Economics and Markets Research

Global Forward View

In this issue

The only way is up

- **Global growth has been resilient so far in the face of the shock to global energy prices, we again revised global growth for 2026 higher this month.**
- **The global economy will be tested by the renewed spike in energy prices, rising interest rates (short and long-term) as this year's fiscal stimulus fades.**
- **The US Fed raised rates this month, by 25bp, and we expect another 25bp move in December.**

Oil prices have moved significantly higher over the last month, returning close to the peak seen earlier in the year, while European and Asian gas benchmarks have hit new highs.

The global economy was able to absorb the earlier surge in energy prices, with support coming from the AI build out and with fiscal policy turning supportive. Since lowering our forecast for 2026 global growth to 3.0%, we have been revising growth higher as Q2 GDP results have come in. The global composite PMI last month reached its highest level in over two years reinforcing this signal of global growth resilience.

A key risk to our forecasts is that energy prices do not fall as quickly as they did over May and June and that they settle at a higher level than we have been expecting given damage to energy infrastructure.

Reinforcing this concern is that fiscal policy is set to turn more neutral in 2027. While governments could try to provide additional support if energy prices remain elevated, government finances (and fiscal space) are being challenged by rising bond yields. Fiscal stimulus in an environment of elevated inflation would add to the pressure on central banks to raise rates.

Highlighting this tension, several advanced economy central banks have raised rates this month (US Fed, ECB, RBNZ) with more expected to follow suit (RBA, BoJ). The monetary policy tightening this year has been limited and driven by advanced economies (with higher policy rates in some emerging market economies being matched by cuts by others). However, more rate rises are likely, including by the US Fed where member projections point to another 25bp hike by end year before going on hold (but with the risk tilted towards additional move in 2027), in line with our expectation ahead of the meeting. Market pricing is for a more aggressive tightening cycle by central banks than we expect, highlighting an additional risk to the global outlook.

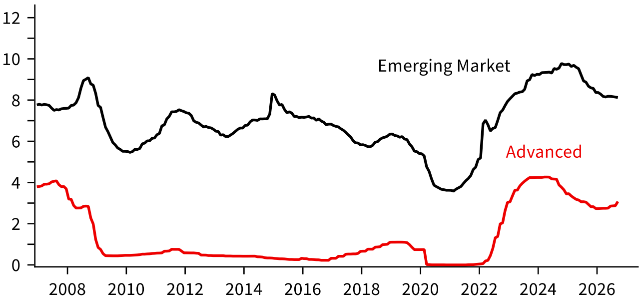
Key Economic Forecasts (year average % change)

	2025	2026		2027		2028
US	1.9	2.2	(0.1)	2.1	(0.1)	1.9
Euro-zone	1.3	1.0	(0.2)	1.2	(-0.1)	1.3
Japan	1.2	0.9	(0.1)	1.0		0.7
UK	1.3	1.2	(0.1)	0.8		1.2
Canada	1.9	1.0	(0.4)	1.6	(0.4)	1.6
China	5.0	4.6		4.4		4.4
India	7.6	7.5	(0.7)	6.6	(0.1)	6.5
Latin America	2.4	2.0		2.1	(-0.1)	2.1
Other East Asia	4.3	5.2	(0.1)	4.0	(0.1)	4.0
NZ	0.3	1.9	(0.3)	2.3	(0.1)	2.9
Global	**3.5**	**3.2**	**(0.1)**	**3.3**		**3.3**
Major trading partners	3.9	3.8		3.5		3.5

Note: Other East Asia includes Indonesia, Taiwan, Thailand, Singapore, Hong Kong, Philippines, South Korea and, Malaysia

A muted policy tightening cycle so far gets a push from the Fed

Central bank policy rates (%)*



Source: National Australia Bank, Macrobond. *AE; US, EZ, Jpn, Can, UK, Swi,Nor, Swe, SK, Taiwan, Aus, NZ. EMs - based on 18 countries, does not include China or Turkey. Weighted using IMF 2026 PP weights. Sep '26 includes a forecast rate rise for BoJ and RBA.

Authors: Antony Kelly, Head of International Economics | Gavin Friend, Senior Markets Strategist | Josh Copeland, Economist

Growth defies headwinds for now

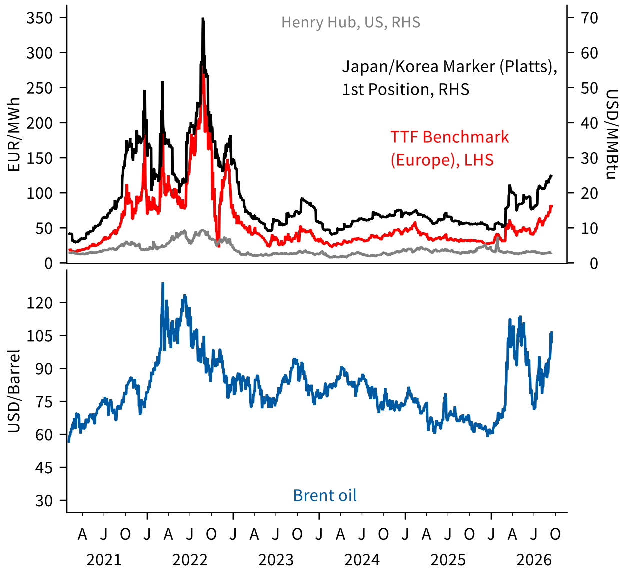
Key developments in global markets over the past month have been the concurrent rise in oil prices and bond yields, amidst resilient global growth.

