Research

Economy Watch

18 November 2026

Rangebound in 2026

- **Job ads fall in October**
- **A subdued story for many**
- **Follows weak Q3 labour market data**
- **Improvement expected**

	Oct-24	Oct-25	Aug-26	Sep-26	Oct-26
m/m % change	-0.5	1.5	-0.1	-0.4	-0.6
m/m % change (s.a.)	-0.8	0.5	5.1	-0.9	-1.3
3m/3m	-5.6	3.4	0.3	0.0	-0.4
Ann % change (m/m)	-26.7	8.2	8.6	6.8	4.6
Ann % change (3m/3m)	-28.5	5.9	9.8	8.4	6.6

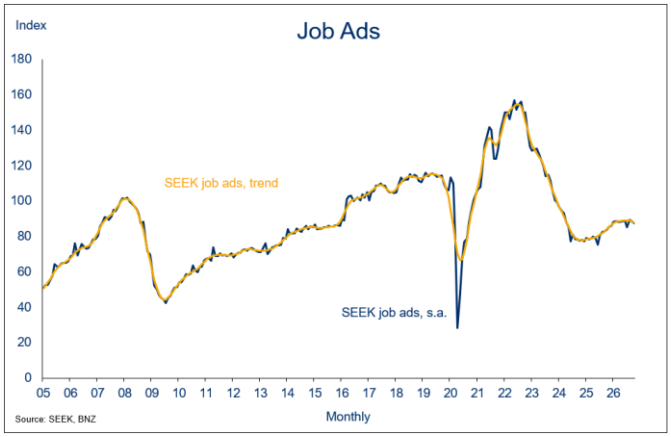
All data is the trend unless otherwise indicated

A well-documented lag of changes in economic activity to changes in the labour market seems to be playing out in NZ. Despite evidence of economic improvement, there has been limited respite in the labour market.

This continued last month. Seasonally adjusted SEEK job ads fell 1.3% m/m in October after a revised 0.9% drop in September. The back-to-back declines returns jobs ads to levels seen at the start of the year, reversing the tentative improvement that emerged mid-year.

The weakness comes on the heels of Q3 labour market data showing the unemployment rate rose to an 11-year high of 5.7%, with employment down 0.1% last quarter.

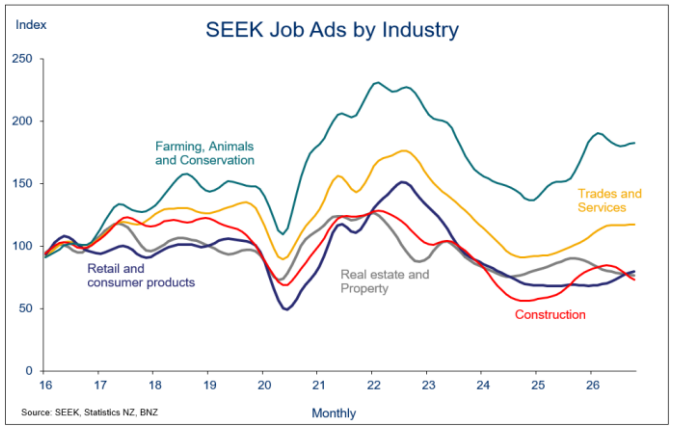
Back to a flat track



Although the level of job ads is higher than a year ago, recent softening has become more apparent. In October, monthly job ads declined for several industries including design and architecture (-2.7%), construction (-3.3%), and real estate and property (-1.0%). Gains elsewhere were subdued, including in farming, animals and conservation (+0.3%), and trade and services (+0.1%). Retail and consumer products had a more material lift at 0.9% m/m, after a prolonged period of limited growth.

A similar pattern was evident across regions, with job ads generally higher than a year ago but softer in October. Ads declined in Wellington, Auckland (both -1.0%) and Canterbury (-0.3%) with flat to slightly positive results in other key regions including Waikato (+0.3%) and Bay of Plenty (0.0%).

Many flat to down



The subdued nature of job ads in October across many industries and regions suggests a common cause. Cost pressures would be an obvious candidate and perhaps uncertainty ahead of the election. If the latter played a part, some relief may occur once a new government is formed. Only time will tell.

The current environment remains tough for jobseekers. But other labour market indicators suggest some light at the end of the tunnel. The employment subindexes in last week's Performance of Manufacturing and Performance of Services Indexes (PMI/PSI) did not deteriorate in October, filled jobs have been trending upwards and hiring intentions jumped significantly in the last QSBO report.

While today's data is soft, we continue to forecast that the unemployment rate peaked at 5.7% in Q3 and expect it to decline gradually over the next year as the early shoots of economic recovery continue to build and feed through to the wider labour market.

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The Covid-19 pandemic led to a high level of volatility in labour market data between April 2020 and March 2022. As a result, caution is recommended when interpreting trend estimates during this period as large month-to-month changes in variables generated multiple trend breaks.

The applications per ad index contains a series break at Jan 2016 when the calculation of this series changed from using gross variables (inclusive of all SEEK job listings) to net variables (removing duplicate job listings). This change has a negligible impact on recent data points, but caution is recommended when interpreting data immediately following the series break, and particularly in 2016 where growth rates have not been adjusted for the series break.