Research

Markets Outlook

20 April 2026

CPI, QSBO monitored for initial war impacts

- **CPI seen at 3.0% in Q1, enroute to over 4% in Q2**
- **Too soon for core inflation to meaningfully move?**
- **QSBO to reveal hit from conflict**
- **Pricing and constraint indicators to guide on inflation**

Imagine, just for a second, that the RBNZ altered policy according to whether the Strait of Hormuz was open or not. Given the open then close events over the weekend, this would have had the Bank doing one thing one minute and another thing the next!

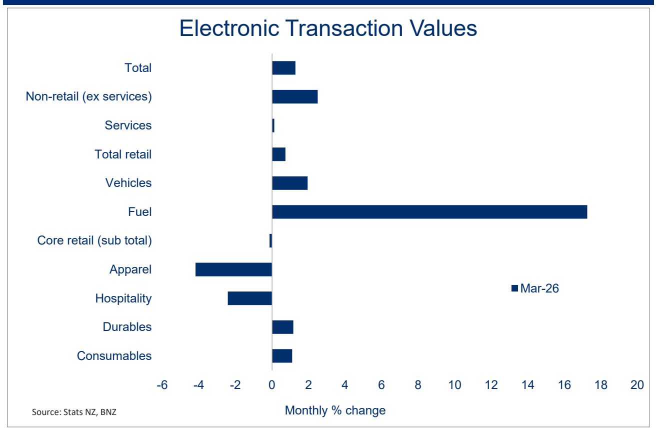
The erratic nature of developments in the Middle East counsel caution on assessing the policy implications of any change. Suffice to say it remains very difficult to know how the conflict will evolve.

Meanwhile, the impacts on the New Zealand economy are starting to show up in the data.

Oil inflation made its first appearance in March's Selected Prices last week. As expected, there were massive price gains for petrol (18.6% m/m) and for diesel (42.6% m/m).

And higher fuel prices have increased the dollar value of spending. March's electronic card transactions (ECT) included a 17.3% m/m increase in fuel. Compared to the movement in fuel prices, this suggests less fuel use, which is consistent with what one would expect, anecdotes, and other indicators.

Fuel spending surges in March, some softening elsewhere



More money spent on fuel leaves less to be spent elsewhere. While fuel spending drove the value of total transactions up 1.3% m/m, there was evidence of reduced spending in other areas. For example, transaction values for apparel and hospitality declined 4.2% and 2.4% m/m on a seasonally adjusted basis in March.

Unfortunately, fuel price increases of similar magnitude to March's are likely to be reported for April. So a comparable pattern of fuel-driven spending, with declines elsewhere, could be expected.

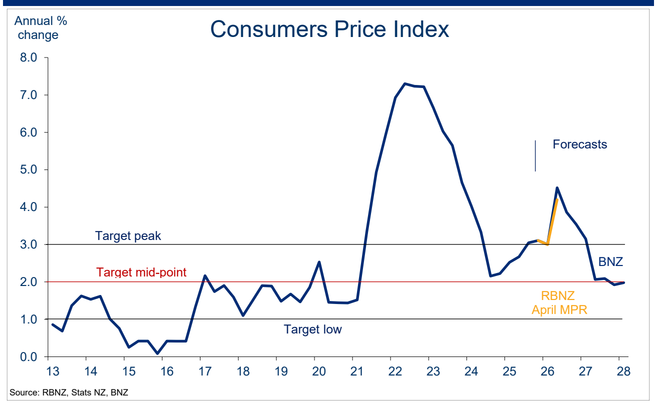
Looking at Q1 overall, there was nothing in the electronic card data that changes our view that retail sale volumes and GDP rose in the quarter. Neither does it dissuade us from our priors that growth will struggle in Q2.

Key data this week is out tomorrow in the form of Q1 CPI and the QSBO.

Friday's Selected Prices didn't alter our Q1 CPI pick, so it stays at 0.8% q/q and 3.0% y/y. This matches the RBNZ's updated forecast published at its April MPR. Market consensus is also for 0.8% q/q, but at 2.9% y/y, which is possible given the vagaries of rounding.

Regardless of the precise starting point for Q1, headline inflation is set to go much higher in Q2. We continue to forecast a 4.5% y/y peak in Q2.

Q1 CPI near 3%, before expected Q2 jump



Our Q1 forecasts show price increases in the first quarter being driven by energy and food. Positive contributions are also anticipated from medical products, as the regular prescription subsidy reset occurs, and cigarettes and tobacco influence by excise indexation. Education prices are expected to lift as they tend to do at the start of the academic year, although the lift is expected to be less than usual this year as more students become eligible for final-year free fees. All price movements matter for consumers as they affect purchasing power.

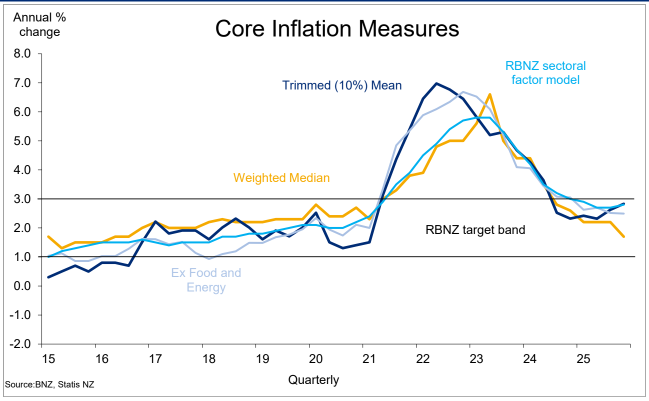
From a policy perspective, attention will be on the various core measures as a guide to medium term inflation. We believe Q1 is too early for sharp fuel price increases to drive up other prices more broadly.

