

RBNZ MPS starting-point surprise chart pack

11 August 2025

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Close to forecast

Key points:

- Looking through some of the more volatile aspects, data since the May MPS has come in close to the RBNZ's forecast.
- GDP growth surprised to the upside of RBNZ forecasts in Q1, with private consumption and residential investment both stronger. However, the RBNZ may tee up some of this to more "residual seasonality" in the GDP data than they factored into their outlook (i.e. more noise than signal).
- The Q2 unemployment rate was in line with forecast, with weaker labour demand offset by higher discouraged worker effects. The rise in the underutilisation rate suggests there's a bit more slack in the labour market than the headline unemployment rate implies. Average hourly earnings growth was stronger than expected, but this measure can be volatile.
- Headline CPI was a touch stronger than the RBNZ's forecast in Q2, but non-tradable inflation was bang on forecast.
- Higher-than-expected import prices have seen the terms of trade come in below forecast. Quarterly house price inflation in Q2 was weaker than forecast.
- We have added a few capacity indicators and Taylor Rules to this pack (page 8). These suggest spare capacity in the economy has evolved broadly in line with the RBNZ's forecast, and that further easing is warranted.
- While the tier-one data has landed close to RBNZ forecasts, the recent deterioration in the forward-looking high-frequency data is not well captured in this chart pack. An absence of hawkish tier-one data surprises could provide the Monetary Policy Committee a little room to start putting more weight on downside medium-term inflation risks. We'll have more to say in our Preview.
- Market pricing is consistent with another 25bp cut next week and a lower terminal OCR than the May MPS implied.

Figure 1. RBNZ OCR forecast vs market pricing (quarter average)



Source: RBNZ, ICAP, Bloomberg, Macrobond, ANZ Research

This chart pack illustrates how key data has evolved relative to the RBNZ's last published forecasts. Nuance matters and it can never be a full picture of what's changed. Sometimes starting point surprises matter hugely; sometimes they are very much overshadowed by other developments (including unforecastable changes in RBNZ modelling assumptions). This document does not discuss our take on the data, nor how we think the RBNZ's thinking may have evolved. For that, you'll need to wait for our Preview, which will be out tomorrow.

GDP

Figure 1. Production GDP (q/q)

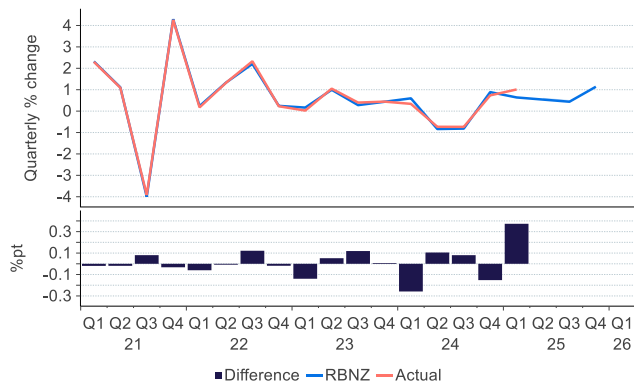


Figure 2. Production GDP (level)

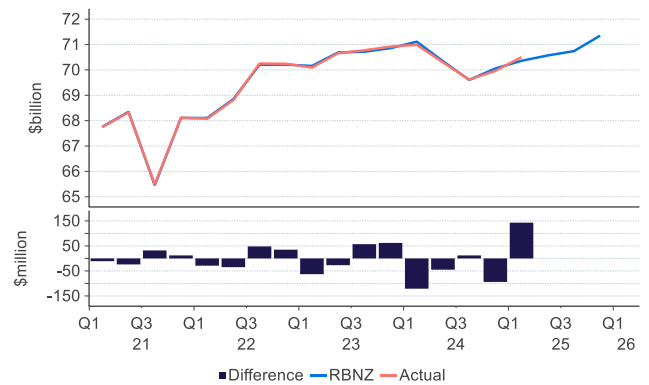


Figure 3. Real expenditure GDP (q/q)

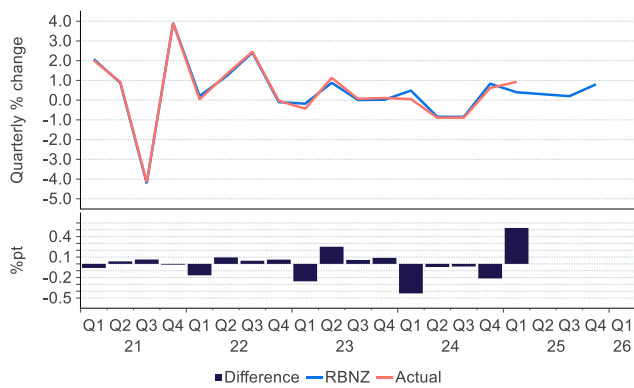


Figure 4. Real expenditure GDP (level)

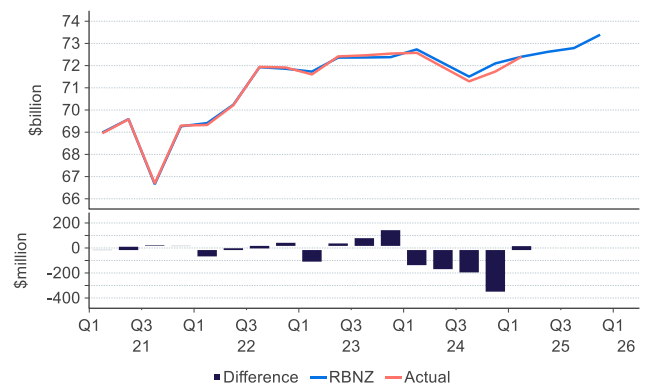


Figure 5. Real private consumption (q/q)

