Economics and Markets Research

# What to Watch

national australia bank

## Week of 17 August 2026

- Domestic focus will be on Thursday's labour force data, as well as both Q2 WPI and RBA's Hauser fireside chat on Wednesday.
- Globally, Japan's preliminary Q2 GDP and China's July monthly activity data are the key pieces of data.
- Otherwise, FOMC minutes, August flash PMIs and a collection of July CPIs (EU, UK and Canada) are also due.

**Domestically**, the **labour market** data on Thursday will be the key focus this week. We expect employment to increase by 20k and the unemployment rate to hold at 4.4%. On Wednesday, **Q2 WPI** data will be released, we expect 0.8% qoq/3.2% yoy. **RBA Deputy Governor Andrew Hauser** will also participate in a fireside chat in Brisbane at 12:45pm. Elsewhere, Westpac-Melbourne Institute **consumer confidence** is due on Tuesday, followed by Melbourne Institute **consumer inflation expectations** on Thursday. In addition, reporting season continues, with earnings from JB Hi-Fi (Monday) and BHP (Tuesday).

**Internationally,** global flash manufacturing and services **PMIs** are released (Friday).

**In NZ,** the key data is out in a bunch on Monday morning with July's **Selected Prices** monitored for initial guidance on Q3 CPI, July's **PSI** checked for the latest pulse on the service sector, and July's **electronic card transactions** assessed for spending direction over the period.

**In Japan,** preliminary Q2 **GDP** (Monday) is the highlight, surveyed at 2.1% annualised, which would be a strong result domestically. **Industrial production** (Monday) and **international trade** (Thursday) also land. **In China**, **monthly activity data** arrives Monday.

**In the US,** Wednesday's **FOMC minutes** are the key read on July's hawkish 9-3 hold, with Warsh's limited guidance leaving them the primary window into committee thinking. **Empire manufacturing** (Monday), **housing starts** and **industrial production** (both Tuesday) complete the economic slate. **Walmart, Home Depot and Lowe's** (Tuesday and Wednesday) will also provide a consumer bellwether as the close of US earnings season approaches. In Canada, July **CPI** (Monday) lands as Trump's latest tariffs on Canadian goods take effect Wednesday.

**In Europe,** the Q2 **employment cost index**, **current account** and July **inflation data** are all out Wednesday. Q2 **wages** data is also out Friday. The **Riksbank** meets on rates (Thursday) but should keep policy on hold at 1.75%.

**In the UK,** the focus of June **labour market data** (Tuesday) remains private sector (ex-bonus) **earnings,** expected to see the 3M yoy rate **ease** a little further to 2.7% from 2.9%. July **CPI** (Wednesday) is likely to see a tick up in headline inflation from 2.6% yoy closer to 3%. **Core CPI** and services will both also likely ease, to 2.5% and 3.3% respectively.

## 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% | 29 Sept |

## Key Markets

| | | % change | |
|---|---|---|---|
| | Latest | Week | YTD |
| **Rates** | | *bps* | *bps* |
| AU BBSY 3m | 4.56 | 0.7 | 77.3 |
| AU 3y swap | 4.50 | -2.4 | 39.4 |
| AU 3yr yield | 4.50 | -3.9 | 36.3 |
| AU 10yr yield | 4.98 | -2.9 | 24.1 |
| US 10yr yield | 4.64 | -3.5 | 47.6 |
| AU-US 10yr spread | 33.9 | 0.6 | -23.4 |
| **Commodities** | | % | % |
| Iron ore | 96 | 0.8 | -6.1 |
| Coal (thermal) | 129.4 | 0.9 | 20.4 |
| Brent oil | 87.1 | 5.6 | 44.7 |
| Gold | 4355.6 | 0.3 | 0.8 |
| **FX** | | | |
| AUD/USD | 0.7062 | -0.1 | 5.8 |
| USD (DXY) | 99.96 | 0.0 | 1.7 |
| AUD/NZD | 1.2 | -0.6 | -3.9 |
| **AUD crosses** | | | |
| AUD/JPY | 112.62 | -1.0 | -7.2 |
| AUD/CNY | 4.7597 | -0.2 | -2.1 |
| AUD/EUR | 0.6123 | -0.1 | -7.2 |
| AUD/GBP | 0.5 | 0.1 | -5.4 |

Source: Bloomberg


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# Week Ahead Calendar

Highlighted events are previewed below.

