Westpac

# Weekly Commentary

2 April 2013

## Money for the milkman

**Last week saw some fresh developments on many of the big issues facing the New Zealand economy that we have detailed in recent weeks. Reports from Fonterra suggest that the total impact of the drought could be more muted than we expected; the domestic economy appears to have maintained a great deal of momentum despite the drought; and the case for 'macroprudential' regulation keeps pushing ahead.**

Regardless of how much rain arrives in coming weeks, it's inevitable that the drought will produce a sizeable hit to agricultural production this year. We've lowered our GDP growth forecasts for this year to account for the effects of the drought, with the greatest impact likely to fall in the June quarter. To some degree, the impact on the March quarter will be masked by meat production being brought forward, as dairy farmers reduce their herds – for instance, it's been reported that cow slaughter numbers in the week ended March 16 were the highest on record, for any week of the year.

Last week we estimated that the total hit to the economy from the drought, including the flow-on effects, would be worth around 0.6% of annual GDP. However, the latest report from Fonterra suggests the risks are leaning towards a smaller hit. In its half-year update, Fonterra revised up its payout forecast for the 2012/13 season by 30 cents to $6.25-6.30/kg, including retentions. World dairy prices have shot higher in the last couple of months, as the drought has squeezed milk production in New Zealand. Fonterra also estimates that full-season production will be unchanged from last season, where it was 8% ahead up until January.

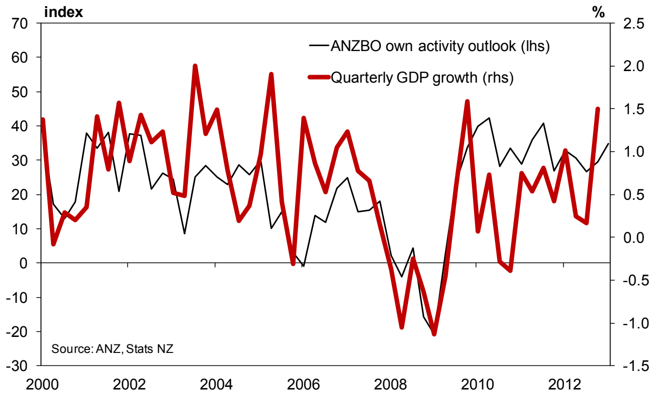
Fonterra's price and volume forecasts were both ahead of our own – we had estimated a $6.10/kg payout and a 0 to 2% drop in production. Importantly, Fonterra's numbers imply an increase in dairy farmers' total income, not a decrease, compared to its last update in December – that is, the benefit of higher prices is greater than the cost of lower production. And while higher costs such as imported feed will chew up some of the increase in revenue, it's unlikely to offset it entirely. It's actually more accurate to say that the drought has led to a redistribution of earnings within the dairy industry, towards those who have access to water and away from those who don't. The second-round effects on spending are more ambiguous in this case, but could well be less negative than feared.

The surprisingly large overseas trade surplus in February was more about monthly volatility than higher dairy prices – volumes for dairy products, wood and oil rebounded from unusually low January levels. With a lag of about three months from price-setting to shipment, the recent surge in dairy prices at auction won't show up in the merchandise trade figures until May/June. This will help to boost the trade balance over the second half of this year, but by 2014 we expect a return to persistent deficits as the Christchurch rebuild generates demand for imports.

Outside of the agricultural sector, the domestic economy appears to have maintained the momentum that was building in late 2012. The ANZ business confidence survey dipped slightly in March, with agriculture an obvious drag, but it remained at a high level throughout the quarter. That's consistent with our preliminary forecast of 0.8% growth in March quarter GDP – although as far as confidence surveys go, next week's NZIER *Quarterly Survey of Business Opinion* has tended to be the better early indicator of quarterly GDP.

