



# WEEKLY ECONOMIC COMMENTARY



23 Jun 2025 | **Westpac Economics Team** | [westpac.co.nz/economics](https://westpac.co.nz/economics) | [economics@westpac.co.nz](mailto:economics@westpac.co.nz)

## Watching, worrying and waiting.

We are in an environment of better, albeit still bumpy, growth and rising inflation that is testing the limits of the RBNZ's 1-3% inflation target range. The RBNZ will likely sit the July meeting out and keep a close eye on which of the competing growth and inflation drivers will dominate over the balance of the year.

Economic indicators and news have been all over the place in recent weeks. We see elements of the data that look consistent with the baseline view that 2025 will be a year of gradual recovery. But at the same time there are many potentially severe crosscurrents that could mean the recovery is bumpy.

Probably the highlight of this week's domestic calendar was the release of March quarter GDP. Readers will remember that the last GDP print released back in March provided a solid upside surprise for Q4 2024 growth at 0.7%q/q - a welcome respite from the two quarters of sharply negative GDP growth seen in the middle of 2024. Expectations had been for a lighter result for the March quarter until partial indicators released in the last couple of suggested another solid 0.7%q/q outcome.

The outcome was more solid again at 0.8% q/q - although those recessionary quarters last year mean that annual growth still languishes in negative territory at -0.7% y/y. The December quarter result was revised down to a 0.5%q/q rise, but the June and September quarters were revised to be slightly less weak than before. Per capita GDP took a second consecutive step higher in the March quarter. We have now had a couple of quarters where New Zealand per capita growth has outstripped that of Australia. Indeed, New Zealand's Q1 growth rate is the strongest among the advanced economies - no doubt reflecting the lower level of interest rates and strong terms of trade New Zealand currently enjoys.

### 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        | ↗             | ↘             | ↘         |

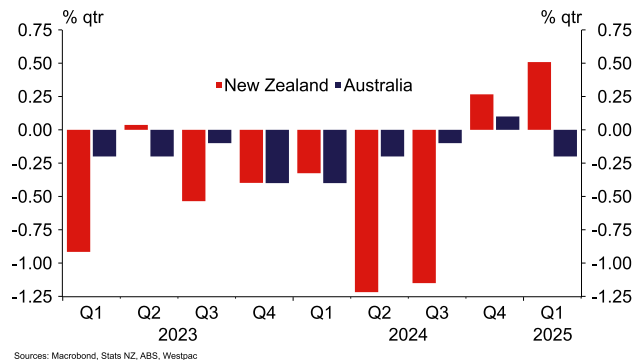
### Westpac GDP nowcasts



### Key data and event outlook

| Date      | Event                                       |
|-----------|---|
| 1 Jul 25  | NZIER QSBO Business Survey, June quarter    |
| 3 Jul 25  | Govt financial statements, 11 months to May |
| 8 Jul 25  | RBA Monetary Policy Decision                |
| 8 Jul 25  | US 90-day tariff pause due to expire        |
| 9 Jul 25  | RBNZ OCR Review                             |
| 17 Jul 25 | NZ Selected price indexes, June             |
| 21 Jul 25 | NZ CPI, June quarter                        |
| 6 Aug 25  | NZ Labour Market Statistics, June quarter   |
| 15 Aug 25 | NZ Selected price indexes, July             |
| 20 Aug 25 | RBNZ OCR Review & Monetary Policy Statement |

## GDP per capita, New Zealand and Australia



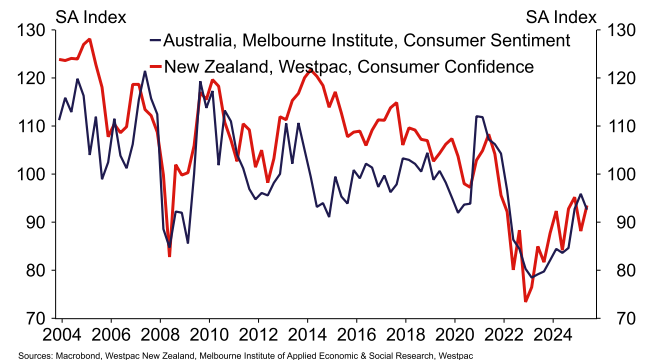
Despite the stronger headline result for the March quarter, the pickup in activity wasn't as broad-based as we were expecting. There were larger-than-expected contributions from professional services and healthcare, along with modest gains across a range of other sectors. However, we saw some surprising declines in a range of services such as finance, communications, real estate, and arts and recreation.

