

Economics and Markets Research

What to Watch

Week of 26 October 2026

- We expect Q3 trimmed mean CPI of 1.0% qoq, a material upside surprise to the RBA's August SoMP forecast (0.83% qoq).
- Internationally, the RBNZ, BoC, FOMC, ECB and BoJ all meet. Only the RBNZ is expected to move, with a hike.
- The UK's Budget, US Q3 GDP and September PCE are the other main events.

We expect **Q3 CPI** on Wednesday to show trimmed mean at 1.0% qoq and headline at 1.2% qoq, well above the RBA's August SoMP forecast. Other reads on prices include trade prices on Thursday and PPI on Friday, while private sector credit is also due Friday. We also continue to hear from the RBA, with **Assistant Governor Hunter's** pre-recorded interview from 21 October on 60 Minutes Sunday and **Assistant Governor Jones** appearing on a panel at the AFR Summit on Monday. Finally, a **Senate appearance** is scheduled for Wednesday.

In NZ, the **RBNZ Monetary Policy Review** (Wednesday) is the main event. BNZ expects the Bank to lift its cash rate by 25bps to 3.00% and signal there is more to come. A 25bp hike has become increasingly expected by economists and the market. Data releases include Filled Jobs (Wednesday), Business Confidence (Thursday), and Consumer Confidence (Friday). Before that, Monday is Labour Day, a national holiday.

In Japan, the **BoJ** decides on Friday. Following September's hike, we see policy on hold and don't expect another hike until December. Otherwise, **Tokyo CPI** (Friday) will be watched closely after last month's release saw core inflation (ex-fresh food and energy) jump to 3.0%. **Labour market**, **industrial production** and **retail trade** (all Friday) are the other notable releases. **In China**, the **official PMI** lands Saturday, and China's Communist Party **Central Committee plenum** will also be running Monday-Thursday.

In the US, the **FOMC** (Wednesday) is expected to leave rates unchanged despite data pointing to a relatively hot **PCE inflation** print (Thursday), reflecting signalling from officials for no urgency to follow up on September's hike. **Q3 GDP** (advance) also releases Thursday and will test whether the demand mix still supports the Fed's modest calibration policy narrative. The **Employment Cost Index** also comes Friday. In Canada, the **BoC** decides Wednesday where we expect it to hold. Monthly GDP data also arrives Friday.

In Europe, the **ECB** meets Thursday and will keep rates on hold at 2.5%. The Advance release of **Q3 GDP** (Friday) is expected to see growth slide back to 0.2% qoq and 1% yoy from 0.6% and 1.2%. Preliminary inflation for October is due on Friday from Germany, France, Italy and Spain. This will set the scene for a temporary pause in the rise in prices, before moving above 4% in 2027. **In the UK**, the **Budget** on Wednesday will see Chancellor Healey deliver no major surprises, with no additional borrowing but some tax rises and very modest spending cuts.

Contents

Week Ahead Calendar.....	2
Key Event Preview	3
Forecasts Tables	6

Key Data

	Latest	Next
GDP	2.1% yoy	3Q on 2 Dec
Unemployment	4.7%	Oct on 19 Nov
Trimmed Mean	3.6% yoy	3Q on 28 Oct
RBA	4.60%	3 Nov

Key Markets

		% change	
	Latest	Week	YTD
Rates			
		bps	bps
AU BBSY 3m	4.89	5.4	110.4
AU 3y swap	4.85	-3.6	74.3
AU 3yr yield	4.91	10.1	77.4
AU 10yr yield	5.25	3.4	51.0
US 10yr yield	4.95	-10.5	78.6
AU-US 10yr spread	29.8	13.9	-27.6
Commodities			
		%	%
Iron ore	90	-1.2	-10.9
Coal (thermal)	151.2	1.0	40.6
Brent oil	113.1	6.7	87.7
Gold	4028.6	-3.3	-6.7
FX			
AUD/USD	0.7017	1.0	5.2
USD (DXY)	101.62	-0.4	3.4
AUD/NZD	1.2	0.5	6.6
AUD crosses			
AUD/JPY	110.02	0.2	5.2
AUD/CNY	4.6824	1.2	0.4
AUD/EUR	0.6256	1.2	10.1
AUD/GBP	0.5	0.5	5.7

Source: Bloomberg

Week Ahead Calendar

Highlighted events are previewed below.

