NUS INVESTMENT SOCIETY

GLOBAL MACRO - OCEANIA

Sector Report

Abstract

This report introduces economic systems of Australia and New Zealand, political setting, monetary policy works through the Reserve Bank of Australia and New Zealand, then deep dives into housing, labour, rates, and FX into one coherent macro view. The final section proposes a comprehensive trade idea using the macro outlook in this report.

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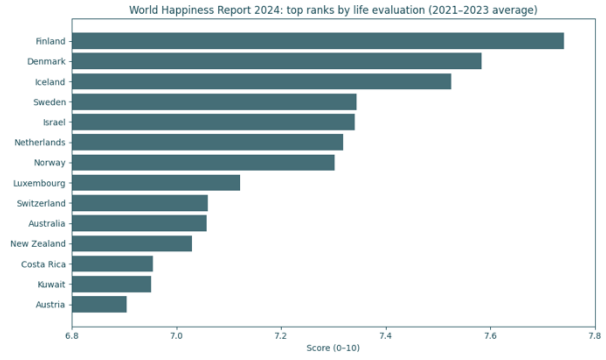
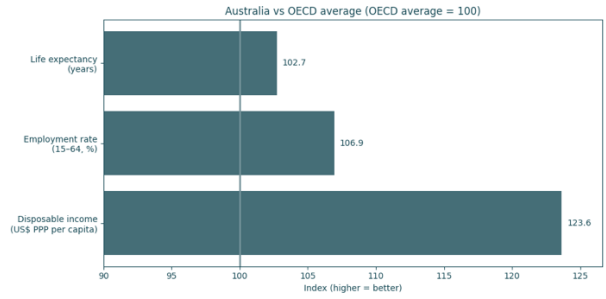
1.1 Introducing Australia: A Paradise Up Close

Australia is one of those countries that own the highest quality of life in the world: incomes are high by rich country standards, jobs are relatively available, people live long lives, and subjective wellbeing sits in the global top tier. What makes that reputation stick is that it shows up in everyday life. Work tends to feel rewarding, public services are reliable, cities are clean and highly liveable, and the basics that shape comfort and security are generally well provided for.

There is also a distinctive sense of balance in the Australian model. The economy is modern and services driven, yet it is backed by real assets and real exports. Institutions are stable, rules are clear, and the social expectation is that prosperity should translate into a decent standard of living rather than exist only in headlines. For many households, that means a combination of opportunity and protection: room to move upward, but also guardrails that keep the floor from feeling fragile.

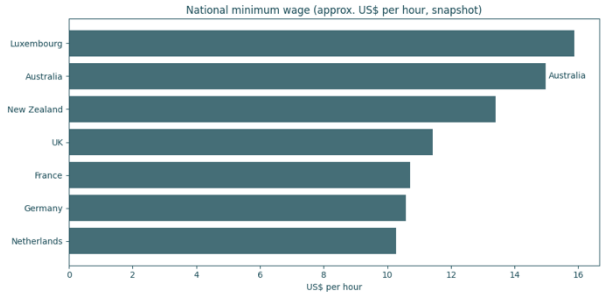




Australia's strongest outperformance is in household disposable income per person. Economically, this matters more than GDP per capita because disposable income is closer to what households can actually spend or save after taxes and transfers. A large positive gap versus the OECD average implies that, on average, Australian households have more purchasing power to allocate toward housing, education, healthcare, transport, and leisure. This is one of the best "living standards" indicators because it captures both market incomes and the redistributive impact of the tax transfer system. When disposable income is high, households tend to be more resilient to shocks like inflation spikes or interest rate hikes, because they have more buffer to adjust spending without immediately cutting essentials.

The employment rate gap is the second key result. An economy can have high average income but still fail to create enough jobs. Australia's higher employment rate indicates a labour market that is, in aggregate, effective at matching working age people into paid work. That matters for living standards in two ways. First, employment is the primary transmission mechanism from macro growth to household welfare, because wages and hours worked drive consumption capacity. Second, a high employment rate reduces the share of the population reliant on transfers and lowers the social cost of unemployment, which supports fiscal sustainability and social cohesion. In practical terms, this is why Australia can feel like a place with stronger "everyday stability": more people are earning pay rather than struggling to enter the labour market.

Life expectancy is the slow-moving outcome variable that ties the economic story to long run welfare. Life expectancy reflects more than healthcare quality. It is shaped by income, public health, safety, working conditions, inequality, environmental factors, and access to services. When Australia sits above the OECD average here, it suggests that the country's high income and high employment are not achieved by trading off health outcomes. Economically, that implies better human capital conditions over time, because healthier populations tend to sustain higher effective labour supply and productivity.



Australia sits the second place of national minimum wage about AUD$24.95 (USD$17.67) per hour. A high minimum wage usually implies three things. First, it reflects a high-cost structure. When the wage floor is high, firms must either charge higher prices, operate at higher productivity, or shift toward business models that use less low skilled labour. This is consistent with Australia's broader profile as a high-income economy where services dominate and many sectors compete more on quality and reliability than on low-cost labour.

Second, it signals stronger bargaining institutions and regulation in the labour market. In Australia, the minimum wage is set through a formal review process by the industrial relations system, which tends to embed distributional objectives into wage outcomes and makes the wage floor a deliberate policy choice, not just a market outcome.

Third, a high minimum wage affects macro demand and inequality channels. By lifting incomes at the bottom of the distribution, it can support consumption because low-income households typically spend a larger share of each extra dollar than high income households. That can stabilise demand in downturns and reduce in work poverty. The trade-off is that, if the wage floor rises faster than productivity in low margin sectors, it can increase business costs and intensify pressure to automate, cut hours, or reduce hiring at the margin. Whether that negative effect dominates depends on the broader environment: labour shortages, productivity trends, and how easily businesses can pass costs through to prices.

1.2 The "Doomed" Australian Economy

Australia looks like a long-run success story, often described as a stable and high-income economy, yet the success rests on a fragile mix of commodity exports, expensive housing and policy settings that widen generational wealth inequality and limit productivity growth. The research evidence supports many of the underlying concerns, especially reliance on a small set of export earners, high housing values and household leverage, weak productivity, and the way rapid population growth can strain housing and infrastructure. However, "doomed" seems to be a little too strong, many institutions still project continued growth, and Australia retains large strengths, including strong institutions and high human capital. The core issue is not inevitable collapse, but a narrowing set of growth engines and political constraints that make reform difficult.

Australia is one of the world's most cyclical developed market once zooming on what is driving the national income, asset prices and the currency. A services heavy domestic economy sits on top of an export engine dominated by bulk commodities, with national wealth heavily concentrated in housing. That mix creates a distinctive macro profile. When global commodity demand is strong, Australia's terms of trade lift incomes, fiscal outcomes, and the currency. When the global cycle turns or when China slows, the same channels work in reverse. At home, housing acts like a transmission belt between interest rates and consumption, so monetary policy debates quickly become debates about mortgages, rents, and affordability.

1.3 Forecasted Everything At A Glance

(Annual percentage changes unless specified)						
	2023	2024	2025	2026	2027	2028
GDP	2.1	1.0	1.9	2.5	2.7	2.6
Private consumption	2.7	0.6	1.9	2.4	2.9	2.9
Fixed investment	4.8	1.8	2.4	3.9	3.2	3.4
Government consumption	1.8	5.0	2.9	1.0	1.5	1.3
Exports of goods and services	6.8	1.1	2.5	3.3	2.1	2.1
Imports of goods and services	6.7	5.8	3.0	3.2	2.2	2.1
Industrial production	0.5	0.2	-0.8	0.1	1.1	1.3
Consumer prices	5.6	3.2	2.8	3.3	2.5	2.5
Unemployment rate (%)	3.7	4.0	4.3	4.5	4.4	4.4
Current a/c balance (% of GDP)	-0.4	-2.2	-2.4	-3.6	-3.7	-3.5
Government balance (% of GDP)	0.7	-0.1	-2.3	-2.1	-1.2	-0.3
Cen. bank policy rate (%, EOP)	4.32	4.34	3.60	3.60	3.35	3.35
10yr govt. bond yield (%, EOP)	4.0	4.5	4.3	4.2	4.1	4.1
Exchange rate (US$ per AUS$, EOP)	0.68	0.62	0.66	0.68	0.72	0.74
Exchange rate (yen per AUS$, EOP)	96.7	96.9	101.2	100.9	101.8	101.1

Australia's 2026 outlook is best framed as a slow growth, sticky inflation mixes with policy staying restrictive for longer than markets were hoping. Growth is expected to run around trend, with major forecasters clustering near the low 2 percent range for real GDP in 2026, supported by a gradual lift in private demand and still solid public and population driven activity.

At the same time, inflation risks are now skewed to persistence, with the RBA's February 2026 forecasts pointing to a renewed near-term peak around mid 2026 before a slow return toward target, implying the last mile disinflation will be dominated by services, wages and housing related costs rather than goods.

Labour market conditions are expected to soften only gradually, with unemployment edging up from current levels rather than resetting sharply, which keeps underlying inflation pressure alive and raises the bar for early easing. A tight services sector and ongoing population growth mean labour demand can cool without collapsing, so wage growth may decelerate but remain inconsistent with a fast return to the middle of the inflation band. As a result, the RBA is likely to prioritise confidence in disinflation over supporting near term growth.

