

WESTPAC CARD TRACKER

14 MAY 2024.

WESTPAC INSTITUTIONAL BANK

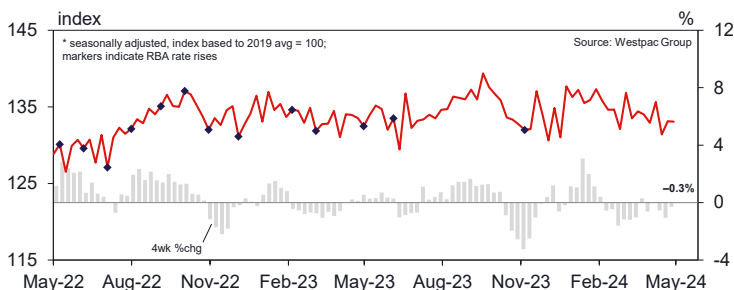


Card activity shows continued consumer squeeze



- The **Westpac Card Tracker Index*** firmed slightly over the two weeks to May 4, rising 1.8pts to 133.1 but within the context of a trend decline since the start of the year. The quarterly growth pulse has swung back into negative since late Apr, the monthly pace having been consistently negative over the last 12 weeks.
- Activity continues to move along in fits and starts. The brief lift in Apr and lapse back in May follows similar short-lived gains in Jan-Feb and in Jul-Aug that were also followed by relapses. The wash-up leaves small, unconvincing quarterly gains in nominal activity that imply a flat profile at best for growth in real, inflation-adjusted consumer spending, and continued declines in per capita spend. Indeed, the monthly value of card activity is now down 3.9% in per capita terms from its peak in Oct 2022, while the number of transactions per capita is down 4.3%.
- The category breakdown shows the latest weakening is relatively broad-based across discretionary components – hospitality, travel and durables all contributing negatively to quarterly growth and gains across the remainder slowing materially. The slowdown is even more evenly spread across states. This edition takes a closer look at how usage of new transport services is evolving.
- The sporadic gains around a weak underlying trend are likely to be a feature for some time yet, with household disposable incomes not set to see much support until the second half of the year. While moderating inflation is starting to see purchasing power stabilise, the July tax cuts will mark the first material boost to disposable incomes. How much of this plays through to spending will be of key interest – consumer sentiment and card activity set to provide the earliest clues to any impacts.

1. Westpac Card Tracker Index*



* see p10 or more details on the Index construction.

“Activity continues to move along in fits and starts.”

The **Westpac Card Tracker** presents indicators based on the millions of credit and debit card transactions processed by Westpac every day. The measures are a timely guide to shifts in spending. See p10 for a detailed explanation.

This report is produced by Westpac Economics.

Matthew Hassan, Senior Economist

Antoinette Ayoub, Graduate

Email: economics@westpac.com.au

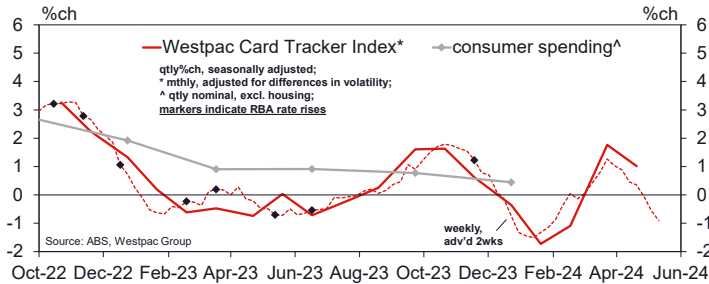
This issue was finalised on 14 May 2024.

If you would like more insights into your sector or your own business from this and other Westpac data please visit [Westpac DataX](https://www.westpac.com.au/datax) or contact datax@westpac.com.au.