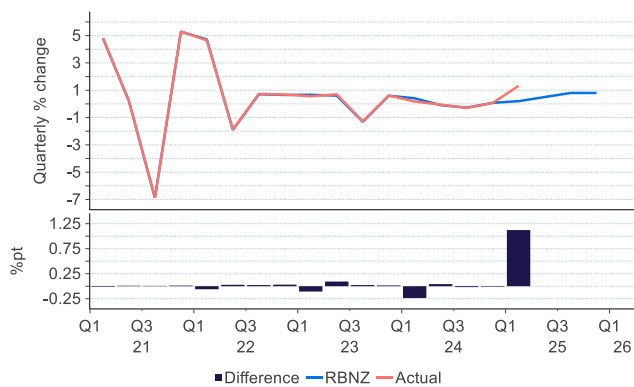


Figure 6. Real private consumption (level)

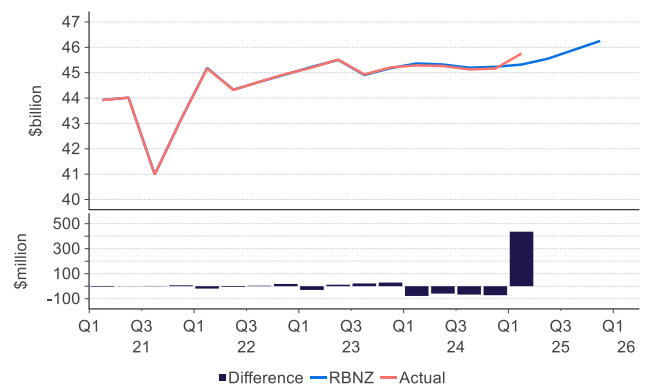


Figure 7. Real residential investment (q/q)

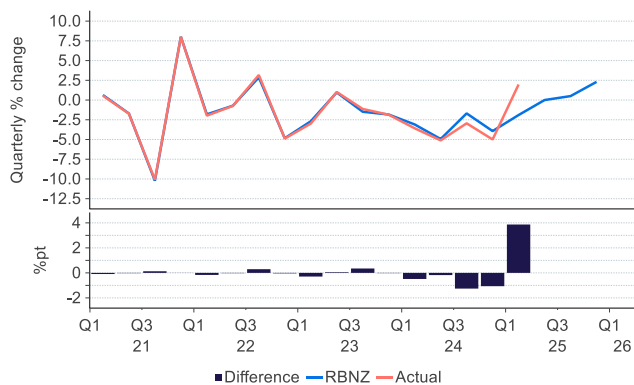
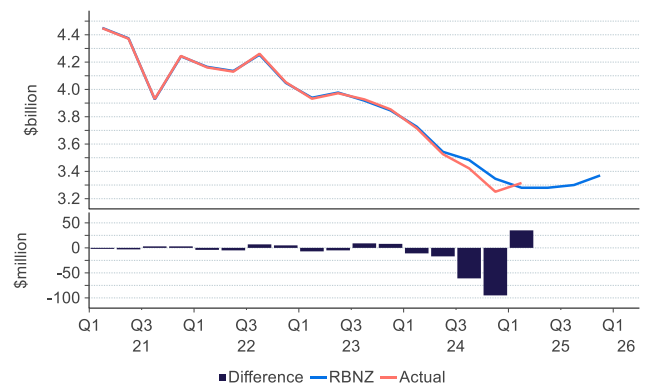


Figure 8. Real residential investment (level)



Source: Stats NZ, RBNZ, Macrobond, ANZ Research

GDP

Figure 9. Real total exports (q/q)

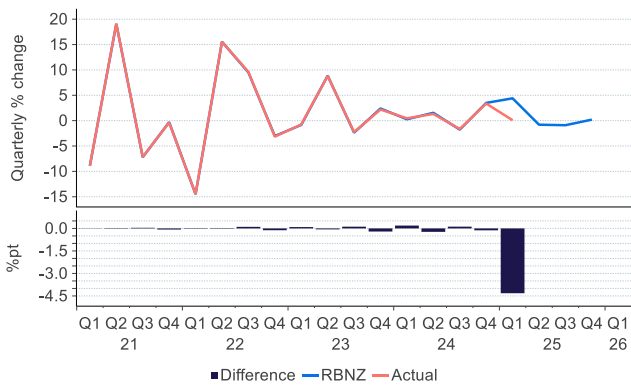


Figure 10. Real total exports (level)

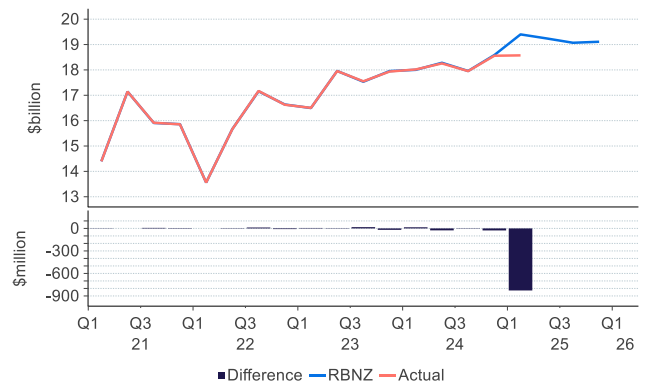


Figure 11. Real total imports (q/q)

