

RBNZ MPS starting-point surprise chart pack

18 May 2026

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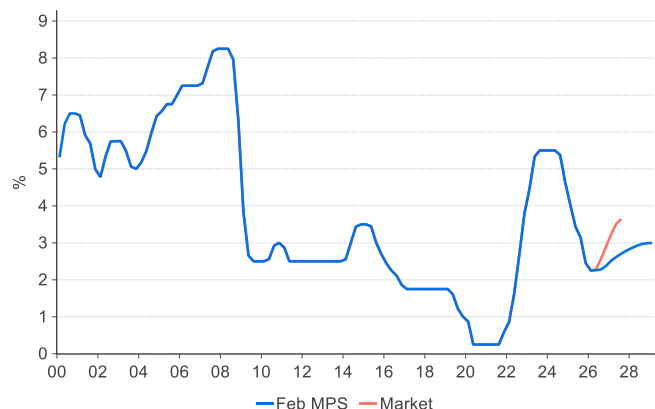


Some of this data feels like ancient history

Key points:

- The economic outlook has changed meaningfully since the [February MPS](#). The change in outlook is likely to matter more for the monetary policy outlook than any starting point surprises in the tier 1 data.
- [GDP growth in Q4](#) was weaker than the February MPS forecast.
- The [Q1 CPI](#) came in stronger than forecast, due mostly to tradable inflation.
- The [Q1 unemployment rate](#) was in line with the RBNZ's forecast, but employment growth was weaker. Q1 wage growth was very close to forecast.
- The NZD Dubai oil price is much stronger than forecast and that's following a weaker Q4 terms of trade.
- At the time of writing, the NZD TWI is almost 2% below the RBNZ's Q2 forecast.
- Our suite of output gap measures suggests spare capacity was being absorbed in Q1 at a pace consistent with the RBNZ's expectation. But that reflects economic conditions before the oil price shock.
- Our suite of Taylor Rules (using our CPI forecast) suggests an OCR of 2.25% at the end of Q2 is a little too accommodative. But these rules do not factor in the tightening in financial conditions that's already occurred (i.e. both wholesale and retail interest rates have risen).
- At the time of writing, the market is pricing in around 30% odds of a 25bp hike in May, with July fully priced.

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 definitely feels like one of those times, but this document does not discuss our take on all that, nor how we think the RBNZ's thinking may have evolved. For that, our Preview will be out later this week.

GDP

Figure 1. Production GDP (q/q)

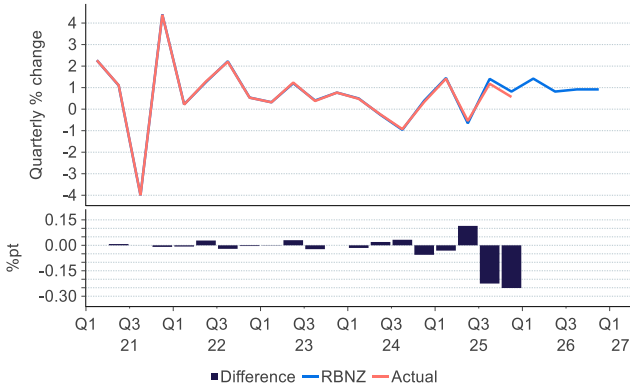


Figure 2. Production GDP (level)

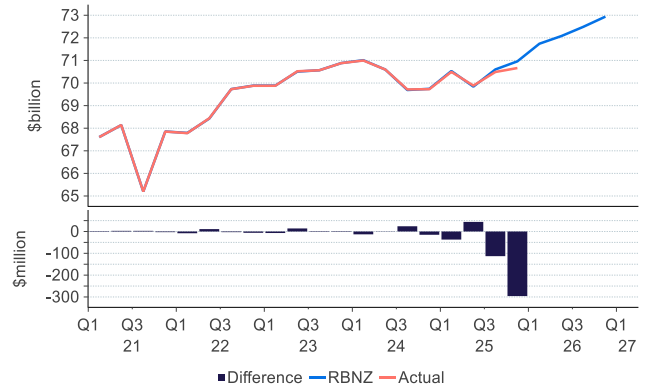


Figure 3. Real expenditure GDP (q/q)

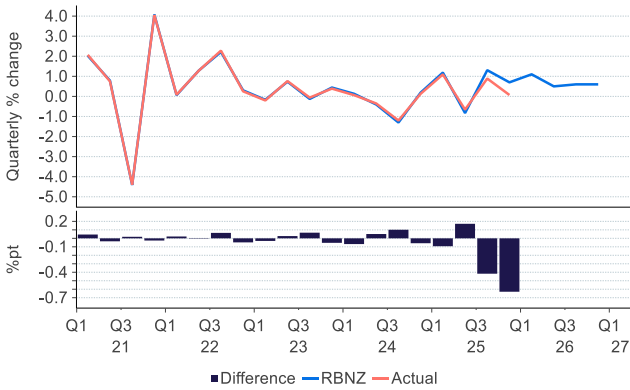


Figure 4. Real expenditure GDP (level)

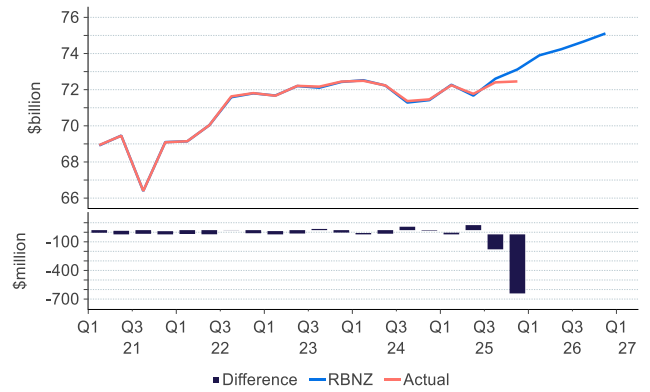


Figure 5. Real private consumption (q/q)

