

# LONG-TERM FORECASTS



## Interest rates

	15-Jul-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
<b>Australia</b>															
Cash	1.35	2.10	2.35	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
90 Day BBSW	2.15	2.55	2.72	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.85	2.85
3 Year Swap	3.47	3.55	3.50	3.30	3.10	2.90	2.80	2.75	2.75	2.75	2.75	2.70	2.70	2.65	2.60
3 Year Bond	2.98	3.10	3.10	2.95	2.80	2.65	2.60	2.55	2.55	2.55	2.55	2.50	2.50	2.45	2.40
10 Year Bond	3.42	3.60	3.50	3.35	3.15	2.90	2.65	2.50	2.35	2.25	2.15	2.10	2.10	2.05	2.05
10 Year Spread to US (bps)	47	50	50	45	45	40	35	30	25	20	15	10	10	5	5
<b>New Zealand</b>															
Cash	2.50	3.00	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.25	3.00	2.75	2.50	2.25	2.00
90 Day Bill	3.10	3.40	3.60	3.60	3.60	3.60	3.60	3.60	3.50	3.25	3.00	2.75	2.50	2.25	2.10
2 Year Swap	4.05	4.30	4.10	4.00	3.80	3.50	3.20	2.90	2.70	2.55	2.45	2.35	2.30	2.25	2.20
10 Year Bond	3.66	4.00	3.80	3.60	3.40	3.20	3.00	2.90	2.80	2.75	2.70	2.70	2.70	2.70	2.70
10 Year Spread to Aus	24	40	30	25	25	30	35	40	45	50	55	60	60	65	65
10 Year Spread to US	71	90	80	70	70	70	70	70	70	70	70	70	70	70	70
<b>United States</b>															
Fed Funds	1.625	2.875	3.375	3.375	3.375	3.375	3.125	2.875	2.625	2.375	2.125	2.125	2.125	2.125	2.125
10 Year Bond	2.94	3.10	3.00	2.90	2.70	2.50	2.30	2.20	2.10	2.05	2.00	2.00	2.00	2.00	2.00
<b>Euro area</b>															
ECB Refi Rate	0.00	0.75	1.50	1.50	1.50	1.50	1.50	1.25	1.25	1.00	1.00	1.00	1.00	1.00	1.00
10 Year Bund	1.18	1.40	1.40	1.40	1.20	1.05	0.95	0.90	0.90	0.95	0.95	1.00	1.00	1.00	1.00
10 Year Spread to US	-177	-170	-160	-150	-150	-145	-135	-130	-120	-110	-105	-100	-100	-100	-100
<b>United Kingdom</b>															
BoE Bank Rate	1.25	1.75	2.00	2.00	2.00	2.00	1.75	1.50	1.25	1.00	1.00	1.00	1.00	1.00	1.00
10 Year Gilt	2.10	2.30	2.30	2.30	2.15	2.00	1.85	1.75	1.70	1.65	1.60	1.60	1.60	1.60	1.60
10 Year Spread to US	-84	-80	-70	-60	-55	-50	-45	-45	-40	-40	-40	-40	-40	-40	-40

Source: Bloomberg, Westpac Economics

Note, New Zealand forecasts may have been updated since this monthly publication was released. For the latest forecasts, see Westpac New Zealand's Economics and Financial Forecasts.

