

16 April 2024

## March Quarter CPI Preview Seasonal boost from health & education with the Trimmed Mean matching the December increase.

- For the March quarter Consumer Price Index (CPI), Westpac has lifted its forecast from 0.7% to 0.8%. Due to base effects (a much larger rise in March 2023 of 1.4%) this would see the annual pace drop to 3.5%yr from 4.1%yr, the slowest pace of inflation since December 2021.
- Our forecast for the most widely referred to core measure, the Trimmed Mean, is confirmed at 0.8% for the March quarter. This would see a moderation in the annual pace from 4.2%yr to 3.8%yr, the slowest pace since March 2022.
- We expect the usual annual repricing of health and education to make a solid contribution in the quarter, with education contributing 0.25ppt and health 0.15ppt. These price reset tend to be backwards looking reflection in inflation experienced and so this year could be larger than usual but set to ease going forward as overall inflation moderates.
- Despite government rebates resulting in falling electricity prices, housing still makes a solid contribution of 0.14ppt with rents increasing 2.2% and dwellings gaining 1.1%.
- Food remains inflationary rising 1.0% in the quarter with a 0.09ppt contribution from food ex fresh fruit & vegetables and a 0.07ppt contribution from fresh fruit & vegetables.
- Providing a modest offset is falling household contents & services (-0.03ppt contribution due to falling furniture, furnishings, textiles and appliance prices) and falling clothing & footwear (-0.04ppt contribution).
- Westpac is forecasting a 0.3% increase in the March Monthly CPI Indicator which will take the annual pace down to 3.2%yr from 3.4%yr, the slowest pace since November 2021.
- Using the data from the February Monthly CPI Indicator and updating the partial indicators for our March Monthly Indicator estimate our forecast for the March quarter CPI lifted from 0.7% to 0.8%. This is a rounded down estimate and the momentum in the components suggests the risk to this estimate lies to the upside.
- As we only have two of the three months of the quarter from the Monthly CPI Indicator there is still the possibility of a surprising result in both the monthly and quarterly prints.
- The above estimates remain consistent with our current forecast for the CPI to be at a 3.0%yr pace by end 2024.

### CPI Dec 2023 actual and Mar 2024 forecast

Item	Dec 2023		Mar 2024 f/c	
	% qtr	contrib	% qtr	contrib
<b>Food</b>	0.5	0.09	1.0	0.16
of which, fruit & vegetables	-1.2	-0.03	3.7	0.07
<b>Alcohol &amp; tobacco</b>	2.8	0.22	0.7	0.05
of which, Tobacco	7.0	0.19	0.5	0.01
<b>Clothing &amp; footwear</b>	0.5	0.02	-1.3	-0.04
<b>Housing</b>	1.0	0.23	0.6	0.14
of which, Rents	0.9	0.05	2.2	0.13
of which, House purchases	1.5	0.13	1.1	0.09
of which, Utilities	0.6	0.03	-2.3	-0.10
<b>H/hold contents &amp; services</b>	-1.0	-0.08	-0.3	-0.03
<b>Health</b>	0.6	0.04	2.4	0.15
of which, Pharmaceuticals	-1.7	-0.02	4.7	0.05
<b>Transportation</b>	-0.2	-0.02	0.1	0.01
of which, car prices	-0.5	-0.02	-0.6	-0.02
of which, auto fuel	-0.2	-0.01	-1.0	-0.04
<b>Communication</b>	0.4	0.01	0.0	0.00
<b>Recreation</b>	0.3	0.04	0.1	0.01
of which, audio visual & comp.	-0.4	-0.01	1.3	0.02
of which, holiday travel	1.0	0.06	-1.4	-0.07
<b>Education</b>	-0.1	0.00	5.9	0.25
<b>Financial &amp; insurance services</b>	1.7	0.09	1.4	0.08
<b>CPI: All groups</b>	<b>0.6</b>	-	<b>0.8</b>	-
<b>CPI: All groups % year</b>	<b>4.1</b>	-	<b>3.5</b>	-

Sources: ABS, RBA, Westpac Banking Corporation.

