16 November 2026

PMI/PSI indicate growth

- **Post-election limbo period continues**
- **PMI/PSI growth supportive**
- **Electronic card transactions dip**
- **October's Selected Prices to guide Q4 CPI thoughts**
- **RBNZ's Breman, Conway to speak**
- **RBNZ's Financial Stability Report due tomorrow**
- **Inflation expectations data due**

There's nothing quite like a global computer system outage and a halt to aircraft flying in the US to provide stark reminders of how dependent we all are on communication and transportation.

The outage of Microsoft's outlook and related software, and a separate communications issue with the US's air traffic control system caused massive disruption for many over recent days. Thankfully, both events were of relatively short duration, and regular operations are being restored.

The cost of disruption could be significant for those heavily affected but contained if these events are one off in nature as seems to be the case.

This week's NZ data is already underway with the Performance of Services Index (PSI) for October released this morning. It extended its move higher. At 51.7, it is emerging from a prolonged period of weakness.

Combined with last week's solid Performance of Manufacturing Index (PMI) at 54.9, the results firmly support the notion of ongoing economic recovery.

The positive PMI/PSI October results are arguably better than they look given the headwinds of political uncertainty prevailing ahead of the 7 November election, recent interest rate hikes, and resurgent fuel prices through September and October.

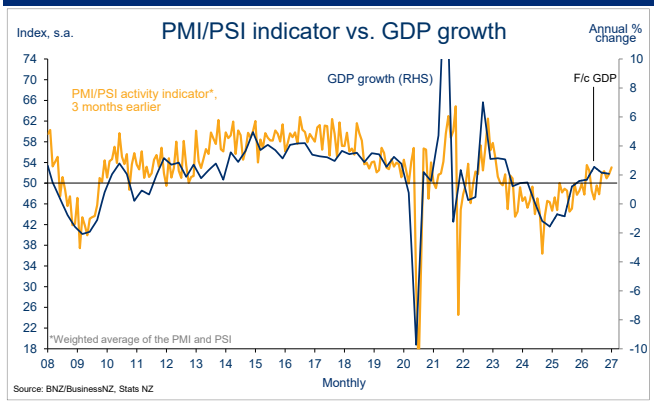
This suggests there is room for further improvement if the clear drop in fuel prices underway in November extends, as the drop in global prices indicate is possible, and when the current period of post-election political limbo clears.

On the latter, the next key date is 27 November when the final election results are released after which the real negotiations to form the next government can get underway.

In addition to the usual lag between activity and employment growth, election uncertainty may have also been a factor in the PMI/PSI employment components not showing as much strength as their new orders and production/sales counterparts.

The robust PMI and PSI activity indicators are consistent with our forecast of around 2% GDP growth in 2026. It is reasonable growth although it remains uneven with other indicators mixed. Last week's strong visitor arrival numbers were also growth supportive while softer Q3 employment, concrete production, and October's electronic card transactions (ECT) provide a counterweight.

Growth positive

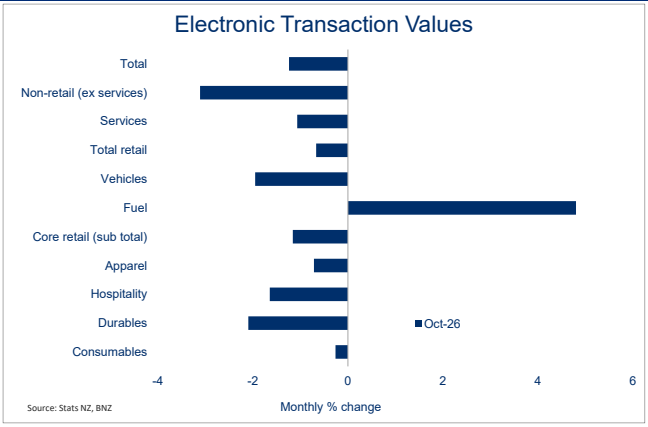


We are unsure what to make of the drop in October's electronic card transactions – it has been a poor guide to retail sales for more than a year now. And October's move was in direct contrast to increases in our own card transaction values as well as those of other major banks.

One thing that was clear is the influence of higher fuel prices on spending in the month. According to the ECT data, fuel transactions rose 4.8% m/m in October as soaring prices commanded more of households' purse. Higher fuel expenditure leaves less to spend elsewhere, with all other components falling in the month.

We see the ECT data as a reason to remain cautious on expectations of household spending in Q4, as we have been for some time. That said, transaction values may bounce back a bit in November with fuel prices now falling meaningfully and the likelihood that Black Friday sales continue to reconfigure spending patterns into years' end. We will have to wait longer for a bounce from election uncertainty, if indeed it had any part to play in the recent dip.