	Event			Period	NAB	Previous
Monday, 26 October	08:40	AU	RBA's Jones-Panel			
	20:00	GE	IFO Business Climate	Oct		89.90
Tuesday, 27 October	23:30	US	Durable Goods Orders	Sep P		-0.1%
	01:00	US	Conf. Board Consumer Confidence	Oct		81.90
Wednesday, 28 October	08:45	NZ	Filled Jobs SA MoM	Sep		0.2%
	11:30	AU	CPI Trimmed Mean YoY	Sep	3.6%	3.6%
	11:30	AU	CPI YoY	Sep	4.2%	4.0%
	11:30	AU	CPI QoQ	3Q	1.2%	0.6%
	11:30	AU	CPI Trimmed Mean QoQ	3Q	1.0%	0.8%
	12:00	NZ	RBNZ Official Cash Rate	28 Oct		2.75%
	23:30	UK	UK Chancellor of the Exchequer John Healey Presents Budget			
	00:45	CA	Bank of Canada Rate Decision	28 Oct	2.25%	2.25%
	05:00	US	FOMC Rate Decision (Upper Bound)	28 Oct	4.00%	4.0%
Thursday, 29 October	11:00	NZ	ANZ Activity Outlook	Oct		47.90
	11:00	NZ	ANZ Business Confidence	Oct		51.90
	11:30	AU	Export Price Index QoQ	3Q		1.1%
	11:30	AU	Import Price Index QoQ	3Q		5.7%
	23:30	US	Core PCE Price Index YoY	Sep		3.0%
	23:30	US	PCE Price Index YoY	Sep		3.4%
	23:30	US	GDP Annualized QoQ	3Q A	3.5%	2.2%
	00:15	EC	ECB Deposit Facility Rate	29 Oct	2.50%	2.5%
Friday, 30 October	—	JN	BOJ Target Rate	30 Oct	1.25%	1.25%
	08:00	NZ	ANZ Consumer Confidence Index	Oct		97.60
	10:30	JN	Jobless Rate	Sep		2.5%
	10:30	JN	Tokyo CPI Ex-Fresh Food YoY	Oct		2.7%
	10:30	JN	Tokyo CPI YoY	Oct		2.7%
	10:50	JN	Industrial Production YoY	Sep P		2.7%
	10:50	JN	Retail Sales YoY	Sep		2.7%
	11:30	AU	Private Sector Credit YoY	Sep		8.4%
	11:30	AU	PPI YoY	3Q		3.6%
	18:45	FR	CPI EU Harmonized YoY	Oct P		3.4%
	18:45	FR	CPI YoY	Oct P		3.1%
	21:00	EC	GDP SA YoY	3Q A		1.2%
	21:00	EC	Unemployment Rate	Sep		6.4%
	23:30	US	Employment Cost Index	3Q		0.9%
	23:30	CA	GDP YoY	Aug		1.4%
	00:00	GE	CPI EU Harmonized YoY	Oct P		3.3%
	00:00	GE	CPI YoY	Oct P		3.3%
Saturday, 31 October	12:30	CH	Composite PMI	Oct		50.70
Upcoming Central Bank Interest Rate Announcements						Current
	CA	BoC		28 Oct		2.25
	NZ	RBNZ		28 Oct		2.75
	US	Federal Reserve		28 Oct		4.00
	EZ	ECB		29 Oct		2.50
	JN	BoJ		30 Oct		1.25
	AU	RBA		3 Nov		4.60
	UK	BoE		5 Nov		3.75

Sydney Time. Dates reflect 24 hours from 7am.

Key Event Previews

Wednesday

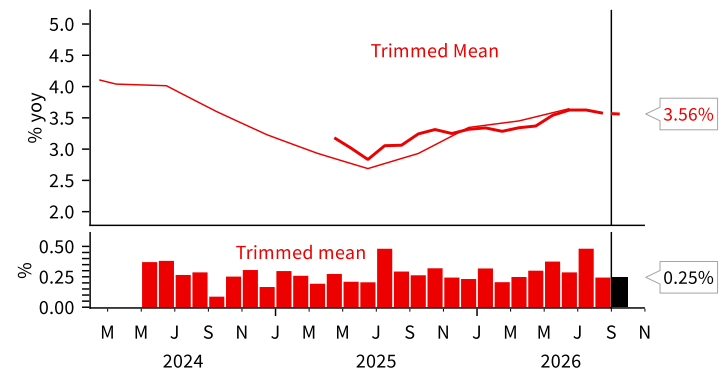
AU CPI (Q3 and September)

We expect Q3 trimmed mean inflation at 1.0% qoq (3.6% yoy), with the risk skewed to a 0.9% qoq outcome. Either outcome would represent a material upside surprise to the RBA's August SoMP forecast of 0.83% qoq. We forecast headline inflation of 1.2% qoq (3.9% yoy) and, with fuel prices remaining elevated, headline inflation is expected to end the year ~70bps higher than August SoMP.