### CPI vs Monthly Indicator %qtr/%mth

Item	Mar 24	Jan	Feb	Mar
	Qtr % qtr	Mth % mth	Mth % mth	Mth % mth
<b>Food</b>	<b>1.0</b>	<b>0.3</b>	<b>0.2</b>	<b>0.6</b>
of which, bread & cereals	0.5	-0.1	-0.6	0.0
of which, meat & seafood	-1.1	0.0	0.2	0.1
of which, dairy & related prod.	-0.7	-0.7	-0.8	-0.6
of which, fruit & vegetables	3.7	0.9	1.1	3.9
of which, food products nec	2.0	1.2	-0.8	0.4
of which, non-alcohol bev.	3.1	1.6	0.5	0.5
<b>Alcohol &amp; tobacco</b>	<b>0.7</b>	<b>0.2</b>	<b>0.6</b>	<b>0.4</b>
of which, Alcohol	0.8	0.3	0.8	0.4
of which, Tobacco	0.5	0.1	0.2	0.3
<b>Clothing &amp; footwear</b>	<b>-1.2</b>	<b>-2.5</b>	<b>1.9</b>	<b>-0.8</b>
of which, garments	-0.9	-2.8	3.1	-1.4
<b>Housing</b>	<b>0.6</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>
of which, Rents	2.2	0.7	0.8	0.5
of which, House purchases	1.1	0.1	0.3	0.3
of which, Electricity	-3.4	0.9	-0.6	-0.5
of which, Gas & other fuels	-1.5	-1.8	-0.2	-0.2
<b>H/hold contents &amp; services</b>	<b>-0.3</b>	<b>-1.1</b>	<b>0.2</b>	<b>0.1</b>
<b>Health</b>	<b>2.4</b>	<b>0.0</b>	<b>0.0</b>	<b>2.4</b>
<b>Transportation</b>	<b>0.1</b>	<b>-0.2</b>	<b>2.2</b>	<b>0.4</b>
of which, auto fuel	-1.0	-0.9	5.1	1.7
<b>Communication</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>
<b>Recreation</b>	<b>0.1</b>	<b>-2.4</b>	<b>-4.1</b>	<b>-0.6</b>
of which, holiday travel	-1.4	-5.2	-9.3	-1.4
<b>Education</b>	<b>5.9</b>	<b>0.0</b>	<b>5.9</b>	<b>0.0</b>
<b>Financial &amp; insurance services</b>	<b>1.4</b>	<b>0.0</b>	<b>0.9</b>	<b>0.5</b>
<b>CPI: All groups</b>	<b>0.8</b>	<b>-0.3</b>	<b>0.2</b>	<b>0.3</b>

Past performance is not a reliable indicator of future performance. The forecasts given above are predictive in character. Whilst every effort has been taken to ensure that the assumptions on which the forecasts are based are reasonable, the forecasts may be affected by incorrect assumptions or by known or unknown risks and uncertainties. The results ultimately achieved may differ substantially from these forecasts.

**Food prices rises 1.0% contributing 0.16ppt**

From the Monthly CPI Indicator, we have a quarterly estimate on restaurant & takeaway meals (from February) which feeds directly into our quarterly forecast. We also have two monthly estimates for all other components of food & non-alcoholic beverages (January & February).

From the Monthly CPI data, we add partial indicators from wholesale prices for fruit & vegetables, beef, lamb and milk to drive a March Monthly CPI Indicator estimate, from which we calculate a quarterly average for the March quarter CPI.

**Alcohol & tobacco rises 0.7% contributing 0.05ppt**

Alcohol and tobacco are surveyed monthly, so we have two of the three months of the quarter. We have estimated a monthly change for March Monthly CPI Indicator, from which we calculate a quarterly average.

**Clothing & footwear falls -1.3% contributing -0.04ppt**

Except for men and women garments, clothing and footwear prices are surveyed once a quarter in the first month of each quarter. As such, we have taken those estimates across to the quarterly CPI. For men and women garments, we have made an estimate for the remaining month of data (March) and then estimated its quarterly average change.

**Housing rises 0.6% contributing 0.14ppt**

Rents, dwellings, electricity and gas prices are surveyed monthly, so we have two months of data and only have to estimate the March monthly print. Of note rents have continued a very robust trend around 0.7% to 0.8% per month and the only reason we are forecasting a step down to 0.5% mth in March is due to the indexation of Commonwealth Government Rental Assistance. Dwelling prices lifted 0.3% in February, and we are looking for a similar rise in March.

Electricity prices have been held down by the various government rebates (both federal and state). The fall in February was due to the introduction of the second instalment of Energy Bill Relief Fund rebates for concession household in Victoria. We have pencilled in a -0.5% fall in March but note this is more about delayed payments being processed as the next round of rebates in NSW, ACT, Qld and SA are not due until April, so it is possible that electricity prices bounce in March due to less rebates offsetting power bills.