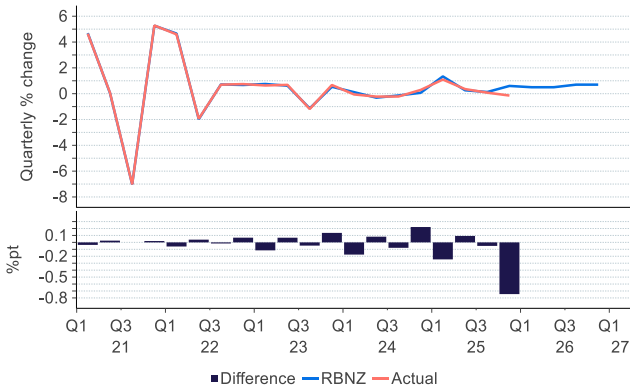


Figure 6. Real private consumption (level)

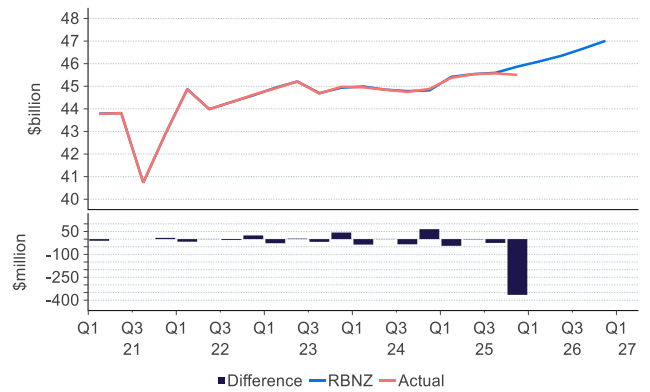


Figure 7. Real residential investment (q/q)

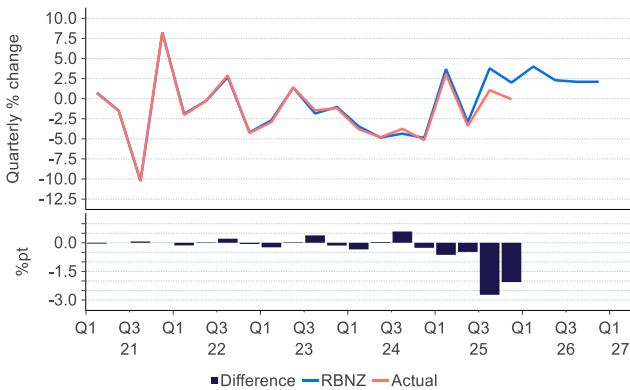
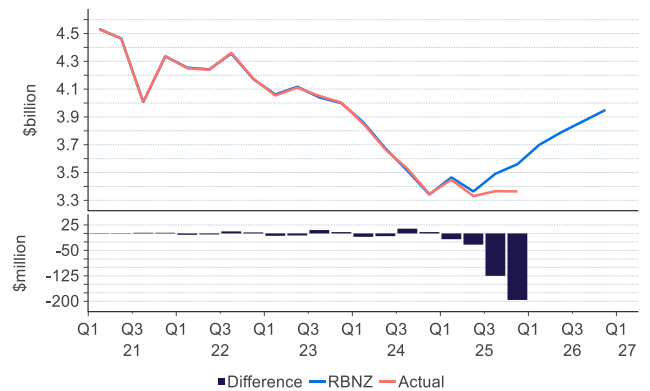


Figure 8. Real residential investment (level)



Source: Stats NZ, RBNZ, Macrobond, ANZ Research

GDP

Figure 9. Real total exports (q/q)

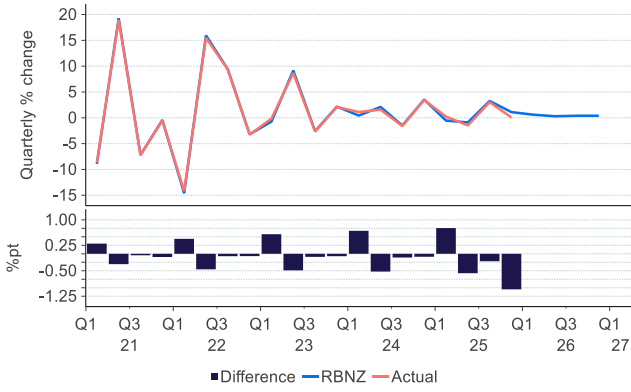


Figure 10. Real total exports (level)

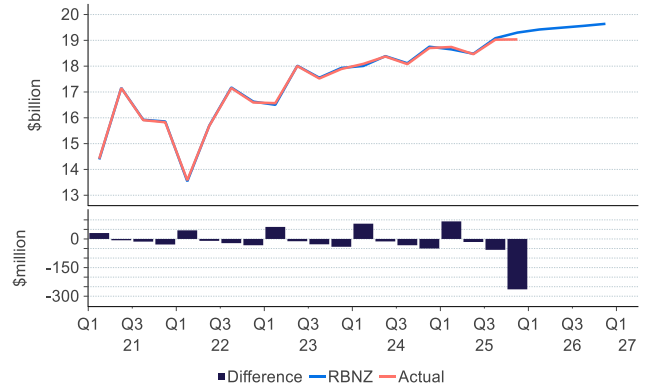


Figure 11. Real total imports (q/q)