The CPI ex food and energy is one important core measure. Our forecasts are consistent with this measure's Q1 annual inflation coming in marginally lower than Q4's 2.5%.

Other core measures like the trimmed means, weighted median, and the RBNZ's sectoral factor and factor models will also be scrutinised for guidance on medium term inflation.

The RBNZ's factor models are published tomorrow around 3pm while the other core measures are released with the CPI itself at 10.45am.

Firm core



Core measures were inside the RBNZ's target band in Q4, albeit with the majority above the midpoint. It was one reason we were forecasting the cash rate to starting nudging higher this year before the conflict in the Middle East erupted. This remains our view.

We still have little conviction on the precise timing of when the cash rate will start pushing higher. At this point we see no reason to change from our current expectation of a September start. To change it would suggest we have more conviction in the timing of when rates will nudge higher than we actually have.

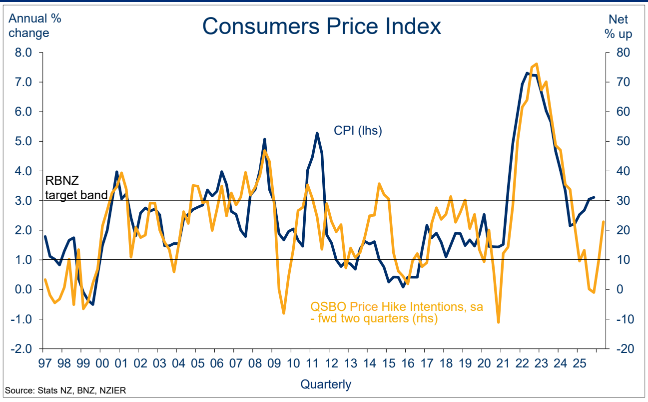
Our Q1 CPI forecast includes non-tradeable prices rising 0.9% q/q and 3.3% y/y and tradeable prices lifting 0.6% and 2.5% y/y. The Bloomberg market poll of these quarterly movements match our forecasts. The RBNZ did not give a tradeable/non-tradeable split when it updated its Q1 CPI forecast in April.

Ahead of the CPI tomorrow morning, the QSBO will be released at 10am. It will provide its usual timely and in-depth gauges on a variety of business indicators.

It seems inevitable that business confidence will drop, rising costs will hit profitability, and activity and firms' intentions to employ and invest will come under some downward pressure. It feels more an exercise in assessing the extent of it this time around.

Pricing indicators will be monitored given sudden intense cost pressures. Pricing intentions seem bound to rise further in the near term. Reported prices will also be important as a guide to how many firms are actually lifting prices. These were relatively soft in Q4.

Pricing intentions closely watched



Short term pricing intentions and inflation expectations tend to follow headline inflation. This is a point we have made on numerous occasions in the past. Importantly, the RBNZ Governor suggested the same in a CNBC interview and again in a panel discussion at the Peterson Institute last week. This suggests that increases in the short-term price indicators will not surprise the Bank.

The QSBO's difficulty of finding labour, capacity utilisation, and factor constraint indicators will indicate the degree of resource use tightness.

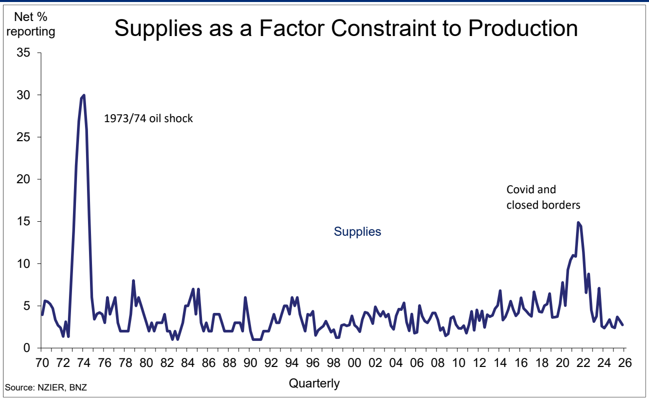
Firms' difficulty finding labour has been trending higher, especially for skilled labour. But with risk of growth in labour demand slowing, uncertainty lifting, and a pickup in net migration it is not a given that the prior trend will continue. Any changes here can have consequences for the outlook for wage inflation.

Even if labour has not become a more binding constraint, other factors might have. Given the nature of the current shock, we will be particularly interested to hear what businesses say is their key constraint to lifting output.

Sales is almost always top of the list, but has it become more or less so over the past three months? And/or will other factors like supplies jump in prominence, driven by surging fuel and related-product costs or supply chain difficulties?

In the long history of the QSBO, the supplies constraint has wriggled around a bit over the years but has only significantly lifted twice. Once during the 1973/74 oil shock and once during Covid.

Supply shocks



The answers to the constraint question will help judge the relative pressures coming from changes in supply and demand. That means they can inform on the degree of slack in the economy and, in turn, provide insight for policy. That said, there will only be so much that this quarter's QSBO can tell us about a shock that started relatively late in the quarter in question.