The macro base case is not recession, but a longer period of constrained real income growth and tighter financial conditions, leaving Australia highly sensitive to any terms of trade swing and to the housing and consumption channel that transmits policy into the real economy.

1.4 The Australian Economic and Political System

Australia is a market based, mixed economy with strong institutions, private ownership, and an independent central bank named Reserve Bank of Australia (RBA). Since the 1980s, it shifted from a more protected model to an open, internationally competitive one through reforms that included reducing tariffs, floating the AUD, deregulating finance, reforming industrial relations, privatising state assets, and reshaping the tax mix through the introduction of GST. This matters because it helps explain why Australia is highly exposed to global capital flows, commodity prices, and external demand even though most value-added output is service. Australia also pursued bilateral and multilateral trade agreements, including the ASEAN Australia New Zealand Free Trade Agreement and the Transpacific Partnership.

Australia is a stable parliamentary democracy with policy continuity anchored by institutions. The political system is dominated by three major parties: the Liberal Party of Australia, the National Party of Australia, and the Australian Labor Party. Since 2022, Labor under Anthony Albanese has governed with a lower house majority, while independents have become more prominent in some metropolitan seats. This political system tends to deliver incremental rather than radical changes to the markets, which lowers institutional risks, but it does not remove the cyclical risk from inflation, housing and China-linked export cycles.

1.5 Structure of The Economy: A High-Income Services Economy Sitting on a World Class Resource Base

Australia's economy is structurally defined by a split between its domestic production base and its external earnings base. Most output and employment are generated in services, which gives the economy the profile of a typical high-income country in everyday life. However, external income remains heavily shaped by resources and other primary exports. This creates a system where domestic activity can appear stable while national income and macro conditions still swing with global commodity prices and demand.

Sitting beneath that surface is the world class resource base that amplifies Australia's connection to global demand. Mining is capital intensive and employs a relatively small share of the workforce, but it can account for a large share of profits, investment surges, and export receipts. This is the key asymmetry in the economic structure. Shifts in global prices and demand for bulk commodities can raise or lower national income quickly even when the domestic labour market remains dominated by services. The Reserve Bank of Australia notes that iron ore, coal, and LNG together make up around three quarters of resource export value, underscoring how concentrated the external earnings channel can be.

Housing and household balance sheets form the central domestic transmission mechanism. Because housing is closely tied to credit and interest rates, changes in financial conditions flow rapidly into dwelling demand, prices, and household cash flow. This in turn shapes consumption and the performance of the services sector, which is the economy's employment core. The result is an economy where monetary policy can have a relatively direct impact on day-to-day activity, and where affordability constraints can become a macro headwind even when labour market conditions remain supportive.

Public demand plays a stabilising role within this structure by underpinning large segments of the services economy. When government consumption and support are elevated, they sustain activity in sectors closely linked to public funding and procurement, such as health, education, and administration. This support can smooth volatility and sustain growth when private demand weakens. At the same time, the path from public

supported growth to private led growth can be uneven, particularly if private investment remains concentrated in a narrow set of capital-intensive sectors rather than spreading broadly across the economy.

Australia's sectoral composition also reflects a long run specialisation away from large scale manufacturing. Manufacturing remains a relatively small share of output, constrained by high labour costs and a limited domestic scale, which reduces competitiveness in mass production. Consequently, the economy's comparative advantage continues to sit in services for domestic value creation and in resource-based exports for external earnings. This reinforces the core shape: Australia functions as a services led advanced economy at home, while its external performance and income cycle remain closely tied to its world class resource base.

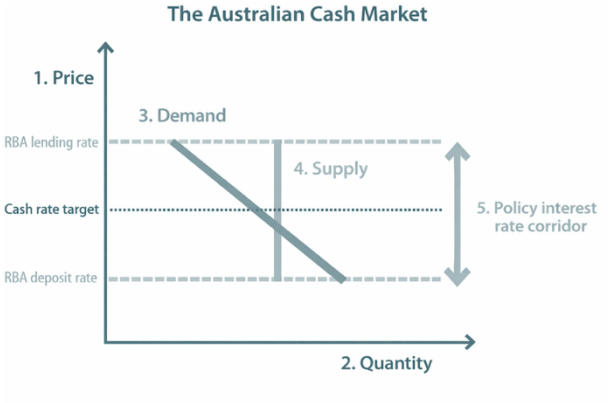
1.6 The Reserve Bank of Australia

The Reserve Bank of Australia sits at the centre of Australia's macro story because the country's key economic sensitivities run straight through interest rates. A high share of mortgages is variable rate or refinance frequently, household leverage is high, and housing is deeply embedded in consumption confidence. In that setting, the RBA is not only an inflation targeting central bank. It is also the main stabiliser of household cash flow, credit growth, and risk appetite across housing and the broader domestic economy.

The RBA's decision making can be understood as a balancing act between inflation control and labour market stability. When inflation is high, the Bank leans restrictive to protect real incomes and anchor expectations, even if that slows activity. When inflation is easing and unemployment is rising, it can shift toward preserving employment and reducing the risk of a sharper downturn. The interaction between inflation and the labour market is why Australia's monetary policy cycle often feels highly consequential for households: rate moves translate into mortgage payments quickly, and those payments influence consumption, sentiment, and housing turnover.

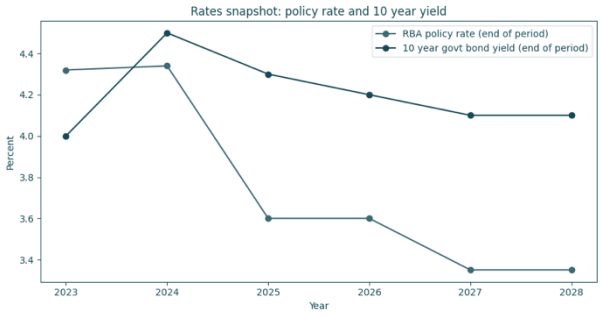
1.7 How Policy is Implemented

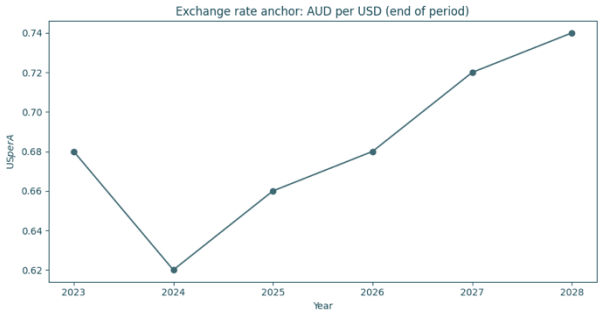
The RBA's core instrument is the cash rate target, which anchors overnight money market rates and flows through to bank funding costs. From there, transmission works through several channels.



The first is the cash flow channel. Higher rates lift mortgage repayments and reduce discretionary spending, particularly for leveraged households. This is unusually important in Australia because housing debt and housing costs dominate household balance sheets, making the consumption response to rates more direct than in many economies. The second is the credit channel. When the policy stance tightens, banks typically become more selective, credit growth slows, and riskier borrowers face tighter constraints. This moderates housing demand and dampens business expansion that depends on debt financing. The third is the asset price channel. Higher discount rates lower the present value of future income streams, which weighs on valuations in housing and other long duration assets. In Australia, housing is the most visible part of this channel, because it shapes perceived wealth and confidence, and it affects rent dynamics and household mobility. The fourth is the exchange rate channel. A relatively higher policy rate can support the Australian dollar by attracting capital, while a lower policy rate can weaken it. In turn, the exchange rate affects imported inflation and competitiveness. Australia's currency sensitivity also reflects its commodity export exposure, so the RBA's stance interacts with global risk sentiment and the terms of trade.

In normal conditions, the RBA operates primarily through the policy rate and liquidity management. It can add or withdraw liquidity to keep market rates trading close to target, and it can influence the cost of funds across the banking system through administered rates and its operational framework. In more unusual regimes, central banks can also use balance sheet tools, such as large-scale bond purchases or funding facilities, to affect longer dated yields and credit conditions. For a report audience, the key point is that these tools matter most when standard rate moves are constrained or when financial markets are stressed. In calm conditions, the cash rate remains the dominant driver.



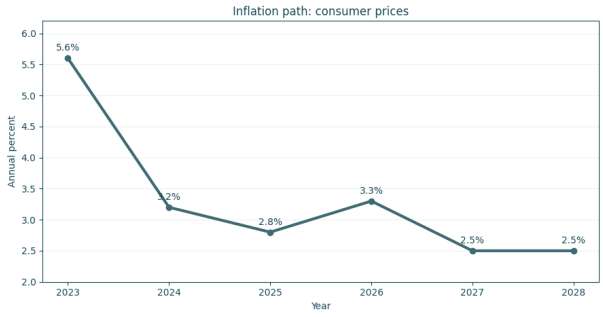


The first chart shows the relationship between the policy rate and the 10-year yield. The policy rate path suggests a period of restrictive settings followed by stabilisation and gradual easing later, while the 10-year yield remains above the policy rate through much of the horizon. That spread signals that markets continue to price term premium, inflation uncertainty, and bond supply dynamics, rather than a simple reversion to ultra-low rates. Put differently, even if the RBA holds steady, longer dated rates can stay elevated if investors demand compensation for inflation and duration risk.

