed's Barkin Speaks on Economic Outlook	--	--	--
	00:00	GE	CPI YoY	Dec P	2.0%	2.3%
Wednesday, 7 Jan	11:30	AU	Building Approvals MoM	Nov	2.0%	-6.4%
	11:30	AU	CPI YoY	Nov	3.6%	3.8%
	19:55	GE	Unemployment Change (000's)	Dec	4.0	1.0
	21:00	EC	CPI Estimate YoY	Dec P	2.0%	2.2%
	00:15	US	ADP Employment Change	Dec	47.5	-32.0
	02:00	US	ISM Services Index	Dec	52.3	52.6
	02:00	US	JOLTS Job Openings	Nov	7726	7670
	02:00	US	Factory Orders	Oct	-1.0%	0.2%
	02:00	US	Durable Goods Orders	Oct F	--	-2.2%
Thursday, 8 Jan	10:30	JN	Labor Cash Earnings YoY	Nov	2.3%	2.5%
	11:30	AU	Trade Balance	Nov	5550	4385
	00:30	US	Initial Jobless Claims	Dec 27	218	214
	00:30	US	Trade Balance	Oct	-58.8	-52.8
	02:00	US	Wholesale Inventories MoM	Oct F	0.2%	0.5%
Friday, 9 Jan	12:30	CH	PPI YoY	Dec	--	-2.2%
	12:30	CH	CPI YoY	Dec	--	0.7%
	18:00	GE	Industrial Production SA MoM	Nov	-0.3%	1.8%
	18:45	FR	Industrial Production MoM	Nov	--	0.2%
	00:30	CA	Net Change in Employment	Dec	-10	54
	00:30	CA	Unemployment Rate	Dec	6.7%	6.5%
	00:30	US	Change in Nonfarm Payrolls	Dec	55	64
	00:30	US	Unemployment Rate	Dec	4.5%	4.6%
	00:30	US	Housing Starts	Oct	1325.0	1307.0
	02:00	US	U. of Mich. Sentiment	Jan P	53.5	52.9
Upcoming Central Bank Interest Rate Announcements						Current
	JN	BoJ		23 Jan		0.75
	US	Federal Reserve (Upper Bound)		28 Jan		3.75
	CA	BoC		28 Jan		2.25
	AU	RBA		3 Feb		3.60
	EZ	ECB		5 Feb		2.00
	UK	BoE		5 Feb		3.75
	NZ	RBNZ		18 Feb		2.25

Sydney Time. Dates reflect 24 hours from 7am

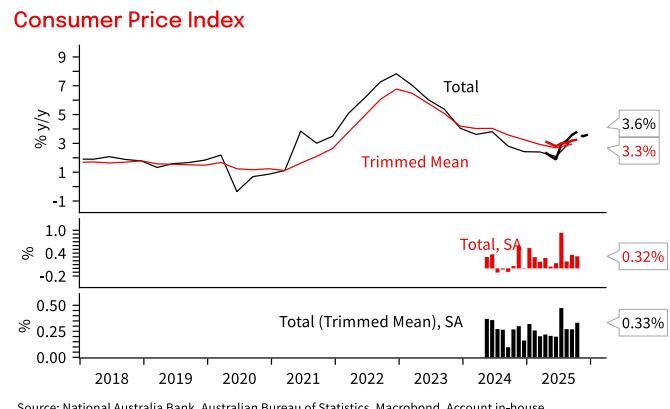
Key Event Previews

Wednesday

AU CPI (Nov)

We expect November CPI to slow to 3.6% yoy (0.3% mom), mainly due to electricity base effects. The trimmed mean forecast is 0.3% mom and 3.3% yoy.

While monthly CPI now covers the full basket, the RBA will continue to focus on the quarterly trimmed mean, released alongside December data on 28 January. The November data will narrow uncertainty around Q4 inflation forecasts, where we forecast 0.9% qoq for trimmed mean, above the RBA's November forecast. See preview here: [November CPI Preview](#)

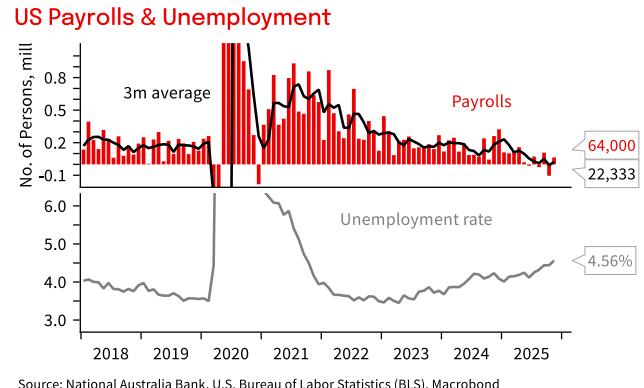


Friday

US Non-Farm Payrolls (Dec)

Unemployment rose to 4.6% in November, but only just at 4.56%. The rise was also due to an increase in those on temporary layoffs, which can likely be attributed to the government shutdown. The early consensus looks for a fallback to 4.5% on a 55k payrolls gain.

