18 August 2026

JULY CPI PREVIEW

Weaker pass-though has lead to a downward revision

Key points

- We expect the July CPI to rise 0.84%mth, taking the annual pace down a peg to 3.3%yr from 3.8%yr in May. On a seasonally adjusted basis, we expect a 0.4%mth increase.
- The July Trimmed Mean is forecast to lift 0.38%mth, on par with the average for the previous three months, taking the annual pace down a touch to 3.5%yr while the six-month annualised pace lifts a touch to 3.7%%yr.
- Holiday travel and auto fuel are the key drivers of the stronger monthly outcome, reflecting higher holiday travel cost and the partial unwinding of the temporary fuel excise cuts. The main offset is a drop in the DMO electricity prices.
- For the September quarter we revised our CPI estimate down to 1.1%qtr from 1.3%qtr while the Trimmed Mean is now expected to print 0.8%qtr vs. 1.0%qtr. The softer than expected momentum in the June quarter is expected to continue into the September quarter.

Breakdown: Q3 Quarterly & July Monthly CPI

	Q3	May	Jun	Jul
	Qtr fcs	Mth	Mth	Mth fcs
Item	% qtr	% mth	% mth	% mth
Food	**1.0**	**0.6**	**0.4**	**0.4**
of which, bread & cereals	0.9	0.2	0.7	0.0
of which, meat & seafood	0.7	1.1	–0.3	0.2
of which, dairy & related prod.	1.8	2.3	1.3	-0.1
of which, fruit & vegetables	0.8	1.1	1.0	0.6
of which, food products nec	0.4	–0.9	–0.2	0.6
of which, non–alcohol bev.	0.5	1.5	1.0	-0.3
Alcohol & tobacco	**1.0**	**0.9**	**–0.5**	**0.4**
of which, alcohol	0.7	1.3	–0.7	0.4
of which, tobacco	1.6	–0.1	0.0	0.3
Clothing & footwear	**0.4**	**–2.9**	**–1.0**	**2.0**
of which, garments	–0.6	–3.3	–3.1	2.6
Housing	**1.3**	**0.5**	**0.5**	**0.3**
of which, rents	0.9	0.4	0.3	0.3
of which, house purchases	1.3	0.9	0.4	0.4
of which, electricity	–3.6	0.9	0.7	–4.4
of which, gas & other fuels	6.8	–3.1	2.7	5.5
H/hold contents & services	**1.0**	**0.3**	**–4.2**	**1.4**
Health	**–0.3**	**–0.5**	**–0.1**	**0.1**
Transportation	**1.6**	**–3.9**	**–2.7**	**1.9**
of which, auto fuel	2.0	–11.9	–10.9	5.1
Communication	**1.2**	**0.2**	**–0.7**	**1.5**
Recreation	**1.8**	**–3.1**	**1.8**	**1.9**
of which, holiday travel	3.0	–6.9	4.6	3.2
Education	**0.1**	**0.0**	**0.0**	**0.0**
Financial & insurance services	**0.8**	**0.2**	**0.5**	**0.2**
CPI: All groups	**1.1**	**–0.7**	**–0.1**	**0.8**
CPI: Trimmed mean	**0.8**	**0.4**	**0.3**	**0.4**

Sources: ABS, Westpac Banking Corporation

All eyes on market services

Justin Smirk, Senior Economist
Neha Sharma, Economist

July set to be a touch stronger

The June Monthly CPI was much better than feared. The headline CPI printed –0.1%mth, below both our forecast and market expectations of 0.4%mth and 0.2%mth, respectively. The TM rose 0.3%mth and 3.6%yr, also slightly softer than our forecast of 0.4%mth and 3.7%yr. The main driver of the decline was automotive fuel, which fell 10.9%mth subtracting 0.4ppts from the CPI. Other sources of weakness were clothing & footwear, household furnishings, and audio, visual and computing equipment which saw the usual end-of-financial-year discounting.

The expected increase in holiday travel was there. However, the 4.6%mth increase reflected a seasonal increase in international travel of 8.0%mth but the 1.3% increase in domestic travel was much softer than the usual seasonal rise so the offset was not as large as it could have been. Also helping to offset the softer data flow was a 12.7%mth rise in urban transport fares as the cost of living public transport fare reductions were unwound.