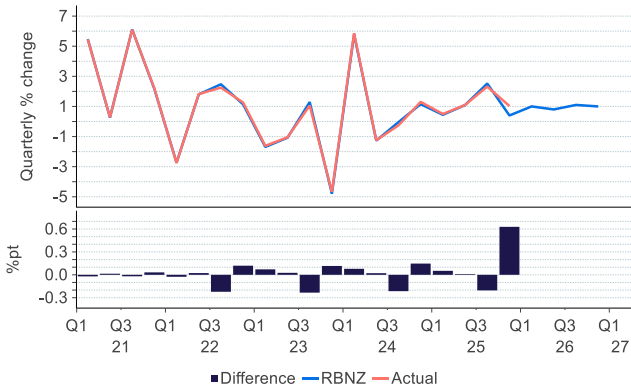


Figure 12. Real total imports (level)

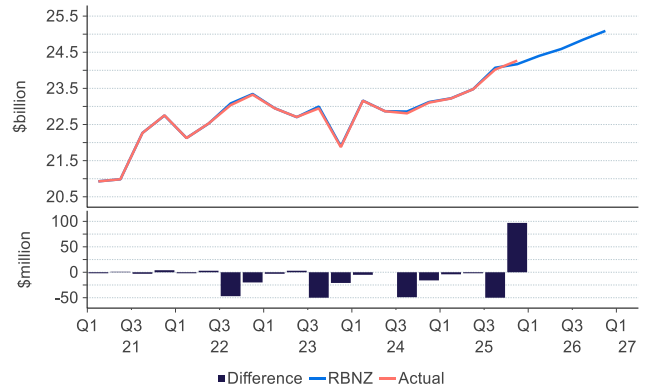


Figure 13. Changes in inventories (level)

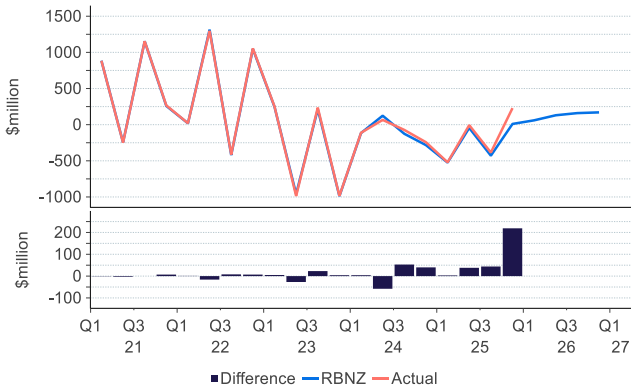
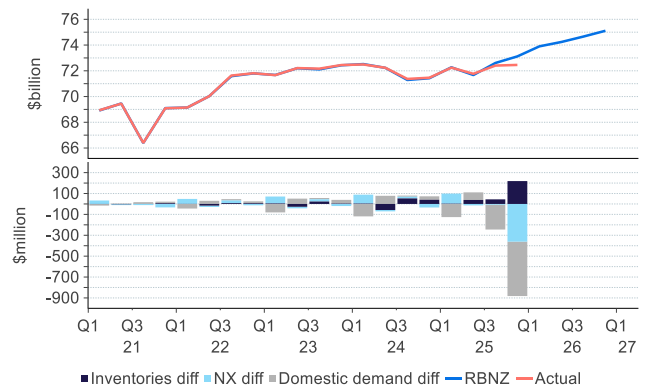


Figure 14. GDP high level breakdown



Source: Stats NZ, RBNZ, Macrobond, ANZ Research

CPI

Figure 15. Headline CPI inflation (q/q)

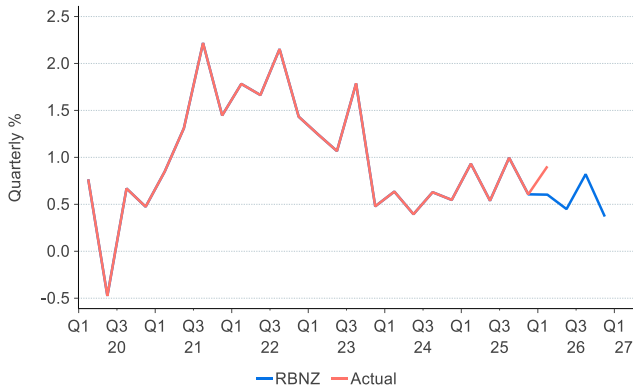


Figure 16. Headline CPI inflation (y/y)

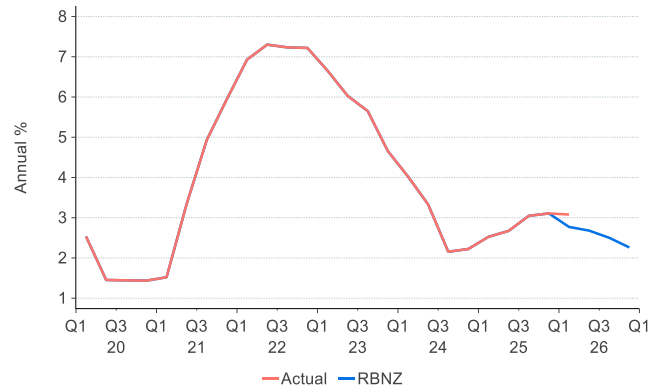


Figure 17. Tradables CPI inflation (q/q)

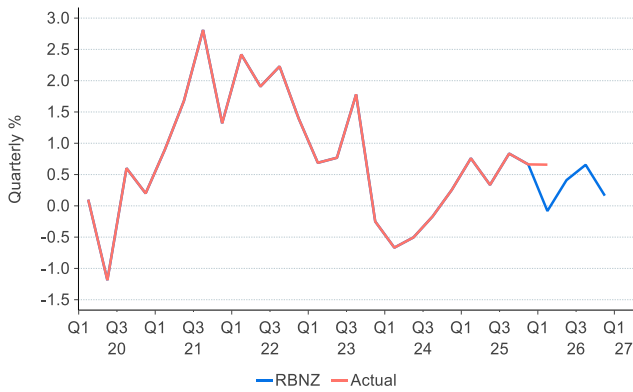


Figure 18. Tradables CPI inflation (y/y)

