# September 2025 Quarter CPI Preview

16 October 2025



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**Consumers Price Index – September 2025 Quarter**

| | Prev | ANZ | RBNZ |
|---|---|---|---|
| CPI – q/q | 0.5% | **1.1%** | **0.9%** |
| CPI – y/y | 2.7% | **3.1%** | **3.0%** |
| Non-tradables – q/q | 0.7% | **1.2%** | **1.0%** |
| Non-tradables – y/y | 3.7% | **3.6%** | **3.5%** |
| Tradables – q/q | 0.3% | **0.8%** | **0.8%** |
| Tradables – y/y | 1.2% | **2.2%** | **2.1%** |

## A temporary breach

### The bottom line

- Accelerating tradable inflation – the more volatile side of the CPI – is expected to push headline inflation higher in Q3, from 2.7% to 3.1% y/y. That's slightly higher than the August MPS forecast. Annual non-tradable inflation is expected to slow 0.1%pts to 3.6% (August MPS: 3.5%).
- Ongoing pressure from administrative prices (e.g. council rates and ACC levies) is expected to provide a significant offset to softening price pressures across the parts of the CPI that are interest rate sensitive.
- The RBNZ Monetary Policy Committee foreshadowed such an outcome in the recent OCR Review and they are unlikely get too spooked by inflation breaching the target band provided the core measures remain contained and non-tradable inflation continues to slow. Current spare capacity in the economy means further disinflation progress can be expected from here.

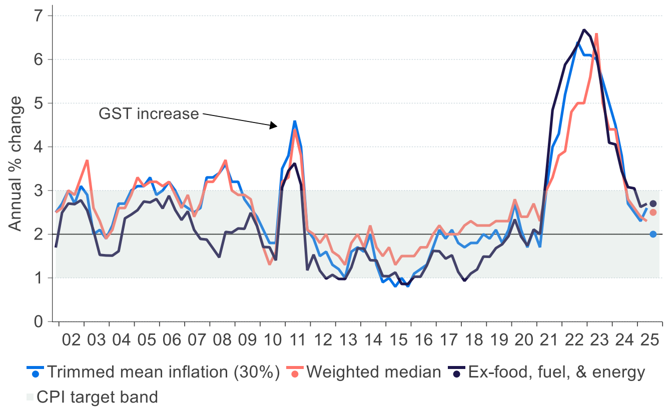
### Big picture and monetary policy implications

The Q3 CPI data will be released at 10:45am on Monday, 20 October. We've pencilled in a lift in headline inflation from 2.7% in Q2 to 3.1%, driven by a rise in tradable inflation that more than offsets a modest decline in non-tradable inflation.

As always, the detail will be key in assessing the monetary policy implications. The RBNZ will be focused primarily on the signals these data provide regarding the trajectory of underlying inflation – particularly those emerging from non-tradable, services, and core inflation measures.

Core inflation indicators produced by Stats NZ are expected to remain within the 1-3% target band, with the weighted median, 30% trimmed mean and ex-food, fuel and energy measures anticipated to sit within a 2-2.7% range (Figure 1).

**Figure 1. Core inflation measures**




Source: Stats NZ, RBNZ, Macrobond, ANZ Research

The RBNZ won't be pleased if headline inflation breaches the top of its 1-3% target band. However, it will take comfort from the fact that the recent acceleration has been driven by the more volatile side of the CPI basket (meaning payback is likely down the track), and that broader economic conditions remain consistent with ongoing underlying disinflation. Indeed, given the recent loss of economic momentum, we think it would take a material upside surprise in the stickier parts of the CPI for the RBNZ to reconsider the weight it has been placing on downside medium-term inflation risks.

## The details

Breaking down our forecast for headline inflation to come in at 1.1% q/q:

- The **Housing and household utilities** group is expected to contribute 0.45%pts to quarterly inflation, with local council rates adding 0.3%pts (up 8.5% q/q) and electricity adding 0.1%pts (up 3.2% q/q). The contribution from rents and the cost of building a new dwelling is expected to remain subdued relative to its historical average.

- The **Food group** is expected to add 0.3%pts, with fruit and vegetables and meat a little stronger than usual seasonality would imply.

- The **Transport group** is expected to add 0.1%pts driven largely by the 2025/26 rise in ACC vehicle levies and higher international airfares.

