



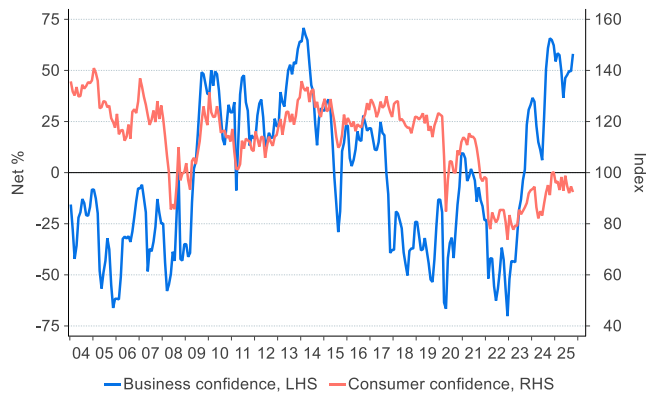
Quarterly Economic Outlook

Spring thaw

November 2025

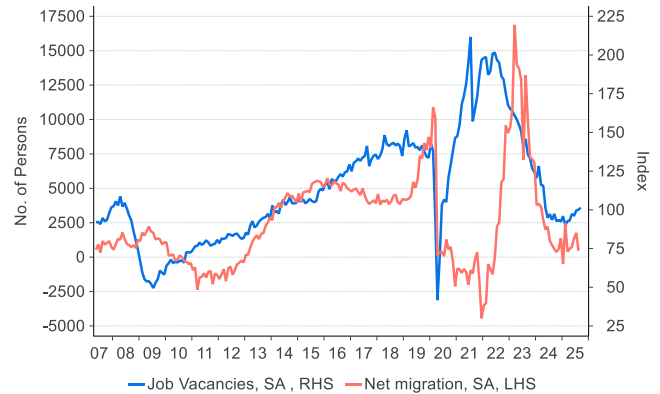
At a glance

Firms are seeing light at the end of the tunnel But consumers remain wary



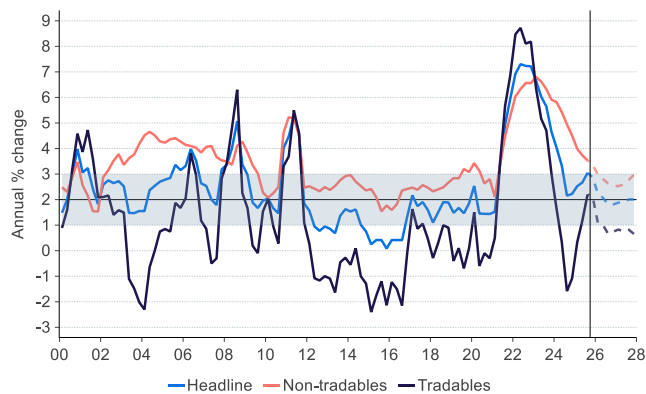
Source: Roy-Morgan, Macrobond, ANZ Research

The labour market appears poised for recovery Labour demand and supply are expected to recover in tandem



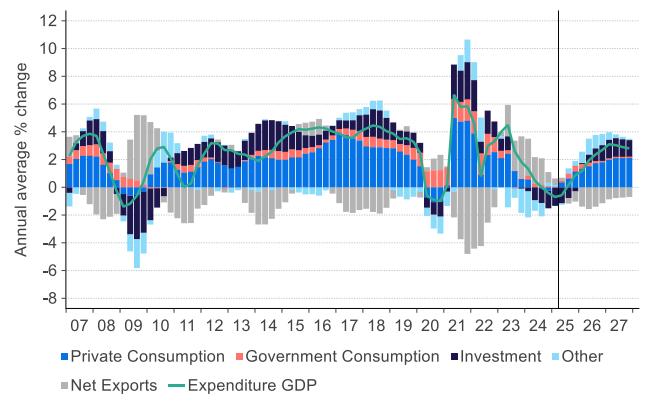
Source: Stats NZ, MBIE, Macrobond, ANZ Research

Underlying disinflation looks set to continue With non-tradable inflation still in a downtrend



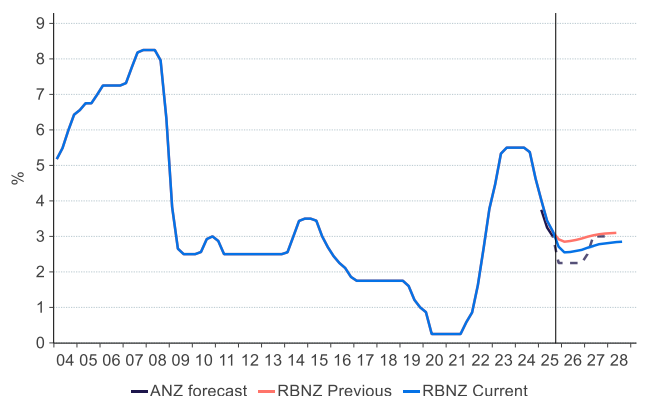
Source: Stats NZ, Macrobond, ANZ Research

GDP growth is forecast to pick up As domestic demand continues to respond to monetary easing



Source: Stats NZ, Macrobond, ANZ Research

We expect one last 25bp OCR cut this cycle With the RBNZ ready to respond as appropriate as the data roll in over 2026



Source: RBNZ, Macrobond, ANZ Research

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The big picture

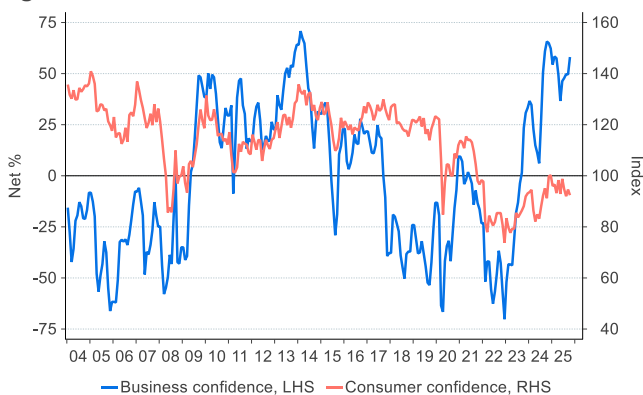
Spring thaw

After what feels like a long cold winter, signs of a spring thaw are emerging across the New Zealand economy. GDP growth was significantly [weaker than expected in Q2](#), but as we've been noting from the get-go, a lot of that weakness can be tied up to volatility and quirky seasonality. Looking through the noise, we'd characterise economic momentum as travelling broadly sideways over the first half of 2025: weaker than both our and the RBNZ's prior expectation.

While green shoots are now visible, they are also vulnerable, and after a false start earlier this year, firms and households may require some convincing that better economic times are ahead. In a bid to shore up confidence and backstop the recovery the RBNZ pivoted dovishly in August, following up with an outsized 50bp cut in October (and signalling a willingness to do more, depending on how the data evolves). We expect one final 25bp cut on 26 November to round out the easing cycle.

The broader data flow suggests the economy is warming up, albeit in a relatively patchy and uneven fashion so far. Leading indicators are mixed, as they often are around turning points, and while it's a little too early for the high-frequency data to fully reflect the RBNZ's recent bout of dovishness, we're confident conditions are in place for a cyclical recovery.