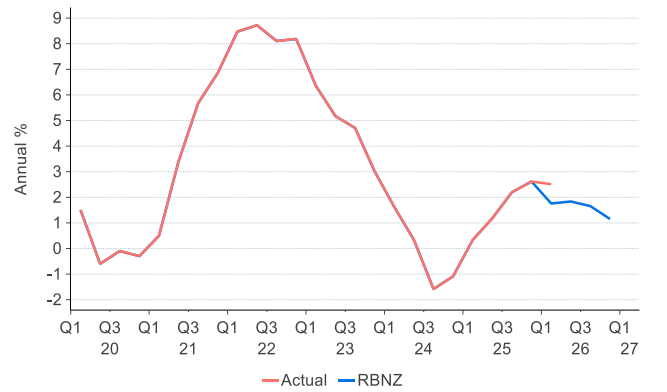


Figure 19. Non-tradables CPI inflation (q/q)

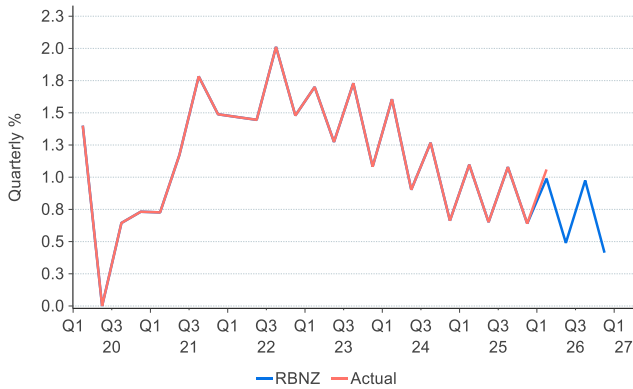
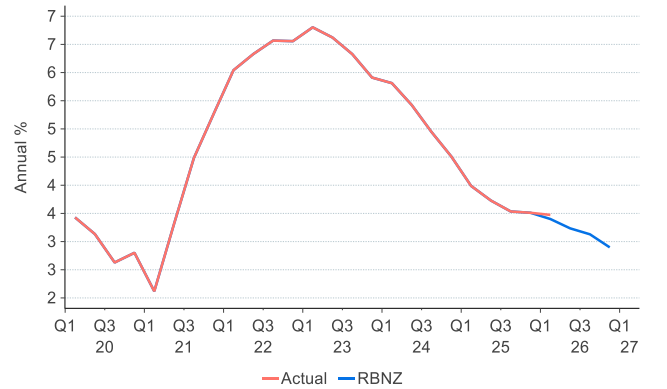


Figure 20. Non-tradables CPI inflation (y/y)



Source: Stats NZ, RBNZ, Macrobond, ANZ Research

Labour market

Figure 21. Unemployment rate

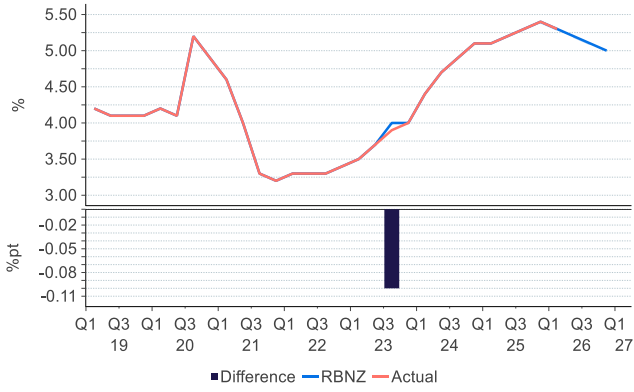


Figure 22. Participation rate

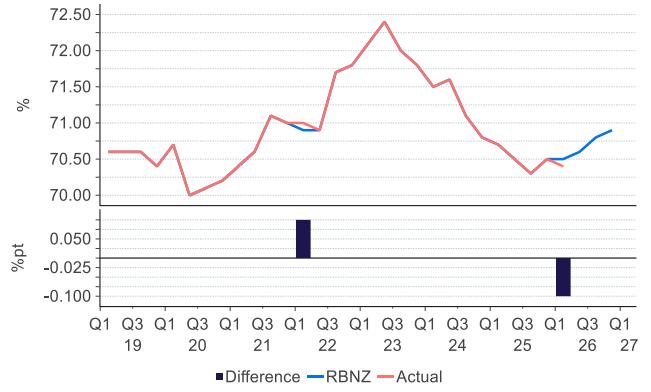


Figure 23. Employment (q/q)

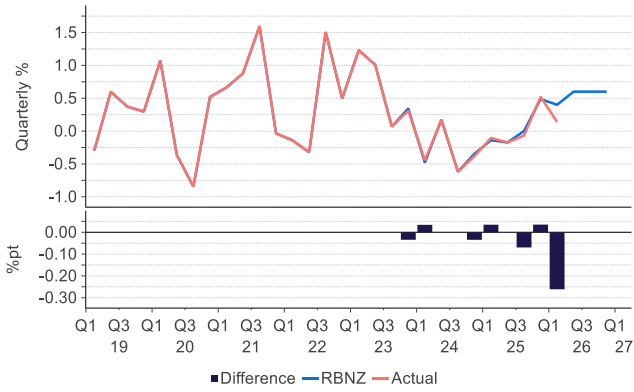


Figure 24. Employment (y/y)

