Economics and Markets Research

What to Watch

national australia bank

Week of 20 July 2026

- Domestically, we expect the unemployment rate (Thursday) to hold at 4.4% and employment to rise by 15k.
- In Europe, the ECB is expected to hold at 2.25% on Thursday, with Lagarde's press conference the focus for September guidance.
- Elsewhere, CPI releases abound: NZ's Q2 result (Tuesday) as well as June releases for the UK (Wednesday), Japan (Friday) and Canada (Monday).

Domestically, the data calendar starts to pick back up with June **labour force** data (Thursday). We expect the unemployment rate to hold at 4.4%, with employment growth of 15k, in line with recent softening in some labour demand indicators. That is in line with consensus. The RBA releases a new Bulletin titled 'Listening to Australians: A New RBA Survey of the Public'.

Internationally, flash **PMIs** (Friday) for July are out across Australia, Japan, the Eurozone, UK and US.

In NZ, Tuesday's **Q2 CPI** is the key release where BNZ expect annual inflation to print a touch above the RBNZ's 3.9% yoy forecast. **Merchandise trade** data for June is due Monday.

In Asia, Japan's June **CPI** (Friday) will be watched after Tokyo's reading accelerated for the first time in eight months. **Trade** data (Wednesday) should show exports holding up on strong tech demand. It is quiet in China this week, with only Loan Prime Rates Monday. Focus turns to the Politburo meeting later this month for signs of follow through on stimulus measures after Q2 GDP showed soft domestic demand.

In the US, data releases are second tier, with June **new home sales** (Friday), the Conference Board **leading index** (Monday). The Fed's blackout period begins tomorrow. More interesting may be the temporary 10% Section 122 global import tariff (prompted by the Supreme Court's ruling in February), which are set to expire Friday unless Congress extends. It's not obvious what comes next: USTR Jamieson Greer said this week his investigation into industrial overcapacity is unlikely to be completed before the July 24 expiry. In Canada, June **CPI** (Monday) and **retail sales** (Thursday) are out.

In Europe, the market and NAB expects the **ECB** (Thursday) to hold at 2.25%. UK **labour market** data (Tuesday) should show further stabilisation, though private wages may ease modestly. **CPI** (Wednesday) is expected to ease to 2.6% from 2.8% on lower oil, food and airfares, with services and core also moderating. **Retail sales** (Friday) round out the UK picture. Andy Burnham is sworn in as UK Prime Minister on Monday.

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Key Data

	Latest	Next
GDP	2.5% yoy	2Q on 2 Sep
Unemployment	4.4%	Jun on 23 Jul
Trimmed Mean	3.5% yoy	2Q on 29 Jul
RBA	4.35%	11 Aug

Key Markets

	Latest	% change Week	% change YTD
Rates		*bps*	*bps*
AU BBSY 3m	4.51	-1.0	72.4
AU 3y swap	4.47	6.4	36.8
AU 3yr yield	4.47	0.8	33.8
AU 10yr yield	4.90	2.1	15.5
US 10yr yield	4.55	0.2	38.6
AU-US 10yr spread	34.2	1.8	-23.1
Commodities		%	%
Iron ore	100	1.0	-2.2
Coal (thermal)	129.9	-0.1	20.8
Brent oil	84.2	10.4	40.0
Gold	3975.7	-3.5	-8.0
FX			
AUD/USD	0.6997	0.6	4.9
USD (DXY)	100.76	-0.1	2.5
AUD/NZD	1.2	-0.7	3.3
AUD crosses			
AUD/JPY	113.59	1.0	8.6
AUD/CNY	4.7376	0.5	1.6
AUD/EUR	0.6113	0.4	7.6
AUD/GBP	0.5	0.0	4.8

Source: Bloomberg

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Week Ahead Calendar

Highlighted events are previewed below.

