

# Markets Research

## What to Watch



### Week of 27 May 2024

#### Past Week ([jump to section](#))

- Yields moved higher over the week in Australia (and offshore), driven mostly by offshore developments
- Across the Ditch the RBNZ was hawkish in their post-meeting Statement and our BNZ colleagues Our BNZ colleagues in response pushed out their RBNZ rate cut call to February 2025 from November 2024
- The UK CPI printed hot, reducing the chances of a June rate hike (now only 7% priced from 58% last week), markets not fully priced until November
- US data bucked the softening trend with the PMIs printing well above expectations, while the FOMC Minutes tilted to the hawkish side

#### Week ahead ([jump to section](#))

- Monday is a holiday in both the US and UK
- In Australia, Retail Sales (Tuesday) and April CPI Indicator (Wednesday) headline, with Q2 pre-GDP investment partials, building approvals, and private credit also featuring.
- April monthly CPI is the goods-heavy first month of the quarter. We expect inflation to fall back to 3.4% from 3.5%, in line with consensus.
- In NZ, a larger fiscal deficit and funding programme are expected out of the Government's Budget on Thursday
- The US PCE deflator on Friday headlines the US calendar. Also on the agenda are the second estimate of Q1 GDP (Thursday) and the Beige Book (Wednesday). There's plenty of Fed Speakers, headlined by Williams on Thursday.
- In Europe, Preliminary Eurozone CPI is published Friday, following country level CPIs including Germany (Wednesday)
- Elsewhere, China's official PMI's are on Friday, as are Tokyo CPI and Japan unemployment and industrial production

#### Important Events Preview ([jump to section](#))

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### Key Markets

	Latest	% change	
		week	YTD
<b>Cash rates</b>		<i>bps</i>	<i>bps</i>
RBA Cash Rate	4.35	0.0	0.0
US Fed Funds	5.50	0.0	0.0
RBNZ Cash Rate	5.50	0.0	0.0
<b>Rates</b>			
AU BBSY 3m	4.39	-0.5	-1.7
AU 3y swap	4.13	7.6	34.9
AU 3yr yield	3.98	13.6	37.4
AU 10yr yield	4.31	9.8	35.5
US 10yr yield	4.47	5.1	59.2
AU-US 10yr spread	-16.1	4.7	-23.7
<b>Commodities</b>		%	%
Iron ore	121	3.2	-8.0
Coal (thermal)	142.8	-0.5	-2.5
Brent oil	81.4	-3.1	6.4
Gold	2336.3	-3.3	13.2
<b>FX</b>			
AUD/USD	0.6600	-1.4	-3.1
USD (DXY)	105.07	0.6	3.7
AUD/NZD	1.0831	0.7	-0.5
<b>AUD crosses</b>			
AUD/JPY	103.67	0.5	-7.3
AUD/CNY	4.7822	1.2	1.3
AUD/EUR	0.6104	0.9	1.1
AUD/GBP	0.5200	1.3	2.9
<b>Equities</b>			
ASX 200	7727.6	-1.1	1.8
ASX Resources	5984.7	-0.5	-5.8
ASX Financials	7307.1	-0.9	8.8
US S&P 500	5267.8	-0.6	10.4

Source: Bloomberg

## Week in review

Yields moved higher over the week in Australia and offshore. While it was a quiet week domestically with only the RBA Minutes on Tuesday of note (see note [AUS: RBA Minutes sees holding for longer the preferred way to manage risks](#)), several offshore developments lent on the hawkish side and are worth noting.

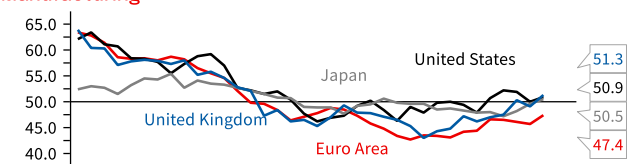
Across the Ditch the RBNZ was hawkish in their post-meeting Statement. While the RBNZ left the cash rate at 5.5%, they raised their modelled cash rate track and also contemplated hiking rates. Our BNZ colleagues in response pushed out their RBNZ rate cut call to February 2025 from November 2024.

