WESTPAC WAILIS

PNG ECONOMIC UPDATE AND OUTLOOK

August 2026

PNG so far in 2026...

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Papua New Guinea has entered the second half of 2026 in a considerably stronger position than many expected at the beginning of the year. The economy continues to benefit from elevated commodity prices, improving resource sector activity and ongoing IMF-backed reforms. At the headline level, the macroeconomic picture is encouraging. Yet beneath these positive trends, structural weaknesses continue to constrain broader socio-economic development. This edition explores the growing disconnect between economic growth and livelihoods.

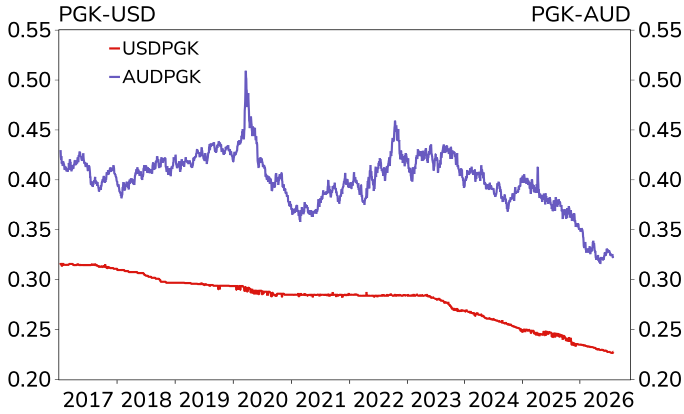
The impact of the Middle East conflict was largely contained, with the Government rolling out fuel subsidy packages and existing zero-rate GST relief measures helping to minimise the pass-through of higher costs. Higher global commodity prices also boosted export earnings, supporting the current account balance. At the time of writing, Brent crude is trading at US$79/b amid optimism that a US-Iran interim agreement could reopen the Strait of Hormuz. Sentiment has improved but remains quite uncertain as more regional countries support de-escalation efforts and discourage further US military action, led by Saudi Arabia.

Domestically, the Monetary Policy Committee maintained the Kina Facility Rate at 5.0% and continues to rely heavily on the exchange rate as the economy's primary nominal anchor. The latest BPNG economic review highlights positive momentum across both the mineral and non-mineral sectors, supported by increased production of palm oil, tea, copra and rubber, alongside continued strength in cocoa and coffee. Government spending through the Connect PNG programme is also driving activity in the construction and broader services sectors. Under the IMF reform programme, BPNG has maintained a crawl-like exchange rate regime. The kina has continued to depreciate, although the pace of adjustment has slowed. In 2026 year-to-date, the exchange rate has moved from 0.2352 to 0.2267, a decline of around 3.6%. BPNG argues that the kina has moved closer to its neutral value, but the continued presence of FX queues and central bank auctions suggests the market has not yet reached a fully market-clearing level. Meanwhile, the bid-to-cover ratio at BPNG's FX auctions has declined from 5.9 times in 2024 to 2.2 in 2026. The entry of three new banks has also placed upward pressure on deposit rates, although lending-deposit spreads remain wide.

Formal employment grew by 2.4% in 2025, largely driven by hiring in the mining and resource sectors. However, formal employment remains relatively small compared with the size of PNG's informal economy. We discuss this further in later sections, particularly in relation to data gaps failing to capture informal employment and livelihoods conditions.

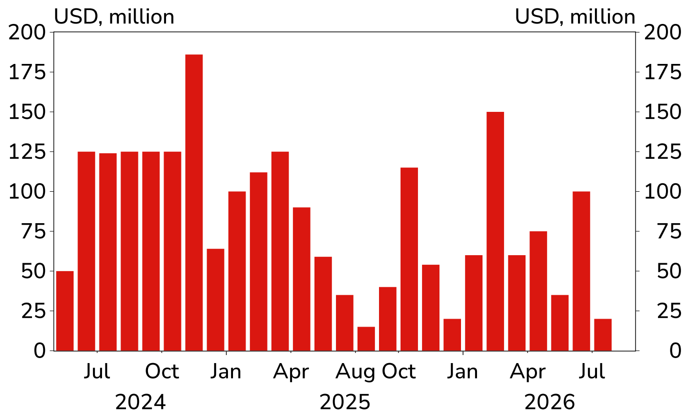
PNG LNG exports remain elevated, although production has softened slightly in 2026. Jan-Jul 2026 export volumes

Kina Foreign Exchange Rate



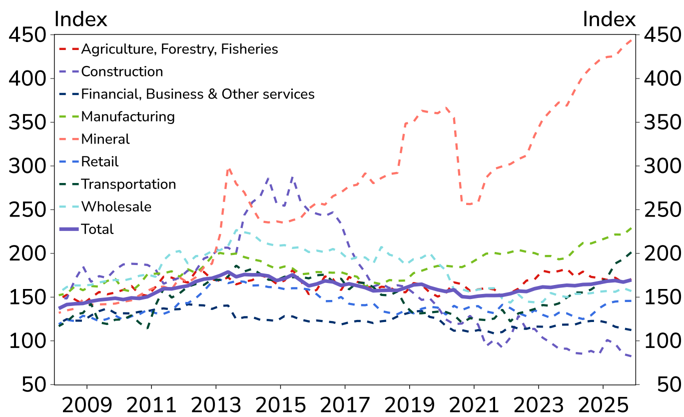
Source: BPNG, Macrobond, Westpac Economics

