

LONG-TERM FORECASTS



Interest rates

	5-Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Australia										
Cash	4.10	4.10	4.10	4.10	3.85	3.60	3.35	3.10	2.85	2.85
90 Day BBSW	4.13	4.30	4.30	4.22	3.97	3.72	3.47	3.22	3.05	3.05
3 Year Swap	4.03	3.95	3.90	3.80	3.70	3.60	3.50	3.40	3.30	3.20
3 Year Bond	3.81	3.70	3.65	3.60	3.50	3.40	3.30	3.20	3.10	3.00
10 Year Bond	4.14	4.00	3.80	3.60	3.40	3.30	3.22	3.12	3.02	3.02
10 Year Spread to US (bps)	-8	-10	-10	-10	-10	-10	-8	-8	-8	-8
New Zealand										
Cash	5.50	5.75	5.75	5.75	5.50	5.25	5.00	4.75	4.50	4.25
90 Day Bill	5.66	5.85	5.85	5.85	5.60	5.35	5.10	4.85	4.60	4.35
2 Year Swap	5.49	5.49	5.29	5.06	4.81	4.58	4.37	4.19	4.06	3.94
10 Year Bond	4.98	4.45	4.30	4.15	4.05	3.95	3.85	3.80	3.75	3.75
10 Year Spread to Aus	84	45	50	55	65	65	63	68	73	73
10 Year Spread to US	76	35	40	45	55	55	55	60	65	65
United States										
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	4.22	4.10	3.90	3.70	3.50	3.40	3.30	3.20	3.10	3.10
Euro area										
ECB Deposit Rate	3.75	4.00	4.00	3.75	3.50	3.00	2.50	2.25	2.00	2.00
10 Year Bund	2.60	2.65	2.55	2.45	2.35	2.35	2.35	2.30	2.25	2.30
10 Year Spread to US	-162	-145	-135	-125	-115	-105	-95	-90	-85	-80
United Kingdom										
BoE Bank Rate	5.25	5.75	5.75	5.75	5.50	5.00	4.50	4.00	3.50	3.00
10 Year Gilt	4.46	4.40	4.20	3.95	3.75	3.60	3.45	3.30	3.15	3.15
10 Year Spread to US	24	30	30	25	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

	5-Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
AUD vs										
USD	0.6377	0.66	0.67	0.68	0.69	0.70	0.71	0.72	0.72	0.73
JPY	93.72	95.0	95.1	95.2	95.2	95.2	94.4	93.6	91.4	91.3
EUR	0.5922	0.60	0.60	0.61	0.61	0.61	0.62	0.62	0.62	0.62
NZD	1.0837	1.05	1.06	1.06	1.06	1.06	1.07	1.09	1.08	1.10
CAD	0.8702	0.88	0.88	0.88	0.88	0.89	0.89	0.90	0.90	0.91
GBP	0.5067	0.52	0.52	0.53	0.53	0.54	0.55	0.55	0.55	0.56
CHF	0.5654	0.58	0.59	0.59	0.60	0.60	0.61	0.62	0.62	0.63
DKK	4.4140	4.47	4.50	4.52	4.55	4.58	4.60	4.62	4.59	4.65
SEK	7.0708	7.16	7.21	7.25	7.29	7.33	7.37	7.41	7.35	7.45
NOK	6.8331	6.92	6.97	7.01	7.05	7.09	7.12	7.16	7.10	7.20
ZAR	12.23	12.4	12.5	12.6	12.7	12.8	12.9	13.0	13.0	13.1
SGD	0.8672	0.88	0.89	0.90	0.90	0.91	0.92	0.94	0.94	0.95
HKD	4.9981	5.16	5.23	5.30	5.38	5.45	5.51	5.58	5.58	5.66
PHP	36.26	36.3	36.2	36.0	35.9	35.7	35.9	36.0	36.0	36.5
THB	22.60	22.8	22.9	23.1	23.1	23.1	23.1	23.0	22.7	23.0
MYR	2.9740	3.00	3.02	2.99	2.97	2.94	2.91	2.88	2.88	2.92
CNY	4.6539	4.72	4.69	4.69	4.69	4.69	4.69	4.68	4.61	4.60
IDR	9735	9900	9916	9928	9936	10010	10011	10008	9936	10074
TWD	20.37	20.6	20.6	20.7	20.8	20.9	21.0	21.1	20.9	21.2
KRW	849	845	844	843	842	840	838	835	828	840
INR	52.92	52.1	51.6	51.0	50.4	50.4	51.1	51.5	51.5	51.8

