

LONG-TERM FORECASTS



Interest rates

	20-Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Australia												
Cash	3.60	3.85	3.85	3.85	3.60	3.35	3.10	2.85	2.60	2.35	2.35	2.35
90 Day BBSW	3.69	3.95	3.95	3.97	3.72	3.47	3.22	2.97	2.72	2.48	2.60	2.60
3 Year Swap	3.46	3.65	3.60	3.50	3.40	3.20	3.00	2.90	2.80	2.70	2.60	2.60
3 Year Bond	2.96	3.20	3.20	3.15	3.10	2.95	2.80	2.70	2.60	2.50	2.40	2.40
10 Year Bond	3.35	3.60	3.40	3.20	3.00	2.80	2.70	2.50	2.45	2.45	2.45	2.45
10 Year Spread to US (bps)	-15	-10	-10	-10	-10	-10	-10	-10	-5	-5	-5	-5
New Zealand												
Cash	4.75	5.00	5.00	5.00	5.00	4.75	4.25	3.75	3.50	3.00	3.00	3.00
90 Day Bill	5.13	5.10	5.10	5.10	5.00	4.55	4.05	3.75	3.30	3.10	3.10	3.10
2 Year Swap	5.00	4.90	4.60	4.30	4.00	3.70	3.55	3.40	3.30	3.30	3.30	3.30
10 Year Bond	4.28	4.40	4.20	4.00	3.85	3.70	3.60	3.50	3.50	3.50	3.50	3.50
10 Year Spread to Aus	92	80	80	80	85	90	90	100	105	105	105	105
10 Year Spread to US	77	70	70	70	75	80	80	90	100	100	100	100
United States												
Fed Funds	4.625	4.875	4.875	4.875	4.375	3.875	3.375	2.875	2.375	2.125	2.125	2.125
10 Year Bond	3.51	3.70	3.50	3.30	3.10	2.90	2.80	2.60	2.50	2.50	2.50	2.50
Euro area												
ECB Refi Rate	3.00	3.25	3.25	3.25	3.00	2.50	2.00	1.50	1.25	1.25	1.25	1.25
10 Year Bund	2.11	2.45	2.30	2.15	2.00	1.85	1.80	1.60	1.50	1.50	1.50	1.50
10 Year Spread to US	-140	-125	-120	-115	-110	-105	-100	-100	-100	-100	-100	-100
United Kingdom												
BoE Bank Rate	4.00	4.25	4.25	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.25	2.25
10 Year Gilt	3.28	3.55	3.35	3.15	3.00	2.80	2.70	2.50	2.40	2.40	2.40	2.40
10 Year Spread to US	-22	-15	-15	-15	-10	-10	-10	-10	-10	-10	-10	-10

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.