Private sector credit growth picked up in February, led by a strong uptick in business lending. Household credit growth

***Business confidence and GDP***

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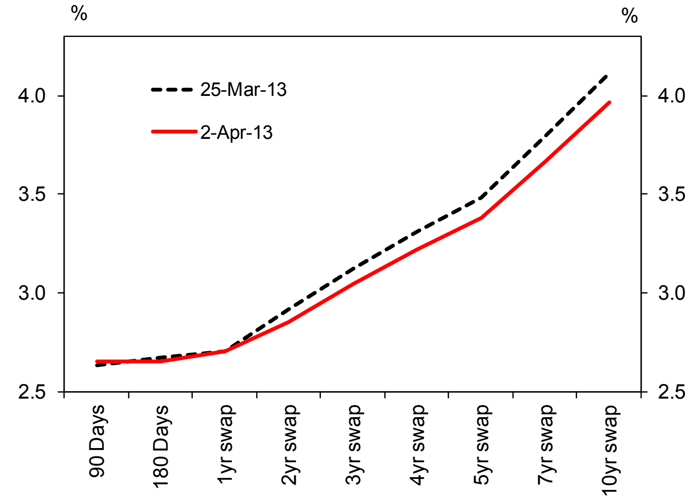
maintained its recent pace of around 0.4% growth per month, and was up 4.1% on a year ago. Household debt appears to be once again rising faster than household incomes, although in our view this is still well short of the kind of growth rate that would warrant the use of macroprudential tools by the RBNZ.

That said, there was a notable development on this front last week. The RBNZ released a consultation paper proposing higher bank capital requirement for housing loans with a loan-to-value ratio above 80%. We're not entirely surprised by this – in our 6 March bulletin "Tool time" we noted that higher capital requirements (either in general or by sector) were likely to be the first cab off the rank, being less distortionary and easier to police than outright limits on high-LVR loans. Higher capital requirements would increase the total cost of bank funding for high-LVR loans, helping to ensure that the greater risk involved in these loans is reflected in the price.

Note, though, that the RBNZ's proposal was around increasing the baseline level of capital, rather than varying it over the cycle as would be implied by the use of macroprudential tools. Again, this is not entirely surprising – other countries facing a resurgent housing market, such as Sweden and Norway, are also taking this route.

**Fixed vs floating for mortgages:** At current mortgage rates we regard fixing as being better value than floating over the next few years. Fixed-term rates out to two years are currently well below floating rates, while three-year and longer fixed rates are only slightly higher. So staying on floating would only be the better option if the RBNZ actually cut the OCR – which we still regard as unlikely.

***NZ interest rates***



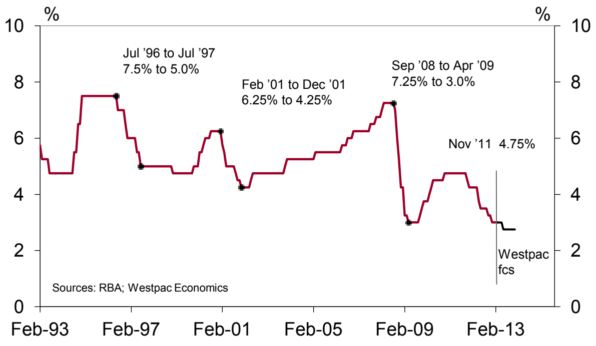

## Key Data Previews

### Aus RBA policy announcement

**Apr 2, Last: 3.00%, WBC f/c: 3.00%**
**Mkt f/c: 3.00%, Range: 3.00% to 3.00%**

- We expect the Board to hold rates steady at its April meeting. The March meeting minutes arguably had a slightly softer tone than February. In particular, March saw the RBA caveat the 2013–14 first estimate for non-mining investment with its own, less-positive liaison reports. We also sensed that the March decision was made on current data rather than the balance of risks going forward.
- Since the March meeting, the key releases have been of a positive (albeit questionable) character. Specifically, February reportedly saw 71.5k jobs created; but much of the gain seems to have been due to sample rotation. January retail sales also beat expectations, but a downward revision to December took off the gloss. The RBA will stay on hold for now and await a clearer signal on conditions.

***RBA cash rate: easing cycles***

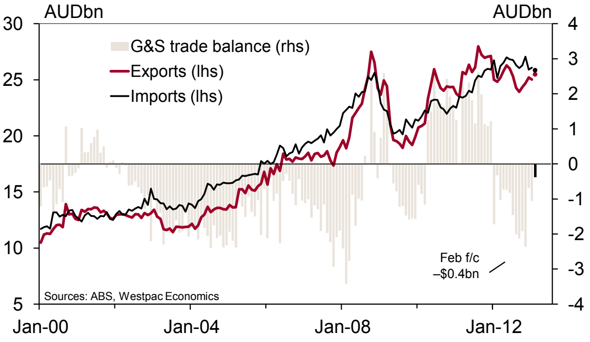


## Aus Feb trade balance, AUDbn

**Apr 3, Last: –1.1, WBC f/c: –0.4**
**Mkt f/c: –1.0**

- We expect a trade deficit of $0.4bn in February; this follows deficits of $2.4bn in November, $0.7bn in December and $1.1bn in January.
- Note, Lunar New Year, which fell on 10 February in 2013, adds to the risk of data surprises.
- Exports are forecast to rise by almost 2%. Higher iron ore prices and a post-flood recovery in coal shipments are the key drivers. Gold exports may ease back following a relatively modest rise in January.
- Imports are forecast to fall by around 1.0%, with the ABS advising that goods imports were down 1.2%. This suggests volumes declined in the month.