Fuel dominates October card transactions



October's Selected Prices data tomorrow will provide the first monthly indicator for Q4 inflation. Tomorrow's data is expected to show sizable monthly gains in petrol and diesel prices. In contrast, we have pencilled in a 0.5% m/m dip for food prices as part of their normal seasonal decline. We also expect some seasonal monthly decline in airfares.

Rents are again expected to be subdued, although we will be looking for any signs of upward pressure in the details given the hints of this occurring in some other indicators.

All components will be assessed for their implications for Q4 CPI. We currently forecast Q4 annual inflation at 4.3% which is a tick lower and not meaningfully different from what the RBNZ expected at the time of its October MPR. Our Q4 CPI estimate includes material declines in fuel prices in November and December as indicated by recent moves in spot and future oil prices.

The RBNZ releases its Financial Stability Report (FSR) tomorrow – the bank's semi-annual assessment of the soundness and efficiency of the NZ financial system with risk identification a key part. The full report will be released at 9am, with a press conference scheduled for 1pm.

Monetary policy is not a focus of the FSR. However, the release provides a platform for the RBNZ Governor Breman to make comments if she chooses to do so. Intended or otherwise, comments from RBNZ officials at the FSR press conference often have folk inferring monetary policy implications.

RBNZ Governor Breman also speaks Thursday to the Institute of Directors Auckland Branch in a fireside chat followed by a Q&A session. The event will not be livestreamed and the RBNZ has said discussion of monetary policy and the economic outlook will draw solely on published material, including the October Monetary Policy Review (MPR).

Those looking for any update on the Governor's thinking for an OCR hike in December OCR hike, as was indicated as highly likely back in October, might be disappointed. But we will be all ears, nonetheless.

RBNZ Chief Economist Conway is also scheduled to talk on Thursday, twice, both with a Q&A session. Like the Governor's talk, the events will not be livestreamed and will also draw on material from the October MPR.

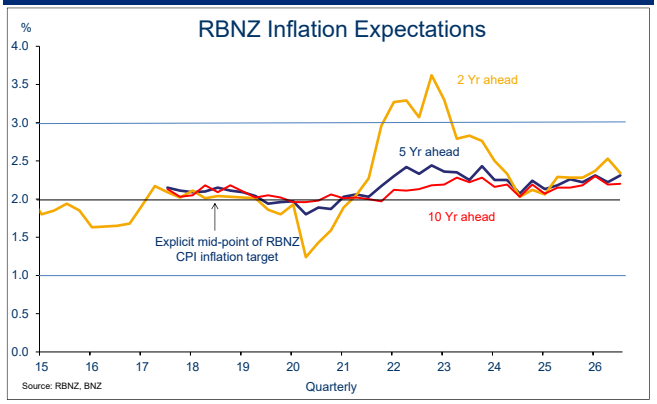
While drawing on the October MPR material, the Governor and the Chief Economist may emphasis different components of it given that the former voted for a hold at the October meeting and the latter a hike.

When speaking last week, Conway certainly sounded hawkish. Interestingly, when asked whether knowing the Q3 labour market data in advance would have changed his vote to hold in October, he said no. While several factors can change opinions, it suggests that at least that data wouldn't stand in the way for him wanting to hike in December.

Conway also pointed out his concern for inflation expectations, specifically mentioning the 5-year and 10-year ahead measures, describing them as above 2%. He is watching them heading into the December meeting.

The latest RBNZ Survey of Expectations data are due for release tomorrow afternoon. As well as the usual attention on the 2-year ahead measure, there may now be a bit more focus on the 5-year and 10-year ahead measures. The previous quarter's readings for these respective measures were 2.34%, 2.31%, and 2.20%.

Inflation expectations 'above 2%'



It is not clear which way these will move. A lower Q3 CPI reading may exert some downward influence, while resurgent fuel costs as the survey was being completed could push things the other way.

Also of note is that the survey was completed before the October MPR when there were widespread expectations that the RBNZ was going to lift its cash rate at that meeting. Respondent's inflation expectations may have been different had they known that the Bank was not going to lift the OCR in October.

The RBNZ's Household Expectations Survey is to be published on Friday. Although household inflation expectations are less closely followed, they will be worth a look as will household's perception of current inflation. We remain of the opinion that the likes of household purchasing power and consumer confidence is unlikely to materially improve until inflation comes down.

Q3 business price indexes, including producer price indexes, are due out on Wednesday. These are not closely followed either given they are released well after the CPI for the quarter, but we will have a look to see if we can glean any signal on margin movement amid likely significant commodity price noise.