The UK CPI beat expectations, reducing the chances of a June rate hike (now only 7% priced from 58% last week), with markets now not fully pricing a cut until November. In the US Fed speak and the FOMC Minutes leant on the hawkish side, while the US PMI was also much stronger than expected.

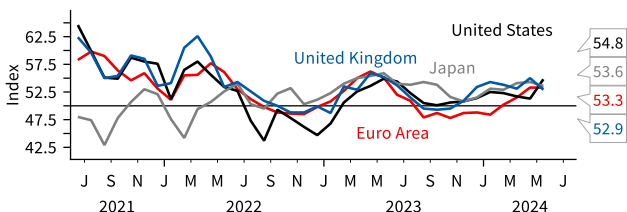
As for the US PMI the composite PMI index rose by 3.1pts to 54.4, its highest level since April 2022, compared to expectations of a flat result. The gain was driven by the services sector, with that index up 3.5pts to 54.8. The read through to the hard data is far from perfect, but the data does erase some of the cooling signals in recent outcomes and contrast the month-long run of broader US data tending to surprise on the soft side.

### S&P Global PMIs

#### Manufacturing



#### Services



Source: National Australia Bank, S&P Global, Macrobond

The upshot from all those developments is that pricing for the RBA has also been pushed out with markets now back to pricing around 2-3bps of rate hikes for the August meeting and very little change of cutting rates before year's end. A full cut is not priced until July 2025.

Finally in politics, the UK government announced a snap General Election for Thursday 4 July. The Opposition Labour Party has held around a 20point poll lead for some months, strongly suggesting this is Labour's election to lose.

## Week Ahead in Brief

In **Australia**, April updates for the Monthly CPI indicator and retail sales headline the calendar in the week ahead, alongside pre-GDP investment partials for Q2. From the RBA, Assistant Governor (Economic) appears in a 'fireside chat' at an Australasian Investor Relations Association conference on Thursday. Note Monday is a holiday in both the US and UK.

The Monthly April CPI indicator (Wednesday) covers only a part of the total CPI basket, and being the first month is goods-heavy. We pencil in a tick lower in the headline inflation rate, back to 3.4% from 3.5%, in line with consensus. We look for the underlying measure excluding fruit & veg, fuel and travel to fall back to 3.9% after its March rise. Most services prices, with the notable exception of rents, are not updated in the April indicator, but we may be able to glean some early insights into how helpful goods prices will be to the eventual Q2 outcome. As usual, measured travel prices are the key uncertainty, with the early Easter expected to moderate somewhat the usual seasonal increase in April.

For Retail Sales (Tuesday), NAB's internal data points to a rebound in retail sales spending in April after the decline in March. We pencil in 0.6% m/m, above consensus for 0.2%.

Also on the Australian calendar are Q2 Capex (Thursday) and Construction Work Done (Wednesday), and April Building Approvals (Thursday) and Private Sector Credit (Friday).

In **New Zealand**, the Government's Budget is due for release on Thursday. Our BNZ colleagues expect to see a larger fiscal deficit and funding programme. Finance Minister Nicola Willis has been very clear that the upcoming year's fiscal deficit will be larger than that for 2023/24. It is not clear whether this means that the deficit will be larger as a percentage of GDP, in dollar terms, or both. Data for the week starts Tuesday with Employment Indicators for April, although we are wary of over interpreting any signal given their recent gains have been at odds with a drop in official (HLFS) employment. ANZ's business survey is out Wednesday.

Elsewhere, it is another week of a relatively quiet calendar until Friday, when key prints are the **US** PCE and European preliminary CPI, as well as **Chinese** official PMIs, **Tokyo** CPI and **Canadian** Q1 GDP. Other data to watch out for during the week include the German IFO (Monday), The Fed's Beige Book (Wednesday), and the second release of US GDP (Thursday). The usual run of European country level inflation data ahead of Friday's Eurozone-wide measure starts in earnest with Germany on Wednesday

From central banks, Fed speak includes New York's Williams at the Economics Club of New York on Thursday. The ECB's Lane speaks on 'inflation in the eurozone' on Monday.