***Australia's trade position***

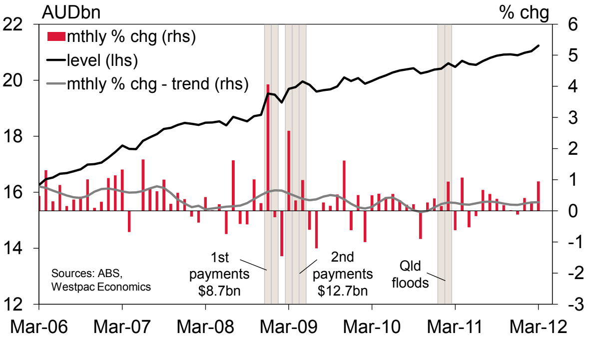



## Aus Feb retail trade

**Apr 4, Last: 0.9%, WBC f/c: 0.3%**
**Mkt f/c: 0.3%**

- Retail sales recovered from a dreadful finish to 2012 with a 0.9% bounce in Jan. That followed successive declines in Oct, Nov, and Dec. Even with a decent bounce, sales momentum is still weak. Shifting pre and post-Xmas sales patterns also argue for viewing Dec and Jan sales on a combined basis.
- That said, there does appear to have been a sustained improvement in early 2013, with anecdotal reports more positive and consumer sentiment rallying strongly in Feb-Mar. Spending will continue to be hamstrung by a combination of financial restraint in the form of a high savings rate and lacklustre growth in aggregate incomes – we are sceptical of the big Feb gain in official jobs. With disposable incomes ticking over at about 0.4%mth, we expect Feb retail sales to consolidate rather than strengthen further with a 0.3% gain.

***Monthly retail sales***

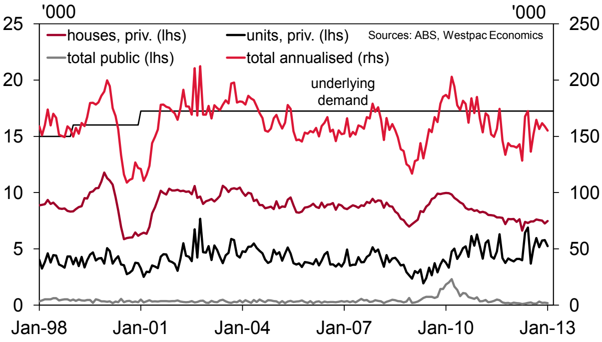



## Aus Feb dwelling approvals

**Apr 4, Last: –2.4%, WBC f/c: 2.5%**
**Mkt f/c: 2.5%**

- Dwelling approvals were weaker than expected in Jan, falling 2.4%. However, some of this was offset by positive revisions to history. More generally, Jan figures should be treated with caution as the summer hiatus and the vagaries of seasonal adjustment mean they can be heavily revised.
- This is unfortunate as recent readings have been ambiguous about the strength of the upturn since mid-2012. A lumpy project pipeline and approvals clustering due to the timing of state government policy changes makes pinpointing the pace of the upswing difficult. Finance approvals for the construction or purchase of newly built dwellings are trending up at about 1%mth. Dwelling approvals would need to see a double-digit bounce in Feb to give that sort of trend. We expect a milder 2.5% with upside risk, for Feb and revisions.

