# June 2026 Quarter CPI Preview

17 July 2026

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Miles Workman for more details.

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**Consumers Price Index – June 2026 Quarter**

| | Prev | ANZ | RBNZ* |
|---|---|---|---|
| CPI – q/q | 0.9% | **1.4%** | **NA** |
| CPI – y/y | 3.1% | **4.0%** | **3.9%** |
| Non-tradables – q/q | 1.1% | **0.6%** | **NA** |
| Non-tradables – y/y | 3.5% | **3.4%** | **NA** |
| Tradables – q/q | 0.7% | **2.5%** | **NA** |
| Tradables – y/y | 2.5% | **4.8%** | **NA** |

* Forecast provided in the July Monetary Policy Review. This did not include a tradable non-tradable split.

## Fuel up

### The bottom line

- Sharply higher fuel prices are set to drive an acceleration in headline inflation in Q2, from 3.1% y/y in Q1 to 4.0%, slightly above the July MPR forecast of 3.9%.
- Annual non-tradable inflation is expected to slow 0.1ppt to 3.4% y/y while tradable inflation accelerates 2.3ppt to 4.8%.
- On a quarterly basis, we expect headline inflation to come in at 1.4% q/q, with 1.0ppts of that driven by fuel prices.
- For the RBNZ, it is not so much the direct impact of higher fuel prices on headline inflation that is keeping them awake at night. Rather, it is the risk that the cost shock spills over into other parts of the CPI basket, lifting inflation expectations and generating a broader inflation impulse that could prove difficult to contain. Non-tradable, services, core, and diffusion measures (which capture how widespread price pressures are across the CPI basket) are likely to matter most for the monetary policy outlook.

### Big picture and monetary policy implications

The Q2 CPI will be released at 10:45am on Tuesday 21 July. We expect annual headline inflation to accelerate by 0.9ppt to 4.0% y/y, marginally above the RBNZ's July MPR forecast of 3.9% but slightly below our previous 4.1% forecast. This revision largely reflects a faster moderation in fuel prices than previously assumed, alongside an expectation for lower pharmaceutical product prices (details on page 2).

For the Monetary Policy Committee, it's not so much the direct impact of higher fuel prices on headline inflation that will be of most concern. Rather, it is the risk that higher fuel prices spill over into other parts of the CPI basket, lifting inflation expectations and generating a broader inflation impulse that proves difficult to contain.

It may be too early to see clear evidence of this in Q2 non-tradable inflation. However, a sharp rise in the share of the basket running above key thresholds (for example, more than 5 percent) would suggest the fuel shock is being passed through. The question then becomes how much firms pass on any fuel price declines over coming quarters, assuming fuel prices remain contained – which is looking like a bigger assumption by the day.

On that score, recent RBNZ communications suggest concern that firms' pricing behaviour is not symmetric – quick to pass on cost increases, but slow to pass on decreases. If that proves to be the case, and inflation pressures remain above the RBNZ's assumptions, the MPC may need to lift the OCR by more than otherwise. However, the Q2 data are unlikely to provide much insight into this dynamic, given the recency of the oil price shock.

As is typically the case, signals from non-tradable, services, and core inflation will be most relevant for monetary policy on the day, providing a fresh starting point for underlying inflation pressures. However, comparing our forecast with the RBNZ's is more challenging this quarter. The RBNZ provided a Q2 headline inflation forecast of 3.9% y/y in the July Monetary Policy Review, but did not publish the tradable/non-tradable split. The May MPS forecast for headline inflation was 4.2% y/y, with non-tradable inflation falling 0.1ppt to 3.4% y/y. It is reasonable to assume the downgrade to headline inflation at the July MPR largely reflects lower tradable inflation, meaning 3.4% y/y for non-tradable inflation remains an appropriate benchmark for monetary policy.

## The details

Breaking down our forecast for headline inflation of 1.4% q/q:

- The **Transport group** is expected to add 1.0 ppts, with the bulk of that reflecting higher fuel prices (petrol up around 20% q/q; diesel up around 50% q/q). Airfares (domestic down 11% q/q; international down 1.2%) are expected to provide a partial offset to higher fuel prices.

- The **Housing and household utilities group** is expected to contribute 0.2 ppts to quarterly inflation, driven by electricity (up 4.4% q/q) and home ownership (up 0.8% q/q). Rents are expected to come in unchanged (0.0% q/q).

- The **Food group** is expected to add almost 0.1 ppts, as weaker prices for fruit and vegetable partially offset higher prices for grocery food and restaurant meals.

- The **Health group** is expected to detract almost 0.1 ppt. As outlined in a [recent Stats NZ methods update](), the pharmaceutical products index will include a catch-up adjustment in the June quarter CPI after revised uptake data and a processing issue resulted in exaggerated price movements between June 2025 and March 2026. It's difficult to gauge the impact in advance, and Stats NZ has not indicated its magnitude. However, the correction appears likely to result in a quarterly contraction in the pharmaceutical products class in Q2.