BPNG FX Auction



Source: BPNG, Macrobond, Westpac Economics

PNG's formal employment index stable



Source: Bank of Papua New Guinea, Macrobond, Westpac Economics

... and what lies ahead

were 0.9% below the same period in 2025, while average utilisation rates were around one percentage point lower. July utilisation eased to 91.2% following a particularly strong June reading, suggesting a temporary operational or export-related slowdown rather than a broader trend. Despite this, LNG export receipts continue to benefit from strong global prices, with LNG trading at US$21.18/MMBtu as at 5 August, up 32.4% from last month and 76.5% higher than a year ago. Despite Taiwan suspending spot LNG purchases and reassessing imports following PNG's closure of Taipei's office, long-term LNG contracts remain in place until 2030.

Gold exports to Australia have surged to a new cyclical high. Exports totalled K8.2bn in Jan-May 2026, up 36.4%, while May remained above its six-month moving average. April 2026 is the highest monthly export value on record.

Domestic demand momentum has recovered strongly. The import indicator averaged +15.9% in Jan-Jun 2026, up from +3.3% during the same period in 2025 and following a full-year average growth rate of 13.8% in 2024.

Challenges, risks and the way forward

The 2026 economic outlook faces a mix of opportunities and risks. An earlier-than-expected final investment decision (FID) for Papua LNG could boost capital inflows, ease foreign exchange shortages and support kina convertibility. Encouragingly, investments through Connect PNG and upgrades to the Ramu Highway are improving connectivity between Highland cash-crop producers and coastal export markets.

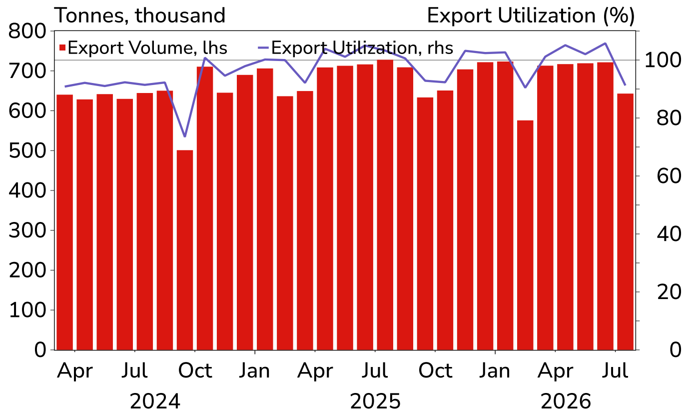
The lack of a mature interbank market remains a major hurdle for monetary sector reforms. In the current setting, BPNG's Kina Facility Rate lacks a strong transmission channel to influence broader market interest rates. While some interbank activity has emerged, it remains isolated rather than broad-based.

Given that LNG and mining account for the majority of PNG's export earnings, any sharp decline in global commodity prices would reduce government revenues, pressure foreign reserves and constrain foreign currency availability. If commodity prices retreat rapidly following a US-Iran agreement, there is a risk of renewed foreign exchange pressures, particularly if BPNG moves too quickly on exchange rate liberalisation.

Severe drought cycles can curtail cash-crop production, including coffee, cocoa and palm oil, while lower river levels disrupt hydroelectric power generation and inland transport corridors such as the Fly River copper freight route. We discuss these risks in greater detail in later sections.

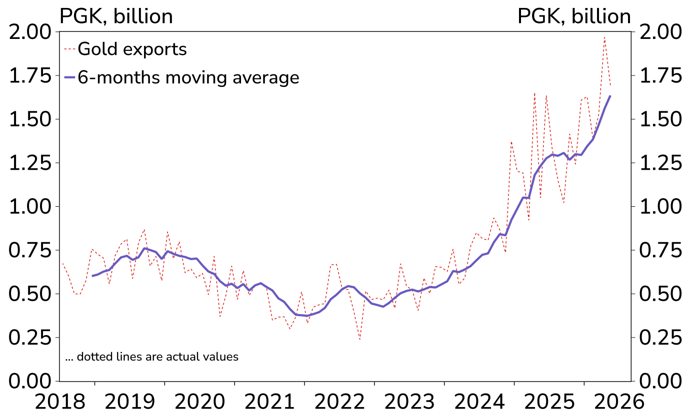
Approaching the 2027 national elections, political pressure risks driving fiscal slippage. At the same time, persistent law-and-order challenges, tribal tensions and high youth unemployment continue to divert fiscal resources towards policing and security rather than productive capital development.