Maintenance & repairs of dwellings are surveyed once a quarter in the first month of each quarter, so we have brought the January Monthly CPI Indicator estimate across to the March quarter CPI.

**Household contents & services fall -0.3% contributing -0.03ppt**

Furniture & furnishings, household textiles and household appliances are surveyed once a quarter in the first month of each quarter, so the estimates from the January Monthly CPI Indicator have been imputed into the March quarter CPI.

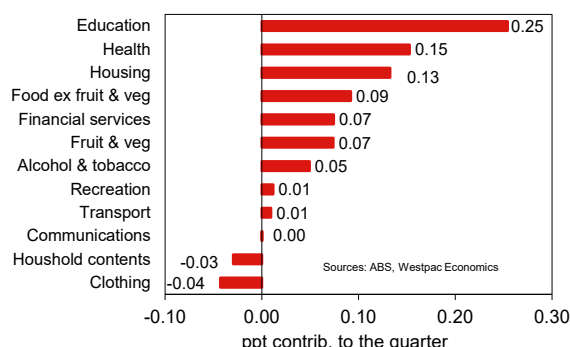
Hairdressing & personal grooming services and other household services are surveyed once a quarter in the second month of each quarter, so the estimates from the February Monthly CPI Indicator have been imputed into the March quarter CPI.

Childcare is surveyed once a quarter in the third month of each quarter, and so we have a 2.0% forecast for both the month of March and the quarter.

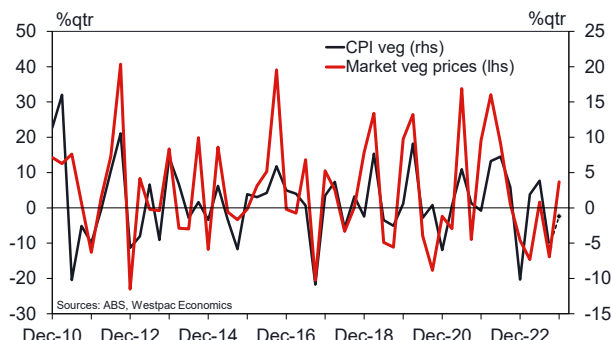
**CPI vs Monthly Indicator %qtr/%yr**

Item	Mar 24	Jan	Feb	Mar
	Qtr % yr	Mth % yr	Mth % yr	Mth % yr
<b>Food</b>	<b>3.8</b>	<b>4.4</b>	<b>3.6</b>	<b>3.8</b>
of which, bread & cereals	7.1	7.4	7.0	6.7
of which, meat & seafood	-2.0	-2.0	-2.0	-1.8
of which, dairy & related prod.	3.7	5.0	4.2	1.8
of which, fruit & vegetables	1.0	1.6	-0.5	2.3
of which, food products nec	5.3	6.9	4.9	4.7
of which, non-alcohol bev.	5.1	5.7	4.9	4.7
<b>Alcohol &amp; tobacco</b>	<b>6.1</b>	<b>6.7</b>	<b>6.1</b>	<b>5.7</b>
of which, Alcohol	3.7	4.5	3.6	3.2
of which, Tobacco	10.5	10.7	10.7	10.2
<b>Clothing &amp; footwear</b>	<b>0.3</b>	<b>0.4</b>	<b>0.8</b>	<b>-0.2</b>
of which, garments	1.6	1.9	2.3	0.7
<b>Housing</b>	<b>4.7</b>	<b>4.6</b>	<b>4.6</b>	<b>4.5</b>
of which, Rents	7.9	7.4	7.6	7.6
of which, House purchases	5.0	4.8	4.9	5.0
of which, Electricity	0.2	0.8	0.3	-0.1
of which, Gas & other fuels	-2.3	-1.4	-2.4	-2.9
<b>H/hold contents &amp; services</b>	<b>-0.1</b>	<b>0.3</b>	<b>-0.3</b>	<b>-0.4</b>
<b>Health</b>	<b>3.7</b>	<b>3.9</b>	<b>3.9</b>	<b>3.7</b>
<b>Transportation</b>	<b>3.1</b>	<b>3.0</b>	<b>3.4</b>	<b>4.0</b>
of which, auto fuel	5.2	3.1	4.1	8.3
<b>Communication</b>	<b>2.1</b>	<b>2.0</b>	<b>1.7</b>	<b>1.9</b>
<b>Recreation</b>	<b>0.3</b>	<b>-1.7</b>	<b>0.4</b>	<b>-0.8</b>
of which, holiday travel	-3.2	-7.1	-1.3	-4.2
<b>Education</b>	<b>5.2</b>	<b>4.7</b>	<b>5.1</b>	<b>5.2</b>
<b>Financial &amp; insurance services</b>	<b>7.6</b>	<b>8.2</b>	<b>8.4</b>	<b>7.6</b>
<b>CPI: All groups</b>	<b>3.5</b>	<b>3.4</b>	<b>3.4</b>	<b>3.2</b>

