

Research Markets Outlook

13 April 2026

Growth hit, inflation lift

- **Combined PMI/PSI show growth under pressure**
- **Selected prices to reveal initial surge in fuel costs**
- **Any tweak to Q1 CPI 3.0% y/y forecast?**
- **Q2 CPI inflation looks much higher regardless**
- **Net migration, tourism, ECT data due**

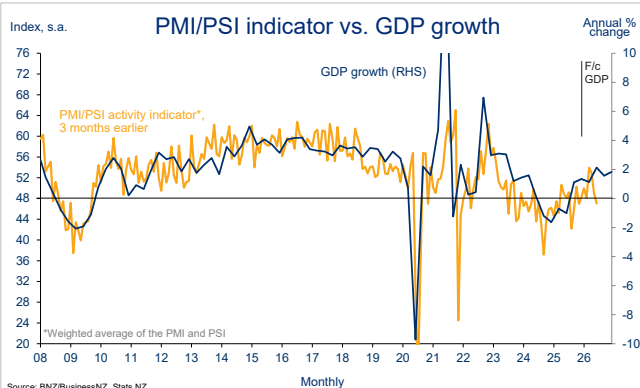
There is currently sharpened focus on high frequency and timely indicators. This is to assess the initial economic hit from the Middle East conflict. The latter continues with escalation over the weekend as US-Iran talks broke down and the US said it will blockade the Strait of Hormuz.

High frequency and timely indicators are also in focus because the RBNZ has said it will be using such information to assess what scope it has to look through higher near-term inflation before needing to lift its cash rate.

We were pleasantly surprised by the strength in last Friday's Performance of Manufacturing Index (PMI) for March. Alas, the same cannot be said for this morning's Performance of Services Index (PSI).

As much as the PMI supported our view that Q1 GDP will prove reasonably robust, the PSI says quite the opposite. Indeed, so poor was the PSI reading that our combined PMI/PSI activity index is suggesting the economy could soon be contracting. While we are not forecasting a recession, these data support our recent decision to significantly downgrade our growth expectations for 2026.

Growth under threat



The RBNZ's KiwiGDP nowcast update last Friday pitched Q1 GDP growth at 0.6% and Q2 GDP at 0.5%. These estimates

have been remarkably steady over recent weeks. While our forecast is close to the Bank's model over that six-month period, the shape is different as we see more growth in Q1 before it sinks to near zero in Q2.

Even with growth under downward pressure, the RBNZ made it quite clear in its policy announcement last week that it is focused on medium term inflation. And the risks there are upwards. The Monetary Policy Committee's (MPC) general discussion was around the timing of any increase in the OCR rather than whether any eventual increase is appropriate.

The Bank said to ensure inflation settles at the 2% midpoint of its target band in the medium term it requires core inflation and wage inflation to remain contained and medium-and-long term inflation expectations to remain around 2%. The Bank went on to say that if these conditions are not met 'decisive and timely increases in the OCR would be required'.

RBNZ Governor Breman's interview on TVNZ over the weekend provided no new policy messages. Regards attributing MPC members' votes alongside policy decisions, the Governor did suggest the Bank is close to announcing its thoughts on any potential changes, so we'll be keeping an eye out for that.

Another weather event in the form of Cyclone Vaianu has been sweeping across northern and eastern parts of the North Island. There have been material impacts for those directly affected. While it does not appear as devastating overall as some previous recent events, it is a reminder of increasing climate cost imposts that the economy faces.

Friday's Selected Prices for March is the key domestic data release over the rest of this week. These will give the final insight into their various segments of Q1 CPI, as well as set the base heading into Q2.

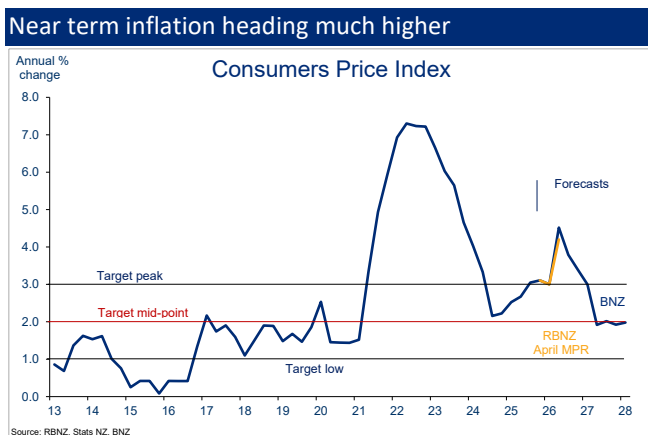
Headlines from Friday's release are likely to be dominated by massive increases in diesel and petrol prices – in the order of 40% m/m and 20% m/m respectively. We are also interested to see how much of the fuel cost pressure and announced airfare increases will come through in the March data.

We think it is too early for sharply higher transport costs to materially show up more broadly in other prices in March – but that is where a lot of interest lies ahead. The so called indirect and second round effects of the oil shock.

