Economics and Markets Research

What to Watch

national australia bank

Week of 27 July 2026

- Domestically, we see quarterly trimmed mean at 0.9% qoq and 3.7% yoy on Wednesday. RBA Governor Bullock speaks Tuesday.
- The FOMC (Wednesday), BoE (Thursday) and BoJ (Friday) are all expected to hold. China's Politburo meeting is also likely.
- In the US, preliminary Q2 GDP and June PCE both arrive Thursday. Preliminary EZ Q2 GDP (Thursday) and June HICP round out this week's major releases.

Inflation risks have moved higher with oil, and after strong employment this past week RBA pricing for August now sits near 37%. Beyond the geopolitical developments, the key remaining information ahead of the RBA's 11 August meeting comes this week. Governor Bullock speaks on Tuesday, ahead of **Q2 CPI** on Wednesday. Our forecasts are in line with consensus, seeing trimmed mean of 0.9%, marginally below the RBA's May SoMP forecast, and headline **CPI** of 0.7%, well below the RBA's forecast due to the earlier fall in fuel prices. Also during the week are **building approvals** (Thursday), **private sector credit** and **PPI** (Friday). **RBA**'s **Hunter** speaks Thursday.

In NZ, there is no top tier data but there are a few high frequency indicators worth watching. These include **Filled Jobs (Tuesday)**, **ANZ Business Outlook survey** (Thursday) and **RM-ANZ Consumer Confidence** (Friday). A small monthly gain in filled jobs would sit best with our forecast of a modest Q2 gain in HLFS employment. The positive business confidence momentum from June will have to contend with resurgent geopolitical tensions lifting oil prices, the delivery of an OCR hike, detection of H5N1 bird flu in NZ for the first time, Fonterra lowering its 2026/27 milk price forecast, and confirmation of a higher US tariff rate on NZ (and other countries) goods.

In Asia, the **BoJ** meets Friday and is expected to hold at 1.00%. **Tokyo CPI**, the **jobless rate**, **industrial production** and **retail sales** also land Friday and **Machine tool orders** are Wednesday. In China, **official PMIs** and **industrial profits** are released. There is no date set yet, but China's politburo ordinarily meets in the last week of July. Don't expect fireworks, but there is plenty of scope to accelerate delivery of previously approved spending.

In the US, the **FOMC** is expected to hold Wednesday after June CPI and PPI data didn't add to inflation fears, but the combination of Chair Warsh's approach to forward guidance and elevated inflation uncertainty could make for an interesting meeting. Markets currently price a ~35% chance of a hike. Preliminary **Q2 GDP** arrives with June PCE on Thursday. **Trade data** is Tuesday and **Canada's** May GDP is Friday.

In Europe, preliminary **Q2 GDP** is Thursday. The consensus looks for growth of 0.2%. Also on Thursday, Germany, Spain and Belgium release preliminary inflation data, ahead of the EZ reading Friday. Headline **HICP** is seen at 2.9% y/y from 2.8% and core to 3% y/y from 2.8%. In the UK, NAB and consensus expect the **BoE to hold** Thursday. We look for an 8:1 unchanged vote, with the risk April's 7:2 is repeated.

Contents

Key Data

	Latest	Next
GDP	2.5% yoy	2Q on 2 Sep
Unemployment	4.4%	Jul on 20 Aug
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	4.55	3.9	76.2
AU 3y swap	4.67	15.2	56.2
AU 3yr yield	4.68	19.3	54.6
AU 10yr yield	5.06	15.8	31.6
US 10yr yield	4.70	15.0	53.0
AU-US 10yr spread	35.9	0.8	-21.4
Commodities		%	%
Iron ore	98	-2.5	-4.7
Coal (thermal)	130.8	0.7	21.6
Brent oil	100.8	14.4	67.6
Gold	4043.2	0.6	-6.4
FX			
AUD/USD	0.6968	-0.2	4.4
USD (DXY)	101.42	0.7	3.2
AUD/NZD	1.2	1.0	4.1
AUD crosses			
AUD/JPY	114.17	0.7	9.2
AUD/CNY	4.7211	-0.3	1.3
AUD/EUR	0.6124	0.3	7.8
AUD/GBP	0.5	0.8	5.6

Source: Bloomberg

Authors: Josh Copeland, Taylor Nugent

Week Ahead Calendar

Highlighted events are previewed below.