**Contributions 2024Q1 CPI 0.8%qtr forecast**



**Vegetable prices, wholesale & CPI**



Past performance is not a reliable indicator of future performance. The forecasts given above are predictive in character. Whilst every effort has been taken to ensure that the assumptions on which the forecasts are based are reasonable, the forecasts may be affected by incorrect assumptions or by known or unknown risks and uncertainties. The results ultimately achieved may differ substantially from these forecasts.

Non-durable household products are surveyed monthly so we have taken the January and February Monthly CPI Indicator estimates, added in a March forecast and calculated a quarterly average for the March quarter.

**Health rises 2.4% contributing 0.15ppt**

Health costs are surveyed in the third month the quarter so we have no guidance from the Monthly CPI Indicator. However, we do know that March will see an increase in health insurance premiums on par with what we saw in March 2023. At the start of each year, household threshold spending caps for the Pharmaceutical Benefits Scheme resets to zero so there is a jump in pharmaceutical prices as household are yet to access those rebates.

**Transport rises just 0.1% contributing 0.01ppt**

While auto fuel prices rose 5.1% in February and set to rise a further 1.7% in March, the -2.9% fall in October, -5.5% fall in December and then a -0.9% fall in January means auto fuel will fall -1.0% in the March quarter (in quarterly average terms). As the supply of automobiles improve, we are looking for a further -0.6% fall in car prices in the March quarter.

**Recreation rises 0.1% contributing 0.01ppt**

There has been a correction to holiday travel prices, both domestic and international, that along with a Westpac estimate for the March Monthly CPI Indicator, will see this group fall -1.4% in the March quarter. Audio visual & computing services, equipment for sports, games, toys & hobbies, sports participation, and other recreation & cultural services are surveyed in the second month of the quarter so the February Monthly CPI Indicator estimates have been imputed into the March quarter CPI. We have an estimate for the March quarter estimates for books, newspapers, and veterinary & pet services.

**Education rises 5.9% contributing 0.25ppt**

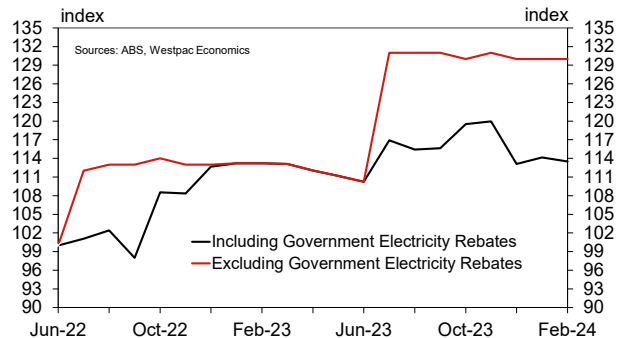
Education was surveyed in February to pick up price resetting as the education year starts in Australia. We have taken the estimates from the February Monthly CPI Indicator and imputed them into the quarterly CPI.

**Finance & insurance lifts 1.4% contributing 0.08ppt**

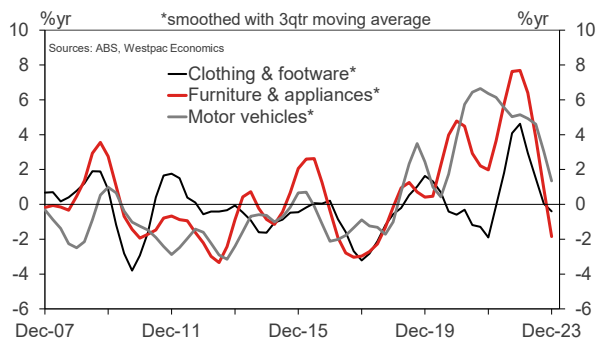
Insurance is surveyed in the mid-month of the quarter, so we have taken February Monthly CPI Indicator estimate and imputed it into the March quarter CPI. Deposit & loan charges are surveyed monthly so we have made a March estimate to calculate a quarterly average for the March quarter while other financial services are surveyed in the last month of the quarter, so we have no guide to work here with.

