

# LONG-TERM FORECASTS



## Interest rates

	13-Mar-24	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
<b>Australia</b>									
Cash	4.35	4.35	4.35	4.10	3.85	3.60	3.35	3.10	3.10
90 Day BBSW	4.35	4.40	4.37	4.12	3.92	3.67	3.47	3.30	3.30
3 Year Swap	3.84	4.05	3.95	3.85	3.75	3.65	3.60	3.55	3.50
3 Year Bond	3.64	3.85	3.75	3.65	3.55	3.45	3.40	3.35	3.30
10 Year Bond	4.00	4.20	4.05	3.95	3.85	3.90	3.90	3.95	4.00
10 Year Spread to US (bps)	-15	5	5	5	5	5	0	0	0
<b>New Zealand</b>									
Cash	5.50	5.50	5.50	5.50	5.50	5.25	5.00	4.75	4.50
90 Day Bill	5.64	5.60	5.60	5.60	5.50	5.25	4.95	4.75	4.50
2 Year Swap	4.87	5.10	4.95	4.75	4.50	4.40	4.15	4.10	4.00
10 Year Bond	4.56	4.85	4.70	4.65	4.60	4.50	4.40	4.35	4.25
10 Year Spread to Aus	56	65	65	70	75	60	50	40	25
10 Year Spread to US	41	70	70	75	80	65	50	40	25
<b>United States</b>									
Fed Funds	5.375	5.375	5.125	4.625	4.375	4.125	3.875	3.625	3.375
10 Year Bond	4.15	4.15	4.00	3.90	3.80	3.85	3.90	3.95	4.00
<b>Euro area</b>									
ECB Deposit Rate	4.00	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
10 Year Bund	2.33	2.35	2.25	2.20	2.15	2.25	2.30	2.40	2.45
10 Year Spread to US	-182	-180	-175	-170	-165	-160	-160	-155	-155
<b>United Kingdom</b>									
BoE Bank Rate	5.25	5.25	5.00	4.75	4.50	4.25	4.00	3.75	3.50
10 Year Gilt	3.95	4.00	3.90	3.80	3.75	3.80	3.85	3.95	4.00
10 Year Spread to US	-20	-15	-10	-10	-5	-5	-5	0	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.

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# LONG-TERM FORECASTS



## Australian dollar

	13-Mar-24	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
<b>AUD vs</b>									
USD	0.6609	0.66	0.68	0.69	0.70	0.71	0.72	0.72	0.73
JPY	97.58	97	97	97	97	96	95	94	93
EUR	0.6050	0.61	0.61	0.61	0.61	0.62	0.62	0.62	0.62
NZD	1.0731	1.06	1.07	1.08	1.09	1.11	1.11	1.11	1.12
CAD	0.8919	0.88	0.89	0.90	0.90	0.90	0.91	0.90	0.91
GBP	0.5171	0.52	0.53	0.54	0.54	0.55	0.55	0.55	0.56
CHF	0.5803	0.57	0.59	0.60	0.60	0.61	0.61	0.61	0.62
DKK	4.5115	4.52	4.53	4.55	4.58	4.60	4.63	4.59	4.65
SEK	6.7719	6.78	6.81	6.84	6.87	6.91	6.95	6.89	6.98
NOK	6.9558	6.96	6.99	7.02	7.06	7.10	7.14	7.08	7.17
ZAR	12.38	12.4	12.5	12.7	12.8	12.8	12.9	12.9	13.0
SGD	0.8808	0.88	0.89	0.91	0.91	0.92	0.94	0.94	0.95
HKD	5.1703	5.16	5.28	5.39	5.47	5.54	5.62	5.62	5.69
PHP	36.58	36.6	37.1	37.6	37.8	38.0	38.2	37.8	38.0
THB	23.58	23.1	23.3	23.5	23.5	23.4	23.4	23.0	23.0
MYR	3.0991	3.07	3.07	3.07	3.05	3.05	3.06	3.02	3.03
CNY	4.7536	4.75	4.79	4.83	4.83	4.83	4.82	4.82	4.75
IDR	10299	10230	10328	10419	10430	10366	10368	10296	10293
TWD	20.80	20.6	20.9	21.0	21.0	21.0	21.1	20.9	21.0
KRW	869	865	878	883	882	880	886	878	883
INR	54.78	54.1	54.7	54.5	54.6	54.7	54.7	54.0	54.0

## New Zealand dollar

	13-Mar-24	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
<b>NZD vs</b>									
USD	0.6159	0.62	0.63	0.64	0.64	0.64	0.65	0.65	0.65
JPY	90.93	91	91	90	88	86	86	85	83
EUR	0.5638	0.57	0.57	0.57	0.56	0.56	0.56	0.56	0.56
AUD	0.9319	0.94	0.93	0.93	0.91	0.90	0.90	0.90	0.89
CAD	0.8311	0.83	0.83	0.83	0.82	0.81	0.82	0.81	0.81
GBP	0.4819	0.49	0.50	0.50	0.50	0.49	0.50	0.50	0.50
CNY	4.4299	4.46	4.47	4.48	4.42	4.35	4.36	4.36	4.23