Figure 1. Consumer and business confidence

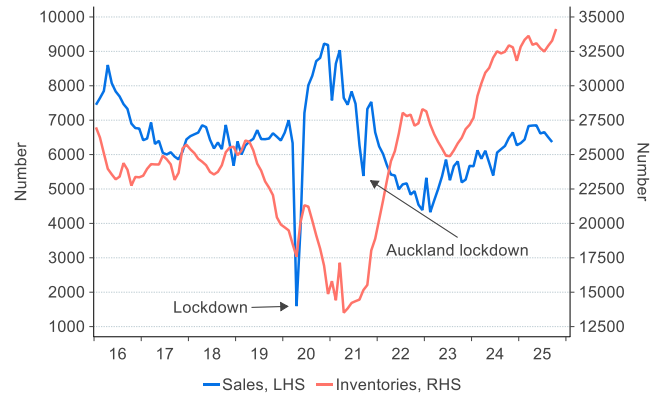


Source: Roy-Morgan, Macrobond, ANZ Research

[Our Business Outlook Survey](#) certainly suggests businesses are confident the economy will be in a better place 12 months from now (admittedly a low bar, given current activity is weak). [Consumers, however, remain cautious](#) – which is hardly surprising given persistently weak labour demand and the fact that inflation for some essentials (notably food and electricity) continues to outpace income growth for many households. Indeed, with lingering strength in parts of the CPI basket and households unlikely to feel things are “back to normal” until income growth has been consistently outpacing consumer price inflation, it's possible that consumer spending remains subdued for some time yet. Importantly, the household sector is crucial for sustaining a broader economic expansion. And that's where the housing market has a role to play.

It would be unfair to say the housing market hasn't responded to monetary easing: sales have lifted to around their historical level, but “pent-up supply” has seen the number of properties available for sale move largely in step. The net result has been national-level house prices trending broadly sideways for around two years now.

Figure 2. House sales and inventories



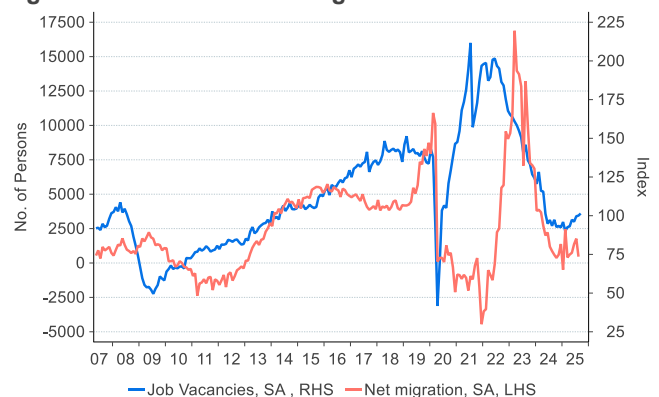
Source: REINZ, realestate.co.nz, Macrobond, ANZ Research

Subdued house price momentum (backwards in some regions) has been adding to the inertia in the household sector. However, recent falls in mortgage rates are expected to see the market pick up from here. As outlined in our latest Property Focus, [we expect](#) national house prices to end the year up around 0.5-1%, though regional variation will be significant. The combination of lower interest rates and improving labour market conditions are expected to support a 5% lift in house prices over 2026.

There are also tentative signs that lower mortgage rates are starting to bolster residential construction activity. After trending sideways for around two years, building consents posted respectable growth in both August and September, with the underlying trend in these data now pointing upward.

Labour market conditions appear to have stabilised, with an [unemployment rate of 5.3% in Q3](#) hopefully marking its highest point this cycle. Job ads have also finally started to trend upwards, suggesting employment growth should turn positive from here. That also suggests net migration should be around its cycle lows, though the relative strength of the Australian labour market suggests any upswing in net migration from here could be muted.

Figure 3. Job ads and net migration



Source: Stats NZ, MBIE, Macrobond, ANZ Research

The big picture

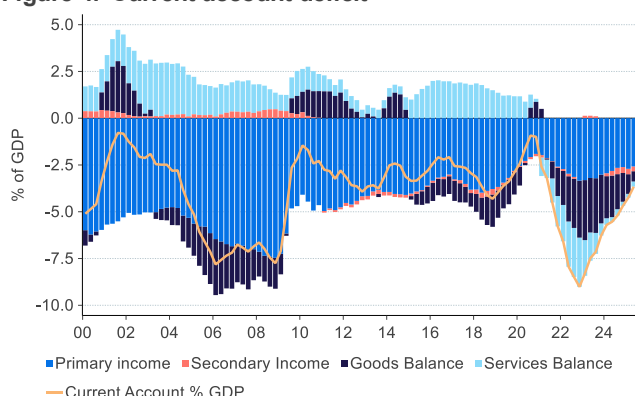
Wage pressures are contained despite some firms continuing to face skill shortages (which are likely being exacerbated by strong emigration). In contrast, lower-skilled roles are attracting large applicant pools. Overall, modest wage and employment growth, combined with a recovery in hours worked, should see household income outpace CPI inflation going forward.

CPI inflation [kissed the top of the 1-3% target band in Q3](#), but the RBNZ's focus remains firmly on the medium-term outlook, which we see as on track to stabilise around 2%. While the recent acceleration in inflation certainly won't be welcomed by the Monetary Policy Committee (MPC), they should take some solace from the fact this was driven by the relatively volatile tradeable side of the CPI basket. That said, the MPC will be watching inflation expectations closely given the risk that reaccelerating headline inflation could cause expectations to rise (potentially resulting in higher medium-term inflation than otherwise).

The [agri sector remains the bright spot](#). Dairy prices have lost some of their shine of late, but production volumes have been strong. Red meat and wool prices are very high, and horticulture (kiwifruit and apples) are reporting impressive growth in export revenue. However, as we noted in our last edition, our primary industries simply aren't large enough to drive a sustainable expansion on their own – the household sector holds the key on that front.

That said, primary industries certainly punch above their weight when it comes to the New Zealand economy paying its way in the world – and on that front, the recent narrowing in our current account deficit to 3.7% of GDP (figure 4) suggests the economy is much less vulnerable

Figure 4. Current account deficit



Source: Stats NZ, Macrobond, ANZ Research

Table 1. Summary of key forecasts

Calendar Years	2020	2021	2022	2023	2024	2025f	2026f	2027f
Real GDP ¹ (annual average % change)	-1.4	5.7	2.9	1.8	-0.6	0.3	2.6	2.8
Unemployment Rate (sa; Dec qtr)	4.9	3.2	3.4	4.0	5.1	5.2	4.5	4.3
CPI Inflation (annual % change; Dec qtr)	1.4	5.9	7.2	4.7	2.2	2.9	1.8	2.0
Official Cash Rate (Dec qtr end)	0.25	0.75	4.25	5.50	4.25	2.25	2.25	3.00

¹ Production based

Source: Statistics NZ, REINZ, Bloomberg, ANZ Research

Forecasts finalised 13 November 2025. Please click [here](#) for full up to date ANZ forecasts

See page 10 for detailed forecast charts.

to disruptions in global capital flows than it has been through most of the post-pandemic era. The narrowing over the past year has been thanks to a combination of weak domestic demand weighing on imports and strength in goods exports.