			Event	Period	NAB	Previous
Monday, 27 July	11:30	CH	Industrial Profits YoY	Jun		21.1%
	18:00	GE	IFO Business Climate	Jul		85.60
	22:30	US	Durable Goods Orders	Jun P		-4.5%
Tuesday, 28 July	13:05	AU	RBA's Bullock-Speech			
	22:30	US	Advance Goods Trade Balance	Jun		-$105.8b
	00:00	US	Conf. Board Consumer Confidence	Jul		91.20
Wednesday, 29 July	11:30	AU	CPI Trimmed Mean YoY	Jun	**3.7%**	3.6%
	11:30	AU	CPI YoY	Jun	**4.0%**	4.0%
	11:30	AU	CPI MoM	Jun	**0.2%**	-0.7%
	11:30	AU	CPI QoQ	2Q	**0.7%**	1.4%
	11:30	AU	CPI Trimmed Mean QoQ	2Q	**0.9%**	0.8%
	16:00	JN	Machine Tool Orders YoY	Jun F		52.8%
	03:30	CA	Bank of Canada Summary of Deliberations			
	04:00	US	FOMC Rate Decision (Upper Bound)	29 Jul	**3.75%**	3.75%
Thursday, 30 July	08:40	AU	RBA's Hunter-Fireside Chat			
	11:00	NZ	ANZ Business Confidence	Jul		36.60
	11:30	AU	Building Approvals MoM	Jun		-1.1%
	15:30	FR	GDP QoQ	2Q P		-0.1%
	19:00	EC	GDP SA YoY	2Q A		0.3%
	19:00	EC	GDP SA QoQ	2Q A		-0.2%
	21:00	UK	Bank of England Bank Rate	30 Jul	**3.75%**	3.75%
	22:00	GE	CPI YoY	Jul P		2.3%
	22:30	US	Core PCE Price Index YoY	Jun		3.4%
	22:30	US	PCE Price Index YoY	Jun		4.1%
	22:30	US	GDP Annualized QoQ	2Q A		2.1%
	22:30	US	Initial Jobless Claims	25 Jul		187k
Friday, 31 July	—	JN	BOJ Target Rate	31 Jul	**1.00%**	1.0%
	08:00	NZ	ANZ Consumer Confidence Index	Jul		91.30
	09:30	JN	Jobless Rate	Jun		2.5%
	09:30	JN	Tokyo CPI Ex-Fresh Food YoY	Jul		1.6%
	09:50	JN	Industrial Production MoM	Jun P		0.1%
	09:50	JN	Retail Sales YoY	Jun		5.3%
	11:30	AU	Private Sector Credit YoY	Jun		8.2%
	11:30	AU	PPI YoY	2Q		3.0%
	11:30	CH	Manufacturing PMI	Jul		50.30
	11:30	CH	Non-manufacturing PMI	Jul		50.20
	19:00	EC	CPI Core YoY	Jul P		2.4%
	19:00	EC	CPI YoY	Jul P		2.8%
	22:30	US	Employment Cost Index	2Q		0.9%
	22:30	CA	GDP MoM	May		0.5%
	00:00	US	U. of Mich. Sentiment	Jul F		54.40

Upcoming Central Bank Interest Rate Announcements				Current
	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
	EZ	ECB	10 Sep	2.25

Sydney Time. Dates reflect 24 hours from 7am.

Key Event Previews

Wednesday

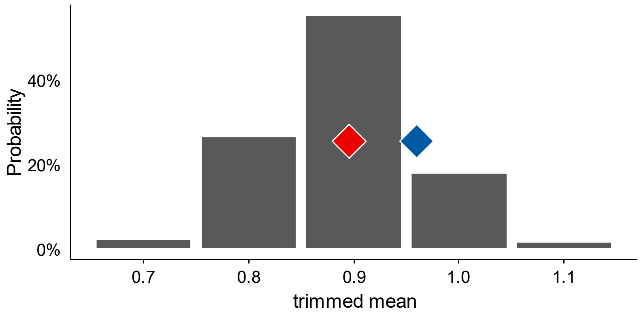
Q2 CPI

We expect quarterly trimmed mean of 0.9% qoq and 3.7% yoy, in line with consensus and a tenth below the RBA's May SoMP forecast. For quarterly headline, we expect Q2 headline inflation of 0.7% qoq and 4.0% yoy. Headline inflation looks to be peaking much lower than the RBA feared, but fuel prices are set to rise again in Q3.

For the June Monthly CPI, we forecast monthly headline CPI of 4.0% yoy and trimmed mean of 3.7% yoy.

We continue to expect that the improving trend in underlying inflation seen pre Middle East conflict will take time to reassert, and see trimmed mean annualising above 3% through to the end of this year. See CPI Preview.

