

STATS INSIGHT

Survey of Expectations – May 2026

13 May 2026



Summary

- Expectations for one-year-ahead annual Consumers Price Index (CPI) inflation increased by 82 basis points from 2.59% to 3.41%. Two-year-ahead inflation expectations increased by 16 basis points from 2.37% to 2.53%. Five-year-ahead inflation expectations decreased by 9 basis points from 2.31% to 2.22%. Ten-year-ahead inflation expectations decreased by 11 basis points from 2.30% to 2.19%.
- The mean expectation for the Official Cash Rate (OCR) at the end of June 2026 quarter was 2.34%. One-year-ahead OCR expectations increased by 43 basis points from 2.58% to 3.01%.
- One-year-ahead unemployment rate expectations increased by 42 basis points from 4.95% to 5.37%. Two-year-ahead unemployment rate expectations increased by 39 basis points from 4.58% to 4.97%.
- Compared to the previous quarter, expectations for one-year-ahead and two-year-ahead annual wage inflation have increased to 2.63% and 2.84%, respectively.
- Expectations for annual real production GDP growth were 1.58% and 2.16% for the one- and two-year-ahead time horizons, respectively.
- Annual house price inflation expectations decreased across all time horizons. One-year-ahead annual house price inflation expectations decreased from 2.37% to 0.33%. The expectation for annual house price inflation in two years' time decreased from 3.44% to 2.80%.

CPI inflation expectations increase for short- and medium-terms

This quarter, the Survey of Expectations went into the field on 22 April 2026, following Stats NZ's Consumers Price Index (CPI) release on 21 April 2026.

Annual CPI inflation for the March 2026 quarter was 3.1%, unchanged from the December 2025 quarter.

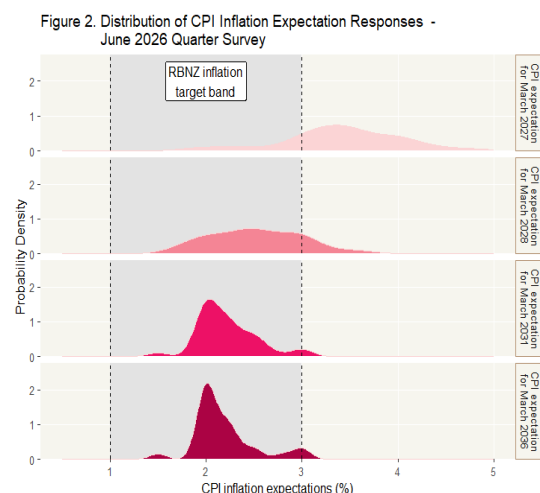
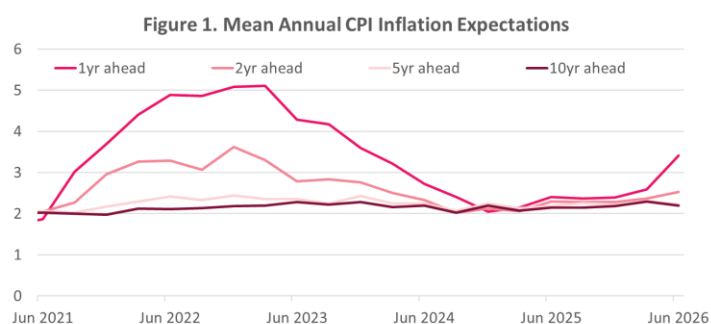
A total of 40 responses from business leaders and professional forecasters were received in the June 2026 quarter.

Short- and medium-term CPI inflation expectations

The mean one-year-ahead annual inflation expectation increased from 2.59% to 3.41%. This was an increase of 82 basis points. The mean two-year-ahead annual inflation expectation increased from 2.37% to 2.53%. This was an increase of 16 basis points.

Long-term CPI inflation expectations

The mean five-year-ahead annual inflation expectation decreased by 9 basis points, from 2.31% to 2.22%. The mean ten-year-ahead annual inflation expectation decreased by 11 basis points from 2.30% to 2.19%.



