9 November 2026

# No election certainty

- **Coalition more likely to hold power than lose it**
- **But full election result not yet certain**
- **Oil price drop trims near term CPI forecast**
- **RBNZ's Conway to speak**
- **PMI/PSI to indicate pre-election activity pulse**

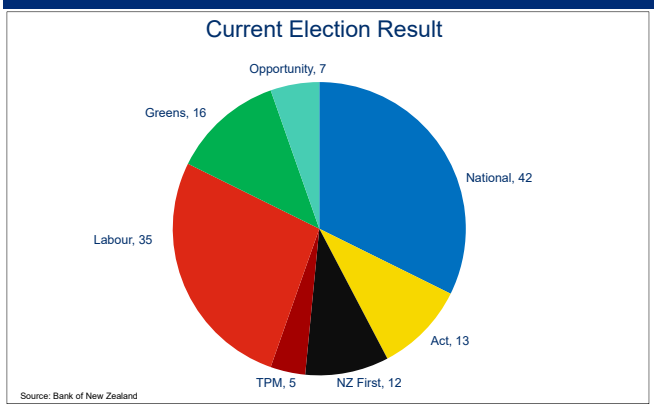
Saturday's election remains too close to call with certainty. However, all things considered, there would seem a substantial chance that the current coalition remains in power. Results on the night show the centre-right hold a narrow lead. But the outcome could change once special votes are counted. Many potential outcomes remain.

Even if the coalition's lead survives the final count and it remains in power, its shape and personnel will be different. A National Party overhang means it will lose some senior cabinet ministers including Finance Minister Nicola Willis.

There will likely be a lot of posturing over coming weeks, but the real discussions of trying to form a government can only truly get underway once the full results are delivered on 27 November. Even then, there is the prospect of recounts in some very close electorate seats that could further delay the result and start of negotiations.

Around 400,000 special votes are still to be counted. While special votes have typically favoured the left, their influence may be less than in the past given National's five-seat overhang. Post-special counts in some individual electorate seats could matter as much for the outcome as any movement in the party vote.

Too close to call for sure



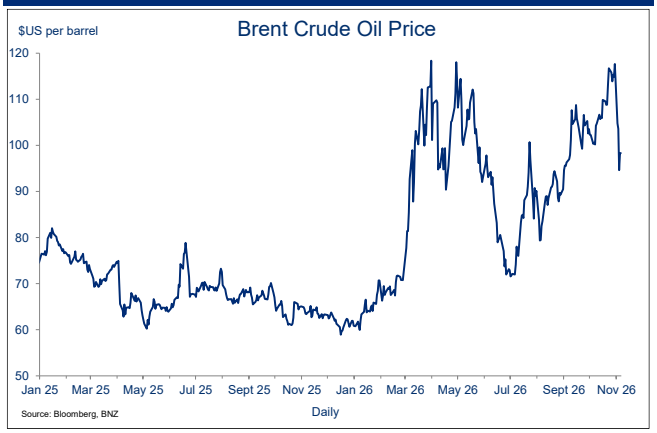

At this point, we don't know for sure which parties will form a government, what policies will survive negotiations, and in what form and when those policies may be implemented.

As it stands, for financial markets the base case is for business as usual, albeit that some may sense a change in risk profile around such things as potential bond supply and RBNZ remit changes. For now, the waiting game begins for the full election outcome, knowing full well that it may be a long wait!

Offshore, some attention last week was on AI-linked gyrations in global equity markets. This will be worth keeping an eye on to see if the dust settles or it turns into a larger rout.

Oil prices retreated meaningfully last week as markets look to progress on de-escalation in the Iran war after the US midterm elections. By the end of last week, Brent crude oil prices were around 12% lower than a week before. Refined crack spreads have also fallen, but, like crude oil, prices remain volatile.

Some relief appearing




Even with a soft NZD, this indicates downward pressure on local fuel prices. As usual, we base our fuel price assumptions off international oil futures prices which then feed into our CPI forecasts.

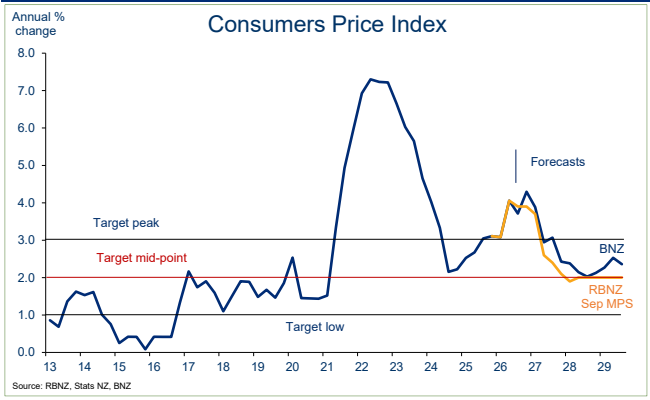
Factoring in the latest moves, sees us nudge our near-term CPI forecasts a couple of ticks lower. Our Q4 CPI annual inflation forecast now sits at 4.3% (from 4.5% previously).

This doesn't alter the fact that core inflation is around 3% and rising. In our view, that remains a bigger issue for the central bank rather than the precise estimate of headline inflation in any given quarter.

We had already factored in some downward adjustment to fuel prices. While the international price moves to date suggest it may occur a little earlier than we had previously pencilled in, the magnitude of the move is similar to our expectations. Looking a year ahead, our pick for annual inflation in Q3 2027 remains at 3.1%.

On currency, the NZ TWI, currently sitting at 63.5%, is tracking around 5% below what the RBNZ had built into its last full set of forecasts at the September MPS. This indicates meaningfully more upward pressure on inflation than the RBNZ had previously factored in.

