

Week of 25 May 2026

- Domestically, April CPI, household spending, national account partials and speech by RBA MPB member Hewson.
- Internationally, US PCE lands Thursday, with German and French May CPI prelims on Friday ahead of the EZ aggregate on 2 June.
- In NZ, the RBNZ is expected to hold at 2.25% and flag an earlier rate hike, while the Government delivers its Budget on Thursday.

Domestically, April **CPI** (Wednesday) headlines the week, we expect 4.4% for headline and 3.4% for trimmed mean. Ahead of this, **RBA MPB member Hewson** speaks at 6pm Tuesday at Adelaide University. Also due are **Q1 investment partials**, with construction work done (Wednesday) and private capital expenditure (Thursday) ahead of the 3 June Q1 GDP data. **Household spending** is due on Thursday, with **private sector credit** to follow on Friday.

Internationally, the BoJ-IMES Conference in Tokyo (Wed-Thu) draws BoJ's Ueda, **RBA's Hauser** and Fed's Logan and Kashkari on Wednesday, and ECB's Lane, Fed's Jefferson and BoE's Lombardelli on Thursday. The Reykjavik Economic Conference draws BoE's Bailey, Fed's Williams and Bowman Thursday-Friday. BoE's Breeden also speaks Friday.

In NZ, the **RBNZ's Monetary Policy Statement** (Wednesday) and the Government's Budget (Thursday) will be the headline grabbers. The RBNZ is expected to hold at 2.25% and publish a rate track flagging an earlier hike with a higher end point than previously projected. Given the Government's repeated fiscal balance commitment, the underlying operating balance track is likely to be broadly similar to the Half Year Fiscal Update in December. April **filled jobs** (Thursday) and May's **ANZ confidence surveys** for businesses and consumers (Friday) round out the calendar.

In the US, markets are closed Monday for Memorial Day. April **PCE** (Thursday) is the key inflation read for the Fed. The Q1 **GDP** second estimate and **Durable Goods** preliminary also land Thursday.

Consumer Confidence (Conf. Board) opens Tuesday. **In Canada**, Q1 **GDP** (Friday) alongside March monthly GDP, with BoC's Macklem and Rogers holding a press conference Thursday.

In Asia, Japan's has a busy Friday with **Tokyo CPI** (May), **Industrial Production** (April preliminary), the **unemployment rate**, and **retail sales**. **Machine Tool Orders** (April final) land Monday. No notable releases **in China** this week.

In the UK there are no key data releases. In Europe **economic confidence** data for May is released (Wed), while key member states release preliminary **CPI** data for May on the 29th (Fri) ahead of EZ inflation on the 2nd of June. There, where we expect the headline to rise from 3% to 3.2%, with larger gains in core and services measures.

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Key Data

	Latest	Next
GDP	2.6% yoy	1Q on 3 Jun
Unemployment	4.5%	May on 25 Jun
Trimmed Mean	3.5% yoy	2Q on 29 Jul
RBA	4.35%	16 Jun

Key Markets

		% change	
	Latest	Week	YTD
Rates			
AU BBSY 3m	4.48	-1.0	69.5
AU 3y swap	4.55	-18.5	44.8
AU 3yr yield	4.54	-18.7	40.6
AU 10yr yield	4.92	-15.0	18.2
US 10yr yield	4.57	-2.6	40.1
AU-US 10yr spread	35.5	-12.4	-21.9
Commodities			
Iron ore	106	-2.9	2.4
Coal (thermal)	132.1	1.3	22.8
Brent oil	105.0	-3.9	74.4
Gold	4525.8	-0.3	4.8
FX			
AUD/USD	0.7130	-0.3	6.8
USD (DXY)	99.26	0.0	1.0
AUD/NZD	1.2	-0.7	4.9
AUD crosses			
AUD/JPY	113.45	-0.1	8.5
AUD/CNY	4.8462	-0.6	3.9
AUD/EUR	0.6144	-0.1	8.1
AUD/GBP	0.5	-1.0	7.3

Source: Bloomberg

Week Ahead Calendar

Highlighted events are previewed below.