Activity flat in Q1, slipping lower in first half of Q2



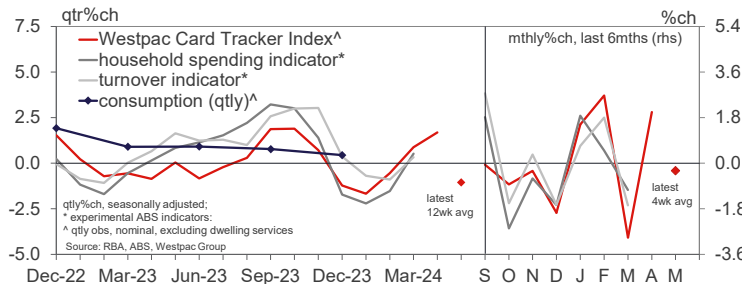
2. Card activity and spending: growth momentum



– Chart 2 shows the **Westpac Card Tracker's** quarterly growth pace alongside nominal spending growth from the national accounts. Momentum had a weak finish to 2023, recovering in Q1 but falling away again through March-April, dropping back into negative over the last two weeks.

– Other timely indicators confirm the weak March month. The ABS household spending indicator looks to have declined 1.1% in the month while the ABS monthly business turnover indicator, based on ATO data on BAS statements, suggest consumer sector activity recorded a 1.7% decline (Westpac estimates of seasonally adjusted activity). Note that even with these monthly declines, quarterly growth rates remain in slight positive – in the 0-0.5%qtr range – consistent with a flat quarter for real consumer spend.

3. Consumer spending: selected indicators



qtlly%ch	Q3	Q4	Q1	latest
Westpac Card Tracker*	1.9	-1.2	0.9	-1.1
Other indicators (nominal)				
Household spending*	3.2	-1.7	0.5	n.a.
Turnover*	2.6	0.4	0.3	n.a.
Consumer spending (qtlly)#				
Nominal	0.8	0.4	0.0	n.a.
Real	-0.4	0.0	0.0	n.a.

All series are seasonally adjusted, latest is latest weekly obs (12wks %ch on previous 12wks) or latest monthly obs (3mths %ch on previous 3mths). See p10 for more details.

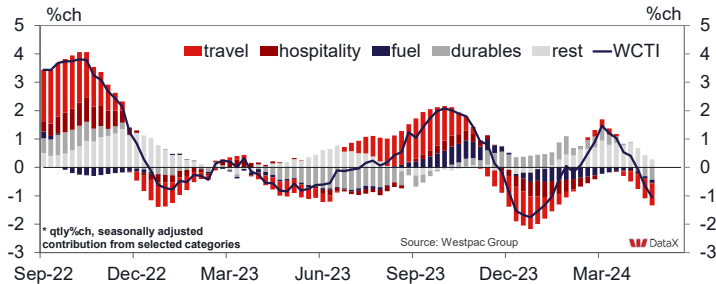
* ABS experimental measures. Household spending indicator based on bank transaction data (seasonally adjusted by Westpac). Turnover based on BAS returns for consumer-sector businesses; #Consumer spending excludes housing costs.

Sources: ABS, Westpac Group

Renewed weakness broadly based

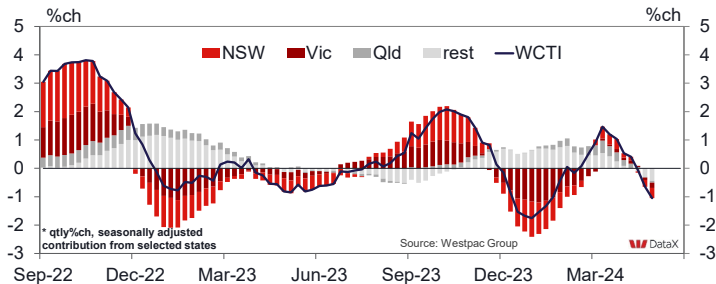


4. Card activity: category contribution to quarterly growth



- Both the category and state detail show a broad-based slowdown over the last few weeks.
- Discretionary categories are showing outright declines in quarterly terms, across both goods and services. Essentials have maintained positive growth but with momentum slowing markedly. Since late 2022, the detailed segments with the biggest declines in per capita activity have been: housing-related durables, hospitality, travel and vehicle-related segments, all down 6-10%.
- All states are recording contracting card activity on a rolling quarterly basis, declines slightly more pronounced in SA, NSW and Vic. On a per capita basis, Vic has seen the biggest fall in card activity since late 2022, down 5.4%.