***Dwelling approvals***



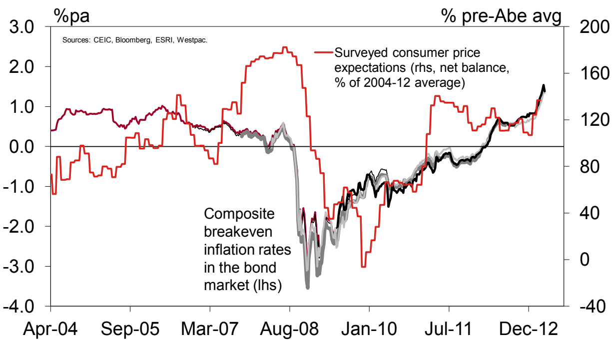
## Jpn Bank of Japan meeting

**Apr 4, Last: 0.10%, WBC f/c: 0.10%**

**Mkt f/c: 0.10%, Range: 0.10% to 0.10%**

- This is Governor Kuroda's first meeting in charge, along with new deputies. Market expectations are accordingly high.
- As a first order of business, Kuroda should scrap the "banknote rule", merge "rinban" JGB purchasing operations into the APP and turn the latter into an open-ended buying commitment, conditional on achieving the inflation target. He should also immediately extend the term to maturity of the assets he will hold. Our view is that a central bank needs to be perceived to be relatively insensitive to its own balance sheet risks, (essentially wading into asset buying without an observable exit strategy in place), if it is to truly shift private sector expectations. Otherwise, markets will be bouyed for months, perhaps quarters, but the real economy won't budge. We note that breakeven inflation rates in the bond market are at decade highs, but consumer expectations are not (as yet).

***Japanese price expectations: consumer and market***

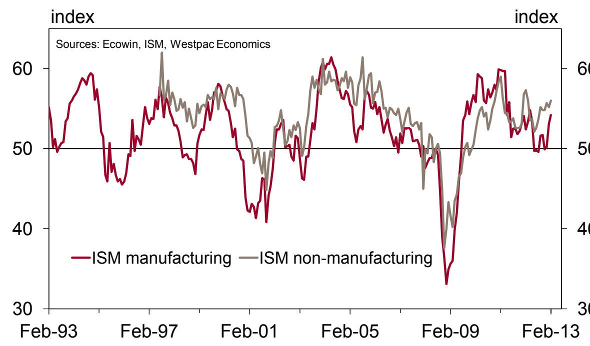



## US Mar ISM non-manufacturing survey

**Apr 3, Last: 56.0, WBC f/c: 54.0**

- The ISM non-manufacturing rose from 55.2 to 56.0 in Feb, though we attribute this rise to over-generous seasonal factors. 2013 looks like a rerun of early 2010, 2011 and 2012 upswings (with progressively lower peaks), only to slow sharply before the middle of the year. Our Mar forecast of 54.0 would be the lowest reading since mid 2012.

***US ISMs***



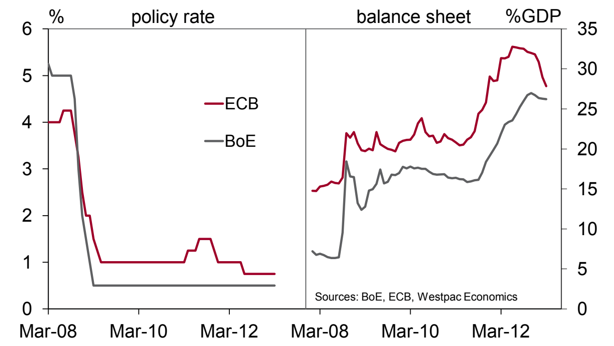

## BoE and ECB on hold for now.

**Apr 4, BoE Last: 0.5%, WBC f/c: 0.5%**

**Apr 4, ECB Last: 0.75%, WBC f/c: 0.75%**

- In Feb and Mar, the vote was 3:6 with the minority including the Governor voting for further asset purchases. The case for some form of further easing is quite strong, but we don't expect it before the new Governor takes over mid-year and the recently broadened remit around the 2% CPI target is clarified. Any further easing is likely to be more targeted than the current asset purchase program.
- ECB chief Draghi will acknowledge that downside risks to growth have intensified given recent survey data, although euro depreciation may be dropped as a downside risk. He will probably express (misplaced) confidence that the Cypriot bailout will diminish "tail risks" (just like the first Greek bailout did [not] three years ago!). A rate cut is a matter of time, probably in Q3 like last year.