			Event	Period	NAB	Previous
Tuesday, 26 May	16:00	JN	Machine Tool Orders YoY	Apr F		45.1%
	00:00	US	Conf. Board Consumer Confidence	May		92.80
Wednesday, 27 May	10:20	US	Fed's Kashkari Speaks at Bank of Japan Conference			
	11:30	AU	CPI Trimmed Mean YoY	Apr	3.4%	3.3%
	11:30	AU	CPI YoY	Apr	4.4%	4.6%
	11:30	AU	Construction Work Done	1Q	0.0%	-0.1%
	12:00	NZ	RBNZ Official Cash Rate	27 May		2.25%
	18:00	AU	RBA Board Member Hewson-Speech			
	18:00	US	Fed's Logan Speaks in Panel Discussion			
Thursday, 28 May	—	US	Building Permits	Apr F		1442k
	08:45	NZ	Filled Jobs SA MoM	Apr		0.3%
	10:00	US	Fed's Jefferson Speaks on Panel			
	10:00	EC	ECB's Lane Speaks in Tokyo			
	11:30	AU	Household Spending YoY	Apr	-0.5%	6.3%
	11:30	AU	Private Capital Expenditure	1Q	0.0%	0.4%
	12:25	UK	BOE's Clare Lombardelli on panel at Bank of Japan event			
	19:00	EC	Economic Confidence	May		93
	21:30	EC	ECB Publishes Account of April Rate Decision			
	22:30	US	Core PCE Price Index YoY	Apr		3.2%
	22:30	US	PCE Price Index YoY	Apr		3.5%
	22:30	US	GDP Annualized QoQ	1Q S		2.0%
	22:30	US	Durable Goods Orders	Apr P		0.8%
	22:55	US	Fed's Williams Speaks at Reykjavik Economic Conference			
	01:00	CA	Press Conference – Bank of Canada's Macklem and Rogers			
01:40	UK	BOE Deputy Governor Sarah Breeden Speaks				
Friday, 29 May	08:00	NZ	ANZ Consumer Confidence Index	May		80.30
	09:30	JN	Jobless Rate	Apr		2.7%
	09:30	JN	Tokyo CPI Ex-Fresh Food YoY	May		1.5%
	09:30	JN	Tokyo CPI YoY	May		1.5%
	09:50	JN	Industrial Production YoY	Apr P		2.4%
	09:50	JN	Retail Sales YoY	Apr		1.7%
	11:00	NZ	ANZ Activity Outlook	May		19.60
	11:00	NZ	ANZ Business Confidence	May		-10.60
	11:30	AU	Private Sector Credit YoY	Apr		8.1%
	16:45	FR	CPI YoY	May P		2.2%
	18:20	UK	BOE Governor Andrew Bailey Speaks in Iceland			
	22:00	GE	CPI YoY	May P		2.9%
	22:30	CA	GDP YoY	Mar		1.0%
	23:10	US	Fed Supervision Vice Chair Bowman Speaks in Reykjavik			

Upcoming Central Bank Interest Rate Announcements

				Current
	NZ	RBNZ	27 May	2.25
	CA	BoC	10 Jun	2.25
	EZ	ECB	11 Jun	2.00
	AU	RBA	16 Jun	4.35
	JN	BoJ	16 Jun	0.75
	US	Federal Reserve	17 Jun	3.75
	UK	BoE	18 Jun	3.75

Sydney Time. Dates reflect 24 hours from 7am.

Key Event Preview

Tuesday

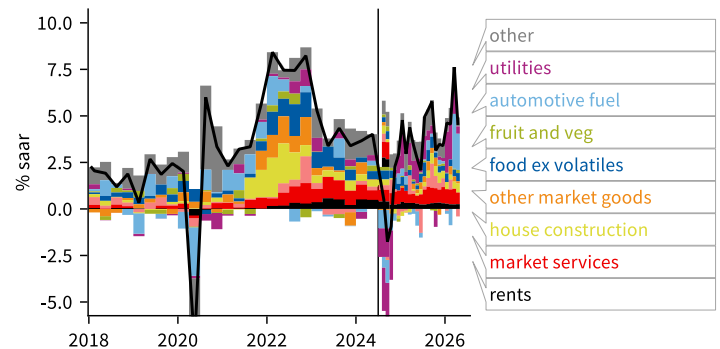
AU April CPI

We forecast headline inflation to fall to 4.4% from 4.6%. The decline will be driven by lower fuel prices due to the 32c/l reduction in fuel excise (in place for 3 months from April). That will add to headline inflation in July when the excise cut unwinds. The path of headline inflation will remain highly sensitive to the evolution of retail fuel prices.

