

# LONG-TERM FORECASTS



## Interest rates

	8-Aug-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	4.10	4.10	4.10	4.10	4.10	3.85	3.60	3.35	3.10	2.85	2.85
90 Day BBSW	4.18	4.30	4.30	4.30	4.22	3.97	3.72	3.47	3.22	3.05	3.05
3 Year Swap	4.04	4.00	3.95	3.90	3.80	3.70	3.60	3.50	3.40	3.30	3.20
3 Year Bond	3.77	3.75	3.70	3.65	3.60	3.50	3.40	3.30	3.20	3.10	3.00
10 Year Bond	4.07	3.75	3.55	3.45	3.30	3.25	3.20	3.10	3.00	2.90	2.80
10 Year Spread to US (bps)	1	-5	-5	5	10	15	20	20	20	20	10
<b>New Zealand</b>											
Cash	5.50	5.50	5.75	5.75	5.75	5.50	5.25	5.00	4.75	4.50	4.25
90 Day Bill	5.64	5.70	5.85	5.85	5.85	5.60	5.35	5.10	4.85	4.60	4.35
2 Year Swap	5.50	5.64	5.49	5.29	5.06	4.81	4.58	4.37	4.19	4.06	3.94
10 Year Bond	4.78	4.50	4.45	4.30	4.15	4.05	3.95	3.85	3.80	3.75	3.75
10 Year Spread to Aus	71	75	90	85	85	80	75	75	80	85	95
10 Year Spread to US	72	70	85	90	95	95	95	95	100	105	105
<b>United States</b>											
Fed Funds	5.375	5.375	5.375	5.125	4.625	4.125	3.625	3.125	2.625	2.625	2.625
10 Year Bond	4.06	3.80	3.60	3.40	3.20	3.10	3.00	2.90	2.80	2.70	2.70
<b>Euro area</b>											
ECB Deposit Rate	3.75	4.00	4.00	4.00	3.75	3.50	3.00	2.50	2.25	2.00	2.00
10 Year Bund	2.60	2.35	2.25	2.15	2.05	2.05	2.00	1.95	1.90	1.85	1.90
10 Year Spread to US	-146	-145	-135	-125	-115	-105	-100	-95	-90	-85	-80
<b>United Kingdom</b>											
BoE Bank Rate	5.25	5.50	5.75	5.75	5.75	5.50	5.00	4.50	4.00	3.50	3.00
10 Year Gilt	4.46	4.15	4.00	3.80	3.50	3.35	3.20	3.05	2.90	2.75	2.75
10 Year Spread to US	40	35	40	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

	8-Aug-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	0.6552	0.67	0.68	0.69	0.71	0.73	0.74	0.75	0.75	0.75	0.75
JPY	93.88	93.8	93.8	93.2	93.7	94.9	94.7	94.5	93.0	91.5	90.0
EUR	0.5963	0.60	0.61	0.62	0.63	0.64	0.64	0.65	0.64	0.64	0.64
NZD	1.0767	1.07	1.08	1.09	1.10	1.12	1.12	1.13	1.13	1.13	1.13
CAD	0.8771	0.88	0.88	0.89	0.91	0.93	0.93	0.95	0.94	0.94	0.94
GBP	0.5135	0.52	0.53	0.53	0.55	0.56	0.57	0.58	0.58	0.57	0.57
CHF	0.5724	0.60	0.60	0.60	0.62	0.64	0.64	0.65	0.65	0.65	0.65
DKK	4.4430	4.50	4.52	4.59	4.68	4.77	4.79	4.82	4.78	4.78	4.78
SEK	6.9519	7.04	7.08	7.18	7.33	7.47	7.50	7.54	7.47	7.47	7.47
NOK	6.6711	6.75	6.79	6.89	7.03	7.17	7.20	7.23	7.17	7.17	7.17
ZAR	12.30	12.4	12.5	12.6	12.8	13.0	13.1	13.2	13.2	13.2	13.2
SGD	0.8803	0.90	0.90	0.91	0.93	0.95	0.97	0.98	0.98	0.98	0.98
HKD	5.1167	5.23	5.29	5.36	5.51	5.66	5.74	5.81	5.81	5.81	5.81
PHP	36.84	36.9	36.7	36.6	36.9	37.2	37.4	37.5	37.5	37.5	37.5
THB	22.90	23.1	23.3	23.5	23.8	24.1	24.1	24.0	23.6	23.6	23.6
MYR	2.9965	3.05	3.06	3.04	3.05	3.07	3.03	3.00	3.00	3.00	3.00
CNY	4.7222	4.76	4.76	4.69	4.76	4.82	4.81	4.80	4.73	4.65	4.58
IDR	9974	10050	10064	10074	10224	10439	10434	10425	10350	10350	10350
TWD	20.81	20.9	20.9	21.0	21.4	21.8	21.9	22.0	21.8	21.8	21.8
KRW	860	858	857	856	866	876	873	870	863	863	863
INR	54.31	54.3	53.7	53.1	53.3	53.3	53.3	54.0	53.6	53.6	53.3