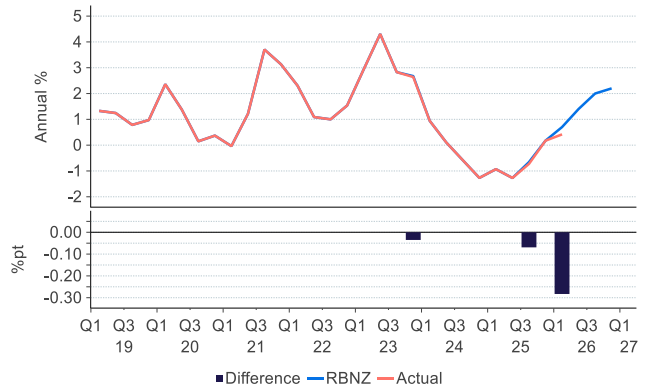


Figure 25. Labour force (level)

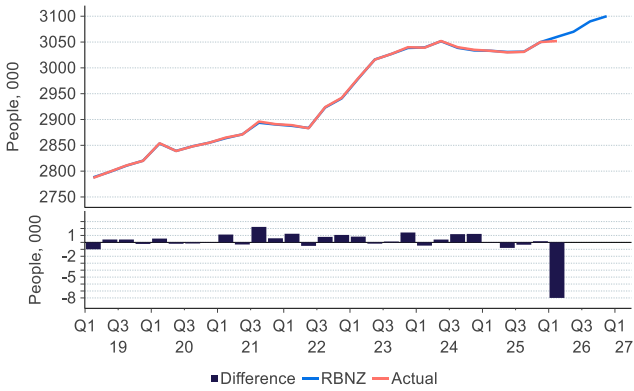


Figure 26. Working age population (level)

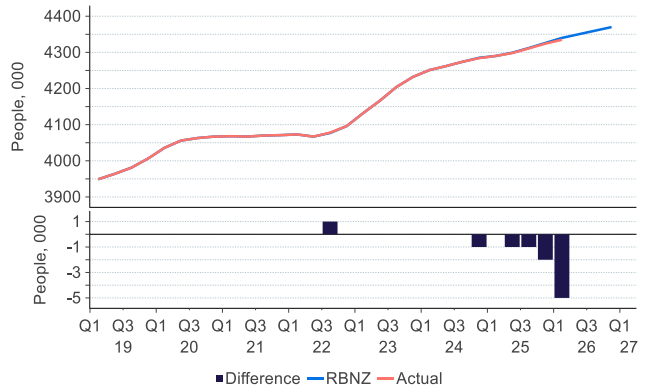


Figure 27. Employment rate

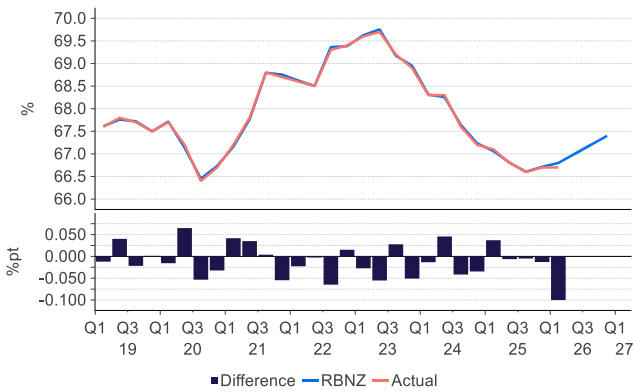
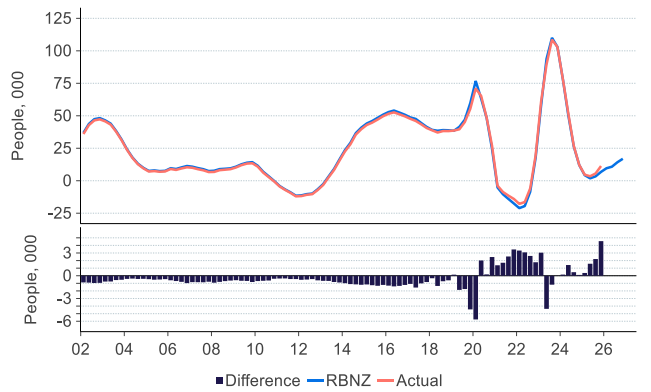


Figure 28. Annual net migration (working age)



Source: Stats NZ, RBNZ, Macrobond, ANZ Research

Labour market

Figure 29. Labour cost index (q/q)

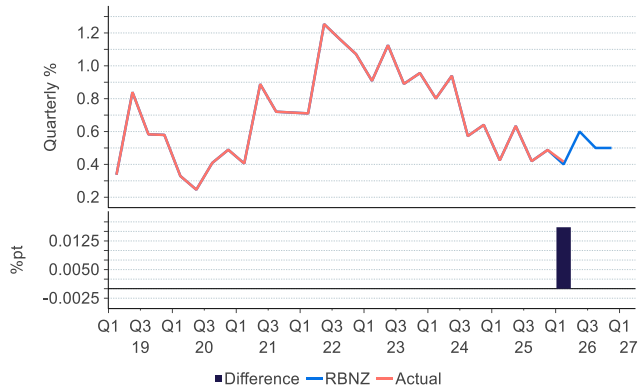


Figure 30. Labour cost index (y/y)