Very early Wednesday morning brings the latest GDT dairy auction. Indicators are mixed, with the recent theme of positive milk powder prices and soggy milkfat prices looking likely again. The current overall price level looks supportive of a strong Fonterra milk price this season. Our current forecast is $10/kgMS with the balance of risk tilted higher.

October merchandise trade data is due on Thursday. We expect the annual trade deficit to continue widening as fuel-driven import value growth outpaces still decent, primary sector-driven, export value growth.

Also on the trade front, over the weekend it appears the ongoing US investigation into its lamb imports will move into its next stage. There is a way to go yet, but it could result in higher tariffs on NZ lamb exports to the US, so it is worth keeping an eye on. NZ sheepmeat exports to the US totalled around $750m in the year to September 2026, accounting for about 14% of NZ's total sheepmeat exports.

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Global Watch

- **Aus unemployment expected to hold steady**
- **APEC Economic Leaders' Meeting held mid-week**
- **FOMC minutes, eurozone and Japan CPI also a focus**

Australian labour market data will be a key focus this week, with Q3 Wage Price Index (WPI) on Wednesday and October employment data out Thursday. NAB expect employment growth of +20k and the unemployment rate to hold at 4.7%. The WPI is expected to rise 1.0% q/q (3.4% y/y), lifted by a large minimum wage increase. RBA minutes will be released Tuesday following Governor Bullock participating in a panel that morning. MPB member Fry-McKibbon also appears on a panel on Friday. If any board member is inclined to say anything monetary-policy relevant, Fry-McKibbon would be a good prospect, even though the panel is on 'the Role of Research in Policy'.

In Asia, the APEC Economic Leaders' Meeting is held in Shenzhen Wednesday and Thursday. US, China and Russia Presidents are expected to attend. Elsewhere, Japan's preliminary Q3 GDP data on Monday is expected to rise 0.1% q/q ahead of October CPI on Friday. Industrial production (Monday) and trade data (Wednesday) also arrive. In China, monthly activity data including retail sales, fixed asset investment and industrial production land Monday.

FOMC October minutes are released Wednesday but predate the strong October CPI and the run of hawkish Fed speakers since. Fed speakers continue this week, including Warsh (Monday) and several appearances from Williams and Hammack. In US data, retail sales and industrial production are both released Tuesday. Nvidia earnings on Tuesday will be notable given Jensen Huang's departure last week. In Canada, CPI (Monday) and BoC's Gravelle speaking on Wednesday are the events worth noting.

In Europe, final October inflation data (Wednesday), Q3 labour costs (Thursday) and Q3 negotiated wages (Friday) are the key data to watch. The latter is expected to be benign at 2.6%. There are eight ECB speeches this week, including Lagarde on Friday. In the UK, September average earnings and labour market data (Tuesday) are followed by October inflation on Wednesday and a UK-EU 'reset' summit Friday. Expectations are for headline CPI to be unchanged at 3.5%, core CPI to soften one tick to 2.7%, and services CPI to also remain unchanged at 3.7%. However, headline CPI is expected to rise above 4% in 2027. BOE's Governor Bailey speaks on Wednesday followed by Dhingra Thursday.

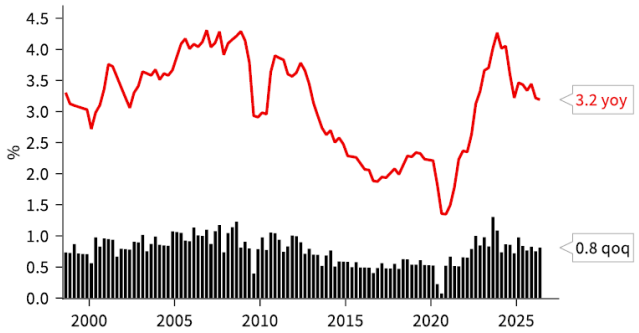
Key Event Previews

Wednesday

AU Wage Price Index

NAB expect a 1.0% q/q (3.4% y/y) rise in Q3 WPI, in line with consensus and the RBA's November SoMP. The higher quarterly outcome driven is driven by a 4.75% increase in the minimum wage which will contribute around 10bps more than last year's outcome. Additional support is expected from public sector wages, driven by a pay level adjustment for the NSW Nurses and Midwives Award.