The second chart shows an exchange rate path that strengthens over time. Economically, a stronger currency is a partial substitute for tighter monetary policy because it can reduce imported inflation and restrain tradable goods prices. This matters for the RBA because it can help disinflation even when domestic services inflation is sticky. At the same time, an appreciating currency can weigh on exporters and parts of the traded sector, which is why the exchange rate channel is always double edged in an open economy like Australia.

1.8 Inflation Changes the Game?

Inflation has moved from a post shock peak toward more normal levels, but the risk profile is no longer a simple straight line down. The projected path shows a sharp disinflation phase followed by a temporary re acceleration before settling back to a lower plateau. That shape is economically important because it implies inflation persistence risks remain present even as headline numbers improve.



The early decline reflects the fading of one-off price spikes and the normalisation of supply conditions. As firms rebuild inventories and shipping and input costs stabilise, goods inflation tends to cool quickly. This phase is usually supported by tighter financial conditions, slower discretionary spending, and reduced pricing power in interest sensitive categories. It is the part of disinflation that is easiest to achieve.

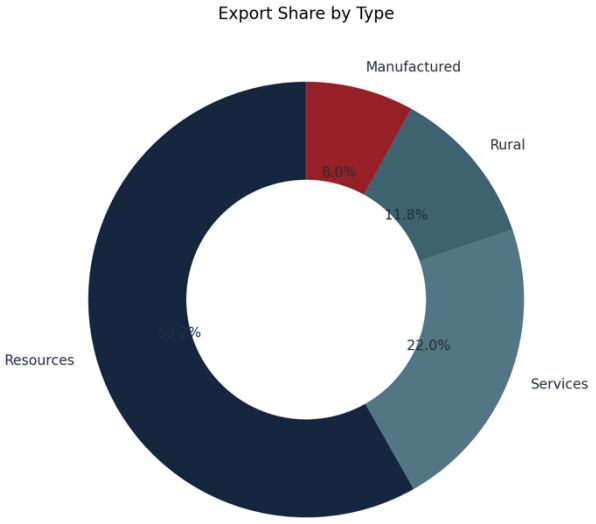
The more challenging segment is the mid horizon re acceleration. This is where inflation risks become structurally domestic rather than imported. Services inflation is typically sticky because it is closely tied to wages, rents, and regulated or administered prices. When demand is resilient and labour markets remain relatively tight, businesses can maintain margin through price rises even if goods inflation has cooled. In Australia, housing related costs add another layer: rents and housing services tend to adjust with a lag, so even when growth slows, housing inflation can remain elevated and keep the overall index from falling cleanly.

A second source of risk is the policy credibility channel. Once inflation has been high for a period, households and firms pay more attention to prices and become quicker to accept or pass through price increases. That can embed a higher inflation psychology in sectors with less competition or where pricing is more frequent. In this environment, the downside surprise is not necessarily another big inflation spike. It is the slower return to comfortably low inflation because the last mile depends on wage growth, rent dynamics, and the ability of demand to cool without triggering a hard landing.

A third risk comes from the exchange rate and tradables. Australia is an open economy, so a weaker currency can lift the local price of imports and re inject inflation into goods categories even if domestic demand is not booming. Conversely, currency strength can help disinflation. The implication is that inflation outcomes are partly conditional on global risk sentiment and capital flows, not only on domestic activity.

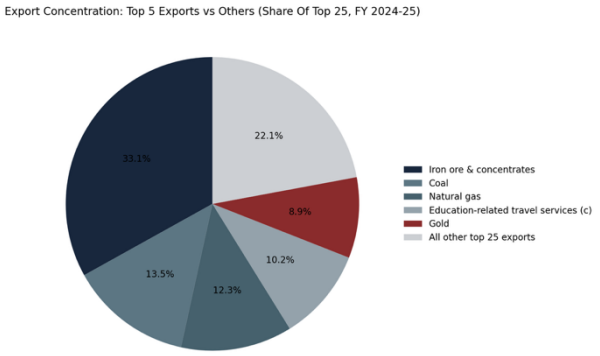
Overall, the inflation forecast should be read as a shift from shock driven inflation toward domestically sustained inflation. That is why the main risk is persistence rather than a one-time rebound. It also explains why policy can remain cautious: if inflation proves sticky in services and housing related components, it limits the room for quick easing and keeps the balance of risks tilted toward maintaining restrictive settings until underlying pressures clearly fade.

1.9 Australia's Export Engine



Australia's export engine is highly scale driven and commodity led, with a small number of products delivering a large share of total export value. In FY 2024 to 25, iron ore and concentrates remains the single largest line item, with coal and natural gas still occupying top tier positions. This structure ties national income, company earnings, fiscal receipts, and the current account to global bulk commodity cycles and to physical volume capacity across mining, LNG trains, ports, and rail. It also makes Australia's external position unusually sensitive to relatively small changes in a handful of benchmark prices, especially when price moves are amplified by exchange rate swings and shipping conditions. Because the supply side is capital intensive and slow to adjust, export revenues can move sharply even when volumes are stable, which is why the terms of trade often does more work than real activity in explaining short run income outcomes. At the macro level, this concentration creates a powerful stabiliser and a clear vulnerability at the same time, with windfall gains during up cycles supporting public finances and investment, but downside shocks quickly compressing profits, royalties, and household income expectations through the currency, equity market and confidence channels.

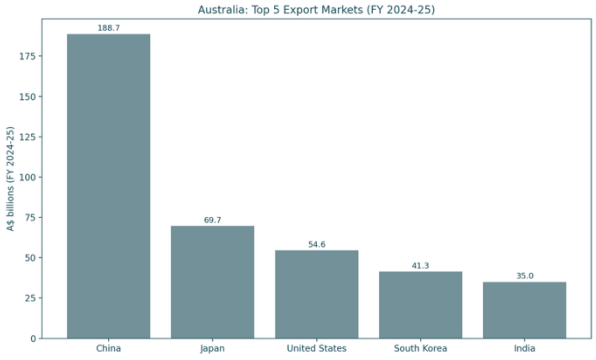
A second defining feature is concentration risk across both products and destinations. The export basket is top heavy, so price moves in a few lines can dominate the aggregate outcome even when smaller categories are growing. On the demand side, trade remains anchored in Asia, and the top export markets account for a majority share of exports, making the external position sensitive to policy changes, construction and manufacturing cycles, and currency movements in a small set of partner economies.



Services exports add a different kind of exposure, with education related travel and broader travel services ranking among the largest export categories. This creates upside when migration, student mobility, and tourism demand are strong, but it also introduces fast moving risks tied to visa settings, geopolitical sentiment, public health disruptions, and exchange rate competitiveness. Because services volumes can reprice and reroute quickly, they can amplify near term volatility even when commodity volumes are stable.

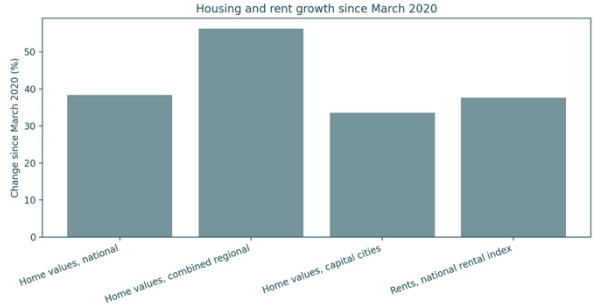
The forward risk landscape is increasingly shaped by terms of trade normalisation, decarbonisation, and trade policy uncertainty. A lower commodity price environment compresses export receipts even if volumes hold, while the global energy transition shifts demand

growth away from thermal coal over time and toward electrification metals, which reshapes Australia's external earnings mix and regional investment pipeline. Layered on top are episodic risks such as tariffs, sanctions, shipping disruption, and insurance cost shocks, which matter more for an economy with high trade intensity and long-distance supply chains.



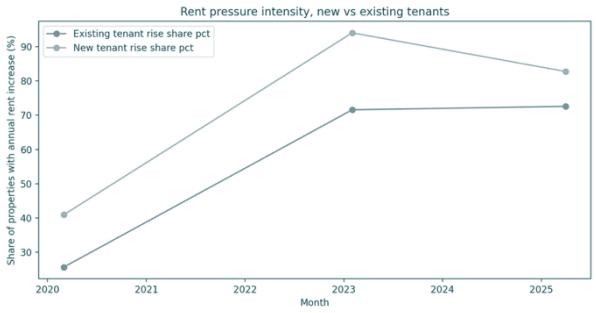
1.10 Housing Scarcity and Rent Stress

Australia's housing system remains characterised by persistent scarcity in well located, high demand areas, with demand growth repeatedly outpacing the delivery of new supply. This imbalance has produced a long period of elevated prices and accelerating rents, shifting housing from a pure wealth story into a cash flow and financial resilience story for households and the broader economy.

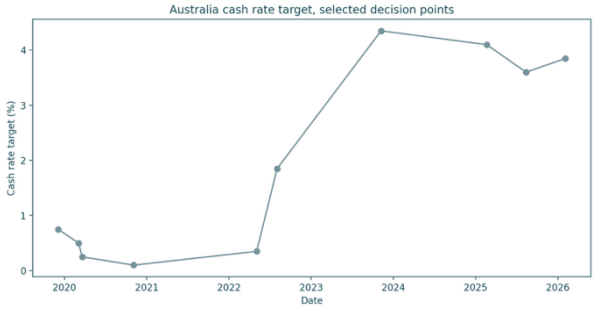


The market is highly segmented across regions, cities, and dwelling types, which means national averages often hide the true risk concentrations. The post pandemic re pricing of location preference strengthened many regional and outer suburban markets, while inner city markets adjusted later and then caught up. This dispersion matters because sensitivity to interest rates, employment conditions, and migration patterns differs sharply by segment, shaping both downside risk and policy exposure.

