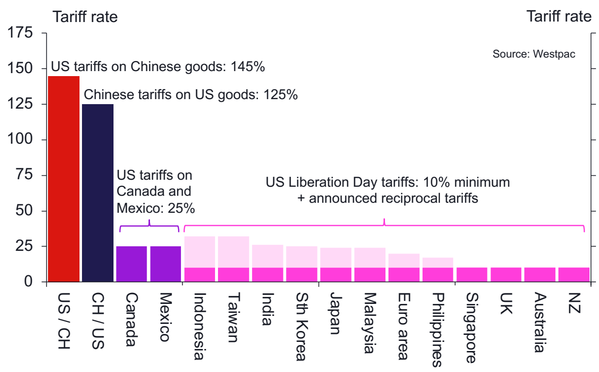
WEEKLY ECONOMIC COMMENTARY

14 Apr 2025 | **Westpac Economics Team** | **westpac.co.nz/economics** | economics@westpac.co.nz

Watch this space and don't panic

What a week. Financial markets were thrown into turmoil in the wake of the "Liberation Day" tariffs with concerns about global economic growth and inflation bubbling over in the early part of the weak. However, much of that tension was alleviated on Thursday morning New Zealand time when President Trump announced a change in stance. The large reciprocal tariffs on most countries that the US previously announced have now been capped at 10% for 90 days, giving nations time to negotiate (New Zealand is still subject to a 10% tariff). Following that announcement several economies including Japan and the EU have signalled their willingness to negotiate with the US, rather than retaliating. That's helped to smooth nerves in financial markets, with bond rates stabilising and equity markets retracing about half of their earlier falls. The New Zealand dollar has also pushed back up to around US 58 cents after it briefly dipped below 55 cents earlier in the week.

The tariff landscape

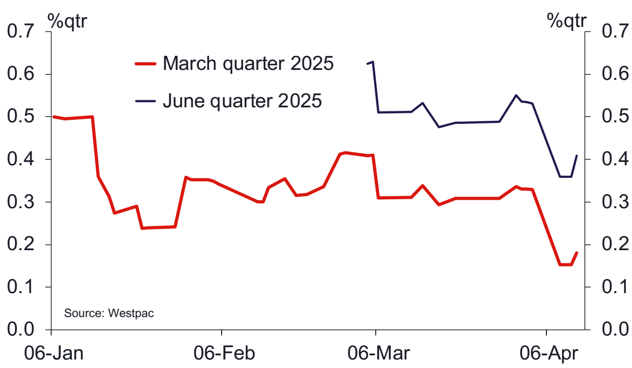


But while the US tariff roll out with most nations has been paused, it's still 'game on' between the US and China. In response to the Liberation Day tariffs, China announced large retaliatory tariffs on US exports. The resulting

Key views

	Last 3 months	Next 3 months	Next year
Global economy	→	→	→
NZ economy	↗	↗	↑
Inflation	→	↗	↗
2 year swap	↘	→	↗
10 year swap	→	→	↗
NZD/USD	↗	↘	→
NZD/AUD	↗	↘	↘

Westpac GDP nowcasts



Key data and event outlook

Date	Event
15 Apr 25	NZ Selected price indexes, March
17 Apr 25	NZ CPI, March quarter
7 May 25	Labour market statistics, March quarter
7 May 25	RBNZ Financial Stability Report
7 May 25	FOMC Meeting (Announced 8 May NZT)
8 May 25	Govt financial statements, 9 months to March
15 May 25	NZ Selected price indexes, April
20 May 25	RBA Monetary Policy Decision
22 May 25	Government releases Budget 2025
28 May 25	RBNZ OCR Review & Monetary Policy Statement
5 Jun 25	Govt financial statements, 10 months to April

back and forth between the two nations means that we are starting the week off with China imposing tariffs of 125% on US imports and the US levying tariffs of 145% on Chinese imports. How long this situation will last is anyone's guess, with the US already announcing some exemptions related to technology imports.

There's still a lot of water to go under the bridge before we can definitively say how all this will affect New Zealand. Our update last week looked at some of the **channels through which tariff disruptions might ripple through to New Zealand**.

This note from Kelly examines the **similarities and differences between the Australian and New Zealand economies in relation to how they might fare in the face of this shock**. There are key differences that could determine how each nation will fare. Notably Australia has a stronger current account and fiscal position. Australia is also entering this period of uncertainty with stronger growth and output that is close to trend.

In contrast, here in New Zealand we are further along our monetary easing cycle, so there is more stimulus already in the pipeline. New Zealand's commodity prices have also been pushing higher. Our main issue is that we go into this more uncertain environment with output significantly below trend. In addition, the New Zealand government is trying to tighten fiscal policy.

The RBNZ has taken a measured approach to easing in the face of global risks.