Wage Price Index Growth



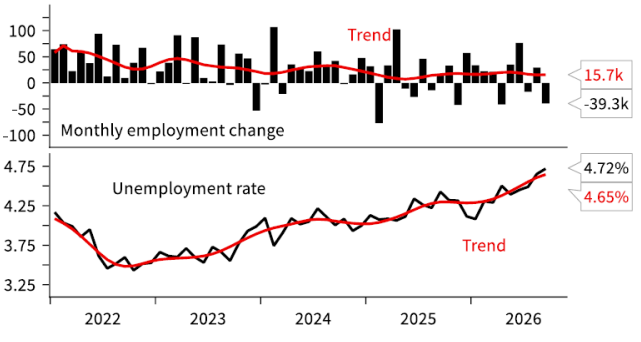
Source: National Australia Bank, Australian Bureau of Statistics, Macrobond

Thursday

AU Labour Force

NAB expect the unemployment rate to remain unchanged at 4.7% in October, alongside employment growth of +20k. September's soft print tested the narrative that higher unemployment has been largely reflected stronger labour supply and higher participation. While NAB expect an ongoing upward trend in the unemployment rate, some stability is expected in the October release. The RBA expects the unemployment rate to hold steady at 4.7% through Q4 with monthly employment growth around +30k. NAB expect more softening than the RBA going forward, but it would take a big surprise in October for the RBA to reassess their labour market outlook.

Australian Employment and Unemployment



Source: National Australia Bank, ABS

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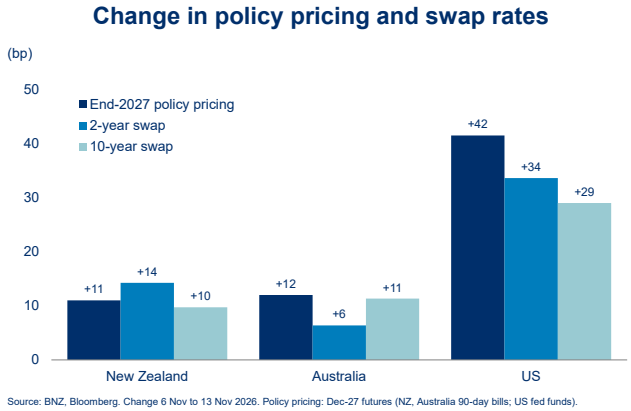
Fixed Interest Market

Reuters: BNZL, BNZM Bloomberg:BNZ

The early-November rally in NZ rates lost momentum last week. The 2-year swap rate, which fell as low as 3.67% after the weak Q3 labour market data, has rebounded above 3.80%. The selloff resulted in a largely parallel shift with the 2s/10s curve confined to the narrow range for the month near +60bp. Domestic catalysts were limited, although both the manufacturing and services PMIs were well into expansionary territory, pointing to resilient activity at the start of Q4. The NZ dollar fell to a fresh 2026 low. A weaker currency adds to imported inflation risk, something the RBNZ will watch closely.

Despite these domestic developments, the larger impetus for the move came from offshore, with global yields rising sharply as Fed rate-hike expectations were repriced. US core CPI surprised to the upside for a third consecutive month. Ahead of the release, Fed Governor Waller had raised the possibility of a 50bp hike in December, and the market pricing now discounts a small chance for a larger increase. Pricing to the end of 2027 has risen to around 85bp of hikes. The 10-year Treasury yield rose sharply last week, from near 4.80% to 5.15%.

Fed repricing drives rates higher, led by the US

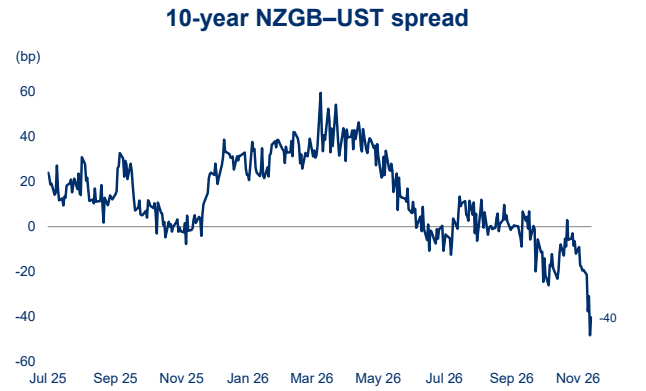


Source: BNZ, Bloomberg. Change 6 Nov to 13 Nov 2026. Policy pricing: Dec-27 futures (NZ, Australia 90-day bills; US fed funds).

Pricing for the 9 December RBNZ MPS has firmed to around 22bp (close to 90% of a 25bp hike), from 15bp before the US CPI data. We expect a hike, but there is limited scope for the market to price much further ahead of the decision. Before the October MPR, OIS priced a near-certain hike, yet the RBNZ held in a 4–3 vote. With a relatively new Committee whose reaction function is still being assessed, the market is likely to stop short of fully pricing the meeting, even as Fed repricing pushes global yields higher.