The December release will continue to clear the fog introduced by the government shutdown. However, with the unemployment rate near the FOMC's Q4 projection and some recalibration of policy in response to labour market risks already in place, a downside surprise would be needed to support any further cuts in the next few months. There are currently 4bp priced for the 28 January meeting.



Forecasts Tables

See: [Australia Forward View](#)

Australian Economic Forecasts

2024												2025				2026			
		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	2.6	2.5	2.0	1.9	1.8	1.8	1.9	1.9	1.9		
Dwelling Investment		-1.0	-0.9	0.0	5.3	6.7	5.6	6.5	5.3	3.3	3.5	2.2	2.0	2.1	2.1	2.1	2.2		
Underlying Bus. Investment		3.6	1.2	-0.4	-2.3	-0.7	-2.0	3.0	3.5	3.6	4.8	1.5	1.4	1.8	2.1	2.2	2.3		
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	0.6	0.5	0.5	0.5	0.5	0.6	0.5	0.5	0.6		
	(% yoy)	2.2	1.4	1.8	2.2	2.0	2.1	2.6	2.6	2.8	2.8	2.1	2.0	2.1	2.2	2.2	2.2		
Gross Domestic Product	(% qoq)	0.3	0.2	0.3	0.5	0.4	0.7	0.4	0.6	0.5	0.5	0.5	0.5	0.6	0.5	0.6	0.6		
	(% yoy)	1.1	0.9	0.8	1.3	1.4	2.0	2.1	2.2	2.3	2.0	2.2	2.0	2.1	2.2	2.2	2.3		
Labour Market																			
Employment	(% qoq)	0.3	0.6	0.8	0.5	0.3	0.6	0.2	0.5	0.4	0.4	0.3	0.3	0.4	0.4	0.4	0.4		
Unemployment Rate	(%)	3.9	4.1	4.1	4.0	4.1	4.2	4.3	4.3	4.4	4.5	4.5	4.6	4.6	4.6	4.6	4.6		
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	3.5	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	0.7	1.2	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	3.7	3.9	3.8	3.3	3.2	2.6	2.5	2.5	2.5		

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

See: [Global FX Strategist](#)

See: [Global Forward View](#)

Exchange Rate Forecasts

	1-Jan	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
Majors						
AUD/USD	0.668	0.69	0.71	0.72	0.71	0.70
NZD/USD	0.58	0.60	0.62	0.63	0.63	
USD/JPY	156.7	144	140	135	135	
EUR/USD	1.18	1.20	1.21	1.23	1.22	1.21
GBP/USD	1.35	1.35	1.36	1.38	1.37	1.36
USD/CNY	6.99	7.05	6.95	6.90	6.85	6.85
USD/CAD	1.37	1.36	1.32	1.28	1.30	1.29
USD/CHF	0.79	0.77	0.76	0.75	0.76	0.76

Australian Cross Rates

AUD/NZD	1.16	1.15	1.15	1.14	1.13	1.11
AUD/JPY	104.7	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	4.67	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

	1-Jan	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
Australian Rates						
RBA cash rate	3.60	3.85	4.10	4.10	4.10	4.10
3 month bill rate	3.74	4.12	4.22	4.22	4.22	
3 Year Swap Rate	4.13	4.35	4.45	4.45	4.35	4.25
10 Year Swap Rate	4.80	4.95	5.00	5.10	5.00	4.90
Offshore Policy Rates						
US Fed funds	3.75	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	4.79	4.95	5.00	5.10	5.00	4.90
United States	4.17	4.25	4.35	4.50	4.50	4.50
New Zealand	4.40	4.55	4.65	4.80	4.80	

Global GDP

	2024	2025	2026	2027
United States	2.8	2.0	2.1	1.9
Eurozone	0.8	1.5	1.4	1.5
United Kingdom	1.1	1.4	0.9	1.0
Japan	-0.2	1.2	0.8	1.7
China	5.0	4.9	4.2	3.9
India	6.7	7.7	6.3	6.2
New Zealand	-0.6	0.4	2.7	2.5
World	3.3	3.4	3.1	3.0

Month Ahead Calendar

This calendar focuses on Australian domestic releases only.

Monday	Tuesday	Wednesday	Thursday	Friday
29	30	31	01	02 Cotality Home Value MoM Dec
05	06	07 Building Approvals MoM CPI MoM Nov Nov	08 Trade Balance Nov	09
12 ANZ-Indeed Job Advertisements MoM Household Spending MoM Dec Nov	13 Westpac Consumer Conf Index Jan	14 Job Vacancies QoQ Nov	15	16 Overseas Arrivals and Depatures Nov
19	20 NAB Spend Trend Dec	21 Building Activity MoM Engineering Construction Activity Sep Sep	22 Unemployment Rate Dec	23
26 Public Holiday	27 NAB Business Conditions Dec	28 CPI QoQ CPI MoM 4Q Dec	29 Export Price Index QoQ Import Price Index QoQ 4Q 4Q	30 PPI QoQ Private Sector Credit MoM 4Q Dec

Source: National Australia Bank, Bloomberg

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