The RBNZ's April policy review came just one week after "Liberation Day" and before President Trump announced his 'pause' on tariffs with most nations. The increasingly rocky global backdrop has compounded the existing uncertainties about domestic economic conditions and how much additional policy easing is needed. On the day, the RBNZ adopted an appropriately cautious stance, with a measured 25bp cut that took the Official Cash Rate to 3.50%. That reduction had been clearly signalled by the RBNZ at their previous policy meeting and was fully priced in by markets.

Of more interest was how the RBNZ's expectations regarding the outlook would evolve. At their previous policy meeting, the RBNZ signalled that, depending on the evolution of economic conditions, they planned to take the OCR to 3.25% in the middle of this year, with some chance it could be cut further to 3%.

While the RBNZ didn't publish an updated set of projections, they did note that recent global developments were a material downside risk for domestic growth. The RBNZ also noted downside risk to the longer-term inflation outlook. But on this front they were less definitive, implicitly acknowledging that inflation in New Zealand is affected by a range of factors. That includes the trajectory of the New Zealand dollar which, despite recent swings, has dropped sharply since late last year.

Against this backdrop, the RBNZ is taking a measured approach to policy easing, and their policy statement did not display an undue sense of alarm. The RBNZ maintained an easing bias, but noted that the extent of any further easing would be dependent on the evolution of economic conditions, including both global developments and the medium-term outlook for inflation. Weakening global conditions and the related risks for domestic growth mean that there are downside risks for the OCR. But the RBNZ didn't feel the need to lurch this month. Nor did the MPC feel the need to tie its hands. That measured approach was validated by the stabilisation in global markets in the days since the RBNZ's decision.

Domestic activity is soft, but how much more stimulus is needed?

Even before the recent global turmoil, there have been questions about how far the cash rate needs to fall.

While the New Zealand economy has limped out of recession, economic growth remains sluggish for now. In addition, unemployment has risen to 5.1% and is set to continue rising. At the same time, inflation remains comfortably within the RBNZ's target band.

The RBNZ estimates that the neutral OCR is around 3%, meaning that it could still be at contractionary levels. But that is a long run estimate, and the RBNZ previously published projections indicating that the neutral OCR could be as high as 4%. Notably, the RBNZ has not made any definitive statement about whether they view the current level of the OCR as being stimulatory or contractionary.

In contrast to the RBNZ, we think the neutral level of the OCR is around 3.75%. That would mean that the OCR is already at moderately stimulatory levels.

There's also been a sharp fall in mortgage rates, the full impact of which is yet to be felt. As we've previously highlighted, 90% of New Zealand mortgages are on fixed rates and many borrowers are still on relatively high rates. However, over the next six months more than half of all mortgages will come up for refixing and many borrowers will roll on to lower rates, which will help to boost spending through the latter part of the year. That high proportion of mortgage rate fixing is a key reason why the recovery in growth has been gradual to date.

Finally, the sharp fall in the New Zealand dollar since late last year is reinforcing the easing in monetary conditions.

We expect a further drop in the OCR, with risks to the downside.

We continue to expect another 25bp cut in the OCR to 3.25% at the May Monetary Policy Statement. The choice is likely between 25bp and 50bp, but it's hard to say how large the adjustment will be at this stage.

There are downside risks to our current forecast of a trough in the OCR of 3.25%. However, the extent of those risks isn't clear. The tariff war has a long way to run and the ground beneath the global economy is still shifting. China and the US are our largest trading partners, taking a combined 38% of our merchandise exports. Both regions could face tough economic conditions over the coming year.

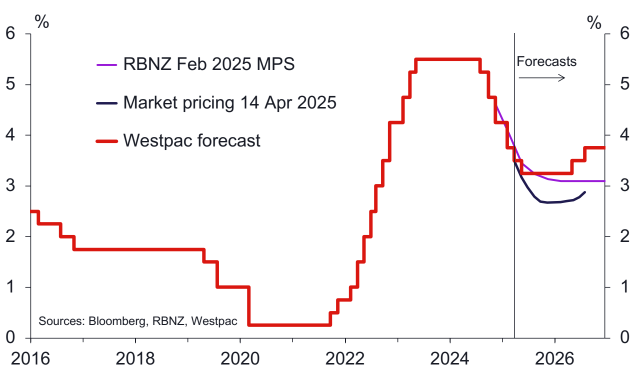
We need to see where the global environment and financial market settle, and how domestic economic conditions are evolving. Against that backdrop, the RBNZ is correct in not being prescriptive in terms of how they will proceed.

The reaction of the New Zealand dollar will be key in that regard and will take on a significant part of the adjustment – especially if darker scenarios emerge. This will complicate the usual playbook of cutting rates to support growth.

If significant rate cuts are required, then these will likely further cement in the tentative recovery of the domestic economy that has been taking hold up until now. However, large OCR cuts could end up being procyclical if the NZD is doing its job and providing stimulus.

The best advice for now is: Watch this space and don't panic.

Official Cash Rate forecasts



The fiscal outlook remains challenging.