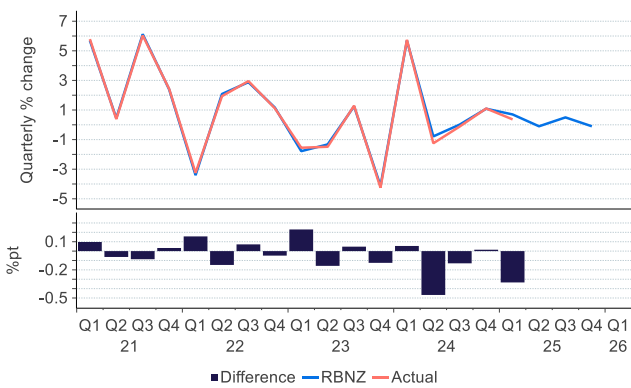


Figure 12. Real total imports (level)

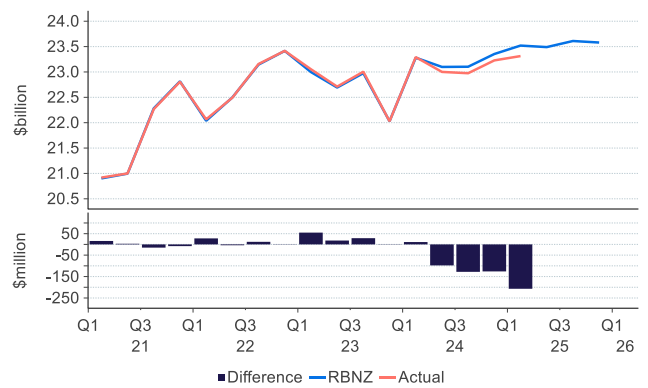


Figure 13. Changes in inventories (level)

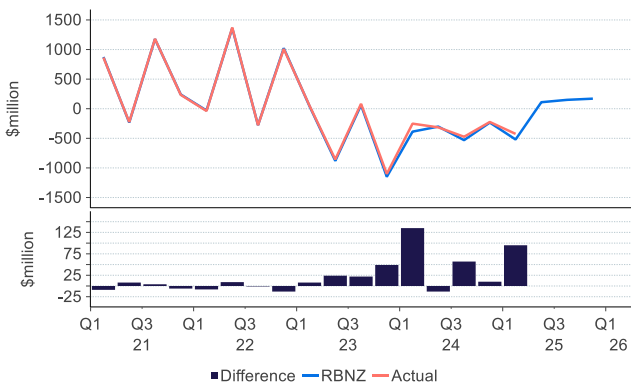
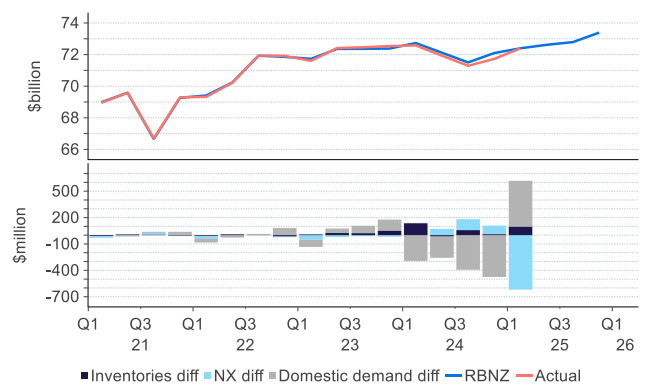


Figure 14. GDP high level breakdown



CPI

Figure 15. Headline CPI inflation (q/q)

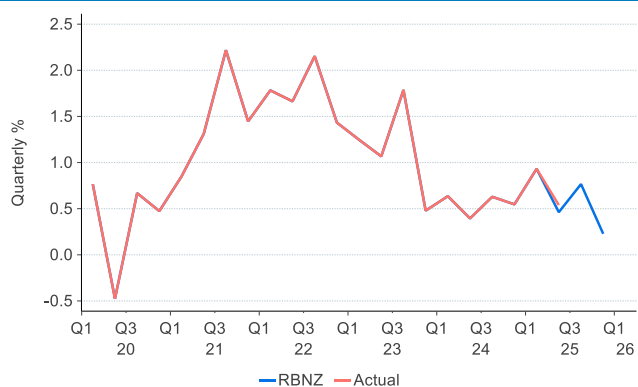


Figure 16. Headline CPI inflation (y/y)

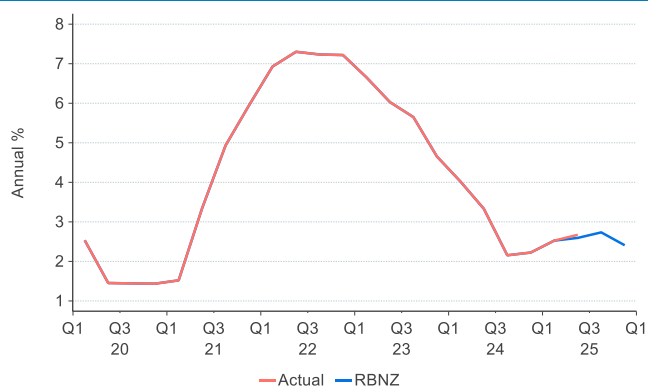


Figure 17. Tradables CPI inflation (q/q)