It's possible that some of these surprises could be unwound in the next quarter. But given that they go in both directions, we suspect that on balance there are no implications for our forecast. We're currently expecting a 0.6%q/q lift in activity in the June quarter, though with downside risks to this given the seasonality that has crept into the GDP figures lately (which we think leads June quarters to be understated and December quarters to be overstated). The RBNZ noted in the May MPS that its forecast of a soft 0.2% rise for the June quarter included an allowance for this pattern.

Other indicators also point to the likelihood of a bumpy recovery. The manufacturing and services PMI indices took a sharp step backwards. Also, the housing market took a pause in May as prices only rose around 0.1%*m/m* on a seasonally adjusted basis and the median time taken to sell a home rose from 43 to 46 days. There's plenty going on out there in the world that could potentially worry businesses and consumers. The RBNZ downgraded its short-term growth outlook significantly on expectation of a growth hiccup. Perhaps some of the more recent indicators are consistent with that.

Some slightly better news came in the form of Westpac's long standing consumer confidence survey for the June quarter. Confidence rose slightly from three months ago but remains below long run average levels. We have good reasons to expect confidence to improve over the year ahead given the now low level of interest rates and the expected eventual recovery of the labour market later in 2025.

## Australasian Consumer Confidence



On the inflation front, the news is less welcoming. The inflation dragon is stirring again, and we have had to revise up our forecast for inflation. We now expect a 0.6%q/q rise in consumer prices over the June quarter (up from 0.4%q/q previously). This is mainly due to stronger food prices (now running at 4.4% y/y) as strong export commodity prices pass through to higher domestic prices at the checkout. Annual inflation will hence rise to 2.8% in the June quarter, from 2.5% in the year to March. Importantly, inflation now looks like it will rise to 3.0%y/y in the September quarter and end 2025 at 2.9%y/y.

While the current strength in food prices is boosting inflation, underlying inflation pressures also aren't especially weak. Core inflation (CPI ex food and energy) is set to remain around 2.7%-2.8%y/y through to the end of this year. Notably, domestic (non-tradables) inflation is easing only gradually and is likely to remain above average over the coming year. Although rents and the more interest rate sensitive parts of the domestic economy have cooled significantly, there continue to be strong increases in utilities prices like household energy. We also expect another large increase in local council rates in Q3.

Our updated forecast for June quarter CPI is higher than the 0.5%q/q increase the RBNZ depicted in its May forecasts. Importantly, it looks likely that inflation will remain above the RBNZ's forecasts over the remainder of this year. As a result, it rather looks like a pause in the easing cycle is on the cards. While there may be a few wobbles underway for the economy in Q2, the March quarter outcome was more solid than the RBNZ expected, hence the starting point for the economy will be one of slightly less excess capacity. But the real swing factor is the inflation outlook. Assuming our forecasts are close to the mark, then the RBNZ won't see inflation peak until October when the Q3 CPI data are released. Until then they will be on tenterhooks, wondering whether, and by how much, CPI inflation will breach 3%. They will reasonably wonder what businesses and consumers might make of it all and whether inflation expectations rise further as we move through 2025.

We still have an easing pencilled in for the August Monetary Policy Statement, but might it be that the RBNZ will be watching, worrying and waiting for the rest of 2025? Perhaps so. There's certainly plenty of scope for global uncertainties to overshadow the growth outlook in coming months. But we should also remember that uncertainty is a transitory factor that will ultimately pass. The strong level of the terms of trade and especially the low level of interest rates, held at current levels for long enough, will be more persistent influences on New Zealand's growth and inflation trajectories.

#### March quarter GDP growth – selected countries

| Country        | 2025 Q1 GDP growth q/q |
|----------------|------------------------|
| Sweden         | -0.2                   |
| Norway         | -0.1                   |
| United States  | 0                      |
| Japan          | 0                      |
| France         | 0.1                    |
| Australia      | 0.2                    |
| Germany        | 0.4                    |
| Canada         | 0.5                    |
| Euro Area      | 0.6                    |
| United Kingdom | 0.7                    |
| New Zealand    | 0.8                    |

Source: National Statistical agencies, Macrobond

Over the weekend, events in the Middle East took a turn to the worse as the US entered the Iran-Israel war by bombing Iranian nuclear sites. It will take time to assess the implications for the macroeconomic outlook.