The Government's strategy to gradually consolidate the post-COVID fiscal expansion appears to be having little influence on economic momentum one way or another (at least in aggregate – Wellington has been feeling it). It's worth remembering that the RBNZ always gets the final word when it comes to where the broader economy ends up in a cyclical sense, meaning if the Government was doing more to support growth right now the RBNZ would very likely be doing less. Indeed, some of the post-pandemic squeeze the RBNZ has had to put on households and businesses in recent years stemmed from inflationary fiscal settings. Based on current policy, fiscal deficits are expected to start narrowing as a share of GDP within the next year or so, and that's expected to help contain the inflation impulse over the medium term.

Turning to the global backdrop, it would be fair to say risks remain elevated, with trade policy and geopolitical uncertainty still front of mind. Markets, however, continue to take a glass-half-full view, with the economic fallout from President Trump's Liberation Day policies appearing relatively limited amid ongoing robust AI investment. Of course, the US Government shutdown and absence of key US data have muddled in the waters in terms of gauging underlying economic momentum in the world's largest economy. Meanwhile momentum in China has softened somewhat, but the economy remains on track to meet its 5% GDP target for 2025.

Taking stock after the harsh winter, we're hopeful that New Zealand's economic slowdown has achieved the economic rebalancing that was needed after too much monetary and fiscal stimulus in the wake of the pandemic. Inflation has eased, wage-price spiral risks are mitigated, housing affordability has improved, and the current account deficit is now firmly back in sustainable territory. In other words, the economy has done the hard yards, and conditions are in place for momentum to pick up. Over the coming months, we will be looking to the high-frequency data for a more consistent message on that front. Consents, ANZ business confidence and job ads appear to be lifting, but the PMI, PSI, [the NZIER's QSBO](#), and consumer confidence remain relatively soft for now.

Back in the mix or no quick fix? Key themes for 2026

As 2025 draws to a close, many households and businesses are contemplating what 2026 might bring. This box outlines some of the key themes and risks we believe will shape the year ahead. In 2024, the mantra was “survive to ‘25”; in 2025, it became a more sobering “survive ‘25”. So, will 2026 be a case of “no quick fix in ‘26”, or are we finally “back in the mix in ‘26”? In short, the reality is likely to be too nuanced for a simple tagline: there’ll be a bit of both, depending on which part of the economy you’re looking at.

Monetary stimulus will be felt more widely

With inflation elevated, the RBNZ has understandably remained cautious in its approach to monetary easing. With the benefit of hindsight, this caution has likely kept monetary conditions more restrictive than appropriate through much of 2025. We think this, combined with the confidence shock triggered by the Liberation Day US tariff announcements and the persistent fall in real house prices back to more affordable levels, helps explain why economic momentum remained subdued through 2025.

In other words, these factors help explain why “long and variable lags” have surprised our and the RBNZ’s expectation on the longer side since the RBNZ started cutting the OCR. But with monetary conditions ending 2025 in stimulatory territory, 2026 should hopefully be more about gauging the pace of the recovery than being surprised that it hasn’t taken hold. As we discussed in this [note](#), the costs of an even more delayed recovery could be quite significant.

All told, easier monetary conditions should in 2026 deliver the recovery the RBNZ had intended for 2025. Monetary stimulus is “back in the mix”, but lingering inflation caution means less scope for a quick fix in ‘26. If the economic recovery picks up too much speed, and that tests the economy’s capacity to supply, the RBNZ will not hesitate to act with earlier OCR hikes than we are currently forecasting (2027).

House price inflation expected to pick up

Affordability has become less of a constraint on house prices and mortgage rates have fallen to levels where many investments can now cover their own costs. However, interest rates aren’t so low as to cause a boom, and debt-to-income (DTI) restrictions will limit the pace of any upswing. In short, housing wealth effects should be back in the mix in ‘26, but with DTI restrictions and affordability still only just having reached more “normal” levels, we shouldn’t be looking to the housing market for a quick fix in ‘26.

Cost of living pressures and perceptions will take time to resolve

Slowing inflation is far from a quick fix when it comes to restoring households’ purchasing power. It will take a sustained period of income growth outpacing consumer prices before households notice cost-of-living pressures abating. And for many households this is likely to be a gradual process. Household incomes are largely determined by employment and hours worked, and wage growth – all of which are expected to pick up from here with household incomes outpacing CPI inflation. However, there will be lots of variation by household type. Real household income growth will be back in the mix in ‘26, but it’ll feel gradual given the erosion caused by past high inflation. Certainly no quick fixes here.

Labour market conditions will improve

We do not expect to be characterising the labour market as “strong” at any point over 2026, but we are expecting labour market conditions to get better in ‘26. The RBNZ’s main concern will be ensuring the labour market returns to “full employment” but not overshoot into accelerating inflation territory. Our estimate is that an unemployment rate around or slightly north of 4.3% could be characterised as meeting that condition. A disinflationary labour market is expected to persist for all of ‘26.

Migration to pick up

Net migration cycles tend to move together with the economic cycle: in good times fewer people leave and more arrive (and vice versa). A lift in net migration from here is therefore expected. This will add to demand for goods and services (including housing) but also add to labour supply (suppressing labour costs – all else equal). The net impact on CPI inflation is therefore expected to be small, but the net impact on economic growth and housing is expected to be positive. From very low levels, net migration is expected to be back in the mix in ‘26, but again we wouldn’t characterise that as a quick fix.

AI: productivity miracle or recalibration?

Could AI hold the key to a quick fix in ‘26? In aggregate, it is possible that strong adoption of AI enables firms to reduce costs and lower prices. But there could also be disruption in the labour market. We’re certainly not expecting things to move so fast that the conclusion to the AI story will be written by the end of 2026, but we’re mindful that such technologies can move in leaps and bounds, and so too can market corrections if bets about their impact (and separately, profitability) prove incorrect. The long and short of it is, it’s very hard to centralise the impacts of such a potentially significant technology. However, the relevant timeline for this one certainly stretches well beyond 2026.

The big picture

The 2026 general election

Politics will be a hot topic in 2026, with a general election required by 19 December (at the time of writing, the election date had not been announced). As the political climate heats up, party policies will be announced and debated across the country (and beyond). It's not uncommon for the resulting policy uncertainty to result in pockets of economic inertia, and this election is likely to prove no different on that front. While we don't expect that to completely derail the recovery, it could prove to be a small headwind (particularly for property investors, given the likelihood of very different policies being proposed).

2026 is shaping up to be another strong year for the agri sector

The agricultural sector is expected to shine brightly (again) in 2026. Dairy prices have come off the boil lately, but the low NZD and rising output will limit the impact on farmers' back pockets. Our terms of trade are expected to trend higher in 2026, supporting national incomes.