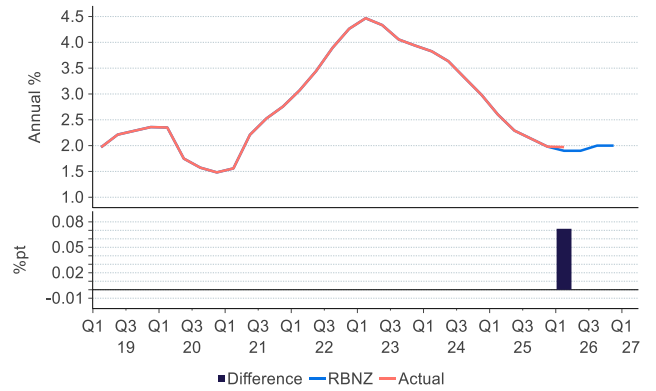


Figure 31. Average hourly earnings (q/q)

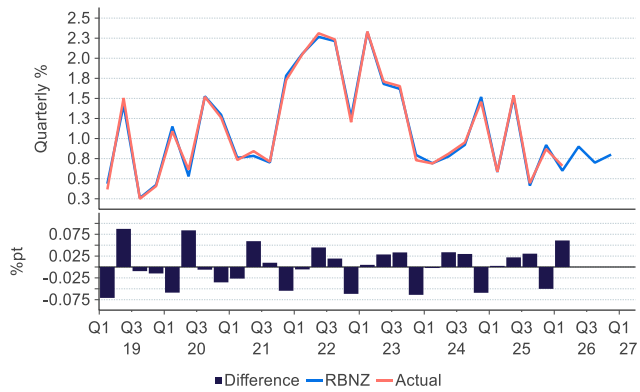
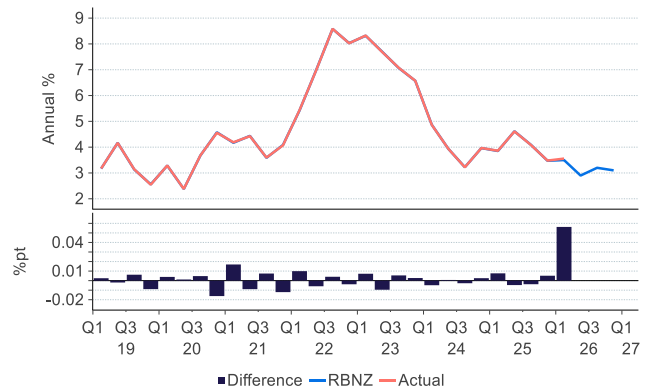


Figure 32. Average hourly earnings (y/y)



Source: Stats NZ, RBNZ, Macrobond, ANZ Research

External sector and housing

Figure 33. TWI (level, quarter average)

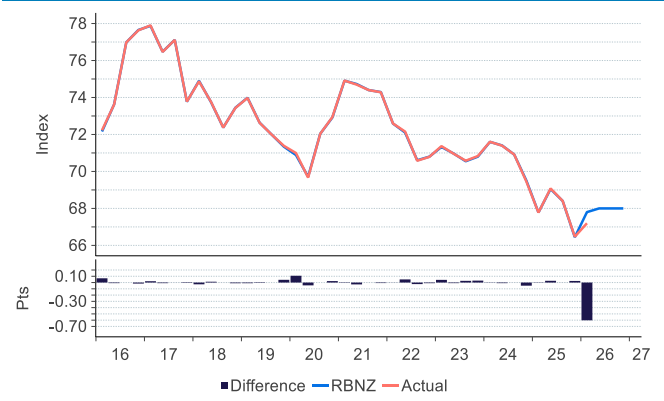


Figure 34. TWI (quarter average vs daily actuals)

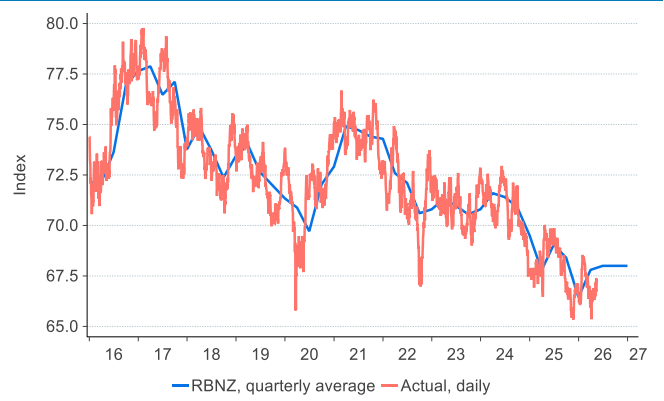


Figure 35. Export prices (level, SNA basis, world price)

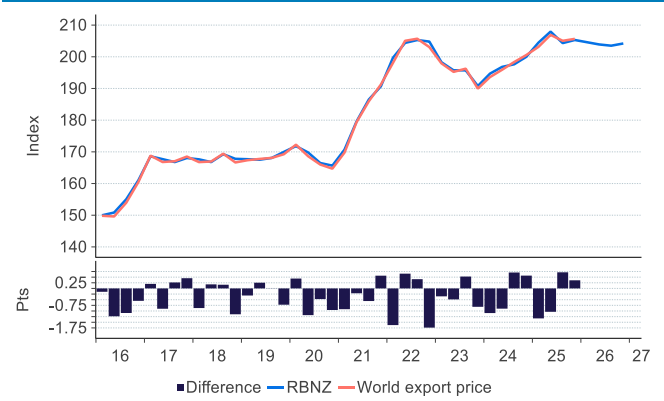


Figure 36. Import prices (level, SNA basis, world price)