For trimmed mean we pencil in 0.35% mom and 3.4% yoy with the risk skewed to a 3.5% print. The extent and speed of passthrough is a key uncertainty, but we expect some acceleration across goods and grocery prices to be evident in the April data.

For our full preview, see [April CPI Preview](#)

Contributions to Headline CPI (SA annualised)*

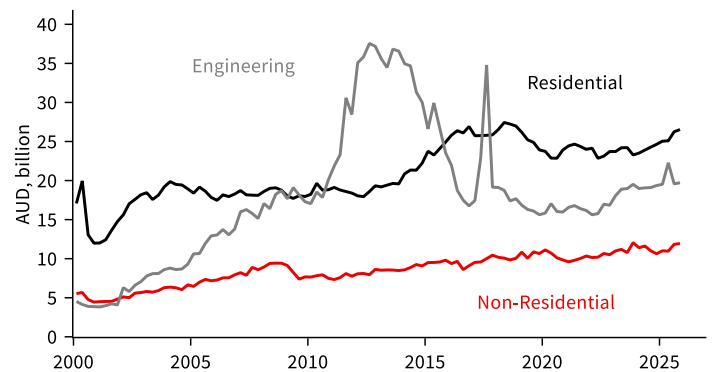


*Quarterly quarter average annualised to Q3 2024, monthly 3m annualised after
Source: National Australia Bank, ABS

AU Construction Work Done (Q1)

Construction work done for Q1 is the first partial indicator for investment ahead of the national accounts. The residential and non-residential work done tracks through to GDP more directly than the engineering component. We expect little change in building work relative to Q4, consistent with little contribution to GDP in the quarter. Engineering work done is also expected to be broadly flat as major volatility from an LNG project in the middle of 2025 has flowed out of the data.

Australia Private Sector Work Done (Chain Volume)



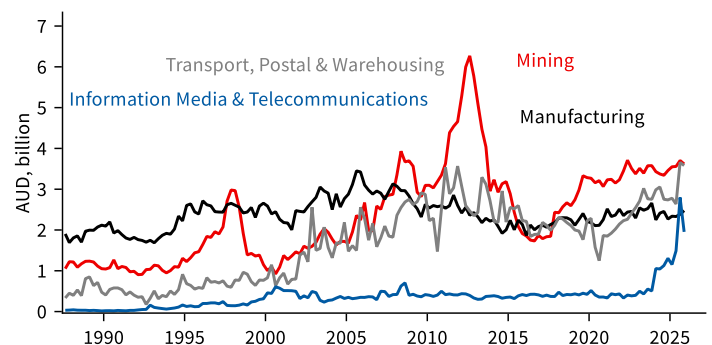
Source: National Australia Bank, Australian Bureau of Statistics, Macrobond

Wednesday

AU Private Capital Expenditure (Q1)

We expect little change in new capital expenditure in Q1. Despite strong growth expected in IM&T and other data centre related sectors driven by continued strong investment in data centres we see this being offset by broader weakness across other sectors. However, there is potential upside risk to the Equipment, Part and Machinery component after a surge of ADP imports was seen in March. We will also receive updated estimates for business' investment intention over the next 18-months. These estimates were surveyed after the start the Middle East conflict.