Assessing the extent of all price increases is important even if they do not give guidance to core inflation themselves. This is because they can still have influence on inflation expectations that can become self-fulfilling.

We expect food prices to lift 0.2% m/m that would result in annual food price inflation easing slightly. Annual rent inflation is already at its lowest level on record for the month series (back to 2007) and we expect it eased further in March. Material electricity and gas price increases to date have set the base for another firm increase in average prices in Q1 relative to Q4.

The sum of all components will be measured against our current 0.8% q/q and 3.0% y/y pick for Q1 CPI (scheduled for release next Tuesday 21 April, the same day as the QSBO). The RBNZ updated its near-term inflation forecast in its April MPR and is now also expecting 3.0% y/y in Q1. The Bank forecasts 4.2% y/y in Q2.



Our forecasts show price increases in the first quarter being driven by energy and food. Positive contributions are also anticipated from medical products, as the regular prescription subsidy reset occurs, and cigarettes and tobacco influence by excise indexation. Education prices are expected to lift as they tend to do at the start of the academic year, although the lift is expected to be less than usual this year as more students become eligible for final-year free fees.

Subject to Friday’s data for March, our current Q1 CPI views see annual CPI ex food and household energy inflation near Q4’s 2.5%. Our forecasts indicate a lift in this measure in Q2.

Headline inflation is set to go much higher in Q2. We continue to forecast a 4.5% y/y peak in Q2. Any reduction of upside risk from some easing in oil prices last week may

be undone by a bounce back in oil prices after the weekend’s developments in the Middle East.

Our inflation forecasts assume a material drop in fuel prices through Q2 and further declines thereafter.

If fuel prices do not fall meaningfully or if the second-round influences are greater than the modest additions we have made to date, near term inflation will be higher than what we currently project.

Conversely, if fuel prices fall more aggressively than assumed, there is a greater chance that inflation comes in under our forecast depending on other influences.

Other data through the week will be worth a glance too. It starts tomorrow with February’s net migration data where we will be looking to see if there is more evidence of an uptick extending.

Short term visitor number data released at the same time as the migration data and are expected to show strong annual growth, although it is likely to overstate the underlying trend since January’s 4.1% y/y pace understated it due to the timing of Lunar New Year.

Electronic card transactions data for March are expected to show a monthly gain when released on Friday. Higher fuel prices and some reports of more volume being brought is expected to drive a material lift in the dollar value of fuel transactions in the month.

Bringing forward of other spending appears to have offered support to March transactions, although if that is the case it will unwind in due course. This dynamic is another reason to be cautious on Q2 growth, even if Q1 is solid.

REINZ’s housing report for March may also see the light of day before the end of the week. If it does, we would look for reasonable sales and prices going broadly sideways, as has been the recent trends. The commentary may be more interesting than the numbers to get a sense of any buyer apprehension associated with the economic fallout from the Middle East conflict.

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Global Watch

- **No peace deal in the Middle East**
- **China Q1 GDP seen at 4.8% y/y**
- **US PPI and Australian employment data due**
- **Central bankers speak at IMF-World Bank meetings**

Over the weekend, in-person talks between the US and Iran ended without an agreement. US Vice President Vance said Iran would not commit to not seeking a nuclear weapon, marking a setback to efforts to resolve the conflict. In response, President Trump has ordered the US Navy to blockade the Strait of Hormuz.

The IMF/World Bank Spring Meetings and the Semafor World Economy forum both convene in Washington, bringing a dense schedule of central bank appearances including speakers from the Fed, ECB, BoE and RBA, and the IMF's World Economic Outlook Tuesday. The Fed enters its pre-FOMC blackout on Saturday, making this week's speakers the last before the 29 April meeting.

In the US, March PPI (Tuesday) will complete the inputs needed to firm up PCE estimates with CPI already in hand. Sentiment arrives via Empire Manufacturing (Wednesday) and Philadelphia Fed (Thursday) surveys, with March industrial production (Thursday) and the Beige Book (Wednesday) rounding out the activity picture.

UK monthly GDP for February is released Thursday. Stronger services activity should more than offset weaker industrial production for a 0.1% m/m rise after January's disappointing flat outturn.

In Asia, China's Q1 GDP (Thursday) headlines alongside March retail sales and industrial production. March trade data (Tuesday) is also released. In Japan, February machine orders (Wednesday) are due, and BoJ Governor Ueda speaks Monday.

In Australia, the key focus is March employment on Thursday. Our colleagues at NAB expect the unemployment rate to hold at 4.3%, with employment growth of around 25k. Earlier in the week, the NAB Business Survey is on Tuesday, alongside Westpac Consumer Sentiment. RBA speakers include Deputy Governor Hauser Tuesday and Thursday, before Assistant Governor Hunter speaks on Friday.

Key Event Previews

Tuesday

AU Consumer Sentiment (Apr)

The Westpac–Melbourne Institute Consumer Sentiment Index was near the bottom of its 18-month range in early

March. However, responses from the final three days of the survey in March were significantly softer than early responders, setting up the prospect of a bigger drop in the April survey as consumers reckon with the implications of the conflict in the Middle East.