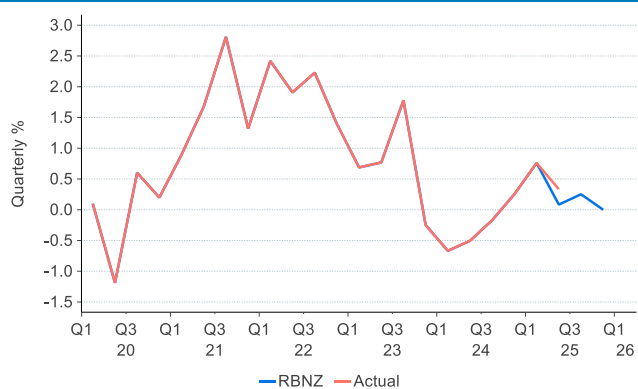


Figure 18. Tradables CPI inflation (y/y)

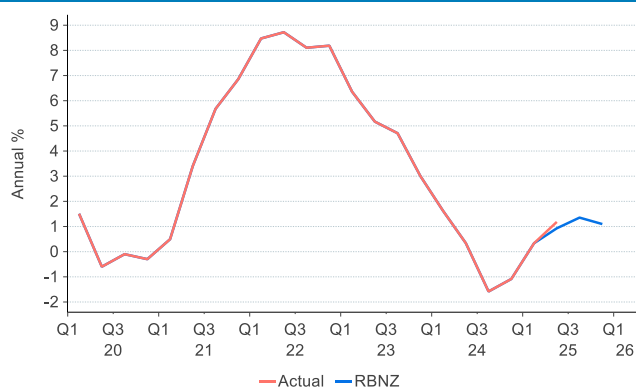


Figure 19. Non-tradables CPI inflation (q/q)

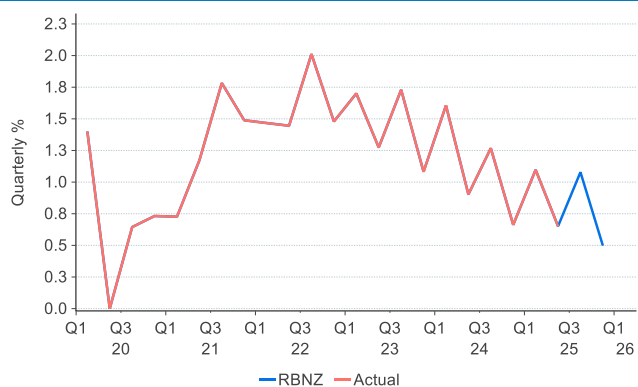
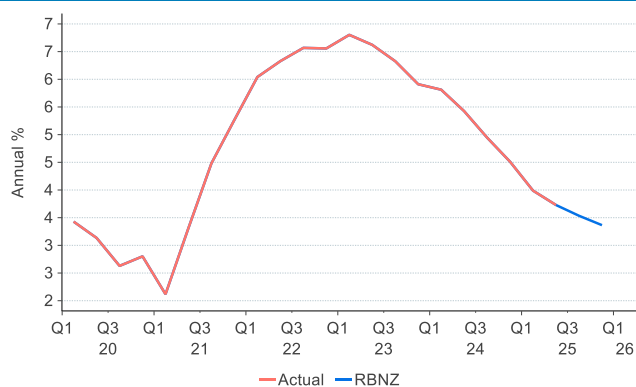


Figure 20. Non-tradables CPI inflation (y/y)



Source: Stats NZ, RBNZ, Macrobond, ANZ Research

Labour market

Figure 21. Unemployment rate

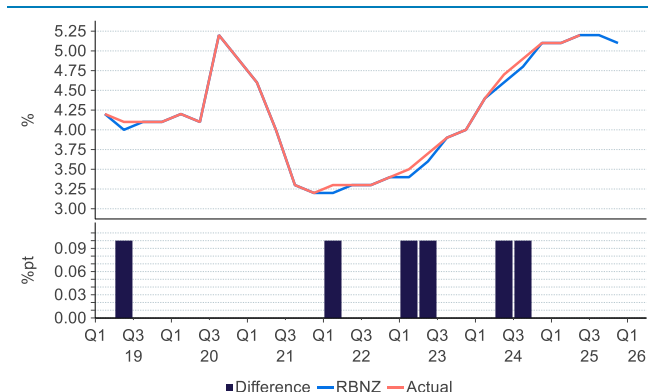


Figure 22. Participation rate



Figure 23. Employment (q/q)

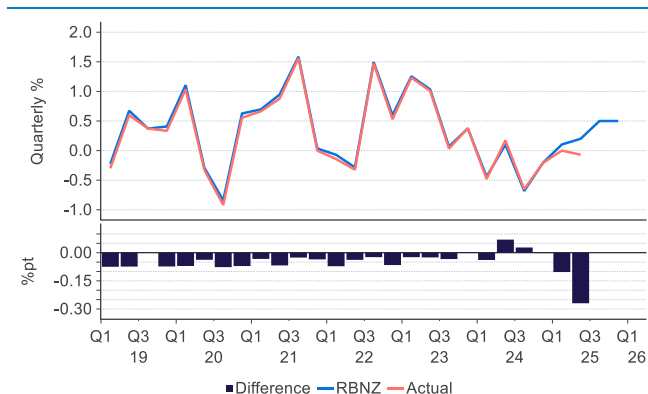


Figure 24. Employment (y/y)

