

LONG-TERM FORECASTS



Interest rates

	11-Jul-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Australia											
Cash	4.10	4.60	4.60	4.60	4.35	4.10	3.85	3.60	3.35	3.10	2.85
90 Day BBSW	4.30	4.80	4.80	4.63	4.38	4.13	3.88	3.63	3.38	3.13	3.05
3 Year Swap	4.47	4.30	4.15	4.00	3.80	3.60	3.50	3.40	3.30	3.20	3.20
3 Year Bond	4.16	4.00	3.85	3.75	3.55	3.40	3.30	3.20	3.10	3.00	3.00
10 Year Bond	4.22	3.90	3.70	3.50	3.30	3.20	3.10	2.90	2.85	2.80	2.75
10 Year Spread to US (bps)	23	20	20	20	20	20	20	10	10	10	10
New Zealand											
Cash	5.50	5.75	5.75	5.75	5.75	5.25	4.75	4.50	4.00	3.50	3.50
90 Day Bill	5.68	5.85	5.85	5.85	5.55	5.05	4.75	4.30	3.80	3.60	3.60
2 Year Swap	5.65	5.30	5.00	4.70	4.40	4.20	4.00	3.90	3.80	3.80	3.80
10 Year Bond	4.82	4.60	4.40	4.20	4.00	3.90	3.80	3.70	3.70	3.70	3.70
10 Year Spread to Aus	59	70	70	70	70	70	70	80	85	90	95
10 Year Spread to US	82	90	90	90	90	90	90	90	95	100	105
United States											
Fed Funds	5.125	5.375	5.375	4.875	4.375	3.875	3.375	2.875	2.625	2.625	2.625
10 Year Bond	3.99	3.70	3.50	3.30	3.10	3.00	2.90	2.80	2.75	2.70	2.65
Euro area											
ECB Deposit Rate	3.50	4.00	4.00	4.00	3.75	3.50	3.00	2.50	2.25	2.00	2.00
10 Year Bund	2.64	2.35	2.25	2.15	2.00	1.95	1.90	1.85	1.85	1.85	1.85
10 Year Spread to US	-135	-135	-125	-115	-110	-105	-100	-95	-90	-85	-80
United Kingdom											
BoE Bank Rate	5.00	6.00	6.00	6.00	5.50	5.00	4.50	4.00	3.50	3.00	2.50
10 Year Gilt	4.64	4.25	4.00	3.70	3.40	3.25	3.10	2.95	2.85	2.75	2.70
10 Year Spread to US	65	55	50	40	30	25	20	15	10	5	5

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

	11-Jul-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
AUD vs											
USD	0.6690	0.69	0.69	0.71	0.72	0.73	0.74	0.75	0.75	0.75	0.75
JPY	94.59	96.6	95.2	96.6	95.8	94.9	94.7	94.5	93.0	91.5	90.0
EUR	0.6079	0.63	0.62	0.63	0.64	0.64	0.64	0.65	0.64	0.64	0.64
NZD	1.0761	1.11	1.11	1.13	1.13	1.12	1.12	1.14	1.12	1.12	1.12
CAD	0.8875	0.91	0.90	0.92	0.92	0.93	0.93	0.95	0.94	0.94	0.94
GBP	0.5199	0.54	0.54	0.55	0.56	0.57	0.57	0.58	0.58	0.57	0.57
CHF	0.5922	0.61	0.61	0.62	0.63	0.64	0.64	0.65	0.65	0.65	0.65
DKK	4.5300	4.67	4.63	4.72	4.75	4.77	4.79	4.82	4.78	4.78	4.78
SEK	7.1923	7.42	7.36	7.50	7.54	7.58	7.61	7.65	7.59	7.59	7.59
NOK	7.0058	7.23	7.16	7.31	7.34	7.38	7.42	7.45	7.39	7.39	7.39
ZAR	12.57	12.8	12.8	13.0	13.0	13.1	13.2	13.3	13.3	13.3	13.3
SGD	0.8991	0.92	0.92	0.94	0.94	0.95	0.97	0.98	0.98	0.98	0.98
HKD	5.2366	5.38	5.37	5.52	5.59	5.66	5.74	5.81	5.81	5.81	5.81
PHP	37.05	38.0	37.3	37.6	37.4	37.2	37.4	37.5	37.5	37.5	37.5
THB	23.42	24.2	23.8	24.1	24.1	24.1	24.1	24.0	23.6	23.6	23.6
MYR	3.1223	3.17	3.11	3.12	3.10	3.07	3.03	3.00	3.00	3.00	3.00
CNY	4.8245	4.90	4.83	4.83	4.82	4.82	4.81	4.80	4.73	4.65	4.58
IDR	10172	10281	10212	10366	10368	10439	10434	10425	10350	10350	10350
TWD	20.98	21.4	21.3	21.7	21.7	21.8	21.9	22.0	21.8	21.8	21.8
KRW	869	883	869	880	878	876	873	870	863	863	863
INR	54.81	55.2	53.8	54.0	53.3	53.3	53.3	54.0	53.6	53.6	53.3

New Zealand dollar

	11-Jul-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
NZD vs											
USD	0.6217	0.62	0.62	0.63	0.64	0.65	0.66	0.66	0.67	0.67	0.67
JPY	87.90	86.8	85.6	85.7	85.1	84.5	84.5	83.2	83.1	81.7	80.4
EUR	0.5649	0.56	0.56	0.56	0.57	0.57	0.57	0.57	0.57	0.57	0.57
AUD	0.9293	0.90	0.90	0.89	0.89	0.89	0.89	0.88	0.89	0.89	0.89
CAD	0.8248	0.82	0.81	0.81	0.82	0.83	0.83	0.83	0.84	0.84	0.84
GBP	0.4832	0.49	0.49	0.49	0.50	0.50	0.51	0.51	0.52	0.51	0.51
CNY	4.4921	4.40	4.34	4.28	4.29	4.29	4.29	4.22	4.22	4.15	4.09