<https://www.westpac.co.nz/business/tools-rates-fees/economics/>

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LONG-TERM FORECASTS



Australian dollar

	20-Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
AUD vs												
USD	0.6722	0.69	0.72	0.74	0.75	0.76	0.76	0.77	0.77	0.76	0.76	0.75
JPY	89.16	90.4	93.6	95.5	96.0	96.5	95.8	95.5	94.7	92.7	92.0	90.0
EUR	0.6294	0.63	0.65	0.67	0.67	0.68	0.67	0.67	0.67	0.66	0.65	0.65
NZD	1.0718	1.08	1.09	1.10	1.11	1.13	1.13	1.13	1.13	1.12	1.12	1.10
CAD	0.9204	0.92	0.94	0.95	0.96	0.97	0.96	0.97	0.97	0.95	0.95	0.94
GBP	0.5515	0.57	0.59	0.60	0.60	0.60	0.60	0.60	0.60	0.59	0.58	0.58
CHF	0.6229	0.63	0.66	0.67	0.68	0.68	0.68	0.69	0.68	0.67	0.67	0.66
DKK	4.6845	4.71	4.87	4.96	4.98	5.03	4.96	4.98	4.97	4.88	4.86	4.81
SEK	7.0490	7.09	7.33	7.47	7.50	7.57	7.47	7.50	7.47	7.34	7.31	7.24
NOK	7.1642	7.21	7.45	7.59	7.63	7.69	7.59	7.62	7.60	7.46	7.43	7.36
ZAR	12.40	12.5	12.8	12.9	13.0	13.1	13.1	13.2	13.2	13.3	13.3	13.4
SGD	0.9007	0.91	0.95	0.97	0.98	1.00	0.99	1.00	1.00	0.99	0.99	0.98
HKD	5.2756	5.40	5.62	5.76	5.83	5.90	5.89	5.97	5.97	5.89	5.89	5.81
PHP	36.74	37.3	38.5	39.2	39.0	38.8	38.4	38.5	38.5	38.0	38.0	37.5
THB	22.88	22.8	23.4	23.7	23.6	23.6	23.2	23.5	23.5	23.2	23.2	22.9
MYR	3.0060	2.93	3.02	3.07	3.08	3.08	3.08	3.08	3.08	3.04	3.04	3.00
CNY	4.6403	4.62	4.75	4.81	4.80	4.79	4.71	4.70	4.62	4.56	4.56	4.50
IDR	10315	10350	10656	10804	10800	10792	10640	10626	10626	10488	10488	10350
TWD	20.56	20.6	21.4	21.8	22.0	22.2	22.1	22.3	22.3	22.0	22.0	21.8
KRW	875	863	893	903	900	897	882	886	886	874	874	863
INR	55.34	53.8	54.7	55.5	55.5	55.5	55.1	55.4	55.4	54.3	54.0	53.3

New Zealand dollar

	20-Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
NZD vs												
USD	0.6271	0.64	0.66	0.67	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68
JPY	83.18	83.8	85.8	86.4	86.4	85.7	85.1	84.3	83.6	83.0	82.3	81.6
EUR	0.5871	0.59	0.60	0.60	0.60	0.60	0.59	0.59	0.59	0.59	0.58	0.59
AUD	0.9330	0.93	0.92	0.91	0.90	0.89	0.89	0.88	0.88	0.89	0.89	0.91
CAD	0.8587	0.85	0.86	0.86	0.86	0.86	0.85	0.86	0.86	0.85	0.85	0.85
GBP	0.5145	0.52	0.54	0.54	0.54	0.54	0.53	0.53	0.53	0.53	0.52	0.52
CNY	4.3197	4.29	4.36	4.36	4.32	4.25	4.19	4.15	4.08	4.08	4.08	4.08

Source: Bloomberg, Westpac Economics

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LONG-TERM FORECASTS



US Dollar

	20-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												
DXY index	103.77	102.0	101.0	100.0	99.1	98.5	97.3	96.4	96.0	95.4	94.9	95.1
JPY	132.64	131	130	129	128	127	126	124	123	122	121	120
EUR	1.0681	1.09	1.10	1.11	1.12	1.13	1.14	1.15	1.15	1.16	1.16	1.16
AUD	0.6722	0.69	0.72	0.74	0.75	0.76	0.76	0.77	0.77	0.76	0.76	0.75
NZD	0.6271	0.64	0.66	0.67	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68
CAD	1.3693	1.33	1.31	1.29	1.28	1.27	1.26	1.26	1.26	1.25	1.25	1.25
GBP	1.2189	1.22	1.23	1.24	1.25	1.26	1.27	1.28	1.28	1.29	1.30	1.30
CHF	0.9268	0.92	0.91	0.91	0.90	0.90	0.89	0.89	0.88	0.88	0.88	0.88
ZAR	18.34	18.1	17.7	17.5	17.4	17.3	17.3	17.1	17.1	17.5	17.5	17.8
SGD	1.3399	1.32	1.32	1.31	1.31	1.31	1.31	1.31	1.30	1.30	1.30	1.30
HKD	7.8487	7.82	7.80	7.78	7.77	7.76	7.75	7.75	7.75	7.75	7.75	7.75
PHP	54.78	54.0	53.5	53.0	52.0	51.0	50.5	50.0	50.0	50.0	50.0	50.0
THB	34.03	33.0	32.5	32.0	31.5	31.0	30.5	30.5	30.5	30.5	30.5	30.5
MYR	4.4703	4.25	4.20	4.15	4.10	4.05	4.05	4.00	4.00	4.00	4.00	4.00
CNY	6.8866	6.70	6.60	6.50	6.40	6.30	6.20	6.10	6.00	6.00	6.00	6.00
IDR	15345	15000	14800	14600	14400	14200	14000	13800	13800	13800	13800	13800
TWD	30.57	29.9	29.7	29.5	29.3	29.2	29.1	29.0	29.0	29.0	29.0	29.0
KRW	1301	1250	1240	1220	1200	1180	1160	1150	1150	1150	1150	1150
INR	82.55	78.0	76.0	75.0	74.0	73.0	72.5	72.0	72.0	71.5	71.0	71.0