Taylor Nugent, NAB

## Important Events Preview

Selection of key data; full calendar below

### Monday 27

No data of note; US and UK Holiday

### Tuesday 28

#### AU April Retail Sales

We look for solid monthly gain in retail sales in April, pencilling in 0.6% m/m after following the 0.4% fall reported in April. While the consumer remains under pressure and trend growth in retail sales remains sluggish, our internal data suggests some pick up in April indicative of some goods spending categories.

### Wednesday 29

#### AU April CPI indicator

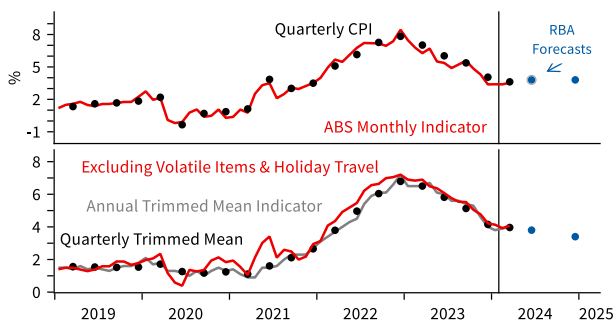
We expect the April CPI indicator to dip to 3.4% y/y from 3.5%. More interesting will be the measure excluding volatile fruit & veg, and holiday travel. We pencil in a fall back to 3.9% after a rise to 4.1% in March.

The usual caveat is that the Monthly Indicator is not the full CPI and reflects only a partial update of the prices in the CPI basket. April is the first month of the quarter and is heavily skewed towards goods prices. While we won't get a much useful information about the evolution of services ex rents, it will be informative about whether goods prices will be more benign in Q2. Our forecast is consistent with some further slow moderation in grocery prices excluding fruit and veg, and broadly stable durable goods prices on a seasonally adjusted basis and would be tracking in line with our forecast for trimmed mean of 0.8% q/q in Q2 (but with risks skewed to a 0.9).

A key uncertainty, as always with the monthly indicator, is the measured monthly change in the travel component. Prices seasonally rise in April alongside school holidays, but the early Easter risks moderating the increase more materially than we have pencilled in.

Key components to watch include New Dwelling construction and some larger goods components, Monthly outcomes sustaining at 0.2% m/m or below for New Dwellings would be a big help to ongoing disinflation progress. Be careful of seasonality across goods. Furniture prices rising less than 4% in the three months to April is consistent with falling seasonally adjusted prices in Q2

#### Monthly and Quarterly Inflation



Source: National Australia Bank, Australian Bureau of Statistics

#### AU Construction Work Done

We expect a small positive around 0.5% q/q for construction work in Q1 overall, after a 0.7% in Q4. Residential construction declined in Q4 and we expect that to continue, led by falling alterations & addition, while non-residential construction has been volatile. Public construction has been an offsetting source of strength, particularly public engineering construction, and this should continue.

### Thursday 30

#### AU Capex

We pencil in a 1.1% q/q rise for private sector capex, slightly up from 0.8% in Q4 on the back of a pickup in machinery & equipment. Trade data across the quarter showed a significant rise in capital goods imports including computer equipment which we expect to flow through to capex.

#### US Trade Balance, 2<sup>nd</sup> read on Q1 GDP, Jobless Claims

### Friday 31

#### CH Official PMIs

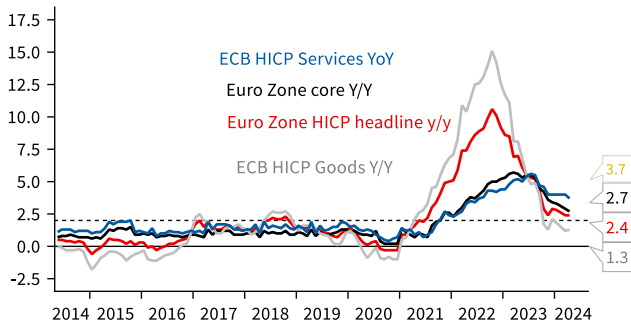
The manufacturing PMI is seen little changed from April in only modestly expansionary territory, while the non-manufacturing PMI may edge higher after dipping to 51.2 in April.

