Economics and Markets Research

What to Watch

Week of 16 March 2026

- Domestically, NAB expects the RBA to hike by 25bp, while February unemployment will further sharpen their assessment of spare capacity.
- Internationally, there is a big line-up of central banks (FOMC, BoE, ECB, BoJ, BoC, Riksbank and SNB), but all are expected hold.
- Otherwise, aside from NZ Q4 GDP and US PPI, additional data is relatively sparse, focusing primarily on February partials.

NAB expects the **RBA to raise rates** to 4.1% on Tuesday. That's also the pick of 18 of 24 analysts. Markets are 64% priced for a hike. Unlike most other G10 central banks, the domestic backdrop ahead of the shock already supported the case for some additional tightening, with the Iran shock adding new risks. On Thursday, the **unemployment rate** NAB sees steady at 4.1% on a 30k employment gain on Thursday (consensus 4.1%/20k), which would further support the RBA's concern about a too-tight labour market. The RBA's Financial Stability Review is also released Thursday, and Treasurer Chalmers speaks at an ABE event Thursday.

In NZ, it is a blockbuster information week headlined by Q4 GDP Thursday. We are forecasting a modest 0.3% gain, which is softer than the 0.5% the RBNZ projected in the February MPS. The PSI (Monday), Selected Prices (Tuesday) and Balance of Payments (Wednesday) are also released.

Amid ongoing uncertainty in the Middle East, EU leaders meeting for the European Council (Friday) Foreign Affairs Council (Tuesday).

Otherwise, internationally it's a big week of central bank meetings: the **FOMC (Wednesday), BoE (Thursday), ECB (Thursday), BoJ (Friday), BoC (Wednesday) as well as the Riksbank (Thursday) and Swiss National Bank (Thursday)**. The Iran conflict is not likely to shift the decisions this week, but differing starting points and energy exposures matter: the Fed and BoC (inflation nearer target, lower energy pass-through) have more room for patience while the ECB and BoE (firmer services inflation, higher energy sensitivity) are more constrained. Japan remains exposed via imported energy costs.

In Asia, China's February activity data (**retail sales, industrial production and investment**) are due Monday. Japan will see February **trade** and lagged January data for **services output, investment and industrial production**.

In the US, February **PPI** (Wednesday) will be key for finalising PCE expectations, alongside manufacturing data spanning March sentiment (**Empire**), February output (**industrial production**) and January orders (**durables/factory orders**). **Canada** will see updates to **inflation** (Monday) and **retail sales** (Friday).

In Europe, February's inflation print will be finalised on Wednesday ahead of the ECB's meeting, which will include fresh forecasts. **In the UK**, Thursday wage data for January is expected to continue the recent pattern of modestly lower pay, while unemployment holds at 5.2%.

Contents

Key Data

	Latest	Next
GDP	2.6% yoy	1Q on 3 Jun
Unemployment	4.1%	Feb on 19 Mar
Trimmed Mean	3.4% yoy	1Q on 29 Apr
RBA	3.85%	17 Mar

Key Markets

		% change	
	Latest	Week	YTD
Rates		*bps*	*bps*
AU BBSY 3m	4.23	10.8	44.0
AU 3y swap	4.53	8.7	43.0
AU 3yr yield	4.54	11.7	40.7
AU 10yr yield	4.93	8.5	18.7
US 10yr yield	4.25	11.5	8.6
AU-US 10yr spread	67.5	-2.9	10.1
Commodities		%	%
Iron ore	108	6.1	3.1
Coal (thermal)	135.0	0.6	25.6
Brent oil	100.3	8.2	66.2
Gold	5109.2	-1.2	18.3
FX			
AUD/USD	0.7082	0.7	6.1
USD (DXY)	99.63	0.7	1.3
AUD/NZD	1.2	1.5	4.4
AUD crosses			
AUD/JPY	112.74	1.6	7.8
AUD/CNY	4.8752	0.6	4.6
AUD/EUR	0.6148	1.6	8.2
AUD/GBP	0.5	1.2	7.0

Source: Bloomberg

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Week Ahead Calendar

Highlighted events are previewed below.