Euro & British Pound Sterling

	20-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	1.0681	1.09	1.10	1.11	1.12	1.13	1.14	1.15	1.15	1.16	1.16	1.16
JPY	141.67	143	143	143	143	143	144	143	142	142	141	139
GBP	0.8762	0.89	0.89	0.90	0.90	0.89	0.90	0.90	0.90	0.90	0.90	0.89
CHF	0.9899	1.00	1.00	1.01	1.01	1.01	1.01	1.02	1.02	1.02	1.03	1.02
DKK	7.4439	7.44	7.44	7.44	7.44	7.44	7.44	7.44	7.44	7.44	7.44	7.44
SEK	11.2011	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2
NOK	11.3858	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4
sterling vs												
USD	1.2189	1.22	1.23	1.24	1.25	1.26	1.27	1.28	1.28	1.29	1.30	1.30
JPY	161.68	160	160	160	160	160	160	159	157	157	157	156
CHF	1.1296	1.12	1.12	1.13	1.13	1.13	1.13	1.14	1.13	1.14	1.14	1.14
AUD	0.5515	0.57	0.59	0.60	0.60	0.60	0.60	0.60	0.60	0.59	0.58	0.58

Source: Bloomberg, Westpac Economics

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LONG-TERM FORECASTS



Key macroeconomic forecasts

	2022				2023		2024				2025					
	Q1	Q2	Q3	Q4	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
Real GDP %qtr	0.6	0.9	0.7	0.5	0.4	0.2	0.1	0.2	0.2	0.3	0.4	0.6	0.6	0.7	0.6	0.6
%yr	3.0	3.1	5.9	2.7	2.5	1.8	1.2	1.0	0.7	0.8	1.1	1.5	1.9	2.3	2.5	2.5
Unemployment rate %	4.0	3.8	3.5	3.5	3.6	3.6	3.9	4.6	4.8	4.8	5.0	5.1	5.1	5.2	5.4	5.5
Wages (WPI) %qtr	0.7	0.8	1.1	0.8	0.8	1.0	1.0	1.0	0.9	0.8	0.8	0.7	0.8	0.7	0.8	0.6
%yr	2.4	2.6	3.2	3.3	3.5	3.8	3.7	4.0	4.0	3.8	3.5	3.2	3.1	3.0	3.1	2.9
CPI Headline %qtr	2.1	1.8	1.8	1.9	1.5	1.0	0.7	0.7	0.7	0.6	0.9	0.9	0.5	0.7	0.7	0.9
%yr	5.1	6.1	7.3	7.8	7.2	6.3	5.2	4.0	3.1	2.7	2.8	3.0	2.9	3.0	2.8	2.9
Core inflation – trimmed mean	1.6	1.6	1.9	1.7	1.3	0.9	0.6	0.7	0.8	0.7	0.7	0.8	0.6	0.7	0.7	0.8
%yr	3.8	5.0	6.1	6.9	6.6	5.9	4.6	3.6	3.1	2.9	3.0	3.1	2.9	2.9	3.0	2.9
Australian commodities index#	339	365	372	379	370	353	350	342	330	322	314	310	309	309	310	310
World growth year-average	-	-	-	3.3	-	-	-	3.0	-	-	-	3.1	-	-	-	3.1

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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