Rental conditions remain the most acute stress point. Tight vacancy and limited new rental supply have strengthened landlords' pricing power, while tenants face a high probability of rent increases, particularly at lease turnover when rents reset to current market levels. The result is a distributional pressure that disproportionately impacts renters and lower income households, raising the likelihood of increased household formation constraints such as delayed independence, higher share housing, or relocation to lower amenity locations.

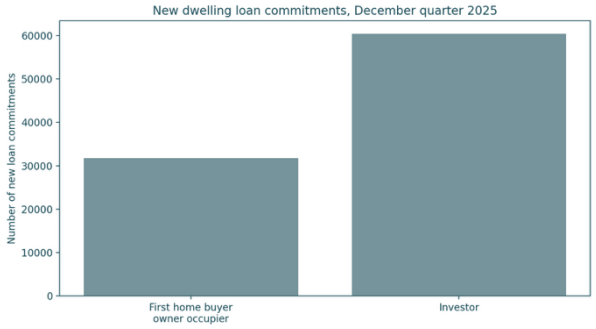


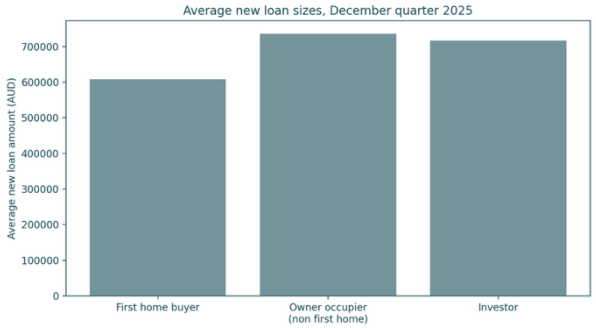
Credit conditions remain the key macro transmission channel. Shifts in interest rates materially change borrowing capacity, refinancing costs, and investor hurdle rates. A system with structurally constrained supply can stay expensive even when affordability worsens, because prices do not need to fall sharply unless forced selling becomes widespread. This makes the market vulnerable to negative shocks that hit household cash flows directly, including unemployment shocks, renewed rate rises, or sustained cost of living pressures that erode repayment buffers.



Recent lending dynamics indicate intensified competition at the entry level and continued investor participation, both of which can reinforce price pressure in the most supply constrained segments. The entry level is also the segment where leverage and serviceability stress can be highest because buyers have smaller buffers and are more exposed to changes in rates, job security, and unexpected expenses. This combination raises the probability of hardship outcomes if macro conditions

deteriorate, even if aggregate price indices appear resilient.





1.11 Four Significant Risk Insights from Housing Markets

Housing affordability risk is increasingly a cash flow risk rather than a headline price risk. Elevated rents and higher debt servicing costs can compress consumption, reduce savings buffers, and increase arrears sensitivity, creating spillovers into broader economic activity.

Rental inflation risk is structurally reinforced by limited turnover supply and strong repricing at lease change. New tenants typically absorb the fastest rent increases first, then pressure gradually spreads through the broader stock, making rental stress persistent even when headline rent growth moderates.

Segmentation risk is the core market risk. Outcomes diverge materially by geography and dwelling type, so downside risk can concentrate in areas exposed to a reversal in migration flows, a local employment shock, or a mismatch between new supply and local demand.

Policy and regulatory risk is rising because housing costs are a primary political pressure point. Changes to tenancy settings, investor incentives, and affordability programmes can shift market behaviour quickly, affecting investment supply and price formation at the margin.

1.12 Australia's Labour Market: Tight Today, Constrained Tomorrow.

Australia's labour market has remained resilient through a period of tighter financial conditions, with employment holding up even as hiring momentum cools. In December 2025, the unemployment rate was 4.2% in trend terms and participation sat at 66.8%, keeping the employment to population ratio at 64.0%. Underemployment was 5.9%, suggesting that spare capacity is not just about joblessness, but also about how many hours workers can actually secure.

Table 1. Labour market snapshot (trend, December 2025)

Indicator	Value	Unit
Unemployment rate	4.2	percent
Participation rate	66.8	percent
Underemployment rate	5.9	percent
Employment to population ratio	64.0	percent

Table 2. Labour market scale (trend, December 2025)

Indicator	Value	Unit
Employment	14.686	million persons
Monthly hours worked	1.997	billion hours

This mix points to a labour market that is closer to full capacity than headline unemployment alone implies. A high participation rate means more people are engaged in the labour force, which expands supply and can help relieve wage pressure over time. At the same time, strong hours worked and a large, employed base indicate that demand for labour remains broad based. This matters for the macro backdrop because a stabilised, still tight labour market has been a key reason policymakers remain alert to persistent inflation pressures.

Table 3. Industrial disputes (year ended March 2025)

Indicator	Value	Unit
Disputes	189	count
Working days lost	136.2	thousand days

Industrial action has been visible enough to shape sector narratives, even if it remains low in a long run historical sense. Recent disputes have clustered in high visibility, operationally sensitive industries like aviation and health. Examples include rolling industrial action by Qantas maintenance engineers in 2024 and large-scale nurse strikes in New South Wales during the same period, both reflecting bargaining friction around pay and conditions in essential services. The official disputes data shows that

industrial action can still translate into meaningful output losses when disputes intensify, with 189 disputes and 136,200 working days lost in the year ended March 2025.

Table 4. Labour productivity growth comparison (GDP per hour worked)

Period	Growth	Unit
Mid 1990s to early 2000s average annual	2.5	percent per year
Decade pre pandemic average annual	1.1	percent per year
2024 to 2025 annual	-0.7	percent per year

The deeper constraint is productivity. Recent commentary and official analysis emphasise that weak productivity growth compresses the economy's non-inflationary speed limit, making it harder to achieve sustained real wage gains without reigniting price pressure. The central theme is that labour productivity has been volatile post pandemic, but the underlying trend has slowed, with output per hour still around its mid 2010s level in several discussions. International comparisons and policy reviews reinforce the same arc: a strong reform era in the late 1990s and early 2000s followed by a prolonged slowdown, leaving living standards more dependent on participation and terms of trade than on efficiency gains. Recent national accounts and market sector productivity releases also underline that the near-term picture remains challenging.

1.13 Australia's FX Narrative

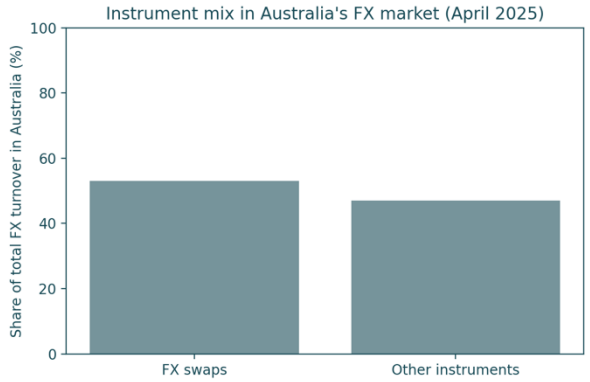
Australia hosts one of the world's most active FX centres, anchored by the Australian dollar's role as a freely floating G10 currency and a regional funding and risk benchmark. In the latest BIS Triennial Survey snapshot for April 2025, average daily turnover in Australia's FX market rose to US$201 billion, the highest level on record, keeping Australia as the world's 11th largest FX centre.

The market is decentralised and dealer mediated. Liquidity is provided primarily by global and domestic dealer banks, with pricing formed across interbank venues and multi dealer platforms. On the demand side, the largest and most persistent flow categories are real money investors, corporates, and leveraged funds.

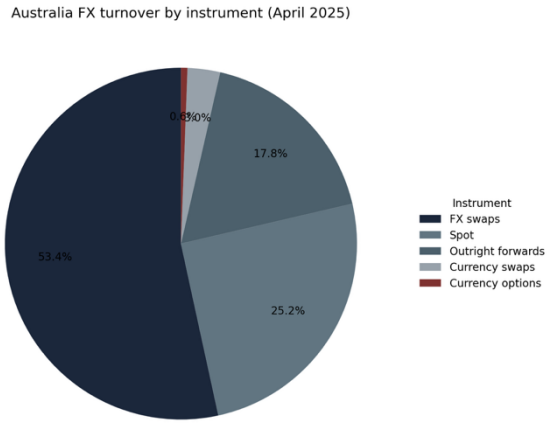
Real money includes domestic superannuation funds, insurers, sovereign style investors, and offshore asset managers. Their FX activity is tightly tied to portfolio rebalancing and hedging ratios. When foreign equity markets rise and the AUD moves, hedging programs can mechanically create spot and forward demand or supply, which is one reason AUD can show flow driven moves even on quiet domestic calendars.

Corporate activity is concentrated in trade settlement and risk management. Australia's export base, including bulk commodities and LNG, creates recurring USD receipts and hedging needs, while importers create the opposite exposure. Your presentation highlights the terms of trade and external accounts context, including a current account deficit in Q2 2025 of A$13.7bn and terms of trade easing from the 2022 peak but stabilising versus late 2024, supported by gold and services exports.

