23 November 2026

Wait nearly over

- **General Election final vote count to be released Friday**
- **Retail sales volumes lift strongly in Q3**
- **Fuel, cars, tourism offset some pockets of weakness**
- **RBNZ sees more cost pass through, uneven recovery**
- **Lower fuel prices any relief for consumer confidence?**

The wait for the final vote count from the 7 November General Election is nearly over, with results due for release on Friday. However, the end of one wait will only kick off the next as cross-party negotiations to form the next government get underway. There is also the prospect of recounts in some very close electorate seats that could further delay negotiation progress.

Offshore, global equity markets continue to pull back from recent highs as AI stock valuations retreat and one US FOMC member after another talks of inflation being too high and the need for the Fed to tighten policy.

The equity dip has been orderly to date but worth monitoring. If it morphs from a correction into a more meaningful slump that starts materially denting global growth expectations it may see some of the RBNZ Monetary Policy Committee members less inclined to push on with lifting the cash rate or take it as high as they otherwise might have.

We didn't get any sense of that from RBNZ Governor Breman's press release last week as part of her talk at an Auckland Institute of Directors event. The press release came across as balanced with a bit in it for both doves and hawks.

Governor Breman acknowledged challenging domestic conditions, the recent dip in employment, rising unemployment, and weak wage growth. Medium term inflation expectations were described as stable and subdued demand was seen as making it hard for businesses to pass on higher costs.

On the hawkish side, the Governor noted high fuel costs and that a falling NZ dollar risks adding to the costs of imported goods and services. She noted that recent monthly price data indicated that the indirect effects of higher costs may be heightened going forward, measures of underlying inflation are elevated, and the MPC is alert to the risk that inflation pressures could become broader and more persistent.

The Governor said some indicators of economic activity have been stronger than expected, particularly in export-focused sectors. A lower NZ dollar was cited as likely contributing to strong export growth as well as strong meat and dairy prices. She also mentioned that recent data have shown strength across parts of manufacturing and construction, and recent surveys of services activity point to signs of recovery there.

The Governor talked of risks to the inflation and activity outlook as being in both directions.

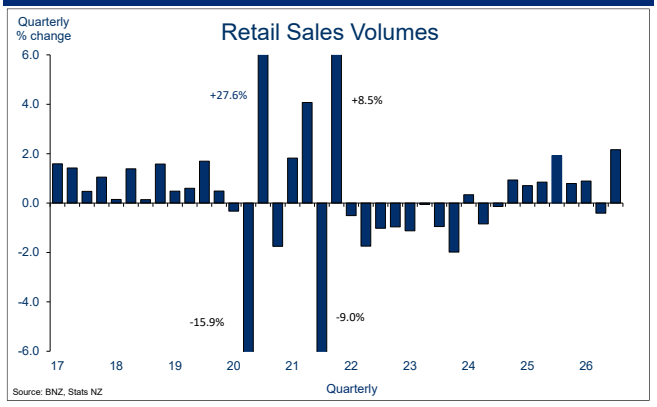
All up, the balance of comments on the recent run of data do not suggest they have materially altered the Governor's base case which was to lift the OCR in December.

For us, there was nothing in the Governor's comments to alter our thinking that the Bank will lift its cash rate by 25bps at the December meeting.

We would say the same for RBNZ Chief Economist Conway's comments last week at two separate events. He essentially reiterated his thoughts from a speech in the previous week and his thinking around voting for a hike at the RBNZ's October meeting.

Data releases this week are relatively scant and already under way with this morning's Q3 retail sales.

Retail sales volumes lift strongly in Q3



Sales volumes rose 2.2% in Q3. This was stronger than our and market expectations of 0.5% and 0.8% respectively.

The strength in Q3 raises the chance of some unwind in Q4, although more so in total rather than core sales.

The Q3 result adds mild upside risk to our 0.5% q/q forecast for Q3 GDP, although retail sales is only the first major partial indicator for the quarter with a lot more due over coming weeks.

The retail sales result reflects a host of strong forces like:

- Elevated inflation and its drag on household disposable income
- Extreme volatility in fuel prices and consumers' response to it
- A subdued labour market
- A subdued housing market
- Strong IT spending
- Strong primary sector export earnings
- Strong tourism growth

Fuel price declines in the quarter saw volumes bounce 9.5%, after their 12.8% plunge in Q2.

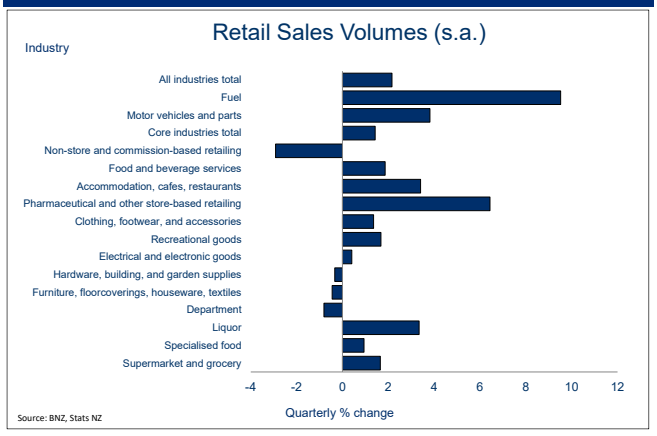
Vehicle sales rose strongly in the quarter consistent with a firm lift in registrations for both new and previously-registered-overseas cars.