			Event	Period	NAB	Previous
Monday, 16 Mar	13:00	CH	Retail Sales YTD YoY	Feb		--
	13:00	CH	Industrial Production YTD YoY	Feb		--
	23:30	US	Empire Manufacturing	Mar		7.1
	23:30	CA	CPI YoY	Feb		2.30%
	00:15	US	Industrial Production MoM	Feb		0.70%
Tuesday, 17 Mar	08:45	NZ	Food Prices MoM	Feb		2.50%
	14:30	AU	RBA Cash Rate Target	17 Mar	**4.10%**	3.85%
	15:30	JN	Tertiary Industry Index MoM	Jan		-0.50%
	21:00	GE	ZEW Survey Expectations	Mar		58.3
Wednesday, 18 Mar	10:50	JN	Trade Balance	Feb		-¥1152.6b
	21:00	EC	CPI YoY	Feb F		1.90%
	23:30	US	PPI Final Demand MoM	Feb		0.50%
	00:45	CA	Bank of Canada Rate Decision	18 Mar		2.25%
	01:00	US	Factory Orders	Jan		-0.70%
	01:00	US	Durable Goods Orders	Jan F		-1.40%
	05:00	US	FOMC Rate Decision (Upper Bound)	18 Mar		3.75%
Thursday, 19 Mar	08:45	NZ	GDP SA QoQ	4Q		1.10%
	10:50	JN	Core Machine Orders MoM	Jan		19.10%
	11:30	AU	RBA-Financial Stability Review	--		--
	11:30	AU	Employment Change	Feb	**30k**	17.8k
	11:30	AU	Unemployment Rate	Feb	**4.10%**	4.10%
	15:30	JN	Industrial Production MoM	Jan F		2.20%
	18:00	UK	ILO Unemployment Rate 3Mths	Jan		5.20%
	19:30	SZ	SNB Policy Rate	19 Mar		0.00%
	19:30	SW	Riksbank Policy Rate	19 Mar		1.75%
	23:00	UK	Bank of England Bank Rate	19 Mar		3.75%
	23:30	US	Initial Jobless Claims	14 Mar		--
	--	JN	BOJ Target Rate	19 Mar		0.75%
	00:15	EC	ECB Deposit Facility Rate	19 Mar		2.00%
	01:00	US	New Home Sales	Jan		745k
	01:00	US	Wholesale Inventories MoM	Jan F		0.20%
Friday, 20 Mar	08:45	NZ	Trade Balance NZD	Feb		-519m
	21:00	EC	Trade Balance SA	Jan		11.6b
	23:30	CA	Retail Sales MoM	Jan		-0.40%

Upcoming Central Bank Interest Rate Announcements				Current
	AU	RBA	17 Mar	3.85
	US	Federal Reserve (Upper Bound)	18 Mar	3.75
	CA	BoC	18 Mar	2.25
	EZ	ECB	19 Mar	2.00
	UK	BoE	19 Mar	3.75
	JN	BoJ	19 Mar	0.75
	NZ	RBNZ	08 Apr	2.25

Sydney Time. Dates reflect 24 hours from 7am

Key Event Previews

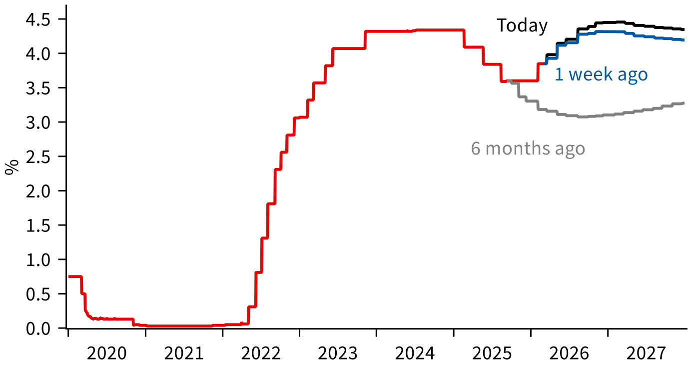
Tuesday

AU RBA Policy Meeting

We expect the RBA to raise rates by 25bp to 4.1%, in line with consensus. Markets have 16bp priced for March and 66bp by year end.