Leveraged funds and macro traders add cyclical liquidity, often expressing views through AUDUSD, AUDJPY, and regional crosses. In practice, these players amplify the sensitivity of AUD to shifts in global risk appetite and relative rate expectations



A defining feature of the Australian FX market is the unusually high share of FX swaps. In April 2025, FX swaps accounted for about 53 percent of total FX turnover in Australia, and almost 75 percent of those swap transactions were shorter than seven days. This is a strong signal that the market is heavily used for funding and balance sheet management, not only for directional spot trading. It also means short-dated funding conditions and cross currency basis dynamics can matter disproportionately for AUD pricing and liquidity, especially around quarter ends and stress episodes. Spot remains important for price discovery, but much of the day-to-day volume in Australia is linked to short-dated hedging, roll activity, and funding transformations that show up as swaps rather than outright spot.



1.14 AUD Price Discovery in Practice

AUD price discovery is best understood as a sequence of liquidity pools stitched together across time zones. The "headline" AUDUSD rate is really the outcome of continuous netting between dealer inventory management, client flow, and hedging demand, with the tightest pricing when multiple centres overlap. In practice, the Sydney and Tokyo hours tend to be driven by Asia macro news, commodity price moves that are active in Asian hours, and local hedging flows. As the market hands into London and then New York, depth increases and the same information is repriced through a broader set of global portfolios and systematic strategies, which is why AUD can show a second wave move even when nothing new happens in Australia.

A core driver of intraday AUD moves is how real money hedging interacts with spot. Large institutional investors, including pension style funds and global asset managers, often hedge foreign equity and bond exposure with forwards and swaps rather than outright spot. When global equities rally and AUD rises, hedging ratios can mechanically shift, creating persistent demand or supply that dealers must warehouse and recycle. That is one reason AUD can trend on "flow" days that look light on headlines. This flow channel also makes AUD sensitive to month end and quarter end rebalancing, where the incentive to rebalance hedges and the availability of dealer balance sheet both matters.

Another practical feature is the dominance of FX swaps in the Australian market, which signals how important funding and roll mechanics are to AUD pricing even if the trade is expressed in spot. FX swaps are used to transform currency funding, roll hedges, and manage short-dated exposures, so changes in the cost of carry, the cross-currency basis, or balance sheet constraints can alter the willingness of dealers to provide liquidity. When swap market conditions tighten, dealers often protect inventory more aggressively, spreads widen, and spot can gap more on the same sized flow. The RBA's BIS survey results show FX swaps are the largest instrument category in Australia and heavily concentrated at very short tenors, reinforcing this funding first microstructure.

AUD also delivers information through cross markets, not just through AUDUSD itself. Commodities are a straightforward example. When export prices shift, the terms of trade and income channel affects the currency, but the repricing often travels through correlated markets first, such as iron ore futures, energy, or broad commodity indices, and then into AUD via systematic models and discretionary macro desks. The RBA notes that trade prices and global financial market factors both influence AUD, so it is normal to see AUD respond quickly to global risk and commodity moves, even before domestic data has any chance to adjust expectations.

Options add another layer to what you see on the screen. Dealers who are short options exposure may need to buy AUD as it rises and sell as it falls to stay hedged, which can reinforce trends when volatility picks up and can dampen moves when gamma is long and concentrated near popular strike levels. Around widely watched levels, the spot market can look "sticky" or can accelerate through quickly depending on whether hedging flows are leaning with or against the move. This is why AUD can sometimes appear to ignore good news or bad news in the moment, because the marginal price setter is not the news itself but the hedging that the news triggers across forwards and options.

Table. Australian FX market key facts

Metric	Australia	Unit
Average daily FX turnover, April 2025	About US$201bn	US$ per day
Global ranking as an FX centre	11th	rank
FX swaps share of turnover	About 53%	percent of total
Share of FX swaps shorter than seven days	Almost 75%	percent of FX swaps

Australia's FX market is supported by a mature regulatory framework for OTC derivatives. ASIC's Derivative Transaction Rules (Reporting) 2024 set out requirements for reporting derivative transaction information to trade repositories, improving transparency for regulators and aligning Australia with global post crisis market reforms. For participants, this matters because it reinforces conduct expectations and strengthens market oversight of OTC FX derivatives activity, particularly in periods of stress.

1.15 Macro Signposts for the Next 6 to 12 Months

1. Terms of trade and export prices

Watch whether the income impulse is re accelerating or fading. The ABS noted the terms of trade rose again late 2025 as import prices fell more than export prices, with bulk commodity prices offsetting AUD effects. If export prices lift while volumes are steady, nominal GDP and fiscal receipts can surprise on the upside even without stronger real growth.

2. Services inflation and housing related costs

The RBA expects inflation to stay above the 2 to 3 percent band for longer, with recent pressures broad based and still evident in services and housing related components. Track rents, market services inflation, and new dwelling cost momentum as the last mile disinflation test.

3. Wages versus productivity

Wage growth is steady but still meaningful. The Wage Price Index rose 0.8% in the December 2025 quarter and 3.4% over the year. The key signpost is whether wage growth moderates fast enough given weak productivity, because that determines how quickly underlying inflation can return to target.

4. Labour market cooling speed

ABS labour force data shows unemployment at 4.2% in December 2025 in trend terms, with participation holding up. If unemployment only edges higher, inflation persistence risk rises and early easing becomes harder to justify.

5. Household cash flow stress markers

Follow housing turnover, arrears proxies, and spending indicators because Australia's transmission runs through mortgages and consumption. The question is whether restrictive rates damp demand smoothly or trigger a sharper pullback in discretionary services.

6. External demand and China linkage

Treat China as the swing factor for bulk commodity pricing and risk sentiment. The signpost is not just headlining growth, but policy intensity and construction, steel, and infrastructure demand signals that feed directly into iron ore and coal pricing.

1.16 Concluding Australia

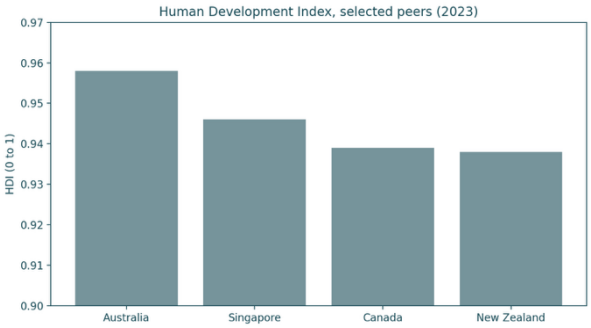
Australia's macro profile is defined by a high income, services heavy domestic economy sitting on top of a concentrated, commodity led external earnings engine. This split explains why everyday activity can feel stable while national income, fiscal outcomes and the currency remain highly cyclical. When the term of trade is strong, Australia captures a powerful income lift through iron ore, coal and LNG exports, supported by services exports like education and travel. When global demand slows, especially through China linked channels, the same concentration becomes a key vulnerability because a small set of export lines can dominate the aggregate outcome.

Domestically, housing and household balance sheets are the main transmission belt for monetary policy, making the Reserve Bank of Australia central to the macro narrative. With high household leverage and widespread rate sensitivity, policy changes flow quickly into mortgage cash flow, consumption, housing turnover and the services economy that drives employment. That helps explain why inflation management in Australia is less about abstract rate settings and more about the trade-off between squeezing demand enough to bring inflation back down while avoiding a sharper household led slowdown.

The near-term macro risk is that inflation becomes more domestically persistent even as earlier shock driven pressures fade, particularly through services, wages and housing related costs like rents. At the same time, the medium-term constraint is productivity, because weak productivity lowers the economy's non-inflationary speed limit and makes real wage gains harder to sustain without reigniting price pressure. Putting it together, Australia is not "doomed", but it is increasingly a story of narrow growth engines, a housing constrained domestic channel, and policy trade-offs that are harder than in the low inflation era. The upside remains strong institutions, high employment capacity and a credible policy framework, while the core challenge is broadening drivers of growth beyond commodities and housing so that living standards can keep rising without relying on repeated external booms.

2.1 Introducing New Zealand: Edge of the World

New Zealand is genuinely one of the most beautiful countries in the world. In additional to its picturesque landscape, a lot of its beauty comes down to the fact that it is extremely remote. With an estimated resident population of about 5.34 million on 31 December 2025, it is small enough for shifts in migration, tourism, and confidence to show up quickly, yet connected enough that global demand can move the needle almost overnight. Its residents enjoy extremely high living standards It sells the world a premium story of food, nature, and clean energy, and it sits close to fast growing Asia Pacific demand. That makes it feel resilient, especially when global commodity prices and external demand are supportive. But the same openness that creates upside also pulls global shocks straight into domestic incomes, confidence, and the currency, so the economy tends to turn quickly when conditions change.



Beneath the headline strengths is a more delicate challenge. New Zealand is small, remote, and highly trade exposed, which raises the bar for productivity led growth and for building firms that scale beyond the domestic market. Recent IMF work frames weak productivity as a central long run constraint, tied to geography, sector mix, and frictions that limit innovation and diffusion. In this sense, the country is less defined by a lack of opportunity than by the difficulty of compounding it year after year.