Distribution of trimmed mean forecast outcomes



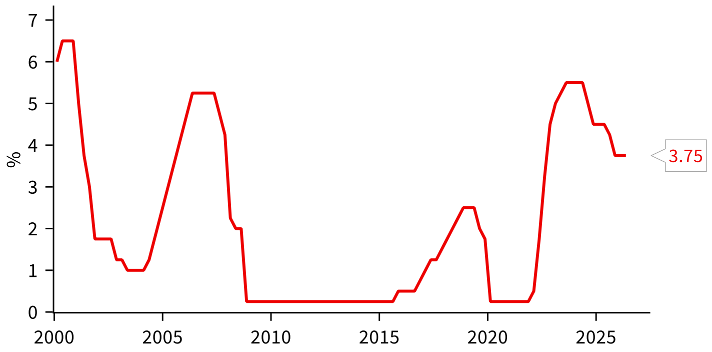
Red diamond is NAB point forecast, Blue Diamond is RBA Feb SoMP
Simulation based on component level forecasts
Source: National Australia Bank, ABS

US FOMC Rate Decision

Analysts generally see the FOMC leaving rates unchanged next week, although resurgent oil prices have now seen markets price in a ~35% chance of a rate rise.

While June CPI was softer than expected, policymakers have been quick to stress that one reading does not constitute a trend. We continue to expect the Fed to remain on hold through 2027, reflecting our view that underlying inflation pressures will gradually ease; but the run up in oil prices, if sustained, is a risk to that view. The meeting will not include updated economic projections or a revised dot plot.

Fed Funds Target Rate*



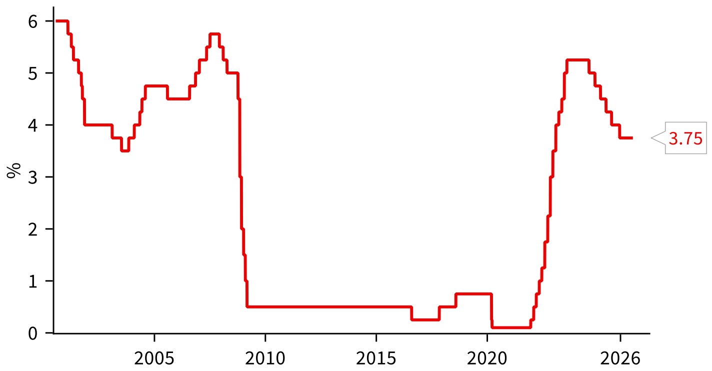
Source: National Australia Bank, Macrobond
Notes: * Top of the target range, end quarter.

Thursday

UK Bank of England Rate Decision

The BoE meets (Thursday) with NAB and markets expecting no change at 3.75%. We look for an 8-1 vote to hold against the 7:2 decision in April, where Huw Pill and Megan Greene dissented. We think the pullback in CPI to 2.6%, will have persuaded one of the hawks to join the consensus for now. New economic forecasts could nudge economic growth up slightly for 2026, while inflation for 2026 and 2027 will show a slightly lower profile. Unemployment forecasts are likely to be marginally lower, but we expect the BoE to highlight increased uncertainty overall thanks to Middle East developments and UK political changes, where fiscal policy is in a state of flux.

BoE Bank Rate



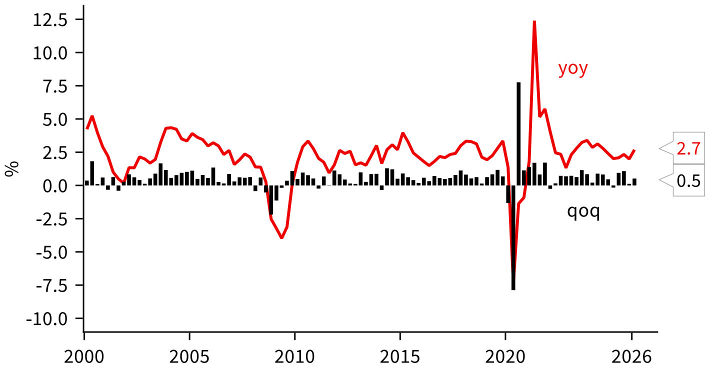
Source: National Australia Bank, Bank of England, Macrobond

US GDP & PCE (Q2 Advance)

The GDP and PCE releases arrive together this month the day after the Fed's decision. We expect annualised quarterly growth of 2.2% for GDP, driven by a rebound in consumption and persistent strength in business equipment investment, mainly related to AI capex. With net exports likely to detract from growth, domestic final demand is likely to be stronger than the headline GDP result. The Atlanta Fed's GDPNow tracker has 1.7%, but Tuesday's international trade data release could see expectations change.