Oil prices breached US$100/bbl last week for the first time since May as direct military exchanges between US and Iranian forces picked up again, as did fresh attacks on energy infrastructure in the region. Attacks on Russian refinery operations by Ukraine are also adding to refined fuel price pressure.

We have previously written on the macroeconomic risks of oil shocks and found a 10% rise in oil prices adds 0.3-0.4ppts to inflation over two years, with up to half feeding through to underlying inflation. The impact on growth is more uncertain, where the more an economy imports its energy resources the more vulnerable it is to such shocks. The retracement of oil prices higher is making the oil market look more consistent with global natural gas price benchmarks (ex the US), which have been structurally higher since the onset of the war.

Despite the volatility in prices we've seen since February, our base case for oil prices has been unchanged since April, which assumes oil prices would recede to around US$80/bbl by the beginning of 2027. On average, Q2 and Q3 prices have tracked this baseline but clearly there is now significant upside risk looking forward. Even if there is another pause in the conflict, and prices fall back, the additional damage done to energy infrastructure means that oil could remain above US$80 for an extended period.

Oil and gas price benchmarks (2019 = 100)



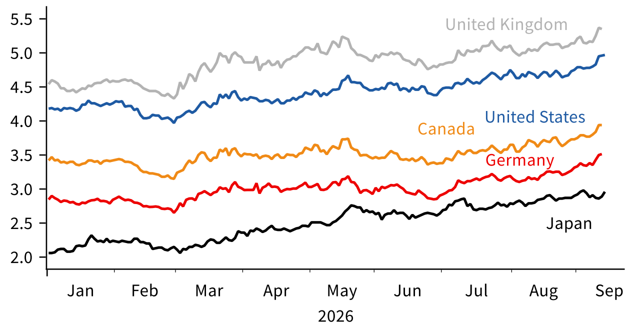
Source: National Australia Bank, Intercontinental Exchange (ICE), CME Group, Macrobond Financial AB, Macrobond

Global bond yields have been moving higher this year and have reached new highs over the past month. Rising yields reflect a combination of stronger nominal growth expectations, particularly in the US, persistent fiscal deficits, elevated geopolitical uncertainty and the substantial financing requirements associated with both government borrowing and the AI infrastructure buildout. While these forces are not new, they have all intensified to some extent over recent months.

This has been compounded by the possibility of more persistent inflation if the Middle East conflict drags on, which adds to the risks that policy rates may ultimately need to rise by more than the modest recalibration currently embedded in our forecasts.

Policymaker actions, such as expanded long-end bond buybacks in the US and the Bank of England's decision to pause long-end gilt sales, provide a modest counterbalance to these pressures. However, they do little to challenge the underlying fundamental drivers of the move.

10 year government bond yields (%)



Source: National Australia Bank, U.S. Department of Treasury, Macrobond Financial AB, Macrobond

Some of the factors driving yields are also supporting **global activity which has remained resilient** in the face of the US tariff shock last year and this year's energy shock. This includes the global AI capex build and fiscal policy. Although the story is divergent across major economies, we judge there is a positive fiscal impulse, adding to global demand, in 2026. This should become more neutral next year. Corporate profits are also strong (discussed in more detail below) and should support activity.

The J.P.Morgan Global Composite PMI rose again in August; it has now full recovered the fall post the start of the US-Iran war to be at a 27-month high. The strength in recent Q2 GDP data from India and Canada also highlights the robustness of global activity. More broadly, we also flow through upgrades to the 2026 outlook for the US, UK, Eurozone and Japan owing to recent partial data and revisions to historical data.

We expect global growth over the next couple of year to track only a little below its post-GFC, pre-COVID average. This includes 2028, which we have extended our forecasts out to this month.

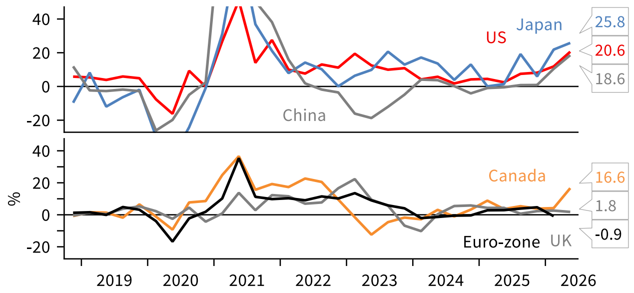
A large profit lift, ex Europe

Amidst these shifting cross-currents impacting the global economy a notable feature has been **the strength of corporate profits for the major economies**.

The US, Japan, Canada and China saw a rise in corporate profits of 15% or more over the year to Q2. For Asian economies most closely tied into the AI buildout, such as South Korea and Taiwan, profits are also strong. Companies in the Taiwan stock exchange have reported a 21% rise in profits in H1 2026 alone. South Korean non-financial enterprises operating income to sales ratio (a measure of margins) has more than tripled over the last year, with sales up over 20%.

