

WESTPAC CARD TRACKER

17 AUGUST 2023.

WESTPAC INSTITUTIONAL BANK

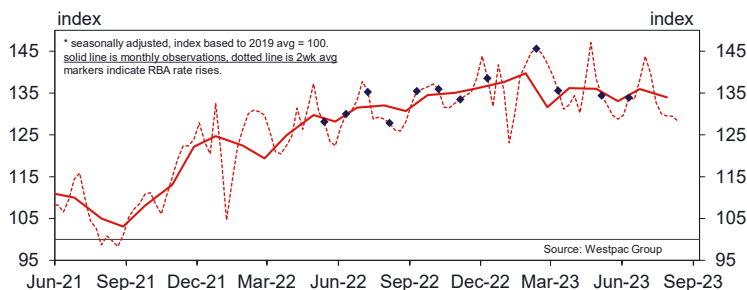


Card activity: pace of declines eases slightly



- The **Westpac Card Tracker Index** posted a further decline over the first half of August, falling 2.2pts to 125.7 over the week ended August 18. Aside from seasonal lows in Easter and at the start of the year, the latest week marks the lowest Index read in exactly a year. In quarterly seasonally adjusted terms, growth momentum remains firmly negative, albeit with the pace of declines easing slightly.
- The category detail shows some notable pockets of improvement – around basic food, fuel and hospitality – but within a broader pattern of continued weakness. Declines remain most pronounced for discretionary goods, with service sector activity continuing to hold up much better, especially for essential services such as health and education.
- By state, annual growth in consumer-related card activity remains much weaker in NSW and Vic, declining at a 1.5-3% pace in per capita terms. In contrast, activity continues to grow at markedly stronger pace in WA, up nearly 3%yr in per capita terms.
- As discussed previously, our current headline indexes adjust for regular monthly seasonality but still contain some ‘residual’ seasonality at a weekly level. Detailed category and state indexes are only available on an unadjusted basis. A more comprehensive fix – providing more stable weekly seasonally adjusted estimates that can also be generated for more detailed components – now looks to be available. We will be looking to implement this new seasonal adjustment approach with an overhaul of the card tracker indexes in coming months.

1. Westpac Card Tracker Index



“... pockets of improvement – around basic food, fuel and hospitality – but within a broader pattern of continued weakness.”

The **Westpac Card Tracker** presents indicators based on the millions of credit and debit card transactions processed by Westpac every day. The measures are a timely guide to shifts in spending. See p10 for a detailed explanation.

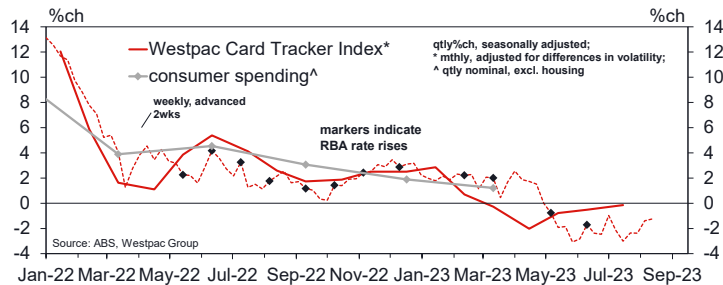
This report is produced by Westpac Economics.
Matthew Hassan, Senior Economist
Email: economics@westpac.com.au
This issue was finalised on 17 August 2023.

If you would like more insights into your sector or your own business from this and other Westpac data please visit **Westpac DataX** or contact datax@westpac.com.au.

Card activity soft in Q2 but other indicators more mixed

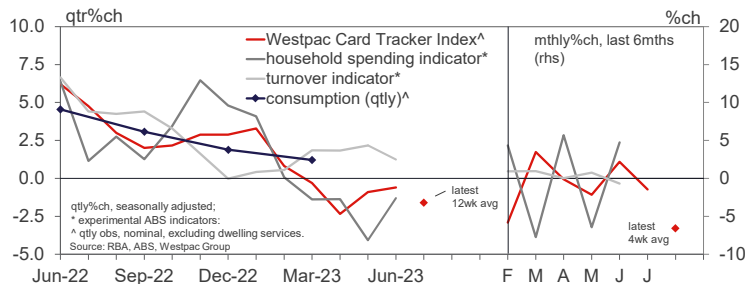


2. Card activity and spending: growth momentum



- Chart 2 shows the **Westpac Card Tracker's** quarterly growth pace alongside nominal spending growth from the national accounts. The weekly profile continues to show the weak finish to Q2 is carrying into Q3, but with a slight improvement, the quarterly pulse now in the -1-1.5%qtr range compared to the -2-3%qtr range seen throughout July.
- Other monthly indicators produced by the ABS showed mixed results for June. The household spending indicator looks to have posted a decent lift in seasonally adjusted terms but with a choppy monthly profile giving a sizeable 1.3% decline for Q2. In contrast, the tax-based turnover indicator dipped 0.6% in the month but posted a solid 1.2% gain for the quarter. All told, the varied messages suggest we need to be cautious in assessing where official spending estimates, due Sep 6, will land.