**Inflation looks like tracking above RBNZ Sept. projections**

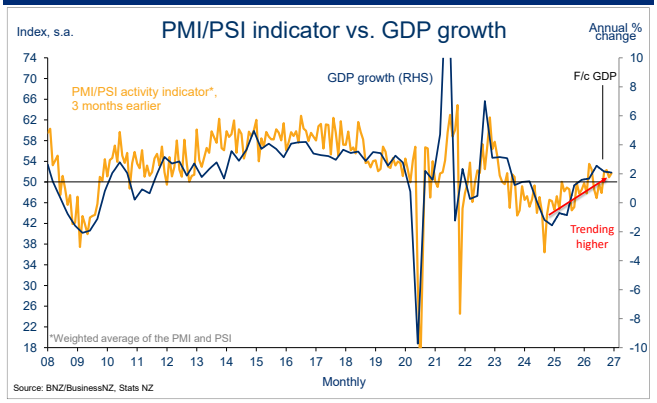



Turning to the week ahead, we will be keeping an ear out for RBNZ Chief Economist Paul Conway's talk at the UBS Australasia Conference in Sydney tomorrow. The speech is titled 'How is the NZ economy tracking? Assessing Economic Conditions in an Uncertain Global Environment' and will be followed by a Q&A session.

The RBNZ have stated that Conway's discussion of monetary policy and the economic outlook will draw solely on published material, including the September MPS and October MPR. Conway voted for a hike at both those meetings. It is possible that re-expression of that independent view and any reporting of it could come across as more hawkish compared to the MPC's decision to hold the OCR steady in October.

On the data front, we will be most interested in Friday's PMI and next Monday's PSI. The combination of the two has been indicating modest economic expansion of around 2% for a while now, while employment has been a bit more subdued especially in the services sector. We will see if that is still the case in the October figures.

**PMI / PSI have been consistent with circa 2% GDP growth**




A bunch of other monthly data will be worth a glance too. In short, we will be looking for:

- October's electronic card transactions on Wednesday to show price-driven increases in fuel spending but with more subdued outcomes across other components.
- Wednesday's Q3 concrete production data to provide guidance on building work in the quarter and whether it supports our expectations of a moderate lift.
- September's migration data on Thursday to affirm a mild uptrend in net annual inflows is continuing, although, as always, historical revisions will have some say in that too.
- September's tourism data to show buoyant annual growth in visitor arrivals that should see the month's arrivals a touch above pre-covid levels.
- REINZ housing data for October that may be released this week. If it does see the light of day this week, we would expect the house price index to still be tracking a bit under year earlier levels and, if regional indicators are anything to go by, further softness in sales activity ahead of the election.

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# Global Watch

- **US CPI expected to lift**
- **BoC minutes and BoJ summary of opinions released**
- **A strong lift in UK GDP expected**

US CPI (Tuesday) is the main data event this week. However, year-end figures will not be published due to the government shutdown in October last year which impacted survey collection. PPI (Friday) and the NFIB Small Business Optimism survey (Tuesday) also arrive. Fed speakers include Paulson on Wednesday, speaking on the economic outlook, and Williams on Friday. Bond markets are closed Wednesday for Veterans Day. Meanwhile, in Canada, the BoC minutes are released Tuesday.

In Australia, the October NAB Business Survey and November Westpac Consumer Confidence are both released on Tuesday in an otherwise quiet week for Australian data. New housing loan commitments are released Wednesday, followed by MI inflation expectations on Thursday. RBA Monetary Policy Board Member Baker speaks on Thursday.

In Asia, China's CPI, PPI (Monday), trade (Tuesday), and credit data are the main prints this week. As the year's largest online shopping event, Singles' Day (Wednesday) will also be watched given the backdrop of a weak household sector. In Japan, BoJ summary of opinions and household spending land on Tuesday ahead of machine tool orders on Wednesday and PPI on Thursday.

In Europe, it's a light data week, with the second reading of Q3 GDP on Friday, alongside the September trade balance. The ECB Economic Bulletin is released Thursday. UK Q3 GDP is also due Thursday and looks set to rise by a strong 0.7% q/q, with risks to the upside. UK September trade deficit is also released. BoE's Bailey speaks Monday.

## Key Event Previews

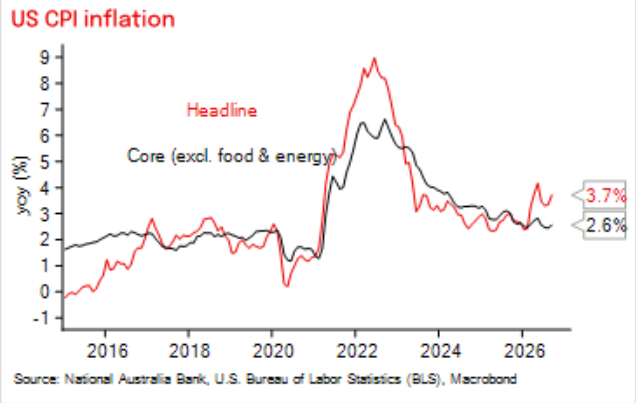
### Tuesday

**US CPI**

The early consensus is for a 0.3% m/m rise in core CPI in October, in line with the two previous months, indicating inflation remains high. Year-ended growth rates for headline and core CPI will not be published this month due to last year's government shutdown.

The release will be keenly watched for any gauge of an outsized spillover of input price pressures to the broader economy. As always, the focus will be on the CPI components that feed through to the Fed's preferred PCE measure, which Friday's PPI will also inform.

Fed officials have continued signalling the likelihood of a December hike over the past week, stressing that price stability will not be achieved without further monetary tightening. NAB expect a hike in December, with the risk of another in Q1.