## New Zealand dollar

	8-Aug-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	0.6086	0.62	0.63	0.63	0.64	0.65	0.66	0.66	0.66	0.66	0.67
JPY	87.20	87.4	86.9	85.6	85.0	85.0	84.5	83.3	82.2	81.0	79.8
EUR	0.5538	0.56	0.56	0.57	0.57	0.57	0.57	0.57	0.57	0.57	0.57
AUD	0.9288	0.93	0.93	0.92	0.91	0.90	0.89	0.88	0.88	0.89	0.89
CAD	0.8147	0.82	0.82	0.82	0.82	0.83	0.83	0.83	0.83	0.83	0.83
GBP	0.4769	0.49	0.49	0.49	0.50	0.50	0.51	0.51	0.51	0.51	0.51
CNY	4.3863	4.43	4.41	4.31	4.31	4.32	4.29	4.23	4.17	4.12	4.06

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



## US Dollar

	8-Aug-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
<b>USD vs</b>											
<b>DXI index</b>	102.29	101.2	100.3	99.8	98.8	97.9	97.0	96.3	95.4	95.1	95.0
JPY	143.29	140	138	135	132	130	128	126	124	122	120
EUR	1.0988	1.11	1.12	1.12	1.13	1.14	1.15	1.16	1.17	1.17	1.17
AUD	0.6552	0.67	0.68	0.69	0.71	0.73	0.74	0.75	0.75	0.75	0.75
NZD	0.6086	0.62	0.63	0.63	0.64	0.65	0.66	0.66	0.66	0.66	0.67
CAD	1.3387	1.31	1.30	1.29	1.28	1.27	1.26	1.26	1.25	1.25	1.25
GBP	1.2760	1.28	1.28	1.29	1.29	1.30	1.30	1.30	1.30	1.31	1.31
CHF	0.8737	0.89	0.88	0.87	0.87	0.87	0.86	0.86	0.86	0.86	0.86
ZAR	18.77	18.6	18.4	18.3	18.0	17.8	17.7	17.6	17.6	17.6	17.6
SGD	1.3435	1.34	1.33	1.32	1.31	1.31	1.31	1.30	1.30	1.30	1.30
HKD	7.8094	7.80	7.78	7.77	7.76	7.75	7.75	7.75	7.75	7.75	7.75
PHP	56.22	55.0	54.0	53.0	52.0	51.0	50.5	50.0	50.0	50.0	50.0
THB	34.95	34.5	34.2	34.0	33.5	33.0	32.5	32.0	31.5	31.5	31.5
MYR	4.5746	4.55	4.50	4.40	4.30	4.20	4.10	4.00	4.00	4.00	4.00
CNY	7.2077	7.10	7.00	6.80	6.70	6.60	6.50	6.40	6.30	6.20	6.10
IDR	15223	15000	14800	14600	14400	14300	14100	13900	13800	13800	13800
TWD	31.76	31.2	30.8	30.5	30.2	29.9	29.6	29.3	29.0	29.0	29.0
KRW	1313	1280	1260	1240	1220	1200	1180	1160	1150	1150	1150
INR	82.75	81.0	79.0	77.0	75.0	73.0	72.0	72.0	71.5	71.5	71.0

## Euro & British Pound Sterling

	8-Aug-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
<b>euro vs</b>											
USD	1.0988	1.11	1.12	1.12	1.13	1.14	1.15	1.16	1.17	1.17	1.17
JPY	157.45	155	155	151	149	148	147	146	145	143	140
GBP	0.8611	0.87	0.88	0.87	0.88	0.88	0.88	0.89	0.90	0.89	0.89
CHF	0.9600	0.99	0.99	0.97	0.98	0.99	0.99	1.00	1.01	1.01	1.01
DKK	7.4513	7.45	7.45	7.45	7.45	7.45	7.45	7.45	7.45	7.45	7.45
SEK	11.6592	11.7	11.7	11.7	11.7	11.7	11.7	11.7	11.7	11.7	11.7
NOK	11.1871	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2
<b>sterling vs</b>											
USD	1.2760	1.28	1.28	1.29	1.29	1.30	1.30	1.30	1.30	1.31	1.31
JPY	182.84	179	177	174	170	169	166	164	161	160	157
CHF	1.1149	1.14	1.13	1.12	1.12	1.13	1.12	1.12	1.12	1.13	1.13
AUD	0.5135	0.52	0.53	0.53	0.55	0.56	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	0.4	0.2	0.2	0.1	0.3	0.4	0.5	0.6	0.7	0.6	0.6
%yr	3.1	3.1	6.0	2.6	2.3	1.8	1.4	1.0	0.9	0.8	1.1	1.4	1.8	2.2	2.4	2.5
Unemployment rate %	4.0	3.8	3.5	3.5	3.6	3.6	3.6	3.8	4.1	4.5	4.7	4.7	4.7	4.8	4.8	4.8
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	0.8	0.9	0.7	0.9	0.9	0.8	0.6	0.6	0.6	0.8	0.7
%yr	5.1	6.1	7.3	7.8	7.0	6.0	5.1	3.9	3.4	3.4	3.3	3.2	3.0	2.7	2.7	2.8
Core inflation – trimmed mean	1.5	1.6	1.9	1.7	1.3	0.9	0.8	0.8	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.8
%yr	3.8	5.0	6.2	6.9	6.6	5.9	4.7	3.8	3.3	3.3	3.1	3.1	3.0	2.8	2.9	2.9
Australian commodities index#	338	364	371	379	370	344	330	313	292	285	282	281	282	284	286	289
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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