			Event	Period	NAB	Previous
Monday, 20 July	08:45	NZ	Trade Balance NZD	Jun		800m
	11:00	CH	1-Year Loan Prime Rate	20 Jul		3.0%
	11:00	CH	5-Year Loan Prime Rate	20 Jul		3.5%
	22:30	CA	CPI Core- Median YoY%	Jun		2.1%
	22:30	CA	CPI Core- Trim YoY%	Jun		2.0%
	22:30	CA	CPI YoY	Jun		3.2%
	00:00	US	Leading Index	Jun		0.1%
Tuesday, 21 July	08:45	NZ	CPI YoY	2Q		3.1%
	16:00	UK	ILO Unemployment Rate 3Mths	May		4.9%
	16:00	UK	Payrolled Employees Monthly Change	Jun		2k
	16:00	UK	Weekly Earnings ex Bonus 3M/YoY	May		3.4%
Wednesday, 22 July	09:50	JN	Trade Balance	Jun		-¥378.6b
	10:30	AU	Westpac Leading Index MoM	Jun		-0.04%
	16:00	UK	CPI Core YoY	Jun		2.6%
	16:00	UK	CPI YoY	Jun		2.8%
Thursday, 23 July	11:30	AU	Employment Change	Jun	**+15k**	40.3k
	11:30	AU	Unemployment Rate	Jun	**4.4%**	4.4%
	22:15	EC	ECB Deposit Facility Rate	23 Jul	**2.25%**	2.25%
	22:30	US	Continuing Claims	11 Jul		1805k
	22:30	US	Initial Jobless Claims	18 Jul		208k
	22:30	CA	Retail Sales MoM	May		0.5%
	00:00	EC	Consumer Confidence	Jul P		-17.70
Friday, 24 July	—	US	Building Permits	Jun F		
	09:00	AU	S&P Global Australia PMI Composite	Jul P		50.40
	09:30	JN	Natl CPI Ex Fresh Food YoY	Jun		1.4%
	09:30	JN	Natl CPI YoY	Jun		1.5%
	10:30	JN	S&P Global Japan PMI Composite	Jul P		52.80
	16:00	GE	GfK Consumer Confidence	Aug		-29.20
	16:00	UK	Retail Sales Inc Auto Fuel YoY	Jun		3.2%
	17:15	FR	S&P Global France Composite PMI	Jul P		47.20
	17:30	GE	S&P Global Germany Composite PMI	Jul P		49.50
	18:00	EC	S&P Global Eurozone Composite PMI	Jul P		50
	18:30	UK	S&P Global UK Composite PMI	Jul P		49.30
	23:45	US	S&P Global US Composite PMI	Jul P		51.90
	00:00	US	New Home Sales	Jun		580k
	01:30	EC	ECB's Lane Speaks at MacGill Summer School 2026 in Done…			

Upcoming Central Bank Interest Rate Announcements					Current
		EZ	ECB	23 Jul	2.25
		US	Federal Reserve	29 Jul	3.75
		UK	BoE	30 Jul	3.75
		JN	BoJ	31 Jul	1.00
		AU	RBA	11 Aug	4.35
		NZ	RBNZ	2 Sep	2.50
		CA	BoC	2 Sep	2.25

Sydney Time. Dates reflect 24 hours from 7am.

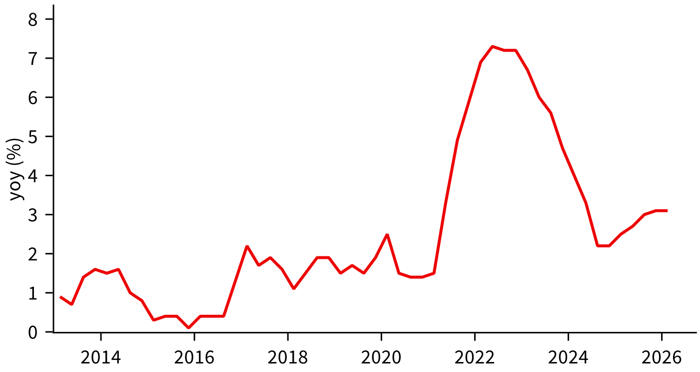
Key Event Previews

Tuesday

NZ CPI (Q2)

BNZ forecast 1.5% qoq and 4.1% yoy for Q2 CPI. This represents a large lift in annual inflation from Q1's 3.1%. The RBNZ updated its near-term inflation forecast in its July MPR and is expecting CPI inflation of 3.9% yoy in Q2. Sharply higher fuel prices are expected to be a feature in the quarter, as are another firm lift in household energy costs. Much higher transport costs are forecast to drive a substantial jump in annual tradeables inflation. BNZ's forecasts suggest the balance of core annual inflation measures are likely to remain above the midpoint of the RBNZ's target range, albeit with a likely flavour of flat-to-a-touch-lower.

