Economics and Markets Research

What to Watch

national australia bank

Week of 24 August 2026

- Domestically, monthly CPI headlines a busy week (see preview), alongside RBA minutes, household spending and GDP partials.
- In the US, July PCE lands Wednesday alongside a GDP revision. Jackson Hole begins Thursday, and Fed Chair Warsh's keynote speech on Friday will be keenly watched.
- Elsewhere, BoJ's Himino speaks and Tokyo CPI is Friday. NZ Q2 retail sales is Monday. The data calendar is quiet in Europe.

Domestically, we expect July **CPI** on Wednesday to slow to 3.3% yoy from 3.8% in June, while trimmed mean inflation is forecast to edge lower to 3.5% yoy from 3.6% yoy, in line with consensus. The August **RBA minutes** on Tuesday are unlikely to provide much new information. We will also hear from the RBA's Jacobs on "*The Road to Ample – Towards a Demand-driven Liquidity Regime*". **Household spending** is released on Thursday, where we expect a 0.7% mom increase. Q2 construction work done (Wed) and private capex (Thurs) will feed into expectations for GDP the following week.

Internationally, central bankers gather at the Kansas City Fed's **Jackson Hole** economic symposium (Thursday through Saturday). **Chair Warsh** delivers the keynote address (Friday) but has been tight lipped about its content to date beyond focusing on the "big picture".

In NZ, Q2 **retail sales** (Monday) and July **filled jobs** (Friday) is the extent of the scheduled data. Retail sales volume growth has been robust but is expected to slow in Q2 as fuel costs spiked. BNZ forecast a 0.4% lift in Q2, which would see retail sales volumes up 4.2% y/y.

In Asia, Japan's **labour market data** and **Tokyo CPI** both arrive Friday. **Deputy Governor Himino's** speech on Thursday will be closely watched for clues on the BoJ's willingness to accelerate policy normalisation following the sharp repricing in market expectations following this month's yen intervention (September 80% currently priced for a hike). **In China, industrial profits** arrive Thursday, and the National People's Congress Standing Committee meet Tuesday to Friday with a host of issues in the table including anti-corruption measures and banking regulations.

In the US, July **PCE**, the Q2 **GDP** second estimate, and **durable goods** (all Wednesday) lead the data slate. Core **PCE** inflation is likely to be consistent with an easing from the pace seen earlier in the year. **Conference board** (Tuesday) and **UMich** final (Friday) sentiment measures track the consumer's mood in August. In Canada, Q2 **GDP** (Friday) is anticipated to show a strong quarterly recovery.

In Europe, Spain releases preliminary Aug **HICP** on Friday, as does France. For the EZ, the read through is the rise in oil and natural gas prices will push headline inflation up through 3% in August and looks like it will stay there. Nothing to deter the ECB from hiking in September.

Contents

Key Data

	Latest	Next
GDP	2.5% yoy	2Q on 2 Sep
Unemployment	4.5%	Aug on 24 Sep
Trimmed Mean	3.6% yoy	3Q on 28 Oct
RBA	4.35%	29 Sep

Key Markets

	Latest	% change Week	% change YTD
Rates		*bps*	*bps*
AU BBSY 3m	4.55	-0.8	76.5
AU 3y swap	4.55	-0.3	44.1
AU 3yr yield	4.53	2.0	39.0
AU 10yr yield	5.01	1.7	26.7
US 10yr yield	4.70	6.1	53.7
AU-US 10yr spread	30.3	-4.5	-27.1
Commodities		%	%
Iron ore	96	0.0	-6.0
Coal (thermal)	130.5	0.9	21.4
Brent oil	93.8	7.7	55.9
Gold	4523.3	3.4	4.7
FX			
AUD/USD	0.7114	0.4	6.6
USD (DXY)	98.90	-1.1	0.6
AUD/NZD	1.2	-0.5	3.2
AUD crosses			
AUD/JPY	113.12	0.2	8.2
AUD/CNY	4.7822	0.5	2.6
AUD/EUR	0.6090	-0.5	7.2
AUD/GBP	0.5	-0.3	5.3

Source: Bloomberg

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Week Ahead Calendar

Highlighted events are previewed below.