Source: Bloomberg, Westpac Economics

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## US Dollar

	13-Mar-24	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
<b>USD vs</b>									
<b>DXY index</b>	102.96	103.0	101.4	99.7	98.6	97.6	96.6	95.7	95.4
JPY	147.65	147	144	141	138	135	132	130	127
EUR	1.0924	1.09	1.11	1.13	1.14	1.15	1.16	1.17	1.17
AUD	0.6609	0.66	0.68	0.69	0.70	0.71	0.72	0.72	0.73
NZD	0.6159	0.62	0.63	0.64	0.64	0.64	0.65	0.65	0.65
CAD	1.3495	1.34	1.32	1.30	1.28	1.27	1.26	1.25	1.25
GBP	1.2781	1.27	1.27	1.28	1.29	1.30	1.30	1.31	1.31
CHF	0.8780	0.87	0.87	0.87	0.86	0.86	0.85	0.85	0.85
ZAR	18.73	18.8	18.6	18.4	18.2	18.1	18.0	18.0	17.8
SGD	1.3328	1.33	1.32	1.32	1.31	1.30	1.30	1.30	1.30
HKD	7.8235	7.82	7.82	7.81	7.81	7.80	7.80	7.80	7.80
PHP	55.36	55.5	55.0	54.5	54.0	53.5	53.0	52.5	52.0
THB	35.68	35.0	34.5	34.0	33.5	33.0	32.5	32.0	31.5
MYR	4.6904	4.65	4.55	4.45	4.35	4.30	4.25	4.20	4.15
CNY	7.1932	7.20	7.10	7.00	6.90	6.80	6.70	6.70	6.50
IDR	15584	15500	15300	15100	14900	14600	14400	14300	14100
TWD	31.47	31.2	30.9	30.5	30.0	29.6	29.3	29.0	28.8
KRW	1314	1310	1300	1280	1260	1240	1230	1220	1210
INR	82.90	82.0	81.0	79.0	78.0	77.0	76.0	75.0	74.0

## Euro & British Pound Sterling

	13-Mar-24	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
<b>euro vs</b>									
USD	1.0924	1.09	1.11	1.13	1.14	1.15	1.16	1.17	1.17
JPY	161.29	160	160	159	157	155	153	152	149
GBP	0.8547	0.86	0.87	0.88	0.88	0.88	0.89	0.89	0.89
CHF	0.9591	0.95	0.97	0.98	0.98	0.99	0.99	0.99	0.99
DKK	7.4569	7.46	7.46	7.46	7.46	7.46	7.46	7.46	7.46
SEK	11.1934	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2
NOK	11.4970	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5
<b>sterling vs</b>									
USD	1.2781	1.27	1.27	1.28	1.29	1.30	1.30	1.31	1.31
JPY	188.70	187	183	180	178	176	172	170	166
CHF	1.1222	1.10	1.10	1.11	1.11	1.12	1.11	1.11	1.11
AUD	0.5171	0.52	0.53	0.54	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	Q2	Q3	Q4f	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
Real GDP %qtr	0.5	0.8	0.2	0.8	0.6	0.5	0.3	0.2	0.3	0.3	0.4	0.5	0.5	0.6	0.6	0.6
%yr	3.6	3.5	5.8	2.4	2.5	2.1	2.1	1.5	1.3	1.1	1.3	1.6	1.8	2.1	2.3	2.5
Unemployment rate %	4.0	3.8	3.5	3.4	3.6	3.6	3.7	3.8	4.0	4.2	4.4	4.5	4.5	4.6	4.6	4.6
Wages (WPI) %qtr	0.7	0.9	0.9	0.8	0.9	1.0	1.3	0.9	0.9	0.9	0.8	0.5	0.9	0.9	0.7	0.5
%yr	2.4	2.7	3.1	3.3	3.6	3.7	4.1	4.2	4.2	4.2	3.7	3.2	3.2	3.2	3.1	3.1
CPI Headline %qtr	2.1	1.8	1.8	1.9	1.4	0.8	1.2	0.6	0.7	0.6	0.9	0.8	0.6	0.7	0.8	0.6
%yr	5.1	6.1	7.3	7.8	7.0	6.0	5.4	4.1	3.4	3.1	2.8	3.0	2.9	3.0	2.9	2.7
Core inflation – trimmed mean	1.5	1.6	1.8	1.7	1.2	1.0	1.2	0.8	0.8	0.6	0.9	0.7	0.7	0.7	0.6	0.7
%yr	3.8	5.0	6.1	6.8	6.5	5.8	5.1	4.2	3.8	3.5	3.2	3.1	3.0	3.1	2.8	2.8
Australian commodities index#	340	366	374	379	370	343	328	320	310	310	306	294	281	272	267	266
World growth year-average	-	-	-	3.5	-	-	-	3.3	-	-	-	3.3	-	-	-	3.1

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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