

LONG-TERM FORECASTS



Interest rates

	13-Oct-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	4.15	4.30	4.30	4.22	3.97	3.72	3.47	3.22	3.05	3.05
3 Year Swap	4.15	4.10	4.00	3.90	3.80	3.70	3.50	3.40	3.30	3.20
3 Year Bond	3.95	3.85	3.75	3.70	3.60	3.50	3.30	3.20	3.10	3.00
10 Year Bond	4.46	4.45	4.50	4.40	4.30	4.20	4.00	3.90	3.75	3.75
10 Year Spread to US (bps)	-19	-15	-15	-20	-20	-20	-20	-20	-25	-25
New Zealand										
Cash	5.50	5.75	5.75	5.75	5.75	5.75	5.50	5.25	5.00	4.75
90 Day Bill	5.70	5.85	5.85	5.85	5.85	5.75	5.50	5.20	5.00	4.75
2 Year Swap	5.67	5.81	5.67	5.50	5.29	5.08	4.86	4.65	4.46	4.29
10 Year Bond	5.44	5.45	5.45	5.40	5.30	5.15	4.90	4.80	4.70	4.60
10 Year Spread to Aus	98	100	95	100	100	95	90	90	95	85
10 Year Spread to US	79	85	80	80	80	75	70	70	70	60
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	4.65	4.60	4.65	4.60	4.50	4.40	4.20	4.10	4.00	4.00
Euro area										
ECB Deposit Rate	4.00	4.00	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
10 Year Bund	2.79	2.90	2.90	2.85	2.80	2.75	2.55	2.50	2.45	2.45
10 Year Spread to US	-187	-170	-175	-175	-170	-165	-165	-160	-155	-155
United Kingdom										
BoE Bank Rate	5.25	5.50	5.50	5.50	5.25	5.00	4.75	4.50	4.25	3.75
10 Year Gilt	4.42	4.45	4.55	4.55	4.50	4.45	4.30	4.25	4.20	4.25
10 Year Spread to US	-23	-15	-10	-5	0	5	10	15	20	25

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

	13-Oct-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
AUD vs										
USD	0.6321	0.66	0.67	0.68	0.69	0.70	0.71	0.72	0.72	0.73
JPY	94.59	97	97	97	97	97	96	95	94	93
EUR	0.5993	0.61	0.61	0.61	0.61	0.61	0.62	0.62	0.62	0.62
NZD	1.0676	1.08	1.09	1.10	1.11	1.12	1.13	1.14	1.14	1.15
CAD	0.8648	0.88	0.88	0.88	0.88	0.89	0.89	0.90	0.90	0.91
GBP	0.5179	0.54	0.54	0.54	0.55	0.55	0.55	0.55	0.55	0.56
CHF	0.5733	0.60	0.60	0.61	0.61	0.61	0.61	0.62	0.62	0.63
DKK	4.4692	4.56	4.58	4.57	4.55	4.58	4.60	4.63	4.59	4.65
SEK	6.9366	7.07	7.11	7.09	7.07	7.11	7.15	7.18	7.12	7.22
NOK	6.9299	7.07	7.11	7.08	7.06	7.10	7.14	7.18	7.12	7.21
ZAR	12.00	12.3	12.4	12.5	12.5	12.6	12.7	12.8	12.8	12.9
SGD	0.8651	0.89	0.90	0.90	0.91	0.91	0.92	0.94	0.94	0.95
HKD	4.9439	5.16	5.23	5.30	5.38	5.45	5.51	5.58	5.58	5.66
PHP	35.90	37.0	37.2	37.4	37.6	37.8	38.0	38.2	37.8	38.3
THB	23.02	22.8	22.9	23.1	23.1	23.1	23.1	23.0	22.7	23.0
MYR	2.9917	3.07	3.05	3.03	3.04	3.05	3.05	3.06	3.02	3.07
CNY	4.6175	4.75	4.76	4.69	4.69	4.69	4.69	4.68	4.61	4.60
IDR	9925	10164	10184	10200	10212	10220	10295	10368	10296	10439
TWD	20.36	20.8	20.8	20.7	20.8	20.9	21.0	21.1	20.9	21.2
KRW	853	871	871	870	869	875	880	886	878	891
INR	52.61	54.1	53.6	53.0	52.4	52.5	52.9	53.3	52.9	53.3