PNG LNG Export



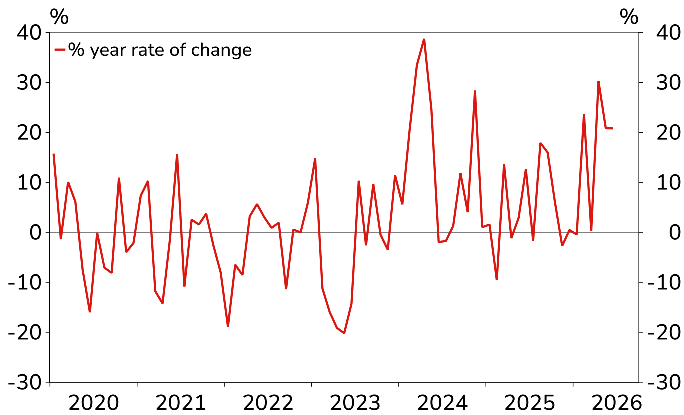
Source: Bloomberg, Macrobond, Westpac Economics

Gold exports to Australia



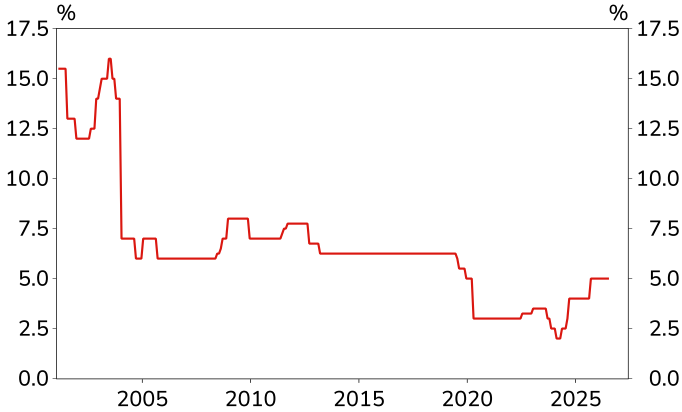
Source: DFAT, Macrobond, Westpac Economics

PNG Imports Indicator



Source: IMF, Macrobond, Westpac Economics

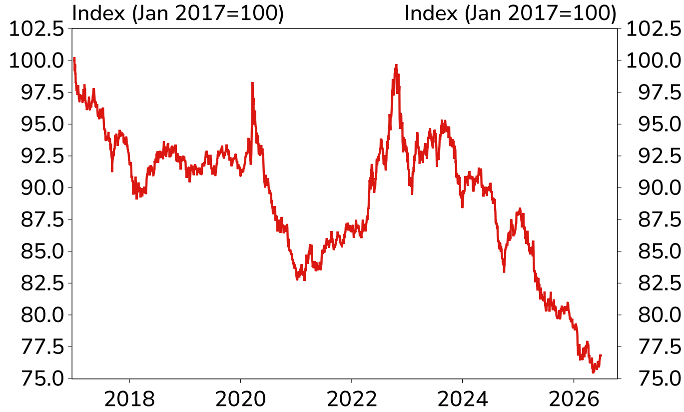
Kina Facility Rate



Source: Bank of Papua New Guinea, Macrobond, Westpac Economics

BPNG's Monetary Policy Committee kept the **KFR** unchanged at 5.0%, with all 5 members voting in favour. However, 2 members preferred a slower-pace of crawl-like exchange rate arrangement.

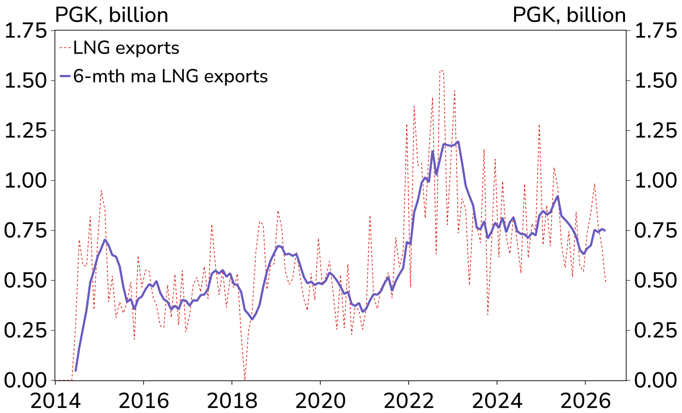
Trade weighted exchange rate depreciation



Source: , Macrobond, Westpac Economics

Our trade-weighted exchange rate has remained tightly managed under the crawl-like regime, averaging 76.97 in 2026 YTD, down 6.6% from 82.39 in 2025, which itself was 6.9% lower than 88.51 in 2024.

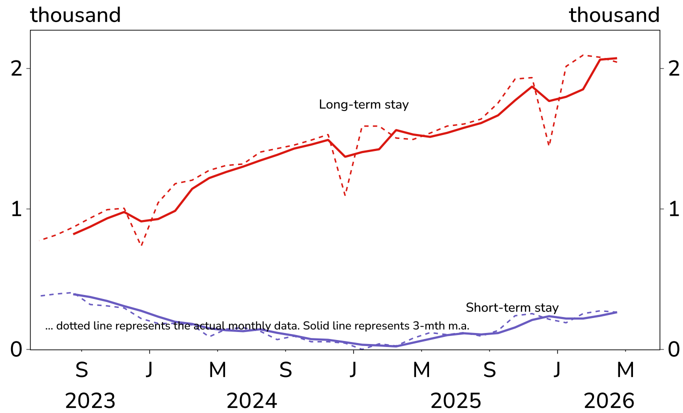
PNG's LNG export to Japan



Source: MOF, Macrobond, Westpac Economics

PNG LNG exports to Japan stood at K4.49bn in the first-half of 2026, down by 9.1% compared to K4.94bn in exports in 2025 (January-June).