An exception is corporate euro-zone and UK, where profits have only seen muted growth over the last year. This aligns with the region's higher exposure to energy costs, an underlying slower growth dynamic and being less tied in with the global AI buildout.

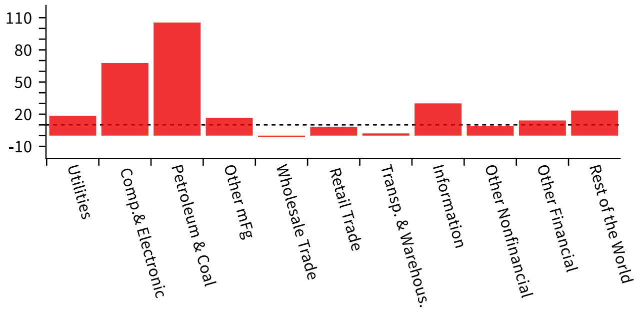
Corporate profits (nominal, y/y%)



Source: National Australia Bank, U.S. Bureau of Economic Analysis (BEA), Japanese Ministry of Finance (MOF), China National Bureau of Statistics (NBS), Statistics Canada, U.K. Office for National Statistics (ONS), Eurostat, Macrobond. US excludes federal reserve bank profits. Y-axis covid extremes cut-off

For the **US and Japan the growth in profits is reasonably broad based** even though there are some stand out sectors. In the US, the strongest growth is coming from computers/electronic product manufacturing, the energy sector and the information sector, but with solid growth across many other sectors. Similarly, in strength is evident in electronics and petroleum products but many other industrial sectors have seen double-digit growth; service sector profit growth is also strong (15% yoy) but with greater dispersion amongst sub-sectors.

US Corporate profits with IVA, contr. to yoy%*

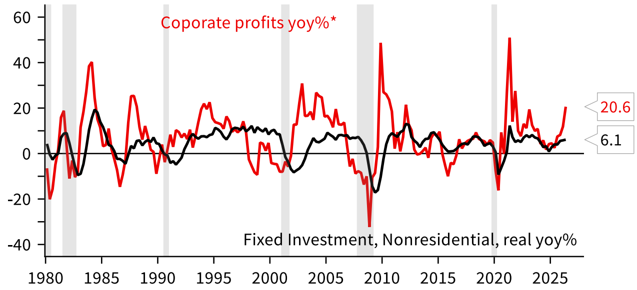


Source: National Australia Bank, U.S. Bureau of Economic Analysis (BEA), Macrobond. Dashed horizontal line shows where growth is 10%.* Fed reserve bank profits excluded

The generally positive financial position for businesses provides a solid foundation for growth and helps limit immediate downside risks. Companies in a strong financial position have more capacity to absorb shocks without pulling back on investment and employment.

Whether the lift in profits will lead to an acceleration in investment growth is less clear. For example, In the US there is limited historical experience of an upturn in corporate profits at this stage of the cycle. The only instance being the in the mid-to-late 1980s and it was accompanied by modestly stronger business investment. Otherwise, downturns in investment are led, or accompanied by, a fall in profits which would suggest that there is currently limited downside risk to current investment growth.

US business fixed investment and profits (yoy%)



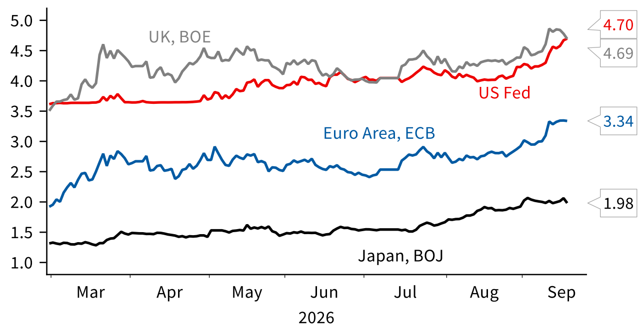
Source: National Australia Bank, U.S. Bureau of Economic Analysis (BEA), NBER (National Bureau of Economic Research), Macrobond. *Excludes Fed reserve bank profits. Shading indicates recession periods

In contrast, **profit growth in China is uneven**. Computer/electrical, chemical manufacturing and resource related sectors are experiencing rapid growth, while many more traditional sectors (with a consumer focus) – such as furniture, smelting, textiles, and even recent priority sectors such as motor vehicles are experiencing falling profits. This mix reflects the narrowly based growth in China's economy which is export driven and focussed on certain priority (high tech) sectors while domestic demand remains weak with overcapacity in many industries.

Central banks – rates on the up

The resilience of the global economy, and continuing inflationary pressures, is maintaining the pressure on central banks to raise rates. **Market pricing of central bank policy rates has taken another leg up this month.**

Central bank – maximum market pricing (%)*



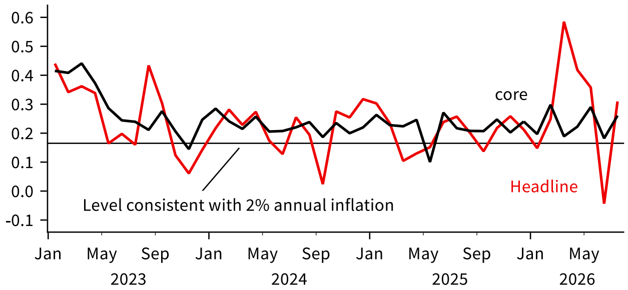
Source: National Australia Bank, Bloomberg. * Based on OIS curve.