Worst case scenarios include some variation of a global supply shock if energy supplies are threatened. Oil prices would rise likely reducing New Zealand's terms of trade. Short term, inflation would rise further, increasing the RBNZ's discomfort with the inflation outlook and potentially increasing inflation expectations. Medium term, the weaker terms of trade and global growth would impact on domestic growth and inflation. The policy response will be balancing between those two countervailing pressures on inflation expectations.

NZ's trade exposures to the Middle East region are small in the case of exports (around 3% of total exports, centred on Saudi Arabia and the UAE). We have a larger exposure if oil supplies are reduced/curtailed. New Zealand imports refined products from Asia, which in turn sources the bulk of its oil from the Middle East via the Straits of Hormuz. New Zealand has very limited stocks of refined product inventories (around 3 weeks of normal usage). Hence restricted physical supplies would have significant impacts on economic activity – both for capacity as well as demand.

Better scenarios are ones where the conflict ends more quickly and, as in Top Gun's Maverick, the key protagonists jet off into the sunset. More reasonably, there may just be a period of calm if the Iranian's response is not deemed excessive.

Our best guess for now is the RBNZ will be watching, worrying and waiting to see how this all plays out. Certainly, it's difficult to take any proactive actions in the face of this sort of uncertainty.

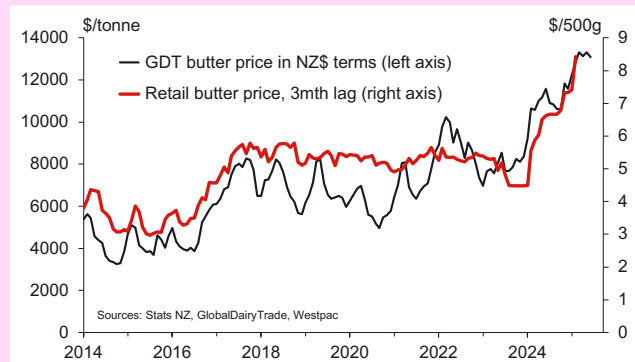
**Kelly Eckhold**, Chief Economist

## Chart of the week.

Last week's selected prices report showed another jump in the price of butter, rising by 13.5% in May. That latest increase means that local prices appear to have finally caught up with the surge in world prices since the start of this year. Since it's a standardised product and is relatively easy to transport anywhere in the world, the 'law of one price' tends to apply more closely for butter than for many other goods.

As for why the world price for butter has taken off so much in recent years, we suspect that it reflects changing tastes: as incomes have risen in developing economies, the strongest growth in demand for dairy has been in areas like baked goods and foodservices. Meanwhile, global milk production has been flat for several years, and processors can't produce more butter alone – not without also producing more skim milk as a by-product, which has tended to depress returns in that area.

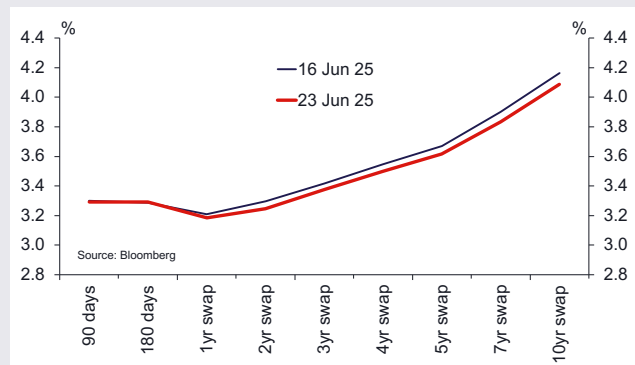
## Butter prices



## Fixed versus floating for mortgages.

We're forecasting the cash rate to bottom at 3% in mid-2025. Market pricing is broadly in line with our view, sitting slightly above the RBNZ's projected OCR track which bottoms out at 2.85%. Mortgage rates now uniformly sit just under 5%, reflecting the recent falls in wholesale rates, and even longer-term mortgage rates have fallen a touch. Mortgage rates might fall slightly further if wholesale rates remain at current levels or especially if competition increases among banks. But fixing for longer periods still looks attractive – especially now 2–3-year mortgage rates are below 5%. Very short-term mortgage rates may fall slightly if the RBNZ cuts the OCR again, but they may 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.