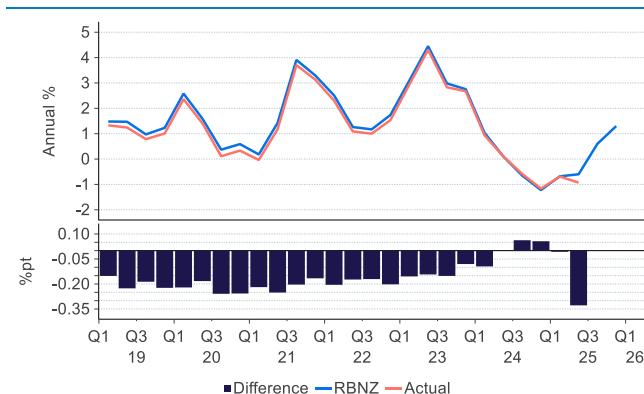


Figure 25. Labour force (level)

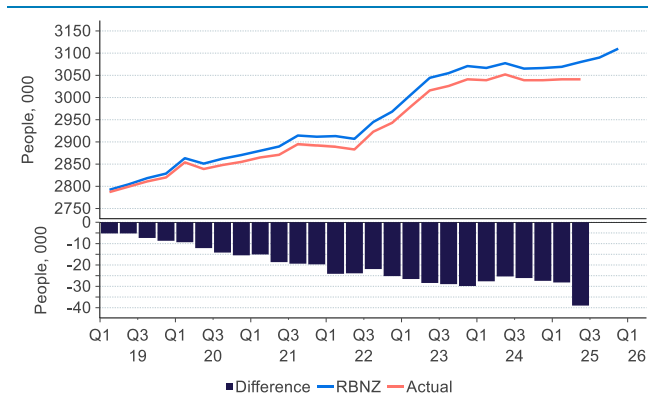


Figure 26. Working age population (level)

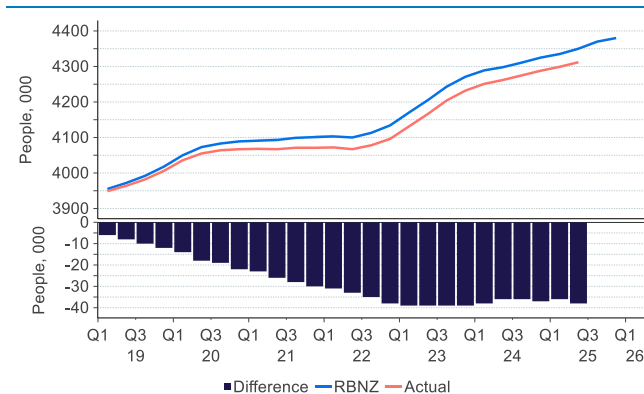


Figure 27. Employment rate

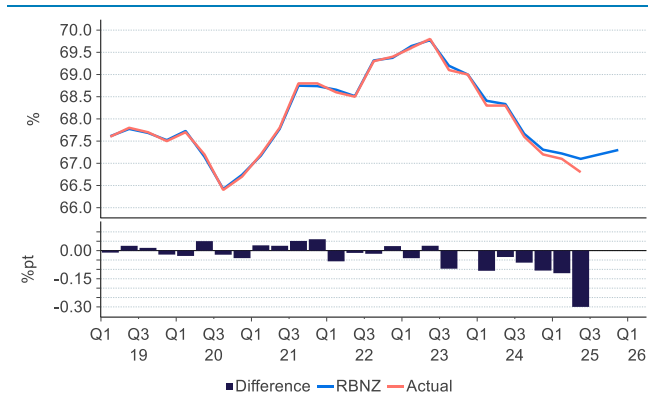
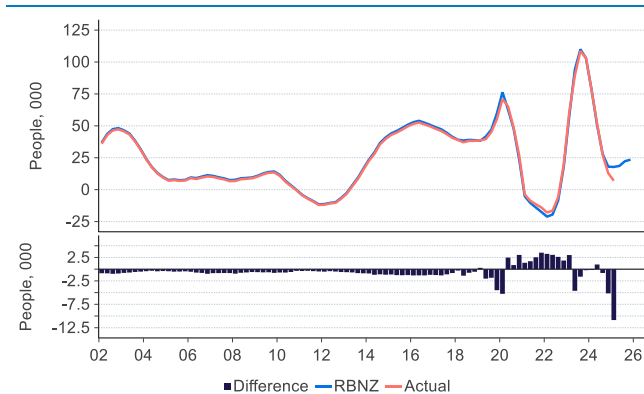


Figure 28. Annual net migration (working age)



Source: Stats NZ, RBNZ, Macrobond, ANZ Research

Labour market

Figure 29. Labour cost index (q/q)



Figure 30. Labour cost index (y/y)

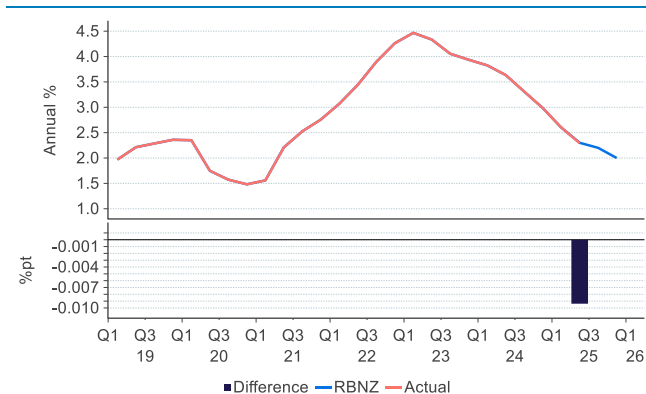


Figure 31. Average hourly earnings (q/q)