Fonterra dairy farmers (78% of suppliers) are also set to receive a \$2 per share capital return, which in aggregate is expected to inject a total of \$3.2bn (about 0.75% of nominal GDP). Our working assumption is that a share of that will go into debt reduction and rebuilding cash reserves, but current debt levels are manageable. That will allow farmers to invest in new plant and machinery, and some might even decide to take a holiday. Agri is certainly in the mix in '26, but as we've noted in our main text, it's too small a share of the economy to be a quick fix for broader economic momentum.

Global risks in '26

Global risks haven't gone away – and aren't expected to do so any time soon. The global economic fallout from US tariff policy has been less severe than initially feared, but we're not out of the woods yet. Fiscal sustainability concerns for many economies ([including New Zealand](#)) are more pressing now than they've been in a long time. Meanwhile, geopolitical tensions continue to simmer. The long and short of it is that we're only one significant global event away from having to rewrite our entire outlook. As things stand, our forecast is pinned to an assumption that no global tail-end risks materialise. We're all hoping we won't be saying "recovery nixed in '26", but if these words do get uttered, it'll likely be because of a nasty global shock.

Bringing it all together

Conditions for recovery are in place for 2026. However, the pace and breadth of that recovery will vary across sectors and households. Some parts of the economy are already going strong (e.g. agriculture) while others (household consumption) are expected to improve more gradually. Cost-of-living pressures remain front of mind for many households, and while real incomes are forecast to rise, the improvement will be uneven and slow to materialise for some.

Add to that the uncertainty surrounding the global backdrop, the general election, and general uncertainty regarding the potency of past monetary easing and it's clear that while the direction of travel is positive, the road ahead may not be smooth. In short, 2026 is shaping up to be a year of transition: one where the recovery is "in the mix", but a "quick fix" remains elusive.

Our forecasts

Defrosting

As we outlined in the previous section, conditions appear to be in place for a recovery back to full employment. Our forecast is that the easing delivered to date and one more 25bp cut in November (combined with a signal to ease more should the data warrant) will be enough to make that happen.

GDP data volatile; revisions in Q3 could be large

Looking through the noise in the GDP data (up 0.9% q/q in Q1, then down 0.9% q/q in Q2) our assessment is that the economy travelled broadly sideways over the first half of 2025. That would certainly be consistent with much of the high-frequency data. Now, we're bracing for a Q3 GDP print that should include:

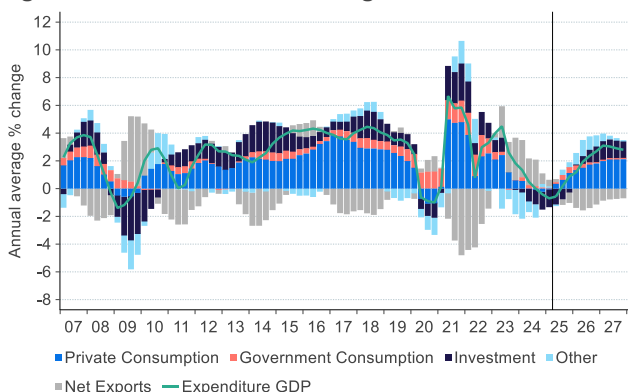
- some payback from the temporary weakness in Q2 (e.g. manufacturing disruptions);
- less drag from "residual seasonality" than Q2; and
- potential sizable revisions to history owing to the annual benchmarking process and any other methodological tweaks Stats NZ make to improve the data quality.

The GDP data has proven to be volatile post-COVID at the best of times, but recent data takes the cake. For what it's worth, we're pencilling in a 0.5% q/q expansion in Q3, but we will firm that up as the partials roll in.

Annual average growth is much less volatile. At -1.1% y/y in both Q1 and Q2, this measure was hardly sending a strong signal. Our forecast is for the economy to expand just 0.3% aapc in 2025, as momentum begins to pick up toward the end of the year. With monetary easing continuing to support, we expect momentum build, seeing the economy expand 2.6% in 2026 and 2.8% over 2027 (aapc). That's not gangbusters by any means, but we think that level of growth will be sufficient to close the output gap and return the economy to full employment.

In big-picture terms, we expect domestic momentum to gradually recover over the coming year or so as household consumption and investment recover. Net exports are expected to turn from a driver of growth to a drag as growth in exports slows and imports recover alongside domestic demand.

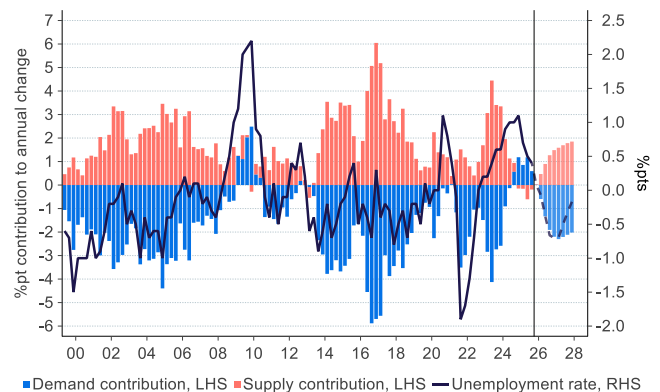
Figure 5. Contributions to GDP growth



Labour market expected to strengthen from here

The unemployment rate lifted 0.1%pts to 5.3% in Q3 as very modest growth in the labour force met flat employment growth. While the labour market is weak, we're hopeful that the Q3 release will mark the worst of it. Looking forward, we expect both labour demand and supply to lift alongside broader economic momentum, with unemployment falling to 5.2% in Q4 before steadily declining to 4.5% by the end of 2026 and settling around 4.3% thereafter.

Figure 6. Contribution to changes in the unemployment rate



While the labour market is expected to start turning a corner from Q4, it is also expected to remain in a disinflationary state for much of the forecast horizon – a necessary condition to keep CPI inflation stable around target as pockets of strength in the CPI owing to administrative prices (council rates and electricity lines charges) abate only gradually.

Underlying disinflation to continue

With headline inflation coming in at 3% y/y in Q3, the obvious next question is whether it's about to lift outside the 1-3% target band, and if does, how the RBNZ can be expected to react to that.

Based on our forecast (2.9% y/y in Q4), the answer to the first question is "bullet dodged". However, that doesn't mean the Monetary Policy Committee (MPC) can relax about wider inflation pressures. Indeed, the MPC is likely to be concerned that the recent reacceleration in inflation, combined with the memory of ~7% y/y inflation in 2022, could result in medium-term inflation expectations becoming unanchored. That's not our expectation (we think the economy is too soft and the labour market too loose for that to occur), but we agree with the MPC that this is something to keep an eye on as the economic recovery gets underway.

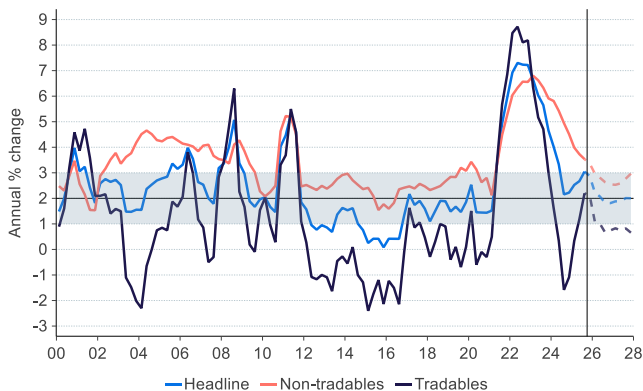
In terms of our inflation forecast, we're hopeful that the Q3 release was the high-tide mark. Indeed, that reacceleration was driven by the relatively volatile tradable side of the CPI basket, which, after a year of acceleration, is now due to spend a few quarters in deceleration mode (although recent NZD weakness, if sustained, could delay that).