In other news, over the past week the Government released its Defence Capability Plan, setting out its intention to raise defence spending towards 2% of GDP over the next 15 years. In the next four years, the Government will spend $12bn upgrading its defence capability, reflecting a mix of operational and capital spending, of which $9bn is regarded as "new money". Our back-of-the envelope calculations suggest that around two-thirds of that spending (especially capital equipment and munitions) is likely to be sourced from offshore, with the remainder (including building activity and increased staffing) acting as a boost to the local economy.

According to the Minister of Finance, the increased operational spending on defence will be met within the overall new spending envelope previously announced at the time of the Half Year Economic and Fiscal Update (HYEFU). It is less clear that the increased capital spending will be met within the current capital allowances, however.

Speaking more generally on the Government's fiscal strategy, the Minister indicated that at this stage the Government's intention is to stick with the fiscal strategy outlined in the HYEFU and accompanying Budget Policy Statement. With the Budget economic forecasts due to be finalised in coming days ahead of the release of the Budget on 22 May, the Minister said that at this stage the Treasury expects to reduce its forecasts of trading partner growth to 2.0% for the coming fiscal year – 0.5ppts lower than forecast in the HYEFU – with some consequences for tax revenue forecasts. But with tax flows currently running around $1bn ahead of the HYEFU forecast, the Government's fiscal strategy remains to try to achieve an operating surplus in 2027/28 (defined using the "OBEGALx" measure introduced in the HYEFU). Of course, if current global events have a bigger negative impact on New Zealand, the operation of the automatic stabilisers will mean that this may not be realistic. And the goal would be even less likely if the Government weakened its commitment to reducing the structural fiscal deficit as a response to global turmoil.

Inflation well contained, but still above 2%.

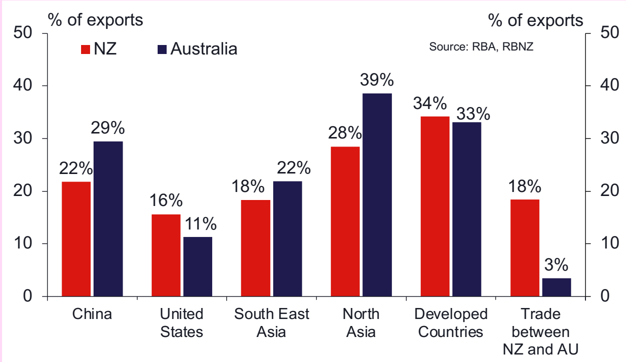
Looking to the week ahead, the economic news flow is heating up with updates on the services sector PMI, retail spending, migration and the housing market all due this week. However, the key focus will be Thursday's March quarter CPI update. We expect that will show that consumer prices rose 0.7% over the March quarter, leaving them up 2.3% over the past year. That's just slightly below the RBNZ forecast for a 0.8% rise, and a result in line with our forecast wouldn't have a meaningful impact on the RBNZ's policy deliberations. Annual inflation is set to remain comfortably within the RBNZ's target band, and core inflation measures look similarly well contained.

Satish Ranchhod, Senior Economist

Chart of the week.

Tariff disruptions could significantly impact both Australia and New Zealand. As Kelly discusses in his recent note, Australia's trade is more heavily tilted towards China, North and South-east Asia. New Zealand is more reliant on trade with the US. Both countries have roughly the same sensitivity with respect to trade with developed countries. If US growth and consumption were to be hit relative to Asia, then New Zealand could be worse off. And of course, the opposite also applies. New Zealand will likely be more resilient if global manufacturing weakens relative to consumption given its export focus on agricultural and food commodities compared to Australia's industrial commodities and energy exports. Notably, Australia's fortunes matter a lot more to New Zealand than the other way around – Australia takes 18% of our exports, while we take 3% of theirs.

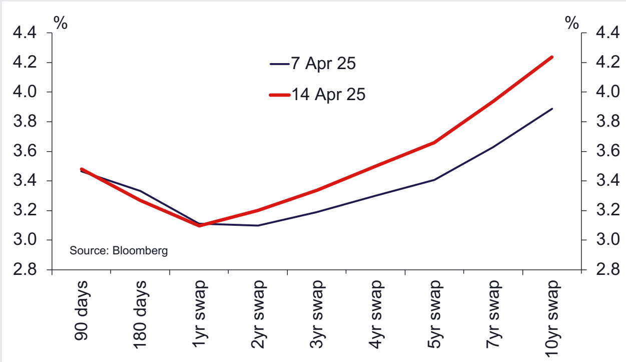
New Zealand and Australian main export markets



Fixed versus floating for mortgages.

We're forecasting the cash rate to bottom at 3.25% in mid-2025 but more risks around that forecast given global events. Markets now factor in an OCR that bottoms closer to 2.75%. Longer term mortgage rates have fallen – in some cases significantly – and still look attractive to fix for longer periods, particularly in the two- to three-year space. Shorter-term mortgage rates are likely to fall in the near term as the RBNZ delivers further OCR cuts but would still likely remain above current longer term fixed rates. Fixing shorter than a year is a bet that the OCR bottoms somewhat lower than 3%.

