



Sawcut Gorge, Isolated Hill Scenic Reserve, South Marlborough

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Build me up

This week we take a closer look at the outlook for the New Zealand construction sector. A strong outlook for nationwide construction spending underpins our expectations for robust GDP growth over 2015 and 2016. However, further ahead, slowing construction sector activity is a key reason why we anticipate a downturn in GDP growth.

The strong outlook for construction activity over the next few years is a result of several significant work streams. The first is the continuing reconstruction work that is occurring in Canterbury. As discussed in our recent Bulletin 'Focus on the Canterbury Rebuild,'¹ reconstruction in Canterbury will be our nation's largest ever construction project. We estimate that there will be around \$35bn (in 2012 dollars) of reconstruction work. This is lower than the Government's estimated \$40bn spend. This is because since plans for the rebuild were developed a few years back, there have been significant cost increases that will make some planned construction uneconomic. Nevertheless, we still expect that a substantial amount of reconstruction work will occur, equivalent to around 17% of annual national GDP.

While there have been delays, reconstruction spending is now well advanced. Over the past year the amount of building work put in place in Canterbury was more than double its pre-earthquake pace. Looking forward, we expect that construction activity in the region will remain strong for some time. Increasing numbers of projects are moving into planning and building phases, and the rebuild is expected to have a 'long tail' related to non-residential projects.

The strength of construction activity in Canterbury means that we are fast approaching the peak in the rebuild. At its current pace, around half of planned reconstruction spending will have been completed within the next two years, after which time there will naturally be a tapering off in demand. We expect residential reconstruction work will peak through mid-2015 (consistent with the recent pull back in residential consent issuance), with total reconstruction activity peaking in early-2016.

Build me up continued

The timing of the peak in reconstruction is important for wider economic conditions. Increases in reconstruction work in recent years have provided a large boost to quarterly GDP growth. However, after we pass the peak, the amount of reconstruction work completed each quarter will start to ease back over time. This means that the rebuild will become a drag on growth, which is a key reason why we expect a downturn in nationwide GDP growth from 2017. Australia has had a similar experience in recent years, with slowing spending on mining investment contributing to a marked downturn in GDP growth.

But while GDP growth will slow as the rebuild winds down, the level of construction activity is expected to remain elevated for some time. This is because construction activity in other regions is expected to remain firm. In large part this is due to a robust outlook for residential construction in Auckland.

Auckland currently has an undersupply of housing following low construction and strong population growth in recent years. We estimate that around 9,000 homes will need to be built in Auckland per year for the next several years to meet the needs of population growth (as a comparison, a total of around 24,000 homes in Canterbury will require major repairs/rebuilding as a result of the earthquakes).

Residential construction activity in Auckland has been increasing, and we expect further increases over the coming years. However, this has been occurring gradually. Residential construction in Auckland is still around 14% below the level required to meet population demands, with around 7,700 residential building consents over the past year. In addition, we've actually seen consent issuance levelling off in recent months. Consequently, we expect tightness in Auckland's housing market to persist for some time yet.

Construction activity over the coming years will also be boosted by strength in non-residential construction. Much of this relates to infrastructure spending by central and local government, with significant spending expected in the areas of water services, roading and social assets. Spending is expected to be concentrated in Auckland and Canterbury, but will be spread across the country.

Increases in commercial construction are also expected over the coming years. This is being encouraged by strength in

domestic demand, firm levels of business confidence, and low interest rates. Consistent with this, we've seen a sharp increase in business plans for construction over the coming year, with increased spending on both offices and industrial buildings expected.

(Almost) Parity Party

The New Zealand dollar has recently risen to its highest level relative to the Australian dollar since the currency was floated in 1985, flirting with parity over the past week.

But while there's a lot of attention on the AUD/NZD at the moment, it's only one of the many exchange rates relevant for economic conditions in New Zealand. Thanks to the drop in the NZD/USD, on a trade weighted basis the NZD is actually largely unchanged since the start of this year, and it's down 5% from its peak in 2014.

Nevertheless, the NZD TWI remains high (and 3% higher than the RBNZ expected at the time of its March policy statement). This lingering strength in the NZD is continuing to dampen imported inflation. And combined with recent declines in commodity prices, this reinforces our expectation that imported inflation will remain low for some time. Consequently, we remain confident that the RBNZ won't be looking to increase the OCR for some time.

Week ahead

It'll be a busy week for economic data in New Zealand. The main highlight will be the release of the March Quarterly Survey of Business Opinion which provides a comprehensive read on economic activity ahead of the March quarter GDP figures. We'll also receive several updates on household sector conditions with the release of retail card spending figures, Roy Morgan consumer confidence and REINZ house sales figures. Rounding out the week will be the release of the PMI and the latest GlobalDairyTrade auction results.