Thursday

AU Labour Force (Mar)

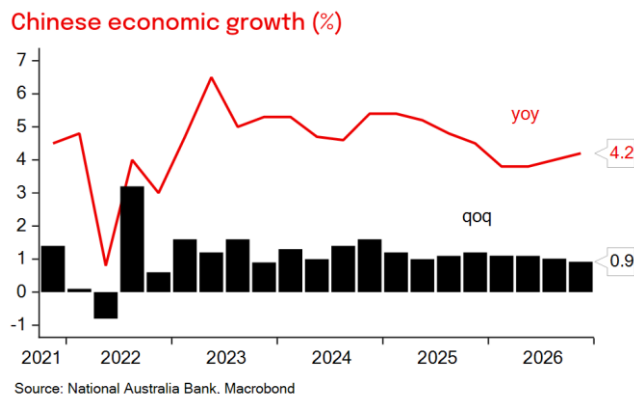
NAB expects the unemployment rate to remain steady at 4.3% in March, with employment growth of 25k (consensus 4.3%/17.8k). While the survey period captures the escalation in the Middle East conflict, it is likely too early to see a response to this reflected in the data.

The RBA continues to assess that the labour market remained tighter than was consistent with full employment. The February SoMP forecast unemployment at 4.3% in Q2, but an unemployment rate that remains at 4.3% sees the RBA place less weight on the risk the labour market was retightening amid a range of indicators that near-term labour demand remained firm.

CH GDP (Q1)

China's Q1 GDP is the key read on whether policy support is gaining traction, with consensus expecting a pickup to 4.8% y/y (1.4% q/q) from Q4's 4.5% pace. The data arrive against the backdrop of elevated energy costs from the Middle East conflict and ongoing trade uncertainty, both of which cloud the outlook for the government's growth ambitions.

March activity data released alongside — including retail sales and industrial production — will add colour, but the GDP headline is what matters for gauging the likelihood of further policy support.



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Fixed Interest Market

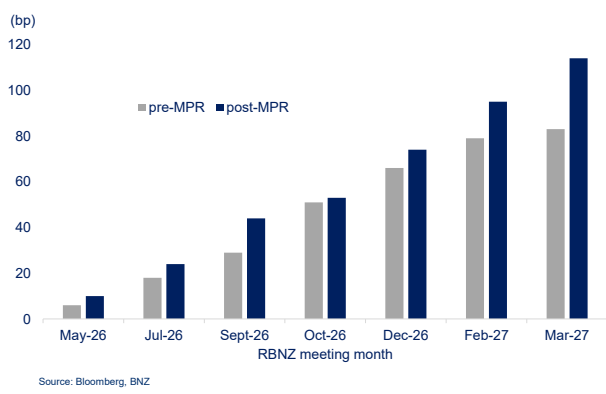
Reuters: BNZL, BNZM Bloomberg:BNZ

NZ swap rates saw further large swings last week, with offsetting drivers flattening the curve. The 2-year swap rate, which had fallen toward 3.30%, rebounded after hawkish undertones in the RBNZ’s Monetary Policy Review (MPR), despite the Official Cash Rate (OCR) being left unchanged at 2.25%. Meanwhile, hopes of a de-escalation in the US-Iran conflict also moved macro markets. Oil prices retraced sharply, contributing to lower yields across global fixed income, including at the longer end of the NZ swap curve.

The RBNZ Monetary Policy Committee stated that leaving the OCR unchanged reflected a trade-off between the potential benefits of a pre-emptive response to heightened medium-term inflation risks and the potential costs of unduly constraining the economic recovery. The Bank communicated a clear tightening bias, noting that the Committee would remain “vigilant” to any generalised inflationary pressures and that “decisive and timely increases in the OCR would be required” if core inflation, inflation expectations, or wage growth were to prove inconsistent with its 2% medium-term target.

Hawkish RBNZ pivot

Cumulative OCR change by RBNZ meeting



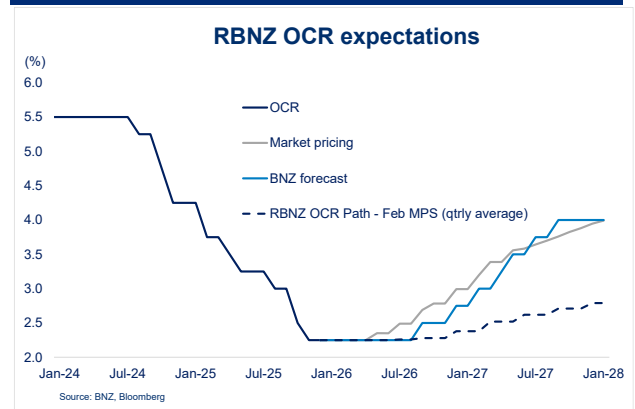
The meeting occurred against a backdrop of elevated financial market volatility. Oil prices fell sharply in the hours ahead of the MPR and this move would not have been reflected in the statement’s tone or accompanying analysis. Nor would the near 2% appreciation in the NZ dollar trade weighted index, which occurred alongside a recovery in risk-sensitive assets. In the accompanying press conference, a newly introduced feature for this MPR, Governor Breman said there could be downside risks to the central bank’s updated inflation forecasts as a result, while also pointing to the uncertain geopolitical backdrop.

