

Week of 19 January 2026

- Locally, Employment data is Thursday
- NZ Q4 CPI Friday. Elsewhere Global PMIs, US November PCE, CH GDP, UK Wages & CPI, and a hold from the BoJ
- Davos, and US Supreme Court to create headlines

In Australia, December employment data is Thursday in an otherwise quiet week locally. We expect the unemployment rate to hold at 4.3% and +40k employment, anticipating some payback from recent soft outcomes. There is nothing scheduled from the RBA.

In NZ, the main data focus will be Friday's Q4 CPI where annual inflation is expected to print higher than the RBNZ's November forecast. A bunch of monthly indicators are also due including the PSI (Tuesday), and Electronic Card Transactions, Tourism, Migration, Government Finance Statements (all Thursday). Monday is a Wellington regional holiday, while PM Luxon is schedule to give his State of the Nation speech.

In the US, the data calendar features November Personal Income and Spending data, including the Fed's preferred inflation gauge. The third estimate of Q3 GDP is Thursday, final UMich consumer sentiment is Friday. Beyond the data, the US Supreme Court will hear oral arguments in the Lisa Cook case on Wednesday, and the watching brief for a possible IEEFA tariff ruling remains.

Globally, the annual World Economic Forum in Davos will generate no shortage of headlines as Trump leads the largest ever US delegation. ECB's Lagarde speaks Wednesday, although FOMC officials are in pre-meeting blackout period. Preliminary S&P Global PMIs for December are Friday. Interest will be in whether Eurozone services, which fell back in November, can resume what had been a clear uptrend.

In the **UK,** labour market data on Tuesday will be watched for whether the downtrend in earnings growth and uptrend in unemployment remains. CPI follows on Wednesday. It could tick higher on tobacco excise and airfares in December data, but easing though early 2026 should keep the BoE on track to ease another 50bp by year-end.

In China, Q4 GDP is released alongside December activity indicators on Monday. The early consensus looks for growth of 1.1% qoq, which would see the year-ended rate slow to 4.5%, reflecting waning momentum late in the year. A strong first half should mean year-average growth hit the 5% target. The PBoC reiterated its clear easing bias yesterday. LPR rates (Tuesday) are seen steady, but a RRR or seven-day reverse repo cut could be on its way in coming weeks.

In Japan, the Bank of Japan is universally expected to be on hold on Friday, after a hike last month. New forecasts will be in focus to sharpen anticipated timing of the next move. Politics is in focus, with reports suggesting PM Takaichi will dissolve parliament on Jan 23 and call an election for 8 February. A new tie-up among opposition parties could complicate the bid to win a greater public mandate.

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Key Data

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

Key Markets

	Latest	Week	YTD
Rates			
AU BBSY 3m	3.78	-1.1	-1.0
AU 3y swap	4.07	1.0	-3.7
AU 3yr yield	4.10	1.0	-3.9
AU 10yr yield	4.70	1.7	-3.6
US 10yr yield	4.16	-0.2	-0.4
AU-US 10yr spread	54.1	1.9	-3.2
Commodities			
Iron ore	107	-1.0	2.2
Coal (thermal)	108.4	0.9	0.8
Brent oil	63.8	0.7	4.8
Gold	4601.8	2.0	6.5
FX			
AUD/USD	0.6697	0.1	0.4
USD (DXY)	99.36	0.2	1.1
AUD/NZD	1.2	-0.1	0.5
AUD crosses			
AUD/JPY	106.18	0.6	1.6
AUD/CNY	4.6666	0.0	0.1
AUD/EUR	0.5770	0.4	1.5
AUD/GBP	0.5	0.3	1.0

Source: Bloomberg

Week Ahead Calendar

Highlighted events are previewed below.