5. Card activity: state contribution to quarterly growth



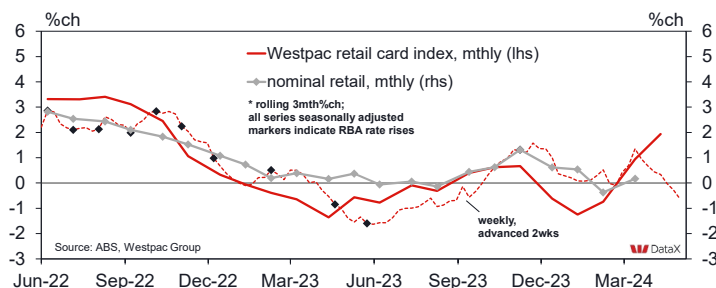
	Feb	Mar	Apr	4/5
Westpac Card Tracker	138.9	134.8	137.6	133.1
By category				
- discretionary	138.1	134.3	137.0	131.6
- essential	138.5	135.1	137.8	133.3
By state				
- NSW	133.9	130.5	132.5	124.7
- Vic	137.1	133.3	134.8	127.1
- Qld	149.7	146.4	148.2	144.4
- WA	149.2	144.7	147.9	142.1
- SA	148.1	142.2	146.5	138.7

All indexes based on the value of spending-related transactions, seasonally adjusted, 2019 avg=100, see p10 for more details incl. classifications. Sources: ABS, Westpac Group

Retail segments contracting again

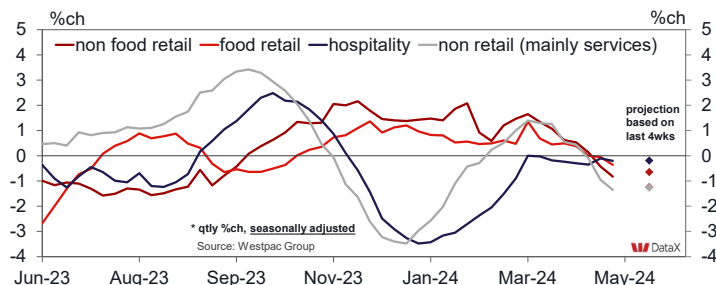


6. Card activity: retail



- Retail segments have also shown a clear weakening – card activity in the segment swing back to outright quarterly declines over the last two weeks, the contraction running at its fastest pace since mid-Sep. All broad retail segments – basic food, hospitality and non-food retail – are seeing outright declines, albeit with hospitality holding up a little better.
- ABS estimates of retail sales came in weaker than expected for both the March month and Q1 as a whole. Nominal sales declined 0.4%_{mth} and rose just 0.2%_{qtr}. Moreover, the quarterly gain was all due to higher prices, real retail sales ‘volumes’ (abstracting from price changes) declined 0.4%_{qtr}, marking the fifth decline in the last six quarters and the seventh consecutive decline in per capital sales (see [here](#) for more).

7. Card activity: broad retail and non-retail groups



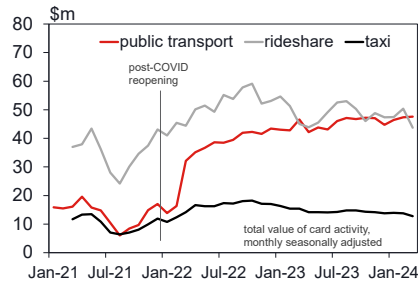
	Feb	Mar	Apr	4/5
By retail/non retail				
Retail card index	143.9	140.9	142.5	139.5
– qtly%ch	-0.7	0.9	1.9	-0.6
– qtly, ann%ch	-0.9	-0.1	1.2	0.1
Non-retail card index	133.5	128.2	132.1	126.8
ABS retail sales				
– %ch	0.2	-0.4	n.a.	n.a.
– ann%ch	1.5	0.8	n.a.	n.a.
– qtly%ch	-0.4	0.2	n.a.	n.a.
– qtly ann%ch	1.2	1.2	n.a.	n.a.

