Central Bank Weekly-13th February 2026

Previewing RBNZ, FOMC Minutes, and RBA Minutes; Reviewing BoC Minutes

PREVIEWS

RBA MINUTES (TUE): The RBA will release minutes of its meeting earlier this month, when it raised the Cash Rate for the first time in more than two years by 25bps to 3.85%, as expected, with the decision unanimous. The bank said inflation was likely to remain above target for some time and that broad measures of wage growth continued to be strong. It added that labour market conditions were somewhat tight and capacity pressures greater than previously assessed and noted uncertainty around the outlook for domestic economic activity and inflation, and the extent to which monetary policy is restrictive. The RBA also published its latest Quarterly Statement on Monetary Policy, stating that underlying inflation was higher than expected and that GDP growth had continued to pick up, with private demand surprisingly strong. It raised its trimmed mean and CPI inflation forecasts and lifted its December 2025 GDP projection but lowered its year-end GDP forecasts for December 2026 and December 2027. The forecasts assumed the Cash Rate at 4.2% in December 2026 and 4.3% in December 2027. Governor Bullock said at the press conference that the pulse of inflation was too strong and that high inflation hurt all Australians, adding that the Board believed inflation would take longer to return to target and could not allow it to get away.

RBNZ ANNOUNCEMENT (WED): The RBNZ will hold its first policy meeting of the year next week, where it is widely expected to keep the Official Cash Rate unchanged at 2.25%, with money markets pricing a 98% probability of no change. The meeting will be the first under Governor Breman, who took office in December. At its previous meeting in November, the RBNZ cut rates by 25bps, its third consecutive reduction, bringing cumulative easing to 325bps since it began its rate-cutting cycle in August 2024. The bank left the door open to further moves, saying future changes to the OCR would depend on how the outlook for medium-term inflation and the economy evolves, although its projections implied a pause through 2026. The RBNZ noted that annual consumer inflation rose to 3% in the September quarter but said spare capacity in the economy should see inflation fall to around 2% by mid-2026, with risks to the outlook balanced. Then-Governor Christian Hawkesby said policymakers were well placed to mitigate risks and that the central projection was for the Cash Rate to remain on hold through 2026, while retaining full optionality with every option on the table. He later acknowledged the bank had lowered the cash rate significantly and was more confident the OCR was now stimulatory, adding that the hurdle for further cuts was high and that it could not keep the door open to easing indefinitely. Governor Breman has also signalled openness to further adjustments, but without urgency, saying the RBNZ had made significant progress towards its mandated objectives and was closely monitoring data, including inflation and GDP. She said there was no preset course for monetary policy and that the bank would adjust if the inflation outlook changed. Breman added that the economic outlook had evolved broadly in line with expectations and that the forward path for the OCR published in the November monetary policy statement pointed to a slight probability of another cut in the near term, though if conditions evolve as expected the OCR is likely to remain at 2.25% for some time.

FOMC MINUTES (WED): The Fed left rates unchanged at 3.50-3.75%, as expected, in a 10-2 vote, with Governors Miran and Waller dissenting in favour of a 25bps reduction. Miran had previously voted for a 50bps cut in December. The January statement upgraded its economic assessment, replacing "economic activity has been expanding at a moderate pace" with "expanding at a solid pace", "job gains have slowed this year" with "job gains have remained low", and "the unemployment rate has edged up" with it having "shown some signs of stabilisation". It also simplified "inflation has moved up since earlier in the year and remains somewhat elevated" to "inflation remains somewhat elevated". In its risk characterisation, December's addition that the Committee "judges that downside risks to employment rose in recent months" was removed, leaving only that it is attentive to risks on both sides of the mandate. The statement's tone was slightly more positive on the economy and labour market and broadly unchanged on inflation. Ahead of the decision, traders looked for signals on the future policy path, but the statement offered no immediate clues and Chair Powell's press conference provided little by way of new information. Powell noted that decisions will be made on a meeting-by-meeting basis, guided by the data and balance of risks. He said policy is well positioned, reiterating it is currently within a plausible neutral range, but towards the higher end. If Fed sees goods pricing peaking over this year, that suggests the Fed can loosen policy further. Powell highlighted that data since the December meeting has improved the outlook. Inflation remains somewhat elevated. Goods and tariff-related inflation expected to peak around mid-2026, with many effects already passed through. He noted that the labour market has weakened alongside solid growth, but recent data suggests stabilisation following a period of cooling. Job gains remain subdued, and while risks to employment have diminished, they have not disappeared, making it difficult to judge whether the dual mandate is fully in balance. Since the January meeting, Governor Waller (voter) has argued policy remains too restrictive, the labour market "does not look remotely healthy", and tariff-driven inflation should be looked through. Governor Miran (voter) has said underlying inflation is not problematic and rates should be materially lower, warning policy may be passively tightening, though he added that after this week's jobs data his concerns about the labour market have eased slightly. Governor Cook (voter) stressed stalled disinflation and the need to maintain credibility. Vice Chair Jefferson (voter) described policy as well positioned, expects tariff effects to fade and inflation to ease in 2026. Logan and Hammack (both 2026 voters), characterised rates as around neutral, signalling no urgency to cut unless labour conditions deteriorate materially. Among non-voters, Musalem and Schmid cautioned against further easing with inflation near 3%, while Daly, Barkin and Bostic emphasised resilience but warned inflation remains above target. Note, the minutes are an account of the January 28th meeting, so it will not incorporate the January jobs report and CPI data.

REVIEWS

BOC MINUTES (WED): The BoC is currently on hold but is keeping its options open. Recent minutes said the policy rate is on the stimulative side of the Bank's estimated neutral range, and policymakers agreed that holding rates at the current level was conditional on the economy evolving in line with their outlook, warning that heightened uncertainty has broadened the range of possible outcomes. Members said it was difficult to predict the timing and direction of the next policy move and would continue to monitor risks closely, standing ready to respond if the outlook changes. On inflation, the BoC noted that escalating tensions could disrupt global supply chains and weigh on activity, posing both upside and downside risks to prices. On the USMCA review, it said this posed downside risks to growth and could pull inflation lower if the economy weakens, though higher import costs, potential counter-tariffs and supply chain disruptions could lift inflation. Amid the uncertainty, the BoC agreed to maintain optionality in setting policy.