3. Consumer spending: selected indicators



qtly%ch	Q4	Q1	Q2	latest
Westpac Card Tracker*	2.9	-0.3	-0.6	-1.4
Other indicators (nominal)				
Household spending*	4.8	-1.4	-1.3	-1.4
Turnover*	0.0	1.9	1.2	1.8
Consumer spending (qtly)#				
Nominal	1.9	1.2	n.a.	n.a.
Real	0.2	0.2	n.a.	n.a.

All series are seasonally adjusted, latest is latest weekly obs (12wks %ch on previous 12wks) or latest monthly obs (3mths %ch on previous 3mths). See p10 for more details.

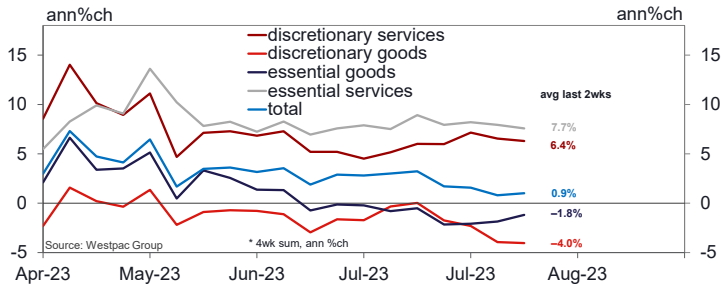
* ABS experimental measures. Household spending indicator based on bank transaction data (seasonally adjusted by Westpac). Turnover based on BAS returns for consumer-sector businesses; #Consumer spending excludes housing costs.

Sources: ABS, Westpac Group

Weakness continues for discretionary goods, NSW & Vic

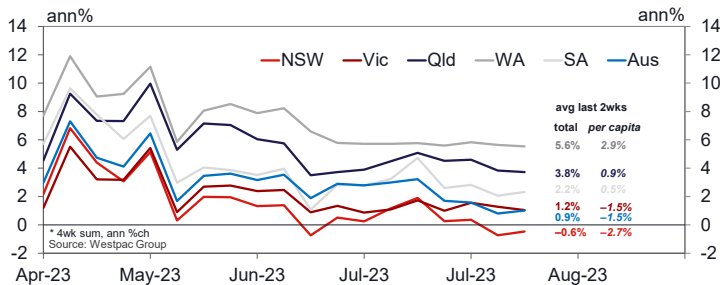


4. Card activity by major category



- At the major category level, card activity continues to contract at a rapid annual pace for discretionary goods, renewed weakness in housing-related segments outweighing a slight moderation in declines for other durables. Activity also continues to record annual declines for essential goods but at a slower pace.
- Services activity remains much firmer with both essentials and discretionary services still tracking steady annual growth in the 6.5-8%yr range.
- The state detail shows little change, per capita activity continuing to see significant outright declines on an annual basis in NSW and Vic but holding up much better in Qld and especially WA.

5. Card activity by state



	May	Jun	Jul	12/8
Westpac Card Tracker*	133.1	136.0	134.0	125.7
By category (not seasonally adjusted)				
- discretionary	134.2	133.3	137.7	129.2
- essential	133.8	126.9	134.3	132.1
By state (not seasonally adjusted)				
- NSW	130.2	126.7	131.3	125.0
- Vic	134.1	131.4	135.5	129.3
- Qld	142.8	140.8	147.3	142.1
- WA	141.6	138.0	145.3	136.0
- SA	140.7	137.0	144.3	138.5

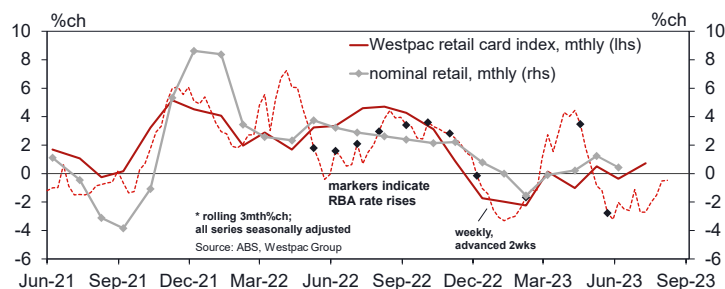
All indexes based on the value of spending-related transactions, 2019 avg=100, see p10 for more details incl. classifications. * Headline index is seasonally adjusted, all other indexes are unadjusted.