Our forecasts

On the non-tradable side, capacity indicators (including out of the labour market) continue to suggest there is more underlying disinflation in the pipeline. We expect non-tradable inflation to slow to 2.5% by the end of 2026, which is below the 3% level that's historically been consistent with headline inflation around the 2% target midpoint. Underpinning this forecast, we expect recent strength in administrative prices (council rates, electricity lines changed etc) to gradually dissipate, allowing the more interest rate-sensitive components of the CPI (e.g. housing-related components) to recover from their recent lull alongside the broader economic recovery.

Putting it all together, we expect CPI inflation to slow to just under 2% by the end of 2026 as tradable inflation synchronises with non-tradable for a time. Thereafter, we expect the RBNZ to do what it takes to ensure inflation stabilises around 2% over the medium term – and that will involve taking monetary policy back towards more neutral levels.

Figure 7. Inflation forecasts



Source: Stats NZ, Macrobond, ANZ Research

OCR expected to bottom out at 2.25%, short-end interest rates to follow before rising in 2026

We now forecast a 2.25% low point for the OCR, which is 25bp below our September forecast. This change reflects the RBNZ's decision to deliver an outsized 50bp cut in October combined with our judgement that a final 25bp cut will be delivered in November to underpin a recovery through the summer and into 2026. We'd characterise the risks to this growth forecast as balanced, with downside risks mostly global in nature (e.g. ongoing tariff and trade tensions) and upside risks mostly domestic in nature (e.g. the pick-up in the housing market and strong agricultural production).

Short-end rates are forecast to follow the OCR lower, but with markets currently pricing in at least one more OCR cut from here, 90-day and 2-year swap rates have already fallen a long way in anticipation. 90-day rates have less ability to look forward and are expected to fall from their current rate of 2.47% to a low of 2.30% in Q1. However, the 2-year swap has much more ability to be forward looking, and it is expected to move only a few points lower to a low of 2.50% by year end. But it is expected to rise over 2026 as markets start to contemplate OCR hikes, which we have pencilled in from early 2027 (figure 8).

Figure 8. Short-end interest rate forecasts



Source: Bloomberg, Macrobond, ANZ Research

Rises are only expected to be gradual – not least because the recovery could be patchy and more of the middle-through variety, but by early next year, expectations for OCR hikes over 2027 will clearly start to impact 2-year swap rates, even if those expectations are muted.

We think long-end interest rates have bottomed out, and we expect them to rise over 2026

New Zealand 10-year bond yields have drifted lower in net terms since the beginning of August, falling from around 4.5% to a low near 4% before bouncing to around 4.1%. That move ended the long period of consolidation between January and August, with the fall gathering momentum as the RBNZ cut the OCR by 50bp. But even at 4.1%, the New Zealand 10-year bond yield is still only about 30bp below where it was the day before the RBNZ started easing last August, in which time they have cut the OCR by a tenfold 300bp.

The reason for this disconnect, which has created a very steep yield curve (which, incidentally, is a boon for bond investors but a curse for borrowers) is that global drivers – in practice the US and Australia – remain influential. The central banks of both countries have eased by less and are more cautious about how much capacity they have to cut, given inflation pressures. Whereas the OCR is 2.50% in New Zealand, and markets anticipate the possibility of it falling to around 2.1%, the US Fed Funds rate is 3.87% and markets only expect it to fall to around 3.1%. The contrast with Australia is even greater, with the RBA policy rate at 3.6% and markets expecting it to only bottom out at around 3.4%. As a result, bond yields in the two countries have held up, supporting New Zealand bond yields too.

Global markets have also been rocked by fears of fiscal unsustainability, which has kept a floor under bond yields across developed bond markets irrespective of monetary policy considerations. We expect that situation to persist. Although New Zealand's net government debt to GDP ratio ([23.3% in 2025 according to IMF forecasts](#)) is much lower on a like-for-like basis than the US (99.6%) and UK (94.6%), markets have been worried about how rapidly debt has grown, and have concerns about the local market's ability to absorb government bond issuance. All

Our forecasts

up, given our expectation that US bond yields will drift higher over 2026, we expect New Zealand long-term interest rates to follow suit, keeping yield curves steep.

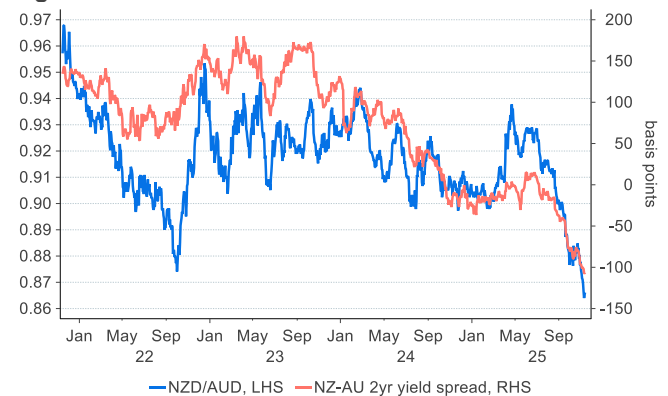
Broad and gradual USD weakness still expected

Despite recent headwinds, our forecasts envisage the NZD/USD picking up into December. That's based on the emergence of economic "green shoots", and our assessment that there is already a lot of bad news priced in, giving rise to a "darkest before the dawn" theme. We also expect the seasonal pick-up in exports into year-end to be NZD supportive at the margin. Year-end typically also sees risk-sensitive assets and currencies (like the NZD) outperform, aligning with a general lift in global equities.

On the USD side, we foresee weakness, with our DXY forecast of 95 at year-end. As such, we see the NZD/USD reaching 0.62 by the end of 2025 – though we acknowledge risk of missing this forecast even with the aforementioned seasonal and weaker USD factors.

The NZD/AUD cross has drifted steadily lower in recent months, breaking below the 0.87 level that contained forays to the downside since 2013. This is likely in part a result of the swing in interest rate differentials away from the NZD's favour, with the RBNZ cutting by more from a higher starting point, and the RBA cutting less from a lower starting point (figure 9).

Figure 9. NZD/AUD and interest rate differentials



Source: Bloomberg, Macrobond, ANZ Research

While we believe interest rate differentials largely explain how NZD/AUD came to be so weak, looking ahead, our assessment is that for the cross to move significantly lower, Australia's terms of trade would need to outperform New Zealand's by a wide margin, which is unlikely given the consistent fall in mining investment as a share of Australian GDP. As such, we think NZD/AUD has bottomed out near term, and we see upside risks into year end, owing to seasonal factors and the extreme deviation in spot price action from relativities between Australia-New Zealand economic surprise indices, which capture the impact of new data and information hitting markets.