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# Fixed Interest Market

**Reuters: BNZL, BNZM Bloomberg:BNZ**

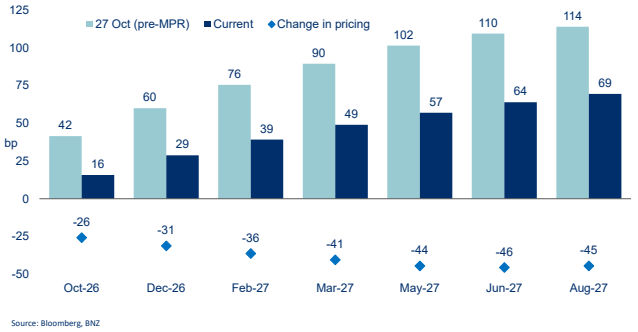
NZ rates extended their rally last week as weak Q3 labour market data, a slump in oil prices and softer global risk appetite pulled yields lower. The 2-year swap rate fell to around 3.70%, about 40bp lower than before the October Monetary Policy Review (MPR). The move has been broadly parallel. From their late-September highs, the 2-, 5- and 10-year swaps are all around 45–50bp lower, with the 5-year back towards 4.00% and the 10-year around 4.35%. This has left the 2y/5y swap curve little changed at around 30bp, close to its lows for the year.

Offshore, Treasuries rallied after the US midterm elections. The Democrats' sweep of both houses of Congress has raised expectations that the administration will seek a diplomatic exit from the conflict with Iran, and the geopolitical risk premium in oil prices has decreased. Dated Brent is around US$96 a barrel, down from US$121 before the MPR and a peak near US$136 in early October. The market has pared expectations for Fed hikes, and divided government may constrain tax and spending plans that had raised Treasury supply concerns.

NZ Q3 labour market data were weak. Employment fell 0.1% and the unemployment rate rose to a 13-year high of 5.7%, despite lower participation. Private-sector wages rose 0.5% in the quarter, leaving annual growth at just 2.1%, well below inflation, and underutilisation of 13.8% points to contained wage growth. For the RBNZ, lower oil prices reduce the risk of second-round inflation effects, although the Q3 rise in core inflation warrants continued caution.

## Around 40bp of RBNZ hikes priced out since the MPR

**Cumulative OCR change meeting**




Source: Bloomberg, BNZ

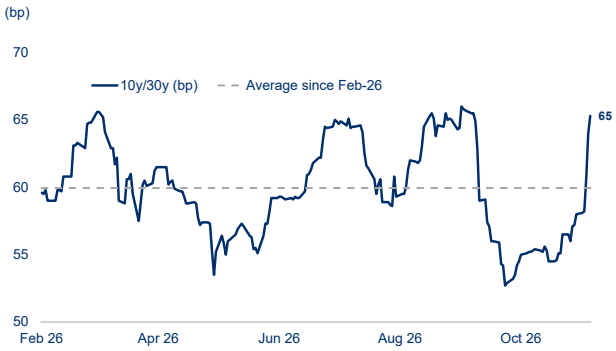
This has prompted a sharp repricing of the OCR outlook. Before the October MPR, OIS priced a near-certain 25bp hike at that meeting and an OCR of around 3.90% by September 2027. After the hold and last week's data, the market prices about a 65% chance of a 25bp hike at the 9 December MPS, roughly 50bp of hikes by May and an OCR of around 3.50% by September 2027. That is around 40bp less tightening from mid-2027 (see chart).

We doubt the general election will have much impact on NZ rates. The outcome remains close and could take some time to resolve, but with no larger swing to the left than the polls had suggested, any premium priced for a larger borrowing programme appears to have eased. At the margin, that should help bonds outperform swaps, a view we have held for some time.

Pricing has swung to the dovish side of our baseline OCR forecast, implying a slower, stop-start hiking cycle with a lower peak than we expect. The 2-year swap is now about 10bp below our central fair value of 3.80%, having been around 30bp above it before the MPR. As flagged in last month's *Outlook for Borrowers*, we think current levels are attractive to top up interest rate cover. The 5-year swap is at the bottom of our expected 4.00–4.50% range and, with the 2y/5y curve around 30bp, extending cover is cheap. Oil and risk appetite are the key risks - a rebound in either could reverse part of the rally.

## NZGB 10y/30y curve back at the top of its range

**NZGB 10-year/30-year curve**




Source: BNZ, Bloomberg. Generic NZGB yields (GTNZD10Y, GTNZD30Y).

In the NZGB market, the 10y/30y curve has steepened back to the top of its 2026 range, at around 65bp. Most of the move has come in recent sessions, while the US 10y/30y Treasury curve has steepened by 20bp since late September. But after adjusting for 10-year NZGB yields and Australian and US curves, our regression models suggest the NZ curve is around 5bp too steep.

The curve tends to steepen as yields fall, so a further rally is a risk, but we see value in positioning for a flatter curve at current levels. Long-end supply is limited and should tighten further now that NZ Debt Management has cut weekly tender sizes. The remaining syndication this fiscal year will be a tap of the May-2034 green bond, leaving only small, sporadic ultra-long tender parcels in coming months. Total issuance into the two longest NZGB maturities could fall short of the already modest NZ$900m issued in FY2026.

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# Foreign Exchange Market

**Reuters pg BNZWFWDS Bloomberg pg BNZ**

A combination of broad USD strength and lower risk appetite drove commodity currencies lower last week. NZD/USD fell about 1½% to close the week below 0.5550, after trading just below 0.5530, its lowest level since the post-Liberation Day selloff in April last year. NZD/AUD rose 0.8% to 0.8075 following a dovish hike by the RBA. The NZD was weaker on the other key crosses, making fresh multi-year lows against GBP, CAD and CNY, while the TWI traded at a fresh 15-year low.

The US midterm elections delivered a Democratic sweep of Congress, a result that cascaded across every major asset class, with the AI/tech trade at the epicentre of the fallout. Investors feared tighter regulation of the AI industry and a slowdown in data-centre investment. Oil prices plunged as fears of another US military assault on Iran after the midterms faded, with VP Vance blaming the Iran war for the beating dealt to the Republican Party.