Equipment, plant and machinery by selected industries (volumes)



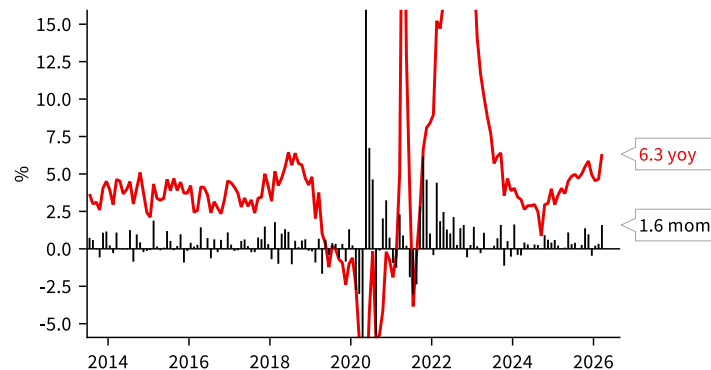
Source: National Australia Bank, Australian Bureau of Statistics, Macrobond

AU Household spending (April)

We expect household spending to fall by 0.5% mom in April, partly reversing the strong 1.6% increase in March. The decline reflects a pullback in fuel spending, driven by lower prices following the halving of the fuel excise, as well as some unwinding of earlier stockpiling behaviour for food.

A key focus will be whether discretionary spending shows softening. [NAB Spend Trend](#) data shows notable underperformance in travel-related spending. However, it remains unclear whether this reflects a broader easing amid one-off factors such as travel-related refunds. Other discretionary spending categories have been more resilience.

Household Spending Indicator

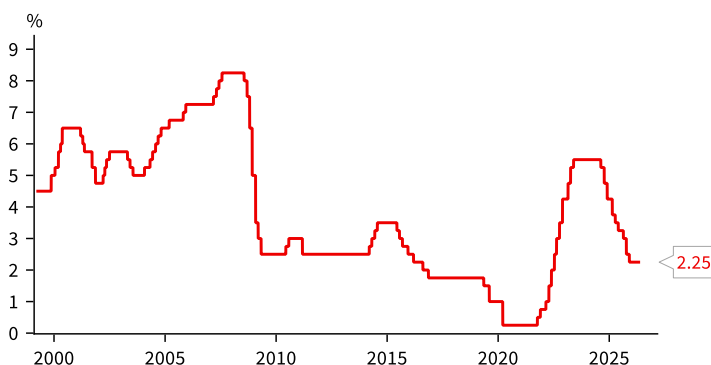


Source: National Australia Bank, Australian Bureau of Statistics, Macrobond

NZ RBNZ Monetary Policy Statement

BNZ expect the RBNZ to hold the cash rate at 2.25%. With much uncertainty swirling around the future path for the economy, there seems more subjectivity than usual attached to decision making this time around. BNZ think the RBNZ will want to buy itself more time before raising rates. In the previous, February, MPS the published interest rate track intimated that the first rate hike would most likely be at the December meeting. Given the buildup of inflation pressure in the interim, the published track could show a slightly earlier increase with potentially a higher end point. BNZ also think that the Bank will repeat its April Review comment that "The Committee is vigilant to any generalised inflationary pressure and stands ready to act to return inflation to its medium-term target."

RBNZ Official Cash Rate



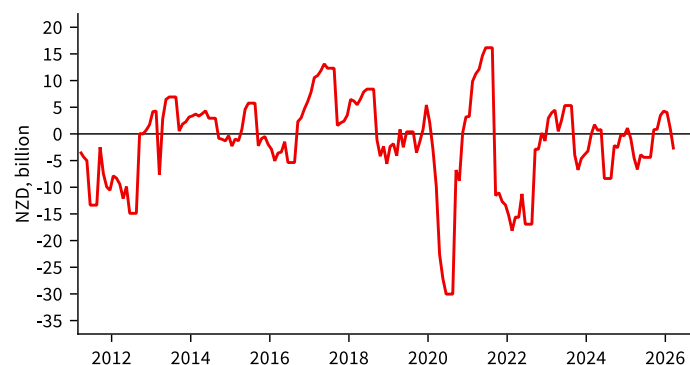
Source: National Australia Bank, Reserve Bank of New Zealand, Macrobond

Thursday

NZ Budget 2026

Given the Government's repeated commitment to future budget balance, it is highly likely the Government's underlying operating balance (OBEGALx) track is similar to that presented at the Half Year Fiscal Update back in December. There are many influences on funding requirements including: a \$2.2b increase in the capital spending allowance, likely softer economic projections lifting cyclical costs and lowering tax revenues, higher interest rates pushing up government funding costs, a \$0.3b reduction in the operating allowance, the Chorus debt sale that could reduce funding needs, and a recent deficit run rate narrower than forecast. It's hard not to think all this will roughly balance out leaving the bond programme little changed, though BNZ see upside risk.