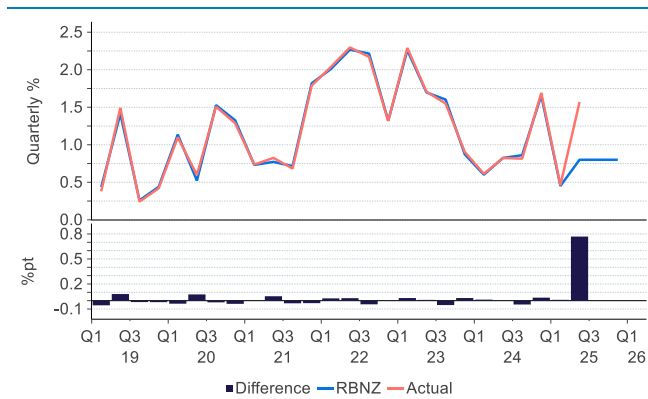
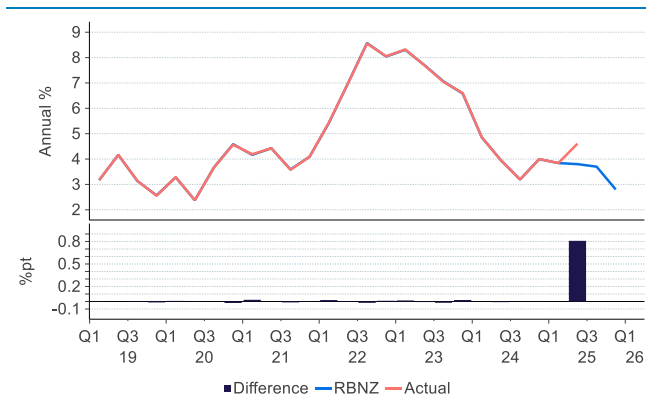


Figure 32. Average hourly earnings (y/y)



Source: Stats NZ, RBNZ, Macrobond, ANZ Research

External sector and housing

Figure 33. TWI (level, quarter average)

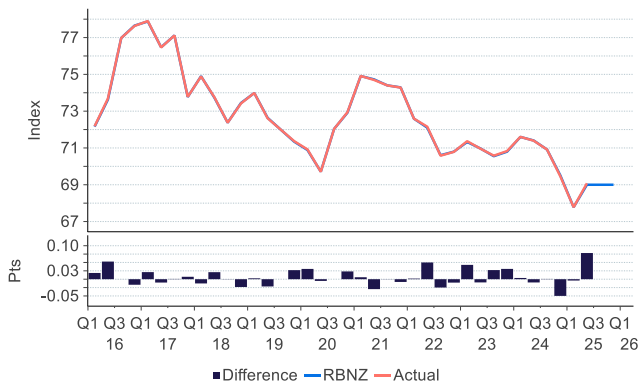


Figure 34. TWI (quarter average vs daily actuals)

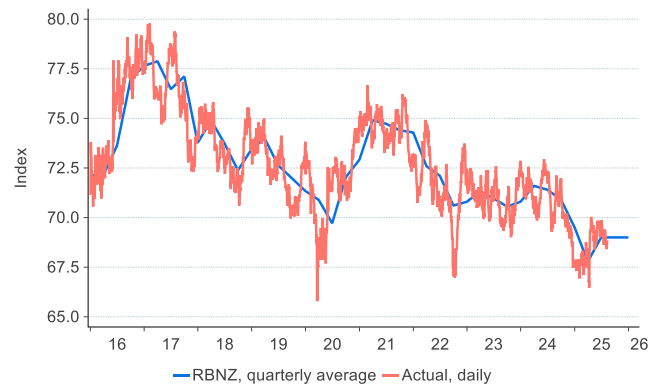


Figure 35. Export prices (level, SNA basis, world price)

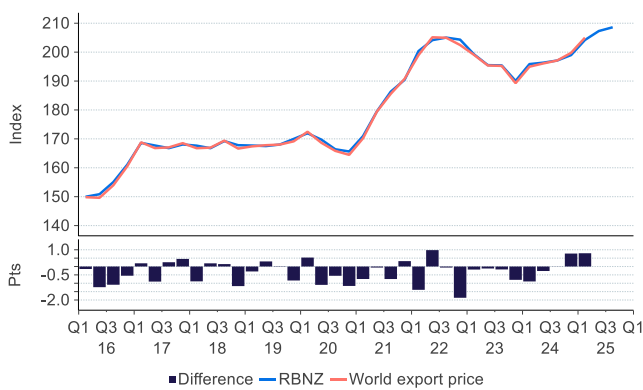


Figure 36. Import prices (level, SNA basis, world price)

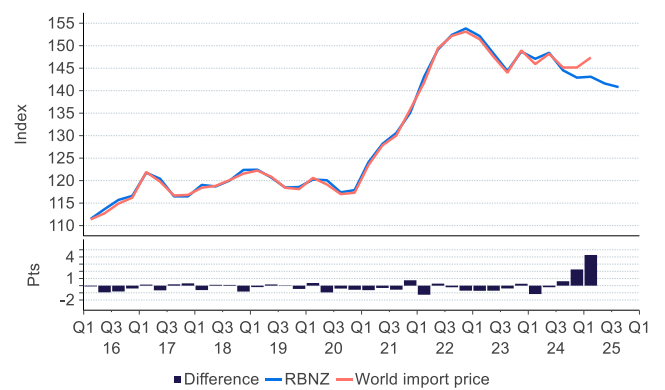


Figure 37. Terms of trade (level, SNA basis, world price)