NZ interest rates



Global wrap

North America.

The post-Liberation Day policy whiplash continued over the last week. Global stock markets surged when US President Trump announced a 90-day pause on tariff rate increases above the 10% minimum. However, he also raised the tariff rate on China to a prohibitive 145%; China responded with a 125% tariff on US imports and declared that it would not participate further in tit-for-tat increases. Over the weekend it was reported that smartphones and computers would be exempt from tariffs, though it was soon clarified that these would be subject to their own yet-to-be-determined tariff rates.

US households joined financial markets in casting a clear vote of no-confidence in Trump's tariff plans. The University of Michigan consumer sentiment survey fell to 50.8 (prior 57.0), with both current conditions and expectations lower. Inflation expectations for the year ahead rose to 6.7%, and longer-term expectations rose to 4.4%. While inflation was well-contained prior to the tariffs – consumer and producer prices came in lower than forecast in March – Fed chair Powell has noted that "the Committee may face difficult trade-offs if inflation proves to be more persistent while the outlook for growth and employment weakens."

The Bank of Canada meets on Wednesday night. The majority of forecasters expect no change in the cash rate, though the decision is likely to hinge on the March CPI report released the day before.

Asia-Pacific.

Australian consumer sentiment fell 6% in early April, with a marked Trump effect – responses in the first half of the week were only slightly softer, but moved sharply lower after the 'Liberation Day' announcements. Although households were less certain about the prospect of interest rate relief, markets have since come to our view and have fully priced in a 25bp rate cut from the RBA in May. This Thursday's employment report for March is expected to see a rebound from the surprise 52k fall in jobs in February. In recent times the employment data has become more volatile over the early part of the year, which may reflect changing patterns in when people return to work after the summer holidays.

Europe.

Economic data was light on the ground in Europe last week, and will largely remain so this week. The ECB meets on Thursday night and is expected to reduce its policy rate by 25bps, which would be its seventh rate cut for this cycle. The UK's monthly GDP estimate provided a positive note, rising by 0.5% in February against forecasts of 0.1%.

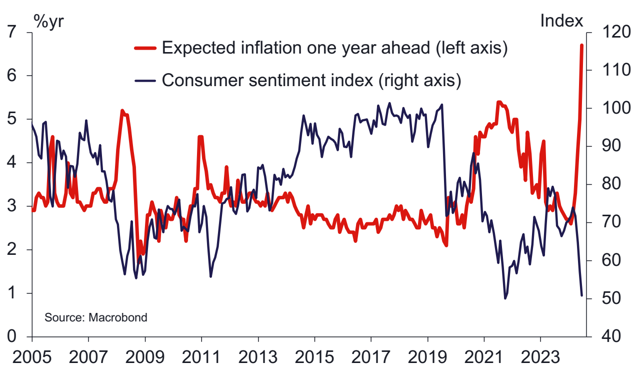
Trading partner real GDP (calendar years)

	Annual average % change			
	2023	2024	2025	2026
Australia	2.1	1.0	2.0	2.2
China	5.2	5.0	5.0	4.7
United States	2.5	2.8	1.1	0.9
Japan	1.9	-0.1	1.0	0.8
East Asia ex China	3.3	4.3	3.7	3.8
India	7.8	6.6	6.2	6.2
Euro Zone	0.4	0.7	0.7	1.2
United Kingdom	0.1	0.7	0.6	1.1
NZ trading partners	3.2	3.2	3.0	3.0
World	3.2	3.3	2.9	3.0

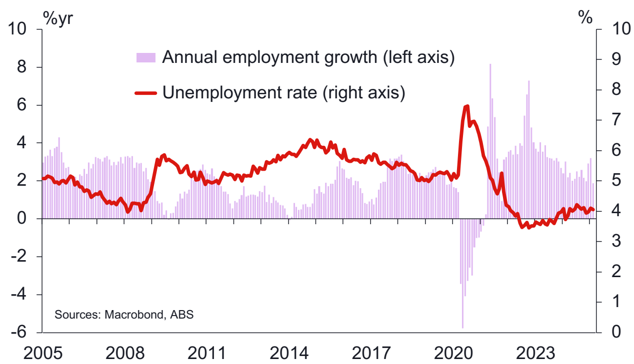
Australian & US interest rate outlook

	11 Apr	Jun-25	Dec-25	Dec-26
Australia				
Cash	4.10	3.85	3.35	3.35
90 Day BBSW	4.08	3.90	3.45	3.55
3 Year Swap	3.26	3.75	3.80	4.00
3 Year Bond	3.27	3.85	3.90	4.05
10 Year Bond	4.41	4.65	4.75	4.80
10 Year Spread to US (bps)	-4	15	5	0
US				
Fed Funds	4.375	4.375	3.875	3.875
US 10 Year Bond	4.45	4.50	4.70	4.80

US University of Michigan consumer sentiment



Australian labour market



Financial markets wrap

Interest rates.