NZ Central Government Operating Balance



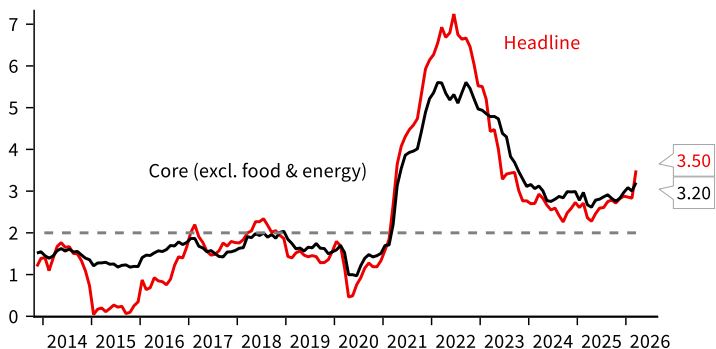
Source: National Australia Bank, New Zealand Treasury, Macrobond

US PCE (April)

PCE for April (Thursday) includes the Fed's preferred inflation gauge and is the week's standout US data point. Headline and core PCE will test whether the energy-driven impulse from the Middle East supply disruption is broadening into underlying services inflation (prior: 3.5% headline, 3.2% core yoy).

With inflation well above target but the growth impact of the disruption still uncertain, the Fed faces genuine two-sided risk. We see that uncertainty as the argument for holding through end-2027, where a firming services core would sharpen the case for higher-for-longer and a sharp moderation would shift attention to the emerging growth headwinds. Neither outcome is likely to unlock movement near-term.

US PCE Inflation



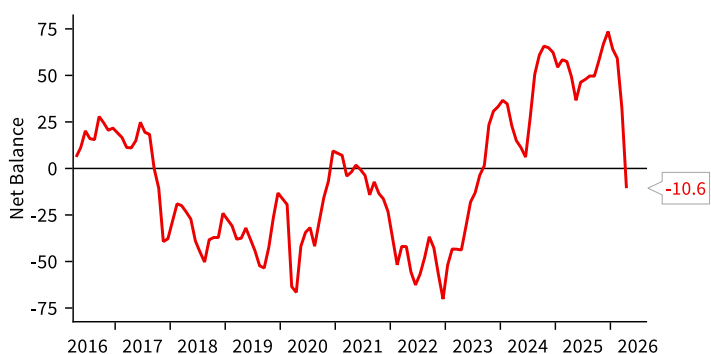
Source: National Australia Bank, U.S. Bureau of Economic Analysis (BEA), Macrobond
Notes: Dotted line represents the Federal Reserve's 2% inflation target over the longer run.

Friday

NZ ANZ Business Opinion (May)

The ANZ Business Opinion survey did not make pretty reading in April. Monthly readings of confidence, activity outlook, and profit expectations were lower than March outcomes. Amid the gloom, there was some solace that April's outcomes were not as weak as the late March results. May's figures will help judge if business angst has stabilised. Some paring of the surge in fuel prices may help, but any support from that source would have to offset seasonal influences that tend to become more negative as winter approaches. Inflation expectations are likely to be elevated; the short-term measure rose to 3.81% in April.

ANZBO Business Confidence



Source: National Australia Bank, Australia & New Zealand Banking Group Limited (ANZ) (New Zealand), Macrobond

Forecasts Tables

See: [Forward View Australia](#)