For September monthly CPI, we forecast trimmed mean of 3.6% yoy and headline of 4.2% yoy.

For more information, see: [CPI Preview](#)

Consumer Price Index (Monthly Trimmed Mean)

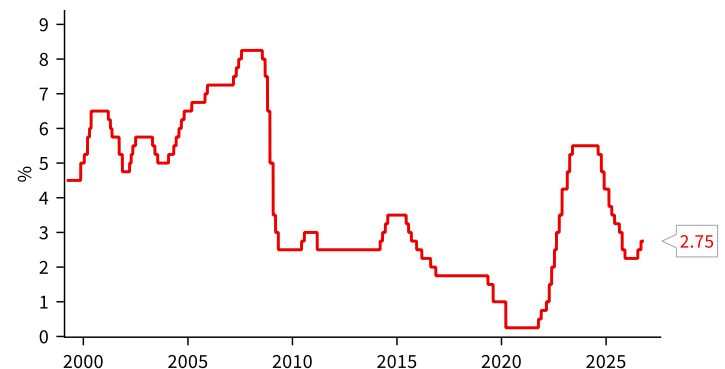


Source: National Australia Bank, Australian Bureau of Statistics

NZ RBNZ Monetary Policy Review

BNZ expect the RBNZ to raise the cash rate by 25bps to 3.00% at the October 28 Monetary Policy Review. A lot has changed since the RBNZ's September Statement: oil prices are much higher than the Bank assumed, and the currency is materially lower than it assumed. This points to inflation in the near term and over the coming year being higher than the Bank projected. Q3 inflation was a touch lower than the Bank expected, but there is evidence of broadening price increases, and core inflation has pushed firmly higher. Growth has outperformed the RBNZ's expectations, and indicators continue to hold up. While growth risks remain plentiful, evidence suggests that, for now at least, they are lower than the Bank might have feared. BNZ believe the Bank will lift its cash rate and should signal there is more to come. Note that no rate track is published in a Monetary Policy Review.

RBNZ Official Cash Rate



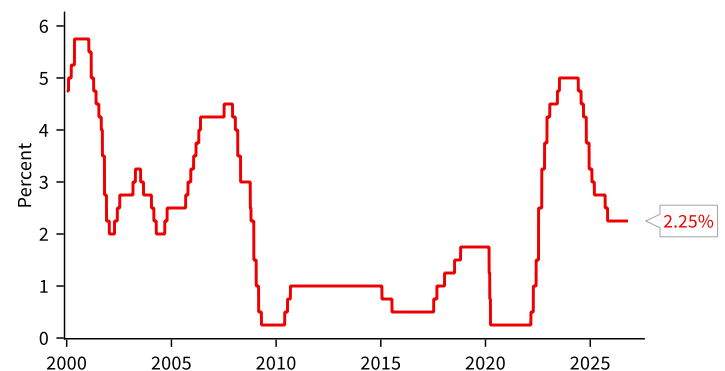
Source: National Australia Bank, Reserve Bank of New Zealand, Macrobond

CA BoC Decision

We expect the BoC to hold at 2.25% but will be listening particularly close attention to any evolution in the tenor of Macklem's communication. The hawkishness of officials' rhetoric has stepped up significantly in recent weeks and reflects the BoC becoming increasingly uncomfortable the oil price settling above USD\$100/bbl.

Despite core inflation remaining remarkably well behaved in recent months (just below 2%), the BoC has been emphatic that it will not allow second-order price impacts to permeate through the Canadian economy. This change in communication has led us to now expect two hikes next year (previously one) and could indicate a central bank now intent on moving policy pre-emptively. This decision also lands with updated economic projections from the BoC.