			Event	Period	NAB	Previous
Monday, 24 August	08:45	NZ	Retail Sales Ex Inflation QoQ	2Q		0.9%
Tuesday, 25 August	—	US	Building Permits	Jul F		1443k
	11:30	AU	RBA Minutes of Aug. Policy Meeting			
	14:00	AU	RBA's Jacobs-Speech			
	18:00	GE	IFO Business Climate	Aug		86.60
	00:00	US	Conf. Board Consumer Confidence	Aug		90.80
Wednesday, 26 August	09:50	JN	PPI Services YoY	Jul		3.2%
	10:30	AU	Westpac Leading Index MoM	Jul		0.04%
	11:30	AU	CPI Trimmed Mean YoY	Jul	**3.5%**	3.6%
	11:30	AU	CPI YoY	Jul	**3.3%**	3.8%
	11:30	AU	Construction Work Done	2Q	**0.0%**	3.4%
	22:30	US	Core PCE Price Index YoY	Jul		3.3%
	22:30	US	PCE Price Index YoY	Jul		3.7%
	22:30	US	GDP Annualized QoQ	2Q S		1.5%
	22:30	US	Durable Goods Orders	Jul P		0.5%
Thursday, 27 August	—	JN	BOJ Deputy Governor Himino Speech in Saitama			
	11:30	AU	Household Spending MoM	Jul	**0.7%**	0.8%
	11:30	AU	Private Capital Expenditure	2Q	**-5.0%**	6.5%
	11:30	CH	Industrial Profits YoY	Jul		15.1%
	16:00	JN	Machine Tool Orders YoY	Jul F		50.4%
	22:30	US	Advance Goods Trade Balance	Jul		-$101.5b
Friday, 28 August	08:45	NZ	Filled Jobs SA MoM	Jul		0.1%
	09:30	JN	Jobless Rate	Jul		2.5%
	09:30	JN	Tokyo CPI Ex-Fresh Food YoY	Aug		1.9%
	09:30	JN	Tokyo CPI YoY	Aug		2.0%
	09:30	JN	Job-To-Applicant Ratio	Jul		1.18
	16:45	FR	CPI EU Harmonized YoY	Aug P		2.4%
	16:45	FR	CPI YoY	Aug P		2.1%
	22:30	CA	GDP YoY	Jun		1.7%
	23:45	US	MNI Chicago PMI	Aug		57.60
	00:00	US	Fed's Warsh Speaks at Jackson Hole Symposium			
	00:00	US	U. of Mich. Sentiment	Aug F		51

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.

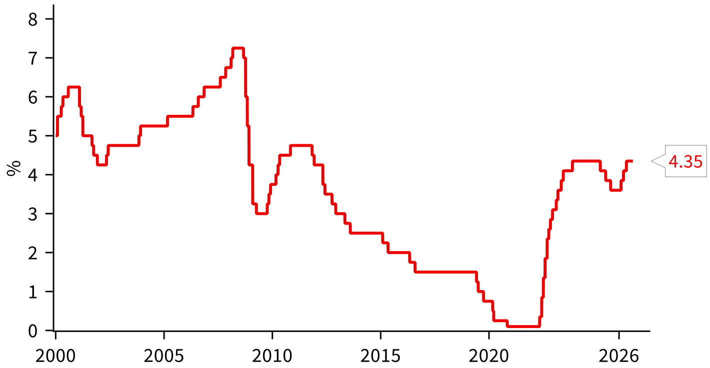
Key Event Previews

Tuesday

AU RBA Minutes (August)

The RBA Board unanimously left the cash rate unchanged at its August meeting. Governor Bullock noted in the post meeting press conference that the Board considered a rate hike (having not done so at the June meeting), so the description of the hike case could be of some interest. Deputy Governor Hauser this week also reiterated concerns around upside risks to inflation.