In the second half of July there was an increase in Middle East tensions with the breakdown in the US-Iran MoU. Brent briefly spiked above US$100/bbl and the July business survey had product price growth nearly doubling to 1.1%qtr, suggesting firms are rebuilding margins. While this is still below the April 1.8%qtr peak, recorded at the height of the Middle East conflict, it's still well above the long-run average (+0.6ppt). Meanwhile, input costs continue to ramp up. Labour cost growth accelerated, rising 0.5ppt to 2.2%qtr, the strongest outcome since May 2024 and 1.0ppt above its long-run average, most likely reflecting the impact of the 4.75% increase in award/minimum wages. Overall, businesses' purchase cost growth increased 0.2ppt to 2.3%qtr holding 1.1ppt above its long-run average.

Meanwhile, consumer's year-ahead inflation expectations moderated in May and June on the back of the fuel excise being cut by 32c/l, halving the excise. From July 1, 16 cents in excise was added back with the final 16 cents added back on August 3. This boost to retail prices, plus the firming in Brent around US$80/bbl, has seen retail auto fuel prices rise through July and these gains continued into August. As such, we would expect to see consumer inflationary expectation to lift again through these months.

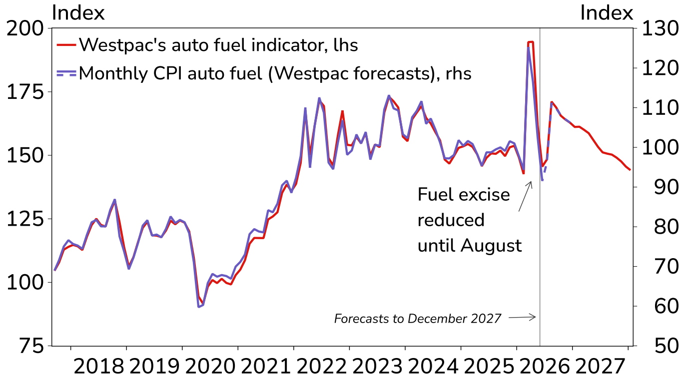
Breakdown Monthly CPI Indicator

Item	Apr Mth %yr	May Mth %yr	Jun Mth %yr	Jul Mth fcs %yr
Food	**2.8**	**3.3**	**3.3**	**3.3**
of which, bread & cereals	0.7	1.5	2.3	1.7
of which, meat & seafood	5.0	5.4	5.4	5.5
of which, dairy prod.	2.3	5.2	6.3	6.3
of which, fruit & vegetables	0.1	2.0	0.7	0.6
of which, food products	2.2	1.6	1.3	1.5
of which, non–alcohol bev.	2.0	1.5	2.0	1.7
Alcohol & tobacco	**4.3**	**4.7**	**4.4**	**3.7**
of which, alcohol	1.6	2.2	1.6	1.1
of which, tobacco	10.7	10.9	11.2	10.1
Clothing & footwear	**5.9**	**5.0**	**4.9**	**4.4**
of which, garments	3.1	2.1	1.5	1.4
Housing	**6.3**	**6.5**	**6.8**	**4.9**
of which, rents	3.5	3.6	3.6	3.5
of which, house purchases	4.7	5.6	5.8	5.7
of which, electricity	22.5	21.1	22.4	3.1
of which, gas & other fuels	5.7	4.9	7.2	6.4
H/hold contents & services	**1.2**	**1.7**	**1.6**	**1.0**
Health	**4.0**	**3.8**	**3.7**	**3.7**
Transportation	**6.6**	**3.3**	**0.1**	**0.9**
of which, auto fuel	18.6	7.7	-7.3	–2.6
Communication	**1.5**	**2.1**	**2.2**	**2.2**
Recreation	**2.5**	**2.4**	**3.3**	**2.7**
of which, holiday travel	1.7	1.9	4.0	2.5
Education	**4.8**	**4.8**	**4.8**	**4.8**
Financial & insurance	**3.0**	**3.2**	**3.2**	**3.2**
CPI: All groups	**4.2**	**4.0**	**3.8**	**3.3**
CPI: Trimmed mean	**3.4**	**3.6**	**3.6**	**3.5**