As expected, the Fed left its policy rate on hold. While 10 of 19 FOMC participants forecast two or more rate cuts this year, seven forecast no rate cuts. Chair Powell emphasised that uncertainty remains elevated, and that the Fed had “no great conviction” regarding the forward profile. Revised forecasts pointed to lower growth and higher unemployment, but also higher core inflation due to the expected impact of tariffs. On the data front, in May retail sales fell 0.9%/m/m, industrial production fell 0.2%/m/m, housing starts fell 9.8%/m/m and the NAHB housing index fell to a 2½ year low. Initial jobless claims stood at 245k last week, with the 4-week average rising to the highest level since August 2023.

This week’s dataflow kicks off today with the release of the flash PMIs for June and existing home sales for May. Thereafter, we will receive updates on consumer confidence and new homes sales, together with advance readings on durable goods orders and trade. Friday will see the release of personal spending and PCE deflator data for May. Given the soft CPI and PPI reports, the core PCE deflator is expected to rise just 0.1%/m/m. Fed speak will resume this week, with Chair Powell to deliver his semi-annual testimony to a House committee on Tuesday. Markets will also be alert to any trade policy or tariff announcements.

## Europe/Middle East.

Geopolitical risk will continue to take centre stage in the region this week, especially after the weekend’s US military strikes in Iran. On the data front, today’s flash PMIs for June will be a key focus in the euro area and the UK, with national consumer and business sentiment readings and the European Commission’s survey to follow later in the week. In the UK, the BoE left policy unchanged last week, but three MPC members voted for a 25bps cut. Headline CPI inflation eased to 3.4%/y/y in May, while retail sales slumped a very unexpected 2.8%/m/m. As a result, market pricing now points to an 80% chance of a 25bp cut at the BoE’s next meeting in August.

## Asia-Pacific.

In Australia, employment fell marginally in May following a huge gain in April, but the unemployment rate remained steady at 4.1%. This week the focus will be on Wednesday’s CPI data for May. As widely expected, the BoJ left its policy rate at 0.5%. And as many expected, it said that it would taper its bond purchases at a slower pace of JPY200bn per quarter from April 2026. Headline inflation eased to 3.5%/y/y in May but core inflation measures firmed, suggesting further policy tightening is likely if uncertainty dissipates.

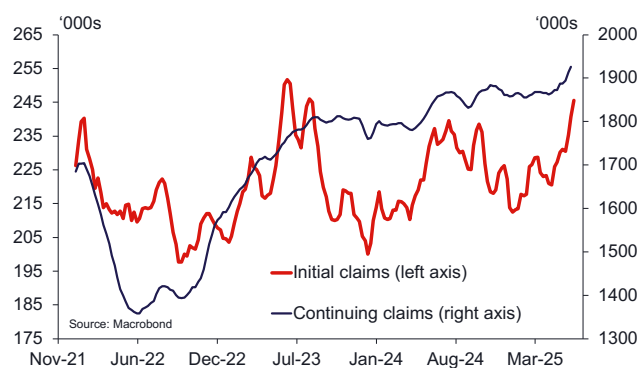
Trading partner real GDP (calendar years)

|                     | Annual average % change |      |      |      |
|---------------------|-------------------------|------|------|------|
|                     | 2023                    | 2024 | 2025 | 2026 |
| Australia           | 2.1                     | 1.3  | 2.0  | 2.2  |
| China               | 5.4                     | 5.0  | 5.0  | 4.6  |
| United States       | 2.9                     | 2.8  | 1.6  | 0.9  |
| Japan               | 1.5                     | 0.1  | 0.8  | 0.9  |
| East Asia ex China  | 3.3                     | 4.3  | 3.6  | 3.8  |
| India               | 9.2                     | 6.5  | 6.1  | 6.2  |
| Euro Zone           | 0.4                     | 0.9  | 1.2  | 1.3  |
| United Kingdom      | 0.4                     | 1.1  | 1.0  | 1.2  |
| NZ trading partners | 3.1                     | 3.0  | 2.8  | 2.6  |
| World               | 3.5                     | 3.3  | 3.0  | 3.0  |