Disposable income headwinds from elevated inflation and subdued labour and housing markets did see some pockets of weakness with sale volume declines in department stores; furniture, floorcoverings, and housewares; and hardware, building, and garden supplies.

Electrical and electronic sales volume growth was mild in the quarter at 0.4%, but that followed a strong 9.0% lift in Q2 to see sales up 13.2% y/y. Looking ahead to Q4, sales will be supported by the release of the new game Grand Theft Auto VI in November.

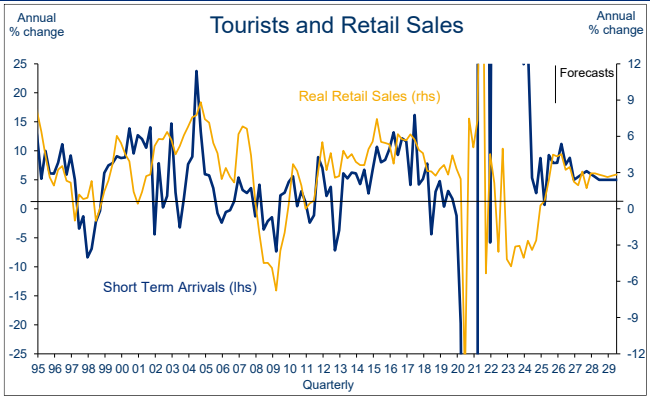
Pockets of Q3 weakness were overwhelmed by areas of strength in the quarter. Core sales (total excluding the auto sectors) rose 1.4% q/q, with strong gains in pharmaceutical and tourism related components.

More positives than negatives



The tourism expansion looks evident in accommodation sales volumes rising 3.4% q/q and likely played a part in gains in food and beverage services, fuel, liquor, and supermarkets.

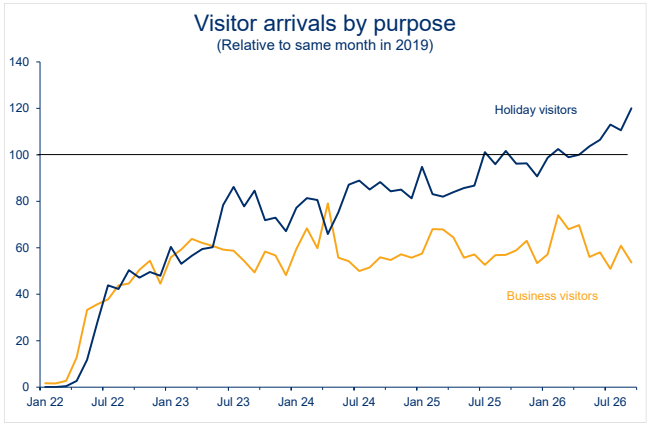
Tourism a sales driver



The tourism expansion has momentum. Visitor arrival numbers rose 3.2% in Q3, on a seasonally adjusted basis raising the average number of visitors in the country over the quarter.

The mix of travellers is important too. While total visitor arrivals have returned to pre-covid levels, such comparisons vary greatly by visitor type. Holiday makers in September were 120% of pre-covid levels, while business traveller numbers are not much more than half of their pre-pandemic equivalent.

More visitors here on holiday



This mix has implications for visitor spending. Holiday makers typically stay longer and spend more per visit than business travellers. This means more visitor spending for the same number of visitors.

And that is before one adds in the influence of a lower NZ dollar that lifts visitor spending in NZ for each unit of their own currency.

Putting all that together, it is no surprise to see indicators of visitor spending rising strongly. Credit card spending in NZ on foreign issued cards rose 18.3% y/y in Q3. Strong growth continued in October, with spending up 14.9% y/y.

Momentum in visitor arrival numbers, the type of travellers to NZ, and a weak NZ dollar sets up the coming summer peak tourism season to be a record.

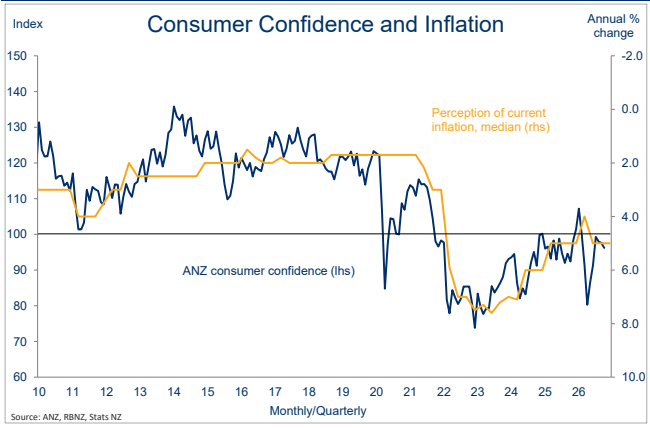
In contrast, spending growth by locals is more subdued. Credit card spending in NZ on domestically issued cards rose 3.2% y/y in Q3. In October, annual growth was 3.5%.