Source: Bloomberg, Westpac Economics

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LONG-TERM FORECASTS



US Dollar

	11-Jul-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	101.90	101.9	101.0	100.0	99.1	98.0	97.2	96.3	95.5	95.2	95.0
JPY	141.38	140	138	136	133	130	128	126	124	122	120
EUR	1.1005	1.10	1.11	1.12	1.13	1.14	1.15	1.16	1.17	1.17	1.17
AUD	0.6690	0.69	0.69	0.71	0.72	0.73	0.74	0.75	0.75	0.75	0.75
NZD	0.6217	0.62	0.62	0.63	0.64	0.65	0.66	0.66	0.67	0.67	0.67
CAD	1.3268	1.32	1.31	1.29	1.28	1.27	1.26	1.26	1.25	1.25	1.25
GBP	1.2867	1.27	1.27	1.28	1.28	1.29	1.29	1.30	1.30	1.31	1.31
CHF	0.8851	0.89	0.88	0.87	0.87	0.87	0.86	0.86	0.86	0.86	0.86
ZAR	18.79	18.5	18.5	18.2	18.1	18.0	17.9	17.8	17.8	17.8	17.8
SGD	1.3439	1.34	1.33	1.32	1.31	1.31	1.31	1.30	1.30	1.30	1.30
HKD	7.8278	7.80	7.78	7.77	7.76	7.75	7.75	7.75	7.75	7.75	7.75
PHP	55.69	55.0	54.0	53.0	52.0	51.0	50.5	50.0	50.0	50.0	50.0
THB	35.01	35.0	34.5	34.0	33.5	33.0	32.5	32.0	31.5	31.5	31.5
MYR	4.6664	4.60	4.50	4.40	4.30	4.20	4.10	4.00	4.00	4.00	4.00
CNY	7.2260	7.10	7.00	6.80	6.70	6.60	6.50	6.40	6.30	6.20	6.10
IDR	15205	14900	14800	14600	14400	14300	14100	13900	13800	13800	13800
TWD	31.38	31.0	30.8	30.5	30.2	29.9	29.6	29.3	29.0	29.0	29.0
KRW	1299	1280	1260	1240	1220	1200	1180	1160	1150	1150	1150
INR	82.58	80.0	78.0	76.0	74.0	73.0	72.0	72.0	71.5	71.5	71.0

Euro & British Pound Sterling

	11-Jul-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
euro vs											
USD	1.1005	1.10	1.11	1.12	1.13	1.14	1.15	1.16	1.17	1.17	1.17
JPY	155.60	154	153	152	150	148	147	146	145	143	140
GBP	0.8553	0.87	0.87	0.88	0.88	0.88	0.89	0.89	0.90	0.89	0.89
CHF	0.9741	0.98	0.98	0.97	0.98	0.99	0.99	1.00	1.01	1.01	1.01
DKK	7.4519	7.45	7.45	7.45	7.45	7.45	7.45	7.45	7.45	7.45	7.45
SEK	11.8336	11.8	11.8	11.8	11.8	11.8	11.8	11.8	11.8	11.8	11.8
NOK	11.5243	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5
sterling vs											
USD	1.2867	1.27	1.27	1.28	1.28	1.29	1.29	1.30	1.30	1.31	1.31
JPY	181.93	178	175	174	170	168	165	164	161	160	157
CHF	1.1389	1.13	1.12	1.11	1.11	1.12	1.11	1.12	1.12	1.13	1.13
AUD	0.5199	0.54	0.54	0.55	0.56	0.57	0.57	0.58	0.58	0.57	0.57

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	0.8	0.6	0.6	0.2	0.1	0.2	0.1	-0.2	0.2	0.4	0.5	0.6	0.7	0.6	0.6
%yr	3.1	3.1	6.0	2.6	2.3	1.5	1.1	0.6	0.2	0.3	0.6	1.0	1.8	2.2	2.4	2.5
Unemployment rate %	4.0	3.8	3.5	3.5	3.6	3.6	3.7	4.2	4.8	5.0	5.2	5.3	5.4	5.5	5.5	5.5
Wages (WPI) %qtr	0.6	0.9	1.1	0.8	0.8	1.0	1.1	1.2	0.8	0.7	0.9	0.8	0.7	0.6	0.9	0.6
%yr	2.4	2.6	3.2	3.4	3.7	3.8	3.8	4.1	4.1	3.8	3.7	3.3	3.2	3.1	3.1	2.9
CPI Headline %qtr	2.1	1.8	1.8	1.9	1.4	1.1	0.7	1.0	0.9	0.9	0.6	0.7	0.8	0.6	0.8	0.6
%yr	5.1	6.1	7.3	7.8	7.0	6.3	5.1	4.2	3.7	3.5	3.4	3.2	3.1	2.8	2.9	2.8
Core inflation – trimmed mean	1.5	1.6	1.9	1.7	1.2	1.2	0.7	1.0	0.8	1.0	0.6	0.8	0.8	0.6	0.7	0.8
%yr	3.8	5.0	6.1	6.9	6.6	6.1	4.8	4.1	3.7	3.5	3.5	3.2	3.2	2.8	3.0	2.9
Australian commodities index#	338	364	371	379	370	344	329	310	289	283	281	281	283	284	286	288
World growth year-average	-	-	-	3.4	-	-	-	3.0	-	-	-	3.0	-	-	-	3.0

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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