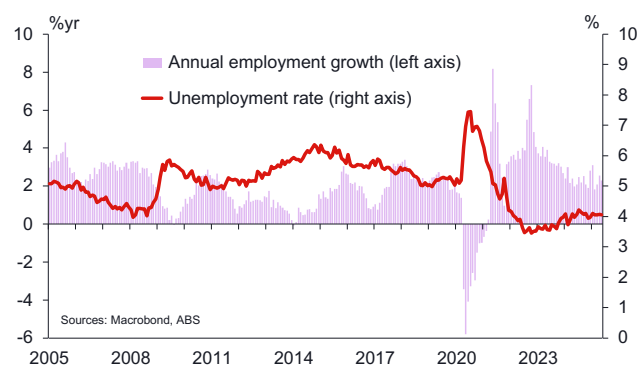
Australian & US interest rate outlook

|                            | 20 Jun | Jun-25 | Dec-25 | Dec-26 |
|----------------------------|--------|--------|--------|--------|
| <b>Australia</b>           |        |        |        |        |
| Cash                       | 3.85   | 3.60   | 3.35   | 2.85   |
| 90 Day BBSW                | 3.69   | 3.65   | 3.45   | 3.05   |
| 3 Year Swap                | 3.29   | 3.40   | 3.50   | 3.90   |
| 3 Year Bond                | 3.34   | 3.45   | 3.55   | 3.95   |
| 10 Year Bond               | 4.21   | 4.30   | 4.35   | 4.60   |
| 10 Year Spread to US (bps) | -18    | -20    | -20    | -15    |
| <b>US</b>                  |        |        |        |        |
| Fed Funds                  | 4.375  | 4.125  | 3.875  | 3.875  |
| US 10 Year Bond            | 4.39   | 4.50   | 4.55   | 4.75   |

US Jobless claims



Australian labour market



# Financial markets wrap

## Foreign exchange.

We shift from a neutral to a bearish stance on NZD/USD for the week ahead. The Israel-Iran conflict has weighed moderately on the NZD during the past week, but Sunday's attack by the US on Iran could cause an acceleration of the decline. If so, we'd target the 0.5900-0.5950 support area during the week ahead.

Other events which could be influential this week include US GDP and PCE inflation data, as well as Fedspeak. NZ data is minor but includes monthly consumer confidence.

During the month ahead, should the Middle East conflict escalate, NZD/USD could fall as far as 0.5800. Multi-month, though, if there is a de-escalation, we could see 0.61 re-tested. Our longer-term view remains that the US dollar is overvalued.

NZD/AUD has lost upward momentum, partly reflecting a stalling in the month-old rise in yield spreads. During the month ahead, further slippage to the 0.9150-0.9200 support area is possible. AU CPI monthly data this week will be watched by the market.

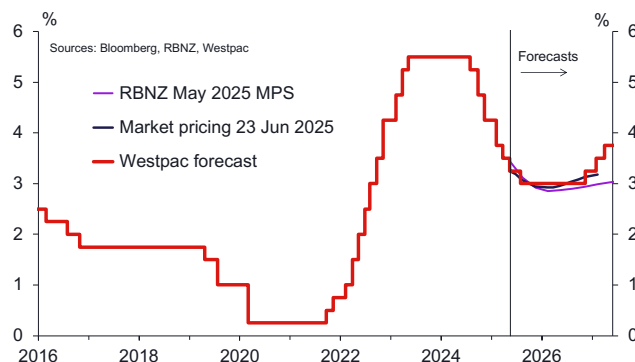
## Interest rates.

The NZ 2yr swap rate could test the bottom of its three-week old range at 3.20% this week, although much will depend on how global risk sentiment responds to the Middle East conflict.

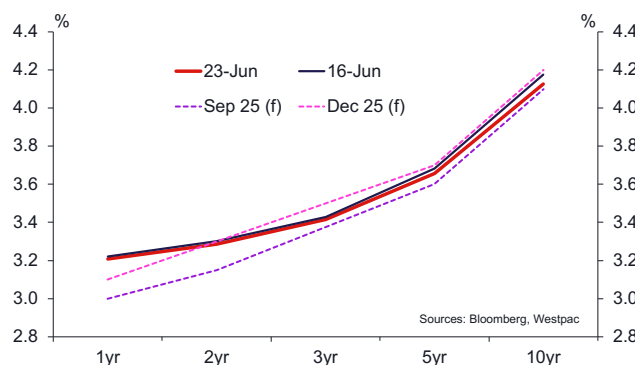
Market pricing for the RBNZ OCR implies only a 20% chance of a rate cut at the next meeting on 9 July, but still one more cut in this easing cycle (by November 2025).

NZ yield curves continue to flatten slowly from the cycle peaks seen in April. Over the next few months, the 2-10yr swap curve, currently at 84bp, could flatten back into the 60bp-80bp range which prevailed in Q1.