NZ CPI



Source: National Australia Bank, Statistics New Zealand, Macrobond

Thursday

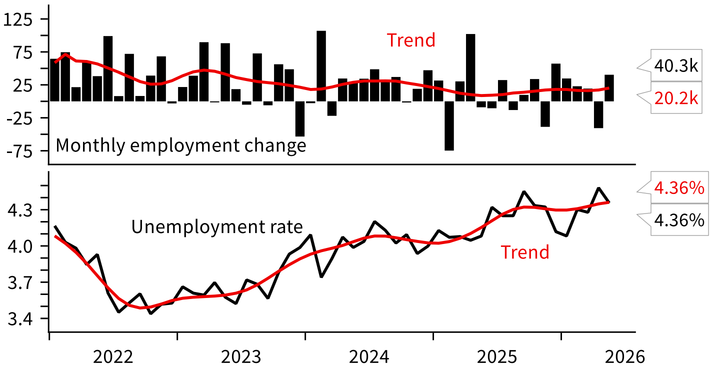
AU Labour force (June)

We expect the unemployment rate to be unchanged at 4.4% in June on an employment gain of 15k, in line with consensus. The last couple of months have reflected volatility, likely driven by Easter timing, but our June forecast would be consistent with a gradually cooling trend.

The underemployment rate was revised higher in April and May. We will also be watching to see if the uptick in broader measure of underutilisation extends.

Unemployment over Q2 is tracking above the RBA's May SoMP forecast of 4.2%.

Australian Employment and Unemployment



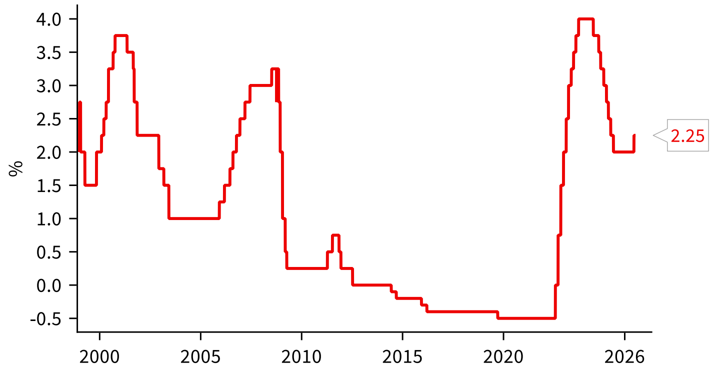
Source: National Australia Bank, ABS

EU ECB Decision

The ECB meets (Thursday) with markets and NAB expecting rat to remain on hold and the key Deposit Rate at 2.25%. While the rise in Middle East tensions and thus energy prices ensure the ECB will remind of the risks and uncertainty, lower than expected June inflation data removes the need to carry out back-to-back hikes.

We retain our forecast for a second hike in September to 2.5% (currently 23bps priced), especially with policy settings still in neutral. However, much will depend on energy prices and second round effects.

ECB Deposit Facility Rate



Source: National Australia Bank, ECB (European Central Bank), 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	2.7	2.5	2.5	*1.7*	*1.5*	*1.4*	*1.2*	*1.3*	*1.4*	*1.4*
Dwelling Investment		6.5	5.6	6.3	5.1	3.5	*2.8*	*1.3*	*1.0*	*0.6*	*1.1*	*1.2*	*1.5*
Underlying Bus. Investment		-0.8	-1.6	3.6	4.1	11.3	*7.0*	*3.7*	*3.7*	*-2.5*	*2.1*	*1.5*	*1.6*
Public Final Demand		3.9	3.0	1.6	2.4	2.5	*2.7*	*1.7*	*1.3*	*1.6*	*1.6*	*1.6*	*1.6*
Domestic Final Demand	(% qoq)	0.4	0.7	1.2	0.6	1.0	*-0.1*	*0.4*	*0.4*	*0.4*	*0.4*	*0.4*	*0.5*
	(% yoy)	2.0	2.3	2.8	2.9	3.5	*2.7*	*1.9*	*1.7*	*1.2*	*1.7*	*1.7*	*1.8*
Gross Domestic Product	(% qoq)	0.3	1.0	0.4	0.9	0.3	*0.3*	*0.4*	*0.4*	*0.5*	*0.4*	*0.4*	*0.5*
	(% yoy)	1.3	2.0	2.1	2.5	2.5	*1.9*	*1.9*	*1.5*	*1.7*	*1.8*	*1.9*	*1.9*
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	4.1	4.3	4.3	4.2	*4.4*	*4.5*	*4.5*	*4.7*	*4.8*	*4.8*	*4.8*
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	*0.9*	*0.9*	*0.8*	*0.7*	*0.7*	*0.6*	*0.6*
	(% yoy)	2.9	2.7	3.0	3.4	3.5	*3.7*	*3.6*	*3.5*	*3.4*	*3.2*	*2.9*	*2.7*
CPI Headline	(% qoq)	0.9	0.7	1.3	0.6	1.4	*0.7*	*1.2*	*0.5*	*0.8*	*0.5*	*0.6*	*0.6*
	(% yoy)	2.4	2.1	3.2	3.6	4.1	*4.1*	*3.9*	*3.8*	*3.2*	*3.0*	*2.4*	*2.6*