There has also been a clear shift in actual policy rates this month - the US Fed, ECB and RBNZ have raised their policy rate and we expect they will be joined by the BoJ and RBA, but the BoE is likely to remain on hold.

Whether the policy tightening priced by markets is fully realised (not our base case) is likely to depend on several factors, including how the global economy evolves, whether the recent run-up in oil prices is sustained (or gets worse), clearer signs of second round impacts from higher energy costs onto broader price setting (such as wages), and how inflation expectations evolve.

While pass through to core inflation from higher energy costs had been expected, monthly core inflation prints for advanced economies (to July) for the advanced economies are little changed overall since February. However, it also indicates that inflation remains too high.

Advanced economy consumer inflation (% mom)



Source: National Australia Bank, Macrobond. PPP weighted inflation of 13 countries/regions, including US, EU, Japan, Canada and UK. CPI meausure used except US which is PCE measure.COVID extremes removed. Index constructred from sa and nsa data and then s.a. by X11

The **Fed** lifted the fed funds rate target range by 25bps (to 3.75-4.00%) this month. In explaining the move, Fed Chair Warsh, noted that the economy appears to be strengthening, the labour market is in good shape and inflation has been too high, for too long. He also reiterated his comment from Jackson Hole that it is hard to describe financial conditions as restrictive – and so they voted to “remove a dose of accommodation”.

The September hike was expected. We retain our view that there will be another 25bp hike in Q4 (possibly October, but more likely December) with the risk of another move in Q1. The Fed member projections (‘dots’) broadly align with, with the median projecting one further hike this year overall. However, next year 8 of the 18 projections project another hike above the median, whereas 4 project a cut, indicating upside risks to this outlook.

Warsh again said the Fed must be “confident that underlying inflation is moving to our objective, clearly and at sufficient speed.” The hike suggests this condition remains unmet, though he has not defined “sufficient speed”. Fed projections provide guidance on what the rest of the committee think, and the median view is for end 2027 core PCE inflation of 2.5%.

A test will come early in 2026. If annual core PCE inflation does not decline, as the high monthly core PCE reads in early 2025 drop out of the annual calculation, then the Fed is likely to tighten policy by more than the modest recalibration suggested by the dots. How energy prices, another factor cited by Warsh, evolve from here (and their pass through into broader pricing setting and expectations) will also be important.

For the Euro-zone, with growth holding up, headline inflation above 3% and the **European Central Bank** (ECB)expecting it to remain higher for longer, it pushed through a hike to 2.5% this month. A further hike to 2.75% would take policy into restrictive territory, and will need more discussion, especially with no sign yet of second-round effects. However, the risks are there. **The Bank of England** (BoE) is likely to remain on hold as the policy rate is above neutral and though growth has held up better than expected, the large fiscal policy drag (including coming tax rises) and higher energy costs will all act as headwinds to growth and help contain inflation. As in Europe, there are no discernible signs of second-round effects yet, a key requirement of tighter monetary policy.

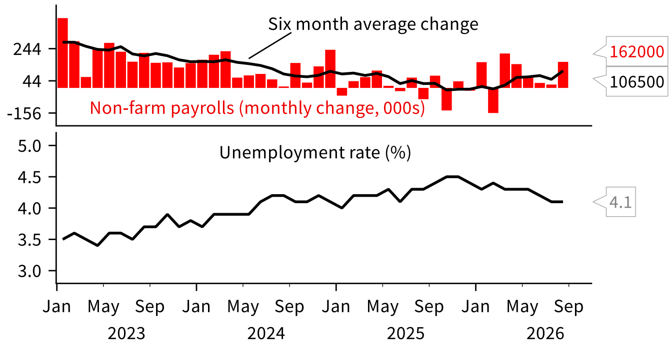
The **Bank of Japan (**BoJ) also meets this week (Friday). A hike is widely expected. The more interesting conversation is now focused on the number and cadence of further hikes. We expect two further rate rises by Q2 2027 which would take the policy rate to 1.75%. This would represent a faster pace of tightening than has been seen to date, which the BoJ is under pressure to deliver following the recent joint US-Japan yen intervention. It would also be consistent with the midpoint of the BoJ’s estimate of the neutral rate of interest but, given that Japan’s economy is capacity constrained and fiscal policy is stimulatory, the risk is that more will be needed.

Country quick take

United States

- Annual US GDP growth is ~2%, but domestic final demand has been stronger, supported by the AI build out. There are signs investment is broadening out, with strong profit growth likely to provide support, but consumption will come under some pressure on recent energy price rises and as OBBBA tax cuts fade.
- The 162k rise in non-farm jobs in August confirms a positive turn this year, as does the decline in the unemployment rate to 4.1%. On the other side of the Fed's mandate inflation remains high (July core PCE 3.3% yoy).
- The Fed raised rates this week by 25bp; we expect another increase in December (with the risk of a follow up in Q1).
- President Trump's promise of $5000 for every adult if Republicans retain control of Congress this November would represent a substantial fiscal stimulus. On recent polling it's a big if and would need to be enacted by a Congress struggling to pass a modest reconciliation bill.