Sources: ABS, Westpac Group

Retail activity steadies, led by food and hospitality

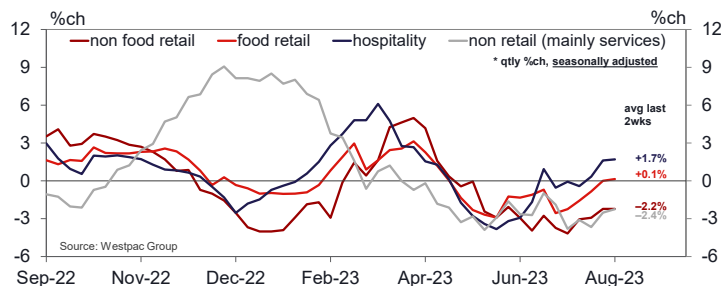


6. Card activity: retail



- Our retail card index shows a more material improvement, the pace of quarterly declines moderating to around -0.5%qtr from the -1.5-3% range that has prevailed since May. The detail shows a particularly notable lift in hospitality retail, which now looks to have posted a modest gain over the last 3mths, and basic food, which has been about stable.
- Non-food retail and non-retail activity continues to weaken at a relatively rapid pace.
- The card tracker figures suggest the 3mth growth pace for retail sales improved a touch in July. Official retail sales figures showed a 0.8%qtr fall in June that retraced a 0.7% gain in May. Preliminary July estimates will be release on Sep 1.

7. Card activity: broad retail and non-retail groups



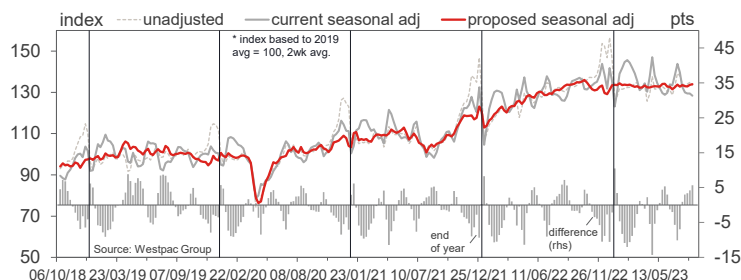
	May	Jun	Jul	12/8
By retail/non retail				
Retail card index*	141.3	139.3	141.8	135.9
- qtrly %ch	0.5	-0.4	0.7	-0.5
- qtrly, ann %ch	3.8	2.2	0.8	-0.1
Non-retail card index	123.9	132.3	125.3	114.7
ABS retail sales				
- %ch	0.8	-0.8	n.a.	n.a.
- ann %ch	4.1	2.3	n.a.	n.a.
- qtrly %ch	1.2	0.4	n.a.	n.a.
- qtrly ann %ch	4.6	3.5	n.a.	n.a.

All indexes based on the value of spending-related transactions, 2019 avg=100, see p10 for more details. *Retail card index seasonally adjusted using ABS series. All other indexes are not seasonally unadjusted. Sources: ABS, Westpac Group