Survey respondents expect the OCR to increase

We asked respondents what their expectations of the Official Cash Rate (OCR) are at the end of the June 2026 quarter (end of current quarter) and the March 2027 quarter (one-year-ahead).

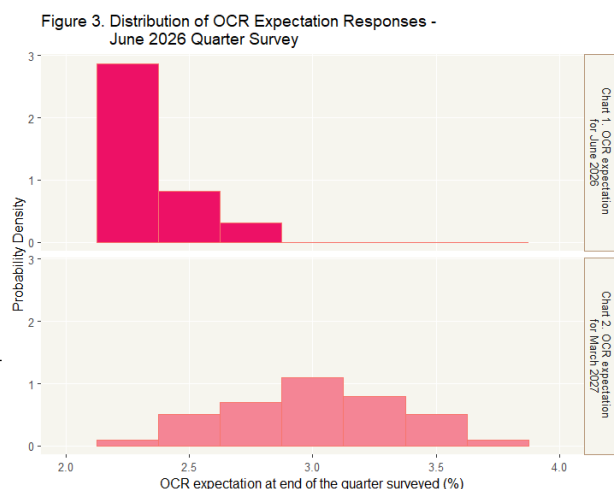
The OCR is currently 2.25%. It was last reviewed on 8 April 2026 and remained unchanged. The RBNZ's next *Monetary Policy Statement* will be released on 27 May 2026.

At the end of June 2026

The mean expectation for the OCR at the end of the June 2026 quarter was 2.34%, an increase of 9 basis points compared with the one-quarter-ahead expectation in the previous survey. See Figure 3, Chart 1 for the distribution of respondent expectations.

One-year-ahead

The mean one-year-ahead OCR expectation was 3.01%, an increase of 43 basis points from last quarter's estimate of 2.58%.

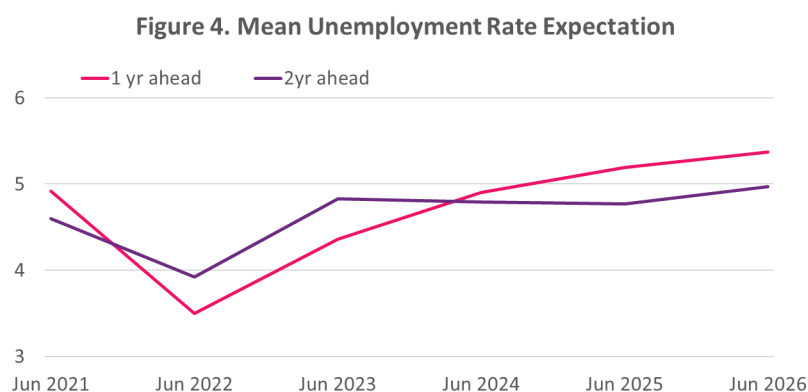


Unemployment rate expectations have increased across both time horizons

The mean one-year-ahead unemployment rate expectation increased by 42 basis points from 4.95% to 5.37%.

The mean two-year-ahead unemployment rate expectation increased by 39 basis points from 4.58% to 4.97%.

Note: The Survey of Expectations collection was closed on 29 April 2026. Stats NZ released unemployment statistics on 6 May 2026. The seasonally adjusted unemployment rate was 5.3% in the March 2026 quarter, compared with 5.4% in the December 2025 quarter.

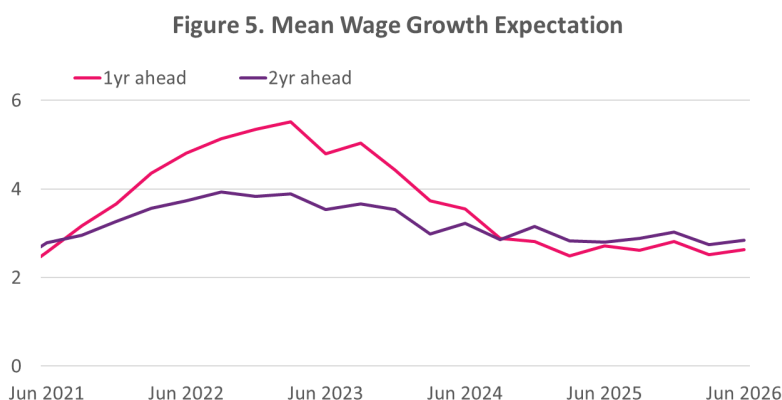


Wage growth expectations have increased

We asked respondents their expectations of the annual percentage change in average hourly wage rates, as measured by Stats NZ's Quarterly Employment Survey (QES) for the private sector (ordinary time).