US labour market indicators

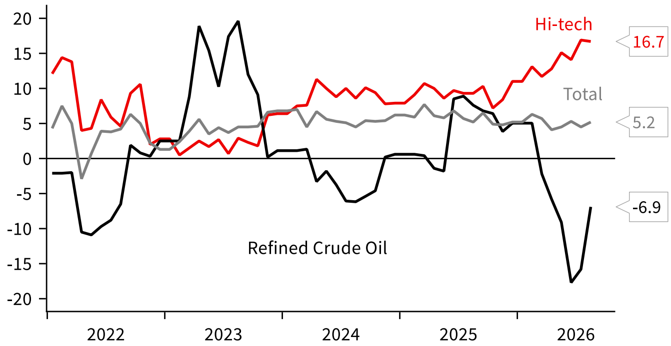


Source: National Australia Bank, U.S. Bureau of Labor Statistics (BLS), Macrobond

China

- Domestic demand remains weak, with industrial production – particularly hi-tech – and exports the major growth drivers. Typhoon activity may have weighed on July and August but these trends have been in place for a while.
- Retail sales growth is low and fixed asset investment continues to fall. Industrial production growth picked up in August to 5.2% yoy, helped by a partial recovery in refinery production.
- Inflation indicators were little change in August (CPI 0.8% yoy, PPI 3.8% yoy) – inflation has picked up this year on higher energy and tech prices, but falling consumer good prices highlights the broader deflation pressure.
- The policy response has so far been muted, with the emphasis on utilising of existing programs and funds which has been lagging. Reports suggest that disbursements under the policy bank tool have now started.

China industrial production (yoy%)

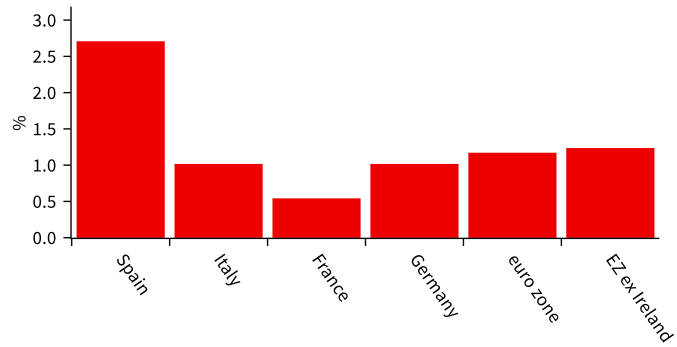


Source: National Australia Bank, China National Bureau of Statistics (NBS), Macrobond

Euro-zone

- EZ Q2 growth was revised up to 0.6% qoq (1.2% yoy), on a large rebound in Ireland (pharma base effects). Ex-Ireland growth was 0.3% qoq better reflects its likely run-rate.
- Germany's recovery that started in Q4 25 continued (0.3% qoq), Spain still growing strongly (0.7%), Italy steady at 0.2% qoq 0.3% but France is struggling (0% after–0.2%).
- Consumer spending rebounded by 0.4% qoq from zero, net trade swung from a 0.5ppt drag to a 0.9ppt boost to GDP (Ireland), while investment was flat and inventories a drag.
- As inflation rises (headline at 3.3% and set to rise further) real disposable income will fall. Headwinds are building from the rise in energy prices with food inflation coming. A more pernicious terms of trade shock cannot be ruled out.
- The ECB has hiked twice to 2.5% but now faces taking policy into restrictive territory – something it will need to debate given still absent second-round effects. We do not forecast a December hike to 2.75%, but the risks are rising.

Euro-zone GDP growth (yoy%) - selected countries

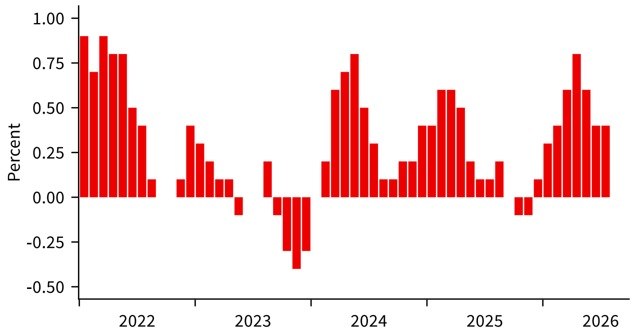


Source: National Australia Bank, Eurostat, Macrobond

UK

- UK GDP again surprised to the upside with Q3 starting off strong (Jul at 0.4% mom) led by noisy service sector sub-indices. Manufacturing picked up, thanks to computer and electronics, with the ONS noting AI played a part. Construction remains a drag. Trade was less negative.
- The UK has a pattern of weaker output in H2 and as the late October Budget approaches, where more tax hikes will be seen, we expect growth to soften. Debt servicing costs are rising, reducing fiscal headroom. Unlike its peers the UK is unique with its negative fiscal impulse.
- The new PM has kept growth and spending plans vague enough to not spook businesses and households. However, headwinds from higher energy and food prices continue to build. Mortgage rates have topped 5%. We retain our view of no UK rate hikes, but with CPI to rise towards 4% the risks of a Bank Rate rise to 4% are there should second-round effects emerge.