Australian Economic Forecasts													
		2025				2026				2027			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GDP	(% yoy)												
Household Consumption		0.9	2.3	2.6	2.4	2.2	1.4	1.1	1.2	1.2	1.3	1.5	1.6
Dwelling Investment		6.6	5.5	6.3	5.5	3.1	3.0	1.2	0.9	1.2	1.5	1.9	2.2
Underlying Bus. Investment		-0.7	-1.7	3.6	4.0	3.5	4.2	0.0	-0.1	0.7	0.7	1.0	1.0
Public Final Demand		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)	0.4	0.6	1.3	0.5	0.4	0.3	0.4	0.4	0.5	0.4	0.5	0.4
	(% yoy)	2.0	2.2	2.7	2.9	2.9	2.6	1.6	1.5	1.6	1.7	1.8	1.9
Gross Domestic Product	(% qoq)	0.4	0.8	0.5	0.8	0.3	0.4	0.4	0.4	0.6	0.4	0.5	0.4
	(% yoy)	1.3	1.9	2.1	2.6	2.5	2.0	1.9	1.5	1.8	1.8	2.0	2.0
Labour Market													
Employment	(% qoq)	0.2	0.6	0.1	0.2	0.6	0.3	0.4	0.3	0.3	0.3	0.3	0.3
Unemployment Rate	(%)	4.1	4.2	4.3	4.3	4.2	4.3	4.4	4.5	4.6	4.6	4.7	4.7
WPI Wages	(% qoq)	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)	3.4	3.4	3.3	3.4	3.3	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Inflation													
CPI Trimmed Mean	(% qoq)	0.7	0.7	1.0	0.9	0.8	1.1	0.9	0.8	0.7	0.7	0.6	0.6
	(% yoy)	2.9	2.7	3.0	3.4	3.5	3.9	3.8	3.7	3.5	3.1	2.8	2.7
CPI Headline	(% qoq)	0.9	0.7	1.3	0.6	1.4	1.4	0.9	0.6	0.5	0.5	0.6	0.6
	(% yoy)	2.4	2.1	3.2	3.6	4.1	4.7	4.3	4.3	3.4	2.5	2.2	2.3

Source: ABS, NAB Economics.

See: [Global FX Strategist](#)

Exchange Rate Forecasts						
	21-May	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27
Majors						
AUD/USD	0.7130	0.71	0.72	0.73	0.74	0.73
NZD/USD	0.5863	0.59	0.61	0.63	0.64	0.63
USD/JPY	159.1	156	153	152	150	149
EUR/USD	1.1605	1.18	1.19	1.20	1.21	1.20
GBP/USD	1.3419	1.33	1.34	1.33	1.36	1.35
USD/CNY	6.80	6.75	6.70	6.60	6.50	6.40
USD/CAD	1.3794	1.37	1.36	1.35	1.34	1.35
USD/CHF	0.7872	0.78	0.78	0.77	0.76	0.77
Australian Cross Rates						
AUD/NZD	1.22	1.20	1.18	1.16	1.15	1.15
AUD/JPY	113	111	110	111	111	109
AUD/EUR	0.61	0.60	0.61	0.61	0.61	0.61
AUD/GBP	0.53	0.53	0.54	0.55	0.54	0.54
AUD/CNY	4.85	4.79	4.82	4.82	4.81	4.67
AUD/CAD	0.98	0.97	0.98	0.99	0.99	0.99
AUD/CHF	0.56	0.56	0.56	0.56	0.57	0.56

Source: Bloomberg

Interest Rate Forecasts						
	21-May	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27
Australian Rates						
RBA cash rate	4.35	4.35	4.60	4.60	4.60	4.60
3 month bill rate	4.43	4.58	4.69	4.68	4.68	4.54
3 Year Swap Rate	4.55	4.65	4.70	4.45	4.25	4.15
10 Year Swap Rate	5.01	5.10	5.10	5.00	4.95	4.95
Offshore Policy Rates						
US Fed funds	3.75	3.75	3.75	3.75	3.75	3.75
RBNZ OCR	2.25	2.25	2.50	2.75	3.00	3.50
10-year Bond Yields						
Australia	4.92	4.95	4.95	4.95	4.90	4.90
United States	4.57	4.45	4.50	4.50	4.50	4.50
New Zealand	4.69	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	2.1	2.1	1.9
Euro-zone	0.9	1.5	0.8	1.2
Japan	-0.2	1.1	0.6	0.7
UK	1.0	1.4	0.9	0.8
Canada	2.0	1.7	1.2	1.7
China	5.0	5.0	4.7	4.3
India	7.2	7.5	6.3	6.5
Australia	1.0	2.0	1.5	1.9
NZ	-0.3	0.2	1.7	2.0
Global	3.4	3.4	3.1	3.1

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