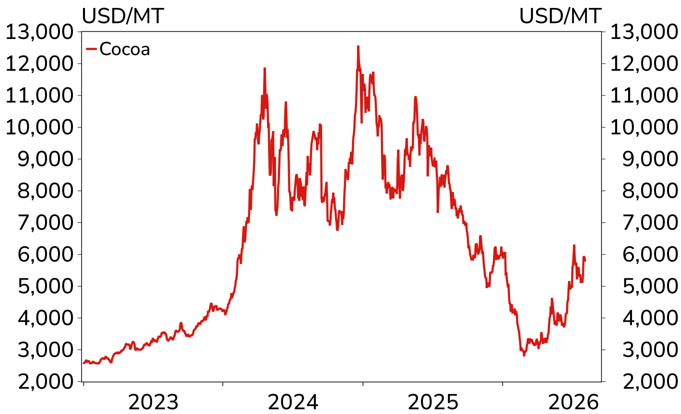
PNG workers under PALM scheme



Source: , Macrobond, Westpac Economics

We have seen growth in the number of Papua New Guineans going to work in Australia under the PALM scheme, especially those staying over long-term. As of April, 2,798 were employed.

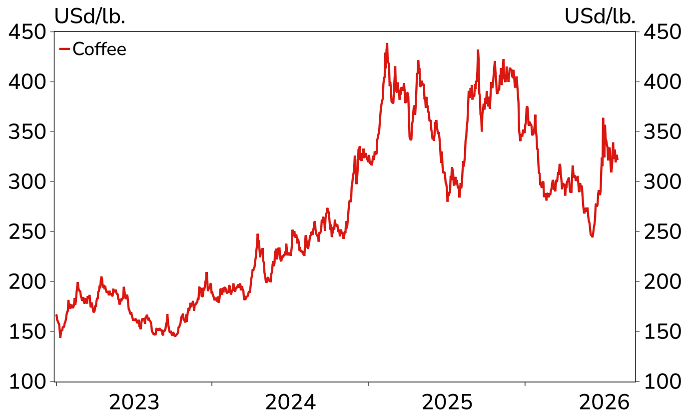
Global cocoa price



Source: Bloomberg, Macrobond, Westpac Economics

Global cocoa is trading 31.8% lower than last year, however, it has picked up by 13.0% since the end of February-2026. Cocoa prices face upward pressure from the upcoming El Niño event.

Global coffee price



Source: Bloomberg, Macrobond, Westpac Economics

Global coffee is trading 9.6% higher than last year, although the price momentum has been flat since last month. The upcoming super El Niño is projected to hit major production markets, including Brazil and Asia, providing upward pressure on prices.

Data deficiency explains growth and livelihood gap

PNG is growing, but weak infrastructure is a significant constraint with the lack of statistics preventing policymakers from measuring the extent of the problem.

Data overhaul is needed.

The Papua New Guinea economy is projected to grow by 4.6% in 2026, with the growth driven by both the resource and non-resource sectors. While the attractive global commodity prices are fuelling the mining production surge and export earnings, we also note that rural-to-urban migration is driving growth in other services and primary sectors. The communications sector, which has grown at double-digit rates over the past few years, is a useful indicator of broader economic momentum. These factors support a relatively optimistic growth outlook for PNG, despite the ongoing Middle East conflict, with the economy somewhat insulated by the Government's fuel stabilisation programme and strong export earnings.

The narrative around optimism is not uniform across PNG's economy. The 2024 census reported PNG's population at 10.2mn where 80-85% of the population lives in rural areas and participates primarily in informal economic activity.

While resource projects contribute significantly to GDP, they generate relatively few jobs compared to the size of PNG's labour force. For many Papua New Guineans, welfare depends less on mineral exports and more on access to reliable electricity, functioning markets, affordable transport and opportunities in agriculture and informal enterprise. As the Bank of PNG reports, while high mining export earnings support "Current Account" balance, much of the earnings is retained offshore. The relatively low royalty and tax receipts from the resources sector undermines how earnings from mining are used to improve the socio-economic conditions for citizens, like health, education and social infrastructure.

Utility problems affect the most vulnerable

The 2026 CEO 100 found that utilities top the list of major concerns among PNG's businesses, hence many have to rely on in-house generators to ensure business continuity. This adds another round of costs to businesses including the burden of importing fuel. While corporations are able to cope with frequent power outages, vulnerable populations are not protected, as this also affects water supply. This is given that just around 20-24% population has access to electricity, the lowest coverage in the Pacific. Even those connected to the grid face frequent blackouts due to ageing infrastructure and supply constraints. State-owned PNG Power, which supplies most of the national grid, has experienced several large-scale outages in recent years. This has significantly hampered business activity, including key social sectors like health and education. To ensure better standard of living and service availability, key reforms are needed in the electricity sector through exploration of privatisation and opportunities for diversification.