RBA Cash Rate



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

Wednesday

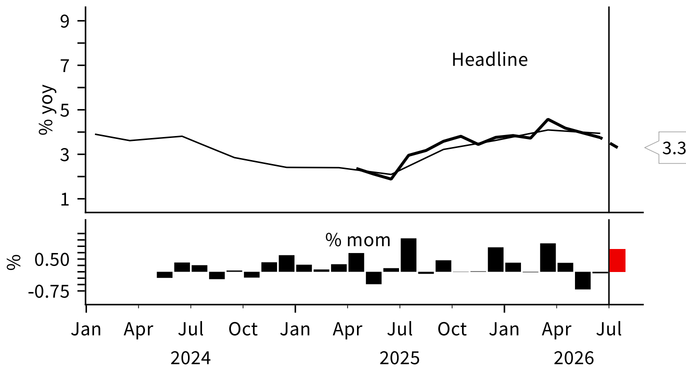
AU CPI (July)

We expect July CPI to show headline inflation slowing to 3.3% yoy from 3.8%. This will be largely driven by energy rebate base effects which should more than offset upward pressure from a 6% mom rise in fuel prices in July. Trimmed mean is expected to remain elevated at 0.35% mom, but the year ended rate will likely fall a tenth to 3.5% yoy.

The RBA's August SoMP forecasts are slightly softer than our own, with the RBA expecting Q3 headline inflation of 1.0% qoq and trimmed mean inflation of 0.83% qoq, compared with our forecasts of 1.1-1.2% qoq and 0.9% qoq, respectively.

For more information, see: July CPI Preview

Consumer Price Index

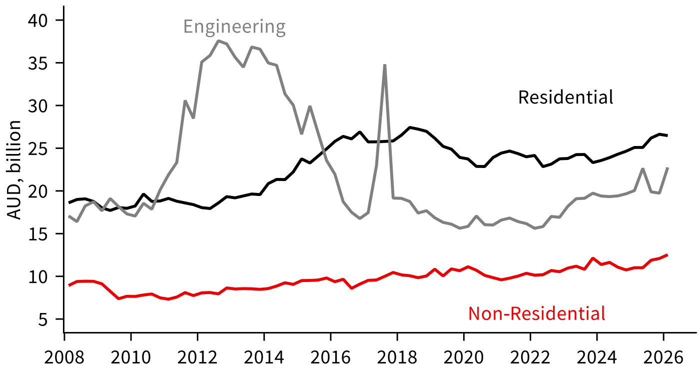


Source: National Australia Bank, Australian Bureau of Statistics

AU Construction Work Done (Q2)

Construction work done is the first partial indicator for investment in the national accounts, released the following week. We expect the headline number to be little changed, weighed by the unwind of a spike seen in the engineering component in Q1. Even so, building work, which tracks more closely through to GDP is likely to see only modest growth.

Australia Private Sector Work Done (Chain Volume)



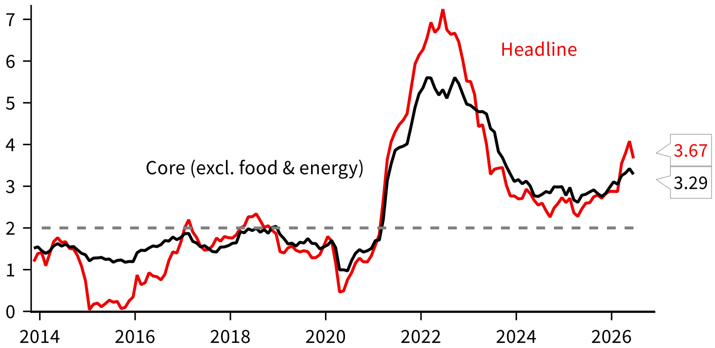
Source: National Australia Bank, Australian Bureau of Statistics, Macrobond

US Personal Consumption Expenditures (July)

As the Fed's preferred inflation measure, July's PCE print will serve as the gauge on whether inflation is travelling in the right direction. Most analysts are expecting a 0.20-0.25% monthly core reading. This would be consistent with an easing in inflation from what was seen through much of H1, and the Fed staying on hold in September. This is particularly so given July PCE estimates incorporate a large rise in portfolio management fees. The methodology for this component will change in September, which is expected to result in a modest downward revision to PCE inflation.

Aside from inflation, weak July retail sales data point to subdued real personal spending growth in the month.

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.