Sources: ABS, Westpac Banking Corporation

CPI Auto fuel prices

Compared to the average pump price for unleaded and diesel



Source: ABS, Macrobond, Westpac Economics

Rising fuel prices boost July but core modest

We expect the July monthly CPI to rise 0.8%mth with the annual pace easing back to 3.3%yr from 3.8%yr while our seasonally adjusted estimate gains 0.4%mth/3.2%yr. We estimate the monthly TM inflation to also rise 0.4%mth, taking the annual pace to 3.5%yr from 3.6%yr in June. Market services excluding volatiles and holiday travel is expected to rise 0.5%mth and 3.7%yr, largely reflecting the minimum wage decision coming into effect from 1 July.

The largest contributors to the monthly print are transport (0.21ppt) due to a solid gain in auto fuel (0.17ppt) while recreation lifts (0.25ppt) with solid gains in holiday travel & accommodation (0.22ppt) to which the seasonal gains in household furnishing & equipment (0.11ppt) are added into the mix. For July we don't see any significant offsetting negatives.

Key details for July

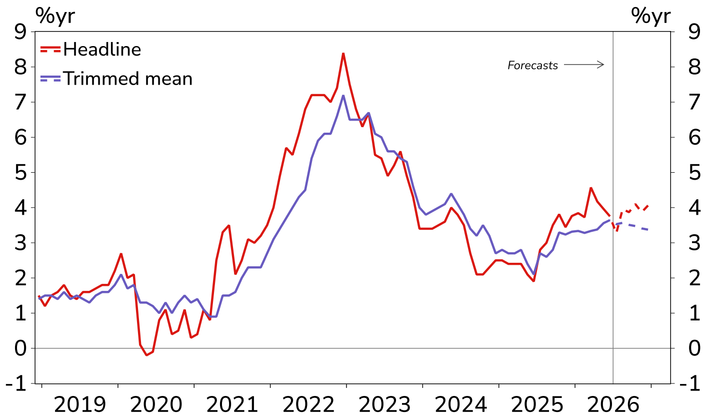
Food & non-alcoholic beverages are expected to rise 0.4%mth and 3.3%yr, largely due to a 0.5%mth rise in meals out & takeaway – at 4.2%yr this is the highest in the monthly series' history. As noted in our Market Outlook, the impact of El Niño on commodity prices is uneven, but key areas of exposure for Australia is in wheat and livestock which is expected to place upward pressure on meat, dairy, and bread & cereal prices. We are also monitoring the spread of bird flu. To date, there have been no detections in commercial poultry.

Housing is expected to rise 0.3%mth in July, taking annual inflation to 4.9%yr. Key components include:

- Rents are expected to rise 0.3%mth and 3.5%yr. We continue to expect a modest firming in CPI rents into year-end given the divergence with asking rents, although this appears to have peaked and is gradually easing.
- New dwelling prices are expected to rise 0.4%mth and 5.7%yr. While we believe annual new dwelling inflation has peaked, the pace of moderation is likely to be gradual, easing to around 5.5%yr in Q3 and 5.1%yr by year-end as capacity constraints persist across the sector. Tradelink price change notifications continue to slow but remain above average, while residential construction producer prices are running at their highest pace since late-2023.
- Electricity prices are expected to fall 4.4%mth, leaving annual inflation at 3.1%yr. The decline reflects new annual market offers coming into effect, with final determinations indicating lower prices across most states. Annual price changes for water & sewerage and gas are expected to offset this decline.

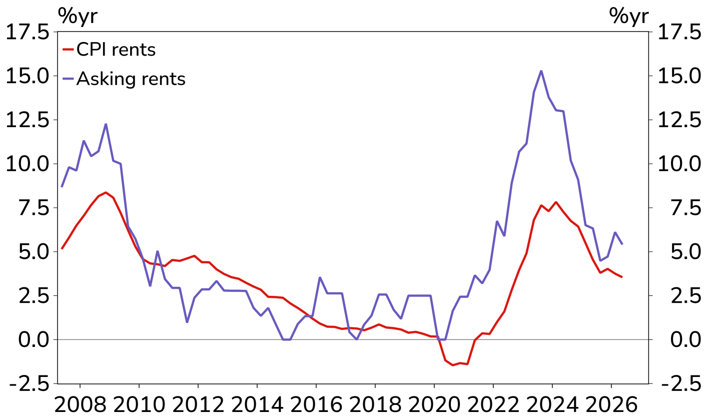
Transport is expected to rise 2.1%mth and 1.1%yr owing to a 5.1%mth rise in automotive fuel. Insurance is expected to rise 0.8%mth following an unexpected 0.3%mth decline in June. Meanwhile, holiday travel is expected to rise 3.2%mth/2.5%yr.