Recent RBA commentary has been hawkish, and some additional tightening was already justified by a domestic backdrop characterised already elevated inflation, robust growth and a tight labour market. The risk is that the Board chooses to wait for more information amid heightened uncertainty around the situation in the Middle East. NAB's RBA outlook is discussed in more detail in our Monetary Policy Update.

RBA Market Expectations



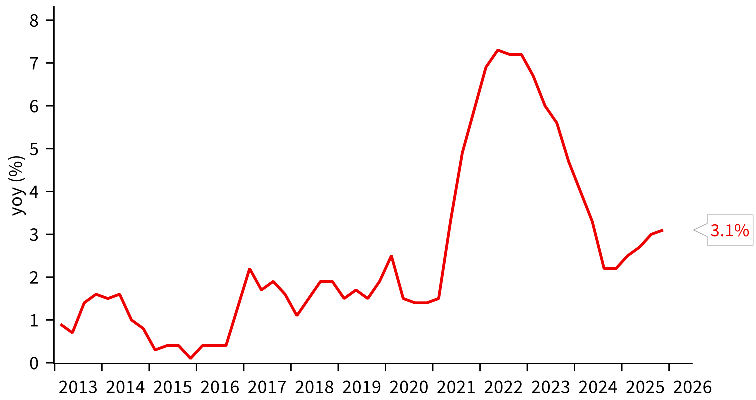
Source: National Australia Bank, Bloomberg

NZ Selected Prices (Feb)

February's Selected Prices will give the latest insight into their various segments of Q1 CPI. It precedes the initial impact of the conflict in the Middle East, which BNZ expects to start appearing in the March data.

BNZ expects food prices to fall 0.5% mom in February, largely from the seasonal drop in fruit and vegetable prices. Annual rent inflation is already at its lowest level on record (back to 2007) and likely to continue easing. Domestic and international airfare prices are forecast to drop in February, and fuel prices are expected to show a more modest decline (before jumping significantly in March). The sum of all components will be measured against their current 0.6% qoq and 2.8% yoy forecast for Q1 CPI, in line with the RBNZ's forecast in its February MPS.

NZ CPI



Source: National Australia Bank, Statistics New Zealand, Macrobond

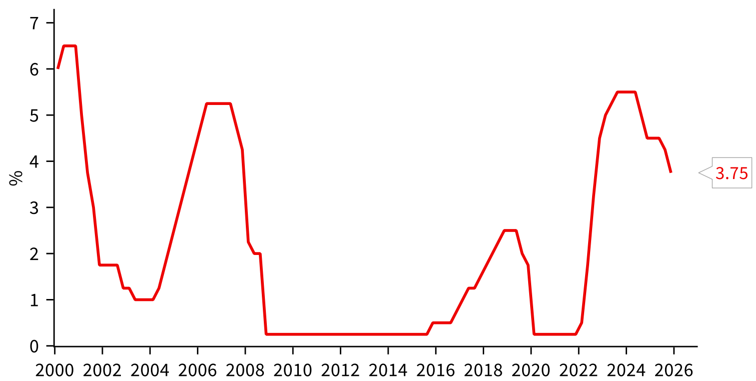
Wednesday

US Federal Reserve FOMC Meeting

As was the case last month the fed funds rate target range is expected to be left unchanged at 3.50-3.75%. The weak February employment report will probably not shift the Fed's overall assessment that the labour market is stabilising. While CPI prints have been relatively benign, core PCE inflation is expected to remain elevated in Jan and Feb, reinforcing the case to keep policy on the restrictive side of the range of neutral estimates.