Bank of Canada Target Overnight Rate



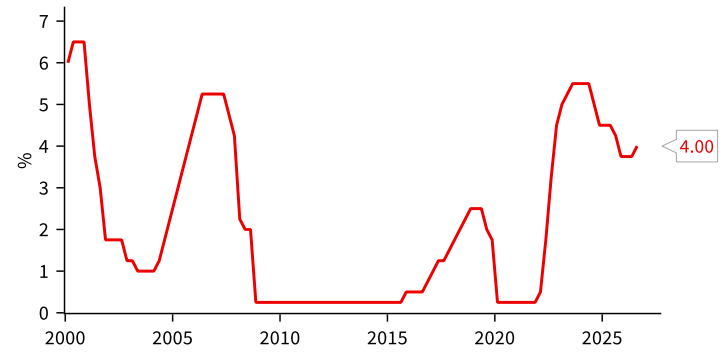
Source: National Australia Bank, Bank of Canada, Macrobond

US FOMC Decision

We expect the Fed to hold at 3.75-4.00%. For this meeting there are no updated FOMC member projections or dot plots, so the signal sits in Warsh's press conference.

Since September's hike many officials have argued that there is no urgency for an immediate follow up move. We still view December as the more likely timing for the next 25bp hike. The September PCE print is arriving Thursday and is looking relatively hot (discussed below) but given market pricing for a hike is currently around 10%, it's unlikely the Fed will feel pressured to make a move next week. However, continued signs of inflationary pressure reinforce the case for a hike in December (which we expect) as well as the risk of another early in 2027.

Fed Funds Target Rate*

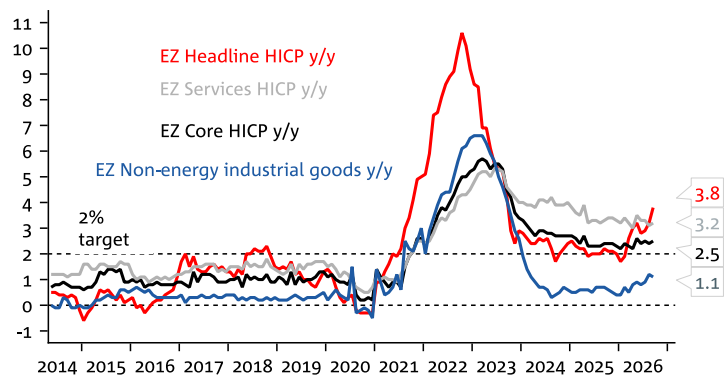


Source: National Australia Bank, Macrobond
Notes: * Top of the target range, end quarter.

Thursday

EU ECB Decision

The ECB meets Thursday but will keep rates on hold at 2.5%. While inflation has risen (see chart), the ECB continues to signal it is not yet seeing evidence of second round effects. Meanwhile the tightening in financial conditions as yields in the EZ rise is providing some offset. Markets price almost zero chance of a move. There are no new economic forecasts until the December meeting when we expect a 25bps rise to 2.75% taking policy into the restrictive area. Markets will be on alert for remarks about the rise in French bond yields, TPI or whether the ECB is considering pausing its passive QT program.



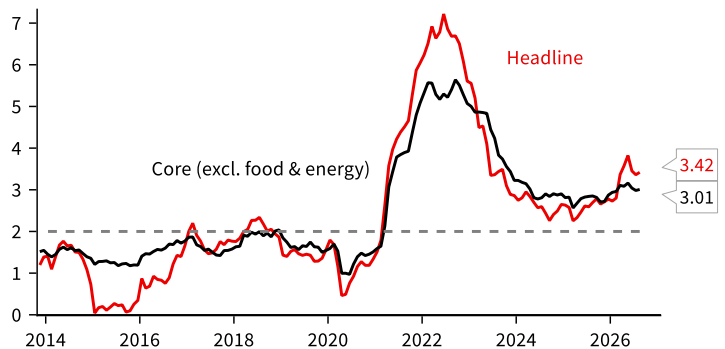
Source: National Australia Bank, Macrobond

US PCE (September)

September's PCE is tracking relatively hot but is scheduled to arrive the day after the Fed's October decision. Analysts are expecting a core reading of at least 0.3% mom, which would produce an annual rate of 3.1% (+0.1ppts from August). These expectations are derived from the CPI and PPI print this month which both overshot expectations. Shelter and goods did the work in CPI, while fares and freight were the PPI culprits.

