Research

# Economy Watch

24 April 2026

# Jumbled jobs picture

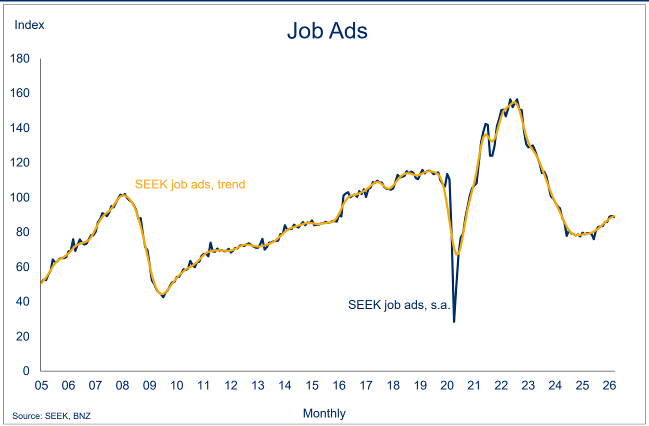
- **March jobs ads soften slightly**
- **Unclear if related to the Middle East conflict**
- **Hiring intentions falling**
- **But advertised wages lifting**

| | Mar-24 | Mar-25 | Jan-26 | Feb-26 | Mar-26 |
|---|---|---|---|---|---|
| m/m % change | -2.8 | 0.2 | 1.2 | 1.0 | 0.8 |
| m/m % change (s.a.) | -1.1 | 1.0 | 3.4 | 0.5 | -0.7 |
| 3m/3m | -8.5 | 0.7 | 4.2 | 4.0 | 3.5 |
| Ann % change (m/m) | -28.0 | -13.7 | 11.6 | 12.4 | 13.0 |
| Ann % change (3m/3m) | -27.1 | -16.3 | 10.5 | 11.5 | 12.3 |

All data is the trend unless otherwise indicated

In March, SEEK job ads eased 0.7% m/m in seasonally adjusted terms. While changes in economic indicators are quickly being attributed to the Middle East conflict, we are cautious to jump to any strong conclusions here. It is possible the fall in ads has been brought about by the war and rise in uncertainty, leading some firms to put hiring plans on hold. It is also possible that it is too early to see these impacts, and March is just typical monthly variation. The trend in ads is still moving higher, lifting 3.5% in Q1.

Off a low base

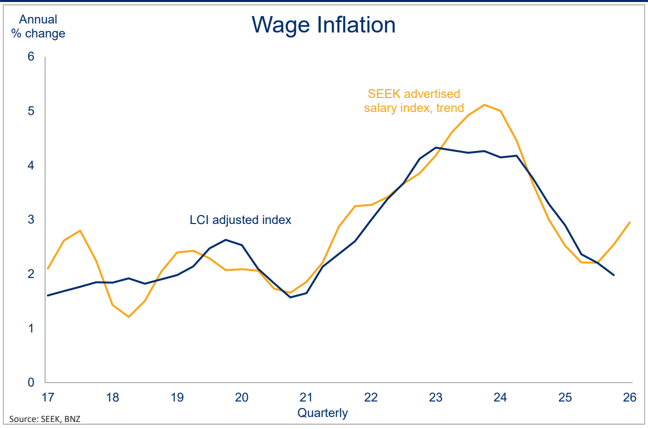



The March Quarterly Survey of Business Opinion (QSBO) didn't provide much more clarity either. It showed a significant drop in firms' employment intentions. The level is still consistent with our forecasts for some employment growth this year. However, we are wary, as the responses likely deteriorated as the month wore on.

Well, what can we say with certainty? We know that annual inflation is lifting sharply, growth is softening, and the labour market is likely to lag. Official labour market data for the March 2026 quarter is due on Wednesday 6 May. These will be of interest, but only to the extent they provide insight into the state of the job market largely pre-conflict. We forecast the unemployment rate to stay at 5.4% and hold around this level for an extended period.

We will also be monitoring annual wage growth, as a guide to medium-term inflation. The adjusted Labour Cost Index (LCI) was 2.0% last quarter and is likely to remain subdued. Annual growth in the SEEK advertised salary index lifted surprisingly to 3.0% in February and suggests some upside risk to our wage forecasts, albeit the data are pre-war and there is not a one-for-one match.

Some upside risk




We will be watching wage indicators more closely than normal, given RBNZ Governor Breman has said wage growth, core inflation and inflation expectations could be triggers for lifting the OCR sooner than they might otherwise. In annual terms, the majority of core inflation measures eased a touch in Q1. It is still too early to see sharp fuel price increases drive up other prices more broadly. The RBNZ Survey of Expectations is due 13 May, and will no doubt show further increases in short-term inflation expectations. We will be more interested in the survey's medium and long-term inflation expectations.

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