Our central scenario has the RBNZ hiking at consecutive meetings to a 3.75% peak in May 2027. An alternative gradual scenario reaches the same peak by October, hiking at alternate meetings. The 2-year swap sits close to our central-scenario fair value of 3.81% and above the gradual-scenario value of 3.74%, so the front end looks fairly priced for our call of a December hike. October inflation partials and the RBNZ's Survey of Expectations are the last key domestic releases before the decision. With domestic pricing broadly aligned with our RBNZ view, the main near-term risks for NZ rates remain offshore.

NZGB–UST 10-year spread at a six-year low



Source: BNZ, Bloomberg. NZ 10-year government bond yield less US 10-year Treasury yield, daily closes.

Cross-market spreads have moved sharply tighter as NZ rates have lagged the rise in US yields. The 2-year NZ–US swap spread narrowed 19bp last week to around -88bp, while the 10-year NZGB–Treasury spread tightened 21bp to around -40bp. Across much of the curve, spreads now sit around two to three standard deviations below recent averages, leaving relative NZ performance looking increasingly stretched and at levels that stand out even against the broader narrowing trend of recent years.

However, the stretched statistical metrics alone are not a strong signal for an imminent reversal. NZ–US spreads have been trending lower since 2022 and, historically, similarly large deviations have not reliably mean-reverted over the following three months. At the front end, much of the move can also be explained by fundamentals, with Fed policy expectations repriced materially higher relative to the RBNZ. That makes the statistical deviation alone less compelling as a relative-value signal.

The 10-year NZGB–Treasury spread stands out more clearly. While relative policy repricing helps explain the extreme level of shorter-dated spreads, it does not justify the same degree of compression at the long end. Our model, based on relative monetary policy expectations, puts fair value near -17bp, compared with a spread of around -40bp at Friday's close. That leaves the spread roughly 24bp too tight, or close to two standard deviations from modelled fair value. With NZ long-end yields historically closely correlated with Treasuries, we see a stronger case for 10-year spread widening than for mechanically fading the broader cross-market extremes.

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Foreign Exchange Market

Reuters pg BNZWFWDS Bloomberg pg BNZ

Last week the USD was broadly stronger in the face of another strong CPI report and hawkish comments from Fed speakers. Damage to NZD/USD was limited by a post-election bump to the NZD, resulting in only a modest fall to 0.5525. The NZD rose against all the key crosses, with gains ranging from 0.4% against the yen to 1% against the AUD, to above 0.8150.

A key driving force in FX markets last week was a stronger USD following the repricing of US monetary policy expectations. Influential Fed Governor Waller, speaking before the US CPI release, said he would support a rate hike in December, and that if core CPI rose 0.3% m/m again, a jumbo 50bp hike should be considered. Hours later, core CPI delivered an upside surprise, printing at 0.3% m/m with inflation pressures widespread. After Waller's comments and the CPI release, a chorus of other Fed speakers offered hawkish commentary, including Fed President Goolsbee, who called the October CPI report "borderline disturbing". By the end of the week, the market was pricing 87bps of Fed rate hikes over the coming year, a sharp lift from 47bps the prior week.

Dollar indices rose to their highest level in 19 months, with some majors breaching key levels. Further weakness in the NZD was limited by a post-election bump: the NZD opened last week stronger after the centre-right coalition was in the box seat to form the next government. With the benefit of hindsight, some of the modest NZD weakness beforehand can now be attributed to nerves heading into the election.

NZD/USD traded at a fresh 19-month low of 0.5521, but crucially the key 0.55 support level was not threatened. We left our NZD projections unchanged in our latest NZD Corporate Update, with our end-Q4 target of 0.5750 consistent with a 0.55-0.60 trading range and the support level holding.

Are we confident that 0.55 can hold? No, we are not. The RBNZ has shown a willingness to accommodate higher inflation, and even BNZ's projected 100bps of RBNZ rate hikes might only keep pace with market expectations of Fed tightening.

Furthermore, the US dollar's status as a safe-haven currency with a high yield is highly attractive. By comparison, the NZD's status as a low-yielding, high-risk currency is diametrically opposed. One of the few redeeming features of the NZD is that it is already trading at a historically depressed level. But as we have seen with the yen over recent years, a central bank unwilling to show intent to address higher inflation is dreadful for a currency.