***ECB & BoE***



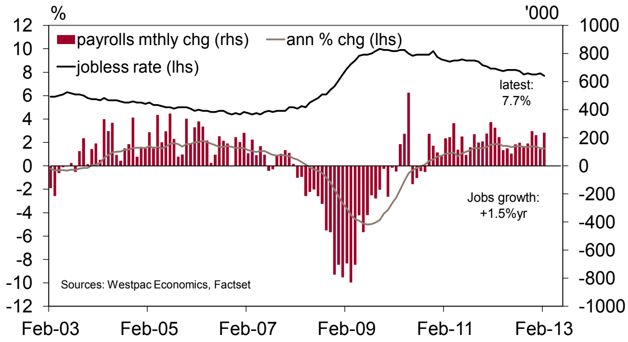
## US March non-farm payrolls

**Apr 5, Payrolls ch Last: 236k, WBC f/c: 200k**

**Apr 5, Unemployment rate % Last: 7.7%, WBC f/c: 7.8%**

- Payrolls rose 236k in Feb, double the 119k Jan gain, but well down on 300k+ increases seen in Q1 last year. We continue to warn that flawed seasonal adjustment factors boost jobs around the turn of the year, before delivering softer outcomes by Q2 (as happened in 2010, 2011 and 2012).
- The household survey jobless rate fell to a cycle-low of 7.7%, due to 300k unemployed leaving the workforce. Household jobs growth averaged 72k in Dec-Feb, compared to 191k for payrolls; a year ago the averages were 416k/271k. So the March 20 FOMC statement should have said "labour market conditions are showing [misleading] signs of improvement...".
- A solid looking 200k March payrolls gain is likely to be followed by weaker Q2 reports. The jobless rate might correct higher in March if the labour force reverses Feb's decline.