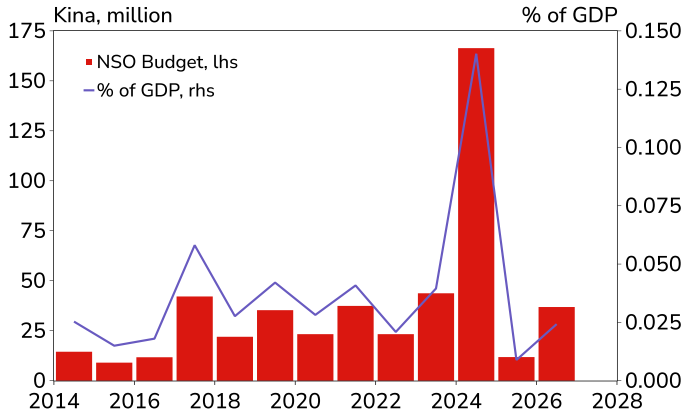
Data overhaul needed to understand & respond better

The strongest evidence that growth has not been broadly welfare-transforming is the lack of recent data to measure it. Papua New Guinea's last Household Income and Expenditure Survey (HIES) was conducted in 2009-10, when the poverty rate stood at 39.9%. Fifteen years later, this critical benchmark remains unchanged, leaving policymakers with limited insight into how living standards and household welfare have evolved.

The 2009-10 HIES provided the foundation for the Consumer Price Index (CPI), but expenditure patterns have likely shifted significantly since then due to urbanisation, population growth, technological change, fuel-price shocks and changing food consumption habits and informal-sector activity not fully captured. While the CPI may still track price movements within its existing basket, it is becoming a less reliable measure of the cost-of-living pressures faced by households today.

The underfunding of the National Statistical Office reflects a broader policy paradox. Between 2014 and 2026, PNG's GDP nearly tripled and government expenditure more than doubled, yet NSO funding averaged just 0.17% of total government spending. Statistics are often treated as an administrative cost rather than a development investment. Apart from the one-off 2024 Census allocation, NSO funding has been declining as a share, leaving the country without timely poverty, migration, labour market and household expenditure data.

NSO funding



Source: , 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.

The “Super” threat of “Super” El Niño

It is the year of the very strong El Niño. The effects of the upcoming event are already being felt by some provinces, with reports beginning to emerge on its impact on agricultural production and food supply. The previous two Super El Niño events, in 1997-98 and 2015-16, led to severe and widespread drought across PNG, particularly in the Highlands, affecting critical water sources and agricultural production. The severe, once-in-a-century drought and frost of 1997-98 reportedly affected around 40% of the rural population through food shortages, particularly of staple crops such as sweet potato, and the drying up of water sources. The drought also led to the temporary closure of the OK Tedi Mine and the Porgera Gold Mine.

The reason this year’s event is termed a “very strong” El Niño is because it is projected to raise sea surface temperatures by at least 2°C, drastically shifting global circulation patterns and bringing less rainfall, increased health risks and elevated drought conditions. Global climate models indicate that the event is currently developing (June-September 2026), with peak intensity expected between November 2026 and February 2027. The latest Niño3.4 index value for the week ending 26 July 2026 was +1.94°C, approaching the 2°C threshold commonly associated with a very strong El Niño. The system is expected to weaken by the end of the first quarter of next year.

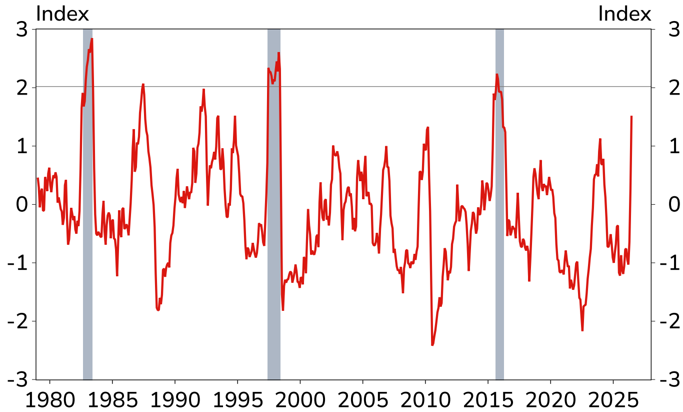
El Niño reduces rainfall and cloud cover across much of PNG. With fewer clouds at night, heat escapes more rapidly from the land surface. In the Highlands, where elevations often exceed 2,000 metres, overnight temperatures can fall below freezing, producing frost that damages crops. Lower agricultural production, particularly of staple foods, can place upward pressure on food prices and increase food insecurity in vulnerable communities.

The PNG Government has already begun advising on the approaching climate threat, with provinces and districts directed to prepare for the dry season. Government is reportedly reviewing current funding and administrative arrangements to determine how support can be effectively disbursed. The upcoming Supplementary Budget in September is also expected to address any emerging funding shortfalls and support measures if conditions deteriorate further.

Super El Niño effects on PNG

The effects of El Niño have already begun in some regions. This includes the New Porgera mine temporarily suspending processing plant operations due to severe water shortages caused by the ongoing El Niño drought and low rainfall. As the drought intensifies across the region, the Kiunga community has had to rally together to save and preserve the Sare Kona water source. Indonesian military forces (TNI) have delivered two tonnes of emergency food and humanitarian aid to drought-stricken residents in neighbouring Central Papua.

Previous Super El Niño



Source: NOAA, Macrobond, Westpac Economics

Falling water levels on the Fly River have forced logistics adjustments, including reports that cargo linked to operations in Western Province is being rerouted through Indonesia. Such disruptions can increase transportation costs and place additional pressure on trade and mining activity. Western Province is also grappling with the prolonged drought, while Kiunga has reported food shortages. Some fish farmers in the Southern Highlands have reportedly lost more than half of their fish stocks due to drying ponds and reduced water availability.