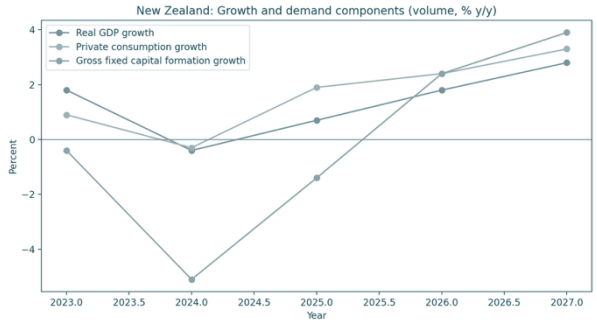
That is why the macro story is best read as a balancing act. Policy can support demand when the cycle is soft, but the economy remains sensitive to housing, consumer spending, and imported inflation, leaving the central bank to steer carefully between recovery and price stability. The Reserve Bank has described inflation easing back toward target while emphasising that uncertainty remains, which is a neat summary of the broader backdrop. New Zealand can recover, but it rarely does so in a straight line.

New Zealand's adult minimum wage rising to NZD 23.95 per hour from 1 April 2026 (forecast) is a statement about what kind of society New Zealand wants to run, and it has real macro consequences because the wage floor sits relatively high and binds a meaningful slice of the workforce.

What the high minimum wage signals	What it does in practice	Where it shows up first
High cost, high standard economy	Forces productivity, quality, automation or higher prices	Hospitality, retail, cleaning, aged care
Strong institutions and wage setting	Makes the wage floor a deliberate living standards lever	Annual review decisions and political messaging
Inflation sensitivity	Can lift services inflation if costs pass through	CPI services, wage costs, OCR expectations
Distribution and resilience	Supports consumption for low income workers	Everyday spending, hardship metrics
Fiscal and system spillovers	Indexation effects and policy thresholds	Transfers, super, labour supply settings

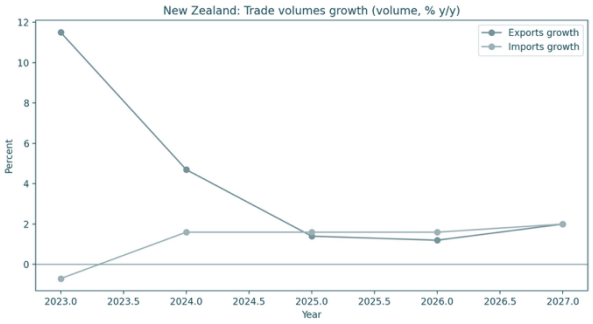
2.2 The New Zealand Economy

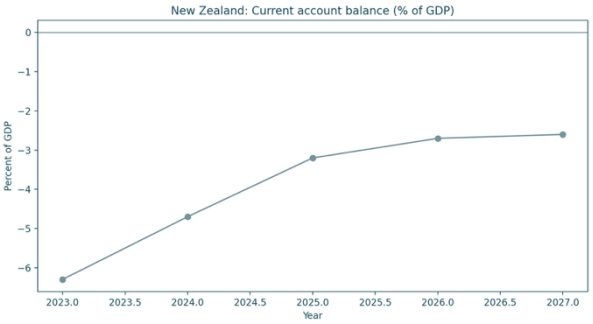
New Zealand is a small, open economy where a narrow set of tradable income sources interacts with a housing and population driven domestic cycle. Growth tends to be shaped by the global price and demand environment on the outside, and by housing, credit conditions, and migration on the inside. This creates a macro profile that can look calm in good times but turns quickly when either commodity and tourism income weakens or the housing cycle rolls over.



Export earnings are anchored in a primary commodity base, complemented by tourism as a major services export. That mix brings strong comparative advantages, but it also concentrates exposure to global demand,

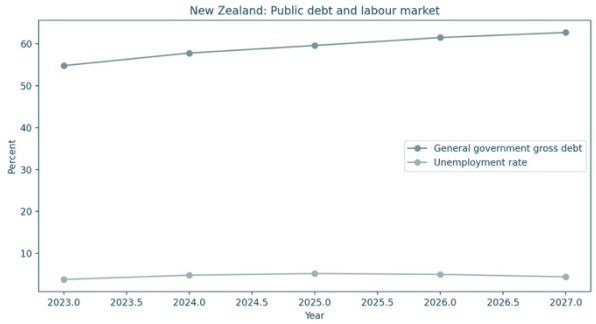
commodity price swings, freight and energy costs, and market access conditions. In practice, national income often moves more with export prices and the terms of trade than with incremental changes in domestic output volumes, which means external shocks can feed into confidence, fiscal outcomes, and investment plans faster than in more diversified exporters.

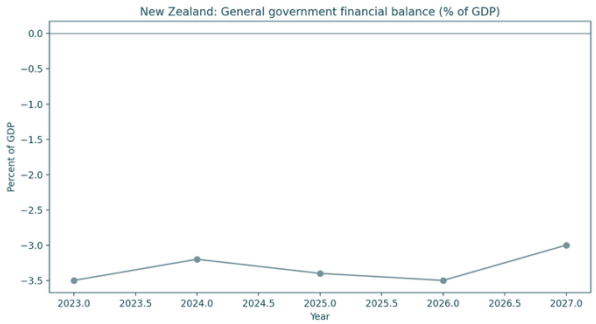




Households hold a large share of their wealth in housing and land, so changes in house prices and borrowing conditions transmit strongly into consumption and residential construction. When financial conditions tighten, the effects are rarely confined to construction alone: discretionary spending softens, retail and hospitality feel it, and business hiring intentions cool. When conditions ease, the recovery typically arrives through the same channel, with housing turnover, renovation and build activity, and consumer spending reinforcing each other.

Migration is structurally important because it lifts labour supply while simultaneously adding to demand for housing, transport, and services. A slowdown in net inflows tends to ease pressure in rental and housing markets over time, but it can also reduce near term demand momentum and soften employment growth. A pickup does the opposite. This dual effect makes population dynamics one of the most powerful variables behind inflation pressure, capacity strain, and the medium-term growth path.





The economy's openness means tradable prices can move materially with global shocks and the exchange rate, even when domestic demand is weak. At the same time, domestic inflation is influenced by services costs, labour market tightness, and administered prices. This split matters for interpretation: periods of easing domestic inflation can coincide with renewed pressure from imported costs, so policy and risk analysis needs to track both channels rather than relying on a single narrative.

New Zealand's long run performance is constrained less by the willingness to work and more by capital deepening and productivity. Infrastructure delivery, reliable and affordable energy supply, competition and entry conditions, and the efficiency of large public service systems shape the potential growth rate. When these constraints bind, the economy can lean more heavily on housing and external windfalls to generate momentum, which increases cyclicality and leaves growth vulnerable to both domestic credit swings and global commodity cycles.

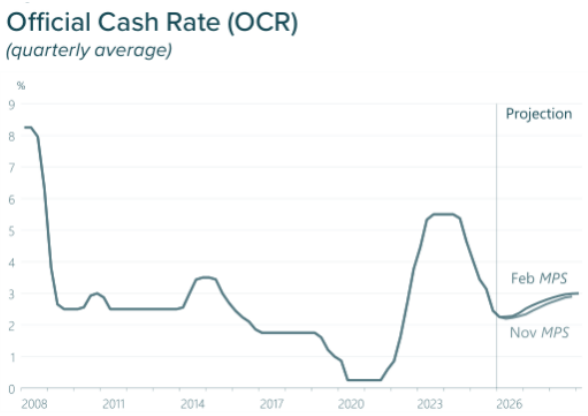
New Zealand commonly runs a current account deficit, reflecting an investment and consumption profile that relies on external funding. This is not automatically a problem, but it makes the economy more sensitive to changes in global risk appetite, funding costs, and exchange rate conditions. When the external deficit is large, the currency and interest rate channels tend to

become more central in stabilising the macro cycle, particularly when growth is soft and confidence is fragile.

2.3 The Reserve Bank of New Zealand

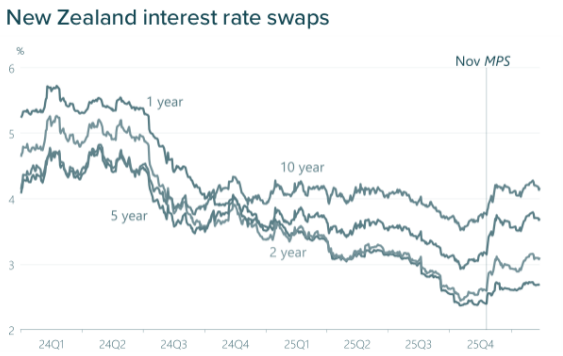
The Reserve Bank of New Zealand operates a legislated dual objective for monetary policy: maintain price stability while supporting maximum sustainable employment. The operational target is inflation between 1 percent and 3 percent over the medium term, with a focus on the 2 percent midpoint, implemented primarily through the Official Cash Rate. Monetary policy decisions are made by the Monetary Policy Committee, which reviews the OCR eight times per year in the standard cycle.

Alongside monetary policy, the RBNZ also has a financial stability role, guided by the Financial Policy Remit issued under the Reserve Bank of New Zealand Act 2021. This remit frames how the Bank should consider matters relevant to achieving the financial stability objective, and it anchors the prudential toolkit used to lean against system wide risk build ups.