All the tightness indicators will be important for assessing pressures on inflation over the medium term.

The week's data is already underway this morning's merchandise trade data. It confirmed the annual trade deficit is starting to widen, reaching $3.2b in the year to March.

We thought it would be too early for Middle East disruption to show up in any meaningful way and so it looked even though judgement is difficult with very volatile monthly data. For example, the value of petroleum products imports in March was 30% lower than a year ago. Meanwhile, the value of fertiliser imports was 18% higher than a year earlier.

We expect the annual deficit to widen further this year as higher prices for the likes of oil and related products lift the value of imports relative to the value of exports.

Early Wednesday morning brings the latest Global Dairy Trade auction. The balance of indicators is not decisive on direction, with a mix of positives and negatives. Auction results at this time of year tend to have less influence on a season's milk price.

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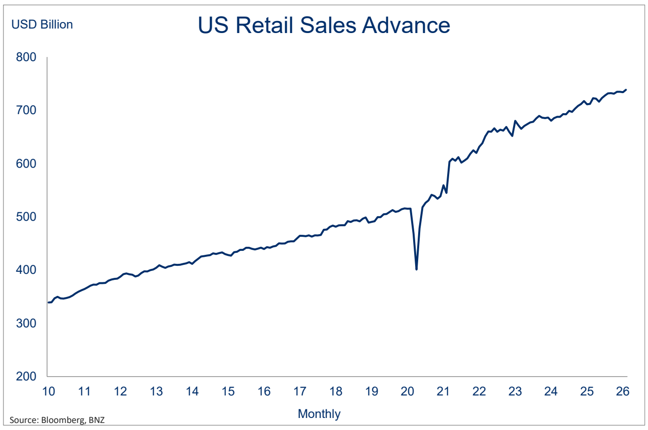
Global Watch

- **Attention remains on the Middle East**
- **April PMIs to provide indications of the conflict's impact**
- **CPI data out for Canada, Japan and the UK**
- **UK labour market data to show signs of stabilisation**
- **US retail sales also due**

There were plenty of headlines to digest on Friday night, with talk of the reopening of the Strait of Hormuz. It was enough to drive investors into believing the US-Iran conflict is nearing an end. European and US equities made solid gains, while global rates showed decent falls. Developments over the weekend provided clarity that the Strait of Hormuz remains closed and nothing much has changed.

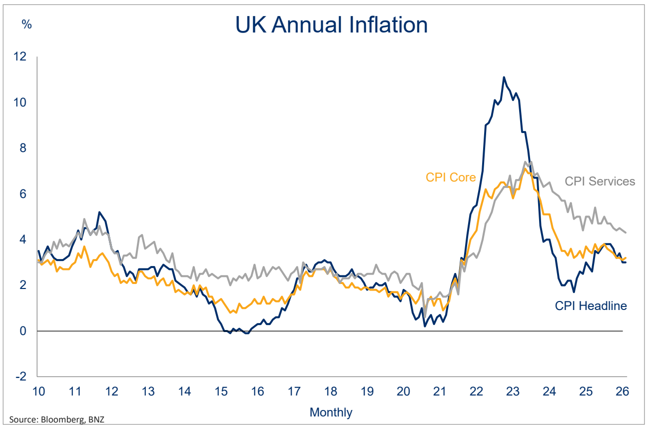
The US-Iran ceasefire is set to expire Wednesday NZ time, with EU leaders holding an informal summit in Cyprus (Wednesday and Thursday) to discuss the economic fallout from the conflict. Flash April PMIs are due on Thursday for the US, Eurozone, UK and Japan. The Fed is in its pre-FOMC blackout ahead of the 29 April meeting, with the ECB entering its quiet period Thursday.

In the US, March retail sales (Tuesday) headline the activity calendar, with April the final estimate of the University of Michigan consumer sentiment (Friday) also due. The Senate Banking Committee holds the confirmation hearing for Kevin Warsh as the next Fed Chair (Tuesday). In Canada, March CPI (Monday) arrives.



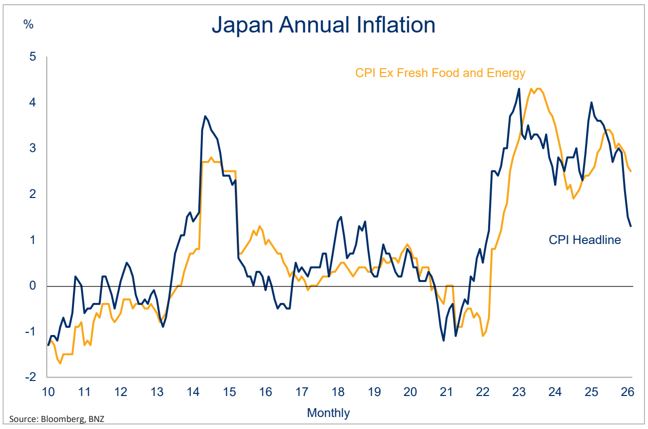
In Europe, it's a quiet week with no notable releases beyond a speech from Christine Lagarde on Wednesday and Germany's IFO (Friday) and ZEW surveys (Tuesday).

UK monthly CPI for March on Wednesday will rise to around 3.3% y/y, reflecting higher motor fuel prices and perhaps some impact on food. The BoE expects a rise to 3.5%. Core CPI is likely to remain at 3.2%, with services at 4.3/4.4%.