Retail sales points to more household spending, although the latter is not likely to follow the degree of strength in the former. Incidentally, stronger tourist-driven demand will show up in GDP as exports of services.

On Friday ANZ releases its latest consumer confidence survey. Confidence often lifts as we approach summer. And we wonder if confidence will get some relief from the RBNZ's decision to hold the OCR steady in October and from a rapid drop in fuel prices to date through November.

A lift isn't a given with consumers still perceiving inflation at 5%, according to the RBNZ's survey released last Friday. It's clear people sense some inflation persistence with household inflation expectations at 4.0% and 3.0% in one and two years' time respectively.

Inflation is a key headwind to consumer confidence



The RBNZ releases its Business Expectations Survey tomorrow. We will see if businesses inflation expectations in this relatively new survey are similar to those seen in the longer running RBNZ Survey of Expectations last week.

Lastly, we will keep an eye out to see if there is anything significant to note in Stats NZ's Improvements to GDP paper due for release tomorrow in regards to (1) how the recently released dollar value annual figures for the years to March 2025 and March 2026 will translate to the more closely followed volume measures, and (2) if any quarterly method and data-source improvements are intended to be implemented for the Q3 GDP release in December.

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Global Watch

- **Aus headline CPI to reach peak**
- **US PCE points towards elevated inflation**
- **Global flash PMI data released**

NAB expect Australia's October CPI release (Wednesday) to show headline inflation at 4.7% with an elevated trimmed mean of 0.4% m/m, near consensus. This is expected to mark the peak for headline inflation with higher fuel prices and the impact of earlier electricity subsidies expected to be the key drivers. October's release is also likely to overstate the underlying momentum in trimmed mean CPI.

Also in Australia, the first set of Q3 GDP partials are released including construction work done (Wednesday) and private capex (Thursday), ahead of Q3 GDP data next week. RBA's Jacob gives a speech at the Australian Securitisation conference on Wednesday. The Victorian state election is on Saturday 28 November.

Internationally, flash PMIs are out across the US, euro-zone, UK and Australia on Monday, with Japan following on Tuesday.

US October PCE and the second estimate of Q3 GDP arrive Wednesday alongside durable goods, new home sales and the Fed's Beige Book. Markets close on Thursday for Thanksgiving. Fed's Williams speaks Tuesday. Recently, he has recently been hawkish on the direction of policy but measured on pace. Markets are fully priced for a December hike and have 42bp priced by January. In Canada, BoC's Governor Macklem also speaks Tuesday.

Tokyo CPI (Friday) will give an early indication of national figures following October's modest undershoot of expectations today. Machine tool orders and services PPI are both Wednesday, and BoJ's Tamura speaks Thursday. Japanese markets are closed Monday for Labor Thanksgiving Day. In China, industrial profits arrive Friday.

In Europe, EZ confidence data is out Friday, as are Spanish and French preliminary inflation data ahead of the EZ-wide measure the next week. There are also several ECB speakers this week. In the UK, BoE's Pill and Greene speak on Monday and Tuesday.

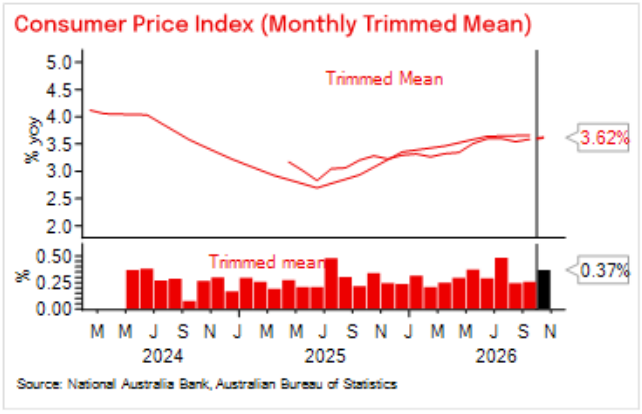
Key Event Previews

Wednesday

AU CPI (October)

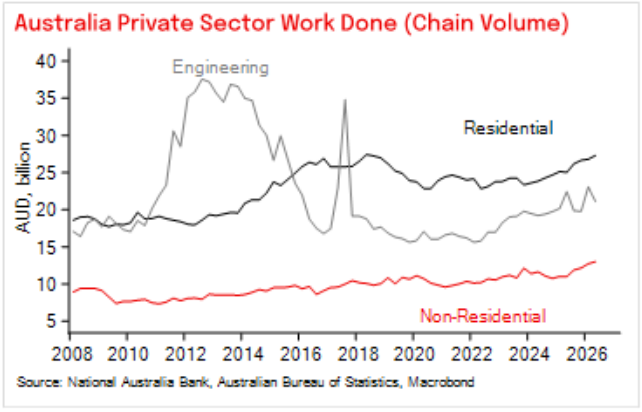
NAB expect October CPI data to show a trimmed mean of 0.4% m/m (3.6% y/y), consistent with a Q4 trimmed mean forecast of 0.9% q/q. The strong expectations for the October data partly reflect price changes following the surcharging rules implemented from 1 October, although the magnitude of this is uncertain. Our forecast is consistent with Q4 trimmed mean tracking for 0.9% q/q.