New Zealand dollar

	13-Oct-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
NZD vs										
USD	0.5921	0.61	0.61	0.62	0.62	0.62	0.63	0.63	0.63	0.64
JPY	88.60	90	89	88	87	86	85	83	82	81
EUR	0.5615	0.56	0.56	0.56	0.55	0.55	0.55	0.54	0.54	0.54
AUD	0.9368	0.92	0.92	0.91	0.90	0.89	0.88	0.87	0.88	0.87
CAD	0.8101	0.82	0.81	0.80	0.79	0.79	0.79	0.79	0.79	0.79
GBP	0.4851	0.50	0.50	0.49	0.49	0.49	0.49	0.48	0.48	0.48
CNY	4.3253	4.39	4.36	4.26	4.22	4.18	4.14	4.09	4.05	4.00

Source: Bloomberg, Westpac Economics

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LONG-TERM FORECASTS



US Dollar

	13-Oct-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
USD vs										
DXI index	106.41	104.3	103.2	101.5	99.7	98.6	97.5	96.3	95.4	95.1
JPY	149.66	147	145	143	141	138	135	132	130	127
EUR	1.0545	1.08	1.09	1.11	1.13	1.14	1.15	1.16	1.17	1.17
AUD	0.6321	0.66	0.67	0.68	0.69	0.70	0.71	0.72	0.72	0.73
NZD	0.5921	0.61	0.61	0.62	0.62	0.62	0.63	0.63	0.63	0.64
CAD	1.3682	1.34	1.32	1.30	1.28	1.27	1.26	1.25	1.25	1.25
GBP	1.2204	1.23	1.24	1.25	1.26	1.27	1.28	1.30	1.31	1.31
CHF	0.9069	0.91	0.90	0.89	0.88	0.87	0.86	0.86	0.86	0.86
ZAR	18.99	18.59	18.45	18.32	18.19	18.06	17.93	17.80	17.80	17.68
SGD	1.3687	1.35	1.34	1.33	1.32	1.31	1.30	1.30	1.30	1.30
HKD	7.8217	7.82	7.81	7.80	7.79	7.78	7.76	7.75	7.75	7.75
PHP	56.79	56.00	55.50	55.00	54.50	54.00	53.50	53.00	52.50	52.50
THB	36.43	34.5	34.2	34.0	33.5	33.0	32.5	32.0	31.5	31.5
MYR	4.7348	4.65	4.55	4.45	4.40	4.35	4.30	4.25	4.20	4.20
CNY	7.3057	7.20	7.10	6.90	6.80	6.70	6.60	6.50	6.40	6.30
IDR	15702	15400	15200	15000	14800	14600	14500	14400	14300	14300
TWD	32.21	31.5	31.0	30.5	30.2	29.9	29.6	29.3	29.0	29.0
KRW	1349	1320	1300	1280	1260	1250	1240	1230	1220	1220
INR	83.24	82.00	80.00	78.00	76.00	75.00	74.50	74.00	73.50	73.00

Euro & British Pound Sterling

	13-Oct-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
euro vs										
USD	1.0545	1.08	1.09	1.11	1.13	1.14	1.15	1.16	1.17	1.17
JPY	157.81	159	158	159	159	157	155	153	152	149
GBP	0.8641	0.88	0.88	0.89	0.90	0.90	0.90	0.89	0.89	0.89
CHF	0.9564	0.98	0.98	0.99	0.99	0.99	0.99	1.00	1.01	1.01
DKK	7.4568	7.46	7.46	7.46	7.46	7.46	7.46	7.46	7.46	7.46
SEK	11.5741	11.57	11.57	11.57	11.57	11.57	11.57	11.57	11.57	11.57
NOK	11.5623	11.56	11.56	11.56	11.56	11.56	11.56	11.56	11.56	11.56
sterling vs										
USD	1.2204	1.23	1.24	1.25	1.26	1.27	1.28	1.30	1.31	1.31
JPY	182.63	181	180	179	178	175	173	172	170	166
CHF	1.1069	1.12	1.12	1.11	1.11	1.10	1.10	1.12	1.13	1.13
AUD	0.5179	0.54	0.54	0.54	0.55	0.55	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	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	1.1	0.9	0.8	0.7	0.9	0.8	0.7	0.7	0.8	0.8
%yr	5.1	6.1	7.3	7.8	7.0	6.0	5.3	4.3	3.7	3.6	3.3	3.2	3.1	3.1	3.0	3.0
Core inflation – trimmed mean	1.5	1.6	1.9	1.7	1.3	0.9	1.1	0.8	0.8	0.8	0.8	0.7	0.7	0.7	0.7	0.7
%yr	3.8	5.0	6.2	6.9	6.6	5.9	5.0	4.1	3.6	3.5	3.2	3.1	3.1	3.0	2.9	2.9
Australian commodities index#	338	364	371	379	370	344	332	319	302	298	294	288	285	283	284	286
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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