Protecting lives and livelihoods

The coming months will test PNG’s preparedness and resilience. Past El Niño episodes have demonstrated that the greatest impacts are often felt by rural communities that rely heavily on rain-fed agriculture and limited water infrastructure.

With a large share of the population living in rural areas, participating in the informal economy and depending on subsistence farming, ensuring food and water security will be critical during the peak months of the event. Particular attention will be needed in the Highlands, where drought and frost risks are highest and where disruptions to sweet potato production can quickly translate into food shortages.

Beyond immediate humanitarian concerns, proactive planning will also be needed to protect key export crops such as coffee and cocoa, which have become increasingly important sources of income for rural households. Effective preparation, timely support measures and close coordination between national agencies, provincial governments and communities will be essential in reducing the economic and social costs of what could become one of the most significant climate events PNG has faced in a decade.

After IMF's reforms

The IMF-supported Extended Fund Facility (EFF) and Extended Credit Facility (ECF) programme is expected to conclude in late 2026 following its final review mission. Yet the end of IMF support does not mark the end of Papua New Guinea's reform journey. Many of the measures introduced under the programme, particularly those relating to fiscal management, foreign exchange market operations, central bank governance and broader structural reforms, are designed to continue well beyond 2026.

From Chronic FX Shortages to a More Functional Market

When PNG entered the programme in 2023, following initial engagement with the IMF in 2020, the economy was facing several long-standing imbalances. Foreign exchange shortages had become entrenched, the kina was widely regarded as overvalued, and investor confidence had weakened. These strains had been building for years, particularly following the completion of the PNG LNG project in 2014, when foreign exchange inflows failed to circulate through the domestic financial system as expected.

Businesses often waited months to access foreign currency, importers faced uncertainty over overseas payments, and banks were forced to prioritise scarce foreign exchange towards essential transactions. Fuel, food, medicines, utilities, education expenses, raw materials, freight costs and critical business inputs were typically given preference, while many other transactions were delayed or deferred.

The most visible success of the IMF-supported programme has been the improvement in foreign exchange market conditions. Through a combination of gradual kina depreciation, increased foreign exchange injections and adjustments to market operations, BPNG has significantly reduced the backlog of unmet demand. What was once estimated at around K1.8bn has reportedly fallen to approximately K200mn.

Financial Markets Have Responded Positively

Financial markets also responded positively to the broader reform agenda. Fiscal consolidation has progressed faster than many expected, with budget deficits narrowing substantially from pandemic-era levels. The government remains on a pathway towards achieving its first budget surplus in over a decade by 2027. Investor confidence has strengthened, reflected in consistently oversubscribed Treasury bill and government bond auctions. International reserves remain healthy, foreign exchange liquidity has improved, and business surveys (CEO100) increasingly suggest that access to foreign currency is no longer the dominant concern it once was.

The Structural Problem Has Not Disappeared

PNG's foreign exchange market is still not fully market-clearing. Weekly foreign exchange auctions and regular central bank intervention continue to play a major role in balancing supply and demand. The underlying structural problem remains that a substantial share of foreign exchange earnings generated by LNG, mining and other resource projects never enters the domestic banking system. Instead, these flows are retained offshore to service external debt, pay foreign suppliers, meet project financing obligations and remit profits to overseas investors.

This creates a persistent disconnect between PNG's strong export earnings and the availability of foreign currency within the domestic economy. The Government is embarking on key reforms on future resource projects to address these structural challenges.

Has the Kina Reached Fair Value?

A critical question for policymakers is whether the kina has now reached a market-clearing level.

BPNG has consistently argued that its crawl-like exchange rate arrangement is intended to facilitate a gradual and orderly depreciation, reduce overvaluation and improve external competitiveness. However, the continued need for regular BPNG foreign exchange auctions remains an important signal. If the market were fully clearing, commercial bank and interbank flows would largely satisfy foreign exchange demand without repeated central bank intervention. The kina is therefore closer to fair value than it was several years ago, but the remaining foreign exchange queues, continued auction dependence and uneven access to foreign currency suggest the adjustment process is not yet complete.

What Comes Next for the Bank of PNG?

We expect BPNG to maintain the broad direction established under the IMF programme after formal IMF oversight concludes. The focus is likely to shift towards deepening the foreign exchange market, encouraging greater interbank trading and gradually reducing reliance on administrative allocation mechanisms. Policymakers have also signalled interest in modernising the monetary policy framework and exploring alternative exchange-rate arrangements over time. Recent comments from members of the Monetary Policy Board suggest that a fixed basket exchange rate regime is one option being examined for the future.

The Next Challenge: Managing Resource-Led Capital Inflows

Looking further ahead, the arrival of major resource projects such as Papua LNG and P'nyang could fundamentally reshape PNG's financial landscape. Large foreign capital inflows have the potential to improve liquidity and support economic growth. However, they also create new policy challenges. Managing these inflows effectively, preventing a return to exchange-rate distortions and preserving macroeconomic stability may ultimately prove more difficult than addressing the shortages of the past decade.