The market reacted to the tone of the MPR by pricing a higher probability of near-term tightening (chart above). Overnight index swap pricing implies around a 40% chance of a 25bp hike at the May Monetary Policy Statement and fully prices a 25bp hike by the July MPR. We continue to

forecast that the RBNZ will begin a tightening cycle in September, delivering a total of 50bp of hikes by year-end, while noting the wide range of potential outcomes.

The RBNZ outlined that if the inflation pickup proves temporary, it could move the OCR gradually towards neutral as activity recovers and near-term price pressures ease. However, evidence of material second-round effects - particularly a lift in medium-term inflation expectations - would require a more front-loaded tightening profile. The market has leaned towards the latter scenario. There is scope for 2-year swap rates to retrace - they currently sit around 20bp above levels implied by our projected OCR track.

RBNZ hiking cycle fully discounted by market pricing



The 2y/10y swap curve has flattened to 84bp, the lowest level since mid-last year, and down from a peak near 120bp in January. We expect the curve to flatten through the year as the tightening cycle approaches, although the recent move appears to have overshot relative to the level of outright yields and compared with offshore peers. If we are correct that the market is overpricing the risk of an RBNZ hike over coming meetings, there is scope for the curve to re-steepen in the near term.

Current rates and 1-month range

	Current	Last 4-weeks range*
NZ 90d bank bills (%)	2.54	2.51 - 3.00
NZ 2yr swap (%)	3.50	3.27 - 3.68
NZ 5yr swap (%)	3.98	3.83 - 4.21
NZ 10yr swap (%)	4.34	4.23 - 4.56
2s 10s swap curve (bps)	84	84 - 93
NZ 10yr swap-govt (bps)	-38	-39 - -34
NZ 10yr govt (%)	4.72	4.68 - 4.79
US 10yr govt (%)	4.32	4.17 - 4.48
NZ-US 10yr (bps)	40	29 - 50
NZ-AU 2yr swap (bps)	-117	-132 - -106
NZ-AU 10yr govt (bps)	-25	-32 - -21

*Indicative range over last 4 weeks

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Foreign Exchange Market

Reuters pg BNZFWDS Bloomberg pg BNZ9

Last week, the USD weakened broadly following a US-Iran ceasefire agreement. The NZD received additional support from a more hawkish-than-expected policy update by the RBNZ. As a result, the NZD was the best-performing major currency, rising 2.6% to around 0.5840. While NZD/AUD climbed only slightly to 0.8260, gains on other crosses ranged from 0.6% against GBP to 2.4% against JPY. The new week has begun with some reversal, as US-Iran peace talks broke down over the weekend.

Developments in the Middle East continue to be a primary concern for markets, with risk sentiment improving after President Trump agreed to suspend the bombing of Iran for two weeks, provided Iran immediately and safely reopens the Strait of Hormuz. Trump also expressed optimism about the prospects for long-term peace. However, uncertainties remain due to conflicting reports about what was actually agreed, including whether the deal involved a ceasefire between Israel and Lebanon. Although hostilities eased across much of the region, the Strait of Hormuz remained effectively closed by week's end.

Over the weekend, the US and Iran held face-to-face negotiations in Pakistan, but the talks ended without reaching an agreement. The new week starts with Trump ordering the US Navy to blockade the Strait of Hormuz. If successful, this would eliminate Iran's leverage and cut off its primary funding source. Additionally, a blockade could prompt China to pressure Iran to resolve the conflict. Iran is unlikely to accept this passively, and the question remains as to how much military strength it retains for meaningful retaliation.

While the coming week appears pivotal, we believe the involvement of the US Navy may act as a circuit breaker, potentially clearing the way to reopen the Strait of Hormuz and restore global shipping to normal. Trump is seeking an offramp, and more decisive measures to reopen the Strait could prove effective, in our view.

Previously, we anticipated the NZD would decline each week until the Strait of Hormuz reopened. Although the Strait remains closed, the tail risk of a prolonged closure appears to have lessened considerably. We think there is a reasonable chance that the NZD low (around 0.5680) will not be revisited. Based on this, we are adopting a more constructive outlook for the NZD, seeing it in a bottoming phase this week and expecting a potential recovery later this month that could be sustained through to the end of the quarter.