Source: ABS, NAB Economics.

See: Global FX Strategist

Exchange Rate Forecasts

	16-Jul	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27
Majors						
AUD/USD	0.6997	*0.69*	*0.70*	*0.70*	*0.69*	*0.68*
NZD/USD	0.5842	*0.57*	*0.59*	*0.60*	*0.61*	*0.61*
USD/JPY	162.4	*163*	*161*	*158*	*155*	*153*
EUR/USD	1.1444	*1.14*	*1.15*	*1.16*	*1.15*	*1.15*
GBP/USD	1.3476	*1.32*	*1.32*	*1.33*	*1.32*	*1.31*
USD/CNY	6.77	*6.70*	*6.60*	*6.50*	*6.40*	*6.40*
USD/CAD	1.4040	*1.40*	*1.39*	*1.38*	*1.36*	*1.35*
USD/CHF	0.8086	*0.81*	*0.80*	*0.80*	*0.80*	*0.80*
Australian Cross Rates						
AUD/NZD	1.20	1.21	1.19	1.17	1.13	1.11
AUD/JPY	114	112	113	111	107	104
AUD/EUR	0.61	0.61	0.61	0.60	0.60	0.59
AUD/GBP	0.52	0.52	0.53	0.53	0.52	0.52
AUD/CNY	4.74	4.62	4.62	4.55	4.42	4.35
AUD/CAD	0.98	0.97	0.97	0.97	0.94	0.92
AUD/CHF	0.57	0.56	0.56	0.56	0.55	0.54

Source: Bloomberg

Interest Rate Forecasts

	16-Jul	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27
Australian Rates						
RBA cash rate	4.35	*4.35*	*4.35*	*4.35*	*4.10*	*3.85*
3 month bill rate	4.46	*4.43*	*4.43*	*4.27*	*4.03*	*3.78*
3 Year Swap Rate	4.47	*4.65*	*4.45*	*4.25*	*4.15*	*4.05*
10 Year Swap Rate	4.98	*5.10*	*5.00*	*4.95*	*4.95*	*4.85*
Offshore Policy Rates						
US Fed funds	3.75	*3.75*	*3.75*	*3.75*	*3.75*	*3.75*
RBNZ OCR	2.50	*2.75*	*3.25*	*3.75*	*4.00*	*4.00*
10-year Bond Yields						
Australia	4.90	*5.10*	*5.00*	*4.90*	*4.90*	*4.80*
United States	4.55	*4.50*	*4.50*	*4.50*	*4.50*	*4.50*
New Zealand	4.65	*4.90*	*4.90*	*4.90*	*4.90*	*4.90*

Source: Bloomberg

See: Global Forward View

Global GDP (year average % change)

	2024	2025	2026	2027
US	*2.8*	*2.1*	*2.1*	*2.0*
Euro-zone	*0.9*	*1.5*	*0.5*	*1.2*
Japan	*-0.2*	*1.1*	*0.6*	*0.8*
UK	*1.0*	*1.4*	*0.9*	*0.8*
Canada	*2.0*	*1.9*	*0.5*	*1.6*
China	*5.0*	*5.0*	*4.7*	*4.3*
India	*7.3*	*7.6*	*6.7*	*6.5*
Australia	*1.0*	*2.0*	*1.9*	*1.8*
NZ	*-0.3*	*0.2*	*1.6*	*2.2*
Global	*3.4*	*3.4*	*3.1*	*3.2*

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