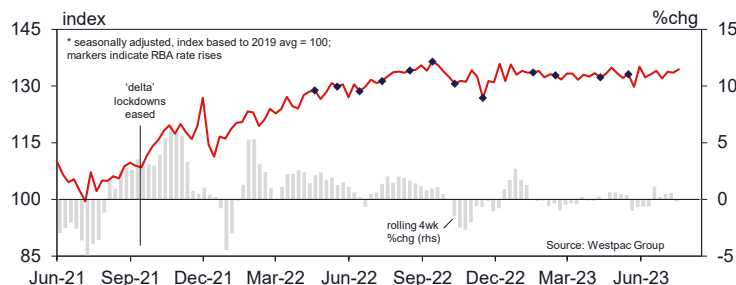
A new weekly seasonally adjusted index



8. Card activity: current & proposed new seasonal adjusted



9. Card activity: weekly seasonally adjusted

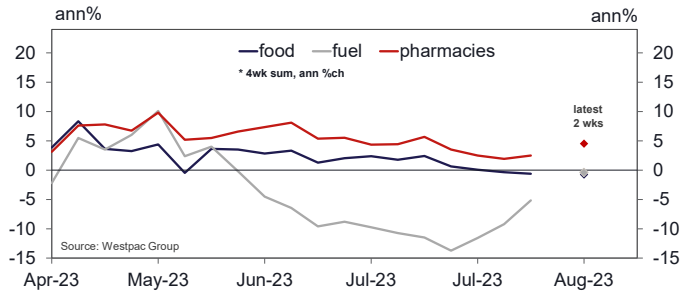


- Long time readers may recall the significant changes we made to our card tracker indexes back in October last year. These removed much of the monthly seasonality from the aggregate card measures, giving a better guide to intra-year shifts and allowing for easier comparisons historically and with official figures.
- Despite this marked improvement, the new Westpac Card Tracker Index still had a some issues with 'residual' weekly seasonality that was particularly pronounced around Christmas and Easter, and state and category sub-indexes that still could not be seasonally adjusted.
- A more comprehensive fix now looks to be at hand. Using a seasonal adjustment tool developed by the US BLS (for adjusting weekly initial jobless claims) it is now possible to generate weekly seasonally adjusted card estimates. Chart 8 how these compare with the current approach. The improved stability is clear. Indeed, Chart 9 shows the new series is settled enough to provide monthly, rather than quarterly growth estimates. Back-testing also suggests the approach is stable over time (seasonal adjustment can sometimes be prone to revisions when new data is included). Moreover, it can be readily applied to disaggregated segment and state-level data.
- As always, there are some drawbacks. Outliers and Easter holiday-related seasonal shifts need to be imposed as prior assumptions. And in some detailed categories, COVID volatility is still too high to allow for a stable adjustment. However, these issues are not too problematic and the improvement is clear. Accordingly, following some final testing, we will look to roll out another overhaul to the card indexes using this approach in coming months.

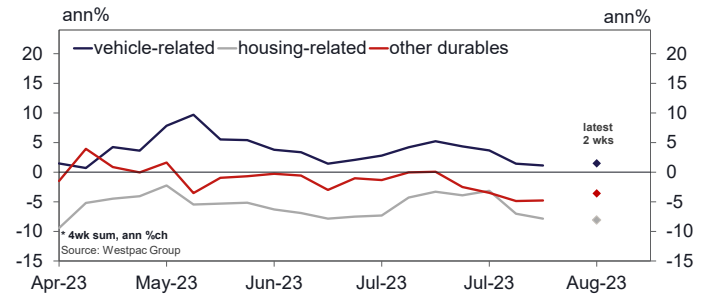
Detailed charts



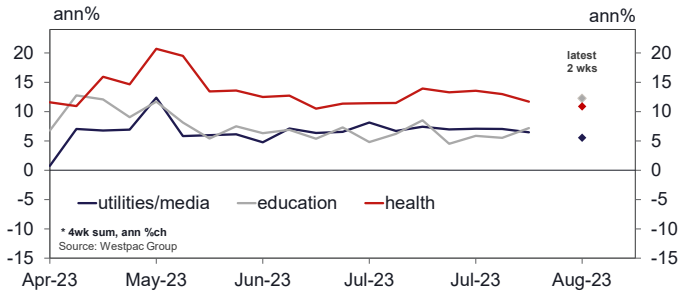
10. Card activity: essential goods



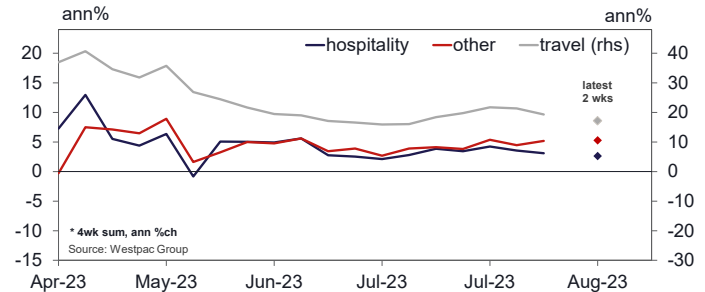
11. Card activity: discretionary goods



12. Card activity: essential services



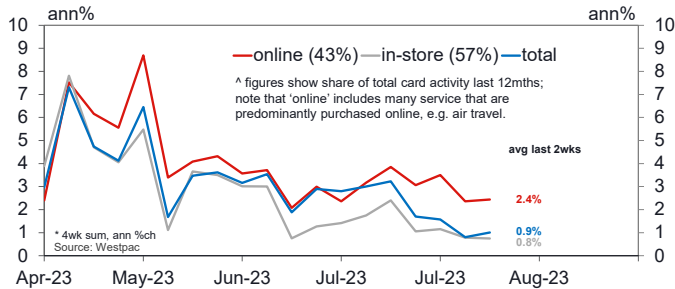
13. Card activity: discretionary services