Real spending in the same release will show whether September cooled after a strong July and August, or Q3 kept the same pace.

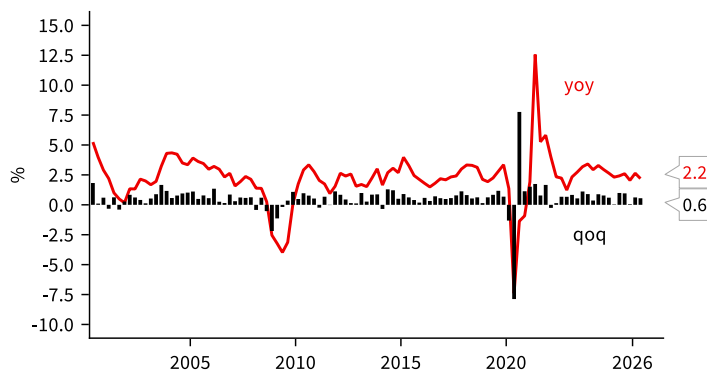
US PCE Inflation



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.

US GDP (Q3)

Q3 **GDP** is tracking around 3.5% annualised after H1 was revised up, with household consumption and business investment leading the way. Equipment and IP spending suggests the AI build-out is still pulling in computers and electronics. However, some of this growth is being leaked out through imports, leaving domestic demand running hotter than the headline. Housing activity remains a soft spot.

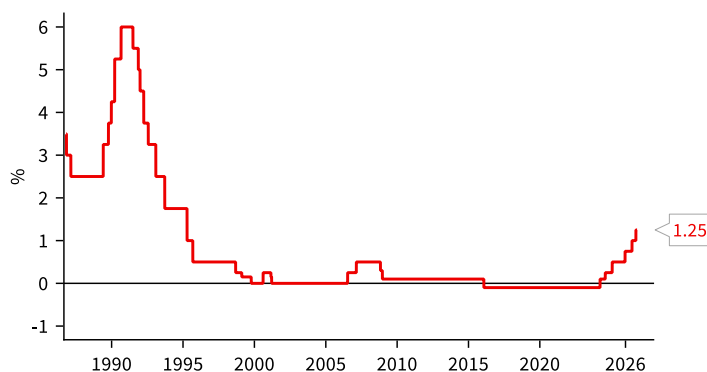
US GDP growth

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

Friday**JP BoJ Decision**

We expect the BoJ to hold at 1.25% with the focus being on any signals coming on the timing of the next hike. With the policy rate below neutral, domestic demand running hot – as indicated by the Q3 TANKAN indicator being at its strongest since 1991 – and wage growth high, the policy trajectory remains clear.

The timing of rate hikes recently has been driven by exchange-rate sensitivity, and a December Fed hike will keep the pressure on the BoJ. We see the next hike coming in December to 1.50%, then again in March, taking the rate to 1.75% toward the middle of estimated neutral.

BOJ Policy Target Rate

Source: National Australia Bank, Bank of Japan (BOJ), Macrobond

Forecasts Tables

See: [Forward View Australia](#)

Economic Forecasts (%)	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2025	2026	2027	2028
Activity										
Private Consumption	0.4	0.4	0.4	0.3	0.2	0.3	2.5	1.5	1.1	1.4
Dwelling Investment	1.5	1.6	1.6	1.5	1.2	0.9	5.2	6.3	3.2	2.6
Underlying Business Investment	7.5	-1.1	1.1	0.8	1.1	0.2	4.2	8.3	2.0	1.9
Public Final Demand	-0.5	0.2	0.4	0.4	0.4	0.4	2.7	0.5	1.6	1.6
Domestic Final Demand	0.9	0.3	0.6	0.5	0.5	0.4	3.0	2.2	1.7	1.9
<i>Inventories (cont.)</i>	-0.1	-0.1	0.0	0.0	0.1	0.0	0.1	-0.2	0.1	0.0
Gross National Expenditure	0.8	0.2	0.6	0.5	0.6	0.4	3.1	2.0	1.8	1.9
<i>Net Exports (cont.)</i>	-0.7	0.1	-0.1	0.0	-0.1	0.0	-0.3	-0.8	-0.1	-0.1
Real GDP	0.3	0.4	0.4	0.3	0.5	0.3	2.6	1.4	1.6	1.8
Nominal GDP	0.6	0.8	0.7	1.0	1.1	0.7	6.2	3.1	3.3	3.0
Labour Market										
Employment (a)	0.5	0.2	0.4	0.3	0.2	0.2	1.1	1.4	1.1	1.7
Unemployment Rate (a)	4.2	4.4	4.6	4.8	4.9	5.0	4.2	4.8	5.0	5.0
Wage Price Index	0.8	0.8	0.8	0.8	0.8	0.8	3.4	3.2	3.2	3.2
Inflation										
Trimmed Mean	0.8	0.8	1.0	0.9	0.8	0.7	3.3	3.6	2.9	2.5
Headline	1.4	0.6	1.2	1.0	0.7	0.6	3.6	4.3	2.8	2.5

