

Data and event previews - Australia and New Zealand

Date ^(a)	Data/event	Forecast			Comment
		JPMorgan	Consensus	Previous	
Monday, 11 August (11:30am)	RBA Statement on Monetary Policy	na	na	na	The tone of the RBA's quarterly statement will be similar to the dovish tone of last week's policy announcement. RBA officials probably will endorse the likelihood that the cash rate will be cut soon (we expect a 25bp rate cut in September), but probably won't give any clues on whether the move will be a quarter point or a half point, or whether the banks will pass the cut in the official rate through to home mortgage rates. The upside surprise on 2Q inflation means officials will have to raise the inflation forecast for 2008, but there probably now will be a steeper trajectory back towards the target range in 2009 and 2010. That said, officials will still forecast core inflation above the 2-3% target for an extended period.
Tuesday, 12 August (11:30am)	Aust. NAB monthly business survey (July, % balance)	na	na	-9.0	na
Wednesday, 13 August (8:45am)	NZ producer price index (2Q, %q/q)	1.3	2.1	1.8	Producer input and output prices should rise 2.0%q/q and 1.3%, respectively, in 2Q. The significantly faster rate of growth in input prices over output prices suggests that producers are still finding it difficult to pass rising costs on to consumers; this is leaving profit margins squeezed, although is not surprising given the recent sharp slowdown in domestic demand.
Wednesday, 13 August (10:30am)	Aust. WMI consumer sentiment index (Aug, %m/m)	6.0	na	-6.7	Consumer confidence should bounce 6% m/m in August, after slumping 6.7% in July and 5.6% in June. The Westpac-Melbourne Institute's consumer sentiment index probably will rise from 79.0 to 83.8, remaining well below the 100 level, where the number of optimists equals pessimists. The improvement in confidence will emerge amid falling petrol prices and growing speculation that the RBA will cut interest rates as soon as September.
Wednesday, 13 August (11:30am)	Aust. labour price index (2Q, %q/q)	1.1	1.0	0.9	Wage growth should accelerate to 1.1%q/q in 2Q from 0.9% in 1Q. Labour market conditions have remained tight for an extended period and the multi-decade low unemployment rate has kept upside pressure on wages. Employment is a lagging indicator, so the weakness in the economy in the first half of 2008 probably has yet to be fully passed through to the labour market. That said, the tentative signs of a loosening in the labour market will help to keep wage growth contained.
Thursday, 7 August (8.45am)	NZ business PMI (July, index)	na	na	45.7	na
Friday, 15 August (8:45am)	NZ retail trade (June, %m/m)	-0.4	0.1	-1.2	Kiwi retail sales values should fall 0.4% m/m in June after slumping 1.2% in May. More importantly, in real terms, retail sales should fall 1.9% over the second quarter, marking the second straight quarterly decline following a 1.2% fall in 1Q. Consumers continue to face significant headwinds, owing partly to the negative wealth effects from the sharp deterioration in the housing market. Consumer confidence has plummeted, living costs are rising, and the labor market has shown tentative signs of softening.

(a) Australian Eastern Standard Time.