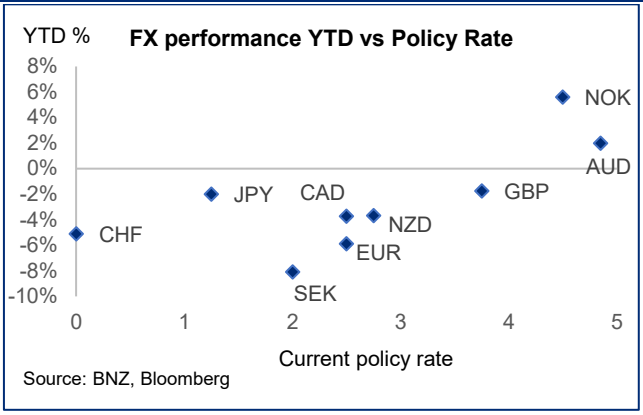
We can't be confident that the broadly based positive momentum for the USD is over. Indeed, it wouldn't take much more USD upside to tip NZD/USD below 0.55.

What is the contrarian view, in which the NZD recovers strongly? There is recent precedent. In October 2022, NZD/USD plunged to a low of 0.5512 following a hawkish pivot by the Fed. Incredibly, within two months NZD/USD was ten cents higher at 0.65. During that episode, the RBNZ pivoted to a hawkish stance, having just hiked 75bps from 3.5%, and projected that the OCR might need to reach 5.5%. Under the current RBNZ MPC, such a hawkish pivot is highly unlikely, even though there are similarities with NZ's current high inflation outlook. But the point is that RBNZ policy controls the destiny of the NZD.

On the economic calendar this week, after today's NZ performance of services index, the key domestic releases will be the monthly CPI indicators and the RBNZ's survey of inflation expectations. We also note talks by RBNZ Governor Breman and Chief Economist Conway.

A number of top-tier global economic releases are due, including the Australian employment and wages reports, US retail sales, CPI reports for the UK, Canada and Japan, the UK labour market, Japan GDP, and China monthly activity data. There are also further Fed speakers this week, including Chair Warsh.

Positive link between YTD FX performance and rates



Cross Rates and Recent Ranges

	Current	Last wk %chg	Last 3-wks range*
NZD/USD	0.5536	-0.4%	0.5520 - 0.5690
NZD/AUD	0.8151	1.0%	0.7940 - 0.8180
NZD/CAD	0.7894	0.6%	0.7790 - 0.8000
NZD/GBP	0.4187	0.7%	0.4140 - 0.4280
NZD/EUR	0.5021	0.7%	0.4960 - 0.5120
NZD/JPY	88.37	0.4%	87.50 - 90.00

*Indicative range over last 3 weeks, rounded

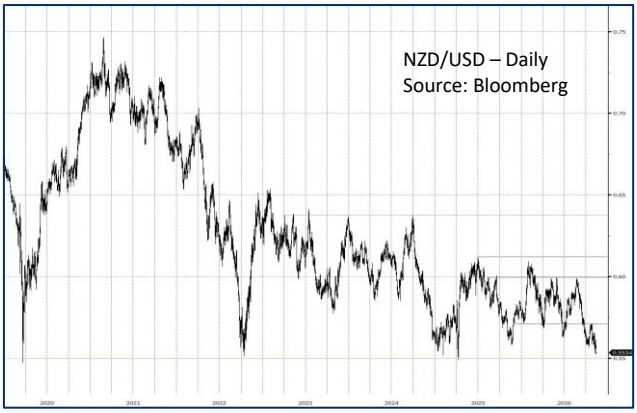
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Technicals

NZD/USD

Outlook:	Downside risk
ST Resistance:	0.5710 (ahead of 0.60)
ST Support:	0.55 (ahead of 0.5470)

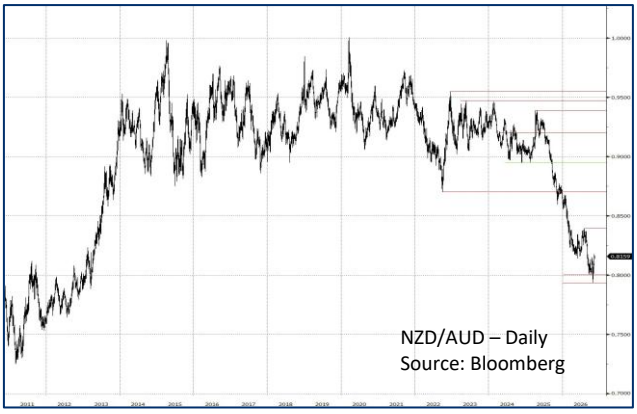
The NZD is looking technically vulnerable as it edges closer to key support of 0.55.