		Event	Period	Survey	NAB	Previous
Monday, 19 Jan	10:50	JN Core Machine Orders MoM	Nov	-6.4%		7.0%
	13:00	CH GDP YoY	4Q	4.5%		4.8%
	13:00	CH GDP SA QoQ	4Q	1.1%		1.1%
	13:00	CH Retail Sales YoY	Dec	1.1%		1.3%
	13:00	CH Industrial Production YoY	Dec	5.0%		4.8%
	15:30	JN Industrial Production MoM	Nov F	--		-2.6%
	21:00	EC CPI YoY	Dec F	--		2.0%
	00:30	CA CPI YoY	Dec	2.2%		2.2%
Tuesday, 20 Jan	08:30	NZ Performance Services Index	Dec	--		46.90
	18:00	UK Private Earnings ex Bonus 3M/YoY	Nov	--		3.9%
	18:00	UK ILO Unemployment Rate 3Mths	Nov	--		5.1%
	18:00	UK Jobless Claims Change	Dec	--		20.1
	21:00	GE ZEW Survey Expectations	Jan	--		45.80
	03:30	EC ECB's Nagel, SNB's Schlegel, CBI's Yaron Speak on De	--	--		--
Wednesday, 21 Jan	18:00	UK CPI YoY	Dec	3.3%		3.2%
	18:00	UK CPI Core YoY	Dec	--		3.2%
	18:30	EC ECB's Lagarde Speaks on Panel in Davos	--	--		--
	20:15	FR ECB's Villeroy Speaks on Panel in Davos	--	--		--
	23:00	US MBA Mortgage Applications	Jan 16	--		28.5%
	--	US (21 Jan - 31 Jan) New Home Sales	Nov	715.00		737.00
	--	US (21 Jan - 31 Jan) Housing Starts	Nov	--		1246.00
	02:00	US Leading Index	Dec	--		-0.3%
	02:00	US Construction Spending MoM	Oct	0.1%		0.2%
	03:45	EC ECB's Lagarde Speaks on Panel in Davos	--	--		--
Thursday, 22 Jan	08:45	NZ Card Spending Total MoM	Dec	--		1.9%
	10:50	JN Trade Balance	Dec	364.80		316.70
	11:30	AU Employment Change	Dec	28	40	-21.30
	11:30	AU Unemployment Rate	Dec	4.3%	4.3%	4.3%
	20:00	NO Deposit Rates	Jan 22	--		4.00
	00:30	US GDP Annualized QoQ	3Q F	4.3%		4.3%
	00:30	US Initial Jobless Claims	Jan 10	215.00		198.00
	00:30	US Personal Income	Nov	0.4%		0.4%
	00:30	US Personal Spending	Nov	0.5%		0.4%
	00:30	US Core PCE Price Index MoM	Nov	0.2%		0.2%
	08:45	NZ CPI QoQ	4Q	0.4%		1.0%
Friday, 23 Jan	08:45	NZ CPI YoY	4Q	2.9%		3.0%
	10:30	JN Natl CPI YoY	Dec	2.2%		2.9%
	11:30	JN S&P Global Japan PMI Mfg	Jan P	--		50.00
	18:00	UK Retail Sales Inc Auto Fuel MoM	Dec	--		-0.1%
	19:15	FR HCOB France Manufacturing PMI	Jan P	--		50.70
	19:15	FR HCOB France Services PMI	Jan P	--		50.10
	19:30	GE HCOB Germany Manufacturing PMI	Jan P	--		47.00
	20:00	EC HCOB Eurozone Manufacturing PMI	Jan P	--		48.80
	20:00	EC HCOB Eurozone Services PMI	Jan P	--		52.40
	20:30	UK S&P Global UK Services PMI	Jan P	--		51.40
	20:30	UK S&P Global UK Manufacturing PMI	Jan P	--		50.60
	21:00	EC ECB's Lagarde, IMF's Georgieva Speak on Panel in Da	--	--		--
	--	JN BOJ Target Rate	Jan 23	0.8		0.8
	00:30	CA Retail Sales MoM	Nov	1.2%		-0.2%
	01:45	US S&P Global US Manufacturing PMI	Jan P	52.0		51.8
	02:00	US U. of Mich. Sentiment	Jan F	54.0		54.0
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

