

May 16, 2025

Investor Signposts: Week beginning May 18, 2025

Upcoming economic and financial market events

Australia

Tuesday May 20	◆ Reserve Bank of Australia (RBA) interest rate decision	<i>A 25-basis point rate cut to 3.85% is expected</i>
Tuesday May 20	◆ Statement on Monetary Policy (SMP)	<i>The RBA updates its economic forecasts</i>
Tuesday May 20	◆ RBA Governor Michele Bullock media conference	<i>At 3.30pm AEST</i>
Wednesday May 21	◆ Leading index (April)	<i>From Westpac-Melbourne Institute</i>
Wednesday May 21	◆ Monthly employee earnings indicator (March)	<i>Earnings are up 5.7% on a year ago</i>
Thursday May 22	◆ RBA Deputy Governor Andrew Hauser speaks	<i>At the Lowy Institute, Sydney</i>
Thursday May 22	◆ S&P Global purchasing managers' indexes (May)	<i>The composite PMI could dip from 51 to 50.7</i>

Overseas

Monday May 19	◆ China retail sales, production and investment (April)	<i>Industrial output could lift 6.0% on a year ago</i>
Monday May 19	◆ US Conference Board leading index (April)	<i>Expected to decrease 0.8%</i>
Tuesday May 20	◆ China loan prime rates (LPRs)	<i>LPRs could be cut 10 basis points</i>
Thursday May 22	◆ US S&P Global PMIs (May)	<i>The composite PMI could dip from 50.6 to 50.5</i>
Thursday May 22	◆ US existing home sales (April)	<i>Tipped to lift 3.2%</i>
Thursday May 22	◆ US Chicago Fed national activity index (April)	<i>The index could fall from -0.03 to -0.2</i>
Friday May 23	◆ US Kansas City Fed manufacturing index (May)	<i>Expected to edge up from -5 to -1</i>
Friday May 23	◆ US new home sales (April)	<i>Sales could fall 3.3%</i>

The Reserve Bank of Australia (RBA) takes centre stage as company "confession season" continues

- In **Australia**, the RBA Board meets on **Monday** and **Tuesday**. Commonwealth Bank (CBA) Group economists expect the RBA Board to cut interest rates by a quarter point to 3.85% on **Tuesday** as core inflation remains within its 2%-3% target range while trade tensions fuel economic growth concerns. We continue to look for an end year cash rate of 3.35% and our base case has the RBA cutting the cash rate by 25 basis points in May, August and November.
- **Also on Tuesday**, the RBA issues its latest quarterly forecasts for economic (GDP) growth, inflation, wages and employment for the Aussie economy. We think the RBA could downwardly revise its profile for underlying inflation over the period ahead if it sees sufficient progression on disinflation or deflation from imported goods from China due to the tariffs imposed by the US on Chinese goods.
- **On Thursday**, RBA Deputy Governor Andrew Hauser delivers a speech – "*Open the Door and See the Mountain: Reflections from a Recent Trip to China*" – at the Lowy Institute, Sydney at 6.30pm AEST.
- **In China on Monday**, April activity data is scheduled, including updates on retail sales, industrial production, fixed asset investment and employment. The People's Bank of China (PBOC) is expected to take further steps to shield the economy from the trade war-deflation shock with a 10-basis-point cut in loan prime rates (LPRs) on **Tuesday**.
- In **Australian** company news, TechnologyOne (**Tuesday**); and Australian Agricultural Company, James Hardie, Nufarm and Webjet (**Wednesday**) are all expected to release quarterly updates. There are also 18 AGMs scheduled as local companies shuffle guidance expectations before full year results in the so-called "confession season".
- On Wall Street, the first quarter earnings season continues, with key reports from Palo Alto Networks and The Home Depot (**Tuesday**); Baidu, Medtronic, Snowflake, XPeng and Zoom (**Wednesday**); and Intuit (**Thursday**).

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