| | | | Event | Period | NAB | Previous |
|---|---|---|---|---|---|---|
| Monday, 17 August | 08:45 | NZ | Food Prices MoM | Jul | | 0.6% |
| | 09:50 | JN | GDP Annualized SA QoQ | 2Q P | | 1.8% |
| | 12:00 | CH | Industrial Production YoY | Jul | | 5.3% |
| | 12:00 | CH | Retail Sales YoY | Jul | | 1.0% |
| | 14:30 | JN | Industrial Production YoY | Jun F | | 4.2% |
| | 22:30 | US | Empire Manufacturing | Aug | | 15.60 |
| | 22:30 | CA | CPI Core- Median YoY% | Jul | | 1.9% |
| | 22:30 | CA | CPI Core- Trim YoY% | Jul | | 1.8% |
| | 22:30 | CA | CPI YoY | Jul | | 2.8% |
| Tuesday, 18 August | 10:30 | AU | Westpac Consumer Conf Index | Aug | | 83.90 |
| | 16:00 | UK | ILO Unemployment Rate 3Mths | Jun | | 4.9% |
| | 21:45 | EC | ECB's Lane Speaks in Dublin | | | |
| | 21:45 | EC | ECB's Lane Speaks in Dublin | | | |
| | 22:30 | US | Housing Starts | Jul | | 1427k |
| | 23:15 | US | Industrial Production MoM | Jul | | 0.1% |
| Wednesday, 19 August | 08:45 | NZ | PPI Output QoQ | 2Q | | 0.8% |
| | 11:30 | AU | Wage Price Index QoQ | 2Q | **0.8%** | 0.8% |
| | 11:30 | AU | Wage Price Index YoY | 2Q | **3.2%** | 3.3% |
| | 12:45 | AU | RBA's Hauser-Fireside Chat | | | |
| | 16:00 | UK | CPI Core YoY | Jul | | 2.6% |
| | 16:00 | UK | CPI YoY | Jul | | 2.6% |
| | 19:00 | EC | CPI Core YoY | Jul F | | 2.5% |
| | 19:00 | EC | CPI YoY | Jul F | | 2.9% |
| | 19:00 | EC | Labour Costs YoY | 2Q P | | 3.2% |
| | 04:00 | US | FOMC Meeting Minutes | 29 Jul | | |
| Thursday, 20 August | 09:50 | JN | Trade Balance | Jul | | -¥406.9b |
| | 11:00 | AU | Consumer Inflation Expectation | Aug | | 4.7% |
| | 11:30 | AU | Employment Change | Jul | **+20k** | 76.3k |
| | 11:30 | AU | Unemployment Rate | Jul | **4.4%** | 4.4% |
| | 17:30 | SW | Riksbank Policy Rate | 20 Aug | | 1.75% |
| Friday, 21 August | 08:45 | NZ | Trade Balance NZD | Jul | | 23m |
| | 09:00 | AU | S&P Global Australia PMI Composite | Aug P | | 53.20 |
| | 09:30 | JN | Natl CPI YoY | Jul | | 1.6% |
| | 10:30 | JN | S&P Global Japan PMI Composite | Aug P | | 52.70 |
| | 18:00 | EC | S&P Global Eurozone Composite PMI | Aug P | | 52 |
| | 19:00 | EC | Negotiated Wages | 2Q | | 2.46% |
| | 22:30 | CA | Retail Sales MoM | Jun | | 1.0% |
| | 23:45 | US | S&P Global US Composite PMI | Aug P | | 54.50 |
| Upcoming Central Bank Interest Rate Announcements | | | | | | Current |
| | | 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 |
| | | AU | RBA | 29 Sep | | 4.35 |

Sydney Time. Dates reflect 24 hours from 7am.

# Key Event Previews

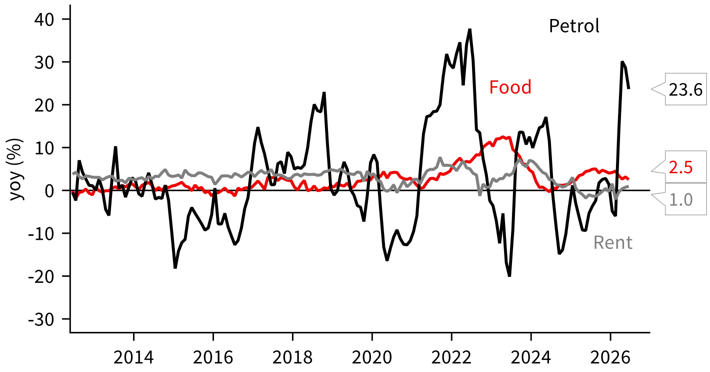
## Monday

### NZ Selected Prices (July)

July's **Selected Prices** will establish the starting base for Q3 inflation for the various CPI components covered. A sharp fall in fuel prices is expected to feature, as the large, war-driven increases in March and April continue to unwind. Rents are again expected to show little movement in the month. Food prices are expected to rise 0.5% m/m, driven by seasonal increases in fruit and vegetable prices. Volatile airfares and accommodation costs may set the overall tone of the release.