NZD/AUD

Outlook:	Downside risk
ST Resistance:	0.84 (ahead of 0.87)
ST Support:	0.80 (ahead of 0.7935)

Recent strong bounce off a 13-year low has reduced the threat of new lows forming. Reinstating the 0.80 support level. Initial resistance still far away at 0.84.

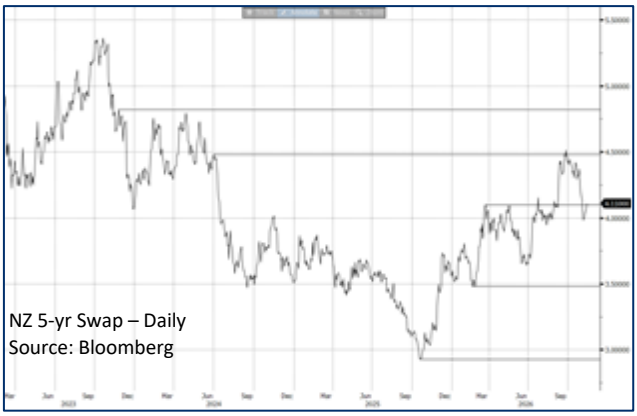


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NZ 5-year Swap Rate

Outlook:	Neutral
ST Resistance:	4.10
ST Support:	3.48

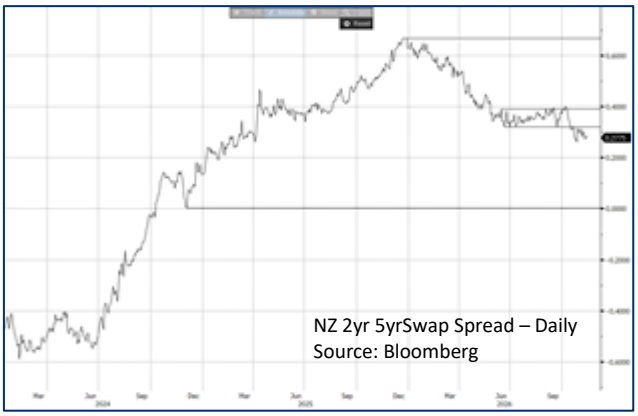
5-year swap reversed sharply from 4% last week and closed on resistance. We are now neutral directionally, closely watching the 4.10-4.00 range.



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

Outlook:	Lower
ST Resistance:	0.32
ST Support:	0

2s5s curve was stable last week. Outlook is still for a flatter curve.