February's UK labour market data (Tuesday) may well show further signs of stabilisation with unemployment unchanged at 5.2% and private earnings holding close to their January 3.3% cycle low. The number of payrolled employees for March could also repeat better data of the last couple of months.

In Asia, Japan's March CPI (Friday) is the key release, with March trade data (Wednesday) also due. In China, Loan Prime Rates are set for Monday.



In Australia, the data calendar is very light this week. The only release is the preliminary April S&P Global PMI Composite. There are no major data releases or RBA speakers.

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Fixed Interest Market

Reuters: BNZL, BNZM Bloomberg:BNZ

NZ swap rates continue to mostly track offshore gyrations in commodity and fixed income markets. Yields finished last week unchanged to slightly lower, masking some volatility through the week.

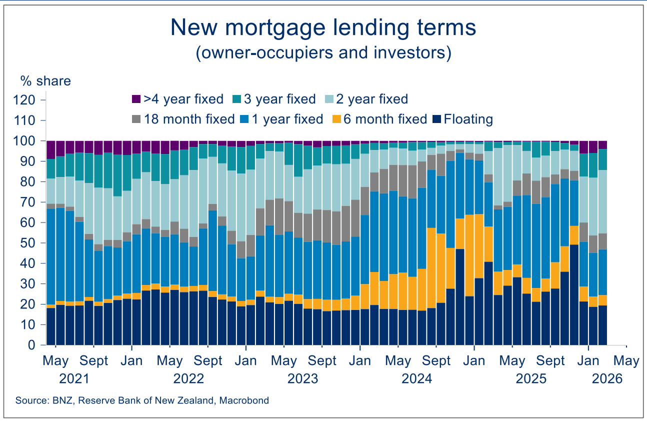
Monday's jump in front end yields followed a back-up in global oil prices, with the local market's front-loading of OCR tightening expectations amplifying the moves. The 2-year swap yield rose to almost 3.57%, further flattening the curve, and the 2s10s measure of curve slope fell to a fresh cycle low of 82bps.

However, these moves tended to reverse over the rest of the week on as hopes for an Iranian ceasefire and reopening of the Strait saw a more constructive tone take hold. Oil prices eased and offshore yields rallied.

Increased mortgage-related hedging around the 18 month to two-year part of the curve seems to be being readily absorbed. RBNZ data shows mortgage borrowers are increasingly opting for longer fixed mortgage terms.

In February, 31% of new mortgage lending was fixed for two-years, the highest since January 2023. There have also been sniffs of interest in three- and four-year terms, at shares also not seen since early 2023. It's likely the preference to term out mortgage debt has been at least maintained since February, if not ratcheted up further.

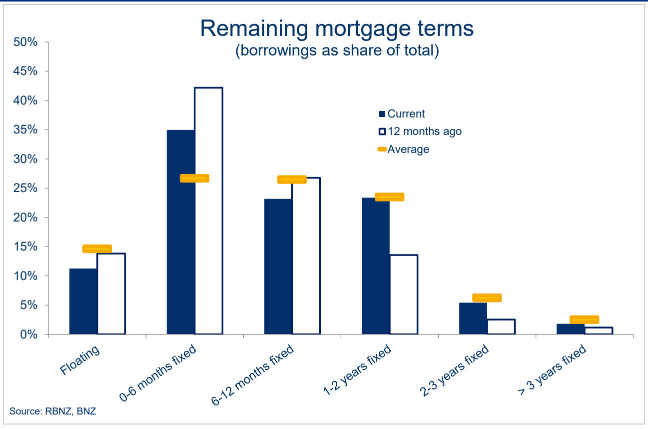
Two-year terms back in vogue



These changes in the term preferences of new lending (the flow) have continued to slowly lengthen the duration of the mortgage book (the stock). At 35% as at February, the share of mortgage borrowings with remaining terms of less than six months remains above average, but much less so than previously. The high-water mark of last year was 44%.

Conversely, the share of mortgage debt with remaining terms of 1-2 years has increased substantially over the past 12 months and is now roughly in line with the long-run average. The shares with remaining terms of 2+ years have also increased to now be roughly around average.

Duration of mortgage book lengthening



Local data took a backseat last week. The stagflationary potential of the fuel shock started to turn up in activity and inflation partials, but not in a way that forced any changes to our views or forecasts.

Tomorrow morning's QSBO/CPI double-act has more obvious market-moving potential. Most of the impact from the oil price spike will show up in the Q2 CPI (BNZ forecast 4.5%y/y), but Q1 statistics reported on Tuesday morning will be important in assessing starting point inflation pressures (BNZ forecast 3.0%y/y). Markets often sleep on the QSBO (10am tomorrow) but historically it's an economist favourite that has proven to be a frequent trigger for changes in OCR calls.

OIS pricing currently implies around a 25% chance of a 25bp hike at the May Monetary Policy Statement and just over an 80% chance of a 25bp hike by the July MPR. Noting the still wide range of potential outcomes, we continue to forecast the first hike in September, with a total of 50bp of hikes by year-end.