Gauging the Fed's assessment of the implications of the Iran war will be a key watch. The Fed dots may incorporate different oil price assumptions by members; look for Chair Powell to downplay the dots given elevated uncertainty. But his take on how the committee is thinking about risks – and the extent it can look through the inflationary impact - may be more instructive.

Fed Funds Target Rate*



Source: National Australia Bank, Macrobond
Notes: * Top of the target range, end quarter.

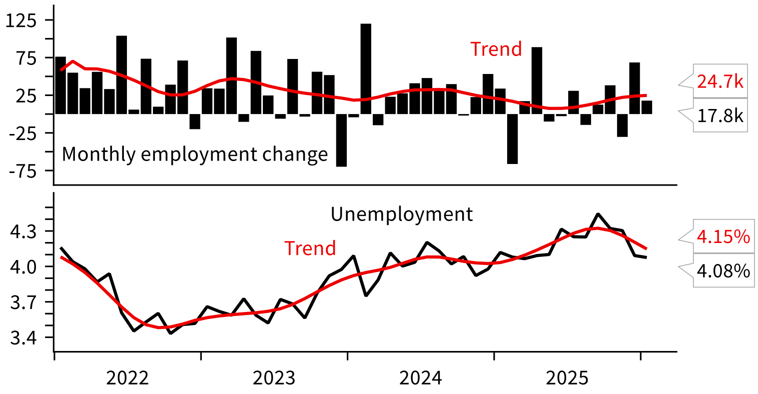
Thursday

AU Unemployment Rate (Feb)

NAB expects the unemployment rate to hold at 4.1%, with employment growth of around 30k (Consensus 4.1%/20k). This release will be important for the RBA's assessment of spare capacity in the labour market, with RBA's Hauser recently noting that the economy has limited spare capacity, with unemployment coming in "*a bit*" below expectations and measures of labour demand a little higher.

If unemployment remains at 4.1%, this would do little to ease the RBA's concerns around labour market tightness. By contrast, a print of 4.2% would ease concern the labour market may be tighter still than their Feb assessment.

Australian Employment



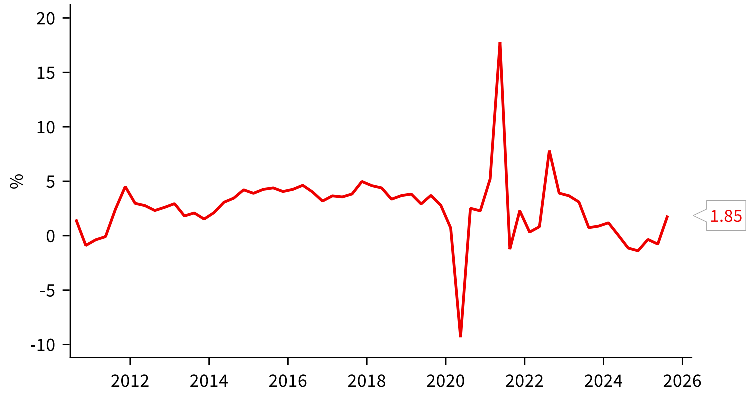
Source: National Australia Bank, ABS

NZ GDP (Q4)

BNZ expects GDP growth of 0.3% qoq, which would set the starting point for economic activity in early 2026. It isn't particularly strong, but it would be the second consecutive quarter of growth and support BNZ's thinking that a modest economic recovery was getting underway in the latter part of 2025.

In the details, BNZ are looking for services and primary sector growth, construction contraction, and a flat contribution from manufacturing. If they are right, then Q4 GDP will be softer than the 0.5% that the RBNZ projected in its February MPS.