NAB see headline inflation at 4.7% y/y from 4.3% y/y in September, which is expected to mark the peak for CPI inflation. Higher fuel prices and the unwind of electricity subsidies are expected to drive the increase.



AU Construction Work Done (Q3)

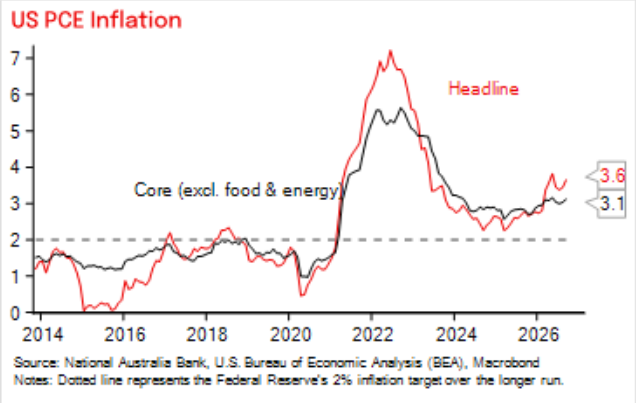
Construction work done is the first investment partial ahead of the Q3 GDP release on 2 December. We expect modest growth as momentum from data centre investment runs against slowing residential construction activity. As a result, the building work component, which tracks more closely with GDP is likely to see only modest growth. NAB expect the engineering construction component to be broadly stable as recent volatility from mining projects no longer affects the data.



US PCE (October)

Estimates for October's outcome, mapped from earlier CPI and PPI prints, suggest a core PCE deflator reading of 0.3% m/m, which could lift the annual measure up to 3.2-3.3% y/y. A print at this level would confirm inflation is both too high and moving in the wrong direction, as indicated by earlier CPI and PPI data.

A December hike is now fully priced by markets. NAB expect two further hikes, in December and January. However, given the unwelcome trend developing in underlying inflation, there is a risk of further tightening early 2027.

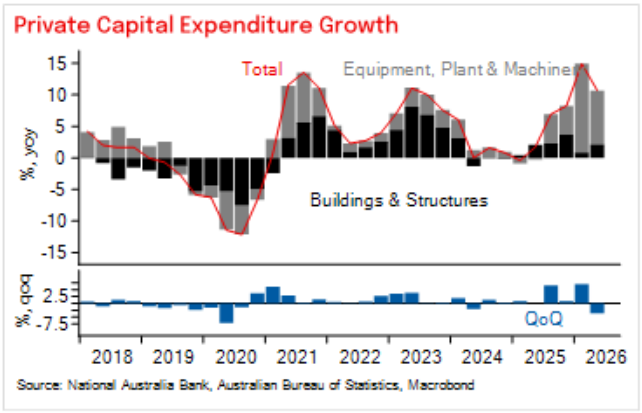


Thursday

AU Private Capex (Q3)

Q3 Capex data is expected be strong, driven by data centre and renewable energy-related investment. Recent prints have been volatile with data centre fit-out particularly lumpy. Import data suggest this will contribute strongly to capex growth in Q3, although the contribution to GDP will be largely offset by imports. Investment growth in other industries is expected to remain relatively subdued.

The data also includes updated estimates of business' investment intentions, which have been showing capex growth expectations slowing and concentrated in data centre spending.



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Fixed Interest Market

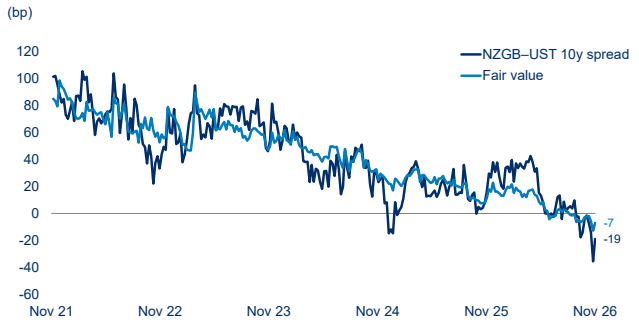
Reuters: BNZL, BNZM Bloomberg:BNZ

NZ swap rates fell over the past week but lagged the larger declines in offshore yields, as global fixed income benefited from rising risk aversion when equities fell sharply. NZ 2-year swap rates are near 3.75%, close to fair value based on our projected OCR track. Domestic data did little to change the monetary policy outlook. October's selected price indexes, a partial read on inflation, aligned with our priors, and the RBNZ's Survey of Expectations showed inflation expectations remain largely benign. Pricing for the 9 December MPS has dipped to +20bp reflecting the uncertain global backdrop. With little domestic data before the decision, offshore markets are likely to remain the main driver of NZ rates.

Last week we argued that the 10-year NZGB–US Treasury spread looked too tight after NZ lagged the rise in US yields. NZ has since lagged the rally as well, and the spread has started to correct. Generic benchmark yields overstate the move because the 10-year NZGB benchmark rolled to the April 2037 bond. To remove the effect of these rolls, we run our relative-policy model for the spread on a constant-maturity 10-year NZGB yield. On that basis the spread is around -20bp, about 10bp below our fair value estimate. We still see scope for further widening.