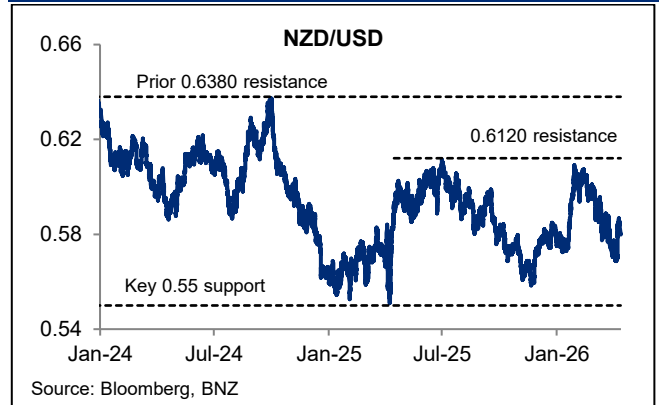
Another significant development last week was the RBNZ policy update. While the decision to keep rates on hold was expected, the rhetoric shifted notably in a more

hawkish direction regarding the policy outlook, even compared to Governor Breman's speech a few weeks earlier. The language used included references to possible "decisive and timely" increases in the OCR, the Committee's vigilance against any generalised inflationary pressure, and its readiness to act to return inflation to its medium-term target.

This led to a repricing of rate hike expectations, with the tightening cycle brought forward. By the end of the week, a rate hike as early as July was nearly fully priced in, and almost three full rate hikes priced by year-end. Higher NZ-global rate spreads supported the NZD. Since the second half of last year, RBNZ policy has been a negative factor for the NZD. NZ's low policy rate seems out of place compared to the US, UK, and Australia, and we see a path over the next 12-18 months for this gap to narrow significantly, which would be positive for the NZD.

In the week ahead, we will closely monitor developments in the Middle East. Key global economic releases include Australian labour market data, China's March and Q1 activity data, and US PPI. There will also be several central bank speakers from the Fed, ECB, and BoE. Domestically, we are interested in NZ's monthly CPI indicators for March.

NZD has entered a bottoming out phase?



Cross Rates and Recent Ranges

	Last wk		
	Current	% chg	Last 3-wks range*
NZD/USD	0.5802	2.6%	0.5680 - 0.5870
NZD/AUD	0.8286	0.1%	0.8190 - 0.8380
NZD/CAD	0.8045	1.8%	0.7920 - 0.8110
NZD/GBP	0.4331	0.6%	0.4300 - 0.4370
NZD/EUR	0.4973	0.8%	0.4920 - 0.5050
NZD/JPY	92.59	2.4%	90.70 - 93.40

*Indicative range over last 3 weeks, rounded

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Technicals

NZD/USD

Outlook: Trading range
 ST Resistance: 0.5870 (ahead of 60)
 ST Support: 0.5580 (ahead of 0.55)

After a strong bounce-back last week, downside risk has moderated and we've nudged up resistance to 0.5870.



NZD/AUD

Outlook: Downside risk
 ST Resistance: 0.87 (ahead of 0.8950)
 ST Support: 0.8230

We leave support at the recent low of 0.8230, with no obvious support level below that.

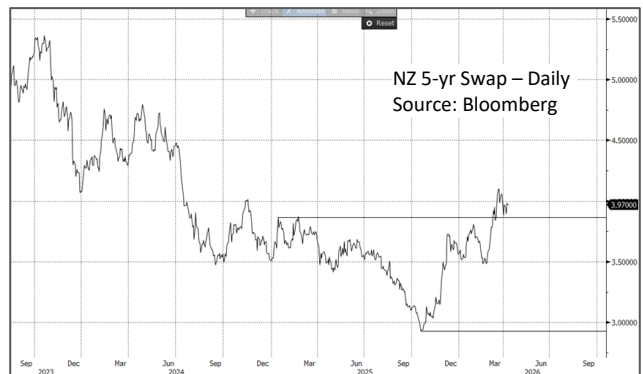


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NZ 5-year Swap Rate

Outlook: Higher
 ST Resistance: 4.85
 ST Support: 3.85

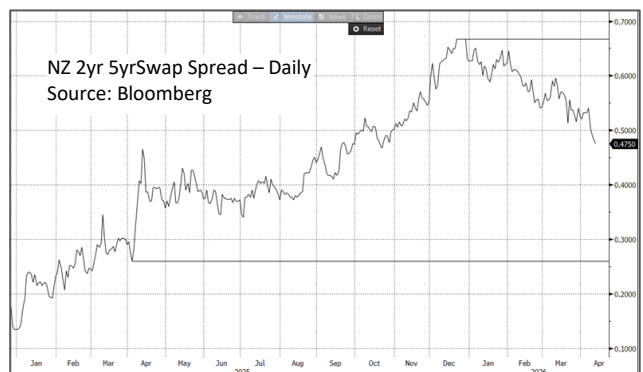
5y swap struggled to rally outright last week, and with the breakdown in negotiations over the weekend the path of least resistance is higher.



NZ 2-year - 5-year Swap Spread (yield curve)

Outlook: Neutral
 ST Resistance: 0.67
 ST Support: 0.26

A change in rhetoric from the RBNZ last week saw the curve flatten last week and it looks to be headed towards our short-term support. It now sits in the middle of our range.