A gridlocked government (Democrats controlling Congress and a Republican president) is widely perceived to be marginally negative for the USD, via a smaller fiscal impulse, lower growth and lower Treasury yields. However, for commodity currencies, the AI-related fallout and the associated fall in risk appetite dominated the reaction. Our risk appetite index fell as low as 54%, near the late-March lows recorded at the height of fear during the US-Iran conflict.

NZ labour market data were weaker than expected, with a surprising 0.1% fall in employment in Q3 alongside downward revisions. Annual growth of 0.7% fell well short of the consensus estimate of 1.6%. The outcome defied a number of leading indicators that had pointed to improved employment growth. Weaker employment fed through to the unemployment rate, which surprisingly ticked higher to 5.7%, a fresh cycle high. NZ rates fell after the release, and the market pared the extent of tightening priced into the curve for the year ahead, contributing to the weaker NZD.

As widely anticipated, the RBA raised its cash rate for the fifth time this year, by 25bps to 4.85%, its highest level in 18 years, showing off its inflation-fighting credentials. However, the hike carried dovish overtones, and a consensus developed that the RBA is probably done tightening for the cycle, which helped support NZD/AUD. Meanwhile, the Bank of England lifted its policy rate by 25bps to 4.0%, its first hike in more than three years, and struck a hawkish tone, contributing to further weakness in NZD/GBP.

Following the NZ general election, the centre-right coalition clearly is in the box seat to form the next government, although there is a non-zero chance that the counting of special votes will make that job more difficult. Our pre-election view remains unchanged: the outcome of the election is immaterial to the path of the NZD.

NZD/USD is trading close to the bottom of the 0.55-0.60 range we envisaged for Q4 when we set our end-Q4 target at 0.5750. The 0.55 level remains a key multi-year support level that we are watching closely. It was briefly breached at the height of the COVID panic in 2020, and briefly breached during the post-Liberation Day turmoil in 2025.

The difference this time is that the RBNZ's easy policy stance remains a key driver of NZD weakness. We don't see NZ's weaker labour market report changing the broad direction of NZ monetary policy, but it offers succour to the doves on the MPC, who are inexplicably not being influenced by NZ's uncomfortably high inflation backdrop. NZ monetary conditions have eased substantially since the RBNZ's surprising decision to hold policy in late October, adding to upside inflation pressure. A central bank that deliberately accommodates high inflation (BoJ-style) is a recipe for a weaker currency, and that is playing out in textbook fashion for the NZD.

With that policy backdrop in mind, there is no guarantee that the 0.55 level will hold on any near-term test. Low NZ interest rates relative to peer central banks remain an invitation for traders to short the NZD and ride the train of positive carry. On a more positive note, we suspect the chance of the US-Iran conflict being resolved is higher with the flip in the US Congress. We would see a significant fall in oil prices as ostensibly USD-negative, helping supporting risk appetite and the NZD/USD.

In the week ahead, key global economic releases include US CPI and PPI inflation data, UK Q3 GDP, and China inflation and trade data. The Fed's Waller and Williams, BoE Governor Bailey and the RBA's Hunter will all speak, among others. Domestically, RBNZ Chief Economist Conway will speak on the economy, which is of some interest to the market given he was in the minority favouring a rate hike at the RBNZ's October meeting. NZ's PMI for October will be released at the end of the week.

Cross Rates and Recent Ranges

| | Current | Last wk %chg | Last 3-wks range* |
|---|---|---|---|
| NZD/USD | 0.5566 | -1.6% | 0.5530 - 0.5710 |
| NZD/AUD | 0.8098 | 0.8% | 0.7940 - 0.8130 |
| NZD/CAD | 0.7867 | -0.5% | 0.7790 - 0.8020 |
| NZD/GBP | 0.4170 | -1.3% | 0.4140 - 0.4280 |
| NZD/EUR | 0.4997 | -1.3% | 0.4960 - 0.5120 |
| NZD/JPY | 88.17 | -1.0% | 87.50 - 90.30 |

*Indicative range over last 3 weeks, rounded

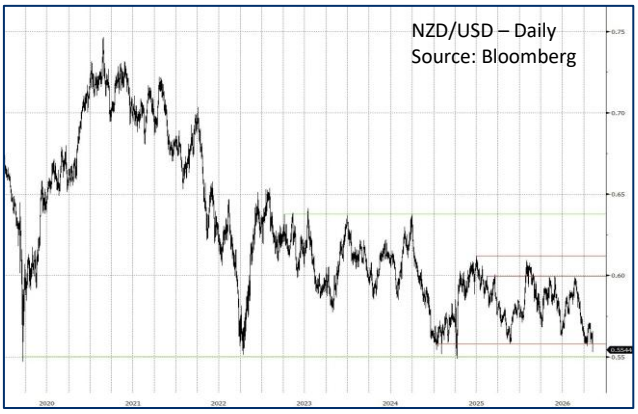
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# Technicals

**NZD/USD**

Outlook: Downside risk
ST Resistance: 0.60 (ahead of 0.6120)
ST Support: 0.55 (ahead of 0.5470)

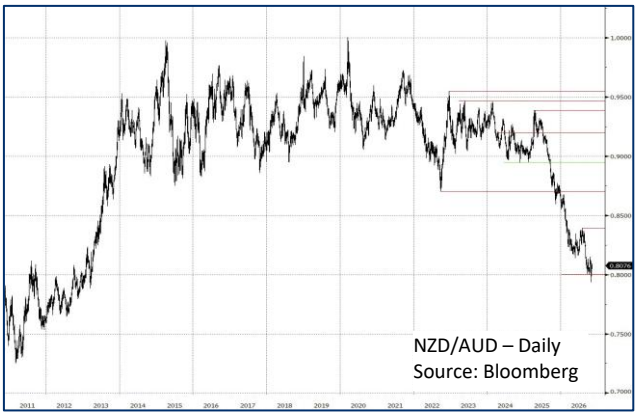
The NZD is looking technically vulnerable as it edges closer to key support of 0.55.