NZD/USD remains extremely volatile. Last week we guessed that both 0.5500 and 0.5800 could be tested, and so they were. Currently, it's poised to test the four-month range high at 0.5853. A break above that would give it a bullish bias for the week ahead, but otherwise, more wide ranging is in store. The main driver remains US tariff policy. The trade war between the US and China, and the 90-day delay in implementation for most countries, are sub-topics markets are focussed on. Suffice to say, there's no consensus on how these will conclude. The RBNZ MPR outcome was largely as markets had expected, the NZD initially bouncing slightly on the outturn and then slipping for little net change.

NZD/AUD has surged over the past two months, from 0.8950 to 0.9350 – the highest in 12 months. Much of the rise can be attributed to the AUD's greater sensitivity to China developments, as was the case during the US-China trade war of 2018-20. Further gains in the cross to 0.9400 are possible near term, but we caution it is getting technically stretched.

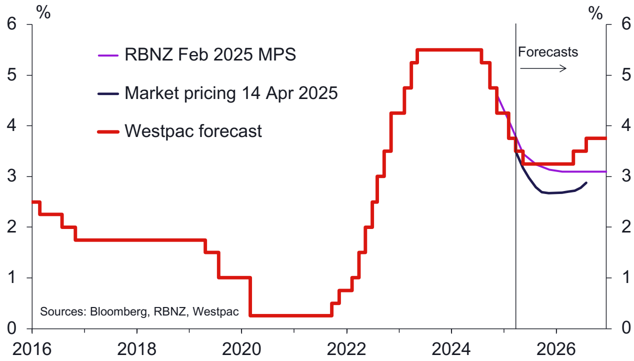
This week's New Zealand CPI inflation data for Q4 will provide a worthy distraction, as will major global events: Fed Chair Powell's speech, US economic data, Australian jobs data, and ECB and Bank of Canada decisions.

Interest rates.

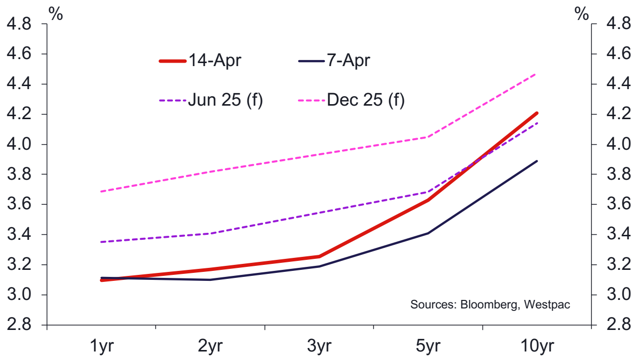
The NZ 2yr swap rate fell slightly further last week, but the 3.00% support level held (low was 3.02%). At 3.21% currently, a tentative bottom around 3.00% has formed. As has been the case for exchange rates, the main driver has been US tariff policy. US interest rate markets have responded by pushing short maturity rates almost 100bp lower, expecting the Fed to eventually cut rates deeply to avoid a recession, while pushing long maturity rates higher. The latter has been due to a combination of higher inflation expectations, concerns investors may no longer regard US treasuries as a safe haven, and an unwinding of large volume speculative "basis" trades. The result has been a sharply steeper yield curve.

NZ rate markets have followed the US pattern, if not to the same degree, which is why the NZ swap curve is around 30bp steeper (and the steepest since 2021). OIS pricing fell slightly further last week, and is pricing a terminal rate of around 2.75% currently. That is lower than the RBNZ's forecast from the February MPS, which showed a chance of 3.00%, and Westpac's current forecast at 3.25%. For the week ahead, whether the low in the 2yr swap holds will depend largely on trade war developments and the NZ Q4 CPI data outturn (the Westpac and median economist estimate is 0.7%q/q and 2.3%y/y).

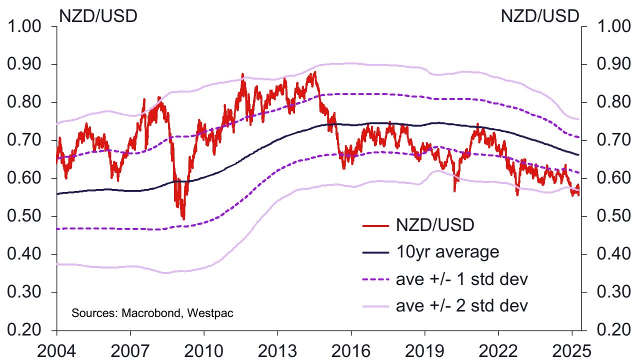
Official Cash Rate forecasts



Swap rates



NZD/USD vs rolling 10yr average



FX recent developments

	Historical data				F'cast
	Spot	3mth range	5yr range	5yr avg	Dec-25
USD	0.582	0.553-0.582	0.553-0.743	0.639	0.57
AUD	0.923	0.897-0.927	0.873-0.971	0.924	0.87
EUR	0.514	0.502-0.549	0.502-0.637	0.578	0.51
GBP	0.445	0.431-0.459	0.431-0.535	0.498	0.44
JPY	83.8	80.5-88.6	63.7-98.6	82.6	79.9