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# LONG-TERM FORECASTS



## Australian dollar

	15-Jul-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
<b>AUD vs</b>															
USD	0.6729	0.72	0.75	0.77	0.78	0.79	0.80	0.80	0.80	0.80	0.80	0.79	0.79	0.78	0.78
JPY	93.53	96.5	99.0	100.1	99.1	98.8	98.4	96.8	95.2	94.4	93.6	91.6	91.6	89.7	89.7
EUR	0.6717	0.69	0.69	0.69	0.69	0.69	0.70	0.69	0.68	0.68	0.68	0.68	0.68	0.67	0.67
NZD	1.0989	1.11	1.10	1.10	1.10	1.10	1.11	1.11	1.11	1.13	1.13	1.11	1.13	1.11	1.13
CAD	0.8829	0.91	0.94	0.95	0.97	0.99	1.00	1.00	1.01	1.01	1.02	1.00	1.01	1.00	1.00
GBP	0.5693	0.59	0.60	0.60	0.60	0.60	0.60	0.59	0.59	0.59	0.59	0.59	0.59	0.58	0.59
CHF	0.6620	0.70	0.72	0.73	0.73	0.74	0.74	0.74	0.74	0.74	0.74	0.73	0.73	0.73	0.73
DKK	4.9985	5.10	5.12	5.16	5.13	5.15	5.17	5.11	5.09	5.09	5.09	5.02	5.02	5.00	5.00
SEK	7.1255	7.27	7.30	7.36	7.32	7.35	7.38	7.29	7.25	7.25	7.25	7.16	7.16	7.13	7.13
NOK	6.9020	7.05	7.07	7.13	7.09	7.12	7.15	7.06	7.03	7.03	7.03	6.94	6.94	6.91	6.91
ZAR	11.57	12.0	12.2	12.4	12.5	12.5	12.6	12.6	12.6	12.6	12.6	12.7	12.7	12.8	12.8
SGD	0.9447	0.99	1.02	1.04	1.05	1.05	1.06	1.05	1.04	1.05	1.05	1.03	1.03	1.01	1.01
HKD	5.2826	5.65	5.89	6.01	6.08	6.12	6.20	6.20	6.20	6.20	6.20	6.12	6.12	6.05	6.05
PHP	37.93	38.2	38.3	38.5	38.6	38.7	39.2	39.1	39.1	39.2	39.2	38.6	38.6	38.1	38.1
THB	24.70	25.2	25.5	25.4	25.0	24.5	24.8	24.8	24.8	24.9	24.9	24.5	24.5	24.2	24.2
MYR	2.9950	3.10	3.15	3.20	3.20	3.20	3.24	3.24	3.23	3.24	3.24	3.19	3.19	3.15	3.15
CNY	4.5481	4.72	4.76	4.81	4.84	4.86	4.92	4.88	4.84	4.84	4.84	4.74	4.74	4.68	4.68
IDR	10104	10584	10875	11088	11154	11218	11345	11329	11298	11334	11334	11162	11162	11021	11021
TWD	20.16	21.2	21.8	21.9	22.0	22.1	22.4	22.3	22.3	22.4	22.4	22.0	22.0	21.8	21.8
KRW	892	907	915	916	905	893	901	897	890	894	894	876	876	865	865
INR	53.75	55.1	56.6	56.6	56.6	56.9	57.6	57.2	56.8	56.8	56.4	55.7	55.3	54.6	54.6

## New Zealand dollar

	15-Jul-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
<b>NZD vs</b>															
USD	0.6124	0.65	0.68	0.70	0.71	0.72	0.72	0.72	0.72	0.71	0.71	0.71	0.70	0.70	0.69
JPY	85.11	87.1	89.8	91.0	90.2	90.0	88.6	87.1	85.7	83.8	83.1	82.4	81.2	80.5	79.4
EUR	0.6112	0.62	0.62	0.63	0.63	0.63	0.63	0.62	0.62	0.61	0.61	0.61	0.60	0.60	0.59
AUD	0.9100	0.90	0.91	0.91	0.91	0.91	0.90	0.90	0.90	0.89	0.89	0.90	0.89	0.90	0.88
CAD	0.8034	0.82	0.85	0.87	0.88	0.90	0.90	0.90	0.91	0.89	0.90	0.90	0.90	0.90	0.88
GBP	0.5181	0.53	0.54	0.55	0.55	0.55	0.54	0.53	0.53	0.53	0.53	0.53	0.52	0.52	0.52
CNY	4.1389	4.26	4.32	4.38	4.40	4.43	4.43	4.39	4.36	4.30	4.30	4.26	4.20	4.20	4.14

Source: Bloomberg, Westpac Economics

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# LONG-TERM FORECASTS



## US Dollar

	15-Jul-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
USD vs															
<b>DEX index</b>	108.57	103.9	100.5	98.7	96.8	95.7	94.6	93.3	92.8	92.7	92.7	92.6	92.8	93.3	93.5
JPY	138.97	134	132	130	127	125	123	121	119	118	117	116	116	115	115
EUR	1.0019	1.05	1.09	1.11	1.13	1.14	1.15	1.16	1.17	1.17	1.17	1.17	1.17	1.16	1.16
AUD	0.6729	0.72	0.75	0.77	0.78	0.79	0.80	0.80	0.80	0.80	0.80	0.79	0.79	0.78	0.78
NZD	0.6124	0.65	0.68	0.70	0.71	0.72	0.72	0.72	0.72	0.71	0.71	0.71	0.70	0.70	0.69
CAD	1.3120	1.26	1.25	1.24	1.24	1.25	1.25	1.25	1.26	1.26	1.27	1.27	1.28	1.28	1.28
GBP	1.1820	1.23	1.26	1.28	1.30	1.32	1.34	1.35	1.35	1.35	1.35	1.35	1.34	1.34	1.33
CHF	0.9838	0.97	0.96	0.95	0.94	0.94	0.93	0.93	0.93	0.92	0.92	0.93	0.93	0.93	0.93
ZAR	17.19	16.6	16.3	16.1	16.0	15.9	15.8	15.8	15.8	15.8	15.8	16.1	16.1	16.4	16.4
SGD	1.4037	1.38	1.36	1.35	1.34	1.33	1.32	1.32	1.31	1.31	1.31	1.30	1.30	1.30	1.30
HKD	7.8499	7.85	7.85	7.80	7.80	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75
PHP	56.36	53.0	51.0	50.0	49.5	49.0	49.0	48.9	48.8	49.0	49.0	48.9	48.9	48.9	48.9
THB	36.69	35.0	34.0	33.0	32.0	31.0	31.0	31.0	30.9	31.1	31.1	31.0	31.0	31.0	31.0
MYR	4.4504	4.30	4.20	4.15	4.10	4.05	4.05	4.04	4.04	4.05	4.05	4.04	4.04	4.04	4.04
CNY	6.7586	6.55	6.35	6.25	6.20	6.15	6.15	6.10	6.05	6.05	6.05	6.00	6.00	6.00	6.00
IDR	15016	14700	14500	14400	14300	14200	14181	14161	14123	14168	14168	14129	14129	14129	14129
TWD	29.95	29.4	29.0	28.5	28.2	28.0	28.0	27.9	27.9	28.0	28.0	27.9	27.9	27.9	27.9
KRW	1325	1260	1220	1190	1160	1130	1126	1121	1113	1117	1117	1109	1109	1109	1109
INR	79.85	76.5	75.5	73.5	72.5	72.0	72.0	71.5	71.0	71.0	70.5	70.5	70.0	70.0	70.0