**NZD/AUD**

Outlook: Downside risk
ST Resistance: 0.84 (ahead of 0.87)
ST Support: 0.7935

Tentative support remains at the recent 13-year low of 0.7935, with no obvious support level below that.




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**NZ 5-year Swap Rate**

Outlook: Lower
ST Resistance: 4.10
ST Support: 3.48

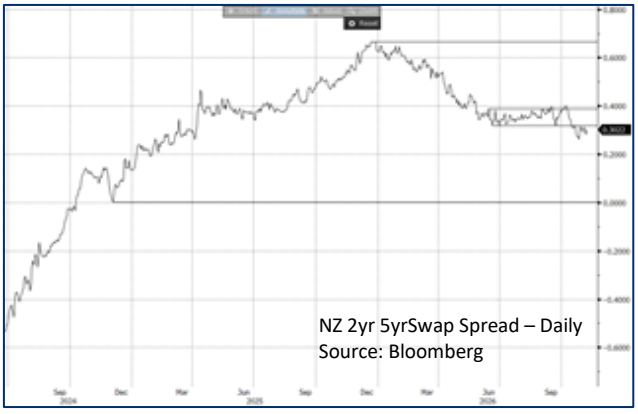
5-year swap broke support last week with ease. The next level is 3.48%, but we will be watching it closely at the 4% level it closed at last week. The outlook is still for a lower rate.




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

Outlook: Lower
ST Resistance: 0.32
ST Support: 0

2s5s curve consolidated just below our previous channel, failing to steepen back above it. The outlook remains for a flatter curve.




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# Quarterly Forecasts

**Forecasts as at 9 November 2026**

## Key Economic Forecasts

*Quarterly % change unless otherwise specified*

| | Jun-25 | Sept-25 | Dec-25 | Mar-26 | Jun-26 | Sept-26 | Dec-26 | Mar-27 | Jun-27 | Sept-27 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Forecasts | | | | |
| **GDP (production s.a.)** | -0.6 | 0.9 | 0.5 | 0.9 | 0.2 | 0.5 | 0.4 | 0.6 | 0.7 | 0.7 |
| **Retail trade (real s.a.)** | 0.7 | 2.0 | 0.8 | 1.0 | -0.5 | 0.9 | 0.2 | 0.6 | 0.7 | 0.8 |
| **Current account (ann, % GDP)** | -3.6 | -3.1 | -3.0 | -3.0 | -3.2 | -3.7 | -4.4 | -4.7 | -4.6 | -4.5 |
| **CPI (q/q)** | 0.5 | 1.0 | 0.6 | 0.9 | 1.5 | 0.7 | 1.2 | 0.5 | 0.6 | 0.8 |
| **Employment** | -0.2 | 0.1 | 0.4 | 0.1 | 0.3 | -0.1 | 0.5 | 0.5 | 0.6 | 0.7 |
| **Unemployment rate %** | 5.2 | 5.3 | 5.4 | 5.4 | 5.6 | 5.7 | 5.5 | 5.5 | 5.4 | 5.3 |
| **Pr. avg hourly earnings (ann %)** | 4.6 | 4.1 | 3.5 | 3.5 | 3.0 | 2.6 | 2.7 | 3.3 | 2.7 | 3.2 |
| **Trading partner GDP (ann %)** | 3.4 | 3.2 | 3.3 | 3.6 | 3.2 | 2.9 | 2.8 | 2.8 | 2.8 | 2.9 |
| **CPI (y/y)** | 2.7 | 3.0 | 3.1 | 3.1 | 4.1 | 3.7 | 4.3 | 3.9 | 2.9 | 3.1 |
| **GDP (production s.a., y/y)** | -0.9 | 1.2 | 1.6 | 1.7 | 2.6 | 2.2 | 2.1 | 1.7 | 2.2 | 2.4 |

## Interest Rates

| *Historical data - qtr average* | | Government Stock | | | Swaps | | | US Rates | | Spread |
|---|---|---|---|---|---|---|---|---|---|---|
| *Forecast data - end quarter* | Cash | 90 Day Bank Bills | 5 Year | 10 Year | 2 Year | 5 Year | 10 Year | SOFR 3 month | US 10 yr | NZ-US Ten year |
| **2025** **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 |
| **Jun** | 2.25 | 2.62 | 4.11 | 4.61 | 3.48 | 3.89 | 4.25 | 3.65 | 4.40 | 0.19 |
| **Sep** | 2.58 | 2.98 | 4.24 | 4.77 | 3.72 | 4.08 | 4.45 | 3.85 | 4.75 | 0.02 |
| **Forecasts** | | | | | | | | | | |
| **Dec** | 3.00 | 3.50 | 4.35 | 4.95 | 3.95 | 4.20 | 4.65 | 4.15 | 4.90 | 0.05 |
| **2027** **Mar** | 3.50 | 3.90 | 4.30 | 4.90 | 3.95 | 4.20 | 4.65 | 4.15 | 4.80 | 0.10 |
| **Jun** | 3.75 | 4.00 | 4.20 | 4.90 | 3.90 | 4.15 | 4.70 | 4.15 | 4.75 | 0.15 |
| **Sep** | 3.75 | 4.00 | 4.15 | 4.85 | 3.85 | 4.10 | 4.65 | 4.15 | 4.65 | 0.20 |
| **Dec** | 3.75 | 4.00 | 4.15 | 4.90 | 3.80 | 4.10 | 4.70 | 4.15 | 4.65 | 0.25 |
| **2028** **Mar** | 3.75 | 3.85 | 4.10 | 4.85 | 3.75 | 4.05 | 4.65 | 3.90 | 4.60 | 0.25 |