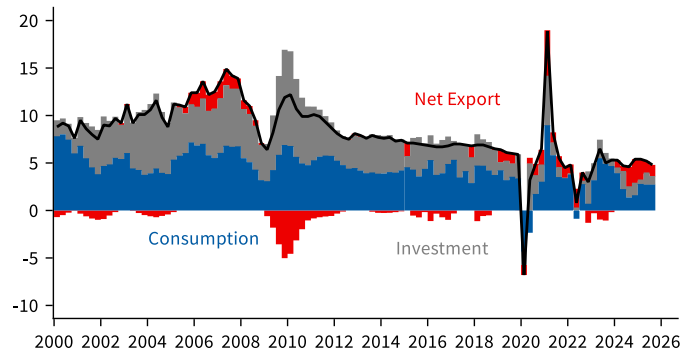
Monday

CH GDP (Q4)

The early consensus for China GDP is 1.1% qoq and 4.5% yoy. Growth momentum waned in the second half, but after a strong H1 the full year growth target of 5.0% is still expected to be met.

For December activity indicators, base effects could see softening in year-ended growth rates for industrial production.

GDP Growth



Thursday

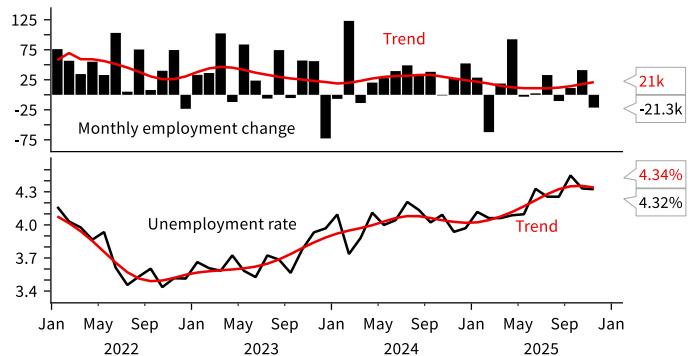
AU Unemployment (December)

We expect the unemployment rate to hold steady at 4.3% on Thursday and for 40k employment growth, reflecting a bit of payback from surprising softness in recent employment growth. The prospect of a rebound in participation leaves the risk skewed higher on the unemployment rate.

Rotation groups, however, point to a healthy employment print in December, with the outgoing eighth of the sample having a 0.4ppt higher unemployment rate and 1.2ppt lower employment rate than the full sample.

The RBA saw unemployment flat at 4.4% in the Nov SoMP.

Australian Employment and Unemployment



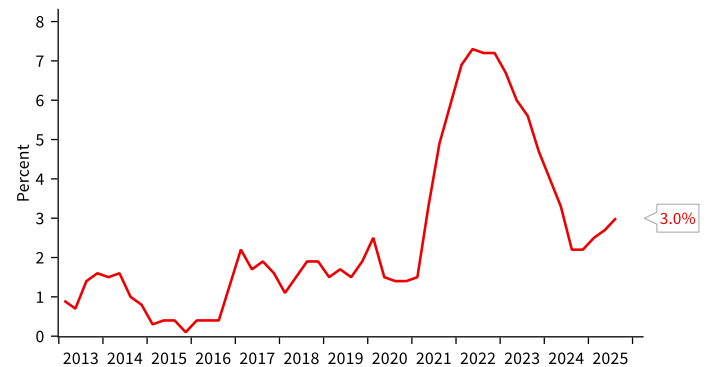
Friday

NZ CPI (Q4)

BNZ forecast +0.4% q/q and 2.9% y/y, higher than the RBNZ's November MPS forecast of +0.2% q/q and 2.7% y/y. The balance of risk is tilted to the upside. BNZ does not believe there is enough evidence for the Bank to hike the cash rate soon but the balance of risk is shifting toward this happening earlier than the early 2027 timeline the RBNZ indicated at the November MPS.