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Quarterly Forecasts

Forecasts as at 13 April 2026

Key Economic Forecasts

Quarterly % change unless otherwise specified

Forecasts

	Jun-25	Sept-25	Dec-25	Mar-26	Jun-26	Sept-26	Dec-26	Mar-27	Jun-27	Sept-27
GDP (production s.a.)	-0.9	0.9	0.2	0.9	0.1	0.3	0.5	0.5	0.6	0.6
Retail trade (real s.a.)	0.8	1.9	0.9	1.2	0.6	0.4	0.5	0.6	0.7	0.8
Current account (ann, % GDP)	-3.7	-3.5	-3.7	-3.7	-3.9	-4.4	-4.7	-4.8	-4.5	-4.1
CPI (q/q)	0.5	1.0	0.6	0.8	2.0	0.3	0.2	0.4	0.9	0.4
Employment	-0.2	0.0	0.5	0.4	0.5	0.5	0.5	0.5	0.5	0.5
Unemployment rate %	5.2	5.3	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4
Pr. avg hourly earnings (ann %)	4.6	4.1	3.5	4.2	3.3	3.3	3.4	3.3	3.2	3.2
Trading partner GDP (ann %)	3.3	3.2	2.5	2.7	2.7	2.8	3.0	2.9	2.8	2.8
CPI (y/y)	2.7	3.0	3.1	3.0	4.5	3.8	3.4	3.0	1.9	2.0
GDP (production s.a., y/y)	-1.0	1.1	1.3	1.1	2.1	1.6	1.8	1.5	1.9	2.2

Interest Rates

Historical data - qtr average
Forecast data - end quarter

	Cash	Government Stock			Swaps			US Rates		Spread
		90 Day	5 Year	10 Year	2 Year	5 Year	10 Year	SOFR	US 10 yr	NZ-US
		Bank Bills						3 month		Ten year
2025 Mar	3.92	3.84	3.99	4.58	3.47	3.71	4.15	4.30	4.45	0.13
Jun	3.33	3.38	3.85	4.55	3.19	3.57	4.10	4.30	4.35	0.19
Sep	3.08	3.09	3.67	4.42	2.99	3.40	3.95	4.20	4.25	0.17
Dec	2.33	2.51	3.54	4.27	2.71	3.26	3.85	3.80	4.10	0.18
2026 Mar	2.25	2.50	3.96	4.52	3.12	3.71	4.15	3.65	4.20	0.33
Forecasts										
Jun	2.25	2.50	3.95	4.75	3.35	3.70	4.35	3.40	4.35	0.40
Sep	2.50	2.75	4.25	4.90	3.70	4.00	4.50	3.15	4.50	0.40
Dec	2.75	3.15	4.35	4.90	3.95	4.15	4.55	3.15	4.50	0.40
2027 Mar	3.25	3.65	4.45	4.90	4.10	4.30	4.60	3.15	4.50	0.40
Jun	3.75	4.05	4.45	4.90	4.15	4.35	4.65	3.15	4.50	0.40
Sep	4.00	4.15	4.35	4.90	4.05	4.30	4.70	3.15	4.50	0.40
Dec	4.00	4.15	4.25	4.90	3.95	4.25	4.75	3.15	4.50	0.40

Exchange Rates (End Period)

USD Forecasts

NZD Forecasts

	NZD/USD	AUD/USD	EUR/USD	GBP/USD	USD/JPY	NZD/USD	NZD/AUD	NZD/EUR	NZD/GBP	NZD/JPY	TWI-17
Current	0.58	0.70	1.17	1.34	160	0.58	0.83	0.50	0.43	92.7	66.2
Forecasts											
Jun-26	0.62	0.72	1.22	1.38	152	0.62	0.86	0.51	0.45	94.2	69.0
Sept-26	0.63	0.73	1.22	1.38	150	0.63	0.86	0.52	0.46	94.5	69.7
Dec-26	0.63	0.73	1.23	1.38	148	0.63	0.87	0.52	0.46	93.8	69.6
Mar-27	0.63	0.72	1.22	1.36	146	0.63	0.88	0.52	0.46	92.0	69.3
Jun-27	0.63	0.71	1.22	1.35	145	0.63	0.89	0.52	0.47	91.4	69.3
Sept-27	0.63	0.71	1.21	1.34	143	0.63	0.89	0.52	0.47	90.1	69.4
Dec-27	0.62	0.70	1.19	1.34	142	0.62	0.89	0.52	0.46	88.0	68.8