Table 1: Forecasts (end of quarter)

FX Rates	13-Nov	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27
NZD/USD	0.567	0.620	0.630	0.630	0.640	0.640	0.650	0.650
NZD/AUD	0.866	0.925	0.926	0.926	0.928	0.928	0.929	0.929
NZD/EUR	0.489	0.517	0.521	0.516	0.520	0.516	0.520	0.520
NZD/JPY	87.6	85.6	85.7	84.4	84.5	83.2	83.2	83.2
NZD/GBP	0.432	0.446	0.450	0.447	0.451	0.448	0.451	0.451
NZ\$ TWI	65.9	70.5	71.1	70.8	71.5	71.2	71.8	71.7
Interest Rates	13-Nov	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27
NZ OCR	2.50	2.25	2.25	2.25	2.25	2.25	2.50	3.00
NZ 90-day bill	2.48	2.33	2.30	2.30	2.30	2.57	3.07	3.15
NZ 2-yr swap	2.54	2.50	2.65	2.85	3.00	3.10	3.21	3.23
NZ 10-yr bond	4.10	4.20	4.20	4.30	4.40	4.40	4.40	4.40

Source: Bloomberg, ANZ Research

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Forecast charts

Figure 1. Production GDP level (headline vs per capita)



Figure 2. Production GDP growth

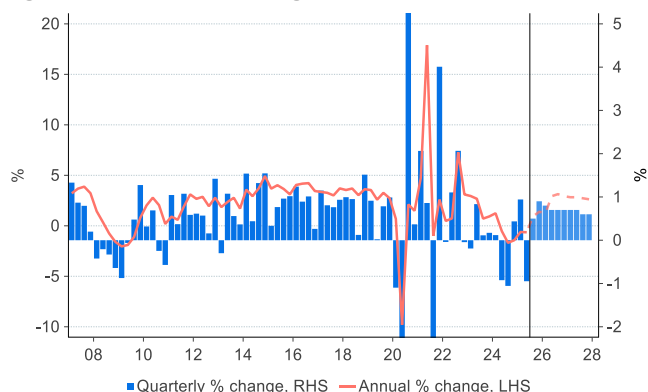


Figure 3. Contributions to GDP growth (detailed)

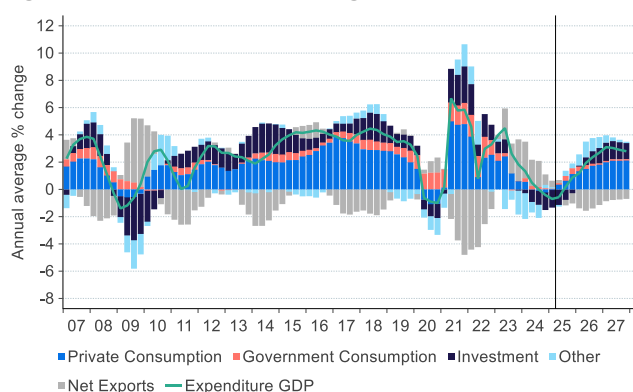


Figure 4. Real investment

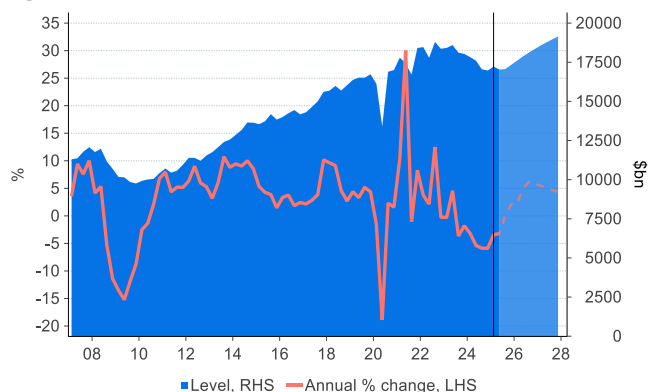


Figure 5. Real private consumption

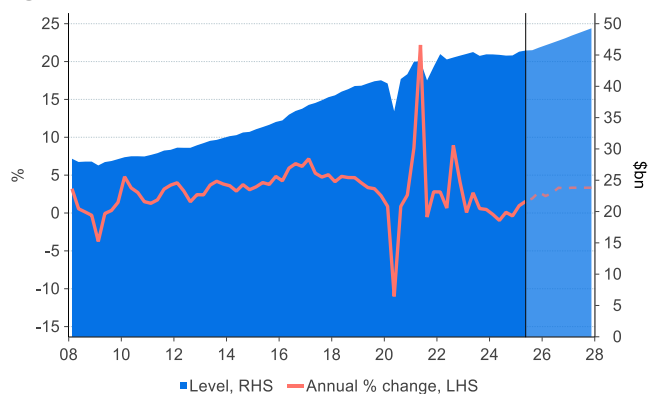


Figure 6. Real government consumption

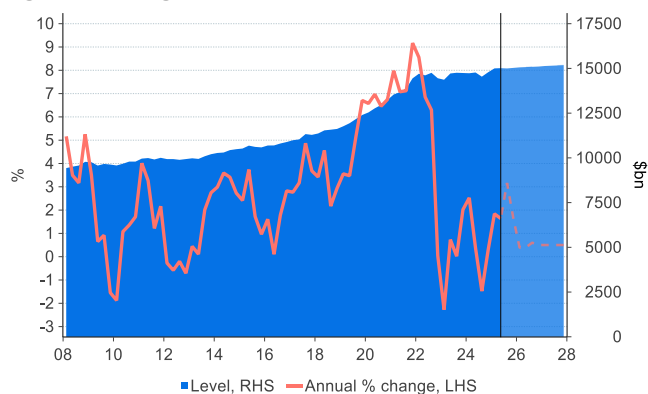


Figure 7. Real exports (goods and services)

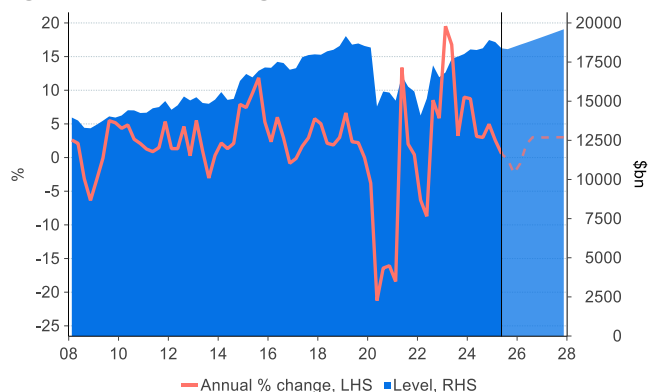
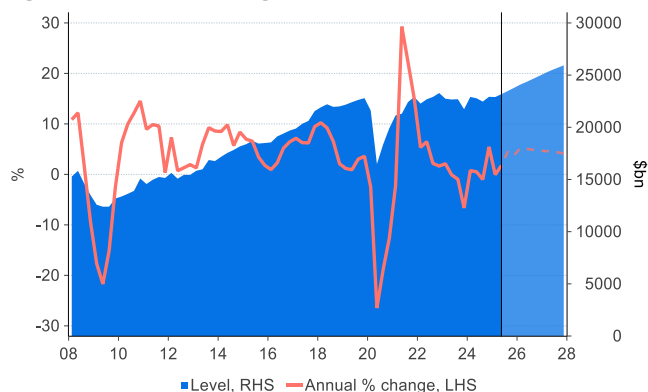