Household energy (predominantly electricity prices) is expected to make another material positive contribution to quarterly inflation along with transport fuels, international airfares, and accommodation prices. The biggest offset is expected from lower food prices. Easing in core inflation measures may provide the RBNZ an element of comfort if headline inflation surprises on the high side.

New Zealand CPI, YoY



Source: National Australia Bank, Statistics New Zealand, Macrobond

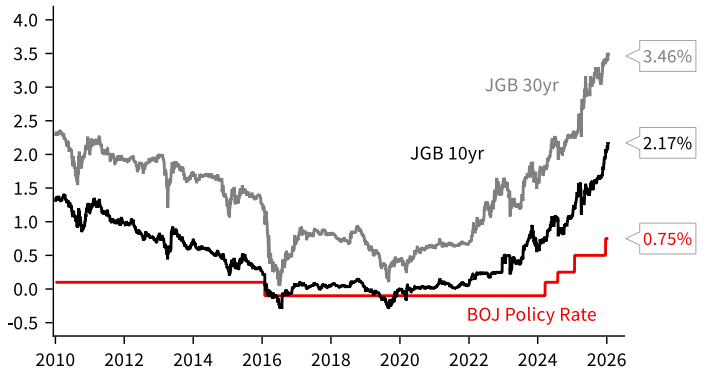
JN Monetary Policy Decision (Dec)

The Bank of Japan meets Friday. After a hike at the December meeting, a hold is widely expected full priced by markets. Focus instead is on updated forecasts. The last forecasts showed year ahead CPI ex energy falling to 2.0% and remaining there.

Governor Ueda as recently as this week continued to indicate that the BoJ *"will keep raising rates and adjust the degree of monetary easing in line with the improvement in the economy and inflation if our outlook materializes"*

There is 15bp of tightening priced by April, and 26bp by July.

Japan Interest Rates



Source: National Australia Bank, Bloomberg

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	2.6	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	0.6	0.6	0.6	0.6
	(% 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	0.7	1.3	0.6	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	2.1	3.2	3.6	3.9	3.9	3.2	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

	15-Jan	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
Majors						
AUD/USD	0.67	0.69	0.71	0.72	0.71	0.70
NZD/USD	0.57	0.60	0.62	0.63	0.63	0.63
USD/JPY	158.6	144	140	135	135	135
EUR/USD	1.16	1.20	1.21	1.23	1.22	1.21
GBP/USD	1.34	1.35	1.36	1.38	1.37	1.36
USD/CNY	6.97	7.05	6.95	6.90	6.85	6.85
USD/CAD	1.39	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	1.17	1.15	1.15	1.14	1.13	1.11
AUD/JPY	106.2	99	99	97	96	95
AUD/EUR	0.58	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	0.93	0.94	0.94	0.92	0.92	0.90
AUD/CHF	0.54	0.53	0.54	0.54	0.54	0.53

Global GDP

	2024	2025	2026	2027
US	2.8	2.0	2.1	1.9
Euro-zone	0.8	1.5	1.4	1.5
Japan	-0.2	1.2	0.8	0.7
UK	1.1	1.4	0.9	1.0
Canada	2.0	1.7	1.1	1.7
China	5.0	4.9	4.2	3.9
India	6.7	7.7	6.3	6.2
Australia	1.0	1.9	2.1	2.2
NZ	-0.6	0.3	2.5	2.3
Global	3.3	3.4	3.1	3.0

Interest Rate Forecasts

	15-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	3.73	4.12	4.22	4.22	4.22	4.22
3 Year Swap Rate	4.07	4.35	4.45	4.45	4.35	4.25
10 Year Swap Rate	4.76	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	4.70	4.95	5.00	5.10	5.00	4.90
United States	4.16	4.25	4.35	4.50	4.50	4.50
New Zealand	4.45	4.55	4.65	4.80	4.80	4.80

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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