NZGB–UST spread still below model fair value

10-year NZGB–UST spread vs fair value



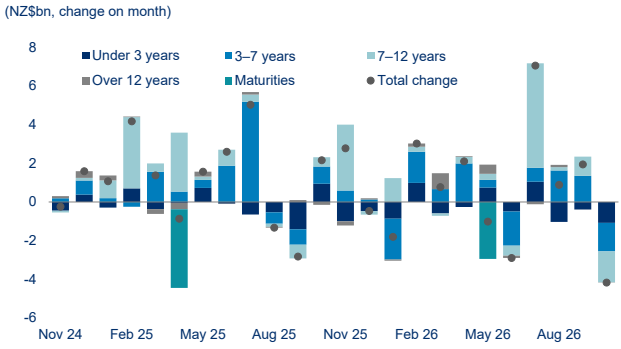
Source: BNZ, Bloomberg. Constant-maturity 10y NZGB. Fair value from a 5-year weekly regression on the 1y-forward 3m rate differential.

Australian bonds outperformed NZGBs over the week. A weak October labour force report, with the unemployment rate up to 4.9% from 4.7%, lowered expectations for the RBA cash rate, and NZ–Australia spreads widened around 15bp across the curve. The 10-year NZGB is now around 20bp below ACGBs, from around 35bp a week ago. About half of that move reflects the shift in policy expectations. That leaves NZGBs modestly cheap to ACGBs, after trading close to fair value a week ago. This contrasts with Treasuries, where NZGBs still look expensive.

Offshore investors cut their NZGB holdings sharply in October. Non-resident holdings fell NZ$4.2bn, the largest notional monthly reduction since the RBNZ data began in 2015, excluding months when a bond matured. The offshore share of nominal bonds available in the secondary market fell to 60.2%, the lowest since September 2021. Around NZ$1.1bn of the fall was in the April 2027 bond, which matures in five months, but the remaining NZ$3.1bn was concentrated in the 3–12-year lines, led by the May 2035, May 2030 and May 2032 bonds. Domestic investors, mainly banks, absorbed the selling as well as NZ$1.2bn of net supply.

Offshore investors sold NZGBs ahead of the election

Non-resident NZGB holdings by maturity



Source: RBNZ (D31), BNZ. Nominal NZGBs by residual maturity. Maturities = bonds redeemed in the month.

Despite the selling, the impact on NZGBs relative to swaps was modest. The 10-year bond–swap spread ended the month around 32bp, marginally wider than at the end of September and close to its one-year average of around 34bp. Since then, 10-year spreads (ref May 2036 NZGB) have remained in a narrow range above +30bp. The timing suggests offshore investors reduced exposure ahead of the election, at a time when global yields were volatile, and we doubt the election outcome justifies the October NZGB selling. The official result, including the special votes, is due on 27 November. If it confirms the preliminary count, the uncertainty that prompted offshore investors to step back should fade, and we expect some of that demand to come back. November's holdings data is due on 16 December.

We expect NZGBs to outperform swaps (bond–swap spreads to tighten) as offshore demand returns into a supply backdrop that is benign compared with recent years. The December tender schedule is due on Wednesday 25 November. We expect the last tender of the calendar year on 10 December, with tenders resuming in mid-January. Given the election timing, we don't expect a HYEFU and associated borrowing programme update. After the remaining tenders this calendar year, a further NZ$13bn of issuance will be needed by 30 June 2027 to complete the programme with around NZ$8bn coming from tenders and about NZ$5bn from a syndicated tap of the existing 2034 nominal green bond line.

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Foreign Exchange Market

Reuters pg BNZWFWDS Bloomberg pg BNZ

Weaker risk appetite triggered a safe-haven bid for currencies, driving broad-based USD gains last week. NZD/USD sustained a fall below the multi-year key support level of 0.55 and closed the week 1% lower at 0.5470. JPY outperformed, driving NZD/JPY down 1.7% to 86.7. The AUD was the weakest of the majors following a soft labour market report, which drove NZD/AUD up 1.3% to a 2½-month high, closing the week at 0.8260.

Last week, we wrote that we lacked confidence the key 0.55 support level would hold, given the safe-haven appeal of the USD and its much higher yield relative to the NZD. In the event, the level broke in the face of a significant fall in risk appetite. Our risk appetite index fell to an 18-month low of 46%, notably below the level at the depth of the fear around the US-Iran conflict at the end of March.

Interestingly, a major driver of weaker risk appetite has been the unravelling of the AI trade. One view is that a "crash" in AI-related stocks should hurt the USD, because US shares and the US economy rely heavily on AI. A sell-off would mean less money flowing into US equities and weaker US growth. So far, though, the opposite has happened: when investors become more cautious, they have bought the USD as a safe haven, and that effect has outweighed the exposure concern. It is too early to rule out the first view, but for now the safe-haven effect is stronger.

Since 2020, previous excursions of the NZD below 0.55 have been one-day affairs, occurring at the peak of COVID fear in March 2020 and following the market turmoil after the Liberation Day tariff announcement in April 2025. In the current episode, NZD weakness has been driven not simply by panic but by more fundamental forces. NZ interest rates are simply too low to offer the NZD any support. Markets expect further Fed tightening and RBNZ rate hikes that might only match the Fed's, keeping short-dated NZ-US rate spreads deeply negative. As the chart shows, weaker risk appetite has added to NZD weakness over recent months.