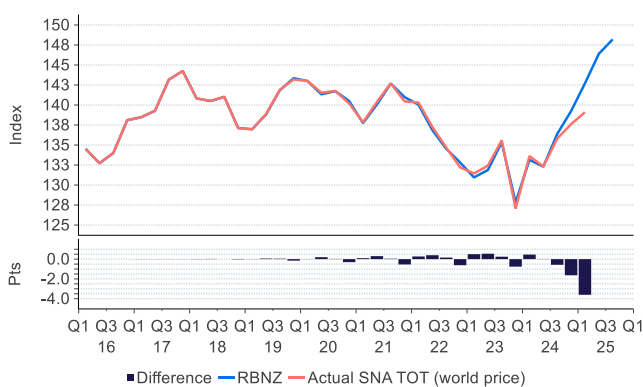


Figure 38. Dubai oil price

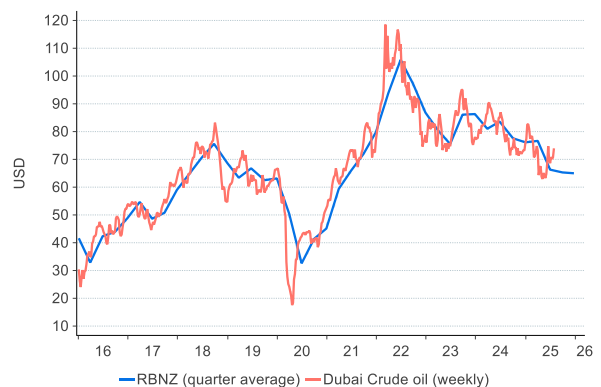


Figure 39. House price index (level)

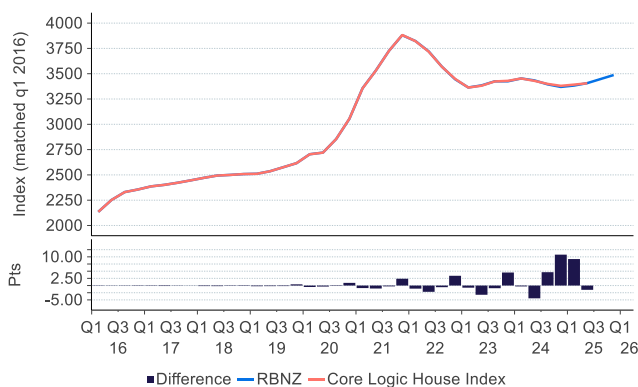
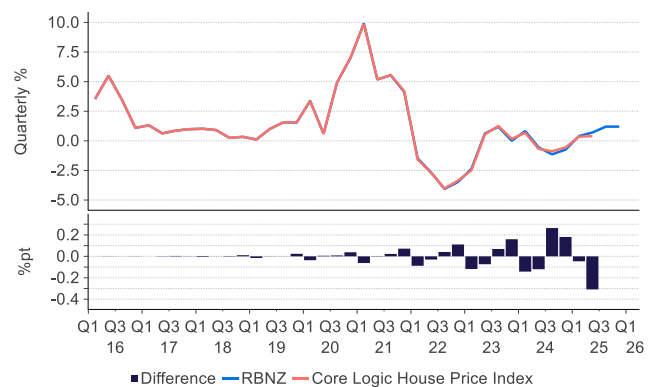


Figure 40. House price index (q/q)