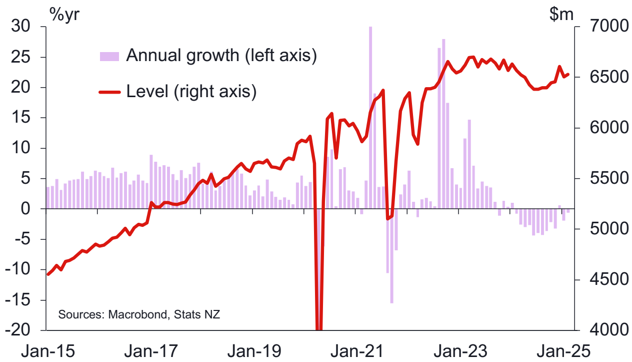
The week ahead

Mar Retail Card Spending

Apr 14, last: +0.3%, Westpac f/c: +0.2%

February saw a modest 0.3% gain in retail sales. We expect that will be followed by a similar 0.2% rise in March. New Zealanders have started to open their wallets again, and spending in discretionary areas is gradually rising as the pressure on households' finances eases. However, at this stage, the recovery is gradual with many borrowers yet to roll on to lower mortgage rates.

Monthly retail card spending



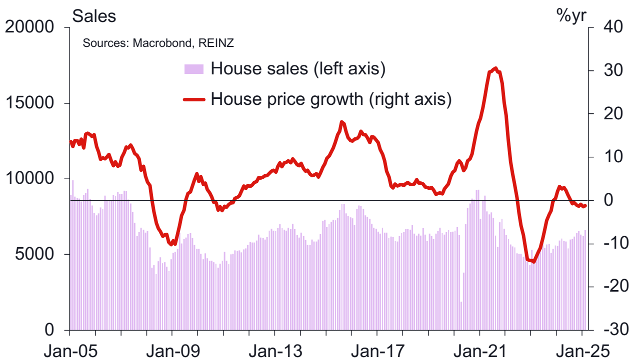
Mar REINZ House Prices and Sales

Apr 15 (TBC), Prices last: -1.2%yr; Sales last: +3.4%yr

As mortgage rates have fallen, we've seen clear signs of a revival in interest among potential buyers. But while house sales are up on the same time a year ago, they have yet to make much of a dent in the backlog of unsold homes on the market.

House prices have risen marginally over the last few months, though they remain down on a year ago. We expect prices to gain some momentum in the months ahead, with a 6.5% rise over 2025.

REINZ house prices and sales



Q1 Consumer Prices Index

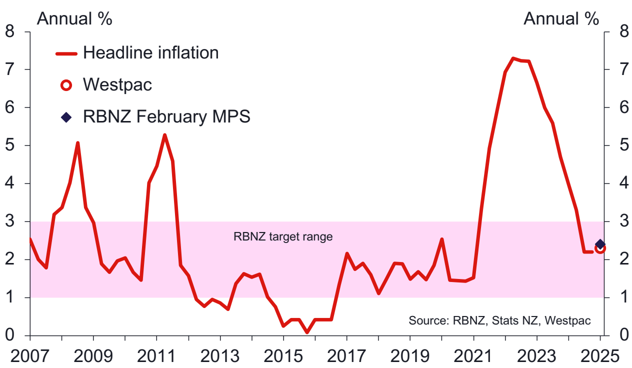
Apr 17

Quarterly: +0.5%, Westpac f/c: +0.7%, RBNZ: +0.8%

Annual: Last: +2.2%, Westpac: +2.3%

We estimate that New Zealand consumer prices rose by 0.7% in the March quarter, boosted by increases in food and petrol prices. That would see the annual inflation rate rise to 2.3% (up from 2.2% in the year to December). Our forecast is just slightly below the RBNZ's forecast from their February Monetary Policy Statement, and such a surprise wouldn't be a material concern for the RBNZ's policy stance. Even with the expected pickup, annual inflation remains comfortably back inside the 1% to 3% target band. However, inflation is set to linger above 2% for some time. Stats NZ will release the selected monthly prices for March on Tuesday, two days before the full CPI release.