TWI Weights

16.2% 17.8% 9.2% 4.0% 4.7%

Source for all tables: Stats NZ, Bloomberg, Reuters, RBNZ, BNZ

Annual Forecasts

Forecasts as at 13 April 2026	March Years					December Years				
	Actuals		Forecasts			Actuals		Forecasts		
	2024	2025	2026	2027	2028	2023	2024	2025	2026	2027
GDP - annual average % change										
Private Consumption	1.1	0.0	1.3	1.2	2.4	1.1	-0.2	1.4	0.9	2.1
Government Consumption	1.1	-1.3	3.4	1.3	-0.5	0.1	-0.9	2.4	2.3	-0.4
Total Investment	-1.1	-4.9	-0.6	4.6	3.7	-0.3	-4.9	-1.5	3.4	4.2
Stocks - pts cont'n to growth	-1.4	0.4	0.4	0.2	-0.1	-1.2	0.4	-0.1	0.6	-0.2
GNE	-0.9	-1.1	1.7	2.1	2.1	-0.7	-1.1	0.8	2.3	2.0
Exports	8.6	3.4	2.6	3.7	3.7	11.5	4.7	2.7	3.8	3.4
Imports	-1.4	1.5	4.8	4.5	2.7	-0.7	1.7	3.4	5.1	2.8
Real Expenditure GDP	1.5	-0.7	0.8	1.8	2.3	2.1	-0.3	0.5	1.6	2.1
GDP (production)	1.8	-0.9	0.6	1.7	2.3	2.2	-0.3	0.2	1.7	2.0
<i>GDP - annual % change (q/q)</i>	<i>1.6</i>	<i>-0.7</i>	<i>1.1</i>	<i>1.5</i>	<i>2.6</i>	<i>1.4</i>	<i>-1.6</i>	<i>1.3</i>	<i>1.8</i>	<i>2.4</i>
Output Gap (ann avg, % dev)	1.3	-0.4	-1.0	-0.7	-0.3	1.4	0.0	-0.9	-0.7	-0.4
Nominal Expenditure GDP - \$bn	417	431	449	474	496	413	427	445	468	491
Prices and Employment -annual % change										
CPI	4.0	2.5	3.0	3.0	2.0	4.7	2.2	3.1	3.4	1.9
Employment	0.9	-0.9	0.7	2.0	2.3	2.7	-1.3	0.2	1.9	2.1
Unemployment Rate %	4.4	5.1	5.4	5.4	5.3	4.0	5.1	5.4	5.4	5.4
Wages - ave. hr. ord. time earnings (private sector)	4.8	3.8	4.2	3.3	3.2	6.6	4.0	3.5	3.4	3.2
Productivity (ann av %)	-0.6	0.1	1.0	0.0	0.2	-0.7	0.1	1.1	0.2	0.0
Unit Labour Costs (ann av %)	6.6	4.4	2.9	3.7	3.0	7.1	4.7	3.0	3.6	3.3
House Prices (stratified, mth)	2.8	-0.6	-0.5	0.0	4.9	0.7	-0.8	-0.3	0.0	4.5
External Balance										
Current Account - \$bn	-23.8	-18.3	-16.5	-22.6	-18.2	-25.8	-20.0	-16.3	-21.9	-19.1
Current Account - % of GDP	-5.7	-4.2	-3.7	-4.8	-3.7	-6.3	-4.7	-3.7	-4.7	-3.9
Government Accounts - June Yr, % of GDP										
OBEGAL ex ACC (core op. balance) (Treasury forecasts)	-2.1	-2.1	-3.0	-2.2	-1.0					
Net Core Crown Debt (ex NZS) (Treasury forecasts)	41.8	41.8	43.3	46.0	46.9					
Bond Programme - \$bn (Treasury forecasts)	39.3	42.6	35.0	34.0	34.0					
Bond Programme - % of GDP	9.4	9.9	7.8	7.2	6.9					
Financial Variables ⁽¹⁾										
NZD/USD	0.61	0.57	0.58	0.63	0.62	0.62	0.57	0.58	0.63	0.62
USD/JPY	150	149	159	146	140	144	154	156	148	142
EUR/USD	1.09	1.08	1.16	1.22	1.18	1.09	1.05	1.17	1.23	1.19
NZD/AUD	0.93	0.91	0.83	0.88	0.89	0.93	0.91	0.87	0.87	0.89
NZD/GBP	0.48	0.44	0.44	0.46	0.47	0.49	0.45	0.43	0.46	0.46
NZD/EUR	0.56	0.53	0.51	0.52	0.53	0.57	0.55	0.49	0.52	0.52
NZD/YEN	91.1	85.4	92.8	92.0	86.8	89.5	88.4	90.3	93.8	88.0
TWI	71.2	67.9	66.8	69.3	68.9	72.0	68.5	66.8	69.6	68.8
Overnight Cash Rate (end qtr)	5.50	3.75	2.25	3.25	4.00	5.50	4.25	2.25	2.75	4.00
90-day Bank Bill Rate	5.64	3.60	2.50	3.65	4.15	5.63	4.26	2.49	3.15	4.15
5-year Govt Bond	4.60	4.00	4.10	4.45	4.15	4.50	3.90	3.90	4.35	4.25
10-year Govt Bond	4.60	4.50	4.65	4.90	4.90	4.65	4.45	4.50	4.90	4.90
2-year Swap	4.91	3.35	3.32	4.10	3.80	4.93	3.53	2.98	3.95	3.95
5-year Swap	4.40	3.65	3.87	4.30	4.15	4.43	3.63	3.61	4.15	4.25
US 10-year Bonds	4.20	4.25	4.25	4.50	4.50	4.00	4.40	4.15	4.50	4.50
NZ-US 10-year Spread	0.40	0.25	0.40	0.40	0.40	0.65	0.05	0.35	0.40	0.40