*US payrolls*



## Key Data and Events

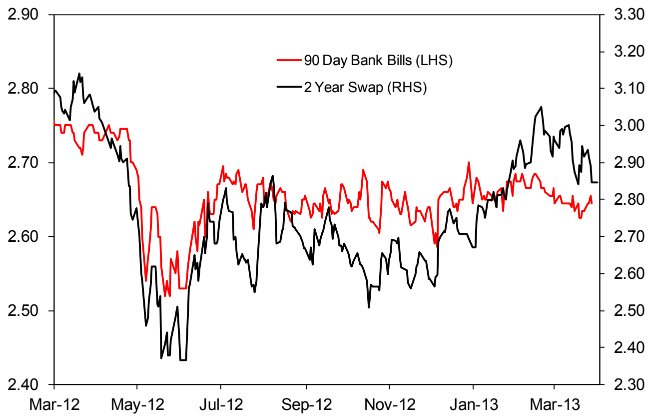
| | | Last | Market median | Westpac forecast | Risk/Comment |
|---|---|---|---|---|---|
| **Tue 2** | | | | | |
| **NZ** | Q1 Employment Confidence | 99.1 | – | – | Has been weak outside Canterbury. Surveyed 1-10 March. |
| | Mar ANZ commodity price index | 1.0% | – | 3.0% | World dairy prices are surging as drought bites. |
| **Aus** | Mar AiG PMI | 45.6 | – | – | Manufacturing contracting - sub 50 for last 12 months. |
| | Mar RP Data–Rismark home price index | 0.3% | – | – | Daily index points to solid 1.5% gain. Auction markets started 2013 well. |
| | RBA policy decision | 3.00% | 3.00% | 3.00% | On hold for now, awaiting clearer view of outlook. |
| **Eur** | Mar PMI factory final | 46.6 a | 46.6 | 46.4 | Sub 50 since Aug 2011. Note France/Germany differential. |
| | Feb unemployment rate % | 11.9% | 12.0% | 12.0% | Steady German jobless rate no longer offset rises elsewhere. |
| **Ger** | Mar CPI prelim %yr | 1.5% | 1.3% | – | Feb CPI lowest since late 2010. |
| **UK** | Mar factory PMI | 47.9 | 49.0 | 48.5 | If European surveys are a guide, expect little improvement in Mar |
| | Feb net mortgage lending £bn | 0.1 | 0.3 | – | BoE/Treasury FLS has driven a (at best) modest rise in household loan |
| | Feb net consumer credit £bn | 04 | 0.4 | – | outstandings, though demand for credit remains weak. |
| | Feb M4 money supply %yr | –0.8% | – | – | M4 (ex IOFCs) up 5.6% yr in Jan. |
| | Feb BRC shop price index %yr | 1.1% | – | – | Sometimes useful guide to direction of change of annual CPI. |
| | Mar house prices %yr | 1.9% | 1.1% | – | Halifax index due 2-5 Apr. |
| **US** | Mar ISM New York | 58.8 | – | – | Entered 2013 expansionary after sub 50 readings in May, Jun and Oct. |
| | Feb factory goods orders | –2.0% | 1.8% | –4.5% | Durables known up 5.2% in Feb. |
| | Apr IBD-TIPP economic optimism | 42.2 | – | 50.0 | All confidence indices followed IBD-TIPP sharply lower in Mar. |
| | Mar auto sales mn annualised | 15.3 | 15.3 | – | Guide to extent of consumer spending momentum in late Q1. |
| | Fedspeak | – | – | – | Kocherlakota, Lockhart, Evans and Lacker. |
| **Wed 3** | | | | | |
| **Aus** | Feb trade balance, AUDbn | –1.1 | –1.0 | –0.4 | Exports +2% (iron ore prices, coal vol rebound). Imports -1%. |
| **Chn** | Mar HSBC services PMI | 52.1 | – | – | Broader quarterly survey consistent with modest services expansion. |
| **Eur** | Mar CPI flash %yr | 1.8% | 1.7% | 1.7% | Euro appreciation to lower inflation temporarily. |
| **UK** | Mar PMI construction | 46.8 | 48.7 | 47.0 | Sector in doldrums since middle of 2012. |
| **US** | Mar ADP private payrolls | 198k | 186k | 215k | 215k would be consistent with our 200k payrolls forecast. |
| | Mar ISM non-manufacturing | 56.0 | 56.0 | 54.0 | New year seasonal upswing as in 2010, 2011, 2012 due to unwind. |
| | Fedspeak | – | – | – | Williams, Bullard. |
| **Thu 4** | | | | | |
| **Aus** | Feb retail trade | 0.9% | 0.3% | 0.3% | Sales recovering from a very poor Q4 helped by improved consumer mood. |
| | Feb dwelling approvals | –2.4% | 2.5% | 2.5% | Could be bigger? Construction-related finance approvals trending +1%mth. |
| **Jpn** | Bank of Japan decision | 0.10% | 0.10% | 0.10% | Kuroda's first meeting. See box for more details. |
| **Eur** | Mar PMI services final | 46.5 a | 46.5 | 47.3 | National data showed France very weak, Germany slowing.. |
| | Feb PPI %yr | 1.9% | 1.3 | 1.6% | German PPI dropped from 1.7%yr to 1.2%yr in Feb. |
| | ECB rate decision | 0.75% | 0.75% | 0.75% | Press conference could be intense: has Cyprus been a game-changer? |
| **UK** | Feb PMI services | 51.8 | 51.7 | 51.0 | Dec saw weakest reading since 2009 recession, back above 50 in Q1. |
| | BOE policy decision | 0.50% | 0.50% | 0.50% | Asset purchases to remain suspended at £375bn. See text box. |
| **US** | Initial jobless claims w/e Mar 30 | – | – | – | Claims were lower earlier in March, but latest week not yet available. |
| | Mar corporate layoffs %yr | 7.0% | – | – | Challenger series. |
| | Fedspeak | – | – | – | Yellen, Lockhart, Evans and George. |
| **Fri 5** | | | | | |
| **Eur** | Feb retail sales | 1.2% | –0.4% | –0.4% | German retail sales likely to have fallen in Feb, data due 28/3. |
| **Ger** | Feb factory orders | –2.5% | 1.0% | –1.0% | Orders resumed downtrend after stabilising in Q4. |
| **US** | Feb trade balance $bn | –44.4 | –44.6 | –44.0 | In Jan, imports rose 1.8%, and exports slumped 1.2%. |
| | Mar non-farm payrolls ch' | 236k | 190k | 200k | Seasonals artificially boosting payrolls in Q1 but still weaker than last |
| | Mar jobless rate | 7.7% | 7.7% | 7.8% | year. Meanwhile household survey shows sluggish jobs. See text box. |
| | Feb consumer credit $bn | $16.2 | $16.0 | – | Student and auto loans the main drivers in 2012. |
| **Can** | Feb trade balance C$bn | –0.2 | 0.2 | – | Exports up 2.1% in Jan, imports down nearly 2%. |
| | Mar employment ch | 51k | – | 15k | Jobs trend 20-25k per month since the start of last year. |
| | Mar Ivey PMI | 51.1 | 54.0 | – | Feb fall reversed much of Dec-Jan bounce from lowest since 2011. |