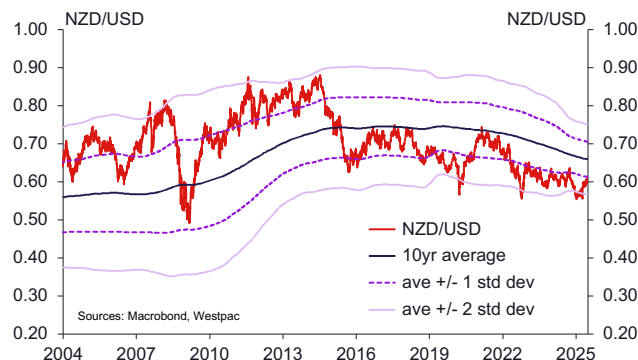
## Official Cash Rate forecasts



## 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 | 0.595           | 0.553-0.605 | 0.553-0.743 | 0.638   | 0.61   |
| AUD | 0.925           | 0.907-0.936 | 0.873-0.971 | 0.924   | 0.89   |
| EUR | 0.519           | 0.502-0.532 | 0.502-0.637 | 0.576   | 0.52   |
| GBP | 0.444           | 0.431-0.449 | 0.431-0.535 | 0.496   | 0.45   |
| JPY | 87.3            | 80.5-87.7   | 68.5-98.6   | 83.3    | 85.7   |



# The week ahead

## Q2 Westpac-McDermott Miller Employment Confidence Index

**Jun 24, Last: 88.3**

The Employment Confidence Index fell by 3.3 points in the March quarter, returning to near its post-Covid lows. Households' perceptions about job availability were softer across the country, supporting our view that the unemployment rate likely has further to go before it peaks this year. However, there was more variation in the earnings measures, with the rural regions more upbeat on the back of stronger meat and dairy prices. The latest survey was conducted in early June.

Employment Confidence Index



# Economic and financial forecasts

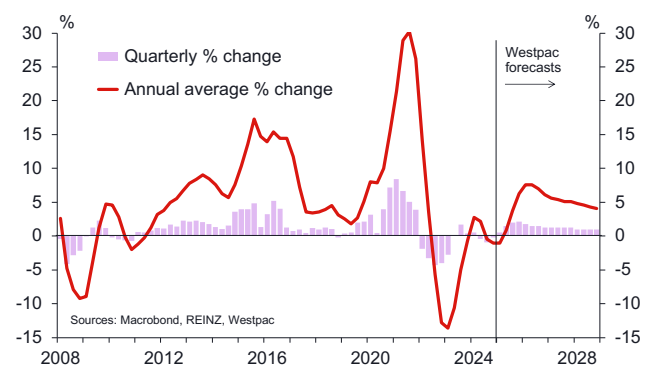
| Economic indicators                | Quarterly % change |        |        |        | Annual % change |      |      |      |
|------------------------------------|--------------------|--------|--------|--------|-----------------|------|------|------|
|                                    | Mar-25             | Jun-25 | Sep-25 | Dec-25 | 2024            | 2025 | 2026 | 2027 |
| GDP (production)                   | 0.8                | 0.6    | 0.7    | 0.9    | -0.6            | 1.5  | 3.0  | 2.7  |
| Consumer price index               | 0.9                | 0.6    | 0.8    | 0.5    | 2.2             | 2.9  | 2.2  | 2.0  |
| Employment change                  | 0.1                | 0.1    | 0.2    | 0.5    | -1.2            | 0.8  | 2.3  | 1.9  |
| Unemployment rate                  | 5.1                | 5.3    | 5.3    | 5.2    | 5.1             | 5.2  | 4.4  | 4.1  |
| Labour cost index (all sectors)    | 0.5                | 0.5    | 0.5    | 0.5    | 3.3             | 2.0  | 2.2  | 2.2  |
| Current account balance (% of GDP) | -5.7               | -4.4   | -3.8   | -3.3   | -6.2            | -3.3 | -3.9 | -3.8 |
| Terms of trade                     | 1.9                | 10.6   | -0.4   | -1.5   | 13.7            | 10.6 | -0.9 | -0.1 |
| House price index                  | 0.5                | 1.5    | 2.0    | 2.1    | -1.1            | 6.2  | 6.1  | 5.1  |