Annual headline inflation

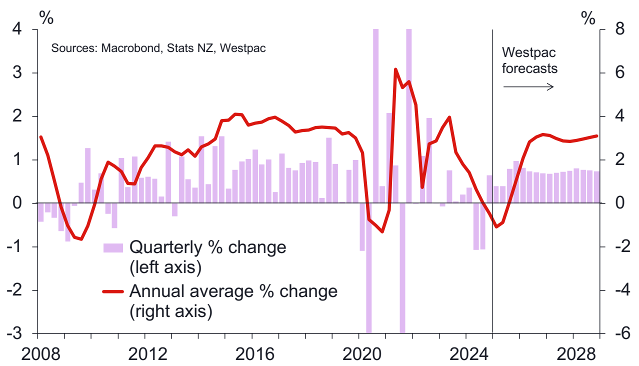


Economic and financial forecasts

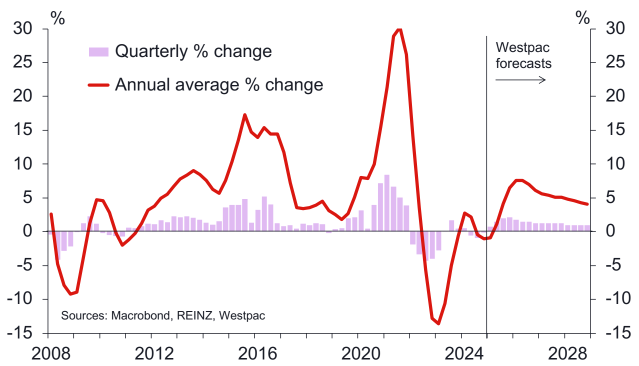
Economic indicators	Quarterly % change				Annual % change			
	Dec-24	Mar-25	Jun-25	Sep-25	2023	2024	2025	2026
GDP (production)	0.7	0.4	0.4	0.8	1.8	-0.5	1.0	3.2
Consumer price index	0.5	0.7	0.2	0.8	4.7	2.2	2.5	2.0
Employment change	-0.1	-0.1	0.1	0.1	2.8	-1.1	0.5	2.1
Unemployment rate	5.1	5.3	5.4	5.4	4.0	5.1	5.3	4.6
Labour cost index (all sectors)	0.6	0.6	0.5	0.5	4.3	3.3	2.2	1.8
Current account balance (% of GDP)	-6.2	-5.5	-4.6	-4.3	-6.9	-6.2	-4.0	-4.5
Terms of trade	3.1	7.1	2.6	-1.1	-10.7	13.6	8.0	1.4
House price index	-0.2	0.8	1.5	2.0	-0.6	-1.1	6.5	6.1

Financial forecasts	End of quarter				End of year			
	Dec-24	Mar-25	Jun-25	Sep-25	2023	2024	2025	2026
OCR	4.25	3.75	3.25	3.25	5.50	4.25	3.25	3.75
90 day bank bill	4.45	3.55	3.35	3.35	5.65	4.45	3.35	3.85
2 year swap	3.64	3.40	3.50	3.65	5.28	3.64	3.80	4.00
5 year swap	3.73	3.70	3.80	3.95	4.85	3.73	4.05	4.25
10 year bond	4.51	4.60	4.70	4.85	5.09	4.51	4.90	4.95
TWI	69.5	67.1	66.2	66.2	70.8	69.5	66.1	67.3
NZD/USD	0.59	0.56	0.56	0.56	0.60	0.59	0.57	0.60
NZD/AUD	0.91	0.91	0.90	0.88	0.93	0.91	0.87	0.87
NZD/EUR	0.55	0.52	0.52	0.52	0.56	0.55	0.52	0.53
NZD/GBP	0.46	0.44	0.44	0.44	0.49	0.46	0.44	0.45