Seasonality driven price pressures likely

While headline inflation is expected to remain relatively contained in the near term due to the Government's zero-rated GST relief on key essential goods and services, as well as its fuel price stabilisation programme amid ongoing Middle East tensions, price pressures are expected to pick up due to seasonal factors and the high degree of import exposure within PNG's consumer basket. These measures help suppress headline inflation in the short term, but they do not remove the underlying pressures stemming from currency depreciation, imported costs, logistics constraints and fuel prices.

A reasonable estimate suggests that around 42% of PNG's CPI basket is directly exposed to imported inflation through food and transport, while a broader measure that incorporates fuel, freight and logistics-sensitive components is closer to 48-49%. This is important because kina depreciation affects more than just imported consumer goods. It also feeds through to fuel costs, freight charges, distribution networks and transport services.

Against this backdrop, inflation appears set to re-accelerate in the near term, although the breadth of price pressures remains more contained than the headline profile may suggest. Headline inflation slowed to 2.3%yr in Mar-26, but is forecast to rise to 5.6%yr in Jun-26, 5.4%yr in Sep-26 and 5.1%yr in Dec-26. Inflation is expected to remain above 5.0%yr through much of the forecast period as drought-related supply disruptions place upward pressure on prices for a range of essential goods.

The expected lift in inflation is being driven primarily by food, betel nut, transport-related items and selected import-sensitive goods. Food and non-alcoholic beverages inflation is forecast to increase from 1.7%yr in Jun-26 to 5.3%yr by Dec-26. Within this category, vegetables, chicken, dairy products and processed foods account for most of the acceleration. Vegetables inflation is projected to reach 8.3%yr by Dec-26, while chicken prices are forecast to rise by 6.5%yr.

Betel nut remains a distinct influence within our inflation forecasting framework. The Betel Nut and Mustard component is modelled separately using a dedicated seasonal forecast that captures expected demand and supply conditions. Supply is generally abundant during the late and early parts of the year before moderating from around May onwards. Inflation in this category is forecast at 39.9%yr in Jun-26, easing to 15.9%yr in Sep-26 and 2.7%yr in Dec-26. On a quarterly basis, however, prices remain highly volatile, with inflation of -2.4% in Jun-26, 4.6% in Sep-26 and 8.0% in Dec-26. The emergence of El Niño-related drought conditions could further disrupt supply this year, posing upside risks to our inflation forecast.

Outside food and betel nut, motor vehicles, rents, beer and other transport-related components are also expected to contribute to inflationary pressures. For imported and transport-linked items, the forecast incorporates PGK/USD exchange rate pass-through effects, meaning currency weakness and rising landed costs remain an important channel.

The 15% trimmed mean provides a clearer measure of underlying inflation. The trimmed mean is forecast to rise from 2.7%yr in Jun-26 to 4.1%yr by Dec-26 before moderating to around 3.2-3.5%yr through Mar-28. Nevertheless, headline inflation continues to be amplified by a relatively small number of high-impact categories. The broader implication is a continued squeeze on household purchasing power and some upward pressure on wage expectations.

Effect of 2015-16 El Niño on prices

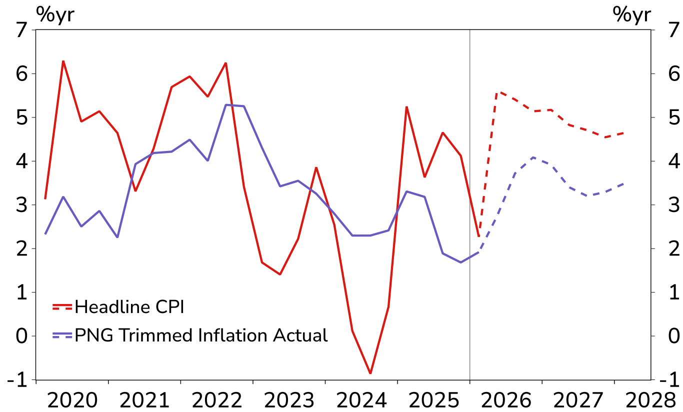
The 2015-16 El Niño episode appears to have affected inflation primarily through severe supply shocks to fresh food, while non-food components such as rent, tobacco, alcohol and health services also contributed to the overall inflation outcome.

Vegetables inflation moved from relatively low or negative readings in 2014 to 18.3% in Sep-15 and 32.0% in Dec-15, remaining elevated throughout much of 2016. The broader fruits and vegetables category followed a similar pattern, peaking at 26.9% in Dec-15 and remaining high at 26.5% in Sep-16.

Betel nut displayed a somewhat different profile, with seasonal factors appearing to play a larger role than drought-induced supply shortages. Betel Nut and Mustard inflation averaged 28.4% across 2015-16 and peaked at 55.8% in Sep-16, illustrating the extreme volatility often associated with this component.

The impact on headline inflation was persistent rather than explosive. Quarterly inflation averaged around 1.6% through 2015-16, broadly similar to 2014. However, sustained quarterly price increases were sufficient to keep annual inflation elevated in the 6-7% range for an extended period.

