

# LONG-TERM FORECASTS



## Interest rates

	13-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	3.85	3.60	3.35	3.10	2.85	2.85
90 Day BBSW	4.12	4.30	4.30	4.22	3.97	3.72	3.47	3.22	3.05	3.05
3 Year Swap	4.09	3.95	3.90	3.80	3.70	3.60	3.50	3.40	3.30	3.20
3 Year Bond	3.86	3.70	3.65	3.60	3.50	3.40	3.30	3.20	3.10	3.00
10 Year Bond	4.17	4.00	3.80	3.60	3.40	3.30	3.22	3.12	3.02	3.02
10 Year Spread to US (bps)	-12	-10	-10	-10	-10	-10	-8	-8	-8	-8
<b>New Zealand</b>										
Cash	5.50	5.75	5.75	5.75	5.50	5.25	5.00	4.75	4.50	4.25
90 Day Bill	5.67	5.85	5.85	5.85	5.60	5.35	5.10	4.85	4.60	4.35
2 Year Swap	5.51	5.49	5.29	5.06	4.80	4.55	4.33	4.14	4.01	3.89
10 Year Bond	4.99	4.85	4.65	4.45	4.25	4.10	3.95	3.85	3.75	3.75
10 Year Spread to Aus	82	85	85	85	85	80	73	73	73	73
10 Year Spread to US	70	75	75	75	75	70	65	65	65	65
<b>United States</b>										
Fed Funds	5.375	5.375	5.125	4.875	4.625	4.375	4.125	3.875	3.625	3.375
10 Year Bond	4.29	4.10	3.90	3.70	3.50	3.40	3.30	3.20	3.10	3.10
<b>Euro area</b>										
ECB Deposit Rate	3.75	4.00	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
10 Year Bund	2.64	2.65	2.55	2.45	2.35	2.35	2.30	2.25	2.20	2.20
10 Year Spread to US	-164	-145	-135	-125	-115	-105	-100	-95	-90	-90
<b>United Kingdom</b>										
BoE Bank Rate	5.25	5.75	5.75	5.75	5.50	5.25	5.00	4.75	4.25	3.75
10 Year Gilt	4.42	4.25	4.05	3.80	3.60	3.45	3.35	3.25	3.15	3.10
10 Year Spread to US	13	15	15	10	10	5	5	5	5	0

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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## Australian dollar

	13-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	0.6426	0.66	0.67	0.68	0.69	0.70	0.71	0.72	0.72	0.73
JPY	94.57	95.0	95.1	95.2	95.2	95.2	94.4	93.6	91.4	91.3
EUR	0.5971	0.60	0.60	0.61	0.61	0.61	0.62	0.62	0.62	0.62
NZD	1.0873	1.08	1.10	1.10	1.11	1.13	1.13	1.14	1.14	1.14
CAD	0.8708	0.88	0.88	0.88	0.88	0.89	0.89	0.90	0.90	0.91
GBP	0.5142	0.52	0.52	0.53	0.53	0.54	0.55	0.55	0.55	0.56
CHF	0.5725	0.58	0.59	0.59	0.60	0.60	0.61	0.62	0.62	0.63
DKK	4.4543	4.47	4.50	4.53	4.55	4.58	4.60	4.63	4.59	4.65
SEK	7.1294	7.16	7.21	7.25	7.29	7.33	7.37	7.41	7.35	7.45
NOK	6.8544	6.89	6.93	6.97	7.01	7.05	7.09	7.13	7.07	7.17
ZAR	12.15	12.3	12.4	12.5	12.6	12.7	12.8	12.9	12.9	13.0
SGD	0.8743	0.88	0.89	0.90	0.90	0.91	0.92	0.94	0.94	0.95
HKD	5.0296	5.16	5.23	5.30	5.38	5.45	5.51	5.58	5.58	5.66
PHP	36.42	36.3	36.2	36.0	35.9	35.7	35.9	36.0	36.0	36.5
THB	22.91	22.8	22.9	23.1	23.1	23.1	23.1	23.0	22.7	23.0
MYR	3.0032	3.00	3.02	2.99	2.97	2.94	2.91	2.88	2.88	2.92
CNY	4.6846	4.72	4.69	4.69	4.69	4.69	4.69	4.68	4.61	4.60
IDR	9858	9900	9916	9928	9936	10010	10011	10008	9936	10074
TWD	20.59	20.6	20.6	20.7	20.8	20.9	21.0	21.1	20.9	21.2
KRW	852	845	844	843	842	840	838	835	828	840
INR	53.29	52.8	51.6	51.0	50.4	50.4	51.1	51.5	51.5	51.8