#### JN Tokyo May CPI

Tokyo's CPI gives an early read on the national figure, which showed the core measure excluding fresh food and energy stable at 2.4% in April. Tokyo is running a little below the national average, but is expected to see the headline rate move higher to 2.1% from 1.8%, which should presage a lift in the national measure out in a few weeks.

#### EZ Preliminary CPI

Preliminary EZ HICP inflation for May is forecast to nudge a little higher from its 2.4% annual cycle low. The impact of the early Easter argues for higher services inflation while some German transport base effects sees the consensus look for a 0.2% m/m rise in the headline rate for 2.6% y/y. The core rate is seen rising a tenth to 2.8% y/y, also supported by base effects. If the consensus proves right (and we see the risk skewed to the upside for services in particular) this would be a further argument for a delay after a June rate cut before more.



Source: National Australia Bank, Bloomberg

### US Personal Consumption and Expenditure

Estimates for the key core PCE deflator have clustered near 0.25. No surprise then that the early forecasts are split between a 0.2% and a 0.3% outcome to follow last month’s 0.32% gain. A return to a 0.2% after the push higher through Q1 would be good news for the Fed, though a fall in airfares are likely to help in the month, and the second decimal place will be important.

Alongside the inflation gauge are spending and income data. With income and spending both seen moderating to 0.3% m/m growth.

## Weekly Calendar of Economic Releases

Date	Time	Country	Event	Period	Consensus	NAB	Previous
<b>Monday, 27 May</b>	6:00 PM	GE	IFO Business Climate	May	90.00		89.40
	9:00 PM	EC	ECB's Lane Speaks	--	--		--
<b>Tuesday, 28 May</b>	9:50 AM	JN	PPI Services YoY	Apr	2.3%		2.3%
	11:30 AM	AU	Retail Sales MoM	Apr	0.2%	<b>0.6%</b>	-0.4%
	11:15 PM	EC	ECB's Knot Speaks	--	--		--
	11:55 PM	US	Fed's Kashkari Gives Panel Remarks	--	--		--
	12:00 AM	US	Conf. Board Consumer Confidence	May	96.00		97.0
	12:30 AM	US	Dallas Fed Manf. Activity	May	--		-14.5%
	3:00 AM	UK	BOE's Haskel speaks	--	--		--
	3:05 AM	US	Fed's Cook Speaks on AI	--	--		--