PNG's inflation forecast



Source: NSO, Macrobond, Westpac Economics

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Medium-term economic growth forecast

% Growth	2018	2019	2020	2021	2022	2023	2024	2025	2026(f)	2027(f)	2028(f)	2029(f)
Primary	-4.8	8.1	-5.5	-7.1	4.3	1.2	2.3	6.1	3.5	2.8	2.2	1.6
of which mining	*-9.2*	*11.3*	*-9.2*	*-11.6*	*5.1*	*1.3*	*2.4*	*8.9*	*4.7*	*3.4*	*2.4*	*1.5*
Industry	-1.4	-5.5	-0.7	6.1	11.2	2.5	7.4	4.3	4.6	4.4	4.2	4.4
Service	5.1	2.5	-0.2	4.5	6.3	5.0	5.2	5.4	5.6	5.4	5.6	5.7
Net taxes	3.9	5.0	-9.9	10.5	2.7	20.4	-0.7	4.8	4.6	4.2	4.0	3.9
Real GDP	**-0.3**	**4.5**	**-3.2**	**-0.5**	**5.7**	**3.8**	**3.9**	**5.5**	**4.6**	**4.2**	**4.0**	**3.9**

Exchange rate forecast

	Latest	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28
PGK/USD	0.2267	0.2200	0.2150	0.2150	0.2170	0.2220	0.2270	0.2320	0.2370
PGK/AUD	0.3230	0.3099	0.2986	0.2986	0.2973	0.3041	0.3110	0.3178	0.3292
PGK/EUR	0.1971	0.1897	0.1838	0.1822	0.1824	0.1850	0.1876	0.1902	0.1943
PGK/JPY	35.75	35.64	34.40	34.19	34.29	34.63	34.96	35.26	35.55
PGK/NZD	0.3864	0.3729	0.3583	0.3468	0.3391	0.3415	0.3439	0.3515	0.3591

Source: Bloomberg, Westpac Economics Market Outlook

Government Bond: 24 July 2026: Offer of K300mn

Series	Amount on Offer (K'mn)	Bids Received (K'mn)	Successful Bids (K'mn)	Successful Bids Yield	WAR	Coupon Rate	Net Subscription
Issue ID 2026 / 5810 (3 Years)	50	65	55	6.11%-6.17%	6.12%	6.40%	K15.000
Issue ID 2026 / 5811 (5 Years)	50	50	50	6.43% - 6.43%	6.43%	6.80%	K0.000
Issue ID 2026 / 5812 (7 Years)	50	60	50	6.59% - 6.59%	6.59%	6.90%	K10.000
Issue ID 2026/ 5813 (10 Years)	100	100	100	6.73% - 6.73%	6.73%	7.10%	K0.000
Issue ID 2026 / 5814 (15 Years)	50	50	50	7.13% -7.13%	7.13%	7.40%	K0.000
TOTAL	**300**	**325**	**305**				**K25.000**

Source: BPNG, Westpac Economics Market Outlook

Commodity price forecast

End of Period	Latest	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28
Bulk commodities										
Crude oil (US$bbl) Brent	79	83	85	84	77	74	69	65	62	60
LNG in Japan US$mmbtu	21.2	18.6	17.9	17.7	16.5	15.0	13.0	12.4	11.6	10.8
Gold (US$/oz)	4,139	4,560	4,640	4,590	4,550	4,580	4,610	4,640	4,670	4,700
Copper (US$/t)	13,309	13,290	12,950	12,630	12,380	12,250	12,190	12,120	12,070	12,030
Iron ore finesTSI @ 62% US$t	100	102	97	89	84	83	83	84	85	85
Nickel (US$/t)	16,150	17,980	17,850	17,760	17,670	17,630	17,710	17,800	17,890	17,980

Source: Westpac Economics Market Outlook

Interest rate forecast

Economies	Latest	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28
Australia										
Cash	4.35	4.35	4.35	4.35	4.35	4.10	3.85	3.60	3.60	3.60
10 Year Bond	4.95	4.95	4.85	4.75	4.65	4.65	4.65	4.65	4.65	4.65
United States										
Fed Funds	3.625	3.625	3.625	3.625	3.625	3.625	3.625	3.625	3.625	3.625
10 Year Bond	4.66	4.65	4.60	4.55	4.55	4.60	4.65	4.70	4.75	4.80
New Zealand										
Cash	2.50	2.75	3.00	3.50	3.75	4.00	4.00	4.00	4.00	4.00
10 Year Bond	4.68	4.55	4.65	4.80	5.00	5.05	5.05	5.05	5.05	5.05

Source: Westpac Economics Market Outlook

Economic growth forecasts (year average)

Country	2021	2022	2023	2024	2025f	2026f	2027f	2028f
World	6.7	3.8	3.3	3.4	3.4	3.2	3.3	3.3
United States	6.2	2.5	2.9	2.8	2.1	2.0	1.8	1.9
China	8.4	3.1	5.4	5.0	5.0	4.7	4.6	4.4
Japan	3.6	1.3	0.7	-0.2	1.1	0.6	0.8	0.9
India	9.7	7.6	7.2	7.1	7.6	6.5	6.7	6.6
Europe	6.4	3.7	0.5	0.9	1.5	0.2	1.1	1.5
Australia	5.4	4.2	2.1	1.0	2.0	1.5	1.3	2.2
New Zealand	5.5	2.6	2.2	-0.3	0.2	1.9	2.6	3.2

Source: Westpac Economics Market Outlook

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