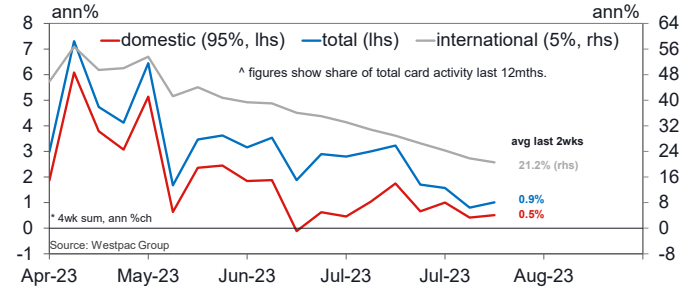
Detailed charts



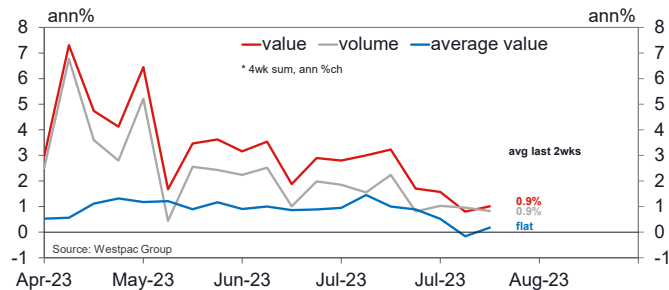
14. Card activity: online vs in-store



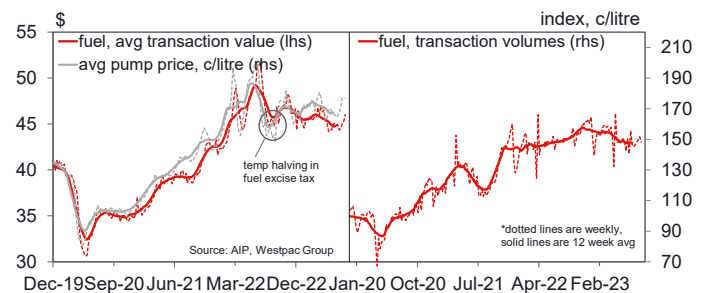
15. Card activity: domestic vs international



16. Card transactions: value vs volume



17. Card transactions: petrol vs pump prices



Westpac card indicators*



	2021			2022			2023			week ending:					
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	May	Jun	Jul	22/7	29/7	5/8	12/8
Westpac Card Tracker Index	112.2	105.4	120.0	122.2	129.8	132.4	136.2	135.8	133.1	136.0	134.0	131.1	127.9	131.0	125.7
qtly%ch	2.1	-6.1	13.9	1.9	6.2	2.0	2.9	-0.3	-0.9	-0.6	-0.2	-2.7	-2.8	-1.6	-1.4
qtly, ann%ch	23.7	3.3	11.3	11.2	15.7	25.7	13.6	11.1	5.9	4.0	2.9	3.1	2.9	2.8	2.4
By category (not seasonally adjusted)															
- discretionary	108.9	100.2	127.3	115.1	127.6	134.4	146.3	130.0	134.2	133.3	137.7	134.2	131.6	136.5	129.2
- essential	109.3	116.4	123.6	121.1	123.9	130.9	136.1	130.2	133.8	126.9	134.3	135.4	134.3	135.9	132.1
services	98.7	86.2	103.8	106.5	120.1	128.9	130.1	129.0	133.2	130.8	139.9	139.1	134.4	139.0	131.9
- discretionary services	95.7	78.2	101.7	104.4	122.1	130.3	133.1	130.1	133.0	132.7	140.4	137.6	132.4	137.7	131.0
- essential services	107.7	109.9	110.2	113.1	114.1	124.8	121.3	125.7	134.0	125.1	138.5	143.6	140.2	142.7	134.6
goods	117.8	122.9	145.0	126.4	131.6	136.8	153.4	130.9	134.7	131.2	133.6	130.8	131.1	133.9	128.7
- discretionary goods	124.0	125.7	157.0	127.5	133.9	139.1	161.4	129.7	135.6	134.0	134.7	130.3	130.7	135.1	127.0
- essential goods	110.1	119.5	130.1	124.9	128.6	133.9	143.3	132.4	133.7	127.8	132.3	131.4	131.5	132.5	130.8
retail^	123.5	123.7	129.3	133.1	137.5	143.4	140.9	141.1	141.3	139.3	141.8	138.9	138.1	140.3	135.9
qtly%ch	1.7	0.2	4.5	2.9	3.3	4.3	-1.7	0.1	0.5	-0.4	0.7	-2.0	-1.5	-0.5	-0.5
qtly, ann%ch	14.4	2.7	8.6	9.5	11.3	15.9	8.9	6.0	3.8	2.2	0.8	1.1	0.8	0.6	-0.1
By state (not seasonally adjusted)															
- NSW	108.4	98.9	124.8	114.7	124.6	130.2	139.6	125.9	130.2	126.7	131.3	129.5	127.5	130.5	125.0
- Vic	108.1	103.1	127.1	119.4	127.9	133.3	143.8	129.6	134.1	131.4	135.5	132.9	130.5	135.3	129.3
- Qld	113.8	117.8	131.7	120.8	131.6	140.7	151.6	138.2	142.8	140.8	147.3	145.4	143.1	148.0	142.1
- WA	111.3	117.7	129.4	119.5	127.1	135.1	147.6	136.5	141.6	138.0	145.3	143.7	142.5	145.3	136.0
- SA	114.2	117.3	132.0	121.0	131.0	138.8	150.0	136.7	140.7	137.0	144.3	143.4	140.8	143.3	138.5

All indexes based on the value of spending-related transactions, 2019 avg=100. See p10 for more details. Headline and retail indexes are seasonally adjusted. All other indexes are not seasonally adjusted.