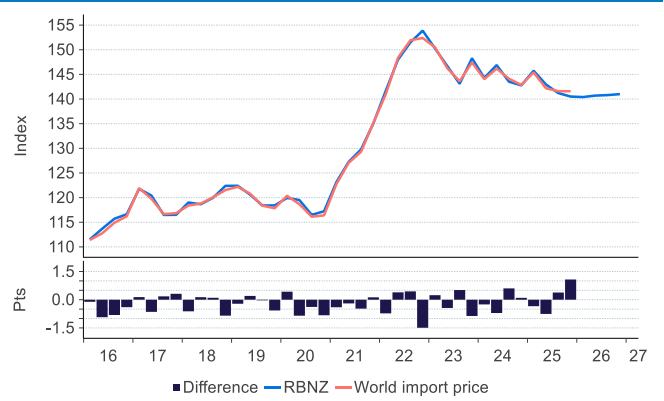


Figure 37. Terms of trade (level, SNA basis, world price)

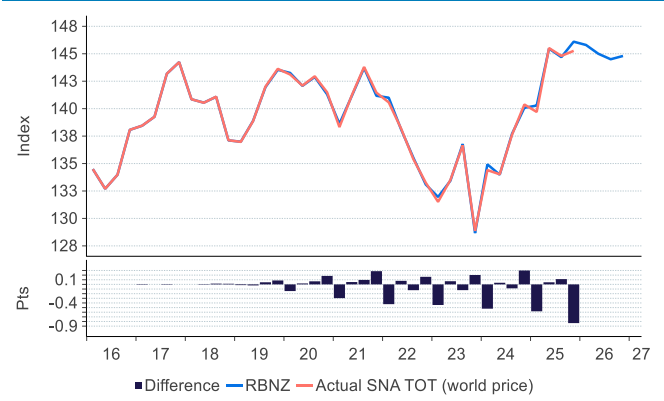


Figure 38. Dubai oil price

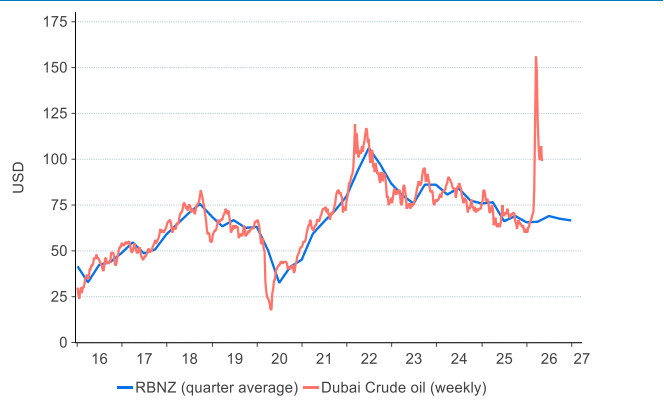


Figure 39. House price index (level)

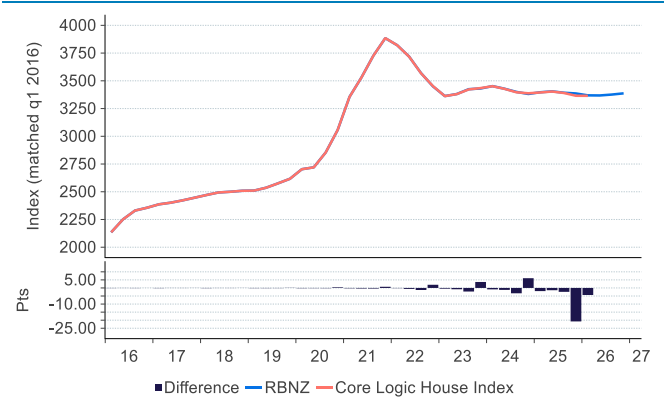
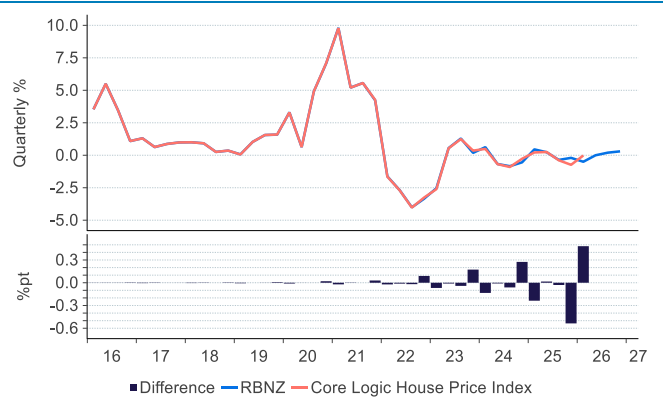


Figure 40. House price index (q/q)