## New Zealand Economic and Financial Forecasts

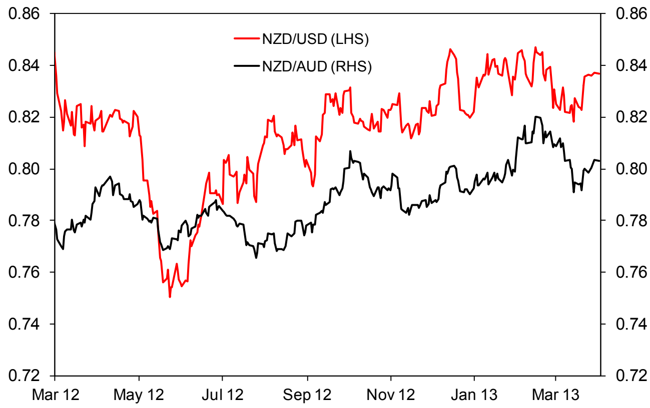
| Economic Growth Forecasts | March years | | | | Calendar years | | | |
|---|---|---|---|---|---|---|---|---|
| % change | 2012 | 2013f | 2014f | 2015f | 2011 | 2012 | 2013f | 2014f |
| GDP (Production) ann avg | 1.9 | 2.5 | 3.0 | 3.4 | 1.4 | 2.5 | 3.0 | 3.2 |
| Employment | 1.0 | 0.0 | 2.6 | 2.5 | 1.5 | -1.4 | 3.7 | 2.6 |
| Unemployment Rate % s.a. | 6.7 | 7.0 | 6.1 | 5.1 | 6.4 | 6.9 | 6.3 | 5.3 |
| CPI | 1.6 | 1.1 | 1.9 | 2.3 | 1.8 | 0.9 | 2.0 | 2.3 |
| Current Account Balance % of GDP | -4.4 | -4.9 | -5.0 | -6.0 | -4.0 | -5.0 | -4.8 | -5.8 |

| Financial Forecasts | Jun-13 | Sep-13 | Dec-13 | Mar-14 | Jun-14 | Sep-14 |
|---|---|---|---|---|---|---|
| Cash | 2.50 | 2.50 | 2.75 | 3.25 | 3.50 | 3.75 |
| 90 Day bill | 2.70 | 2.75 | 3.20 | 3.50 | 3.75 | 4.00 |
| 2 Year Swap | 3.00 | 3.10 | 3.30 | 3.60 | 3.90 | 4.20 |
| 5 Year Swap | 3.50 | 3.60 | 3.80 | 4.00 | 4.30 | 4.50 |
| 10 Year Bond | 3.80 | 3.90 | 4.10 | 4.30 | 4.40 | 4.50 |
| NZD/USD | 0.85 | 0.85 | 0.85 | 0.84 | 0.83 | 0.82 |
| NZD/AUD | 0.82 | 0.83 | 0.84 | 0.85 | 0.86 | 0.85 |
| NZD/JPY | 78.2 | 77.4 | 75.7 | 73.9 | 71.4 | 68.9 |
| NZD/EUR | 0.63 | 0.64 | 0.66 | 0.67 | 0.67 | 0.68 |
| NZD/GBP | 0.54 | 0.55 | 0.55 | 0.55 | 0.54 | 0.53 |
| TWI | 76.9 | 77.3 | 77.8 | 77.7 | 77.3 | 76.5 |

### *2 Year Swap and 90 Day Bank Bills*




### *NZD/USD and NZD/AUD*




**NZ interest rates as at market open on Monday 2 April 2013**

| Interest Rates | Current | Two Weeks Ago | One Month Ago |
|---|---|---|---|
| **Cash** | 2.50% | 2.50% | 2.50% |
| **30 Days** | 2.64% | 2.65% | 2.66% |
| **60 Days** | 2.65% | 2.65% | 2.66% |
| **90 Days** | 2.66% | 2.64% | 2.65% |
| **2 Year Swap** | 2.86% | 2.88% | 2.96% |
| **5 Year Swap** | 3.38% | 3.47% | 3.46% |

**NZ foreign currency mid-rates as at Monday 2 April 2013**

| Exchange Rates | Current | Two Weeks Ago | One Month Ago |
|---|---|---|---|
| **NZD/USD** | 0.8369 | 0.8273 | 0.8233 |
| **NZD/EUR** | 0.6517 | 0.6327 | 0.6327 |
| **NZD/GBP** | 0.5496 | 0.5474 | 0.5472 |
| **NZD/JPY** | 78.096 | 78.830 | 77.085 |
| **NZD/AUD** | 0.8030 | 0.7948 | 0.8074 |
| **TWI** | 76.790 | 75.600 | 75.600 |