All indexes based on the value of spending-related transactions, seasonally adjusted. 2019 avg=100, see p10 for more details.
Sources: ABS, Westpac Group

New transport modes: a closer look at usage trends



8. Card activity: selected transport segments



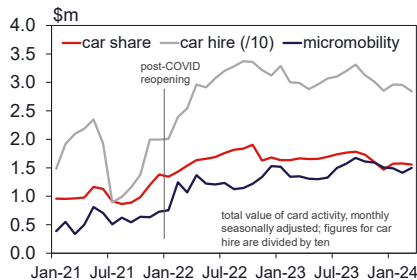
avg transaction value (\$)			
period	rideshare	taxi	public transport
2021 Q1	16.80	26.59	25.31
2022 Q1	19.32	28.27	22.61
2023 Q1	20.30	34.88	20.60
2024 Q1	23.02	36.56	19.39

peak periods (number of transactions)			
week day	Sat	Fri	Thu
month	Aug	Mar	Nov
day of year	Jan 1	Dec 8	Mar 15

DataX

Source: Westpac Group

9. Card activity: selected transport segments



avg transaction value (\$)			
period	car share	car hire	micromobility
2021 Q1	44.09	248.76	6.12
2022 Q1	52.51	318.97	7.33
2023 Q1	59.01	381.13	7.41
2024 Q1	64.07	373.38	7.51

peak periods (number of transactions)			
week day	Sun	n.a.	Sat
month	Jan	n.a.	Jan
day of year	Apr 28	n.a.	Sep 30

DataX

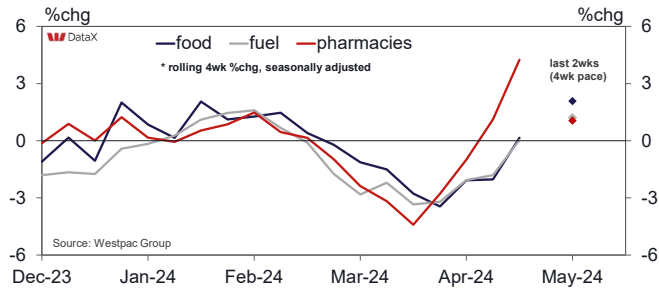
Source: Westpac Group

- Beginning with the emergence of carshare services in the early 2000s, and accelerating with the arrival of uber in 2014 and on-demand 'micromobility' services (bicycles, e-bikes and e-scooters) in the second half of last decade, Australia's local transport options have proliferated in recent decades. The Westpac card data provides some interesting perspectives on how usage is evolving.
- The charts left show the total value of card activity for: public transport; 'rideshare' (i.e. uber etc); taxis; car share (i.e. goget etc); car hire; and micromobility – the tables also showing average transaction sizes and peak periods. On a combined basis, these segments account for 1.6% of the total value of card activity. By comparison, private motoring (proxied by fuel purchases) is about four times bigger, accounting for 6.4% of total card activity.
- Several points are worth noting. Firstly, rideshare now dominates on-demand driven services – accounting for nearly six times as many transactions as taxis in 2023, the latter continuing to track a trend decline. Secondly, there appears to have been some switching between expensive and cheap options during the cost-of-living squeeze – public transport (typically the cheapest alternative) now the largest segment in terms of transaction values. Micromobility, another cheap travel option, is also showing slightly more traction growth-wise although it remains a sliver of transactions overall (about 1%).
- Interestingly, the peak day for micromobility last year was the AFL grand final day, which saw over 3k transactions in Melbourne alone. For taxis, it was Dec 8 – possibly relating to office Christmas parties – while New Year's Day was busiest for rideshare. We will be exploring this data in more detail in coming reports.