Monthly: Headline and Trimmed Mean Inflation



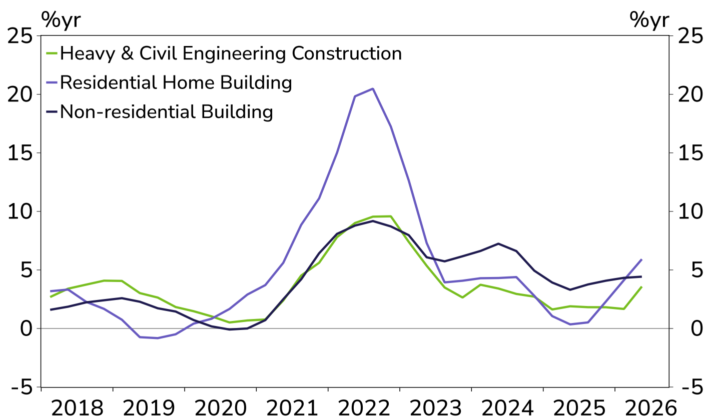
Source: ABS, Macrobond, Westpac Economics

CPI Rents and Asking Rents Growth



Source: ABS, Cotality Australia, Macrobond, Westpac Economics

Australian Construction Inflation



Source: BLS, ABS, Macrobond, Westpac Economics

Risks to July baseline

We view risks around the July outcome as broadly balanced. On the upside, domestic market services inflation may prove stronger than we have accounted for given the larger-than-expected minimum wage decision amid existing pressures for businesses including from retail rents and utilities. While the pass-through from higher energy costs appears to have tapered off, some freight-related cost pressures may still be working their way through supply chains. Food is the most freight-intensive category, with fruit & vegetables among the most exposed.

This is offset by softer demand conditions and declining house prices limiting developers' pricing power, resulting in softer-than-expected new dwellings inflation. Additionally, insurance remains a key uncertainty and could undershoot again despite the continued strength in repair and maintenance costs.

Oil prices to ease through H2 2026

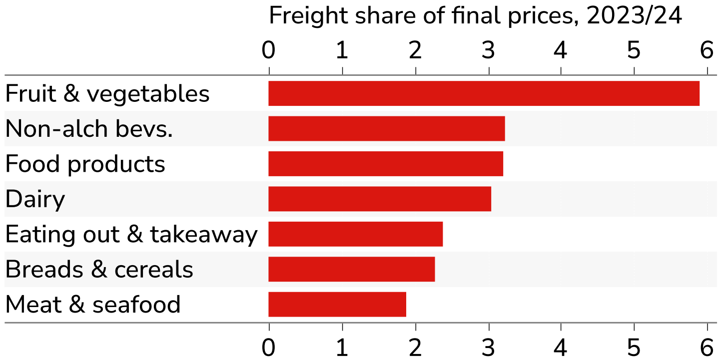
We have revised down our oil price forecasts for late-2026 and early-2027, reflecting our view that the peak in oil prices has already occurred. We lowered the profile by US$3/bbl in both Q4 2026 and Q1 2027, which now average US$81/bbl and US$80/bbl respectively. While we continue to expect some strength through the second half of 2026, we now see less justification for a renewed rise above recent highs. This assessment is also consistent with recent reports suggesting the US administration is placing greater emphasis on economic sanctions and maritime pressure on Iran rather than direct military escalation, reducing the likelihood of a material re-tightening in global oil markets. The remainder of the profile is unchanged.