**Justin Smirk, Senior Economist**, ph (61-2) 8254 9336

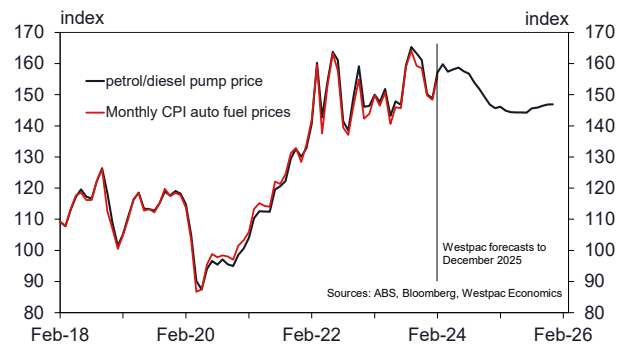
**Monthly electricity prices**



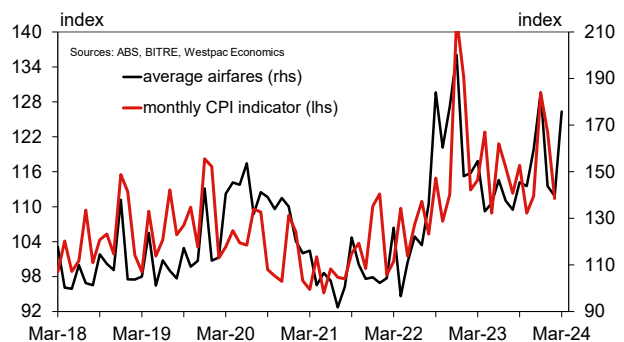
**Goods prices clearly disinflationary**



**Petrol/diesel prices vs monthly CPI auto fuel**

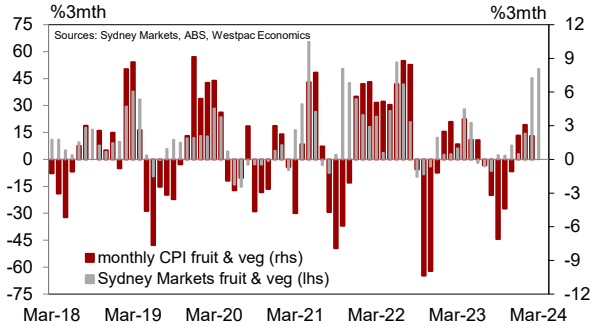


**Monthly travel & accom vs. airfares**

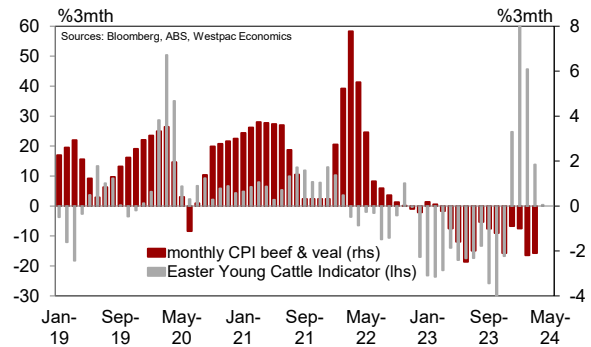


Past performance is not a reliable indicator of future performance. The forecasts given above are predictive in character. Whilst every effort has been taken to ensure that the assumptions on which the forecasts are based are reasonable, the forecasts may be affected by incorrect assumptions or by known or unknown risks and uncertainties. The results ultimately achieved may differ substantially from these forecasts.

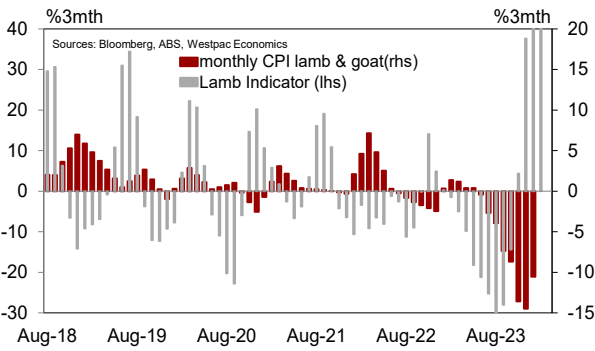
### Monthly fruit & veg three-month change