## Euro & British Pound Sterling

	15-Jul-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
euro vs															
USD	1.0019	1.05	1.09	1.11	1.13	1.14	1.15	1.16	1.17	1.17	1.17	1.17	1.17	1.16	1.16
JPY	139.25	141	144	144	144	143	141	141	139	138	137	136	136	133	133
GBP	0.8476	0.85	0.87	0.87	0.87	0.86	0.86	0.86	0.87	0.87	0.87	0.87	0.87	0.87	0.87
CHF	0.9856	1.02	1.04	1.05	1.06	1.07	1.07	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08
DKK	7.4419	7.44	7.44	7.44	7.44	7.44	7.44	7.44	7.44	7.44	7.44	7.44	7.44	7.44	7.44
SEK	10.6093	10.6	10.6	10.6	10.6	10.6	10.6	10.6	10.6	10.6	10.6	10.6	10.6	10.6	10.6
NOK	10.2752	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3
sterling vs															
USD	1.1820	1.23	1.26	1.28	1.30	1.32	1.34	1.35	1.35	1.35	1.35	1.35	1.34	1.34	1.33
JPY	164.28	165	166	166	165	165	165	163	161	159	158	157	155	154	153
CHF	1.1628	1.19	1.20	1.21	1.22	1.23	1.25	1.25	1.25	1.24	1.24	1.25	1.24	1.25	1.24
AUD	0.5693	0.59	0.60	0.60	0.60	0.60	0.60	0.59	0.59	0.59	0.59	0.59	0.59	0.58	0.59

Source: Bloomberg, Westpac Economics

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# LONG-TERM FORECASTS



## Key macroeconomic forecasts

	2022				2023		2024				2025					
	Q1	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
Real GDP %qtr	0.8	1.3	1.1	0.8	0.4	0.5	0.5	0.6	0.5	0.6	0.6	0.7	0.6	0.6	0.6	0.6
%yr	3.3	3.9	6.9	4.0	3.6	2.8	2.2	2.0	2.1	2.2	2.3	2.5	2.6	2.6	2.5	2.5
Unemployment rate %	4.0	3.8	3.4	3.3	3.3	3.3	3.3	3.5	3.6	3.7	3.9	3.9	3.9	3.9	3.9	3.9
Wages (WPI) %qtr	0.7	0.8	0.8	1.0	1.0	1.0	0.8	1.1	0.8	0.9	0.9	1.0	0.8	0.8	0.8	0.9
%yr	2.4	2.7	2.9	3.3	3.6	3.8	3.8	3.9	3.7	3.6	3.7	3.6	3.5	3.5	3.5	3.4
CPI Headline %qtr	2.1	1.5	0.6	2.2	1.2	0.6	0.6	0.6	0.9	0.6	0.6	0.6	1.0	0.5	0.5	0.6
%yr	5.1	5.8	5.7	6.6	5.6	4.7	4.7	3.0	2.8	2.7	2.7	2.7	2.8	2.7	2.7	2.7
Core inflation – trimmed mean	1.4	1.3	1.0	1.0	0.8	0.8	0.8	0.7	0.7	0.7	0.8	0.7	0.8	0.6	0.6	0.6
%yr	3.7	4.5	4.8	4.8	4.2	3.7	3.5	3.2	3.1	3.0	3.0	3.0	3.1	2.9	2.8	2.7
Australian commodities index#	338	365	384	398	386	364	340	316	295	276	260	245	233	225	219	216
World growth year-average	-	-	-	3.0	-	-	-	3.5	-	-	-	3.3	-	-	-	3.2

Calendar year changes are through the year for Australian GDP, wages and inflation. The unemployment rate is shown on a quarter-average basis, as is the commodities index. World growth is forecast on a year-average basis. GDP forecasts are reviewed following the release of quarterly national accounts.

# Chain weighted index: weights are Australian export shares.

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