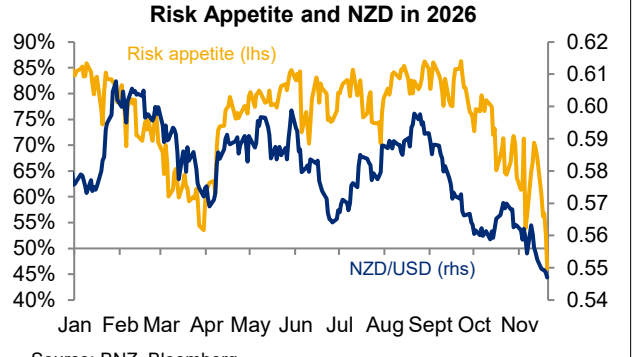
Where to from here? The NZD has broken below the bottom of the range we anticipated for Q4, so our year-end target of 0.5750 looks increasingly out of reach. We haven't been particularly optimistic on the NZD, projecting fairly flat performance over a couple of quarters against a backdrop of low NZ rates, but the break forces us to consider that the NZD could probe deeper before any recovery ensues. For the chartists, technically, there is no support for the NZD until 0.50. We therefore see the risks to our projections as skewed to the downside, and we consider them under review for now.

The NZD/AUD cross rate is worth commenting on, as we have increased confidence that a sustainable recovery is now underway. Weak Australian labour market data, showing another notable fall in employment and driving the unemployment rate to a five-year high of 4.9%, has eliminated any lingering risk of another RBA hike this cycle. The rates market has quickly repriced, and the question now is when the RBA's next easing cycle will begin. Our projection has been for August 2027, and that is now fully priced.

Our prevailing NZD/AUD projections already incorporated a sustainable recovery in the cross rate, with an end-2027 target of 0.88. It is fair to say the recovery is running slightly ahead of schedule, with the cross already blasting through our end-2026 target of 0.81. While low NZ rates remain a headwind, there is a clear pathway for the negative NZ-AU rates gap to close, as the RBNZ's tightening cycle still has some way to go. Our expectation that NZ's economy will outperform Australia's over the next year, together with a closing of the unemployment rate gap, supports a sustainable NZD/AUD recovery.

The economic calendar is fairly light in the week ahead. Following NZ Q3 retail sales today, consumer confidence is due later in the week. Elsewhere, the key releases will be the US core PCE deflators, Australian monthly CPI and global PMIs.

Weaker risk appetite has been a factor in the NZD's fall



Source: BNZ, Bloomberg

Cross Rates and Recent Ranges

	Current	Last wk %chg	Last 3-wks range*
NZD/USD	0.5480	-1.0%	0.5460 - 0.5660
NZD/AUD	0.8280	1.3%	0.8010 - 0.8270
NZD/CAD	0.7858	-0.4%	0.7790 - 0.7970
NZD/GBP	0.4187	0.0%	0.4140 - 0.4210
NZD/EUR	0.4995	-0.5%	0.4960 - 0.5040
NZD/JPY	86.87	-1.7%	86.60 - 89.40

*Indicative range over last 3 weeks, rounded

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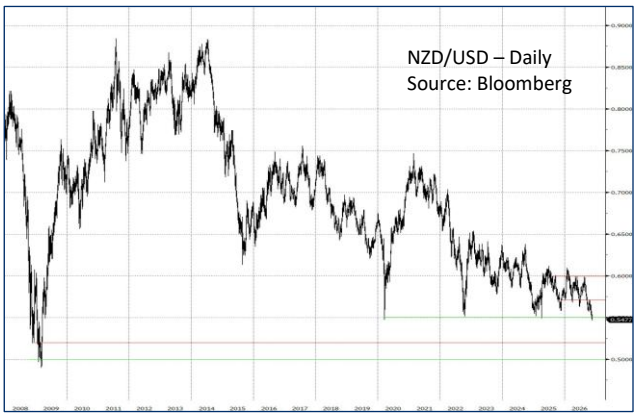
Technicals

NZD/USD

Outlook: Downside risk
ST Resistance: 0.5710 (ahead of 0.60)
ST Support: 0.52 (ahead of 0.50)

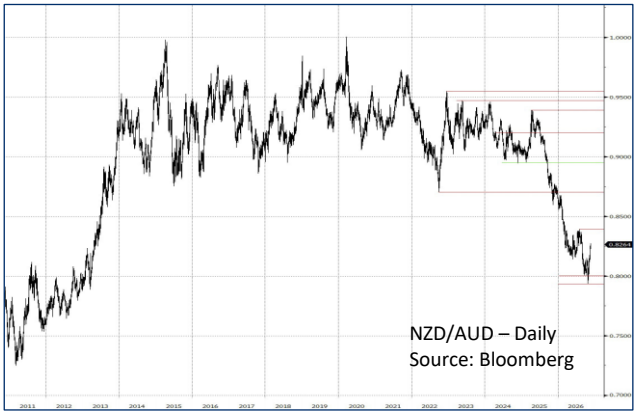
Following the break of multi-year support at 0.55, there is an abyss to next possible support levels of 0.50 or 0.52.