- Smaller moves across the other CPI groups are expected to net out to a small positive contribution to headline inflation (Table 1).

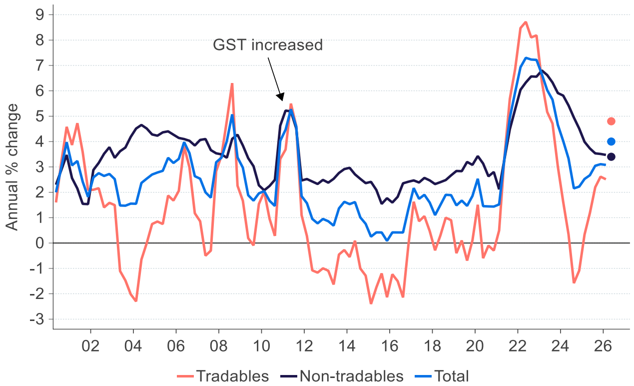
### Table 1. ANZ Q2 CPI component-level forecast

| | q/q% | %pt cont. |
|---|---|---|
| **Total** | **1.4** | **1.43** |
| Transport | 5.4 | 0.98 |
| Housing & Household Utilities | 0.6 | 0.23 |
| Recreation & Culture | 0.5 | 0.06 |
| Food | 0.3 | 0.06 |
| Miscellaneous Goods & Services | 0.6 | 0.06 |
| Clothes & Footwear | 0.9 | 0.04 |
| Household Contents & Services | 1.0 | 0.04 |
| Alcoholic Beverages & Tobacco | 0.2 | 0.01 |
| Communication | 0.3 | 0.01 |
| Education | 0.0 | 0.00 |
| Health | -1.4 | -0.06 |

■ Quarterly % change ■ Percentage point contribution

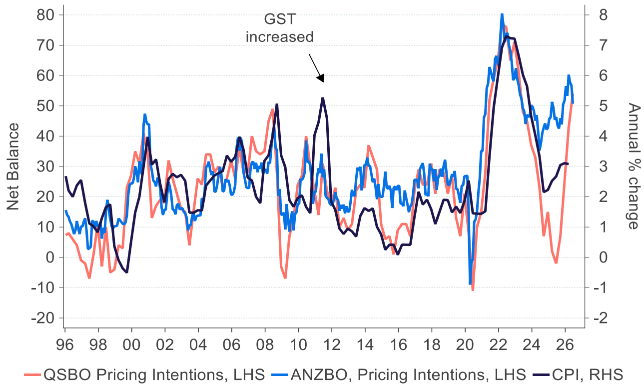
Source: Stats NZ, Macrobond, ANZ Research

### Figure 2. CPI inflation measures



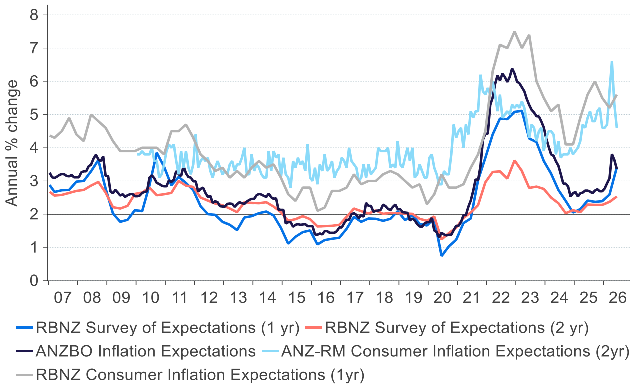

Source: RBNZ, Stats NZ, Macrobond, ANZ Research

### 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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**Sharon Zollner**
Chief Economist

Follow Sharon on Twitter
@sharon_zollner

Telephone: +64 9 357 4094
Email: sharon.zollner@anz.com

General enquiries:
research@anz.com

Follow ANZ Research
@ANZ_Research (global)

**David Croy**
Senior Strategist

Market developments, interest rates, FX, unconventional monetary policy, liaison with market participants.

Telephone: +64 4 576 1022
Email: david.croy@anz.com

**Matt Dilly**
Agricultural Economist

Primary industry developments and outlook, structural change and regulation, liaison with industry.

Telephone: +64 21 221 6939
Email: matthew.dilly@anz.com

**Miles Workman**
Senior Economist

Macroeconomic forecast co-ordinator, economic developments, labour market dynamics, inflation, fiscal and monetary policy.

Telephone: +64 21 661 792
Email: miles.workman@anz.com

**Matthew Galt**
Senior Economist

Macroeconomic forecasting, economic developments, GDP, housing and credit dynamics.

Telephone: +64 21 633 469
Email: matthew.galt@anz.com

**Natalie Denne**
PA / Desktop Publisher

Business management, general enquiries, mailing lists, publications, chief economist's diary.

Telephone: +64 21 221 7438
Email: natalie.denne@anz.com

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