Economics and Markets Research

What to Watch

national australia bank

Week of 3 August 2026

- Domestically, attention will focus on Q2 household spending volumes, alongside ANZ-indeed job ads and the trade balance.
- Internationally, OPEC+ meets on Sunday to set September production targets, while the US earnings season continues, including SpaceX.
- Labour market updates are central this week, with US non-farm payrolls, NZ Q2 labour market data, and Canada's July labour force report.
- In Europe, Euro-Zone retail sales are the key release.

Domestically, the key release is **June household spending**, where we expect a 0.8% mom rise. However, the main focus will be June quarter volumes, which should provide a clearer read on how consumption held up through Q2. Other releases include Melbourne Institute inflation gauge and final S&P Global manufacturing PMI (Monday), **ANZ-Indeed job ads** (Tuesday), and the **trade balance** (Thursday).

Internationally, OPEC+ ministers meet Sunday to set September oil production targets, while **earnings season** continues with SpaceX reporting on Tuesday, its first results since its record-breaking IPO.

In NZ, **Q2 labour market data** (Wednesday) is the key release. BNZ forecast modest employment growth of 0.2% qoq, and the unemployment rate to tick up to 5.4%. Annual private sector wage cost inflation is seen steady at 2.0%. June's building consents (Monday) and the latest GDT dairy auction (very early Wednesday morning) are also due.

Across Asia, the main releases are RatingDog's China manufacturing (Monday) and services (Wednesday) PMIs and Japan wage data on Wednesday, followed by Japan household spending on Friday.

In the US, July **non-farm payrolls** (Friday) is the main release. A key question is whether the recent rebound in job gains is sustained. We expect the unemployment rate to edge up to 4.3% from 4.2% in June, with average hourly earnings also closely watched for signs of cost pass-through into broader price setting. Other indicators through the week are ISM manufacturing, construction spending (Monday), trade, JOLTs (Tuesday), ADP employment and ISM services (Wednesday).

In Europe, final July PMIs are released across the major economies, with euro-zone **retail sales** due Thursday. UK data are light overall, aside from the final PMI readings.

Contents

Key Data

	Latest	Next
GDP	2.5% yoy	2Q on 2 Sept
Unemployment	4.4%	Jul on 20 Aug
Trimmed Mean	3.6% yoy	3Q on 28 Oct
RBA	4.35%	11 Aug

Key Markets

	Latest	% change Week	% change YTD
Rates		*bps*	*bps*
AU BBSY 3m	4.55	0.3	76.5
AU 3y swap	4.49	-17.1	38.7
AU 3yr yield	4.50	-21.5	36.7
AU 10yr yield	4.96	-13.1	21.6
US 10yr yield	4.67	-2.0	50.6
AU-US 10yr spread	28.3	-11.1	-29.0
Commodities		%	%
Iron ore	96	-2.7	-6.2
Coal (thermal)	130.5	-0.2	21.4
Brent oil	89.0	-11.6	48.0
Gold	4106.7	1.3	-4.9
FX			
AUD/USD	0.7027	0.7	5.3
USD (DXY)	99.86	-1.6	1.6
AUD/NZD	1.2	1.0	-3.0
AUD crosses			
AUD/JPY	112.32	1.8	-6.9
AUD/CNY	4.7460	-0.5	-1.8
AUD/EUR	0.6097	0.7	-6.8
AUD/GBP	0.5	0.4	-5.1

Source: Bloomberg

Authors: Jessie Cameron

Week Ahead Calendar

Highlighted events are previewed below.