Source: ABS; National Australia Bank

Notes: Data are percentage growth rates over the quarter or year, except where specified otherwise; End-period; Shaded area represents NAB forecasts; (a) quarter average.

See: [Global FX Strategist](#)

Exchange Rate Forecasts

	22-Oct	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
Majors						
AUD/USD	0.7017	0.71	0.70	0.69	0.68	0.67
NZD/USD	0.5681	0.58	0.58	0.58	0.59	0.59
USD/JPY	156.8	155	153	151	150	149
EUR/USD	1.1217	1.15	1.15	1.15	1.15	1.15
GBP/USD	1.3396	1.33	1.32	1.31	1.31	1.31
USD/CNY	6.67	6.60	6.50	6.40	6.40	6.40
USD/CAD	1.4008	1.38	1.39	1.38	1.38	1.39
USD/CHF	0.8207	0.83	0.83	0.83	0.83	0.83
Australian Cross Rates						
AUD/NZD	1.24	1.22	1.21	1.19	1.15	1.14
AUD/JPY	110	110	107	104	102	100
AUD/EUR	0.63	0.62	0.61	0.60	0.59	0.58
AUD/GBP	0.52	0.53	0.53	0.53	0.52	0.51
AUD/CNY	4.68	4.69	4.55	4.42	4.35	4.29
AUD/CAD	0.98	0.98	0.97	0.95	0.94	0.93
AUD/CHF	0.58	0.59	0.58	0.57	0.56	0.56

Source: Bloomberg

Interest Rate Forecasts

	22-Oct	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
Australian Rates						
RBA cash rate	4.60	4.60	4.60	4.60	4.35	4.10
3 month bill rate	4.84	4.68	4.68	4.54	4.29	4.20
3 Year Swap Rate	4.85	4.90	4.75	4.55	4.35	4.20
10 Year Swap Rate	5.32	5.30	5.10	4.90	4.70	4.55
Offshore Policy Rates						
US Fed funds	4.00	4.25	4.25	4.25	4.25	4.25
RBNZ OCR	2.75	3.25	3.75	3.75	3.75	3.75
10-year Bond Yields						
Australia	5.25	5.25	5.10	4.90	4.70	4.55
United States	4.95	4.90	4.80	4.75	4.65	4.65
New Zealand	4.91	4.95	4.90	4.90	4.85	4.90

Source: Bloomberg

See: [Global Forward View](#)

Global GDP (year average % change)

	2025	2026	2027	2028
US	2.3	2.4	2.2	2.0
Euro-zone	1.3	1.0	1.2	1.3
Japan	1.2	0.9	1.0	0.8
UK	1.2	1.5	1.0	1.2
Canada	1.9	1.0	1.6	1.6
China	5.0	4.6	4.4	4.4
India	7.6	7.6	6.7	6.6
Australia	2.0	1.4	1.6	1.8
NZ	0.3	2.1	2.3	2.9
Global	3.5	3.2	3.4	3.3

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
Commodity Strategist
+61 3 7035 7039
vince.carse@nab.com.au

Important Notice

This document has been prepared by National Australia Bank Limited ABN 12 004 044 937 AFSL 230686 ("NAB"). Any advice contained in this document has been prepared without taking into account your objectives, financial situation or needs. Before acting on any advice in this document, NAB recommends that you consider whether the advice is appropriate for your circumstances. NAB recommends that you obtain and consider the relevant Product Disclosure Statement or other disclosure document, before making any decision about a product including whether to acquire or to continue to hold it.

Please [click here](#) to view our disclaimer and terms of use.