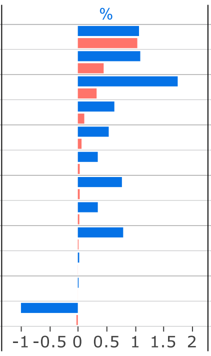
- The **Recreation and culture** group is expected to contribute almost 0.1%pts, reflecting small rises across the sub-indexes, including accommodation.

- Together, small rises in the **Miscellaneous goods and services** group (largely owing to insurance), the **Health** group, and the **Education group** are expected to add almost 0.1%pt. Regarding the latter, early childhood education prices are expected to rise in the quarter reflecting the IRD's revised impact of the Family Boost package on household expenditure and normal inflationary pressures.

- We've pencilled in a small contraction for the communications group, but this doesn't move the dial on quarterly inflation at one decimal place.

### Table 1. ANZ Q3 CPI component-level forecast

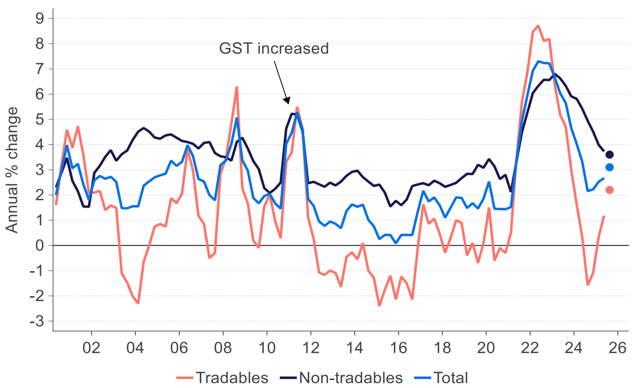
| | % | q/q% | %pt cont. |
|---|---|---|---|
| **Total** | | **1.1** | **1.04** |
| Housing & Household Utilities | | 1.1 | 0.45 |
| Food | | 1.8 | 0.33 |
| Transport | | 0.6 | 0.11 |
| Recreation & Culture | | 0.5 | 0.07 |
| Miscellaneous Goods & Services | | 0.3 | 0.03 |
| Health | | 0.8 | 0.03 |
| Alcoholic Beverages & Tobacco | | 0.4 | 0.03 |
| Education | | 0.8 | 0.01 |
| Clothes & Footwear | | 0.0 | 0.00 |
| Household Contents & Services | | 0.0 | 0.00 |
| Communication | | -1.0 | -0.02 |




■ Quarterly % change ■ Percentage point contribution

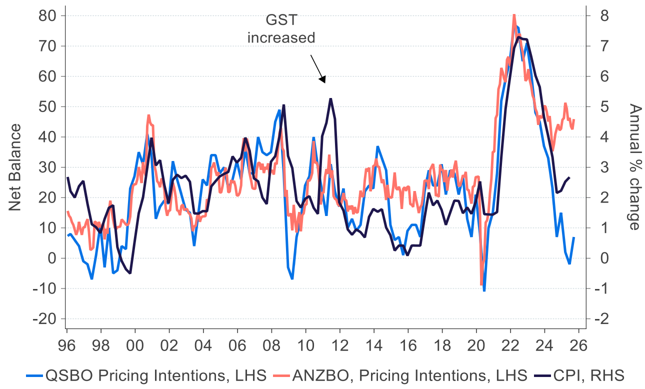
Source: Stats NZ, Macrobond, ANZ Research

### Figure 2. CPI inflation measures



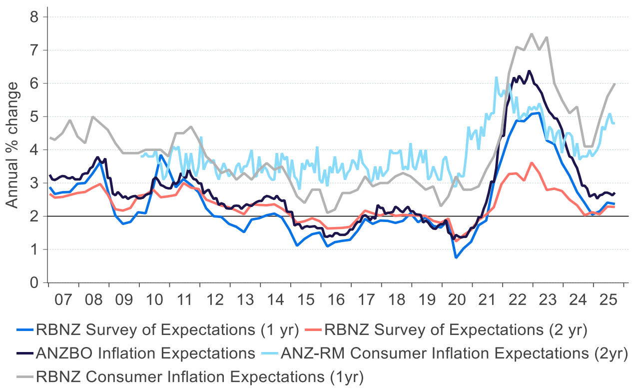

Source: RBNZ, Stats NZ, Macrobond, ANZ Research

### Figure 3. Inflation and pricing intentions




Source: NZIER, Stats NZ, Macrobond, ANZ Research

### Figure 4. Selected inflation expectations measures




Source: Stats NZ, RBNZ, Macrobond, ANZ Research

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