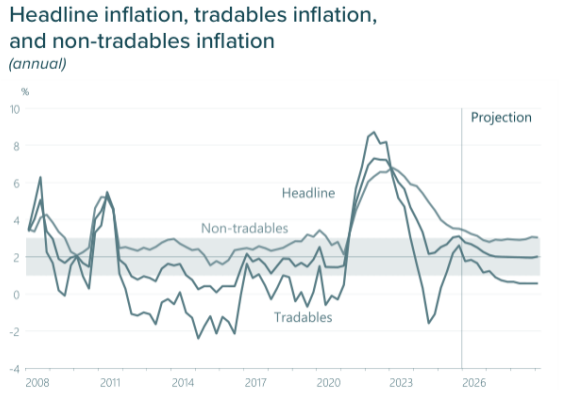


The OCR is the policy rate that anchors the short end of the curve and cascades into broader financial conditions. In practice the transmission runs through four linked channels.

First, wholesale interest rates reprice quickly off expected OCR paths, shifting swap rates and bank funding costs. That wholesale move then passes into advertised and effective retail rates, particularly mortgage and term deposit pricing, which matters because household leverage and housing related cashflow are core drivers of demand sensitivity in New Zealand.

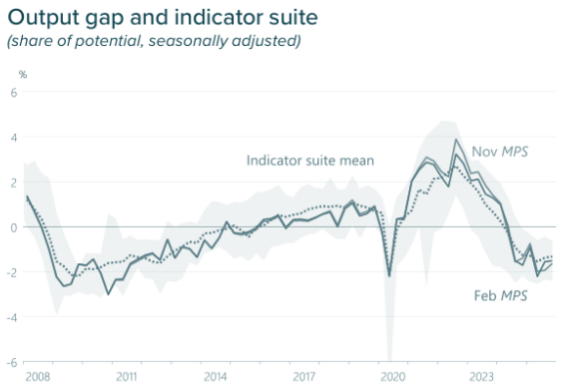


Second, the exchange rate responds to relative rate expectations and global risk tone, feeding into tradables inflation through import prices and competitive pressure.



Third, activity and labour market slack adjust with a lag. As demand responds, spare capacity narrows or widens, which then drives the medium term inflation track.

Fourth, expectations and credibility act as the multiplier. When pricing behaviour and inflation expectations are well anchored, the Bank can normalise policy more gradually without destabilising the inflation process.

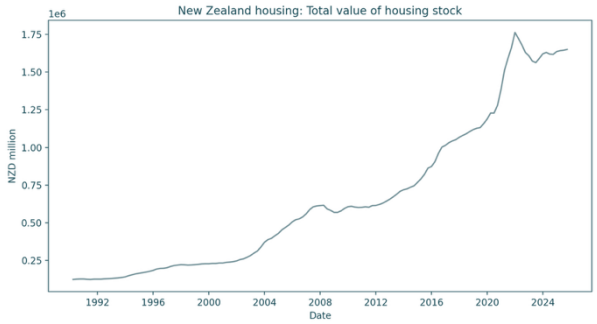


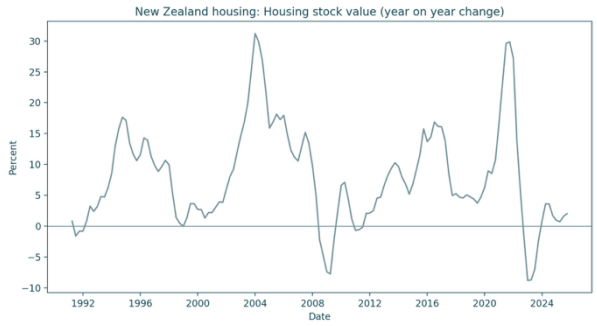
In the February 2026 Monetary Policy Statement, the OCR is held at 2.25 percent, with the Bank framing policy as accommodative while it watches how fast spare capacity closes and how persistent domestic inflation dynamics prove to be. The narrative is that inflation is expected to move back into the target band and toward the midpoint as slack remains meaningful, but the Committee stays data dependent given uncertainty around pricing behaviour and demand momentum. The MPS also makes the sequencing clear: a stabilising labour market with unemployment still elevated is consistent with a gradual normalisation profile rather than a rapid tightening impulse.

New Zealand's macro sensitivity to housing means the RBNZ's prudential settings are not a side story. The Bank can and does use borrower based and bank-based tools to reduce tail risk, with recent years seeing active use of housing related restrictions such as debt to income and loan to value settings to limit high risk lending during upswing conditions. This matters for the monetary policy trade off because prudential tightening can reduce the need for OCR tightening to achieve the same financial conditions outcome, especially when the credit channel is the binding constraint.

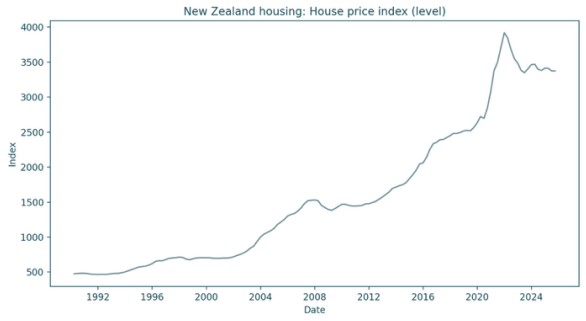
2.4 Housing Market Deep Dive

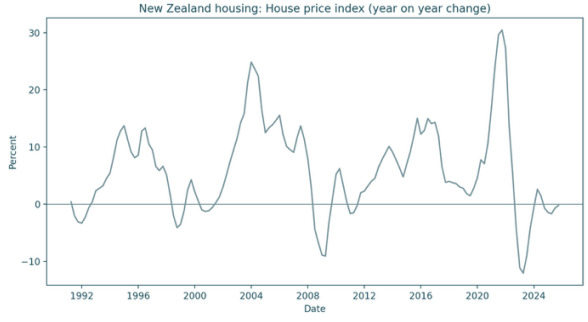
New Zealand housing sits at the centre of the macro cycle because household balance sheets are property heavy, mortgage debt is the dominant liability, and housing turnover quickly transmits into consumption, construction, and services. The market is also structurally segmented. Auckland behaves like a global city market with affordability constraints and investor sensitivity, while many regional markets react more to local employment, migration, and new supply pipelines. That segmentation matters because policy changes, mortgage rates, and migration shifts do not hit all regions equally.



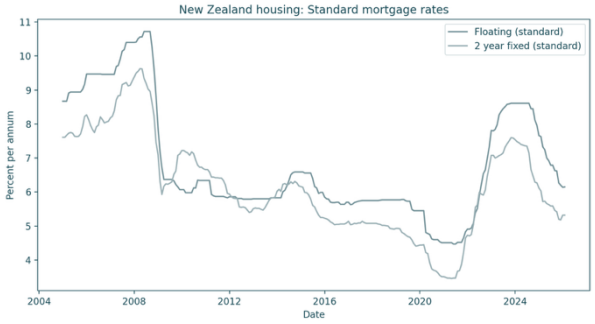


The market has been working through a large down cycle from the 2021 peak, with prices materially lower than peak levels and activity recovering only gradually. The dominant driver of the transition from downturn to stabilisation is the interest rate channel. When mortgage rates fall, serviceability improves and the marginal buyer returns. When mortgage rates rise, highly leveraged demand steps back quickly. Market commentary and survey-based expectations have leaned toward a modest recovery path as borrowing costs ease, rather than an immediate return to the prior boom dynamics.

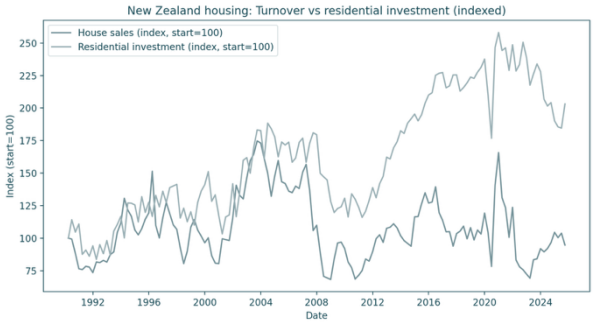




Housing demand in New Zealand is shaped by four big forces. First, mortgage rates and credit availability. Even small changes in serviceability can shift demand because household debt is large relative to incomes. Second, net migration. Population inflows lift rental demand first, then feed into first home buying and broader household formation. When inflows slow, rental pressure eases and the urgency to buy typically fades. Third, labour market confidence. Employment and wage security are central because households carry long duration debt obligations. Fourth, investor incentives and rules. Investor demand is highly sensitive to credit constraints and expected capital gains. When leverage rules tighten, investor bidding power falls, and first home buyers gain relative share.



Supply is constrained by land availability in high demand areas, infrastructure capacity, construction costs, and consenting and delivery speed. A key leading indicator is dwelling consents. Recent releases show consents have been improving from low levels, which suggests supply growth is attempting to respond, but delivery lags mean relief is rarely immediate.

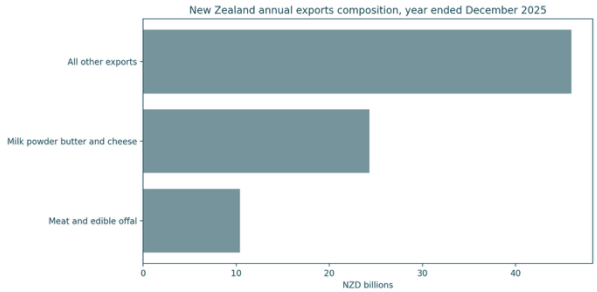


Policy settings also matter for supply elasticity. Moves to simplify smaller dwelling delivery, such as enabling more accessory units, are aimed at adding incremental stock and improving density without requiring full scale greenfield expansion.