UK monthly GDP (3 mthly % change)

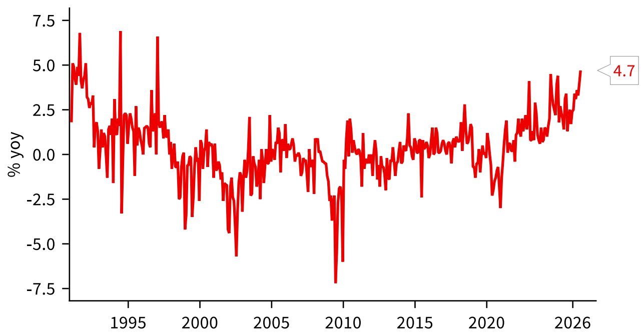


Source: National Australia Bank, U.K. Office for National Statistics (ONS), Account in-house, Macrobond

Japan

- The second estimate of Q2 GDP saw a +0.1ppt revision to final domestic demand, reinforcing the narrative of Japan's economy running hot, requiring a faster pace of policy normalisation.
- The labour market compounds this. Not only did the unemployment rate trace lower to 2.4% in July, but nominal wage growth also printed 4.7% yoy. This is the quickest pace of wage growth since January 1997.
- A hike at the BoJ's September meeting on Friday has been fully priced the market, thanks in large part to a key advisor to PM Takaichi projecting this outcome. The key uncertainty now is when will the following hike occur. We expect two further by Q2 2027.

Japan cash earnings

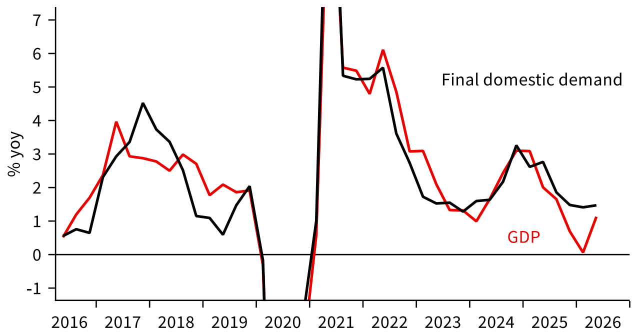


Source: National Australia Bank, Japanese Ministry of Health, Labour & Welfare, Macrobond

Canada

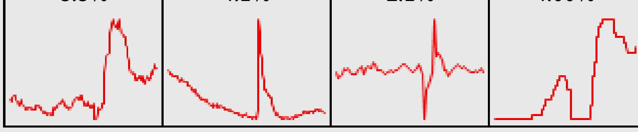
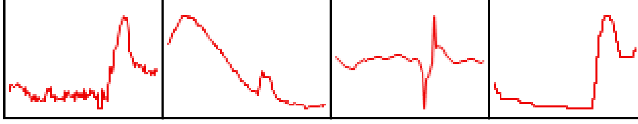
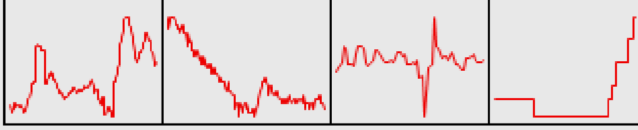
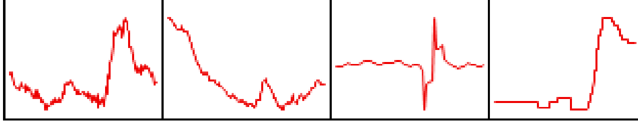
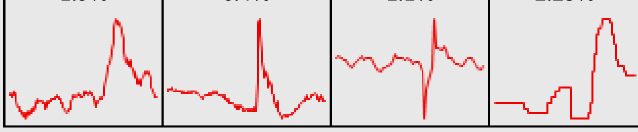
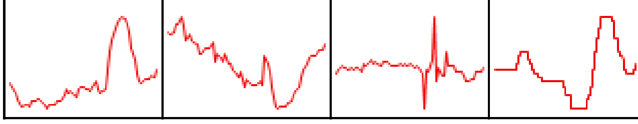
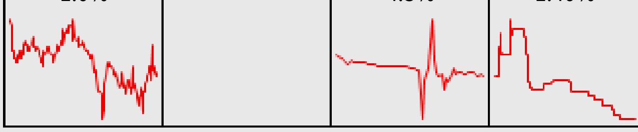
- GDP growth rebounded strongly in Q2 at 0.8% qoq after a small decline over the two previous quarters. However, this is unlikely to be sustained as the escalating tit-for-tat tariffs with the US begin biting from Q3 onwards.
- This month's downside surprise on employment (-42k relative to +14k expectations) came after a few months of encouraging results. In contrast, the unemployment rate remained unchanged at its recent low of 6.4%, suggesting that the labour market was showing some improvement ahead of the latest US-Canada trade escalation.
- Despite the hawkish interpretation of Governor Macklem's September press conference owing to comments about a willingness to commit to multiple rate hikes if needed, underlying inflation remains remarkably well behaved. We continue to see the rate outlook for the BoC as steady until a cyclical recovery over the next year or so drives a rise in 2027 H2.