Model suggests a disinflationary trend to 2027

The chart on the right shows the central estimate from a range of modelling and forecasting approaches (including our bottom-up measure). These suggest that trimmed mean inflation will continue to moderate over the next few years, provided the broader economic outlook evolves broadly as expected. Under these conditions, all estimates have trimmed mean inflation within the RBA's target band by end-2027 and all but one see it moving below the mid-point of the target band by end-2028. For Q3 2026, the outcomes range between 3.4-3.5%yr, stretching out to 2.4-2.9%yr by end-2027 and 2.2-2.5%yr by end-28.

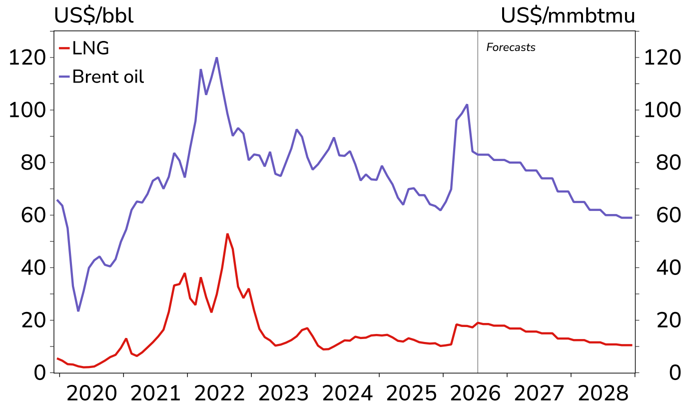
It is worth cautioning that these represent central outcomes only. Forecast uncertainty remains high, particularly over longer horizons, and the confidence bands around these estimates are wide. As such, there are plausible cases where disinflation could prove more rapid (e.g. more pronounced weakness in the labour market), or alternatively, underlying price pressures are more persistent (e.g. further supply shocks).

Food and Beverages Freight Exposure



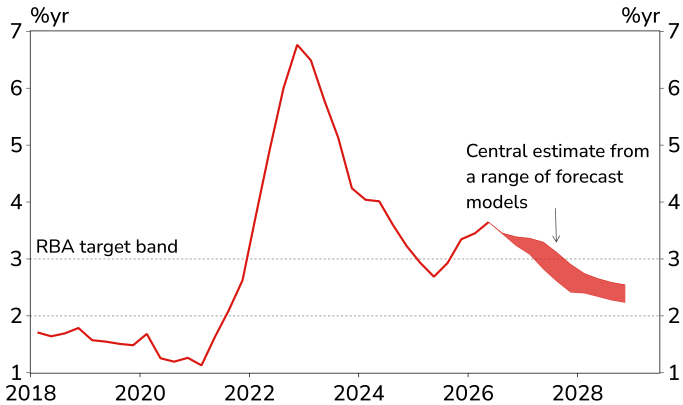
Source: ABS, Macrobond, Westpac Economics

Oil and LNG forecasts



Source: Bloomberg, Macrobond, Westpac Economics

Trimmed Mean Inflation Paths



Source: ABS, Macrobond, Westpac Economics

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.

Quarterly CPI profile has been revised down…

We released updated forecasts in our latest *Market Outlook* on August 14 (see here). This is a softer profile than what we expected back in July and broadly in line with the RBA's updated profile in the August SoMP.

Westpac estimates that the Q3 CPI will lift by 1.1%qtr taking the annual pace to 3.7%yr from 3.9%yr in Q2. This represents a 0.2ppt revision to our previous estimate of 1.3%qtr. With a Q4 estimate of 0.8%qtr for Q4, revised from 1.0%qtr, we now have a year end CPI inflation forecast of 3.9%yr, this is down from our previous estimate of 4.3%yr but still a touch stronger than the latest RBA estimate of 3.6%yr.

The seasonally adjusted CPI is estimated to increase 0.9% in Q3 and Q4 highlighting that some of the strength seen in Q3 is usual seasonality which is reversed in Q4.

Key to this softer profile is the revision to our Brent profile which is down by US$3/bbl in both Q4 2026 and Q1 2027 for an average of US$81/bbl and US$80/bbl respectively. Along with a reduction in refining margins auto fuel is set to be a meaningfully less inflationary influence than we first thought.

In Q3 the most significant contribution comes from housing at 0.28ppt but with the inflationary pressure from dwelling purchases not being a strong as expected, now 1.3%qtr in Q3 and 0.9%qtr in Q4, this explains part of our downward revisions to both headline and core inflation estimates. We are expecting housing inflationary pressure to continue to moderate into the first half of 2027.

