FX NOW! THE WEEK AHEAD – An FX compass in Central Bank Weeks (27.10.2026)



Central Bank Meetings:

New Zealand 28.10.2026

Expected:3.00% (hike 25bp – probability: 94%) New Zealand faces a mixed economic outlook over 2026 and 2027. Real GDP is expected to grow by around 2% in 2026 and then gradually firm toward the low-2% range in 2027, as tighter financial conditions weigh on demand, but population growth and business investment provide some support. Underlying inflation is projected to ease only slowly: after running above the target range into early 2026, it is now expected to move back inside the band towards the end of 2026 but not clearly toward the midpoint until sometime in 2027, assuming no major external shocks and a steady disinflation process. The unemployment rate is forecast to edge up and then stabilize, hovering around 4.5% through 2026 and 2027, consistent with a modest loosening in labor market conditions rather than a sharp downturn. The policy rate is anticipated to remain restrictive through most of 2026 with 3 hikes anticipated, and gradual easing expected for 2027.

Canada 28.10.2026

Expected:2.50% (hike 25bp – probability: 80%) Canada's economy faces a cautious outlook through 2026 and 2027, marked by subdued growth, an energy-driven inflation overshoot, and a softening labor market. Real GDP growth is projected at around 0.7–0.9% in 2026 before recovering toward 1.5–1.8% in 2027 as the tariff drag fades. Headline CPI inflation has moved back above target, reaching 3.1% in September (from 3.0% in

August) on a 27.8% jump in gasoline prices tied to higher crude oil, but underlying measures remain contained with CPI ex-gasoline at 2.2% and the Bank's core measures (CPI-trim 1.8%, CPI-median 1.9%) close to 2%, so inflation is expected to ease back toward the 2% target over 2027 as energy effects wash out. The unemployment rate rose to 6.5% in September after a second consecutive monthly job loss (−68,000) and is forecast to peak near 6.7% around the turn of the year before stabilizing and drifting lower through 2027, reflecting a soft landing rather than recessionary pressures. The Bank of Canada, on hold at 2.25% since October 2025, is now widely expected to raise its policy rate by 25 bp to 2.50% at its 28 October meeting (markets price roughly an 80% probability, with a Reuters poll split 19 of 34 economists in favor), with a further hike toward the estimated neutral level of 2.75% seen by early 2027 before rates stay on hold through the remainder of 2027.

USA 28.10.2026

Expected: 4.00% (unchanged – probability: 90%) The US economy is projected to maintain steady with moderate expansion through 2026 and 2027 with growth supported by consumer spending and productivity gains despite a renewed inflation overshoot and a Fed that has shifted back to tightening. Real GDP is expected to expand by around 2.3% in 2026, slightly above potential as AI-related investment and resilient consumption provide tailwinds, before holding near 2.2–2.4% in 2027 according to the Fed's September projections. Core PCE inflation has re-accelerated to 3.0% (August) with headline PCE at 3.4% on higher energy prices and is forecast to end 2026 near 3.4% before easing only gradually to about 2.5% in 2027, still above the Fed's 2% target. The unemployment rate has edged up to 4.2% in September and is anticipated to hover around 4.1–4.3% through 2026 and 2027, reflecting low-hiring rather than sharp weakening.

ECB 29.10.2026

Expected:2.50% (unchanged – probability: 95%) The Eurozone economy is projected to see modest expansion through 2026 and 2027, with domestic demand and German fiscal stimulus offsetting an energy price shock and weak exports. Real GDP growth is expected to reach around 0.9% in 2026 before improving to 1.4% in 2027 as lower energy inflation restores purchasing power and defense, infrastructure and AI-related investment gather pace. HICP headline inflation has climbed to 3.8% in September (core 2.5%) on surging energy prices and is projected to approach 3.6% in Q4 2026 before easing to 2.5% in 2027 and back toward the ECB's 2% goal in 2028. The unemployment rate held at 6.4% in August and is anticipated to drift lower to around 6.1–6.2% through 2026–2027, with continued employment growth supporting consumption.

Japan 30.10.2026

Expected:1.25% (unchanged – probability: 98%) Japan's economy is projected to grow modestly through 2026 and 2027, supported by wage gains and fiscal stimulus but

tempered by rising rates, a weak yen and external headwinds. Real GDP growth is expected at around 0.6% in fiscal 2026, close to potential as domestic demand (consumption and capex) provides support, before edging up to 0.8% in fiscal 2027 amid gradual recovery and policy offsets to global trade risks. Core CPI inflation has moved back above target to 2.1% in September from 1.7% in August, with the ex-food-and-energy measure at 2.4%. The BoJ sees core inflation at 2.5% in fiscal 2026 and 2.4% in fiscal 2027 on persistent services and import costs before moderating to 2.0% in fiscal 2028. The unemployment rate edged up to 2.5% in August and is anticipated to hold near 2.4–2.5% across 2026–2027, reflecting near-full employment with solid wage growth sustaining a tight market.

References

New Zealand https://www.rbnz.govt.nz/news-and-events/events Canada https://www.bankofcanada.ca/press/upcoming-events/ USA https://www.federalreserve.gov/monetarypolicy/fomccalendars.htm ECB https://www.ecb.europa.eu/press/calendars/mgcgc/html/index.en.html Japan https://www.boj.or.jp/en/mopo/mpmsche_minu/index.htm

Agenda as of 27. October 2026

Central Bank Meetings (CET):

New Zealand

- Release: 28.10.2026 / 02:00H
- Press conference: 28.10.2026 / 03:00H

Canada

- Release: 28.10.2026 / 14:45H
- Press conference: 28.10.2026 / 15:30H

USA

- Release: 28.10.2026 / 19:00H
- Press conference: 28.10.2026 / 19:30H

ECB

- Release: 29.10.2026 / 14:15H
- Press conference: 29.10.2026 / 14:45H

Japan

- Release: 30.10.2026 / 04:00H

- Press conference: 30.10.2026 / 07:30H