Canada activity indicators



Source: National Australia Bank, Statistics Canada, Macrobond

Central Bank Monitor

	Inflation and output gap indicators			Central bank rates	NAB forecasts		
	Core inflation*	Unemployment	GDP	Policy rate**	bias	next meetings***	year-end forecast
US Federal Reserve 	3.3%	4.1%	2.1%	4.00%	tightening	28 Oct 4.00 9 Dec 4.25	end 2026 4.25 end 2027 4.25
	We expect another move in December, with a risk of another in Q1. Progress on inflation coming down, and anchored inflation expectations, are needed for this modest recalibration to be sufficient.						
European Central Bank 	2.4%	6.4%	1.2%	2.50%	tightening	29 Oct 2.50 17 Dec 2.50	end 2026 2.50 end 2027 2.50
	The ECB moved its policy rate to 2.50% this month, the high end of neutral. With the absence (so far) of 2nd round impacts a move into restrictive territory is unlikely for now. However, there is a risk they push higher.						
Bank of Japan 	1.9%	2.4%	0.7%	1.00%	tightening	18 Sep 1.25 30 Oct 1.25	end 2026 1.25 end 2027 1.75
	With a September hike broadly expected all eyes will be on the implied number and cadence of further hikes. Our expectation is for two further by Q1 2027, consistent with the midpoint of the BoJ's neutral estimate.						
Bank of England 	2.6%	4.9%	1.2%	3.75%	hold	17 Sep 3.75 5 Nov 3.75	end 2026 3.75 end 2027 3.25
	The BoE is likely to remain on hold as the policy rate is above neutral, a large fiscal drag will hold back growth and with no clear 2nd round effects of higher energy costs so far.						
Bank of Canada 	1.9%	6.4%	1.1%	2.25%	hold	28 Oct 2.25 9 Dec 2.25	end 2026 2.25 end 2027 2.50
	A strong Q2 GDP result was welcome for Canada but unlikely to persist as escalating tit-for-tat tariffs with the US start biting in Q3. This should keep the BoC on hold until a recovery drives a hike in H2 2027.						
Reserve Bank of New Zealand 	3.1%	5.6%	2.6%	2.75%	tightening	28 Oct 2.75 9 Dec 3.00	end 2026 3.00 end 2027 3.75
	We expect the RBNZ to raise its cash rate to a contractionary peak of 3.75%. We anticipate at least one further 25 basis point increase this year, potentially two.						
People's Bank of China 	1.0%		4.3%	1.40%	easing	na	end 2026 1.30 end 2027
	The end to disinflation for now has reduced the pressure for PBoC action but weak domestic demand is pushing the other way; we expect one rate cut later in the year but risk is they do none.						

* Core is excl. food and energy, except Japan (ex fresh food, energy & alcoholic beverages), UK (also ex alcoholic beverages & tobacco), NZ(RBNZ's factoral model), Canada, Aust. (qtly TRIM measure). US PCE measure used, CPI for all others

For federal funds rate the top of the target range is shown * For meetings spanning two days, the final day is shown

Note: number at top of each chart is latest obvservation (yoy change for GDP and inflation, level for unemploy. rate and policy rate). 15yrs of data shown.

Economic Forecast Detail - Advanced Economies

	2026				2027				2028			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
United States												
GDP												
qoq%	0.5	0.4	0.7	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.4
qoq, annualised %	2.1	1.5	3.0	1.7	2.1	2.0	1.9	2.0	2.0	1.9	1.9	1.8
yoy%	2.7	2.1	1.8	2.1	2.1	2.2	1.9	2.0	2.0	2.0	2.0	1.9
year-average				2.2				2.1				1.9
PCE deflator												
Headline - yoy%	3.1	3.9	3.9	3.7	3.1	2.4	2.2	2.2	2.2	2.1	2.0	1.9
Core												
qoq%	1.1	0.9	0.7	0.6	0.7	0.6	0.6	0.5	0.5	0.5	0.5	0.5
yoy%	3.1	3.4	3.4	3.3	2.9	2.7	2.6	2.5	2.3	2.2	2.1	2.1
Unemployment rate												
qtly average %	4.3	4.3	4.1	4.1	4.1	4.1	4.2	4.2	4.2	4.2	4.2	4.3
Fed funds rate												
Top of target band (%)	3.75	3.75	4.00	4.25	4.25	4.25	4.25	4.25				
Euro-zone												
GDP												
qoq%	0.0	0.6	0.3	0.2	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4
yoy%	0.6	1.2	1.1	1.1	1.4	1.1	1.1	1.2	1.2	1.3	1.4	1.4
year-average				1.0				1.2				1.3
Policy rate (%)	2.00	2.25	2.50	2.50	2.50	2.50	2.50	2.50				
United Kingdom												
GDP												
qoq%	0.6	0.4	0.3	0.1	0.2	0.2	0.2	0.2	0.3	0.3	0.4	0.4
yoy%	0.9	1.2	1.4	1.4	1.0	0.7	0.7	0.8	0.9	1.1	1.2	1.4
year-average				1.2				0.8				1.2
Policy rate (%)	3.75	3.75	3.75	3.75	3.75	3.75	3.50	3.25				
Japan												
GDP												
qoq%	0.5	0.4	0.2	0.2	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2
yoy%	0.5	0.7	1.3	1.3	1.1	1.0	1.0	1.0	0.9	0.8	0.7	0.7
year-average				0.9				1.0				0.7
Policy rate (%)	0.75	1.00	1.25	1.25	1.50	1.75	1.75	1.75				
Canada												
GDP												
qoq%	0.1	0.8	0.4	0.2	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4
yoy%	0.1	1.1	1.1	1.6	1.9	1.5	1.4	1.6	1.5	1.6	1.6	1.6
year-average				1.0				1.6				1.6
Policy rate (%)	2.25	2.25	2.25	2.25	2.25	2.25	2.50	2.50				