Current Rates/Spreads and Recent Ranges

	Current	Last 4-weeks range*
NZ 90d bank bills (%)	2.54	2.00 - 3.00
NZ 2yr swap (%)	3.42	3.32 - 3.68
NZ 5yr swap (%)	3.91	3.85 - 4.21
NZ 10yr swap (%)	4.32	4.23 - 4.56
2s10s swap curve (bps)	90	81 - 93
NZ 10yr swap-govt (bps)	-36	-39 - -34
NZ 10yr govt (%)	4.68	4.67 - 4.79
US 10yr govt (%)	4.25	4.22 - 4.48
NZ-US 10yr (bps)	43	29 - 50
NZ-AU 2yr swap (bps)	-116	-130 - -106
NZ-AU 10yr govt (bps)	-32	-32 - -21

*Indicative range over last 4 weeks

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Foreign Exchange Market

Reuters pg BNZWFWDS Bloomberg pg BNZ9

Last week, the US dollar weakened broadly, with the DXY index declining by 0.4% and effectively surrendering its gains made since the onset of the US-Iran conflict. Improved risk appetite led to outperformance among commodity currencies, and NZD/USD rose 0.8% to 0.5885. The AUD performed even better, reaching new multi-year highs, which saw the NZD/AUD fall 0.7% to just above 0.82, though it did not breach the previous week's low. Other NZD cross movements were relatively insignificant, with a slight decrease against the CAD and modest gains against the EUR, GBP, and JPY.

The Middle East continues to command market attention. Last week's news offered hope that the situation may be approaching the endgame. The two-week ceasefire between the US and Iran remains in place, and a separate ten-day ceasefire between Israel and Lebanon was agreed. The US naval blockade of ships linked to Iran is still in effect and appears to be functioning as intended, while Iran is largely keeping the Strait closed to most other vessels.

Despite the ongoing closure of the Strait of Hormuz and persistent uncertainty regarding the resolution of the US-Iran conflict, markets are behaving as if oil will soon begin flowing freely again. BNZ's risk appetite index finished last week at 80%. Prior to the conflict, the index stood at 72%, and at its lowest point towards the end of March, it fell to just 55%. For what is widely recognised as the most severe global energy shock in history in terms of oil flow disruption, the overall market reaction has been surprising.

This market optimism seems somewhat misplaced, especially given the significant uncertainty about when the Strait of Hormuz will actually reopen. While President Trump continues to speak optimistically about the prospects for a peace deal, the rhetoric from Iran remains far less conciliatory. The new week has begun with risk sentiment souring again, after weekend developments provided some clarity that much remains unresolved.

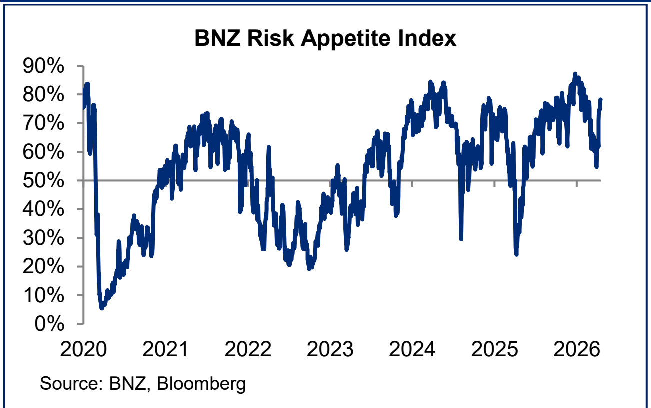
In last week's report, we adopted a more positive outlook for the NZD, suggesting that the March low near 0.5680 would not be retested and outlining a potential path to recovery. In our latest NZD Corporate Update, we slightly reduced our near-term NZD forecasts compared to pre-conflict levels but maintained our year-end target at 0.63. Our new end-Q2 target of 0.59 implies the recent NZD recovery should consolidate, consistent with a trading range of 0.57 to 0.61.

A key assumption underpinning this outlook is that the Strait of Hormuz will reopen soon. Should it remain closed for at least another month, both the domestic and global economic outlooks would become significantly more dire, creating an environment in which the NZD would face renewed downward pressure. This prospect is so concerning that it is understandable why the market is trading on the expectation that the Strait will reopen soon. This skews the outlook, with fat-tail downside risk in the NZD outweighing upside potential.

The current two-week ceasefire agreement expires on Wednesday, NZ time. An extension would provide additional time for negotiations and likely keep the market in a holding pattern. Conversely, if the ceasefire ends and military action resumes, the market is unlikely to respond positively.

Unquestionably, attention will remain focused on developments in the Middle East. On the economic calendar, domestic attention will be on the QSBO and Q1 CPI, both scheduled for release tomorrow. However, these reports will only reflect the early effects of the Iran conflict on the economy. Globally, early April PMI data should provide initial indications of the conflict's impact, while CPI data is due for Canada, Japan, and the UK. In the US, the key release will be retail sales at the end of the week.