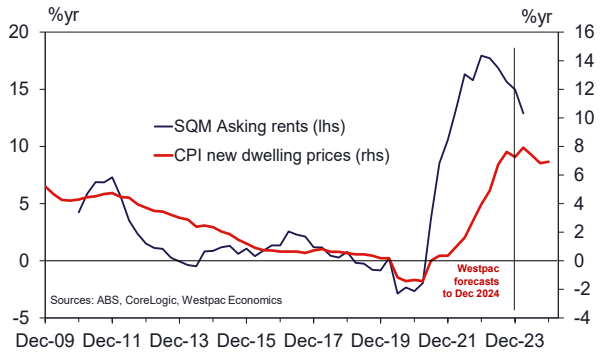
### Monthly beef & veal prices



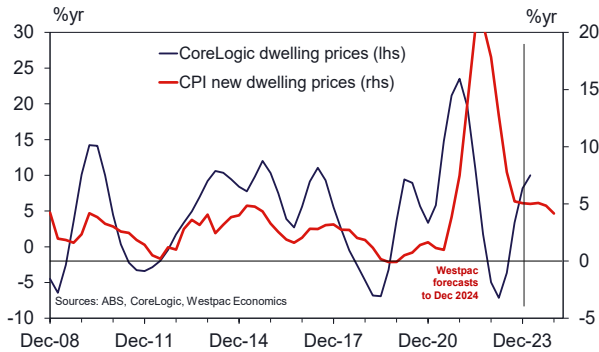
### Monthly lamb prices



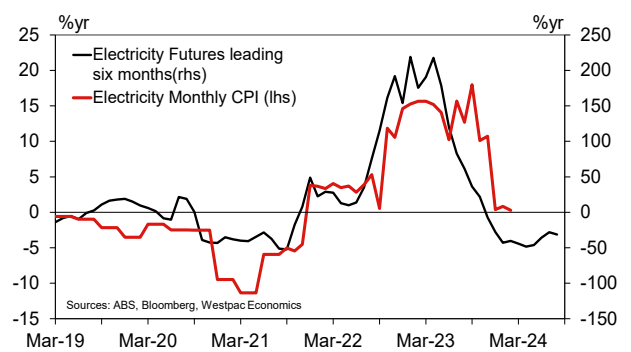
### Asking rents vs CPI rents



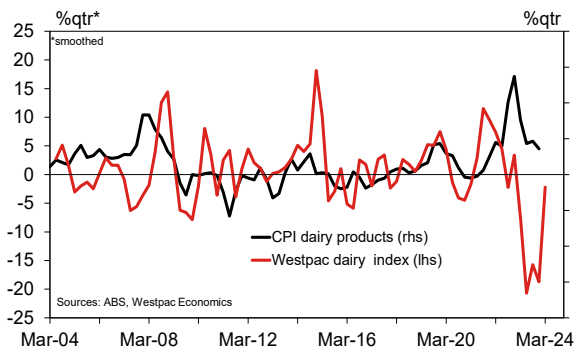
### House prices vs CPI new dwelling prices



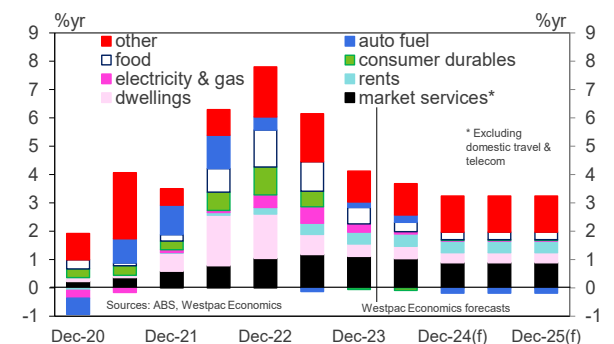
### Electricity futures and Monthly CPI



### Global dairy prices & CPI dairy products



### Contributions to annual inflation



Past performance is not a reliable indicator of future performance. The forecasts given above are predictive in character. Whilst every effort has been taken to ensure that the assumptions on which the forecasts are based are reasonable, the forecasts may be affected by incorrect assumptions or by known or unknown risks and uncertainties. The results ultimately achieved may differ substantially from these forecasts.

© 2024 Westpac Institutional Bank is a division of Westpac Banking Corporation ABN 33 007 457 141, AFSL233714 ('Westpac'). References to the "Westpac Group" are to Westpac and its subsidiaries and includes the directors, employees and representatives of Westpac and its subsidiaries.