Source: NAB Economics and Markets Research

FX Forecasts

	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28
AUD/USD	0.69	0.70	0.70	0.69	0.68	0.67	0.68	0.69
NZD/USD	0.57	0.59	0.60	0.61	0.61	0.61	0.61	0.62
USD/JPY	162.5	160.5	157.5	155.0	152.5	151.0	150.0	148.0
EUR/USD	1.14	1.15	1.16	1.15	1.15	1.15	1.14	1.14
GBP/USD	1.32	1.32	1.33	1.32	1.31	1.32	1.30	1.31
USD/CHF	0.81	0.80	0.80	0.80	0.80	0.80	0.81	0.81
USD/CAD	1.40	1.39	1.38	1.36	1.35	1.34	1.34	1.34
USD/CNY	6.70	6.60	6.50	6.40	6.40	6.40	6.43	6.45

Australian Cross Rates								
AUD/NZD	1.21	1.19	1.17	1.13	1.11	1.11	1.11	1.11
AUD/JPY	112	112	110	107	104	101	102	102
AUD/EUR	0.61	0.61	0.60	0.60	0.59	0.58	0.60	0.61
AUD/GBP	0.52	0.53	0.53	0.52	0.52	0.51	0.52	0.53
AUD/CHF	0.56	0.56	0.56	0.56	0.55	0.54	0.55	0.56
AUD/CAD	0.97	0.97	0.97	0.94	0.92	0.90	0.91	0.92
AUD/CNY	4.62	4.62	4.55	4.42	4.35	4.29	4.37	4.45

Global FX Strategist provides details on our FX views

Economics and Markets Research Contacts

Sally Auld
Chief Economist
+61 422 224 752
sally.auld@nab.com.au

Teisha Bonner
Executive Assistant
+61 452 093 086
teisha.bonner@nab.com.au

Barbara Leong
Research Assistant
+61 429 127 590
barbara.leong@nab.com.au

Economics

Australian Economics

Gareth Spence
Head of Australian Economics
+61 422 081 046
gareth.spence@nab.com.au

Taylor Nugent
Senior Economist
+61 452 671 752
taylor.nugent@nab.com.au

Jessie Cameron
Economist
+61 491 380 013
jessie.cameron@nab.com.au

Michael Hayes
Economist
+61 411 186 777
michael.hayes@nab.com.au

International Economics

Tony Kelly
Head of International Economics
+61 477 746 237
antony.kelly@nab.com.au

Gavin Friend
Senior Markets Strategist
+44 207 710 1588
gavin.friend@eu.nabgroup.com

Josh Copeland
Economist
+61 484 239 255
josh.copeland@nab.com.au

Behavioural Economics

Dean Pearson
Head of Behavioural Economics
+61 457 517 342
dean.pearson@nab.com.au

Robert De Iure
Senior Economist
+61 477 723 769
robert.de.iure@nab.com.au

Economics Analytics

Brien McDonald
Senior Economist
+61 455 052 520
brien.mcdonald@nab.com.au

Thao Nguyen
Senior Data Analyst
+61 451 203 008
thao.nguyen5@nab.com.au

Markets Research

Skye Masters
Head of Markets Research
+61 467 767 604
skye.masters@nab.com.au

Jacob Jones
Strategist
+61 2 7226 8217
jacob.jones@nab.com.au

Credit Strategy

Peter Fullerton
Head of Credit Strategy
+61 400 237 416
peter.fullerton@nab.com.au

FX Strategy

Ray Attrill
Head of FX Strategy
+61 2 9293 7170
ray.attrill@nab.com.au

Rodrigo Catril
Senior FX Strategist
+61 2 9293 7109
rodrigo.h.catril@nab.com.au

Rates Strategy

Kenneth Crompton
Head of Rates Strategy
+61 439 411 709
kenneth.crompton@nab.com.au

Gregorius Steven
Rates Strategist
+61 2 7209 8133
gregorius.steven@nab.com.au

Commodity Strategy

Vince Carse
Commodities Strategist
+61 3 7035 7039
vince.carse@nab.com.au