*composite based on transactions in retail categories, seasonally adjusted using ABS series.

Sources: ABS, Westpac Group

About the Westpac card data indicators



The indicators presented in this report are based on the millions of credit and debit card transactions processed by Westpac every day. Transactions covering over ten million merchants are classified into over 700 categories. These are in turn grouped into higher level aggregates that provide a timely guide to wider economic trends.

The main focus of these indicators is consumer spending. Where possible, we have sought to exclude 'non spending' transactions such as: money transfers; tax payments; loan repayments; charitable donations; and superannuation contributions.

It should also be noted that these indicators will also be affected by shifts between card and non card transactions. This may be a significant factor during the COVID-19 pandemic – health concerns about the use of physical cash are likely seeing higher use of cards, particularly where contact-less transactions are available. Transaction flows also include reversals/refunds which have been a significant phenomenon in areas such as travel.

All transaction data is compiled at a highly aggregated level so that individual customer or merchant data is never revealed.

Index construction

The key metrics used in this report are indexes of spending-related card activity where the base of 100 is average activity in 2019. As an example, if transaction flows are 5% above their average level in 2019, the index read for the period is 105. If flows in a subsequent period are 8% above the average level in 2019, the index read for this period is 108. Growth between the two periods can be calculated simply as the change between the two index reads, i.e. 2.9%.

For our headline measure, activity is adjusted for regular seasonality using historical card data from the RBA. All other indexes are based on non-seasonally adjusted data and should be treated with additional caution. We will seek to produce seasonally adjusted versions of these indexes as more data becomes available.

Note that previous versions of this report used an alternative index measure that was based on spending compared to the same period in 2019, relative to the baseline eleven week period immediately prior to the introduction of social restrictions in 2020. See the 'About the Westpac card data indicators' sections from these reports for more detail.

Classifications

Note that the measures and classifications used for card data and this report do not align completely with those used in official ABS statistics on retail sales and consumer spending. There are a range of differences including around both coverage and classification. As such, the card data should be treated as broadly indicative.

The transaction data is grouped into 29 categories that are then combined into four main as follows:

Discretionary goods: durable goods, clothing and vehicle-related.

Discretionary services: recreation, gambling, professional services, hotels, restaurants and cafes, airlines, car rental, travel agencies and transport.

Essential goods: food, fuel and pharmacies.

Essential services: utilities, education and healthcare.

The report also uses two additional classifications:

Retail/non retail: based on the extent to which categories cover sales that are in scope for the [ABS retail survey](#).

COVID group: based on a classification Westpac developed to assess the impact of the Coronavirus (see [here](#) for more). 'Most exposed' is travel, tourism, hospitality and recreational services; 'big ticket' is vehicles and major household items; 'stock-piling' is food, pharmaceuticals and healthcare; 'residual' is all other categories combined.

Westpac Economics directory



Sydney

Level 2, 275 Kent Street
Sydney NSW 2000
Telephone (61-2) 8254 8720
Facsimile (61-2) 8254 6907

Bill Evans

Chief Economist
Global Head of Economics & Research

Andrew Hanlan

Senior Economist

Matthew Hassan

Senior Economist

Justin Smirk

Senior Economist

Elliot Clarke

Senior Economist

Ryan Wells

Economist

Auckland

Takutai on the Square
Level 8, 16 Takutai Square
Auckland, New Zealand
Telephone (64-9) 336 5671
Facsimile (64-9) 336 5672

Michael Gordon

Acting Chief Economist, New Zealand

Satish Ranchhod

Senior Economist

Paul Clark

Industry Economist

Nathan Penny

Senior Agri Economist

London

Camomile Court,
23 Camomile St,
London EC3A 7LL
United Kingdom

Singapore

12 Marina View
#27-00, Asia Square Tower 2
Singapore, 018961

New York

39th Floor
575 Fifth Avenue
New York, 10017 USA

Publication enquiries, Westpac Economics, economics@westpac.com.au

DISCLAIMER



© Copyright 2023 Westpac Banking Corporation

Things you should know.

Westpac Institutional Bank is a division of Westpac Banking Corporation ABN 33 007 457 141 ('Westpac').