NZ GDP

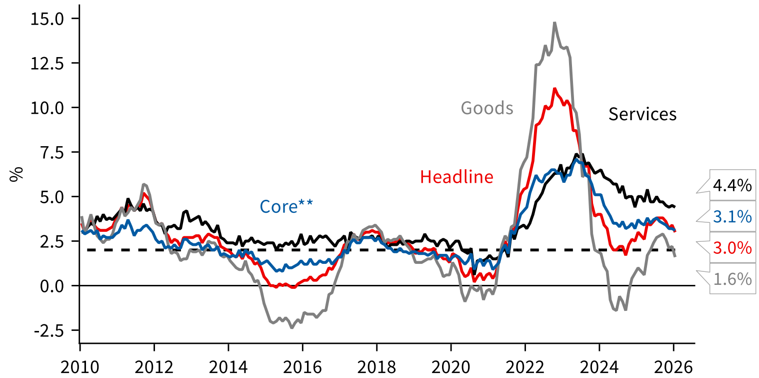


Source: National Australia Bank, Statistics New Zealand, Macrobond

UK BOE Policy Meeting

The BoE will vote to keep interest rates unchanged at 3.75%. We believe the MPC will vote 7:2 to hold, with doves Dhingra and Taylor sticking with their calls to cut. The BoE will be more cautious for the next few months, with hawks fearing inflation scarring in the UK will see inflation expectations rise, leading to possible second round effects. More time is needed to assess the extent to which the impact from higher energy prices impacts UK inflation. The war in over Iran has upended the prior path of two expected rate cuts for 2026. Markets now price 20bps of tightening. We still believe the BoE will cut twice more in this cycle but have pushed out the first cut to Q4, with another in 2027 until more there is greater clarity. There are no new forecasts.

UK Inflation*

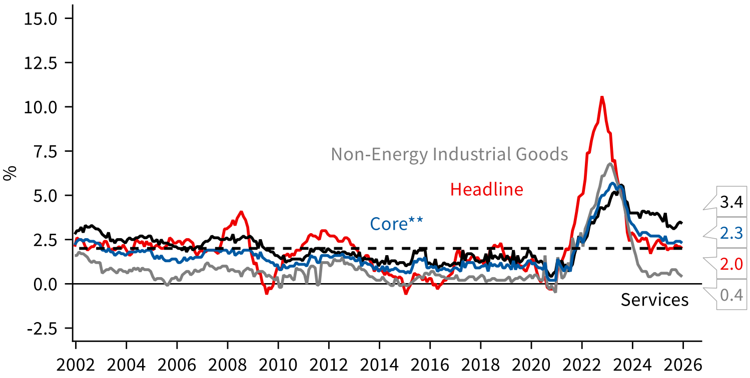


Source: National Australia Bank, U.K. Office for National Statistics (ONS), Macrobond
Notes: * CPI, dashed line represents the BOE's 2% inflation target; Excluding energy, food, alcohol and tobacco.

EU ECB Policy Meeting

The ECB is expected to hold rates at 2% in a meeting that will be dominated by the possible impacts of higher energy prices. The initial 1.7% February headline inflation print has been revised higher to 1.9%, removing some of the breathing space the ECB might have thought it had. Still, for now the ECB will continue to closely monitor prices. Markets have swung aggressively to pricing in 40bps of tightening by year end. This looks aggressive.

Euro Area Inflation*



Source: National Australia Bank, Eurostat, Macrobond
Notes: * HICP, dashed line represents the ECB's 2% inflation target; ** Excluding energy, food, alcohol and tobacco.