What the housing indicator signals	What it does in practice	Where it shows up first
House prices reset the cycle	Drives sentiment, collateral values, and willingness to spend, and it shifts buyer behaviour fast when momentum turns	Auction clearance, days on market, vendor discounting
Price momentum reveals turning points	Year on year momentum captures regime shifts that level charts hide, especially around rate turning points	Buyer enquiries, bidding intensity, investor re entry
Turnover is the liquidity pulse	Sales volumes lead the cycle and transmit into renovations, furniture, real estate services, and broader retail	Listings, agency revenue, durable goods spending
Residential investment is the real economy channel	Building activity amplifies booms and busts, and it drives jobs and supplier demand across construction trades	Consents, builder margins, construction employment
Housing stock value measures wealth concentration	Shows how large the housing balance sheet is, so small percentage moves translate into big wealth effects	Consumption sensitivity, household confidence, bank collateral
Mortgage rates set serviceability	Changes in floating and fixed rates alter borrowing capacity, refinancing stress, and default tail risk	Pre approvals, refixing volumes, hardship requests

2.5 NZD and Exportation, One System

New Zealand's external earnings are still anchored in a small set of primary export lines, and that concentration is exactly why the NZD behaves like a macro proxy for the country's export income cycle.



In the year ended December 2025, total exports reached about NZD 80.7 billion, the highest on record in the official release, with dairy products doing the heavy lifting. Milk powder, butter, and cheese rose to about NZD 24.3 billion, a very large share of total exports, so marginal moves in global dairy prices quickly show up in national income expectations and NZD pricing.

This matters because New Zealand imports a lot of manufactured goods and energy related inputs. When export prices rise faster than import prices, the term of trade improves, which tends to support NZD through higher expected cash flows into the tradables sector and stronger aggregate demand.

Export and FX linkage	What to watch	NZD expression that fits
Dairy led income cycle	Dairy export receipts and export price inflation	NZD USD, NZD JPY, NZD TWI
Broad commodity cycle	Commodity basket prices and rural cash flow proxies	NZD USD, NZD CAD, NZD NOK
Asia demand pulse	Trade flow surprises and China related headlines	NZD CNH, NZD USD
Rate differential regime	RBNZ guidance and front end swap repricing	NZD USD forwards, NZD AUD cross
Risk off regime	Global equities and credit spreads	NZD JPY, NZD CHF

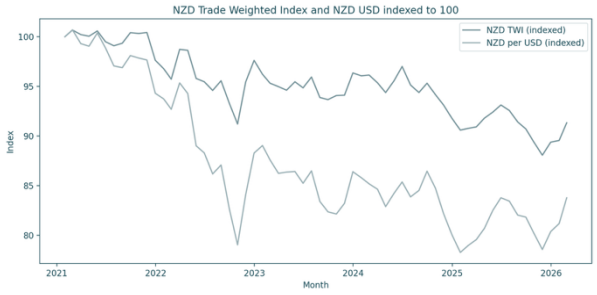
The export to NZD linkage usually runs through three channels that reinforce each other.

The first is income and balance of payments channel. Higher commodity prices raise exporter revenues and

profits, lift rural cash flow, improve fiscal receipts, and typically reduce external funding stress. That tends to strengthen NZD, especially on trade weighted measures that reflect partner currencies. The RBNZ's exchange rate series and Trade Weighted Index framework is built around major trading partners, which is the relevant lens for exporters and importers rather than any single bilateral rate.

The second is risk sentiment and global cyclicality channel. The NZD is a classic high beta, cyclical currency. When global growth expectations improve, commodity demand and risk appetite rise together, and the NZD often rallies even before the export data prints confirm it. When risk sentiment turns, NZD can weaken quickly because positioning and liquidity conditions amplify moves.

The final one is monetary policy and rate differential channel. Export cycles affect inflation and activity, then shape the RBNZ reaction function. That feeds into front end rates, swaps, and cross currency rate differentials that are directly priced into NZD forwards. Recent market moves show this clearly. When the RBNZ signalled a more accommodative path and pushed back the timing of hikes, NZD sold off.

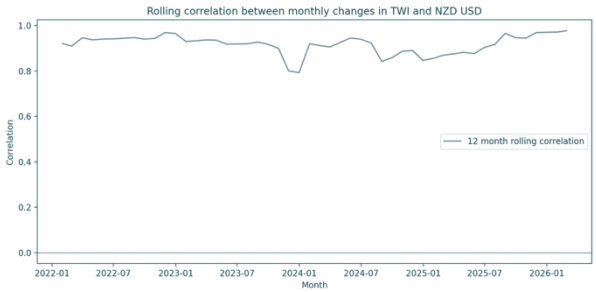


New Zealand's basket is not just commodity heavy; it is commodity specific. Dairy dominates, then meat, forestry, and horticulture form the next tier. That composition creates a distinctive pattern in NZD.

Dairy pricing is global, but the timing of information flow can be lumpy, with sentiment responding to headline price moves, weather, and production updates. That can cause NZD to gap on news even when broader macro data is quiet.

Further, because exports are heavily exposed to a small set of markets in Asia Pacific and a handful of advanced economy partners, NZD is sensitive to trade policy shifts and demand swings in those partners. Monthly trade releases often show China and Australia as key counterparts in the direction of change.

Moreover, New Zealand's terms of trade can move materially with dairy and meat price cycles. That volatility matters because NZD often acts as a shock absorber, tightening financial conditions when export prices fall and easing them when export prices rise.



For a New Zealand exporter, the main question is not whether the NZD moves, it is which driver is moving it, because hedging effectiveness differs by regime.

If NZD strengthens because commodity prices are rising, your NZD revenue translation risk increases, but your underlying business conditions are improving. In this regime, partial hedging can make sense because the operational upside is already cushioning you.

If NZD strengthens because rates rise or global risk appetite surges, that can compress NZD revenues without the same improvement in export margins. This is a more uncomfortable regime and tends to justify higher hedge ratios.

If NZD weakens because risk sentiment breaks, you often get currency relief on NZD revenues, but demand risk can rise at the same time. This is where liquidity and credit conditions matter, especially for smaller exporters.

RBNZ research also emphasises that exchange rate pass through to domestic prices is incomplete and depends on what caused the exchange rate move in the first place, which is another way of saying, always diagnose the shock.

3.1 The Trade

3.2 Long AUD/NZD:

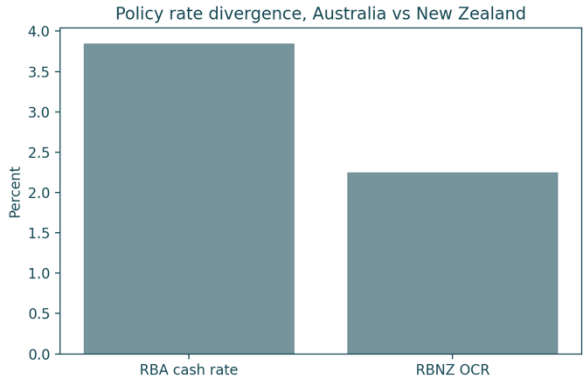
Australia is likely to hold a higher for longer stance because services and housing linked inflation is sticky, while New Zealand has already restarted easing and is open to doing more. That policy divergence should keep AU NZ front end spreads biased wider in Australia's favour, supporting AUDNZD upside. The terms of trade mix also leans supportive, with iron ore demand holding up better than dairy pricing momentum.

3.2 Current Status:

The macro anchor has strengthened. The RBA lifted the cash rate to 3.85 percent in February 2026 and signalled there is no preset path, with inflation risks still central to the reaction function.

The RBNZ is holding the OCR at 2.25 percent, describing policy as likely to remain accommodative for some time if the economy evolves as expected, while remaining ready to act if inflation risks re-emerge.

This preserves the divergence mechanism your deck relies on, namely the AU NZ front end spread bias in favour of AUD when Australia stays more restrictive than New Zealand.



3.3 Trade Setup:

- Entry zone: 1.1700 to 1.1750
- Stop: Below 1.1650
- Take profit 1: 1.1830
- Take profit 2: 1.1950
- Take profit 3: 1.2100 if the macro leg extends and the rate gap stays wide

Australia is running a higher policy rate and remains more constrained by inflation risk, which supports framed Australia inflation as sticky in services and housing linked components, which raises the bar for early easing and is consistent with the higher for longer framing that tends to support AUD crosses.

New Zealand policy remains accommodative at a lower OCR, with the central bank expecting inflation to fall and emphasising careful monitoring rather than imminent tightening.

Australia two-year yields were around 4.28 percent on February 19, 2026, which is consistent with a restrictive front-end profile and supports the divergence channel in the cross.

3.4 Risks and Mitigations

Risk 1: RBNZ turns more hawkish than expected, either through guidance or an inflation re acceleration that pulls forward hikes.

Mitigant: Reduce exposure into major New Zealand inflation and policy communication windows.

Risk 2: RBA pivots dovish, framing growth risks as dominant and downplaying inflation persistence, narrowing the AU NZ front end spread.

Mitigant: Avoid entering large size immediately ahead of RBA decisions. Use a smaller starter position and add only after confirmation.

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