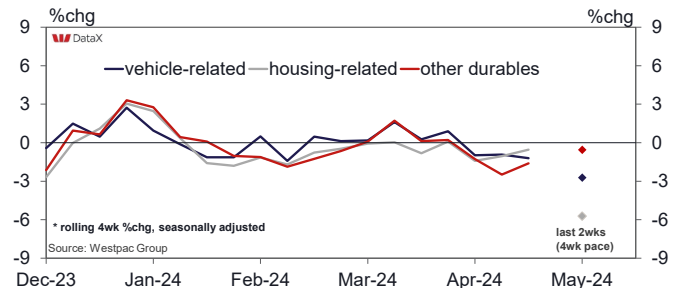
Detailed charts



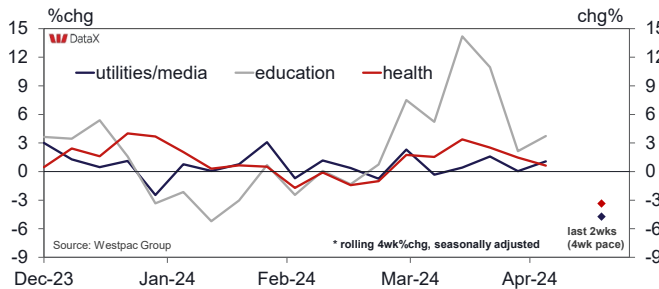
10. Card activity: essential goods



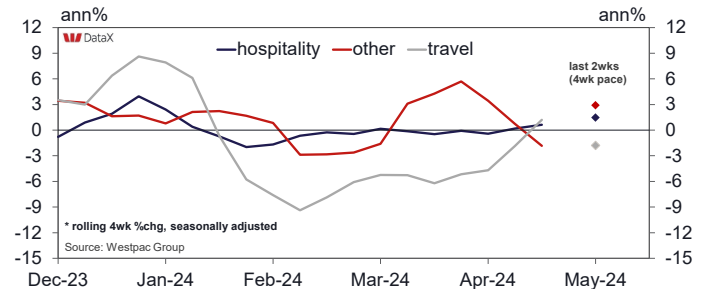
11. Card activity: discretionary goods



12. Card activity: essential services



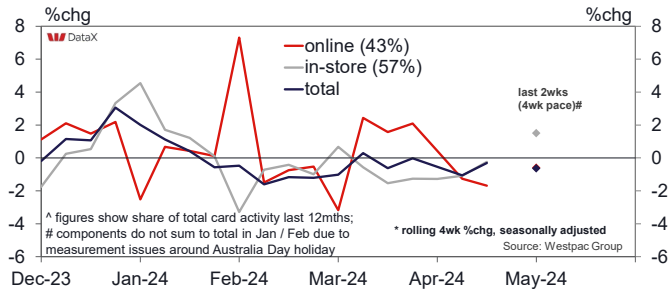
13. Card activity: discretionary services



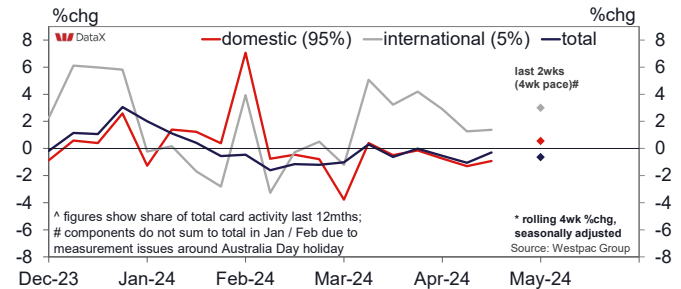
Detailed charts



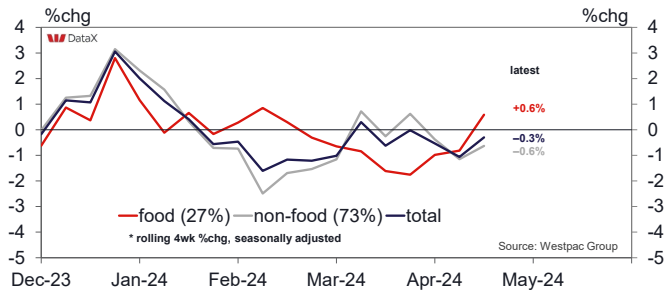
14. Card activity: online vs in-store



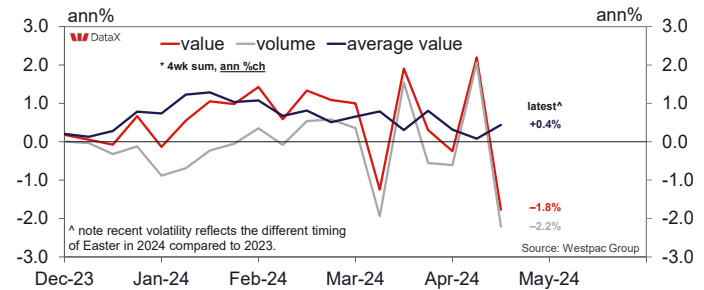
15. Card activity: domestic vs international