## Disclaimer

This information has been prepared by the Westpac Institutional Bank and is intended for information purposes only. It is not intended to reflect any recommendation or financial advice and investment decisions should not be based on it. This information does not constitute an offer, a solicitation of an offer, or an inducement to subscribe for, purchase or sell any financial instrument or to enter into a legally binding contract. To the extent that this information contains any general advice, it has been prepared without taking into account your objectives, financial situation or needs and before acting on it you should consider the appropriateness of the advice. Certain types of transactions, including those involving futures, options and high yield securities give rise to substantial risk and are not suitable for all investors. We recommend that you seek your own independent legal or financial advice before proceeding with any investment decision. This information may contain material provided by third parties. While such material is published with the necessary permission none of Westpac or its related entities accepts any responsibility for the accuracy or completeness of any such material. Although we have made every effort to ensure this information is free from error, none of Westpac or its related entities warrants the accuracy, adequacy or completeness of this information, or otherwise endorses it in any way. Except where contrary to law, Westpac Group intend by this notice to exclude liability for this information. This information is subject to change without notice and none of Westpac or its related entities is under any obligation to update this information or correct any inaccuracy which may become apparent at a later date. This information may contain or incorporate by reference forward-looking statements. The words "believe", "anticipate", "expect", "intend", "plan", "predict", "continue", "assume", "positioned", "may", "will", "should", "shall", "risk" and other similar expressions that are predictions of or indicate future events and future trends identify forward-looking statements. These forward-looking statements include all matters that are not historical facts. Past performance is not a reliable indicator of future performance, nor are forecasts of future performance. Whilst every effort has been taken to ensure that the assumptions on which any forecasts are based are reasonable, the forecasts may be affected by incorrect assumptions or by known or unknown risks and uncertainties. The ultimate outcomes may differ substantially from any forecasts.

**Conflicts of Interest:** In the normal course of offering banking products and services to its clients, the Westpac Group may act in several capacities (including issuer, market maker, underwriter, distributor, swap counterparty and calculation agent) simultaneously with respect to a financial instrument, giving rise to potential conflicts of interest which may impact the performance of a financial instrument. The Westpac Group may at any time transact or hold a position (including hedging and trading positions) for its own account or the account of a client in any financial instrument which may impact the performance of that financial instrument.

**Author(s) disclaimer and declaration:** The author(s) confirms that no part of his/her compensation was, is, or will be, directly or indirectly, related to any views or (if applicable) recommendations expressed in this material. The author(s) also confirms that this material accurately reflects his/her personal views about the financial products, companies or issuers (if applicable) and is based on sources reasonably believed to be reliable and accurate.

## Additional country disclosures

**Australia:** Westpac holds an Australian Financial Services Licence (No. 233714).

**Note:** Luci Ellis, Westpac Chief Economist is a member of the Australian Statistics Advisory Council (ASAC) which is a key advisory body to the Minister and the Australian Bureau of Statistics on statistical services. Luci does not have access to sensitive data/ reports in her capacity as a member of ASAC.

**New Zealand:** In New Zealand, Westpac Institutional Bank refers to the brand under which products and services are provided by either Westpac (NZ division) or Westpac New Zealand Limited (company number 1763882), the New Zealand incorporated subsidiary of Westpac ("WNZL"). Any product or service made available by WNZL does not represent an offer from Westpac or any of its subsidiaries (other than WNZL). Neither Westpac nor its other subsidiaries guarantee or otherwise support the performance of WNZL in respect of any such product. WNZL is not an authorised deposit-taking institution for the purposes of Australian prudential standards. The current disclosure statements for the New Zealand branch of Westpac and WNZL can be obtained at the internet address [www.westpac.co.nz](http://www.westpac.co.nz).

**Singapore:** This material has been prepared and issued for distribution in Singapore to institutional investors, accredited investors and expert investors (as defined in the applicable Singapore laws and regulations) only. Recipients of this material in Singapore should contact Westpac Singapore Branch in respect of any matters arising from, or in connection with, this material. Westpac Singapore Branch holds a wholesale banking licence and is subject to supervision by the Monetary Authority of Singapore.