Figure 8. Real imports (goods and services)



Source: Stats NZ, Macrobond, ANZ Research

Forecast charts

Figure 9. Terms of trade

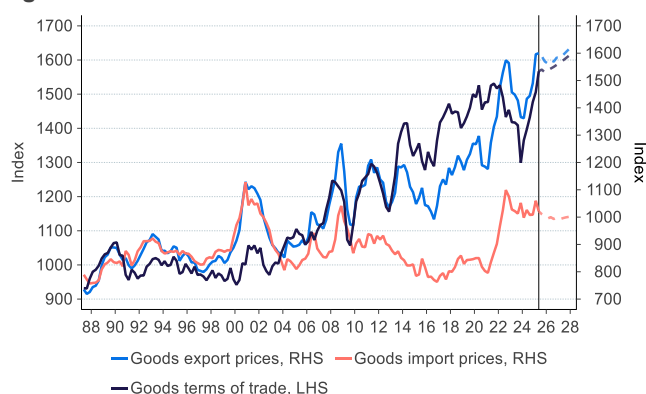


Figure 10. Current account balance



Figure 11. Output gap

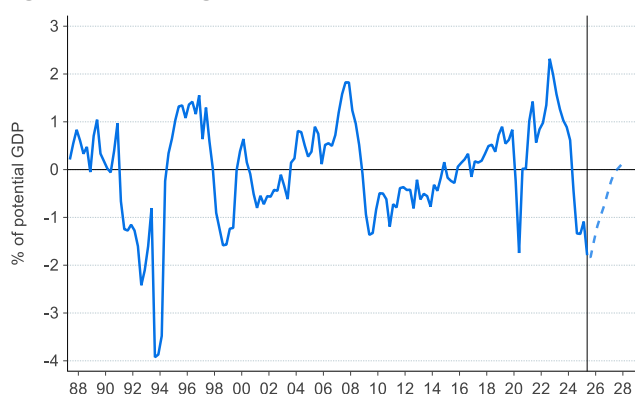


Figure 12. House prices (REINZ HPI)

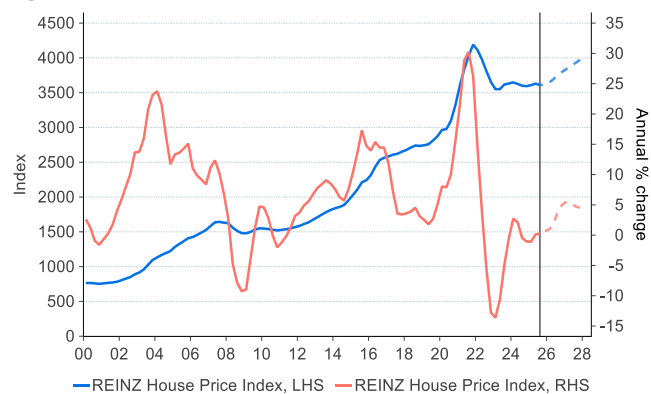


Figure 13. Annual migration

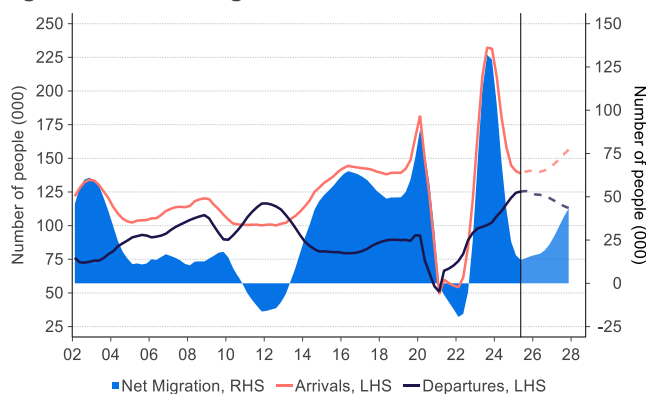


Figure 14. Resident population

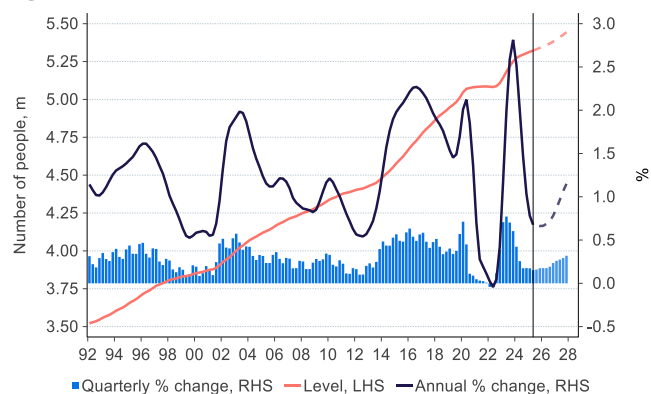


Figure 15. Participation and employment rate

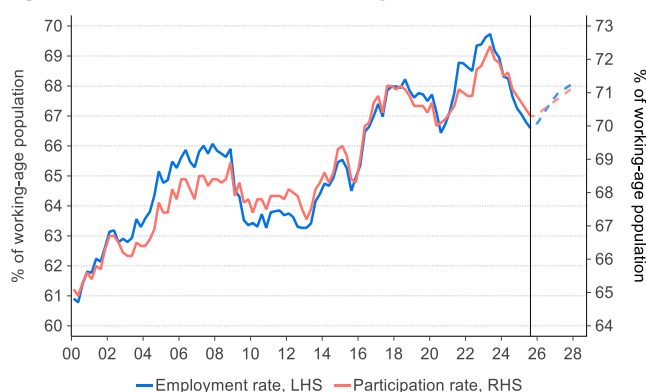
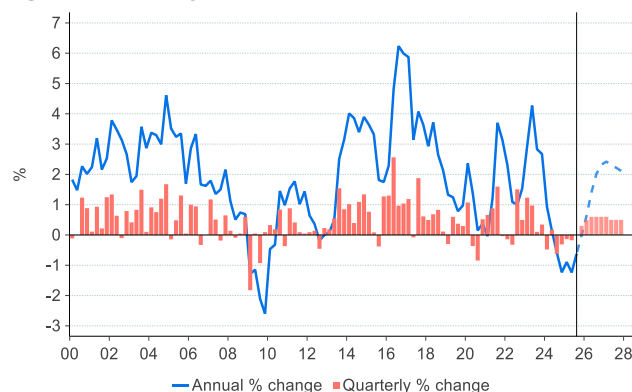