16. Card activity: food vs non-food



17. Card activity: value vs volume (ann%ch)



Westpac card indicators*



	2022			2023				2024				week ending:			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Feb	Mar	Apr^	13/4	20/4	27/4	4/5
Westpac Card Tracker Index	129.3	134.2	136.2	135.5	134.3	136.9	135.2	136.4	138.9	134.8	137.6	135.6	131.4	133.1	133.1
qtly%ch	5.4	3.7	1.5	-0.6	-0.8	1.9	-1.2	0.9	-0.5	0.9	1.7	0.4	-0.1	-0.7	-1.1
qtly, ann%ch	15.4	25.6	14.2	10.4	3.9	2.0	-0.8	0.7	0.5	0.7	1.7	0.9	0.7	0.5	0.4
By category															
- discretionary	130.8	135.5	136.6	136.2	135.4	137.0	134.1	136.1	138.1	134.3	137.0	134.4	129.5	132.1	131.6
- essential	127.1	129.3	132.0	132.8	132.4	133.2	132.8	135.7	138.5	135.1	137.8	135.5	132.8	132.9	133.3
services	121.6	128.0	128.2	130.6	132.2	134.3	129.5	133.1	134.7	133.5	133.3	132.7	128.8	130.3	129.6
- discretionary services	122.6	131.1	130.6	132.0	132.8	136.2	130.3	133.1	134.5	133.2	131.6	129.6	126.6	129.1	128.6
- essential services	116.2	120.1	123.9	125.9	127.0	130.0	129.2	131.7	134.4	129.6	138.9	142.0	135.4	133.8	132.3
goods	136.6	139.0	139.6	138.8	137.1	136.9	137.1	138.4	142.3	137.2	139.0	136.6	132.3	134.2	134.5
- discretionary goods	140.5	143.0	142.2	140.3	139.1	138.4	138.5	138.9	141.3	137.4	141.0	140.1	132.9	135.5	135.1
- essential goods	132.2	133.8	136.6	135.5	135.0	134.9	135.1	137.1	137.9	137.3	137.3	132.3	131.6	132.5	133.8
retail*	137.8	142.1	142.6	141.6	140.5	141.1	140.2	141.6	143.9	140.9	142.5	140.4	137.1	138.7	139.5
qtly%ch	3.3	3.1	0.3	-0.6	-0.8	0.4	-0.6	0.9	-0.7	0.9	1.9	0.3	0.0	-0.3	-0.6
qtly, ann%ch	11.8	15.6	8.9	6.2	2.0	-0.7	-1.6	-0.1	-0.9	-0.1	1.2	0.1	0.0	0.0	0.1
By state															
- NSW	127.4	130.3	131.9	131.6	129.9	130.6	129.7	131.6	133.9	130.5	132.5	127.4	123.8	125.6	124.7
- Vic	130.7	135.3	135.1	133.9	134.7	135.3	132.1	134.0	137.1	133.3	134.8	132.1	126.6	128.2	127.1
- Qld	135.7	139.6	143.6	144.5	144.6	145.9	145.1	147.4	149.7	146.4	148.2	146.2	140.3	140.2	144.4
- WA	130.3	134.6	140.4	141.9	141.7	142.8	144.5	146.3	149.2	144.7	147.9	144.5	140.6	142.9	142.1
- SA	134.7	138.1	142.4	142.6	141.2	142.8	143.5	144.5	148.1	142.2	146.5	141.3	137.0	137.5	138.7

All indexes based on the value of spending-related transactions, seasonally adjusted by Westpac, 2019 avg=100. See p10 for more details.