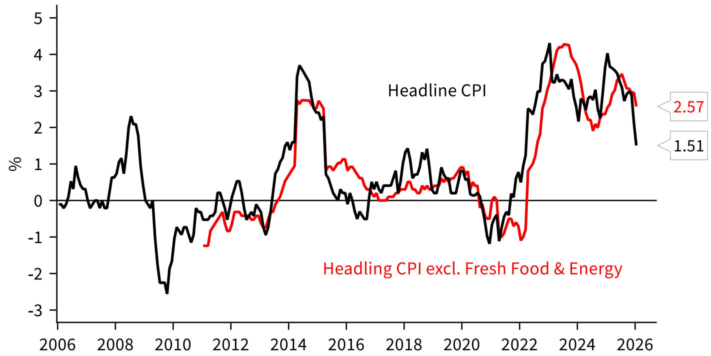
Friday

JP BoJ Policy Meeting

The BoJ is widely expected to leave policy unchanged. The Board has favoured a cautious, incremental approach as officials seek firmer evidence that wage gains are durable and feeding through to domestic demand.

Escalating Middle East tensions have sharpened focus on energy prices and the yen. With Japan highly exposed to the energy shock, any signal from Ueda on whether the growth or inflation implications are most pressing will be key to the April meeting, where a hike is 16bp priced and seen by 37% of analysts in a Bloomberg Survey.

Japan inflation



Source: National Australia Bank, Japanese Statistics Bureau, Ministry of Internal Affairs & Communications, Macrobond

Forecasts Tables

Apart from the near-term inflation profile, which remains highly sensitive to energy price developments, these forecasts largely predate the Middle East shock. NAB Economics forecasts will be updated next week in our 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	0.6	1.0	0.9	2.3	2.6	2.4	2.3	1.7	1.7	1.8	1.8	1.7	1.7	1.6
Dwelling Investment		-1.0	-0.9	0.0	5.2	6.6	5.5	6.3	5.5	3.3	3.5	2.1	2.0	1.9	1.7	1.5	1.4
Underlying Bus. Investment		3.6	1.2	-0.4	-2.3	-0.7	-1.7	3.6	4.0	3.8	4.8	0.8	1.0	1.2	1.2	1.2	1.0
Public Final Demand		4.3	3.7	4.7	5.2	3.9	2.7	1.5	2.4	2.9	3.2	2.1	1.6	1.6	1.6	1.6	1.6
Domestic Final Demand	(% qoq)	0.6	0.3	0.8	0.4	0.4	0.6	1.3	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
	(% yoy)	2.2	1.4	1.8	2.2	2.0	2.2	2.7	2.9	3.0	2.9	2.1	2.0	2.0	2.0	2.0	1.9
Gross Domestic Product	(% qoq)	0.4	0.2	0.3	0.3	0.4	0.8	0.5	0.8	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
	(% yoy)	1.1	0.9	0.8	1.2	1.3	1.9	2.1	2.6	2.6	2.3	2.3	2.0	2.1	2.0	2.1	2.0
Labour Market																	
Employment	(% qoq)	0.3	0.6	0.8	0.5	0.3	0.5	0.1	0.3	0.6	0.4	0.4	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	4.2	4.2	4.3	4.4	4.4	4.5	4.5	4.4	4.5
WPI Wages	(% qoq)	0.7	0.9	0.9	0.7	0.9	0.9	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	3.6	3.2	3.4	3.4	3.3	3.4	3.3	3.2	3.3	3.2	3.2	3.2	3.2	3.2
Inflation																	
CPI Trimmed Mean	(% qoq)	1.0	0.9	0.8	0.5	0.7	0.6	1.0	0.9	0.9	0.8	0.7	0.7	0.6	0.6	0.6	0.6
	(% yoy)	4.1	4.1	3.6	3.3	3.0	2.7	3.0	3.4	3.5	3.7	3.3	3.1	2.8	2.7	2.6	2.6
CPI Headline	(% qoq)	0.9	1.0	0.2	0.2	0.9	0.7	1.3	0.6	1.4	0.8	0.8	0.7	0.6	0.6	0.6	0.6
	(% yoy)	3.6	3.8	2.9	2.4	2.4	2.1	3.2	3.6	4.1	4.1	3.6	3.7	2.9	2.8	2.6	2.5