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Quarterly Forecasts

Forecasts as at 16 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	-4.5	-4.3
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	5.6	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	0.55	0.68	1.10	1.32	160
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	0.55	0.81	0.50	0.42	88.3	63.4
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 16 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	5.3	3.6	-0.4	-4.9	-1.2	4.4	4.1
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	1.7	2.4	-0.8	-0.9	0.7	2.3	2.0
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	5.6	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	-22.2	-16.1	-24.8	-20.9	-13.5	-20.8	-18.0
Current Account - % of GDP	-5.6	-4.4	-3.0	-4.7	-3.2	-6.0	-4.9	-3.0	-4.4	-3.7
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 16 November			
JN	GDP Annualized SA QoQ 3Q P	0.20%		1.40%
UK	Rightmove House Prices MoM Nov			1.00%
CH	New Home Prices MoM Oct			-0.14%
CH	Retail Sales YoY Oct	0.80%		1.10%
CH	Industrial Production YoY Oct	5.30%		5.50%
CH	Surveyed Jobless Rate Oct	5.20%		5.20%
JN	Industrial Production YoY Sep F			1.90%
EC	ECB's Vujcic Speaks			
US	Fed's Barr Speaks			
EC	Industrial Production SA MoM Sep	0.30%		-0.50%
JN	BOJ's Takata Speaks			
	Tuesday 17 November			
US	Empire Manufacturing Nov	17.9		25.5
CA	CPI YoY Oct	3.20%		3.10%
US	Fed's Warsh, Williams, Hammack Speak			
EC	ECB's Kocher, Zigman, Stournaras Speak			
NZ	RBNZ Financial Stability Report			
NZ	Food Prices MoM Oct			0.00%
AU	RBA's Bullock Speaks			
AU	RBA Minutes of Nov. Policy Meeting			
NZ	2Yr Inflation Expectation 4Q			2.34%
UK	ILO Unemployment Rate 3Mths Sep	4.70%		4.70%
EC	ECB's Moulin, Cipollone Speak			
NZ	GDT Dairy Auction			
	Wednesday 18 November			
US	Fed's Musalem, Waller, Hammack, Williams Speak			
US	ADP Weekly Employment Change October			19.750k
US	New York Fed Services Business Activity			-20.7
US	Retail Sales Advance MoM Oct	0.20%		0.80%
US	Import Price Index MoM Oct	0.80%		1.10%
US	Export Price Index MoM Oct	0.40%		2.20%
US	Industrial Production MoM Oct	0.10%		0.70%
EC	ECB's Lane, Nagel, Escriva, Vujcic, Dolenc Speak			
NZ	PPI Input QoQ 3Q			2.90%
NZ	PPI Output QoQ 3Q			1.60%
JN	Imports YoY Oct	25.80%		18.90%
JN	Exports YoY Oct	19.90%		16.70%
AU	Wage Price Index QoQ 3Q	1.00%	1.00%	0.80%
UK	CPI YoY Oct	3.60%		3.50%
UK	Retail Price Index MoM Oct	0.50%		0.10%
UK	PPI Output NSA MoM Oct	0.60%		0.80%
UK	BOE's Bailey Speaks			
UK	House Price Index YoY Sep			0.90%
EC	CPI YoY Oct F	4.00%		4.00%
	Thursday 19 November			
US	Building Permits MoM Oct P	-1.30%		-0.40%
EC	ECB's Lagarde, Kocher Speak			
UK	BOE's Bailey Speaks			
NZ	RBNZ Governor Breman Speaks			
US	Fed's Barr, Williams, Kashkari Speak			
US	FOMC Meeting Minutes October - 28			
NZ	RBNZ Chief Economist Conway Speaks			
NZ	Exports NZD Oct			6.47b
NZ	Imports NZD Oct			8.44b
NZ	Trade Balance NZD Oct			-1971m
AU	Unemployment Rate Oct	4.70%	4.70%	4.70%
EC	ECB Current Account SA Sep			8.7b
EC	Labour Costs YoY 3Q P			3.10%
	Friday 20 November			
UK	BOE's Dhingra Speaks			
EC	ECB's Lagarde, Cipollone Speak			
US	Philadelphia Fed Business Outlook Nov	21.5		20.9
US	Initial Jobless Claims November 14	198k		200k
US	Fed's Hammack. Goolsbee, Barr, Barkin Speak			
US	Kansas City Fed Manf. Activity Nov			11
JN	Natl CPI YoY Oct	2.50%		2.10%
UK	GfK Consumer Confidence Nov	-22		-24
AU	RBA's Fry-McKibbin Speaks			
CH	1-Year Loan Prime Rate November 20	3.00%		3.00%
CH	5-Year Loan Prime Rate November 20	3.50%		3.50%
UK	Retail Sales Inc Auto Fuel MoM Oct	0.00%		-0.40%
EC	Negotiated Wages 3Q	2.60%		2.44%
	Saturday 21 November			
EC	ECB's Nagel Speaks			
US	Fed's Waller, Cook Speak			
EC	Consumer Confidence Nov P	-18		-17.9
US	U. of Mich. Sentiment Nov F	52		51
US	U. of Mich. 1 Yr Inflation Nov F	4.20%		4.30%

Historical Data

	Today	Week Ago	Month Ago	Year Ago
CASH AND BANK BILLS				
Call	2.75	2.75	2.75	2.50
1mth	2.97	2.91	3.07	2.50
2mth	3.10	3.03	3.19	2.50
3mth	3.20	3.15	3.30	2.49
6mth	3.41	3.37	3.52	2.51
GOVERNMENT STOCK				
05/28	3.70	3.58	3.91	2.91
05/31	4.21	4.12	4.49	3.57
04/33	4.44	4.36	4.73	3.92
05/36	4.73	4.67	5.01	4.30
05/41	5.10	5.05	5.36	4.79
05/54	5.35	5.32	5.56	5.07
GLOBAL CREDIT INDICES (ITRXX)				
Nth America 5Y	59	59	63	54
Europe 5Y	59	60	65	55

	Today	Week Ago	Month Ago	Year Ago
SWAP RATES				
2 years	3.83	3.72	4.08	2.63
3 years	3.94	3.84	4.22	2.83
4 years	4.03	3.93	4.31	3.01
5 years	4.11	4.01	4.39	3.17
10 years	4.46	4.37	4.70	3.77
FOREIGN EXCHANGE				
NZD/USD	0.5525	0.5632	0.5663	0.5658
NZD/AUD	0.8158	0.8130	0.8113	0.8712
NZD/JPY	88.25	88.93	89.74	87.82
NZD/EUR	0.5013	0.5017	0.5050	0.4881
NZD/GBP	0.4182	0.4190	0.4256	0.4301
NZD/CAD	0.7882	0.7950	0.7990	0.7951
TWI	63.4	63.9	64.5	65.9

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