**US:** Westpac operates in the United States of America as a federally licensed branch, regulated by the Office of the Comptroller of the Currency. Westpac is also registered with the US Commodity Futures Trading Commission ("CFTC") as a Swap Dealer, but is neither registered as, or affiliated with, a Futures Commission Merchant registered with the US CFTC. The services and products referenced above are not insured by the Federal Deposit Insurance Corporation ("FDIC"). Westpac Capital Markets, LLC ("WCM"), a wholly-owned subsidiary of Westpac, is a broker-dealer registered under the U.S. Securities Exchange Act of 1934 ('the Exchange Act') and member of the Financial Industry Regulatory Authority ('FINRA'). This communication is provided for distribution to U.S. institutional investors in reliance on the exemption from registration provided by Rule 15a-6 under the Exchange Act and is not subject to all of the independence and disclosure standards applicable to debt research reports prepared for retail investors in the United States. WCM is the U.S. distributor of this communication and accepts responsibility for the contents of this communication. Transactions by U.S. customers of any securities referenced herein should be effected through WCM. All disclaimers set out with respect to Westpac apply equally to WCM. If you would like to speak to someone regarding any security mentioned herein, please contact WCM on +1 212 389 1269. Investing in any non-U.S. securities or related financial instruments mentioned in this communication may present certain risks.

## Disclaimer continued overleaf

## Disclaimer continued

The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the SEC in the United States. Information on such non-U.S. securities or related financial instruments may be limited. Non-U.S. companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect in the United States. The value of any investment or income from any securities or related derivative instruments denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related derivative instruments.

The author of this communication is employed by Westpac and is not registered or qualified as a research analyst, representative, or associated person of WCM or any other U.S. broker-dealer under the rules of FINRA, any other U.S. self-regulatory organisation, or the laws, rules or regulations of any State. Unless otherwise specifically stated, the views expressed herein are solely those of the author and may differ from the information, views or analysis expressed by Westpac and/or its affiliates.

**UK and EU:** The London branch of Westpac is authorised in the United Kingdom by the Prudential Regulation Authority (PRA) and is subject to regulation by the Financial Conduct Authority (FCA) and limited regulation by the PRA (Financial Services Register number: 124586). The London branch of Westpac is registered at Companies House as a branch established in the United Kingdom (Branch No. BR000106). Details about the extent of the regulation of Westpac's London branch by the PRA are available from us on request.

Westpac Europe GmbH ("WEG") is authorised in Germany by the Federal Financial Supervision Authority ("BaFin") and subject to its regulation. WEG's supervisory authorities are BaFin and the German Federal Bank ('Deutsche Bundesbank'). WEG is registered with the commercial register ('Handelsregister') of the local court of Frankfurt am Main under registration number HRB 118483. In accordance with APRA's Prudential Standard 222 'Association with Related Entities', Westpac does not stand behind WEG other than as provided for in certain legal agreements (a risk transfer, sub-participation and collateral agreement) between Westpac and WEG and obligations of WEG do not represent liabilities of Westpac.

This communication is not intended for distribution to, or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. This communication is not being made to or distributed to, and must not be passed on to, the general public in the United Kingdom. Rather, this communication is being made only to and is directed at (a) those persons falling within the definition of Investment Professionals (set out in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order")); (b) those persons falling within the definition of high net worth companies, unincorporated associations etc. (set out in Article 49(2) of the Order); (c) other persons to whom it may lawfully be communicated in accordance with the Order or (d) any persons to whom it may otherwise lawfully be made (all such persons together being referred to as "relevant persons"). Any person who is not a relevant person should not act or rely on this communication or any of its contents. In the same way, the information contained in this communication is intended for "eligible counterparties" and "professional clients" as defined by the rules of the Financial Conduct Authority and is not intended for "retail clients". Westpac expressly prohibits you from passing on the information in this communication to any third party.

This communication contains general commentary, research, and market colour. The communication does not constitute investment advice. The material may contain an 'investment recommendation' and/or 'information recommending or suggesting an investment', both as defined in Regulation (EU) No 596/2014 (including as applicable in the United Kingdom) ("MAR"). In accordance with the relevant provisions of MAR, reasonable care has been taken to ensure that the material has been objectively presented and that interests or conflicts of interest of the sender concerning the financial instruments to which that information relates have been disclosed.

Investment recommendations must be read alongside the specific disclosure which accompanies them and the general disclosure which can be found here: <https://www.westpaciq.com.au/terms-and-conditions/investment-recommendation-disclosure>. Such disclosure fulfils certain additional information requirements of MAR and associated delegated legislation and by accepting this communication you acknowledge that you are aware of the existence of such additional disclosure and its contents.

To the extent this communication comprises an investment recommendation it is classified as non-independent research. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and therefore constitutes a marketing communication. Further, this communication is not subject to any prohibition on dealing ahead of the dissemination of investment research.