*composite based on transactions in retail categories; seasonal adjustment and rounding may result in small revisions to previously published estimates.

Sources: ABS, Westpac Group

About the Westpac card data indicators



The indicators presented in this report are based on the millions of credit and debit card transactions processed by Westpac every day. Transactions covering over ten million merchants are classified into over 700 categories. These are in turn grouped into higher level aggregates that provide a timely guide to wider economic trends.

The main focus of these indicators is consumer spending. Where possible, we have sought to exclude 'non spending' transactions such as: money transfers; tax payments; loan repayments; charitable donations; and superannuation contributions.

It should also be noted that these indicators will also be affected by shifts between card and non card transactions. This may be a significant factor during the COVID-19 pandemic – health concerns about the use of physical cash are likely seeing higher use of cards, particularly where contact-less transactions are available. Transaction flows also include reversals/refunds which have been a significant phenomenon in areas such as travel.

All transaction data is compiled at a highly aggregated level so that individual customer or merchant data is never revealed.

Index construction

The key metrics used in this report are indexes of spending-related card activity where the base of 100 is average activity in 2019. As an example, if transaction flows are 5% above their average level in 2019, the index read for the period is 105. If flows in a subsequent period are 8% above the average level in 2019, the index read for this period is 108. Growth between the two periods can be calculated simply as the change between the two index reads, i.e. 2.9%.

All measures are adjusted for regular seasonality. Weekly estimates are generated using the US Bureau of Labor's MoveReg weekly seasonal adjustment program. Note that in some cases, high levels of volatility during the COVID period mean it is not possible to produce seasonally adjusted estimates for some historical periods.

Also, note that previous versions of this report used different approaches to seasonal adjustment and measurement more generally. This means Index reads will not be comparable. See the 'About the Westpac card data indicators' sections from earlier reports to view detail.

Classifications

Note that the measures and classifications used for card data and this report do not align completely with those used in official ABS statistics on retail sales and consumer spending. There are a range of differences including around both coverage and classification. As such, the card data should be treated as broadly indicative.

The transaction data is grouped into 29 categories that are then combined into four main as follows:

Discretionary goods: durable goods, clothing and vehicle-related.

Discretionary services: recreation, gambling, professional services, hotels, restaurants and cafes, airlines, car rental, travel agencies and transport.

Essential goods: food, fuel and pharmacies.

Essential services: utilities, education and healthcare.

The report also uses two additional classifications:

Retail/non retail: based on the extent to which categories cover sales that are in scope for the [ABS retail survey](#).

COVID group: based on a classification Westpac developed to assess the impact of the Coronavirus (see [here](#) for more). 'Most exposed' is travel, tourism, hospitality and recreational services; 'big ticket' is vehicles and major household items; 'stock-piling' is food, pharmaceuticals and healthcare; 'residual' is all other categories combined.

Westpac Economics directory



Sydney

Level 19, 275 Kent Street
Sydney NSW 2000
Telephone (61-2) 8254 8720
Facsimile (61-2) 8254 6907

Luci Ellis

Chief Economist
Westpac Group

Matthew Hassan

Senior Economist

Andrew Hanlan

Senior Economist

Justin Smirk

Senior Economist

Elliot Clarke

Senior Economist

Ryan Wells

Economist

Illiana Jain

Economist

Auckland

Takutai on the Square
Level 8, 16 Takutai Square
Auckland, New Zealand
Telephone (64-9) 336 5671
Facsimile (64-9) 336 5672

Kelly Eckhold

Chief Economist, New Zealand

Michael Gordon

Senior Economist

Darren Gibbs

Senior Economist

Satish Ranchhod

Senior Economist

Paul Clark

Industry Economist

London

Camomile Court,
23 Camomile St,
London EC3A 7LL
United Kingdom

Singapore

12 Marina View
#27-00, Asia Square Tower 2
Singapore, 018961

New York

39th Floor
575 Fifth Avenue
New York, 10017 USA

Publication enquiries, Westpac Economics, economics@westpac.com.au

DISCLAIMER



© 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.

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.

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.