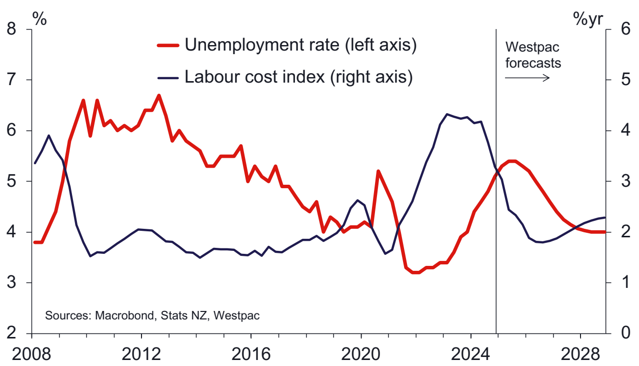
GDP growth



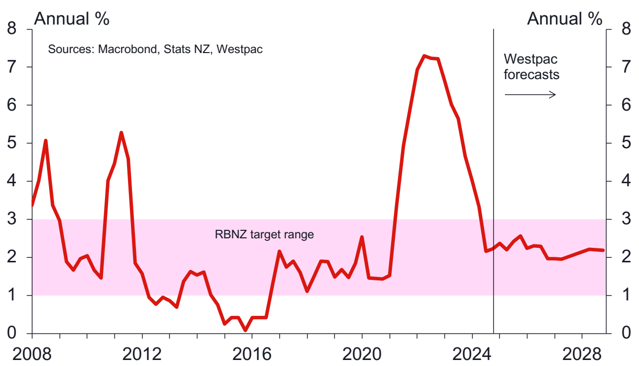
House prices



Unemployment and wage growth



Consumer price inflation



Data calendar

		Last	Market median	Westpac forecast	Risk/Comment
Mon 14					
NZ	Mar BusinessNZ PSI, index	49.1	–	–	Up from mid-2024 lows but remains subdued.
	Mar Retail Card Spending, %mth	0.3	–	0.2	The recovery in spending remains gradual.
	Feb Net Migration, no.	2380	–	–	Stabilising at low but positive levels.
Chn	Mar Trade Balance, US$bn	31.7	73.9	–	Facing soft domestic consumption and US tariff pressures.
Jpn	Feb Industrial Production, %mth	2.5	–	–	Final estimate.
US	Mar NY Fed 1-Yr Inflation Exp., %yr	3.13	–	–	Upside risks building.
Tue 15					
NZ	RBNZ Chief Economist Conway speech	–	–	–	Speech on economic forecasting, 9.30 NZT.
	Mar REINZ House Sales, %yr	3.4	–	–	Expected date. Turnover is gradually picking up...
	Mar REINZ House Prices, %yr	–1.2	–	–	... though prices have only lifted marginally to date.
	Mar Food Price Index, %mth	–0.5	–	0	Seasonal easing in meat prices
Aus	RBA Minutes	–	–	–	To offer more insights around the balance of risks.
Eur	Apr ZEW Survey, index	39.8	–	–	Has risen around 30 points since September 2024.
	Feb Industrial Production, %mth	0.8	–1.3	–	Headed for a decline.
UK	Feb ILO Unemployment Rate, %	4.4	–	–	Unchanged over the prior three months.
US	Apr Fed Empire Manuf. Survey, index	–20	–10	–	Mild improvement, but businesses remain pessimistic.
	Mar Import Price Index, %mth	0.4	0	–	Closely watched as tariffs come into effect.
	Fedspeak	–	–	–	Harker, Bostic.
Wed 16					
NZ	Mar Trade Balance , $m	510	–	700	Strong agri prices reinforce the seasonal export peak.
Aus	Mar Westpac-MI Leading Index, %ann'd	0.8	–	–	Detail suggests growth pulse is currently fragile.
Jpn	Feb Machinery Orders, %mth	–3.5	1.2	–	January saw the steepest fall in over a year.
Chn	Q1 GDP, %yr ytd	5	5.2	5.3	Slowing growth prefaces looming tariff impact...
	Mar Industrial Production, %yr ytd	5.9	5.9	–	... as authorities try to stimulate a domestic-led economy.
	Mar Retail Sales, %yr ytd	4	–	–	Though retail spending is expected to plateau...
	Mar Fixed Asset Investment, %yr ytd	4.1	4.1	–	... underscoring the importance of additional stimulus.
UK	Mar CPI, %yr	2.8	–	–	Services remain the key pressure point.
US	Mar Retail Sales, %mth	0.2	1.4	–	Rush to buy cars before tariff on imported autos and parts.
	Mar Industrial Production, %mth	0.7	–0.3	–	Weak PMI numbers point to softer industrial production.
	Apr NAHB Housing Market, index	39	37	–	Cost pressures causing home builder sentiment to fall.
	FOMC Chair Powell	–	–	–	Speaking to Economic Club of Chicago on the outlook.
	Fedspeak	–	–	–	Cook, Hammack.
Can	Apr BoC Policy Decision, %	2.75	2.75	–	Decision hinges on the March CPI report released the day prior.
Thu 17					
NZ	Q1 CPI, %qtr	0.5	0.7	0.7	Boost from food and fuel prices.
	Q1 CPI, %ann	2.2	2.3	2.3	Headline and core inflation well contained.
Aus	Mar Employment Change, 000s	–52.8	40	50	February's downside surprise was likely 'noise' ...
	Mar Unemployment Rate, %	4.1	4.2	4.2	... leaving us in store for a bounce-back in March.
Eur	Apr ECB Policy Decision (Deposit Rate), %	2.5	2.25	2.25	Another 25bp cut expected – the seventh this cycle.
US	Apr Phily Fed Survey, index	12.5	6.7	–	Continues easing.
	Mar Housing Starts, %mth	11.2	–6.1	–	Housing starts to retreat from March surge...
	Mar Building Permits, %mth	–1.0	–0.6	–	... while permits decline for a fourth consecutive month.
	Initial Jobless Claims	223	–	–	Timely indicator of labour market conditions.
	Fedspeak	–	–	–	Schmid, Barr.
Fri 18					
Jpn	Mar CPI, %yr	3.7	3.7	–	Wages and food costs keeping inflation above BoJ's 2% target.
World	Good Friday	–	–	–	Markets closed in Australia, NZ, Europe, UK, US.

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