The combined components will be assessed against BNZ's current Q3 CPI forecast of 0.7% q/q and 3.7% y/y. In the July MPR, the RBNZ forecast Q3 CPI inflation of 3.3% y/y, although that was based on an expected Q2 outcome of 3.9% y/y. Q2 CPI inflation has since printed at 4.1% y/y.

Selected prices



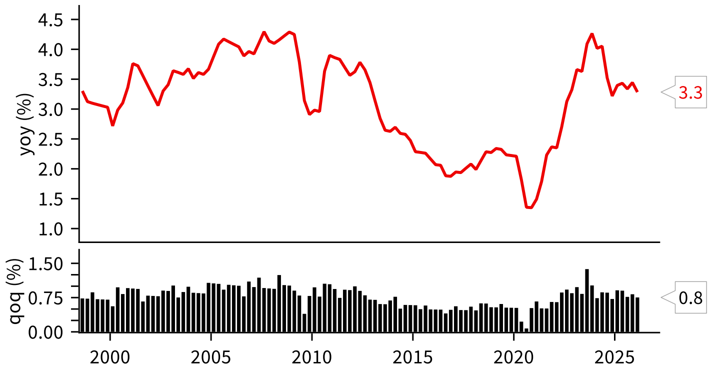

Source: National Australia Bank, Statistics New Zealand, Macrobond

## Wednesday

### AU Wage Price Index (Q2)

Q2 wages data reflect wage changes over the 3 months to May, and as a result are somewhat dated. We forecast WPI growth of 0.8% qoq and 3.2% yoy. The higher minimum wage outcome will support in Q3, as will higher pay for NSW nurses, while strong pay outcomes for Victorian teachers are set to boost in Q4. Administered wage decisions and public agreements are supporting overall wages growth. The RBA's August SoMP forecast Q2 WPI of ~3.25% yoy.

Wage Price Index Growth




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

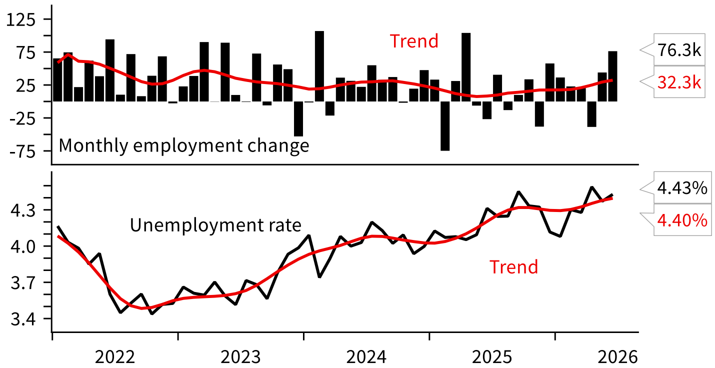
## Thursday

### AU Labour Force (July)

We expect employment growth of +20k and the unemployment rate steady at 4.4%. The surprisingly strong June employment outcome in part reflects some catch up growth as greater-than-usual numbers of people were waiting to start work in the previous month. As such, we have not pencilled in payback in July. There will also be interest in whether last month's jump in the participation rates and the recent trend higher in underemployment sustain.

After realising an upside surprise to unemployment in Q2, the RBA's August SoMP now anticipates very little further rise in unemployment in the near term, pencilling in a 4.5% unemployment rate in Q4.

Australian Employment and Unemployment




Source: National Australia Bank, ABS

# 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

| | 13-Aug | Sept-26 | Dec-26 | Mar-27 | Jun-27 | Sept-27 |
|---|---|---|---|---|---|---|
| **Majors** | | | | | | |
| AUD/USD | 0.7062 | *0.69* | *0.70* | *0.70* | *0.69* | *0.68* |
| NZD/USD | 0.5852 | *0.57* | *0.59* | *0.60* | *0.61* | *0.61* |
| USD/JPY | 159.5 | *163* | *161* | *158* | *155* | *153* |
| EUR/USD | 1.1532 | *1.14* | *1.15* | *1.16* | *1.15* | *1.15* |
| GBP/USD | 1.3488 | *1.32* | *1.32* | *1.33* | *1.32* | *1.31* |
| USD/CNY | 6.74 | *6.70* | *6.60* | *6.50* | *6.40* | *6.40* |
| USD/CAD | 1.3931 | *1.40* | *1.39* | *1.38* | *1.36* | *1.35* |
| USD/CHF | 0.8141 | *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 | 113 | 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 | 4.76 | 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

| | 13-Aug | 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 | 4.51 | *4.43* | *4.43* | *4.27* | *4.03* | *3.78* |
| 3 Year Swap Rate | 4.50 | *4.65* | *4.45* | *4.25* | *4.15* | *4.05* |
| 10 Year Swap Rate | 5.03 | *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 | 4.98 | *5.10* | *5.00* | *4.90* | *4.90* | *4.80* |
| United States | 4.64 | *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* | *0.8* | *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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