Source: Stats NZ, RBNZ, MBIE, CoreLogic NZ, Macrobond, ANZ Research

Capacity indicators and Taylor Rules

Figure 41. Labour market capacity suite mean vs RBNZ output gap

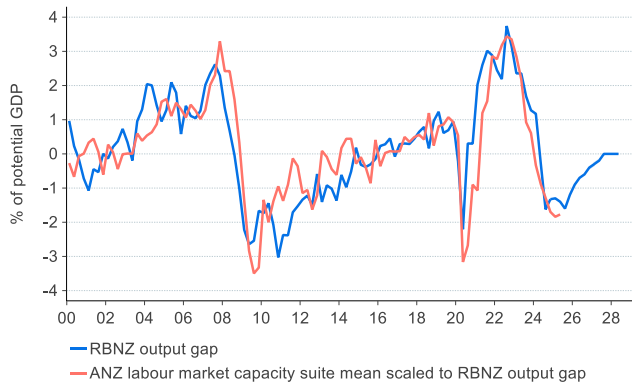


Figure 42. Labour plus capacity as limiting factors vs RBNZ output gap

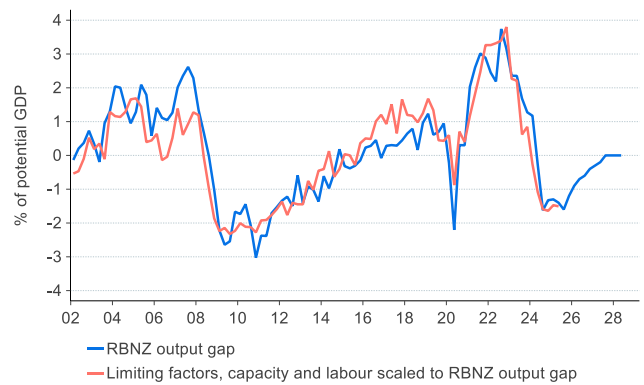


Figure 43. DTA (current less future) vs RBNZ output gap

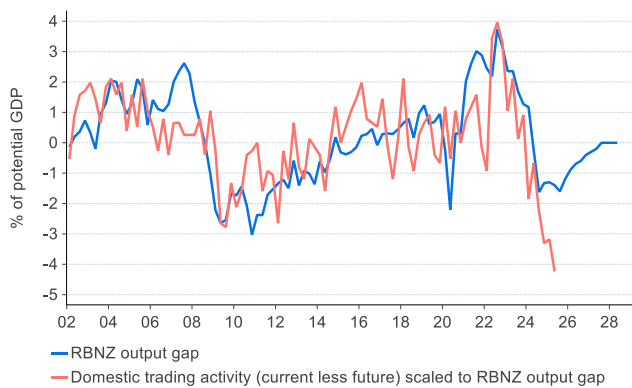


Figure 44. Core investment gap vs RBNZ output gap

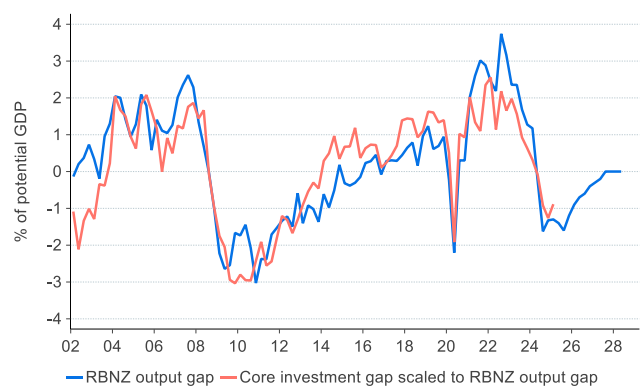


Figure 45. Inertial headline inflation Taylor Rule*

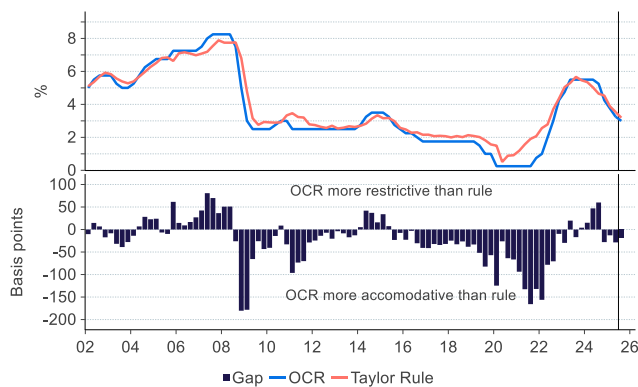


Figure 46. Inertial Sectoral Factor Model Taylor Rule*

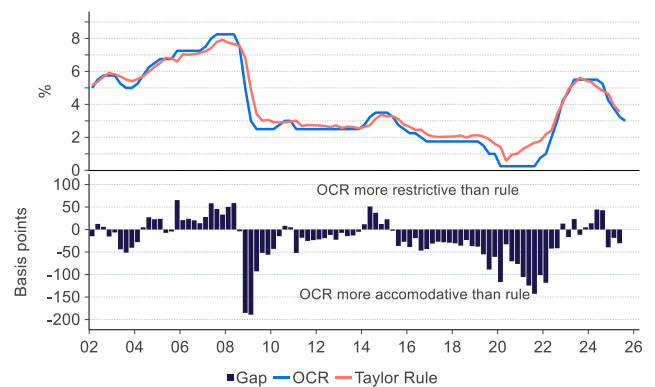


Figure 47. Inertial inflation expectations (1-year) Taylor Rule*

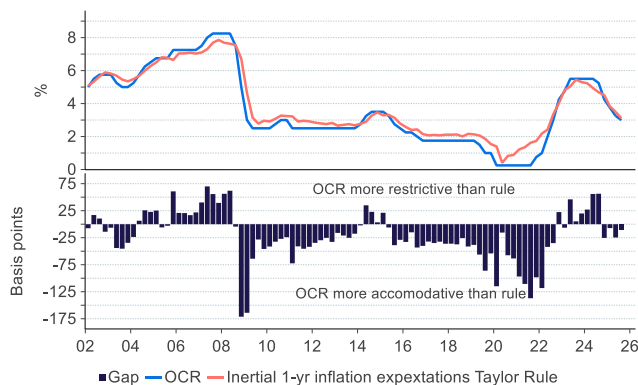
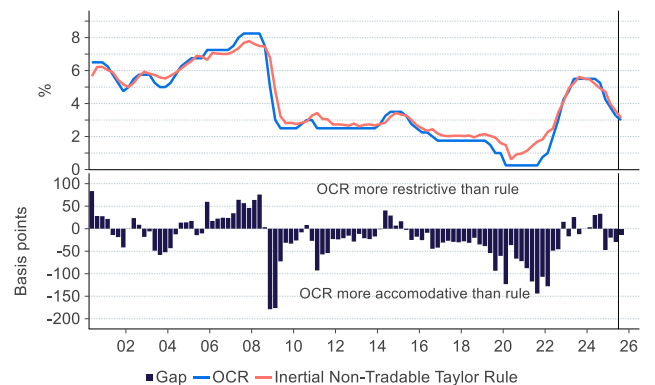


Figure 48. Inertial non-tradable Taylor Rule*



Source: Stats NZ, NZIER, RBNZ, Macrobond, ANZ Research . * Using ANZ quarter ahead CPI forecast (headline and non-tradable) and last published RBNZ output gap and neutral OCR. See [this note](#) for more discussion of these and other Taylor Rules.

Meet the team

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