## Exchange Rates (End Period)

### USD Forecasts

| | NZD/USD | AUD/USD | EUR/USD | GBP/USD | USD/JPY |
|---|---|---|---|---|---|
| **Current** | 0.56 | 0.69 | 1.11 | 1.34 | 158 |
| **Forecasts** | | | | | |
| **Dec-26** | 0.58 | 0.71 | 1.15 | 1.33 | 155 |
| **Mar-27** | 0.58 | 0.70 | 1.15 | 1.32 | 153 |
| **Jun-27** | 0.58 | 0.69 | 1.15 | 1.31 | 151 |
| **Sept-27** | 0.59 | 0.68 | 1.15 | 1.31 | 150 |
| **Dec-27** | 0.59 | 0.67 | 1.15 | 1.31 | 149 |
| **Mar-28** | 0.60 | 0.68 | 1.14 | 1.30 | 148 |
| **Jun-28** | 0.61 | 0.69 | 1.14 | 1.30 | 147 |

### NZD Forecasts

| | NZD/USD | NZD/AUD | NZD/EUR | NZD/GBP | NZD/JPY | TWI-17 |
|---|---|---|---|---|---|---|
| **Current** | 0.56 | 0.81 | 0.50 | 0.42 | 88.1 | 63.5 |
| **Forecasts** | | | | | | |
| **Dec-26** | 0.58 | 0.81 | 0.50 | 0.43 | 89.1 | 64.8 |
| **Mar-27** | 0.58 | 0.82 | 0.50 | 0.44 | 88.0 | 64.8 |
| **Jun-27** | 0.58 | 0.84 | 0.50 | 0.44 | 87.6 | 65.3 |
| **Sept-27** | 0.59 | 0.87 | 0.51 | 0.45 | 88.5 | 66.7 |
| **Dec-27** | 0.59 | 0.88 | 0.51 | 0.45 | 87.9 | 66.9 |
| **Mar-28** | 0.60 | 0.88 | 0.53 | 0.46 | 88.8 | 68.0 |
| **Jun-28** | 0.61 | 0.88 | 0.54 | 0.47 | 89.7 | 69.0 |
| **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 9 November 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 | 1.3 | 0.1 | 1.3 | 1.1 | 2.3 | 1.1 | 0.3 | 1.0 | 1.1 | 1.9 |
| Government Consumption | 1.1 | -1.4 | 3.7 | 0.3 | 1.0 | 0.1 | -1.0 | 2.4 | 2.0 | 0.3 |
| Total Investment | -1.2 | -5.0 | 0.2 | 5.5 | 3.7 | -0.4 | -4.9 | -1.2 | 4.6 | 4.2 |
| Stocks - ppts cont'n to growth | -1.4 | 0.4 | 0.3 | 0.1 | 0.1 | -1.2 | 0.4 | -0.1 | 0.4 | 0.0 |
| GNE | -0.9 | -1.0 | 1.9 | 1.8 | 2.4 | -0.8 | -0.9 | 0.7 | 2.3 | 2.1 |
| Exports | 8.4 | 3.0 | 4.1 | 6.9 | 3.4 | 12.0 | 3.6 | 4.3 | 6.6 | 3.8 |
| Imports | -1.5 | 0.7 | 6.3 | 3.9 | 2.6 | -0.8 | 1.1 | 3.7 | 6.1 | 2.2 |
| Real Expenditure GDP | 1.5 | -0.5 | 1.3 | 2.5 | 2.6 | 2.2 | -0.2 | 0.7 | 2.6 | 2.4 |
| **GDP (production)** | **1.8** | **-0.9** | **0.9** | **2.1** | **2.6** | **2.2** | **-0.3** | **0.3** | **2.1** | **2.3** |
| *GDP - annual % change (q/q)* | *1.5* | *-0.7* | *1.7* | *1.7* | *3.0* | *1.4* | *-1.6* | *1.6* | *2.1* | *2.8* |
| Output Gap (ann avg, % dev) | 1.2 | -0.5 | -1.0 | -0.5 | 0.0 | 1.4 | -0.1 | -1.1 | -0.4 | -0.2 |
| Nominal Expenditure GDP - $bn | 417 | 432 | 452 | 474 | 499 | 413 | 428 | 446 | 468 | 493 |
| **Prices and Employment** -annual % change | | | | | | | | | | |
| CPI | 4.0 | 2.5 | 3.1 | 3.9 | 2.4 | 4.7 | 2.2 | 3.1 | 4.3 | 2.4 |
| Employment | 0.9 | -0.9 | 0.3 | 1.2 | 2.8 | 2.7 | -1.3 | 0.1 | 0.8 | 2.6 |
| Unemployment Rate % | 4.4 | 5.2 | 5.4 | 5.5 | 5.0 | 4.0 | 5.1 | 5.4 | 5.5 | 5.1 |
| Wages - ave. hr. ord. time earnings (private sector) | 4.8 | 3.8 | 3.5 | 3.3 | 3.2 | 6.6 | 4.0 | 3.5 | 2.7 | 3.2 |
| Productivity (ann av %) | -0.6 | 0.1 | 1.4 | 1.5 | 0.3 | -0.7 | 0.0 | 1.3 | 1.6 | 0.5 |
| Unit Labour Costs (ann av %) | 6.6 | 4.4 | 2.3 | 1.5 | 2.9 | 7.0 | 4.7 | 2.8 | 1.4 | 2.7 |
| House Prices (stratified, mth) | 2.7 | -0.7 | 0.2 | -2.4 | 3.2 | 0.7 | -0.8 | -0.3 | -1.8 | 2.0 |
| **External Balance** | | | | | | | | | | |
| Current Account - $bn | -23.3 | -19.0 | -13.7 | -22.3 | -17.4 | -24.8 | -20.9 | -13.5 | -20.6 | -19.4 |
| Current Account - % of GDP | -5.6 | -4.4 | -3.0 | -4.7 | -3.5 | -6.0 | -4.9 | -3.0 | -4.4 | -3.9 |
| **Government Accounts** - June Yr, % of GDP | | | | | | | | | | |
| OBEGAL ex ACC (core op. balance) (Treasury forecasts) | -2.1 | -2.1 | -1.9 | -1.4 | -0.2 | | | | | |
| Net Core Crown Debt (ex NZS) (Treasury forecasts) | 41.7 | 41.8 | 40.9 | 43.7 | 43.9 | | | | | |
| Bond Programme - $bn (Treasury forecasts) | 39.3 | 42.6 | 35.0 | 30.0 | 28.0 | | | | | |
| Bond Programme - % of GDP | 9.4 | 9.9 | 7.8 | 6.3 | 5.6 | | | | | |
| **Financial Variables** [1] | | | | | | | | | | |
| NZD/USD | 0.61 | 0.57 | 0.58 | 0.58 | 0.60 | 0.62 | 0.57 | 0.58 | 0.58 | 0.59 |
| USD/JPY | 150 | 149 | 159 | 153 | 148 | 144 | 154 | 156 | 155 | 149 |
| EUR/USD | 1.09 | 1.08 | 1.16 | 1.15 | 1.14 | 1.09 | 1.05 | 1.17 | 1.15 | 1.15 |
| NZD/AUD | 0.93 | 0.91 | 0.83 | 0.82 | 0.88 | 0.93 | 0.91 | 0.87 | 0.81 | 0.88 |
| NZD/GBP | 0.48 | 0.44 | 0.44 | 0.44 | 0.46 | 0.49 | 0.45 | 0.43 | 0.43 | 0.45 |
| NZD/EUR | 0.56 | 0.53 | 0.51 | 0.50 | 0.53 | 0.57 | 0.55 | 0.49 | 0.50 | 0.51 |
| NZD/YEN | 91.1 | 85.4 | 92.8 | 88.0 | 88.8 | 89.5 | 88.4 | 90.3 | 89.1 | 87.9 |
| TWI | 71.2 | 67.9 | 66.8 | 64.8 | 68.0 | 72.0 | 68.5 | 66.8 | 64.8 | 66.9 |
| Overnight Cash Rate (end qtr) | 5.50 | 3.75 | 2.25 | 3.50 | 3.75 | 5.50 | 4.25 | 2.25 | 3.00 | 3.75 |
| 90-day Bank Bill Rate | 5.64 | 3.60 | 2.50 | 3.90 | 3.85 | 5.63 | 4.26 | 2.49 | 3.50 | 4.00 |
| 5-year Govt Bond | 4.60 | 4.00 | 4.10 | 4.30 | 4.10 | 4.50 | 3.90 | 3.90 | 4.35 | 4.15 |
| 10-year Govt Bond | 4.60 | 4.50 | 4.65 | 4.90 | 4.85 | 4.65 | 4.45 | 4.50 | 4.95 | 4.90 |
| 2-year Swap | 4.91 | 3.35 | 3.32 | 3.95 | 3.75 | 4.93 | 3.53 | 2.98 | 3.95 | 3.80 |
| 5-year Swap | 4.40 | 3.65 | 3.87 | 4.20 | 4.05 | 4.43 | 3.63 | 3.61 | 4.20 | 4.10 |
| US 10-year Bonds | 4.20 | 4.25 | 4.25 | 4.80 | 4.60 | 4.00 | 4.40 | 4.15 | 4.90 | 4.65 |
| NZ-US 10-year Spread | 0.40 | 0.25 | 0.40 | 0.10 | 0.25 | 0.65 | 0.05 | 0.35 | 0.05 | 0.25 |