<b>Wednesday, 29 May</b>	11:00 AM	NZ	ANZ Business Confidence	May	--		14.9%
	11:30 AM	AU	Construction Work Done	1Q	0.5%	<b>0.5%</b>	0.7%
	11:30 AM	AU	CPI YoY	Apr	3.4%	<b>3.4%</b>	3.5%
	6:00 PM	EC	M3 Money Supply YoY	Apr	--		0.9%
	9:00 PM	US	MBA Mortgage Applications	May 24	--		1.9%
	10:00 PM	GE	CPI YoY	May P	2.4%		2.2%
	4:00 AM	US	Federal Reserve Releases Beige Book	--	--		--
<b>Thursday, 30 May</b>	8:45 AM	NZ	Building Permits MoM	Apr	--		-0.2%
	8:50 AM	AU	RBA's Hunter-Fireside Chat	--	--		--
	9:00 AM	US	Fed's Bostic Speaks on Economy	--	--		--
	11:30 AM	AU	Private Capital Expenditure	1Q	0.6%	<b>1.1%</b>	0.8%
	11:30 AM	AU	Building Approvals MoM	Apr	1.8%	<b>1.0%</b>	1.9%
	10:30 PM	US	GDP Annualized QoQ	1Q S	1.2%		1.6%
	10:30 PM	US	Initial Jobless Claims	May 25	220.00		215.0
	--	UK	(30 May - 06 Jun) Nationwide House PX MoM	May	--		-0.4%
	--	UK	(30 May - 06 Jun) Nationwide House Px NSA YoY	May	--		0.6%
	2:05 AM	US	Fed's Williams Speaks at Economic Club of New York	--	--		--
<b>Friday, 31 May</b>	9:30 AM	JN	Jobless Rate	Apr	2.6%		2.6%
	9:30 AM	JN	Tokyo CPI Ex-Fresh Food YoY	May	1.9%		1.6%
	9:50 AM	JN	Industrial Production MoM	Apr P	1.5%		4.4%
	9:50 AM	JN	Retail Sales YoY	Apr	1.9%		1.2%
	11:30 AM	AU	Private Sector Credit MoM	Apr	0.4%	<b>0.4%</b>	0.3%
	11:30 AM	CH	Manufacturing PMI	May	50.40		50.4
	11:30 AM	CH	Non-manufacturing PMI	May	51.50		51.2
	4:45 PM	FR	CPI YoY	May P	--		2.2%
	4:45 PM	FR	GDP QoQ	1Q F	--		0.2%
	6:30 PM	UK	Mortgage Approvals	Apr	--		61.3
	7:00 PM	EC	CPI MoM	May P	0.2%		0.6%
	7:00 PM	EC	CPI Core YoY	May P	2.8%		2.7%
	10:30 PM	CA	Quarterly GDP Annualized	1Q	2.0%		1.0%
	10:30 PM	CA	GDP MoM	Mar	--		0.2%
	10:30 PM	US	Personal Income	Apr	0.3%		0.5%
	10:30 PM	US	Personal Spending	Apr	0.3%		0.8%
	10:30 PM	US	PCE Core Deflator MoM	Apr	0.3%		0.3%
10:30 PM	US	PCE Core Deflator YoY	Apr	2.8%		2.8%	
11:45 PM	US	MNI Chicago PMI	May	40.80		37.9	
<b>Upcoming Central Bank Interest Rate Announcements</b>						<b>NAB</b>	<b>Current</b>
	Jun 18	Australia, RBA				4.35	4.35
	Jun 20	UK, BOE				5.25	5.25
	Jun 12	US, Federal Reserve (Upper Bound)				5.50	5.50
	Jul 10	New Zealand, RBNZ				5.50	5.50
	Jun 5	Canada, BoC				5.00	5.00
	Jun 6	Europe, ECB				3.75	4.00
	Jun 14	Japan, BoJ (Upper Bound)				0.10	0.10