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

See: Global FX Strategist

Exchange Rate Forecasts

	12-Mar	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27
Majors						
AUD/USD	0.7082	0.72	0.73	0.73	0.72	0.71
NZD/USD	0.5854	0.62	0.63	0.63	0.63	0.63
USD/JPY	159.2	152	150	148	146	145
EUR/USD	1.1519	1.22	1.20	1.23	1.23	1.22
GBP/USD	1.3359	1.38	1.38	1.38	1.36	1.35
USD/CNY	6.88	6.90	6.85	6.80	6.80	6.85
USD/CAD	1.3631	1.34	1.33	1.33	1.35	1.37
USD/CHF	0.7856	0.76	0.75	0.75	0.75	0.75
Australian Cross Rates						
AUD/NZD	1.21	1.16	1.16	1.15	1.15	1.13
AUD/JPY	113	109	110	108	105	103
AUD/EUR	0.61	0.59	0.61	0.59	0.59	0.58
AUD/GBP	0.53	0.52	0.53	0.53	0.53	0.53
AUD/CNY	4.87	4.97	5.00	4.96	4.90	4.86
AUD/CAD	0.97	0.96	0.97	0.97	0.97	0.97
AUD/CHF	0.56	0.55	0.55	0.55	0.54	0.53

Source: Bloomberg

Interest Rate Forecasts

	12-Mar	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27
Australian Rates						
RBA cash rate	3.85	4.35	4.35	4.35	4.35	4.35
3 month bill rate	4.18	4.47	4.47	4.47	4.47	4.27
3 Year Swap Rate	4.53	4.45	4.45	4.35	4.25	3.95
10 Year Swap Rate	5.02	5.00	5.10	5.00	4.95	4.95
Offshore Policy Rates						
US Fed funds	3.75	3.50	3.25	3.25	3.25	3.25
RBNZ OCR	2.25	2.25	2.50	2.75	3.00	3.50
10-year Bond Yields						
Australia	4.93	4.95	4.95	4.95	4.90	4.90
United States	4.25	4.35	4.50	4.50	4.50	4.50
New Zealand	4.66	4.75	4.90	4.90	4.90	4.90

Source: Bloomberg

See: Global Forward View

Global GDP

	2024	2025	2026	2027
US	2.8	2.2	2.6	2.0
Euro-zone	0.8	1.5	1.4	1.5
Japan	-0.2	1.1	0.7	0.7
UK	1.1	1.3	0.8	1.1
Canada	2.0	1.7	1.1	1.7
China	5.0	5.0	4.6	4.2
India	6.7	7.7	6.5	6.5
Australia	1.0	1.9	2.1	2.0
NZ	-0.3	0.3	2.5	2.3
Global	3.3	3.5	3.4	3.2

Month Ahead Calendar

This calendar focuses on Australian domestic releases only.

Monday	Tuesday	Wednesday	Thursday	Friday
02 S&P Global Australia PMI Mfg Feb F Melbourne Institute Inflation MoM Feb Inventories SA QoQ 4Q ANZ-Indeed Job Advertisements MoM Feb	03 BoP Current Account Balance 4Q Building Approvals MoM Jan Government Finance Statistics 4Q	04 S&P Global Australia PMI Composite Feb F GDP SA QoQ 4Q	05 Trade Balance Jan Household Spending MoM Jan	06 Foreign Reserves Feb
09	10 Westpac Consumer Conf SA MoM Mar NAB Business Conditions Feb Value of Dwellings 4Q	11	12	13
16	17 RBA Cash Rate Target Overseas Arrivals and Depatures Jan NAB Spend Trend Feb	18	19 Unemployment Rate Feb NAB Forward View Mar	20
23	24 S&P Global Australia PMI Composite Mar P	25 CPI MoM Feb CPI Trimmed Mean MoM Feb Engineering Construction Activity Dec	26	27
30	31 RBA Minutes of March Policy Meeting Private Sector Credit MoM Feb	01	02	03

Source: National Australia Bank, Bloomberg

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