[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 |
|---|---|---|---|---|
| | **Monday 09 November** | | | |
| CH | PPI YoY Oct | 5.30% | | 5.00% |
| CH | CPI YoY Oct | 0.80% | | 0.90% |
| EC | Sentix Investor Confidence Nov | 2 | | 2.7 |
| CH | New Yuan Loans CNY YTD Oct | 11620.0b | | 11520.0b |
| CH | Aggregate Financing CNY YTD Oct | 28958.0b | | 27460.0b |
| | **Tuesday 10 November** | | | |
| US | Fed Bowman, Goolsbee Speak | | | |
| US | Wholesale Trade Sales MoM Sep | | | 1.80% |
| US | NY Fed 1-Yr Inflation Expectations Oct | 3.79% | | 3.90% |
| EC | ECB's Cipollone Speaks | | | |
| US | Fed's Barkin Speaks | | | |
| UK | BOE Governor Bailey Speaks | | | |
| AU | Westpac Consumer Conf Index Nov | | | 80.4 |
| JN | Household Spending YoY Sep | -3.00% | | -3.10% |
| JN | BOJ Summary of Opinions | | | |
| JN | BoP Current Account Balance Sep | ¥3373.3b | | ¥4062.0b |
| JN | Trade Balance BoP Basis Sep | -¥225.8b | | -¥687.7b |
| NZ | RBNZ Conway Speaks | | | |
| AU | NAB Business Confidence Oct | | | -13 |
| EC | ECB's Sleijpen Speaks | | | |
| UK | BOE's Breeden Speaks | | | |
| US | Fed's Waller Speaks | | | |
| CH | Exports YoY Oct | 36.00% | | 36.30% |
| CH | Imports YoY Oct | 33.20% | | 31.00% |
| CH | Trade Balance Oct | $125.80b | | $133.53b |
| | **Wednesday 11 November** | | | |
| UK | BOE's Lombardelli Speaks | | | |
| US | ADP Weekly Employment Change Oct - 24 | | | 16.750k |
| US | CPI MoM Oct | 0.30% | | 0.60% |
| EC | ECB's Cipollone Speaks | | | |
| US | Fed's Logan, Schmid, Bowman, Paulson Speak | | | |
| EC | ECB's Lane, Escriva Speak | | | |
| CA | BOC Ssummary of Deliberations | | | |
| UK | BOE Pill Speaks | | | |
| AU | Home Loans Value QoQ 3Q | -8.00% | | -5.20% |
| EC | ECB's Lagarde, Nagel, Cipollone, Kazaks Speaks | | | |