NZD/AUD

Outlook: Trading range
ST Resistance: 0.84 (ahead of 0.87)
ST Support: 0.80 (ahead of 0.7935)

Another sharp lift sees the cross rate comfortably ahead of 0.80 support. The first resistance level is around 0.84.



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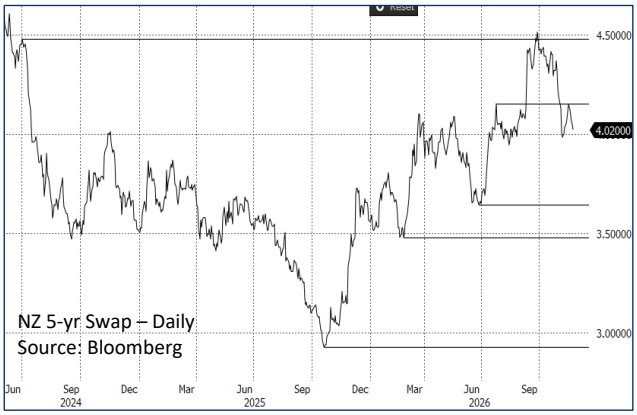
NZ 5-year Swap Rate

Outlook: Neutral
ST Resistance: 4.15
ST Support: 3.48

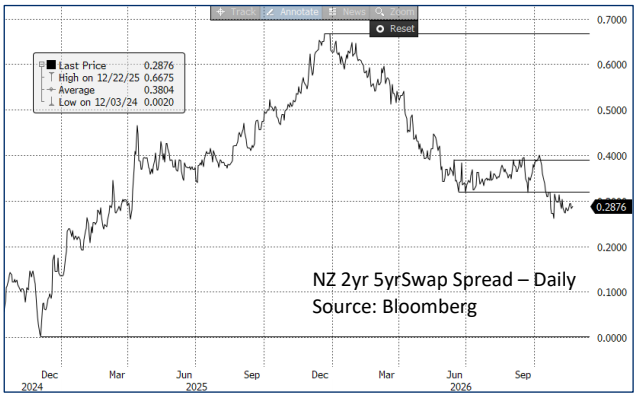
5-year swap rallied back lower last week in sympathy with global yields. 4% looks to have the potential to be a support level, we will watch closely.



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

Outlook: Lower
ST Resistance: 0.32
ST Support: 0

2s5s curve remained stable last week.



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Quarterly Forecasts

Forecasts as at 23 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.)	0.8	1.9	0.8	0.9	-0.4	2.2	-0.4	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	-4.4	-4.2
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	4.35	5.15	-0.20
2027 **Mar**	3.50	3.90	4.35	5.05	3.95	4.25	4.80	4.40	5.15	-0.10
Jun	3.75	4.00	4.30	5.05	3.90	4.25	4.85	4.40	5.05	0.00
Sep	3.75	4.00	4.20	4.95	3.85	4.15	4.75	4.40	4.95	0.00
Dec	3.75	4.00	4.20	4.95	3.80	4.15	4.75	4.25	4.85	0.10
2028 **Mar**	3.75	3.85	4.10	4.80	3.75	4.05	4.60	3.90	4.70	0.10

Exchange Rates (End Period)

USD Forecasts

	NZD/USD	AUD/USD	EUR/USD	GBP/USD	USD/JPY
Current	0.55	0.66	1.10	1.31	159
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	0.83	0.50	0.42	87.0	63.1
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 23 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	0.9	2.2	1.1	0.3	1.0	1.0	1.8
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	1.6	2.4	-0.8	-0.9	0.7	2.2	2.0
Exports	8.4	3.0	4.1	7.6	3.6	12.0	3.6	4.3	7.1	4.2
Imports	-1.5	0.7	6.3	4.2	2.7	-0.8	1.1	3.7	6.3	2.4
Real Expenditure GDP	1.5	-0.5	1.3	2.5	2.6	2.2	-0.2	0.7	2.5	2.3
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	-2.7	3.2	0.7	-0.8	-0.3	-2.1	2.0
External Balance										
Current Account - $bn	-23.3	-19.0	-13.7	-22.1	-15.6	-24.8	-20.9	-13.5	-20.8	-17.6
Current Account - % of GDP	-5.6	-4.4	-3.0	-4.7	-3.1	-6.0	-4.9	-3.0	-4.4	-3.6
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	4.35	4.10	4.50	3.90	3.90	4.35	4.20
10-year Govt Bond	4.60	4.50	4.65	5.05	4.80	4.65	4.45	4.50	4.95	4.95
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	4.25	4.05	4.43	3.63	3.61	4.20	4.15
US 10-year Bonds	4.20	4.25	4.25	5.15	4.70	4.00	4.40	4.15	5.15	4.85
NZ-US 10-year Spread	0.40	0.25	0.40	-0.10	0.10	0.65	0.05	0.35	-0.20	0.10