Sydney Time. Dates reflect 24 hours from 7am

## May 2024 Economic Calendar

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
28	29	30	01	02	03	04
			NZ Unemployment Rate 1Q JN Jibun Bank Japan PMI Mfg Apr P UK S&P Global UK Manufacturing PMI Apr P US ADP Employment Change Apr US S&P Global US Manufacturing PMI Apr P US JOLTS Job Openings Mar US ISM Manufacturing Apr US FOMC Rate Decision (Upper Bound) May 1	NZ Building Permits MoM Mar JN BOJ Minutes of March Meeting -- AU Trade Balance Mar AU Building Approvals MoM Mar EC HCOB Eurozone Manufacturing PMI Apr P US Trade Balance Mar US Initial Jobless Claims Apr 20 US Factory Orders Mar US Durable Goods Orders Mar P	NO Deposit Rates May 3 US Change in Nonfarm Payrolls Apr US Unemployment Rate Apr US ISM Services Index Apr	
05	06	07	08	09	10	11
	AU Melbourne Institute Inflation MoM Apr CH Caixin China PMI Services Apr FR HCOB France Services PMI Apr P	AU Retail Sales Ex Inflation QoQ 1Q AU RBA Cash Rate Target May 7 AU RBA-Statement on Monetary Policy --	GE Industrial Production SA MoM Mar SW Riksbank Policy Rate May 8 US MBA Mortgage Applications Apr 19	JN Labor Cash Earnings YoY Mar UK Bank of England Bank Rate May 9 US Initial Jobless Claims Apr 20 CH Exports YoY Apr CH Trade Balance Apr	NZ BusinessNZ Manufacturing PMI Apr JN BoP Current Account Balance Mar UK GDP QoQ 1Q P CA Unemployment Rate Apr US U. of Mich. Sentiment Apr F	CH PPI YoY Apr CH CPI YoY Apr
12	13	14	15	16	17	18
	NZ Performance Services Index Apr NZ Food Prices MoM Apr AU NAB Business Conditions Apr	JN PPI YoY Apr GE CPI YoY Apr P GE CPI EU Harmonized YoY Apr P UK ILO Unemployment Rate 3Mths Mar GE ZEW Survey Expectations May US PPI Final Demand MoM Apr	CH 1-Yr Medium-Term Lending Facility Rate May 15 AU Wage Price Index YoY 1Q FR CPI EU Harmonized YoY Apr P FR CPI YoY Apr P EC GDP SA QoQ 1Q A US MBA Mortgage Applications Apr 19 US CPI MoM Apr US Empire Manufacturing May US Retail Sales Advance MoM Apr	AU RBA's Hunter-Speech -- JN GDP SA QoQ 1Q P AU Unemployment Rate Apr JN Industrial Production MoM Mar P US Housing Starts Apr US Initial Jobless Claims Apr 20 US Industrial Production MoM Apr	CH Industrial Production YoY Apr CH Retail Sales YoY Apr EC CPI YoY Apr F	
19	20	21	22	23	24	25
	JN Tertiary Industry Index MoM Mar	AU Westpac Consumer Conf SA MoM May AU RBA Minutes of May Policy Meeting -- CA CPI YoY Apr	JN Core Machine Orders MoM Mar NZ RBNZ Official Cash Rate May 22 UK CPI YoY Apr US MBA Mortgage Applications Apr 19 US Existing Home Sales Apr	JN Jibun Bank Japan PMI Mfg Apr P FR HCOB France Manufacturing PMI Apr P FR HCOB France Services PMI Apr P GE HCOB Germany Manufacturing PMI Apr P EC HCOB Eurozone Manufacturing PMI Apr P UK S&P Global UK Manufacturing PMI Apr P US Initial Jobless Claims Apr 20 US S&P Global US Manufacturing PMI Apr P US New Home Sales Mar	NZ Trade Balance NZD Mar JN Natl CPI YoY Mar UK Retail Sales Inc Auto Fuel MoM Mar US Durable Goods Orders Mar P US U. of Mich. Sentiment Apr F	
26	27	28	29	30	31	01
	GE IFO Business Climate Apr	AU Retail Sales MoM Mar US Conf. Board Consumer Confidence Apr	US MBA Mortgage Applications Apr 19 GE CPI YoY Apr P US Federal Reserve Releases Beige Book --	NZ Building Permits MoM Mar AU Building Approvals MoM Mar US GDP Annualized QoQ 1Q S US Initial Jobless Claims Apr 20	JN Jobless Rate Mar JN Tokyo CPI Ex-Fresh Food YoY Apr JN Industrial Production MoM Mar P AU Private Sector Credit MoM Mar CH Manufacturing PMI Apr FR CPI YoY Apr P FR GDP QoQ 1Q P EC CPI MoM Apr P CA Quarterly GDP Annualized 1Q US PCE Core Deflator MoM Mar	

# Forecasts Table

For NAB Economics Latest Forecast Update, see: [Inflation still too high despite slow demand growth](#)