Recreation will also provide a boost in Q3 (0.22ppt) with a stronger than usual seasonal rise in international travel & accommodation (7.5%qtr) as Australian travel costs catch up to price increases reported by OECD countries. However, there should be a partial seasonal reversal through the first half of 2027.

Food is also set to make a robust contribution (1.0%qtr, 0.17ppt) in Q3 and while this series can be somewhat volatile due to the peaks and troughs of fresh fruit & vegetable pricing, we will be watching this series more closely than usual as the larger than usual El Niño formation presents a significant upside risk here, most likely in 2027 but could start to appear in late-2026.

…while revisions to core inflation more marginal.

Westpac estimate a 0.8%qtr increase in the Q3 trimmed mean easing the annual pace by 0.1ppt to 3.5%yr. Our earlier estimate was for a 1.0% increase in Q3 which, with rounding, held the annual pace flat at 3.6%yr. For end-2026 we now estimate trimmed mean inflation to come in at a 3.3%yr pace, down from our earlier estimate of 3.5%yr and on par with the RBA's most recent estimate.

The six month annualised pace of core inflation has taken a step down from 3.9% at Q4 2025 to 3.6% at Q1 2026, 3.4% at Q2 and we estimate it to be at a 3.3%yr pace through the second half of the year before heading down through 3%yr around mid-2027.

The moderation in housing inflation is helping to lower core inflation but so too has the softer than expected inflation in market services. We now expect market services ex volatile to be around a 3.3%yr to 3.5%yr pace through the second half of 2026. Just how businesses responded to the recent increase in award/minimum wage rates of pay will be critical to this profile and we will know more as the September quarter data unfolds.

Quarterly forecast inflation profile

		Sep-26	Dec-26	Mar-27	Jun-27
CPI	Index	103.4	104.2	104.9	105.6
	(%qtr)	1.1	0.8	0.6	0.6
	(%yr)	3.7	3.9	3.1	3.2
Trimmed mean	(%qtr)	0.8	0.8	0.8	0.7
	(%yr)	3.5	3.3	3.2	3.1
	(6mth ann'd)	3.3	3.3	3.1	2.9

Source: ABS, Westpac Economics.

Monthly inflation profile

		Apr–26	May–26	Jun–26	Jul-26(f)	Aug-26(f)	Sep-26(f)	Oct-26(f)	Nov-26(f)	Dec-26(f)
CPI	Index	102.8	102.1	102.0	102.9	103.5	103.9	104.1	103.9	105.1
	(%mth)	0.4	-0.7	-0.1	0.8	0.6	0.4	0.2	-0.2	1.1
	(%yr)	4.2	4.0	3.8	3.3	4.0	3.9	4.1	3.9	4.1
Trimmed mean	(%mth)	0.4	0.3	0.3	0.4	0.4	0.2	0.4	0.1	0.3
	(%yr)	3.5	3.7	3.8	3.8	3.9	3.8	4.0	3.8	3.8
	(6mth ann'd)	3.5	3.7	3.9	4.1	4.5	4.4	4.4	3.9	3.8

Source: ABS, Westpac Economics.

Corporate Directory

Westpac Economics / Australia

Sydney
Level 19, 275 Kent Street
Sydney NSW 2000
Australia

E: economics@westpac.com.au

Luci Ellis
Chief Economist Westpac Group
E: luci.ellis@westpac.com.au

Matthew Hassan
Head of Australian Macro–Forecasting
E: mhassan@westpac.com.au

Elliot Clarke
Head of International Economics
E: eclarke@westpac.com.au

Sian Fenner
Head of Business and Industry Economics
E: sian.fenner@westpac.com.au