War, what war? Hardly reflected in risk appetite



Source: BNZ, Bloomberg

Cross Rates and Recent Ranges

	Current	Last wk %chg	Last 3-wks range*
NZD/USD	0.5854	0.8%	0.5680 - 0.5930
NZD/AUD	0.8214	-0.7%	0.8190 - 0.8360
NZD/CAD	0.8016	-0.3%	0.7920 - 0.8140
NZD/GBP	0.4342	0.3%	0.4300 - 0.4370
NZD/EUR	0.4989	0.4%	0.4920 - 0.5020
NZD/JPY	92.99	0.4%	90.70 - 94.10

*Indicative range over last 3 w eeks, rounded

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Technicals

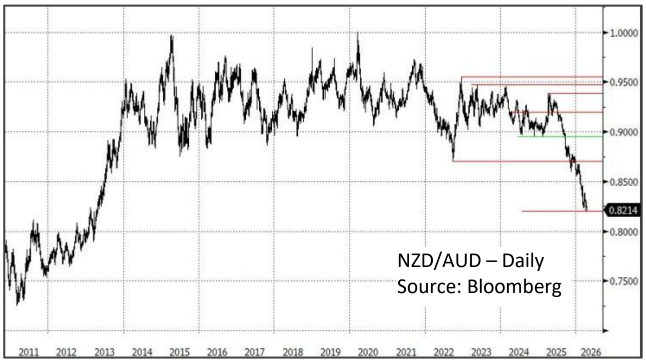
NZD/USD

Outlook: Trading range
ST Resistance: 0.60 (ahead of 0.6120)
ST Support: 0.5680 (ahead of 0.5580)

After its recovery over the past two weeks, we revert to 0.60 as the next key resistance level and lift support to the March low around 0.5680.

NZD/AUD

Outlook: Downside risk
ST Resistance: 0.87 (ahead of 0.8950)
ST Support: 0.82



We see tentative support around the 0.82 mark but no obvious support level below that.

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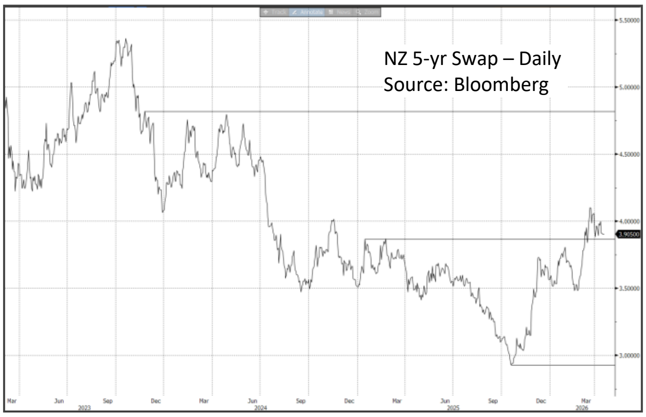
NZ 5-year Swap Rate

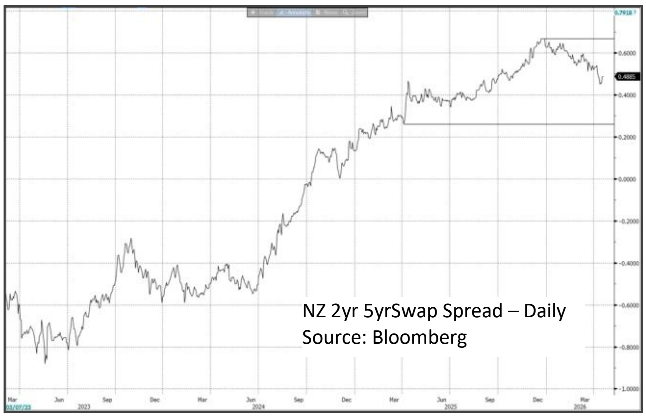
Outlook: Higher
ST Resistance: 4.85
ST Support: 3.85



5-year swap rallied slightly last week but stayed above our support level, it appears to be consolidating up here. We retain the outlook for a higher rate.

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

Outlook: Neutral
ST Resistance: 0.67
ST Support: 0.26



2s5s curve steepened back slightly last week from its extended move last week. In the very short term, it looks to flatten more however the outlook is uncertain, so we await a break before changing our outlook.

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Quarterly Forecasts

Forecasts as at 20 April 2026

Key Economic Forecasts

Quarterly % change unless otherwise specified — Forecasts (shaded)

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

Interest Rates

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

Exchange Rates (End Period)