Australian Economic Forecasts																
	2023				2024				2025				2026			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>GDP</b>																
Household Consumption	0.1	0.1	-0.2	0.1	0.2	0.3	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Dwelling Investment	-0.5	0.7	0.6	-3.8	-2.4	-2.2	-1.1	0.0	1.6	1.4	1.6	1.6	1.3	1.2	0.9	0.7
Underlying Bus. Investment	4.3	2.5	0.7	0.7	1.1	0.3	0.6	0.5	0.6	0.5	0.6	0.8	0.9	1.0	1.0	1.1
Public Final Demand	0.8	2.0	1.5	0.4	0.5	0.5	0.7	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Domestic Final Demand	0.6	0.9	0.6	0.1	0.3	0.3	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6
(% y/y)	2.3	2.3	2.3	2.3	1.9	1.3	1.2	1.6	1.9	2.1	2.2	2.2	2.3	2.3	2.3	2.3
Inventories	(contr) 0.3	-1.2	0.3	-0.3	0.4	0.1	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Exports	(contr) -0.5	0.8	-0.6	0.6	-0.8	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gross Domestic Product	0.6	0.5	0.3	0.2	0.1	0.3	0.6	0.6	0.5	0.5	0.5	0.6	0.6	0.5	0.6	0.5
(% y/y)	2.5	2.1	2.1	1.5	1.0	0.9	1.3	1.6	2.1	2.3	2.2	2.2	2.2	2.2	2.3	2.2
<b>Labour Market</b>																
Employment	0.7	0.9	0.6	0.7	0.5	0.7	0.3	0.3	0.5	0.5	0.6	0.6	0.4	0.4	0.4	0.4
Unemployment Rate	(%) 3.6	3.6	3.7	3.9	3.9	4.1	4.3	4.5	4.5	4.5	4.4	4.3	4.3	4.3	4.3	4.3
WPI Wages	0.9	1.0	1.2	1.0	0.8	0.9	1.1	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
(% y/y)	3.6	3.7	4.0	4.2	4.1	4.0	3.9	3.8	3.8	3.8	3.5	3.4	3.4	3.3	3.3	3.2
<b>Inflation</b>																
CPI Trimmed Mean	1.2	0.9	1.2	0.8	1.0	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.6
(% y/y)	6.5	5.8	5.1	4.2	4.0	3.8	3.4	3.4	3.1	2.9	2.8	2.8	2.7	2.6	2.5	2.5
CPI Headline	1.4	0.8	1.2	0.6	1.0	0.9	0.6	0.6	0.7	0.7	0.9	0.7	0.6	0.6	0.6	0.6
(% y/y)	7.0	6.0	5.4	4.1	3.6	3.7	3.0	3.0	2.7	2.6	2.9	3.0	2.9	2.8	2.5	2.5

Source: ABS, NAB Economics. Quarterly percent change unless specified

Exchange Rate Forecasts						
	23-May	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
<b>Majors</b>						
AUD/USD	0.660	0.65	0.67	0.69	0.71	0.72
NZD/USD	0.61	0.60	0.61	0.62	0.64	0.65
USD/JPY	157.0	150	146	143	140	137
EUR/USD	1.08	1.07	1.09	1.11	1.13	1.14
GBP/USD	1.27	1.25	1.28	1.30	1.31	1.32
USD/CNY	7.24	7.24	7.20	7.15	7.10	7.00
USD/CAD	1.37	1.37	1.36	1.35	1.34	1.33
USD/CHF	0.92	0.91	0.89	0.87	0.86	0.85

Global GDP				
	2023	2024	2025	2026
Australia	2.1	1.3	2.2	2.3
United States	2.5	2.4	1.3	1.8
Eurozone	0.5	0.3	1.0	1.5
United Kingdom	0.1	0.3	0.8	1.2
Japan	1.9	0.3	0.6	0.6
China	5.2	4.5	4.8	4.5
India	7.7	6.6	6.2	6.4
New Zealand	0.6	0.3	2.7	3.0
World	3.3	2.9	3.0	3.1

Australian Cross Rates						
	23-May	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
AUD/NZD	1.08	1.08	1.10	1.11	1.11	1.11
AUD/JPY	103.7	98	98	99	99	99
AUD/EUR	0.61	0.61	0.61	0.62	0.62	0.63
AUD/GBP	0.52	0.52	0.52	0.53	0.54	0.55
AUD/CNY	4.78	4.71	4.82	4.93	5.01	5.04
AUD/CAD	0.91	0.89	0.91	0.93	0.94	0.96
AUD/CHF	0.60	0.59	0.60	0.60	0.61	0.61

Interest Rate Forecasts						
	23-May	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
<b>Australian Rates</b>						
RBA cash rate	4.35	4.35	4.35	4.10	3.85	3.60
3 month bill rate	4.34	4.25	4.08	3.88	3.69	3.44
3 Year Swap Rate	4.13	4.10	3.95	3.80	3.70	3.60
10 Year Swap Rate	4.49	4.55	4.50	4.40	4.40	4.35
<b>Offshore Policy Rates</b>						
US Fed funds	5.50	5.50	5.25	5.00	4.50	4.25
RBNZ OCR	5.50	5.50	5.50	5.25	5.00	4.50
<b>10-year Bond Yields</b>						
Australia	4.31	4.30	4.25	4.20	4.20	4.15
United States	4.47	4.50	4.25	4.10	4.00	3.90
New Zealand	4.78	4.90	4.75	4.60	4.60	4.50



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