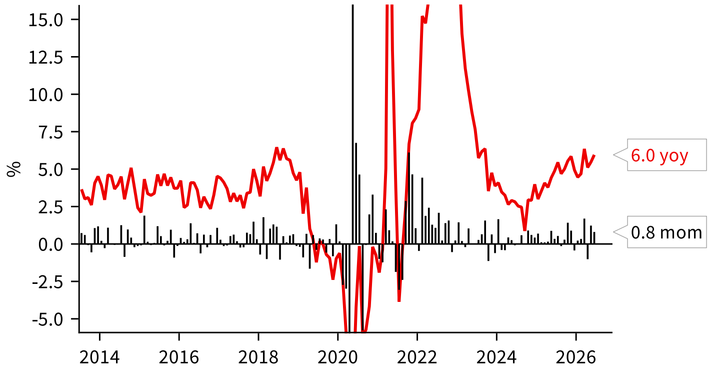
Thursday

AU Consumer Spending (July)

We expect the ABS monthly household spending indicator to rise 0.7% mom in July. This would be another solid outcome, following gains of 1.2% and 0.8% in May and June, respectively, and would suggest nominal household spending has remained resilient.

Our NAB Spend Trend suggests discretionary spending remained solid during the month, while essential spending is also likely to increase, reflecting higher fuel spending following the partial unwind of the fuel excise discount.

Household Spending Indicator

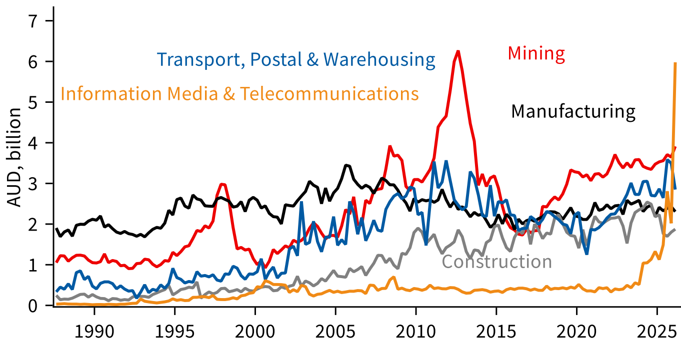


Source: National Australia Bank, Australian Bureau of Statistics, Macrobond, Account in-house

AU Capex (Q2)

The Q2 Capex data will give us more insight into machinery and equipment component of business investment in GDP. We pencil in a 5% qoq decline in the quarterly. Volatile data centre equipment spending surges in Q1, but business' investment intentions and lower imports of ADP equipment suggest this will largely reverse. Capex spending will still likely remain up on the year. We will also receive an update for estimates of business' investment intentions.

Equipment, plant and machinery by selected industries (volumes)



Source: National Australia Bank, Australian Bureau of Statistics, 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	1.9	1.6	1.5	1.3	1.2	1.3	1.3
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	6.3	3.3	3.1	-3.1	1.9	1.1	1.4
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	-0.2	0.4	0.3	0.4	0.4	0.4	0.4
	(% yoy)	2.0	2.3	2.8	2.9	3.5	2.6	1.8	1.5	1.0	1.6	1.5	1.6
Gross Domestic Product	(% qoq)	0.3	1.0	0.4	0.9	0.3	0.2	0.4	0.4	0.5	0.4	0.4	0.4
	(% yoy)	1.3	2.0	2.1	2.5	2.5	1.8	1.8	1.3	1.6	1.8	1.7	1.8
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)	1.0	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
	(% yoy)	3.5	3.4	3.3	3.4	3.2	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

	20-Aug	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27
Majors						
AUD/USD	0.7114	0.69	0.70	0.70	0.69	0.68
NZD/USD	0.5945	0.57	0.59	0.60	0.61	0.61
USD/JPY	159.0	163	161	158	155	153
EUR/USD	1.1682	1.14	1.15	1.16	1.15	1.15
GBP/USD	1.3635	1.32	1.32	1.33	1.32	1.31
USD/CNY	6.73	6.70	6.60	6.50	6.40	6.40
USD/CAD	1.3785	1.40	1.39	1.38	1.36	1.35
USD/CHF	0.8001	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	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	4.78	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

	20-Aug	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	4.55	4.65	4.45	4.25	4.15	4.05
10 Year Swap Rate	5.10	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	5.01	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	4.72	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	1.0	1.3	0.8	1.3
Japan	0.1	1.2	0.8	1.0
UK	1.0	1.3	1.1	0.8
Canada	2.0	1.9	0.6	1.2
China	5.0	5.0	4.6	4.4
India	7.3	7.6	6.8	6.5
Australia	1.0	2.0	1.3	1.8
NZ	-0.3	0.3	1.6	2.2
Global	3.5	3.5	3.1	3.3

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