[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 23 November			
EC	S&P Global Eurozone Manufacturing PMI Nov P	52.7		52.7
EC	S&P Global Eurozone Services PMI Nov P	51.9		51.4
UK	S&P Global UK Manufacturing PMI Nov P	53		52.8
UK	S&P Global UK Services PMI Nov P	53		52.8
	Tuesday 24 November			
EC	ECB's Kocher, Simkus, Kassik Speaks			
UK	BOE's Pill Speaks			
US	S&P Global US Manufacturing PMI Nov P	54.5		54.9
US	S&P Global US Services PMI Nov P	55.5		56.1
US	Fed's Williams Speaks			
NZ	RBNZ Business Expectations Survey Q4			
	Wednesday 25 November			
EC	ECB's Vujcic, Kocher, Sleijpen Speak			
UK	BOE's Greene Speaks			
US	ADP Weekly Employment Change Nov- 7			23.750k
US	Philadelphia Fed Non-Manufacturing Activity Nov			-23.6
US	FHFA House Price Index MoM Sep	0.20%		0.30%
US	S&P Cotality CS 20-City MoM SA Sep	0.20%		0.27%
US	Richmond Fed Manufact. Index Nov	-2		-2
US	Conf. Board Consumer Confidence Nov	92.2		91.7
US	Conf. Board Expectations Nov	74.2		72.6
CA	BoC Governor Macklem Speaks			
JN	PPI Services YoY Oct	3.60%		3.70%
AU	CPI YoY Oct	4.80%	4.70%	4.30%
AU	CPI Trimmed Mean YoY Oct	3.60%	3.60%	3.60%
AU	Construction Work Done 3Q	0.70%	0.50%	-2.10%
JN	Machine Tool Orders YoY Oct F			42.50%
	Thursday 26 November			
US	PCE Price Index YoY Oct	3.80%		3.60%
US	Core PCE Price Index YoY Oct	3.20%		3.10%
US	GDP Annualized QoQ 3Q S	3.50%		3.40%
US	GDP Price Index 3Q S	2.30%		2.30%
US	Personal Consumption 3Q S	3.90%		3.80%
US	Initial Claims 4-Wk Moving Avg Nov - 11			197.75k
US	Durable Goods Orders Oct P	0.60%		1.90%
US	Cap Goods Orders Nondef Ex Air Oct P	0.80%		0.60%
US	New Home Sales MoM Oct	-3.80%		-0.60%
US	Fed Releases Beige Book			
AU	Private Capital Expenditure 3Q	4.30%	8.00%	-3.60%
JN	BOJ Board Tamura Speaks			
US	Building Permits MoM Oct F			-7.40%
	Friday 27 November			
NZ	ANZ Consumer Confidence Index Nov			96.2
JN	Tokyo CPI Ex-Fresh Food, Energy YoY Nov	2.70%		2.60%
CH	Industrial Profits YoY Oct			14.40%
	Saturday 28 November			
NZ	General Election Results			
	Friday 27 November			
EC	ECB 1 Year CPI Expectations Oct	3.20%		3.10%
EC	ECB 3 Year CPI Expectations Oct	2.90%		2.90%
EC	Economic Confidence Nov	97.2		96.9
	Saturday 28 November			
EC	ECB's Nagel Speaks			
CA	Current Account Balance 3Q	$9.40b		$8.84b
US	Advance Goods Trade Balance Oct	-$135.3b		-$134.9b
US	Advance Goods Exports MoM SA Oct			2.60%
US	Retail Inventories MoM Oct	0.30%		0.30%
US	Advance Goods Imports MoM SA Oct			2.40%
US	Wholesale Inventories MoM Oct P	0.40%		0.70%
EC	ECB's Vujcic, Moulin Speak			

Historical Data

	Today	Week Ago	Month Ago	Year Ago
CASH AND BANK BILLS				
Call	2.75	2.75	2.75	2.50
1mth	3.00	2.98	3.09	2.38
2mth	3.11	3.09	3.20	2.39
3mth	3.22	3.21	3.31	2.41
6mth	3.46	3.45	3.55	2.43
GOVERNMENT STOCK				
05/28	3.65	3.71	3.89	2.91
05/31	4.16	4.24	4.44	3.58
04/33	4.40	4.47	4.66	3.91
05/36	4.71	4.77	4.94	4.28
05/41	5.08	5.13	5.29	4.77
05/54	5.34	5.39	5.51	5.05
GLOBAL CREDIT INDICES (ITRXX)				
Nth America 5Y	65	60	63	53
Europe 5Y	66	60	67	55

	Today	Week Ago	Month Ago	Year Ago
SWAP RATES				
2 years	3.74	3.87	4.05	2.60
3 years	3.85	3.98	4.17	2.81
4 years	3.95	4.07	4.25	3.00
5 years	4.03	4.15	4.32	3.17
10 years	4.39	4.49	4.62	3.77
FOREIGN EXCHANGE				
NZD/USD	0.5470	0.5497	0.5681	0.5611
NZD/AUD	0.8256	0.8161	0.8097	0.8680
NZD/JPY	86.76	87.65	89.48	88.01
NZD/EUR	0.4989	0.4999	0.5085	0.4871
NZD/GBP	0.4181	0.4169	0.4258	0.4281
NZD/CAD	0.7846	0.7859	0.7961	0.7914
TWI	63.1	63.3	64.6	65.5

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