## New Zealand dollar

	13-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	0.5910	0.61	0.61	0.62	0.62	0.62	0.63	0.63	0.63	0.64
JPY	86.98	87.8	86.6	86.8	85.6	84.3	83.8	81.9	80.0	80.0
EUR	0.5492	0.55	0.55	0.55	0.55	0.54	0.55	0.54	0.54	0.55
AUD	0.9196	0.92	0.91	0.91	0.90	0.89	0.89	0.88	0.88	0.88
CAD	0.8009	0.82	0.81	0.81	0.79	0.79	0.79	0.79	0.79	0.80
GBP	0.4729	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.49
CNY	4.309	4.36	4.27	4.28	4.22	4.15	4.16	4.10	4.03	4.03

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

	13-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>	104.55	102.5	101.4	100.3	99.3	98.4	97.5	96.5	95.5	95.3
JPY	147.17	144	142	140	138	136	133	130	127	125
EUR	1.0761	1.10	1.11	1.12	1.13	1.14	1.15	1.16	1.17	1.17
AUD	0.6426	0.66	0.67	0.68	0.69	0.70	0.71	0.72	0.72	0.73
NZD	0.5910	0.61	0.61	0.62	0.62	0.62	0.63	0.63	0.63	0.64
CAD	1.3552	1.34	1.32	1.30	1.28	1.27	1.26	1.25	1.25	1.25
GBP	1.2496	1.27	1.28	1.29	1.30	1.30	1.30	1.30	1.31	1.31
CHF	0.8909	0.88	0.88	0.87	0.87	0.86	0.86	0.86	0.86	0.86
ZAR	18.91	18.7	18.5	18.4	18.3	18.1	18.0	17.9	17.9	17.8
SGD	1.3607	1.34	1.33	1.32	1.31	1.31	1.30	1.30	1.30	1.30
HKD	7.8272	7.82	7.81	7.80	7.79	7.78	7.76	7.75	7.75	7.75
PHP	56.66	55.0	54.0	53.0	52.0	51.0	50.5	50.0	50.0	50.0
THB	35.65	34.5	34.2	34.0	33.5	33.0	32.5	32.0	31.5	31.5
MYR	4.6729	4.55	4.50	4.40	4.30	4.20	4.10	4.00	4.00	4.00
CNY	7.2924	7.15	7.00	6.90	6.80	6.70	6.60	6.50	6.40	6.30
IDR	15341	15000	14800	14600	14400	14300	14100	13900	13800	13800
TWD	32.05	31.2	30.8	30.5	30.2	29.9	29.6	29.3	29.0	29.0
KRW	1326	1280	1260	1240	1220	1200	1180	1160	1150	1150
INR	82.92	80.0	77.0	75.0	73.0	72.0	72.0	71.5	71.5	71.0

## Euro & British Pound Sterling

	13-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	1.0761	1.10	1.11	1.12	1.13	1.14	1.15	1.16	1.17	1.17
JPY	158.38	158	158	157	156	155	153	151	149	146
GBP	0.8611	0.87	0.87	0.87	0.87	0.88	0.88	0.89	0.89	0.89
CHF	0.9588	0.97	0.97	0.97	0.98	0.98	0.99	1.00	1.01	1.01
DKK	7.4598	7.46	7.46	7.46	7.46	7.46	7.46	7.46	7.46	7.46
SEK	11.9404	11.9	11.9	11.9	11.9	11.9	11.9	11.9	11.9	11.9
NOK	11.4792	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5
<b>sterling vs</b>										
USD	1.2496	1.27	1.28	1.29	1.30	1.30	1.30	1.30	1.31	1.31
JPY	183.91	183	182	181	179	177	173	169	166	164
CHF	1.1134	1.12	1.12	1.12	1.13	1.12	1.12	1.12	1.13	1.13
AUD	0.5142	0.52	0.52	0.53	0.53	0.54	0.55	0.55	0.55	0.56

Source: Bloomberg, Westpac Economics

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## Key macroeconomic forecasts

	2022				2023		2024				2025					
	Q1	Q2	Q3	Q4	Q1	Q2	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
Real GDP %qtr	0.6	0.7	0.7	0.7	0.4	0.4	0.3	0.2	0.2	0.3	0.5	0.5	0.6	0.7	0.6	0.6
%yr	3.0	3.1	6.0	2.7	2.4	2.1	1.7	1.2	1.1	1.0	1.2	1.6	1.9	2.3	2.4	2.5
Unemployment rate %	4.0	3.8	3.5	3.5	3.6	3.6	3.7	3.8	4.1	4.5	4.6	4.7	4.7	4.7	4.8	4.8
Wages (WPI) %qtr	0.6	0.9	1.1	0.8	0.8	0.8	1.3	0.8	0.8	0.8	0.9	0.7	0.8	0.6	0.9	0.5
%yr	2.4	2.6	3.2	3.4	3.7	3.6	3.9	3.8	3.8	3.8	3.3	3.2	3.2	3.0	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	331	317	299	294	289	285	283	284	287	290
World growth year-average	-	-	-	3.4	-	-	-	3.0	-	-	-	3.1	-	-	-	2.9

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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