Figure 16. Employment



Source: Stats NZ, REINZ, Macrobond, ANZ Research

Forecast charts

Figure 17. Unemployment rate decomposition

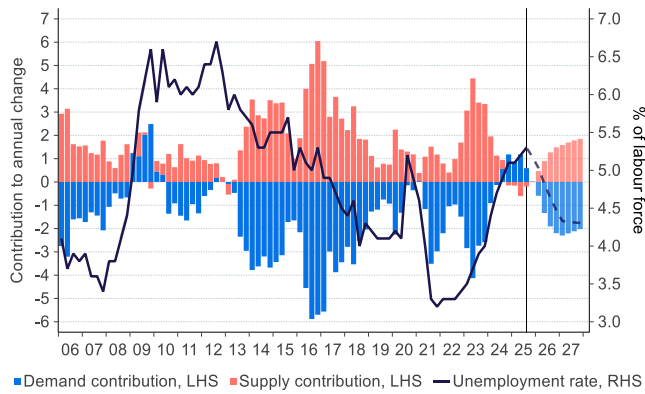


Figure 18. Wages and labour costs

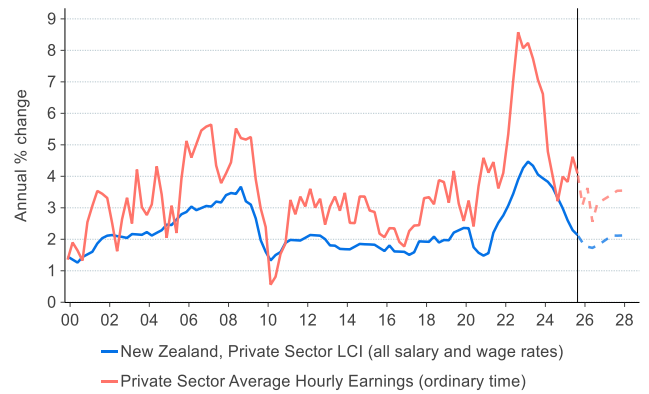


Figure 19. Inflation forecasts

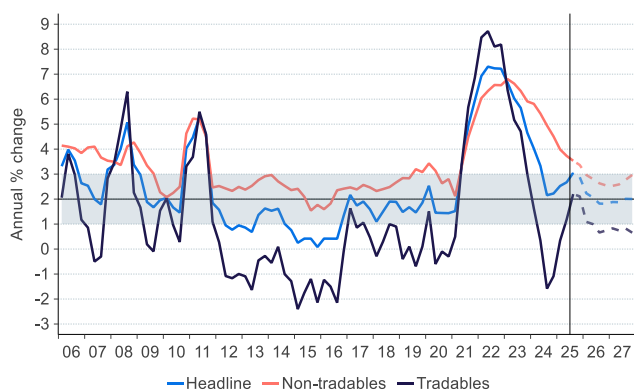


Figure 20. Headline inflation forecast decomposition

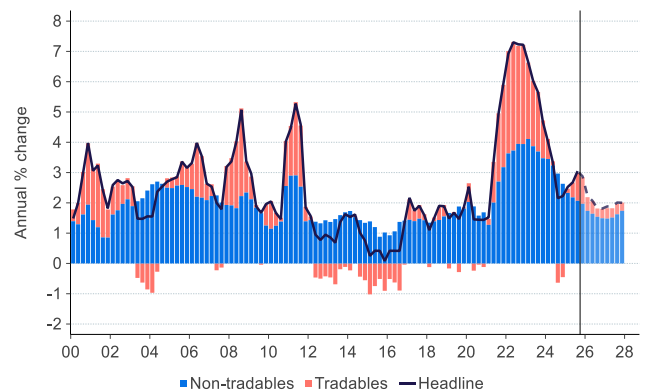


Figure 21. OCR and 90-day rate

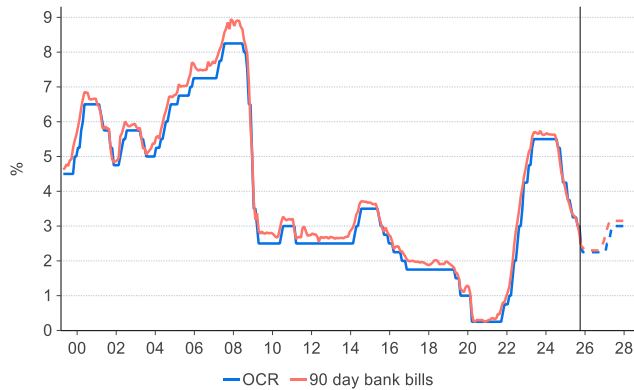


Figure 22. 2-year swap rate and 10-year bond yield

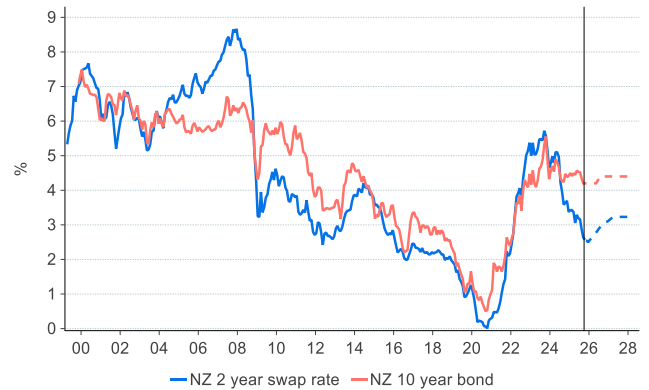


Figure 23. NZD against JPY and CNY, and TWI basis

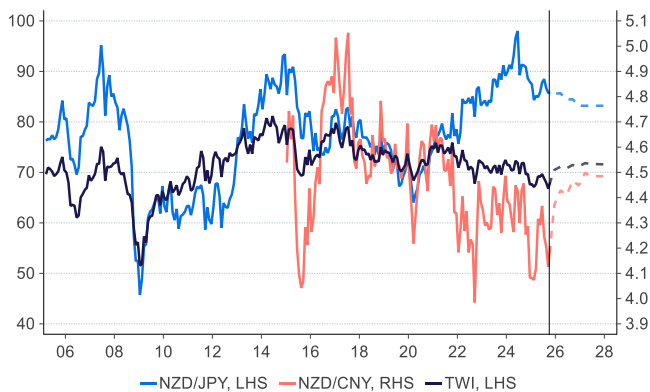
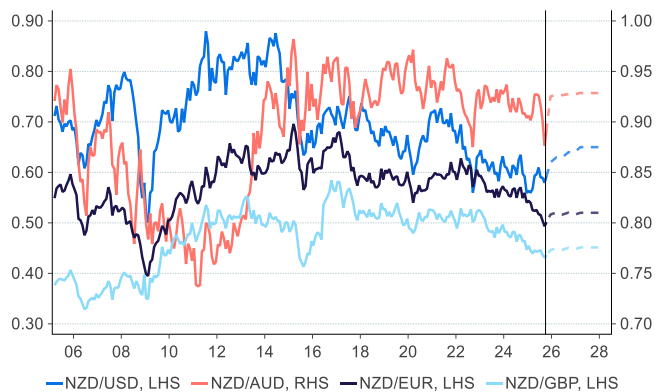


Figure 24. NZD against USD, AUD, EUR and GBP



Source: Stats NZ, Bloomberg, Macrobond, ANZ Research

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