| | | Median | Fcast | Last |
|---|---|---|---|---|
| | **Thursday 12 November** | | | |
| NZ | Card Spending Total MoM Oct | | | -0.50% |
| NZ | Net Migration SA Sep | | | 1530 |
| JN | PPI YoY Oct | 6.50% | | 6.80% |
| AU | Consumer Inflation Expectation Nov | | | 5.30% |
| UK | GDP YoY 3Q P | 1.90% | | 1.40% |
| UK | Exports QoQ 3Q P | | | 2.80% |
| UK | Imports QoQ 3Q P | | | 0.00% |
| UK | Total Business Investment QoQ 3Q P | -0.30% | | 1.80% |
| UK | Monthly GDP MoM Sep | 0.00% | | 0.10% |
| UK | Industrial Production YoY Sep | 2.80% | | 1.60% |
| UK | Manufacturing Production YoY Sep | 3.80% | | 3.00% |
| UK | Construction Output YoY Sep | -2.00% | | -1.80% |
| UK | Index of Services MoM Sep | 0.00% | | 0.00% |
| UK | Trade Balance GBP/Mn Sep | -£2100m | | -£920m |
| EC | ECB Economic Bulletin | | | |
| JN | BOJ Asada Speaks | | | |
| | **Friday 13 November** | | | |
| CA | Building Permits MoM Sep | -4.10% | | 8.80% |
| US | Initial Jobless Claims November - 4 | 195k | | 189k |
| US | Fed's Hammack, Barr Speak | | | |
| US | Existing Home Sales MoM Oct | -3.50% | | 1.50% |
| EC | ECB's Largarde, Vujcic, Nagel Speak | | | |
| US | Fed's Williams, Goolsbee, Daly, Schmid Speak | | | |
| NZ | BusinessNZ Manufacturing PMI Oct | | | 56.5 |
| EC | ECB's Sleijpen, Simkus, Schnabel, Zigman Speak | | | |
| EC | GDP SA YoY 3Q S | 1.30% | | 1.30% |
| EC | Trade Balance SA Sep | | | -6.8b |
| EC | Employment YoY 3Q P | | | 0.50% |
| CH | BoP Current Account Balance 3Q P | | | $193.7b |
| | **Saturday 14 November** | | | |
| CA | Manufacturing Sales MoM Sep | 0.10% | | 1.50% |
| CA | Wholesale Sales ex Petroleum MoM Sep | 0.50% | | -1.60% |
| US | PPI Final Demand YoY Oct | 6.60% | | 6.30% |
| US | PPI Ex Food and Energy YoY Oct | 5.00% | | 5.00% |
| US | PPI Ex Food, Energy, Trade YoY Oct | | | 5.00% |
| US | Fed's Collins, Bowman, Daly, Jefferson Speak | | | |

# Historical Data

| | Today | Week Ago | Month Ago | Year Ago |
|---|---|---|---|---|
| **CASH AND BANK BILLS** | | | | |
| Call | 2.75 | 2.75 | 2.75 | 2.50 |
| 1mth | 2.91 | 2.91 | 3.02 | 2.52 |
| 2mth | 3.01 | 3.03 | 3.12 | 2.46 |
| 3mth | 3.11 | 3.14 | 3.22 | 2.47 |
| 6mth | 3.32 | 3.37 | 3.44 | 2.46 |
| **GOVERNMENT STOCK** | | | | |
| 05/28 | 3.57 | 3.73 | 3.82 | 2.83 |
| 05/31 | 4.12 | 4.29 | 4.46 | 3.50 |
| 04/33 | 4.36 | 4.53 | 4.72 | 3.84 |
| 05/36 | 4.67 | 4.82 | 5.02 | 4.23 |
| 05/41 | 5.06 | 5.18 | 5.37 | 4.71 |
| 05/54 | 5.33 | 5.40 | 5.57 | 5.01 |
| **GLOBAL CREDIT INDICES (ITRXX)** | | | | |
| Nth America 5Y | 61 | 63 | 58 | 52 |
| Europe 5Y | 63 | 64 | 63 | 55 |

| | Today | Week Ago | Month Ago | Year Ago |
|---|---|---|---|---|
| **SWAP RATES** | | | | |
| 2 years | 3.71 | 3.90 | 4.00 | 2.54 |
| 3 years | 3.83 | 4.03 | 4.16 | 2.73 |
| 4 years | 3.93 | 4.12 | 4.27 | 2.90 |
| 5 years | 4.01 | 4.20 | 4.36 | 3.06 |
| 10 years | 4.38 | 4.52 | 4.72 | 3.67 |
| **FOREIGN EXCHANGE** | | | | |
| NZD/USD | 0.5544 | 0.5617 | 0.5588 | 0.5646 |
| NZD/AUD | 0.8073 | 0.8025 | 0.8029 | 0.8639 |
| NZD/JPY | 87.86 | 88.72 | 88.61 | 87.03 |
| NZD/EUR | 0.4977 | 0.5020 | 0.5008 | 0.4885 |
| NZD/GBP | 0.4153 | 0.4189 | 0.4230 | 0.4286 |
| NZD/CAD | 0.7834 | 0.7856 | 0.7979 | 0.7916 |
| TWI | 63.4 | 63.9 | 63.7 | 65.7 |

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