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

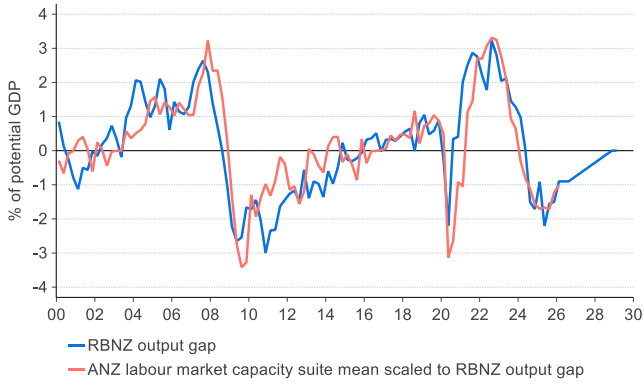


Figure 42. Labour plus capacity as limiting factors vs RBNZ output gap

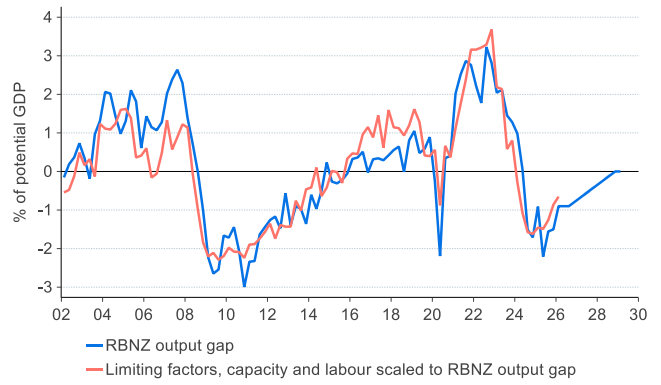


Figure 43. DTA (current less future) vs RBNZ output gap

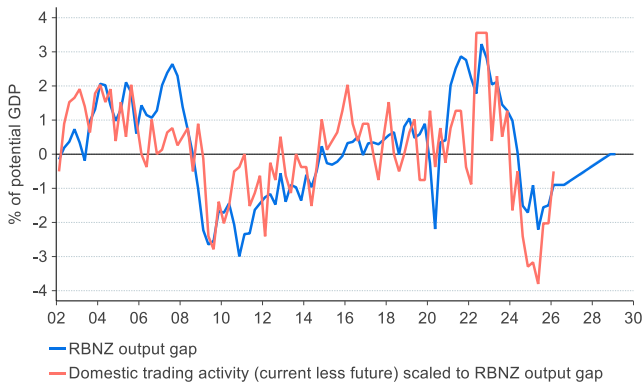


Figure 44. Core investment gap vs RBNZ output gap

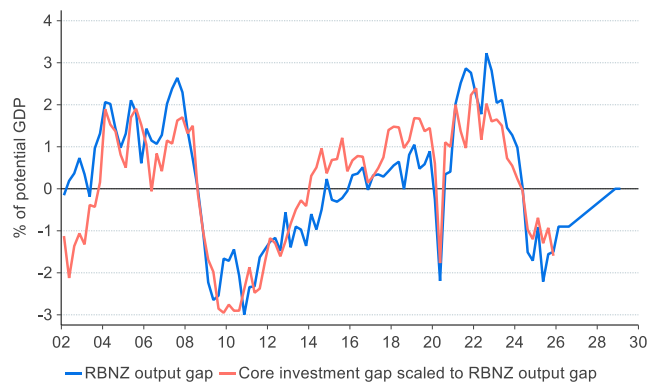


Figure 45. Inertial headline inflation Taylor Rule*

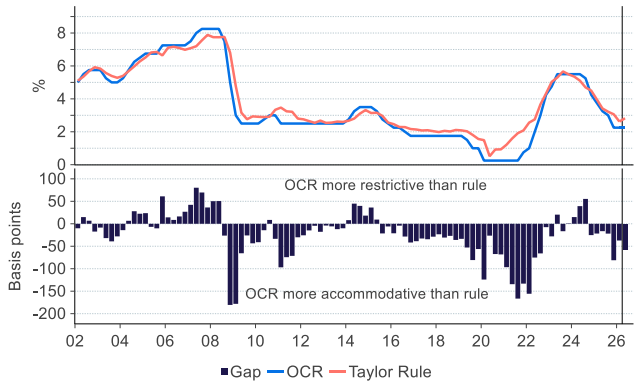


Figure 46. Inertial Sectoral Factor Model Taylor Rule*

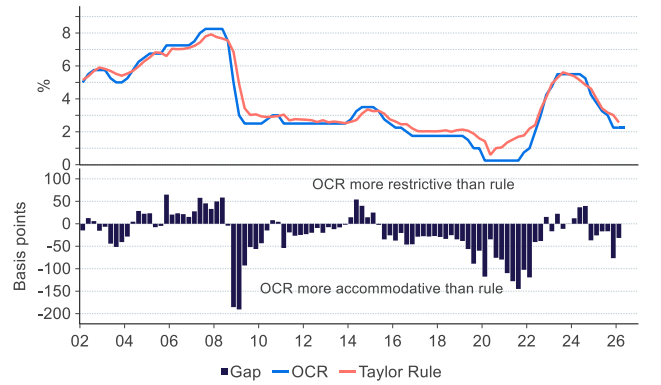


Figure 47. Inertial inflation expectations (1-year) Taylor Rule*

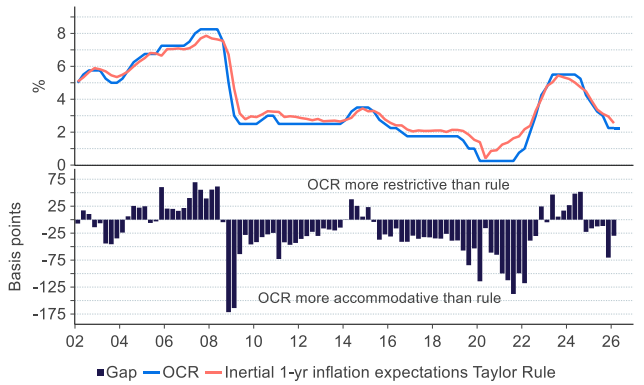
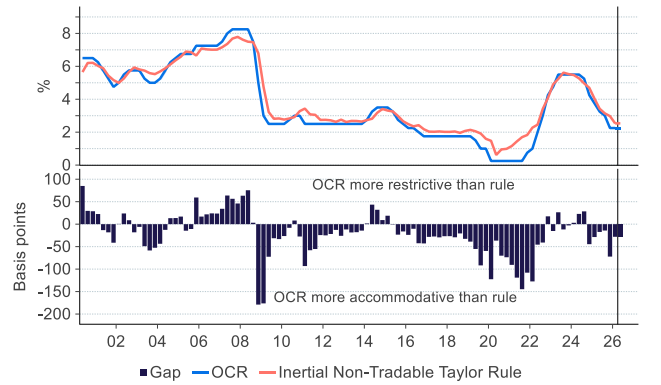


Figure 48. Inertial non-tradable Taylor Rule*



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.

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