New Zealand dollar

	5-Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
NZD vs										
USD	0.5885	0.63	0.63	0.64	0.65	0.66	0.66	0.66	0.66	0.67
JPY	86.49	90.7	90.0	90.2	90.3	89.8	88.0	86.1	84.3	83.1
EUR	0.5466	0.57	0.57	0.58	0.58	0.58	0.58	0.57	0.57	0.57
AUD	0.9229	0.95	0.95	0.95	0.95	0.94	0.93	0.92	0.92	0.91
CAD	0.8030	0.84	0.84	0.84	0.84	0.84	0.83	0.83	0.83	0.83
GBP	0.4676	0.50	0.50	0.50	0.50	0.51	0.51	0.51	0.51	0.51
CNY	4.2942	4.50	4.44	4.44	4.45	4.42	4.36	4.31	4.25	4.19

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

	5-Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
USD vs										
DXI index	104.43	102.4	101.4	100.3	99.3	98.4	97.5	96.5	95.5	95.3
JPY	146.97	144	142	140	138	136	133	130	127	125
EUR	1.0767	1.10	1.11	1.12	1.13	1.14	1.15	1.16	1.17	1.17
AUD	0.6377	0.66	0.67	0.68	0.69	0.70	0.71	0.72	0.72	0.73
NZD	0.5885	0.63	0.63	0.64	0.65	0.66	0.66	0.66	0.66	0.67
CAD	1.3644	1.34	1.32	1.30	1.28	1.27	1.26	1.25	1.25	1.25
GBP	1.2587	1.27	1.28	1.29	1.30	1.30	1.30	1.30	1.31	1.31
CHF	0.8865	0.88	0.88	0.87	0.87	0.86	0.86	0.86	0.86	0.86
ZAR	19.18	18.9	18.7	18.6	18.4	18.3	18.2	18.1	18.1	17.9
SGD	1.3598	1.34	1.33	1.32	1.31	1.31	1.30	1.30	1.30	1.30
HKD	7.8364	7.82	7.81	7.80	7.79	7.78	7.76	7.75	7.75	7.75
PHP	56.85	55.0	54.0	53.0	52.0	51.0	50.5	50.0	50.0	50.0
THB	35.43	34.5	34.2	34.0	33.5	33.0	32.5	32.0	31.5	31.5
MYR	4.6620	4.55	4.50	4.40	4.30	4.20	4.10	4.00	4.00	4.00
CNY	7.2961	7.15	7.00	6.90	6.80	6.70	6.60	6.50	6.40	6.30
IDR	15265	15000	14800	14600	14400	14300	14100	13900	13800	13800
TWD	31.93	31.2	30.8	30.5	30.2	29.9	29.6	29.3	29.0	29.0
KRW	1331	1280	1260	1240	1220	1200	1180	1160	1150	1150
INR	82.96	79.0	77.0	75.0	73.0	72.0	72.0	71.5	71.5	71.0

Euro & British Pound Sterling

	5-Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
euro vs										
USD	1.0767	1.10	1.11	1.12	1.13	1.14	1.15	1.16	1.17	1.17
JPY	158.23	158	158	157	156	155	153	151	149	146
GBP	0.8555	0.87	0.87	0.87	0.87	0.88	0.88	0.89	0.89	0.89
CHF	0.9545	0.97	0.97	0.97	0.98	0.98	0.99	1.00	1.01	1.01
DKK	7.4528	7.45	7.45	7.45	7.45	7.45	7.45	7.45	7.45	7.45
SEK	11.9374	11.9	11.9	11.9	11.9	11.9	11.9	11.9	11.9	11.9
NOK	11.5381	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5
sterling vs										
USD	1.2587	1.27	1.28	1.29	1.30	1.30	1.30	1.30	1.31	1.31
JPY	184.97	183	182	181	179	177	173	169	166	164
CHF	1.1158	1.12	1.12	1.12	1.13	1.12	1.12	1.12	1.13	1.13
AUD	0.5067	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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LONG-TERM FORECASTS



Key macroeconomic forecasts

	2022				2023		2024				2025					
	Q1	Q2	Q3	Q4	Q1	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	3.7	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	330	313	292	285	282	281	282	284	286	289
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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