USD Forecasts / NZD Forecasts

	NZD/USD	AUD/USD	EUR/USD	GBP/USD	USD/JPY	NZD/USD	NZD/AUD	NZD/EUR	NZD/GBP	NZD/JPY	TWI-17
Current	0.59	0.71	1.18	1.36	159	0.59	0.83	0.50	0.44	93.7	66.8
Forecasts											
Jun-26	0.59	0.71	1.18	1.33	156	0.59	0.83	0.50	0.44	92.0	66.7
Sept-26	0.61	0.72	1.19	1.34	153	0.61	0.85	0.51	0.46	93.3	68.4
Dec-26	0.63	0.73	1.20	1.33	152	0.63	0.86	0.52	0.47	95.4	69.8
Mar-27	0.64	0.74	1.21	1.36	150	0.64	0.87	0.53	0.47	96.2	70.7
Jun-27	0.63	0.73	1.20	1.35	149	0.63	0.87	0.53	0.47	94.2	69.7
Sept-27	0.63	0.72	1.20	1.35	146	0.63	0.88	0.53	0.47	92.0	69.6
Dec-27	0.63	0.72	1.19	1.35	144	0.63	0.88	0.53	0.47	90.7	69.7
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 20 April 2026	March Years Actuals		Forecasts			December Years Actuals			Forecasts	
	2024	2025	2026	2027	2028	2023	2024	2025	2026	2027
GDP - annual average % change										
Private Consumption	1.1	0.0	1.3	1.2	2.4	1.1	-0.2	1.4	0.9	2.1
Government Consumption	1.1	-1.3	3.4	1.3	-0.5	0.1	-0.9	2.4	2.3	-0.4
Total Investment	-1.1	-4.9	-0.6	4.6	3.7	-0.3	-4.9	-1.5	3.4	4.2
Stocks - ppts cont'n to growth	-1.4	0.4	0.4	0.2	-0.1	-1.2	0.4	-0.1	0.6	-0.2
GNE	-0.9	-1.1	1.7	2.1	2.1	-0.7	-1.1	0.8	2.3	2.0
Exports	8.6	3.4	2.6	3.7	3.7	11.5	4.7	2.7	3.8	3.4
Imports	-1.4	1.5	4.8	4.5	2.7	-0.7	1.7	3.4	5.1	2.8
Real Expenditure GDP	1.5	-0.7	0.8	1.8	2.3	2.1	-0.3	0.5	1.6	2.1
GDP (production)	**1.8**	**-0.9**	**0.6**	**1.7**	**2.3**	**2.2**	**-0.3**	**0.2**	**1.7**	**2.0**
GDP - annual % change (q/q)	*1.6*	*-0.7*	*1.1*	*1.5*	*2.6*	*1.4*	*-1.6*	*1.3*	*1.8*	*2.4*
Output Gap (ann avg, % dev)	1.3	-0.4	-1.0	-0.7	-0.3	1.4	0.0	-0.9	-0.7	-0.4
Nominal Expenditure GDP - $bn	417	431	449	474	496	413	427	445	468	491
Prices and Employment -annual % change										
CPI	4.0	2.5	3.0	3.1	2.0	4.7	2.2	3.1	3.5	1.9
Employment	0.9	-0.9	0.7	2.0	2.3	2.7	-1.3	0.2	1.9	2.1
Unemployment Rate %	4.4	5.1	5.4	5.4	5.3	4.0	5.1	5.4	5.4	5.4
Wages - ave. hr. ord. time earnings (private sector)	4.8	3.8	4.2	3.3	3.2	6.6	4.0	3.5	3.4	3.2
Productivity (ann av %)	-0.6	0.1	1.0	0.0	0.2	-0.7	0.1	1.1	0.2	0.0
Unit Labour Costs (ann av %)	6.6	4.4	2.9	3.7	3.0	7.1	4.7	3.0	3.6	3.3
House Prices (stratified, mth)	2.7	-0.6	0.2	-0.5	5.4	0.7	-0.8	-0.3	0.0	4.5
External Balance										
Current Account - $bn	-23.8	-18.3	-16.6	-22.3	-18.3	-25.8	-20.0	-16.3	-21.6	-19.2
Current Account - % of GDP	-5.7	-4.2	-3.7	-4.7	-3.7	-6.3	-4.7	-3.7	-4.6	-3.9
Government Accounts - June Yr, % of GDP										
OBEGAL ex ACC (core op. balance) (Treasury forecasts)	-2.1	-2.1	-3.0	-2.2	-1.0					
Net Core Crown Debt (ex NZS) (Treasury forecasts)	41.8	41.8	43.3	46.0	46.9					
Bond Programme - $bn (Treasury forecasts)	39.3	42.6	35.0	34.0	34.0					
Bond Programme - % of GDP	9.4	9.9	7.8	7.2	6.9					
Financial Variables [1]										
NZD/USD	0.61	0.57	0.58	0.64	0.63	0.62	0.57	0.58	0.63	0.63
USD/JPY	150	149	159	150	142	144	154	156	152	144
EUR/USD	1.09	1.08	1.16	1.21	1.18	1.09	1.05	1.17	1.20	1.19
NZD/AUD	0.93	0.91	0.83	0.87	0.88	0.93	0.91	0.87	0.86	0.88
NZD/GBP	0.48	0.44	0.44	0.47	0.46	0.49	0.45	0.43	0.47	0.47
NZD/EUR	0.56	0.53	0.51	0.53	0.53	0.57	0.55	0.49	0.52	0.53
NZD/YEN	91.1	85.4	92.8	96.2	89.5	89.5	88.4	90.3	95.4	90.7
TWI	71.2	67.9	66.8	70.7	69.8	72.0	68.5	66.8	69.8	69.7
Overnight Cash Rate (end qtr)	5.50	3.75	2.25	3.25	4.00	5.50	4.25	2.25	2.75	4.00
90-day Bank Bill Rate	5.64	3.60	2.50	3.65	4.15	5.63	4.26	2.49	3.15	4.15
5-year Govt Bond	4.60	4.00	4.10	4.45	4.15	4.50	3.90	3.90	4.35	4.25
10-year Govt Bond	4.60	4.50	4.65	4.90	4.90	4.65	4.45	4.50	4.90	4.90
2-year Swap	4.91	3.35	3.32	4.10	3.80	4.93	3.53	2.98	3.95	3.95
5-year Swap	4.40	3.65	3.87	4.30	4.15	4.43	3.63	3.61	4.15	4.25
US 10-year Bonds	4.20	4.25	4.25	4.50	4.50	4.00	4.40	4.15	4.50	4.50
NZ-US 10-year Spread	0.40	0.25	0.40	0.40	0.40	0.65	0.05	0.35	0.40	0.40