Disclaimer

Westpac Banking Corporation and its related bodies corporate (Westpac) takes reasonable steps to ensure that its proprietary data used is accurate and any opinions, conclusions or recommendations are reasonably held or made as at the time of compilation of this report. As the statistics take into account only the Westpac's data, no representation or warranty is made as to the completeness of the data and it may not reflect all trends in the market. All customer data used, or represented, in this report is de-identified and aggregated before analysis and is used, and disclosed, in accordance with the Westpac's Privacy Policy.

This material contains general commentary only and is not intended to constitute or be relied upon as personal financial advice. To the extent that this material contains any general advice, it has been prepared without taking into account your objectives, financial situation or needs, and because of this, you should, before acting on it, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs, and, the disclosure documents (including any product disclosure statement) of any financial product you may consider. Certain types of transactions, including those involving futures, options and high yield securities give rise to substantial risk and are not suitable for all investors. We recommend that you seek your own independent legal or financial advice before proceeding with any investment decision. This material may contain material provided by third parties. While such material is published with the necessary permission none of Westpac or its related entities accepts any responsibility for the accuracy or completeness of any such material. Although we have made every effort to ensure the information is free from error, none of Westpac or its related entities warrants the accuracy, adequacy or completeness of the information, or otherwise endorses it in any way. Except where contrary to law, Westpac and its related entities intend by this notice to exclude liability for the information. The information is subject to change without notice and none of Westpac or its related entities is under any obligation to update the information or correct any inaccuracy which may become apparent at a later date. The information contained in this material does not constitute an offer, a solicitation of an offer, or an inducement to subscribe for, purchase or sell any financial instrument or to enter a legally binding contract. Past performance is not a reliable indicator of future performance. Whilst every effort has been taken to ensure that the assumptions on which the forecasts are based are reasonable, the forecasts may be affected by incorrect assumptions or by known or unknown risks and uncertainties. The ultimate outcomes may differ substantially from these forecasts.

Country disclosures

Australia: Westpac holds an Australian Financial Services Licence (No. 233714). This material is provided to you solely for your own use and in your capacity as a client of Westpac.

For XYLO Foreign Exchange clients: This information is provided to you solely for your own use and is not to be distributed to any third parties. XYLO Foreign Exchange is a division of Westpac Banking Corporation ABN 33 007 457 141 and Australian credit licence 233714. Information is current as at date shown on the publication. This information has been prepared without taking account of your objectives, financial situation or needs. Because of this you should, before acting on this information, consider its appropriateness, having regard to your objectives, financial situation or needs. XYLO Foreign Exchange's combined Financial Services Guide and Product Disclosure Statement can be obtained by calling XYLO Foreign Exchange on 1300 995 639, or by emailing customer-care@XYLO.com.au.

New Zealand: In New Zealand, Westpac Institutional Bank refers to the brand under which products and services are provided by either Westpac or Westpac New Zealand Limited ("WNZL"). Any product or service made available by WNZL does not represent an offer from Westpac or any of its subsidiaries (other than WNZL). Neither Westpac nor its other subsidiaries guarantee or otherwise support the performance of WNZL in respect of any such product. The current disclosure statements for the New Zealand branch of Westpac and WNZL can be obtained at the internet address www.westpac.co.nz. For further information please refer to the Product Disclosure Statement (available from your Relationship Manager) for any product for which a Product Disclosure Statement is required, or applicable customer agreement. Download the Westpac NZ QFE Group Financial Advisers Act 2008 Disclosure Statement at www.westpac.co.nz.

China, Hong Kong, Singapore and India: This material has been prepared and issued for distribution in Singapore to institutional investors, accredited investors and expert investors (as defined in the applicable Singapore laws and regulations) only. Recipients in Singapore of this material should contact Westpac Singapore Branch in respect of any matters arising from, or in connection with, this material. Westpac Singapore Branch holds a wholesale banking licence and is subject to supervision by the Monetary Authority of Singapore. Westpac Hong Kong Branch holds a banking license and is subject to supervision by the Hong Kong Monetary Authority. Westpac Hong Kong branch also holds a license issued by the Hong Kong Securities and Futures Commission (SFC) for Type 1 and Type 4 regulated activities. This material is intended only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance. Westpac Shanghai and Beijing Branches hold banking licenses and are subject to supervision by the China Banking and Insurance Regulatory Commission (CBIRC). Westpac Mumbai Branch holds a banking license from Reserve Bank of India (RBI) and subject to regulation and supervision by the RBI.