## Economic and Financial Forecasts

| Economic Forecasts (Calendar Years) | 2009 | 2010 | 2011 | 2012e | 2013f | 2014f |
|---|---|---|---|---|---|---|
| **Australia** | | | | | | |
| Real GDP % yr | 1.4 | 2.5 | 2.4 | 3.6 | 2.5 | 2.3 |
| CPI inflation % annual | 2.1 | 2.8 | 3.0 | 2.2 | 2.5 | 2.8 |
| Unemployment % | 5.6 | 5.2 | 5.2 | 5.3 | 6.1 | 6.1 |
| Current Account % GDP | -4.2 | -2.9 | -2.3 | -3.7 | -3.0 | -3.8 |
| **United States** | | | | | | |
| Real GDP %yr | -3.1 | 2.4 | 1.8 | 2.2 | 1.6 | 1.5 |
| Consumer Prices %yr | -0.3 | 1.6 | 3.1 | 2.1 | 2.1 | 2.0 |
| Unemployment Rate % | 9.3 | 9.6 | 8.9 | 8.1 | 7.8 | 7.8 |
| Current Account %GDP | -2.7 | -3.0 | -3.1 | -3.0 | -2.9 | -2.9 |
| **Japan** | | | | | | |
| Real GDP %yr | -5.7 | 4.9 | -0.4 | 1.9 | 1.3 | 1.9 |
| Consumer Prices %yr | -1.3 | -0.7 | -0.3 | 0.0 | -0.2 | 0.1 |
| Unemployment Rate % | 5.2 | 5.1 | 4.5 | 4.3 | 4.3 | 4.3 |
| Current Account %GDP | 2.8 | 3.6 | 2.0 | 2.1 | 2.0 | 2.0 |
| **Euroland** | | | | | | |
| Real GDP %yr | -4.4 | 1.9 | 1.5 | -0.5 | -0.5 | -0.5 |
| Consumer Prices %yr | 0.3 | 1.7 | 2.7 | 2.2 | 1.4 | 1.4 |
| Unemployment Rate % | 9.5 | 10.0 | 10.1 | 11.7 | 12.0 | 12.5 |
| Current Account %GDP | -0.2 | -0.1 | 0.0 | 0.9 | 1.0 | 1.0 |
| **United Kingdom** | | | | | | |
| Real GDP %yr | -4.0 | 1.8 | 0.9 | 0.2 | 0.7 | 0.2 |
| Consumer Prices %yr | 2.2 | 3.2 | 4.0 | 2.7 | 2.3 | 1.8 |
| Unemployment Rate % | 7.6 | 7.8 | 8.4 | 8.0 | 8.5 | 8.5 |
| Current Account %GDP | -1.3 | -2.4 | -1.9 | -3.8 | -2.0 | -1.5 |

Forecasts finalised 8 March 2013

| Interest Rate Forecasts | Latest | Jun 13 | Sep 13 | Dec 13 | Mar 14 | Jun 14 |
|---|---|---|---|---|---|---|
| **Australia** | | | | | | |
| Cash | 3.00 | 2.75 | 2.75 | 2.75 | 2.75 | 2.75 |
| 90 Day Bill | 3.05 | 3.00 | 3.10 | 3.10 | 3.00 | 3.00 |
| 10 Year Bond | 3.43 | 3.50 | 3.50 | 3.30 | 3.20 | 3.00 |
| **International** | | | | | | |
| Fed Funds | 0.125 | 0.125 | 0.125 | 0.125 | 0.125 | 0.125 |
| US 10 Year Bond | 1.85 | 2.10 | 2.20 | 2.10 | 2.00 | 1.80 |
| ECB Repo Rate | 0.75 | 0.75 | 0.75 | 0.50 | 0.50 | 0.50 |

| Exchange Rate Forecasts | Latest | Jun 13 | Sep 13 | Dec 13 | Mar 14 | Jun 14 |
|---|---|---|---|---|---|---|
| AUD/USD | 1.0455 | 1.04 | 1.03 | 1.01 | 0.99 | 0.97 |
| USD/JPY | 94.22 | 92 | 91 | 89 | 88 | 86 |
| EUR/USD | 1.2784 | 1.34 | 1.32 | 1.29 | 1.26 | 1.23 |
| AUD/NZD | 1.2484 | 1.21 | 1.20 | 1.17 | 1.16 | 1.17 |

## Westpac Economics Team Contact Details

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