[1] *Average for the last month in the quarter*

Source: Statistics NZ, BNZ, RBNZ, NZ Treasury

Key Upcoming Events

All times and dates NZT

	Median	Fcast	Last
Monday 20 April			
GE PPI YoY Mar	-1.20%		-3.30%
Tuesday 21 April			
CA CPI YoY Mar	2.60%		1.80%
CA CPI Core - Median YoY Mar	2.30%		2.30%
CA CPI Core - Trim YoY Mar	2.30%		2.30%
NZ QSBO			
NZ CPI QoQ 1Q	0.80%	0.80%	0.60%
NZ CPI YoY 1Q	2.90%	3.00%	3.10%
NZ CPI Tradeable QoQ 1Q	0.60%	0.60%	0.70%
NZ CPI Non-Tradeable QoQ 1Q	0.90%	0.90%	0.60%
UK Prvt Earnings ex-Bonus 3M/YoY Feb	3.20%		3.30%
UK ILO Unemployment Rate 3Mths Feb	5.20%		5.20%
UK Payrolled Emplyees Mnthly Change Mar	-3k		20k
EC ECB's Nagel, Guindos & Kocher Speak			
GE ZEW Survey Expectations Apr	-7		-0.5
Wednesday 22 April			
US ADP Wkly Employmt Change April-04			39.250k
US Philadelphia Fed Non-Manufacturing Activity Apr			-23.9
US Retail Sales Advance MoM Mar	1.40%		0.60%
US Retail Sales Control Group Mar	0.20%		0.50%
US Business Inventories Feb	0.30%		-0.10%
US Pending Home Sales MoM Mar	0.00%		1.80%
NZ Dairy GDT Auction			
JN Trade Balance Mar	¥1051.4b		¥44.3b
AU Westpac Leading Index MoM Mar			-0.09%
UK CPI YoY Mar	3.30%		3.00%
UK CPI Core YoY Mar	3.20%		3.20%
UK CPI Services YoY Mar	4.30%		4.30%

	Median	Fcast	Last
Thursday 23 April			
EC ECB's Lagarde, Lane & Others Speak			
EC Consumer Confidence Apr P	-17.2		-16.3
AU S&P Global Australia PMI Mfg Apr P			49.8
AU S&P Global Australia PMI Services Apr P			46.3
JN S&P Global Japan PMI Mfg Apr P			51.6
JN S&P Global Japan PMI Services Apr P			53.4
EC S&P Global Eurozone Mfg PMI Apr P	50.9		51.6
EC S&P Global Eurozone Services PMI Apr P	49.8		50.2
UK S&P Global UK Services PMI Apr P	50		50.5
UK S&P Global UK Mfg PMI Apr P	50.3		51
Friday 24 April			
US Chicago Fed Nat Activity Index Mar			-0.11
US Initial Jobless Claims April-18	210k		207k
US Continuing Claims 11/04/2026	1820k		1818k
US S&P Global US Mfg PMI Apr P	52.5		52.3
US S&P Global US Services PMI Apr P	50.1		49.8
EC ECB's Nagel Speaks			
UK GfK Consumer Confidence Apr	-25		-21
JN Natl CPI YoY Mar	1.40%		1.30%
JN Natl CPI Ex Fresh Food, Energy YoY Mar	2.40%		2.50%
UK Retail Sales Inc Auto Fuel MoM Mar	0.00%		-0.40%
GE IFO Expectations Apr	85		86
Saturday 25 April			
US U. of Mich. Sentiment Apr F	48.4		47.6
US Kansas City Fed Services Activity Apr			15
Monday 27 April			
NZ ANZAC Day (Observed)			
CH Industrial Profits YoY Mar			
GE GfK Consumer Confidence May			-28

Historical Data

	Today	Week Ago	Month Ago	Year Ago
CASH AND BANK BILLS				
Call	2.25	2.25	2.25	3.50
1mth	2.39	2.41	2.44	3.62
2mth	2.47	2.48	2.51	3.55
3mth	2.54	2.55	2.57	3.48
6mth	2.72	2.74	2.78	3.29
GOVERNMENT STOCK				
05/28	3.49	3.66	3.71	3.47
05/31	4.16	4.29	4.42	4.02
04/33	4.41	4.51	4.63	4.32
05/36	4.68	4.76	4.87	4.64
05/41	5.03	5.12	5.20	4.99
05/54	5.27	5.35	5.45	5.21
GLOBAL CREDIT INDICES (ITRXX)				
Nth America 5Y	53	55	63	74
Europe 5Y	56	59	69	72

	Today	Week Ago	Month Ago	Year Ago
SWAP RATES				
2 years	3.39	3.56	3.67	3.13
3 years	3.60	3.79	3.93	3.24
4 years	3.76	3.93	4.09	3.36
5 years	3.88	4.03	4.21	3.50
10 years	4.29	4.40	4.55	4.04
FOREIGN EXCHANGE				
NZD/USD	0.5859	0.5868	0.5859	0.6001
NZD/AUD	0.8216	0.8271	0.8356	0.9351
NZD/JPY	93.17	93.57	92.82	84.52
NZD/EUR	0.4995	0.4990	0.5045	0.5211
NZD/GBP	0.4346	0.4344	0.4363	0.4485
NZD/CAD	0.8032	0.8093	0.8041	0.8306
TWI	66.5	66.3	66.3	70.1

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