			Event	Period	NAB	Previous
Monday, 3 August	08:45	NZ	Building Permits MoM	Jun		-4.0%
	11:00	AU	Melbourne Institute Inflation YoY	Jul		3.9%
	11:45	CH	RatingDog China PMI Mfg	Jul		51.70
	18:00	EC	S&P Global Eurozone Manufacturing PMI	Jul F		52
	18:30	UK	S&P Global UK Manufacturing PMI	Jul F		52.80
	00:00	US	ISM Manufacturing	Jul		53.30
	00:00	US	Construction Spending MoM	Jun		0.1%
Tuesday, 4 August	11:30	AU	Household Spending MoM	Jun	**0.8%**	1.3%
	11:30	AU	ANZ-Indeed Job Advertisements MoM	Jul		-0.2%
	22:30	US	Trade Balance	Jun		-$77.6b
	22:30	CA	Int'l Merchandise Trade	Jun		4.24b
	00:00	US	JOLTS Job Openings	Jun		7594k
Wednesday, 5 August	08:45	NZ	Employment Change QoQ	2Q	**0.2%**	0.2%
	08:45	NZ	Pvt Wages Inc Overtime QoQ	2Q	**0.7%**	0.4%
	08:45	NZ	Unemployment Rate	2Q	**5.4%**	5.3%
	09:30	JN	Labor Cash Earnings YoY	Jun		3.2%
	10:30	JN	S&P Global Japan PMI Composite	Jul F		53.10
	11:45	CH	RatingDog China PMI Services	Jul		54.10
	18:00	EC	S&P Global Eurozone Services PMI	Jul F		51.60
	18:00	EC	S&P Global Eurozone Composite PMI	Jul F		51.90
	18:30	UK	S&P Global UK Services PMI	Jul F		51.80
	18:30	UK	S&P Global UK Composite PMI	Jul F		52.10
	22:15	US	ADP Employment Change	Jul		98k
	00:00	US	ISM Services Index	Jul		54
Thursday, 6 August	11:30	AU	Trade Balance	Jun		-A$3018m
	19:00	EC	Retail Sales MoM	Jun		0.2%
	22:30	US	Initial Jobless Claims	01 Aug		197k
Friday, 7 August	09:30	JN	Household Spending YoY	Jun		-0.4%
	22:30	US	Average Hourly Earnings MoM	Jul		0.3%
	22:30	US	Change in Nonfarm Payrolls	Jul		57k
	22:30	US	Unemployment Rate	Jul	**4.3%**	4.2%
	22:30	CA	Net Change in Employment	Jul		18.2k
	22:30	CA	Unemployment Rate	Jul		6.5%

Upcoming Central Bank Interest Rate Announcements					Current
	AU	RBA	11 Aug		4.35
	CA	BoC	2 Sep		2.25
	NZ	RBNZ	2 Sep		2.50
	EZ	ECB	10 Sep		2.25
	US	Federal Reserve	16 Sep		3.75
	UK	BoE	17 Sep		3.75
	JN	BoJ	18 Sep		1.00

Sydney Time. Dates reflect 24 hours from 7am.

Key Event Previews

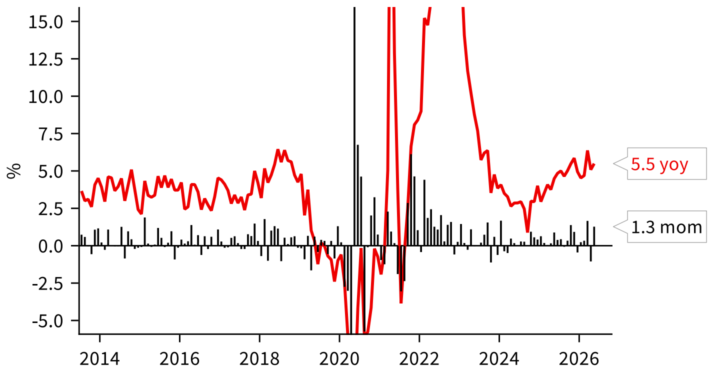
Tuesday

AU Household spending (June)

We expect nominal household spending to increase by 0.8% mom in June, following a 1.3% rise in May. Our NAB Spend Trend showed a 1.2% mom increase, driven by discretionary spending. While some caution is warranted around seasonal adjustment issues associated with EOFY sales and the ongoing normalisation of holiday refund effects, the underlying picture suggests discretionary spending remained resilient in June.

The release will also provide volume estimates for the June quarter. While the relationship with the national accounts measure is imperfect, the data should still provide some signal on how resilient consumer spending was in Q2, as the drag on household incomes from higher fuel prices appears to have been less severe than previously expected. We forecast real household consumption growth of 0.4% qoq.

Household Spending Indicator



Source: National Australia Bank, Australian Bureau of Statistics, Macrobond, Account in-house

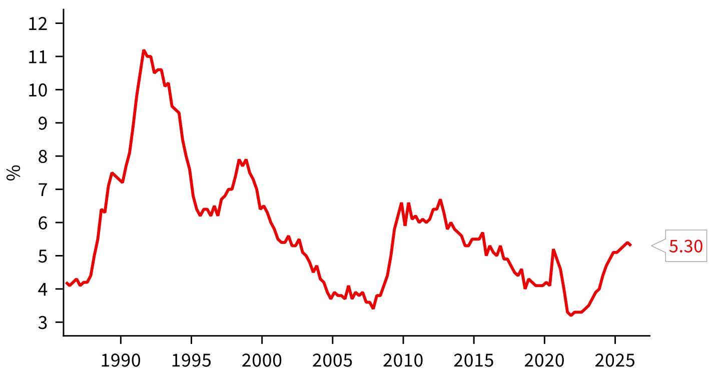
Wednesday

NZ Employment/Unemployment (Q2)