| Financial forecasts | End of quarter |        |        |        | End of year |      |      |      |
|---------------------|----------------|--------|--------|--------|-------------|------|------|------|
|                     | Mar-25         | Jun-25 | Sep-25 | Dec-25 | 2024        | 2025 | 2026 | 2027 |
| OCR                 | 3.75           | 3.25   | 3.00   | 3.00   | 4.25        | 3.00 | 3.25 | 3.75 |
| 90 day bank bill    | 3.86           | 3.25   | 3.10   | 3.10   | 4.45        | 3.10 | 3.45 | 3.85 |
| 2 year swap         | 3.46           | 3.20   | 3.30   | 3.35   | 3.64        | 3.35 | 3.90 | 4.00 |
| 5 year swap         | 3.71           | 3.50   | 3.60   | 3.70   | 3.73        | 3.70 | 4.20 | 4.25 |
| 10 year bond        | 4.63           | 4.55   | 4.65   | 4.70   | 4.51        | 4.70 | 4.90 | 4.95 |
| TWI                 | 67.8           | 68.8   | 69.3   | 69.3   | 69.5        | 69.3 | 69.3 | 69.4 |
| NZD/USD             | 0.57           | 0.59   | 0.60   | 0.61   | 0.59        | 0.61 | 0.62 | 0.64 |
| NZD/AUD             | 0.90           | 0.92   | 0.91   | 0.89   | 0.91        | 0.89 | 0.88 | 0.88 |
| NZD/EUR             | 0.54           | 0.52   | 0.52   | 0.52   | 0.55        | 0.52 | 0.53 | 0.54 |
| NZD/GBP             | 0.45           | 0.44   | 0.44   | 0.45   | 0.46        | 0.45 | 0.46 | 0.46 |