The mean one-year-ahead expectation for annual wage inflation was 2.63%, an increase of 11 basis points from 2.52% last quarter.

The mean two-year-ahead expectation for annual wage inflation increased by 10 basis points from last quarter's estimate of 2.74% to 2.84%.



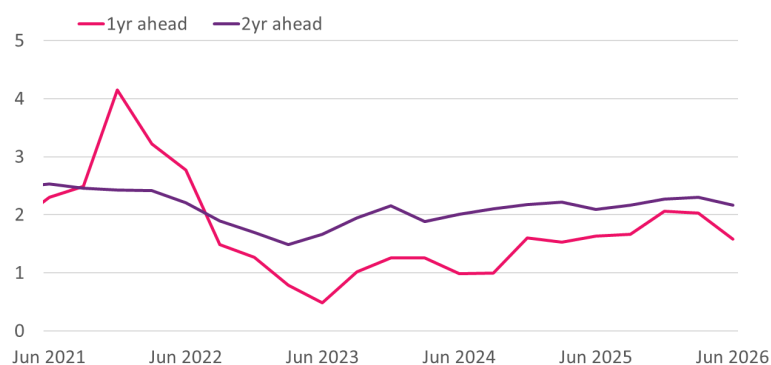
Expectations for one- and two-year-ahead GDP growth have decreased

The survey asked respondents for their expectations of the annual percentage change in real production-based GDP in the March quarter of 2027 (one year ahead) and 2028 (two years ahead).

The mean one-year-ahead expectation for real production-based GDP growth decreased by 45 basis points from 2.03% last quarter to 1.58%.

The mean two-year-ahead expectation for real production-based GDP growth decreased by 14 basis points from 2.30% last quarter to 2.16%.

Figure 6. Mean GDP Growth Expectations

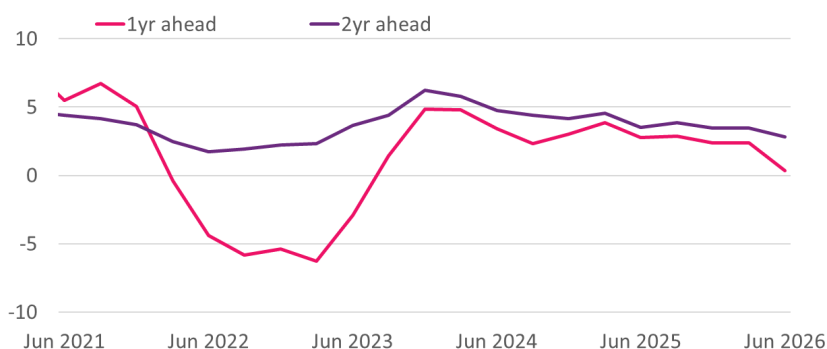


Expectations for house price inflation over the next two years have weakened

The mean one-year-ahead expectation for annual house price inflation decreased by 2.04 percentage points from 2.37% last quarter to 0.33%.

The mean two-year-ahead expectation for annual house price inflation was 2.80%, a decrease of 64 basis points from 3.44% last quarter.

Figure 7. Mean House Price Inflation Expectations



About the Survey of Expectations:

The data for this quarter were obtained from 40 business leaders and professional forecasters by Research New Zealand – Rangahau Aotearoa on behalf of RBNZ. Field work for the survey was run between 22 and 29 of April 2026.

For more information refer to the RBNZ website: Survey of Expectations (M14) - Reserve Bank of New Zealand - Te Pūtea Matua (rbnz.govt.nz) or contact: stats-info@rbnz.govt.nz