Official labour market data for Q2 are due Wednesday. BNZ forecast a 0.2% qoq gain in employment. Positive but not sufficient to keep up with expected labour supply expansion. This would see the unemployment rate tick up to 5.4% from 5.3%, assuming the labour force participation rate remains steady at 70.4%. On wages, BNZ forecast a 0.7% qoq lift in the private-sector LCI that would see its annual inflation steady at 2.0%.

BNZ's labour market forecasts are very close to the RBNZ's, give or take a point. In the May MPS, the RBNZ projected Q2 employment growth of 0.1% qoq, an unemployment rate at 5.4%, a participation rate at 70.3%, and private sector LCI annual wage inflation of 1.9% yoy.

NZ Unemployment Rate



Source: National Australia Bank, Statistics New Zealand, Macrobond

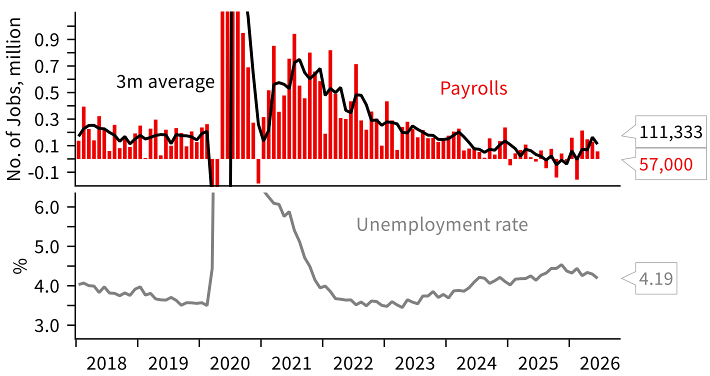
Friday

US Non-farm payrolls (July)

For the July employment report, one focus will be whether the recent rebound in job gains is sustained, given business survey indicators less positive. While the Fed still sees the labour market as being balanced, concerns over downside labour market risks have receded.

We expect an unemployment rate of 4.3% up from 4.2% in June. However, if the unemployment rate were to continue the downwards trend seen since late last year, this could trigger concerns that the labour market is tightening. In this light and given the Fed is on watch for pass -through of higher energy and other costs to broader price setting, the average hourly wage indicator in the report will also get attention.

US Payrolls & Unemployment



Source: National Australia Bank, U.S. Bureau of Labor Statistics (BLS), 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	0.6	1.0	0.9	0.8	0.8	0.9	0.8	0.7	0.7	0.6	0.6
	(% yoy)	2.9	2.7	2.9	3.3	3.5	3.6	3.5	3.4	3.3	3.1	2.9	2.7
CPI Headline	(% qoq)	0.9	0.7	1.3	0.6	1.4	0.6	1.1	0.7	0.7	0.5	0.6	0.6
	(% yoy)	2.4	2.1	3.2	3.6	4.1	3.9	3.7	3.8	3.1	3.0	2.5	2.4

Source: ABS, NAB Economics.

See: Global FX Strategist

Exchange Rate Forecasts

	30-Jul	Sept-26	Dec-26	Mar-27	Jun-27	Sept-27
Majors						
AUD/USD	0.7027	0.69	0.70	0.70	0.69	0.68
NZD/USD	0.5878	0.57	0.59	0.60	0.61	0.61
USD/JPY	159.9	163	161	158	155	153
EUR/USD	1.1527	1.14	1.15	1.16	1.15	1.15
GBP/USD	1.3465	1.32	1.32	1.33	1.32	1.31
USD/CNY	6.75	6.70	6.60	6.50	6.40	6.40
USD/CAD	1.4008	1.40	1.39	1.38	1.36	1.35
USD/CHF	0.8056	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	112	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

	30-Jul	Sept-26	Dec-26	Mar-27	Jun-27	Sept-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	4.49	4.65	4.45	4.25	4.15	4.05
10 Year Swap Rate	5.04	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	4.96	5.10	5.00	4.90	4.90	4.80
United States	4.67	4.50	4.50	4.50	4.50	4.50
New Zealand	4.70	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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