UK: The contents of this communication, which have been prepared by and are the sole responsibility of Westpac Banking Corporation London and Westpac Europe Limited. Westpac (a) has its principal place of business in the United Kingdom at Camomile Court, 23 Camomile Street, London EC3A 7LL, and is registered at Cardiff in the UK (as Branch No. BR00106), and (b) authorised and regulated by the Australian Prudential Regulation Authority in Australia. Westpac is authorised in the United Kingdom by the Prudential Regulation Authority. Westpac is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. Westpac Europe Limited is a company registered in England (number 05660023) and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

This communication is being made only to and is directed at (a) persons who have professional experience in matters relating to investments who fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) or (b) high net worth entities, and other persons to whom it may otherwise lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). Any person who is not a relevant person should not act or rely on this communication or any of its contents. The investments to which this communication relates are only available to and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such investments will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely upon this communication or any of its contents. In the same way, the information contained in this communication is intended for “eligible counterparties” and “professional clients” as defined by the rules of the Financial Conduct Authority and is not intended for “retail clients”. With this in mind, Westpac expressly prohibits you from passing on the information in this communication to any third party. In particular this communication and, in each case, any copies thereof may not be taken, transmitted or distributed, directly or indirectly into any restricted jurisdiction. This communication is made in compliance with the Market Abuse Regulation (Regulation(EU) 596/2014).

Investment Recommendations Disclosure

The material may contain investment recommendations, including information recommending an investment strategy. Reasonable steps have been taken to ensure that the material is presented in a clear, accurate and objective manner. Investment Recommendations for Financial Instruments covered by MAR are made in compliance with Article 20 MAR. Westpac does not apply MAR Investment Recommendation requirements to Spot Foreign Exchange which is out of scope for MAR.

Unless otherwise indicated, there are no planned updates to this Investment Recommendation at the time of publication. Westpac has no obligation to update, modify or amend this Investment Recommendation or to notify the recipients of this Investment Recommendation should any information, including opinion, forecast or estimate set out in this Investment Recommendation change or subsequently become inaccurate.

Westpac will from time to time dispose of and acquire financial instruments of companies covered in this Investment Recommendation as principal and act as a market maker or liquidity provider in such financial instruments.



Westpac does not have any proprietary positions in equity shares of issuers that are the subject of an investment recommendation. Westpac may have provided investment banking services to the issuer in the course of the past 12 months.

Westpac does not permit any issuer to see or comment on any investment recommendation prior to its completion and distribution. Individuals who produce investment recommendations are not permitted to undertake any transactions in any financial instruments or derivatives in relation to the issuers covered by the investment recommendations they produce.

Westpac has implemented policies and procedures, which are designed to ensure conflicts of interests are managed consistently and appropriately, and to treat clients fairly.

The following arrangements have been adopted for the avoidance and prevention of conflicts in interests associated with the provision of investment recommendations.

- i. Chinese Wall/Cell arrangements;
- ii. physical separation of various Business/Support Units;
- iii. Strict and well defined wall/cell crossing procedures;
- iv. a "need to know" policy;
- v. documented and well defined procedures for dealing with conflicts of interest;
- vi. reasonable steps by Compliance to ensure that the Chinese Wall/Cell arrangements remain effective and that such arrangements are adequately monitored.

U.S.: Westpac operates in the United States of America as a federally licensed branch, regulated by the Office of the Comptroller of the Currency. Westpac is also registered with the US Commodity Futures Trading Commission ("CFTC") as a Swap Dealer, but is neither registered as, or affiliated with, a Futures Commission Merchant registered with the US CFTC. Westpac Capital Markets, LLC ('WCM'), a wholly-owned subsidiary of Westpac, is a broker-dealer registered under the U.S. Securities Exchange Act of 1934 ('the Exchange Act') and member of the Financial Industry Regulatory Authority ('FINRA'). This communication is provided for distribution to U.S. institutional investors in reliance on the exemption from registration provided by Rule 15a-6 under the Exchange Act and is not subject to all of the independence and disclosure standards applicable to debt research reports prepared for retail investors in the United States. WCM is the U.S. distributor of this communication and accepts responsibility for the contents of this communication. All disclaimers set out with respect to Westpac apply equally to WCM. If you would like to speak to someone regarding any security mentioned herein, please contact WCM on +1 212 389 1269. All disclaimers set out with respect to Westpac apply equally to WCM.

Investing in any non-U.S. securities or related financial instruments mentioned in this communication may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the SEC in the United States. Information on such non-U.S. securities or related financial instruments may be limited. Non-U.S. companies may not subject to audit and reporting standards and regulatory requirements comparable to those in effect in the United States. The value of any investment or income from any securities or related derivative instruments denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related derivative instruments.

The author of this communication is employed by Westpac and is not registered or qualified as a research analyst, representative, or associated person under the rules of FINRA, any other U.S. self-regulatory organisation, or the laws, rules or regulations of any State. Unless otherwise specifically stated, the views expressed herein are solely those of the author and may differ from the information, views or analysis expressed by Westpac and/or its affiliates.