Justin Smirk
Senior Economist
E: jsmirk@westpac.com.au

Pat Bustamante
Senior Economist
E: pat.bustamante@westpac.com.au

Mantas Vanagas
Senior Economist
E: mantas.vanagas@westpac.com.au

Ryan Wells
Economist
E: ryan.wells@westpac.com.au

Illiana Jain
Economist
E: illiana.jain@westpac.com.au

Neha Sharma
Economist
E: neha.sharma1@westpac.com.au

Luka Belobrajdic
Economist
E: luka.belobrajdic@westpac.com.au

Westpac Economics / New Zealand

Auckland
Takutai on the Square
Level 8, 16 Takutai Square
Auckland, New Zealand

E: economics@westpac.co.nz

Kelly Eckhold
Chief Economist NZ
E: kelly.eckhold@westpac.co.nz

Michael Gordon
Senior Economist
E: michael.gordon@westpac.co.nz

Darren Gibbs
Senior Economist
E: darren.gibbs@westpac.co.nz

Satish Ranchhod
Senior Economist
E: satish.ranchhod@westpac.co.nz

Paul Clark
Industry Economist
E: paul.clarke@westpac.co.nz

Westpac Economics / Fiji

Suva
1 Thomson Street
Suva, Fiji

Shamal Chand
Senior Economist
E: shamal.chand@westpac.com.au

Things you should know

We respect your privacy: You can view the New Zealand Privacy Policy here, or the Australian Group Privacy Statement here. Each time someone visits our site, data is captured so that we can accurately evaluate the quality of our content and make improvements for you. We may at times use technology to capture data about you to help us to better understand you and your needs, including potentially for the purposes of assessing your individual reading habits and interests to allow us to provide suggestions regarding other reading material which may be suitable for you.

Disclaimer

This information has been prepared by Westpac 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 (a) 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; (b) 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; (c) to the best of the author's knowledge, they are not in receipt of inside information and this material does not contain inside information; and (d) no other part of the Westpac Group has made any attempt to influence this material.

Further important information regarding sustainability related content: This material may contain statements relating to environmental, social and governance (ESG) topics. These are subject to known and unknown risks, and there are significant uncertainties, limitations, risks and assumptions in the metrics, modelling, data, scenarios, reporting and analysis on which the statements rely. In particular, these areas are rapidly evolving and maturing, and there are variations in approaches and common standards and practice, as well as uncertainty around future related policy and legislation. Some material may include information derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information. There is a risk that the analysis, estimates, judgements, assumptions, views, models, scenarios or projections used may turn out to be incorrect. These risks may cause actual outcomes to differ materially from those expressed or implied. The ESG-related statements in this material do not constitute advice, nor are they guarantees or predictions of future performance, and Westpac gives no representation, warranty or assurance (including as to the quality, accuracy or completeness of the statements). You should seek your own independent advice.

Additional country disclosures:

Australia: Westpac holds an Australian Financial Services Licence (No. 233714). You can access Westpac's Financial Services Guide here or request a copy from your Westpac point of contact. 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.

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 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.

Disclaimer continues overleaf ▶

Fiji: Unless otherwise specified, the products and services for Westpac Fiji are available from www.westpac.com.fj © Westpac Banking Corporation ABN 33 007 457 141. This information does not take your personal circumstances into account and before acting on it you should consider the appropriateness of the information for your financial situation. Westpac Banking Corporation ABN 33 007 457 141 is incorporated in NSW Australia and registered as a branch in Fiji. The liability of its members is limited.

Papua New Guinea: Unless otherwise specified, the products and services for Westpac PNG are available from www.westpac.com.pg © Westpac Banking Corporation ABN 33 007 457 141. This information does not take your personal circumstances into account and before acting on it you should consider the appropriateness of the information for your financial situation. Westpac Banking Corporation ABN 33 007 457 141 is incorporated in NSW Australia. Westpac is represented in Papua New Guinea by Westpac Bank - PNG - Limited. The liability of its members is limited.

U.S: 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'). In accordance with APRA's Prudential Standard 222 'Association with Related Entities', Westpac does not stand behind WCM other than as provided for in certain legal agreements between Westpac and WCM and obligations of WCM do not represent liabilities of Westpac.

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: 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.

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.

European Economic Area ("EEA"): This material may be distributed to you by either: (i) Westpac directly, or (ii) Westpac Europe GmbH ("WEG") under a sub-licensing arrangement. WEG has not edited or otherwise modified the content of this material. 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. Any product or service made available by WEG does not represent an offer from Westpac or any of its subsidiaries (other than WEG). All disclaimers set out with respect to Westpac apply equally to WEG.

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 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. 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.