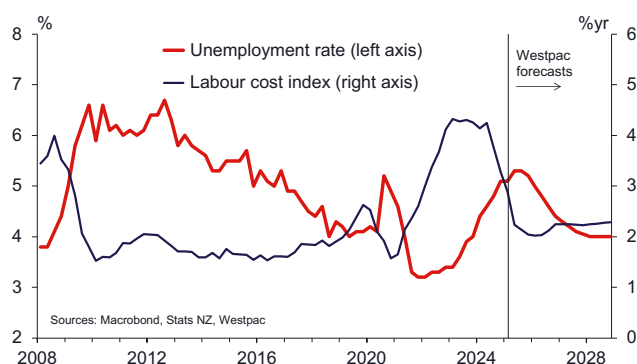
GDP growth



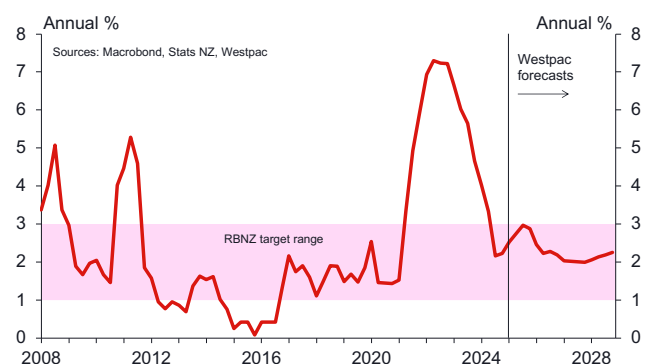
House prices



Unemployment and wage growth



Consumer price inflation





# Data calendar

|               |  | Last  | Market median | Westpac forecast | Risk/Comment  |
|---------------|--|-------|---------------|------------------|---|
| <b>Mon 23</b> |  |       |               |                  |   |
| <b>Jpn</b>    | Jun Jibun Bank Manufacturing PMI, index    | 49.4  | –             | –                | Manufacturing sentiment remains below the neutral level ...     |
|               | Jun Jibun Bank Services PMI, index         | 51    | –             | –                | ... while services sector firms are more optimistic.            |
| <b>Eur</b>    | Jun HCOB Manufacturing PMI, index          | 49.4  | –             | –                | Manufacturing activity an a secular downward trend.             |
|               | Jun HCOB Services PMI, index               | 49.7  | –             | –                | Services PMI dipped below 50 in May                             |
| <b>UK</b>     | Jun S&P Global Manufacturing PMI, index    | 46.4  | –             | –                | US tariffs weighing on UK manufacturers...                      |
|               | Jun S&P Global Services PMI, index         | 50.9  | –             | –                | ... but services are holding up better.                         |
| <b>US</b>     | Jun S&P Global Manufacturing PMI, index    | 52    | 51            | –                | So far consistent with stable US growth momentum.               |
|               | Jun S&P Global Services PMI, index         | 53.7  | 52.9          | –                | Services sector leading the way.                                |
|               | May Existing Home Sales, %mth              | –0.5  | –1.3          | –                | Low market activity due to high interest rates and uncertainty. |
|               | Fedspeak                                   | –     | –             | –                | Waller, Goolsbee. Williams, Kugler, Hammack.                    |
| <b>Tue 24</b> |  |       |               |                  |   |
| <b>NZ</b>     | Q2 Westpac-MM Empl. Confidence, index      | 88.3  | –             | –                | Job opportunities were seen as weak in Q1.                      |
| <b>Ger</b>    | Jun IFO Business Climate Survey, index     | 87.5  | 88.3          | –                | Sentiment in Germany on the upward trend.                       |
| <b>US</b>     | Apr S&P/CS Home Price Index, %mth          | –0.12 | –             | –                | Economic uncertainty keeping house price growth lower.          |
|               | Jun Richmond Fed Manufact Survey, index    | –9    | –             | –                | Manufacturers waiting for more certainty on tariffs.            |
|               | Jun CB Consumer Confidence, index          | 98    | 99            | –                | Sentiment started recovering in May.                            |
|               | FOMC Chair Powell                          | –     | –             | –                | Semi-annual policy testimony to House Committee.                |
|               | Fedspeak                                   | –     | –             | –                | Williams and Collins are scheduled to speak.                    |
| <b>Wed 25</b> |  |       |               |                  |   |
| <b>NZ</b>     | May Trade Balance, \$mn                    | 1426  | –             | 1440             | Another large surplus as exports hit a seasonal peak.           |
| <b>Aus</b>    | May Monthly CPI Indicator, %yr             | 2.4   | 2.4           | 2.3              | Seasonally a soft month but how much will electricity bounce?   |
| <b>US</b>     | May New Home Sales, %mth                   | 10.9  | –6.7          | –                | A sharp increase in April is set to be reversed.                |
| <b>Thu 26</b> |  |       |               |                  |   |
| <b>Aus</b>    | Q2 Job Vacancies, %qtr                     | –4.5  | –             | –1.5             | Continued but gradual easing.                                   |
| <b>UK</b>     | BoE Governor Bailey                        | –     | –             | –                | Speaking at British Chamber of Commerce conference.             |
| <b>US</b>     | Q1 GDP, %ann'd                             | –0.2  | –0.2          | –                | Final estimate is set to confirm a small contraction in Q1.     |
|               | May Chicago Fed Activity Index, %mth       | –0.25 | –             | –                | Somewhat stronger growth on the cards after a dip in April.     |
|               | May Durable Goods Orders, %mth             | –6.3  | 6.9           | –                | After April's drop, expected to jump back up.                   |
|               | May Pending Home Sales, %mth               | –6.3  | 0             | –                | High interest rates should keep growth low.                     |
|               | Jun Kansas City Fed Manufact Survey, index | –3    | –             | –                | Manufacturers waiting for more certainty on tariffs.            |
|               | Initial Jobless Claims                     | 245   | –             | –                | Increased recently, but levels are still low historically.      |
|               | Fedspeak                                   | –     | –             | –                | Speeches by Barkin and Hammack.                                 |
| <b>Fri 27</b> |  |       |               |                  |   |
| <b>NZ</b>     | Jun ANZ Consumer Confidence, index         | 92.9  | –             | –                | Treading water in the face of economic uncertainty.             |
| <b>Jpn</b>    | May Jobless Rate, %                        | 2.5   | 2.5           | –                | Stable unemployment rate.                                       |
|               | Jun Tokyo CPI, %yr                         | 3.4   | 3.3           | –                | Leading indicator for national CPI.                             |
| <b>Chn</b>    | May Industrial Profits, %yr                | 3     | –             | –                | US tariffs might start squeezing corporate profits.             |
| <b>Eur</b>    | Jun Economic Confidence, index             | 94.8  | –             | –                | Most comprehensive economic sentiment survey in EA.             |
| <b>US</b>     | May Personal Income, %mth                  | 0.8   | 0.2           | –                | So far income growth has remained elevated...                   |
|               | May Personal Spending, %mth                | 0.2   | 0.2           | –                | ...supporting consumer spending.                                |
|               | May PCE Deflator, %mth                     | 0.1   | 0.1           | –                | Annual pace only slightly above the 2% target.                  |
|               | Jun Uni. of Michigan Sentiment, index      | 60.5  | 60.5          | –                | Final estimate to confirm a recovery.                           |

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