⁽¹⁾ Average for the last month in the quarter

Source: Statistics NZ, BNZ, RBNZ, NZ Treasury

Key Upcoming Events

All times and dates NZT

	Median	Fcast	Last		Median	Fcast	Last	
Monday 13 April				CH	Used Home Prices MoM Mar		-0.43%	
JN				AU	Employment Change Mar	17.8k	25.0k	48.9k
Tuesday 14 April				AU	Unemployment Rate Mar	4.30%	4.30%	4.30%
EC				CH	GDP SA QoQ 1Q	1.40%		1.20%
UK				CH	GDP YoY 1Q	4.80%		4.50%
US	Existing Home Sales Mar	4.05m	4.09m	CH	Retail Sales YoY Mar	2.40%		
AU	RBA's Hauser Speaks			CH	Industrial Production YoY Mar	5.40%		
US	Fed's Miran Speaks			CH	Fixed Assets Ex Rural YTD YoY Mar	2.00%		1.80%
NZ	Net Migration SA Feb		4460	CH	Surveyed Jobless Rate Mar	5.20%		5.30%
AU	Westpac Consumer Conf Index Apr		91.6	UK	Monthly GDP (MoM) Feb	0.10%		0.00%
AU	NAB Business Confidence Mar		-1	UK	Industrial Production MoM Feb	0.30%		-0.10%
US	NFIB Small Business Optimism Mar	97.9	98.8	EC	Eurozone Inflation Ticker Update			
CH	Trade Balance CNY Mar		637.55b	EC	ECB Account of March Rate Decision			
Wednesday 15 April				Friday 17 April				
US	ADP Weekly Employment Change Mar-28		26.0k	EC	ECB's Schnabel, Lane & Others Speak			
US	PPI Ex Food and Energy MoM Mar	0.40%	0.50%	US	New York Fed Services Business Activity Apr			-22.6
US	PPI Ex Food and Energy YoY Mar	4.10%	3.90%	US	Initial Jobless Claims April-11	214k		219k
UK	BoE's Bailey & Greene Speak			US	Philadelphia Fed Business Outlook Apr	10		18.1
EC	ECB's Lagarde, Lane & Makhlouf Speak			US	Continuing Claims April-4	1805k		1794k
US	Fed's Goolsbee, Barr & Others Speak			US	Fed's Williams & Miran Speak			
JN	Core Machine Orders MoM Feb	-1.00%	-5.50%	US	Manufacturing (SIC) Production Mar	0.10%		0.20%
EC	Industrial Production SA MoM Feb	0.30%	-1.50%	AU	RBA's Hunter Speaks			
Thursday 16 April				UK	BoE's Taylor & Breeden Speak			
US	Fed's Barr & Bowman Speak			NZ	Selected Monthly Price Indexes Mar			
US	Empire Manufacturing Apr	-0.5	-0.2	NZ	Food Prices MoM Mar			-0.10%
US	NAHB Housing Market Index Apr	37	38	NZ	Card Spending Total MoM Mar			1.10%
EC	ECB's Lagarde, Schnabel & Others Speak			EC	Trade Balance SA Feb			12.1b
UK	BoE's Bailey Speaks			Saturday 18 April				
US	Fed Releases Beige Book			UK	BoE's Pill Speaks			
AU	RBA's Hauser Speaks			US	Fed's Barkin & Waller Speak			

Historical Data

	Today	Week Ago	Month Ago	Year Ago		Today	Week Ago	Month Ago	Year Ago
CASH AND BANK BILLS					SWAP RATES				
Call	2.25	2.25	2.25	3.50	2 years	3.51	3.43	3.39	3.15
1mth	2.41	2.43	2.43	3.62	3 years	3.74	3.70	3.67	3.29
2mth	2.48	2.47	2.48	3.56	4 years	3.88	3.85	3.84	3.44
3mth	2.55	2.51	2.53	3.49	5 years	3.98	3.97	3.96	3.60
6mth	2.73	2.68	2.67	3.29	10 years	4.35	4.34	4.38	4.16
GOVERNMENT STOCK					FOREIGN EXCHANGE				
05/28	3.60	3.54	3.50	3.52	NZD/USD	0.5796	0.5711	0.5861	0.5877
05/31	4.24	4.23	4.24	4.17	NZD/AUD	0.8265	0.8256	0.8288	0.9290
04/33	4.45	4.46	4.47	4.50	NZD/JPY	92.63	91.19	93.23	84.05
05/36	4.70	4.73	4.73	4.82	NZD/EUR	0.4969	0.4949	0.5094	0.5177
05/41	5.06	5.11	5.07	5.20	NZD/GBP	0.4329	0.4316	0.4400	0.4456
05/54	5.30	5.35	5.32	5.44	NZD/CAD	0.8039	0.7944	0.8020	0.8153
GLOBAL CREDIT INDICES (ITRXX)					TWI	66.2	65.6	66.7	68.9
Nth America 5Y	56	59	59	71					
Europe 5Y	59	65	63	74					

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