The monthly PCE inflation read is expected, based on CPI and PPI data, to be 0.2% mom. If realised this would be the lowest outcome for the year.

US GDP growth



Source: National Australia Bank, U.S. Bureau of Economic Analysis (BEA), Macrobond

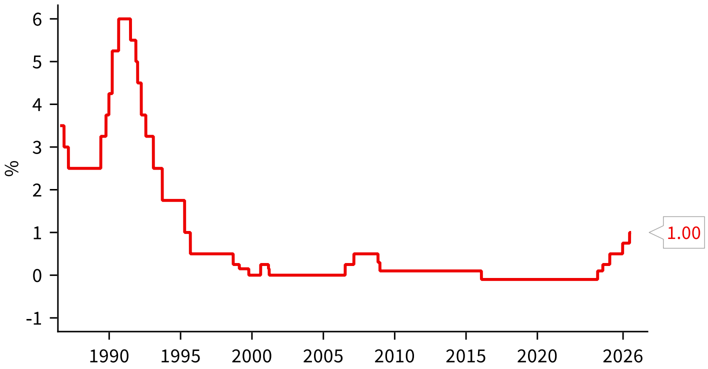
Friday

JP BoJ Rate Decision

The BoJ is expected to leave rates unchanged at 1.00%. Markets will focus on the Bank's updated forecasts and assessment of renewed tensions in the Middle East, particularly given policymakers' historical preference to move cautiously when global uncertainty rises. At the same time, persistently strong activity indicators and a generationally tight labour market should reassure the Board that the "virtuous cycle" between wages and prices remains intact. Preserving this dynamic remains central to the BoJ's gradual normalisation strategy after decades of low inflation.

We continue to expect the next rate increase in December, with Governor Ueda likely to reinforce the conclusion that further tightening remains a question of when, not if.

BOJ Policy Target Rate



Source: National Australia Bank, Bank of Japan (BOJ), 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	1.8	1.5	1.4	1.3	1.3	1.4	1.4
Dwelling Investment		6.5	5.6	6.3	5.1	3.5	2.8	1.3	1.0	0.5	1.1	1.2	1.5
Underlying Bus. Investment		-0.8	-1.6	3.6	4.1	11.3	6.9	3.6	3.7	-2.6	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	0.5	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	0.3	0.3	0.3	0.3	0.3	0.3
Unemployment Rate	(%)	4.1	4.2	4.3	4.3	4.2	4.4	4.5	4.6	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	3.1	2.9	2.7
CPI Headline	(% qoq)	0.9	0.7	1.3	0.6	1.4	0.7	1.4	0.4	0.8	0.3	0.7	0.6
	(% yoy)	2.4	2.1	3.2	3.6	4.1	4.0	4.1	3.9	3.3	2.9	2.2	2.4

Source: ABS, NAB Economics.

See: Global FX Strategist

Exchange Rate Forecasts

	23-Jul	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27
Majors						
AUD/USD	0.6968	0.69	0.70	0.70	0.69	0.68
NZD/USD	0.5776	0.57	0.59	0.60	0.61	0.61
USD/JPY	163.9	163	161	158	155	153
EUR/USD	1.1379	1.14	1.15	1.16	1.15	1.15
GBP/USD	1.3315	1.32	1.32	1.33	1.32	1.31
USD/CNY	6.78	6.70	6.60	6.50	6.40	6.40
USD/CAD	1.4078	1.40	1.39	1.38	1.36	1.35
USD/CHF	0.8168	0.81	0.80	0.80	0.80	0.80
Australian Cross Rates						
AUD/NZD	1.21	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	4.72	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

	23-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	4.50	4.43	4.43	4.27	4.03	3.78
3 Year Swap Rate	4.67	4.65	4.45	4.25	4.15	4.05
10 Year Swap Rate	5.13	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	5.06	5.10	5.00	4.90	4.90	4.80
United States	4.70	4.50	4.50	4.50	4.50	4.50
New Zealand	4.77	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	0.8	0.9
UK	1.0	1.4	1.0	0.8
Canada	2.0	1.9	0.7	1.6
China	5.0	5.0	4.6	4.4
India	7.3	7.6	6.7	6.5
Australia	1.0	2.0	1.9	1.8
NZ	-0.3	0.3	1.6	2.2
Global	3.5	3.5	3.0	3.3

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