1. Available here: <http://www.westpac.co.nz/assets/Business/Economic-Updates/2015/Bulletins-2015/Focus-on-the-Canterbury-rebuild-April-2015.pdf>

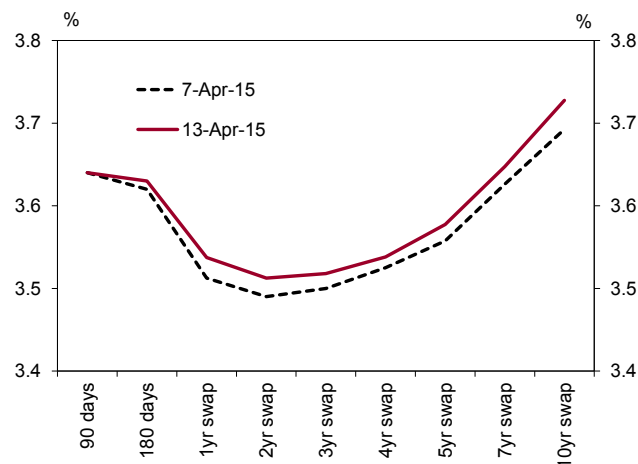
Fixed vs Floating for mortgages

Among the current standard fixed rates, the best value for borrowers with a deposit of 20% or more probably lies in the two-year and three-year terms. However, there is a possibility that fixed mortgage rates will fall even further over the weeks ahead. Waiting a while before fixing might offer even better value.

Four- and five-year rates still seem high relative to where we think shorter-term rates are going to go over the coming four or five years, though the gap has narrowed in recent weeks, and these longer-term rates do offer the benefit of stability.

Floating mortgage rates usually work out to be more expensive for borrowers than short-term fixed rates, such as the six-month rate. However, floating may still be the preferred option for those who require flexibility in their repayments.

NZ interest rates

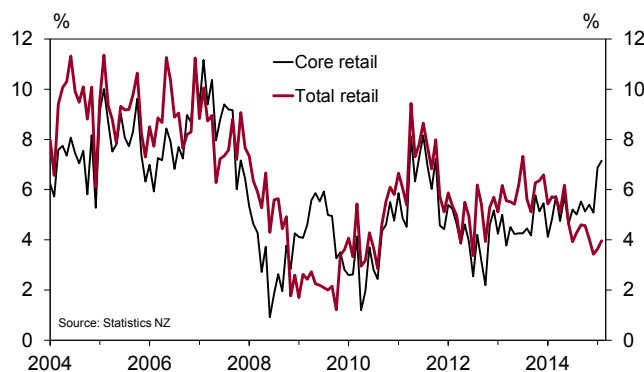


NZ Mar retail card spending

April 13, last 1.0%, Westpac f/c: 0.6%

- Retail card spending has had a very strong run of late, with ex-fuel and vehicle related spending rising 2.3% over January and February alone.
- Paymark, New Zealand's largest cards processor, reported a 1.4% rise in ex-fuel spending in March. However another monthly gain of this magnitude seems implausible, and is more likely to reflect volatility in market share.
- Our more subdued forecasts still imply a 2.6% lift in ex-fuel spending over the March quarter – the fastest since late 2006, when inflation was much higher.
- Statistics NZ recently introduced methodological changes to the card spending series, but these seem to have made only small changes to the historical growth rates.

Card transactions, annual % change

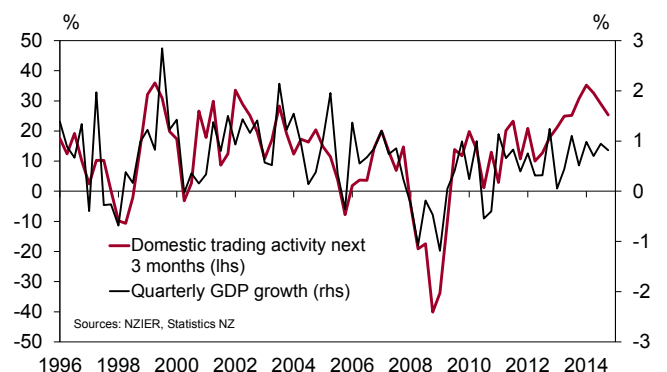


NZ Q4 Quarterly Survey of Business Opinion

April 14, last 19.6%

- Business confidence remained firm through the final months of 2014, consistent with continued strength in domestic demand.
- The survey's measure of businesses' past own activity is an important early indicator for GDP growth, and we expect them to have remained firm through the March quarter. However, the survey does not cover the agricultural sector, which will be drag on GDP through early 2015 due to the impacts of drought. Accounting for this, we are expecting growth of 0.6% over the March quarter.
- The survey's pricing gauges will be a key focus for the RBNZ. Input costs have fallen sharply, and the survey will provide an early read on how this is passing through to final prices.

QSBO domestic trading activity and GDP

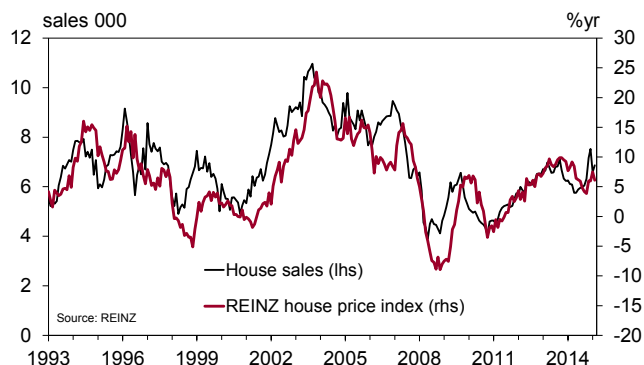


NZ Mar REINZ house sales

April 14, sales last 4.1%, prices last 6.1% yr

- Housing market activity has clearly been slower in early-2015 than it was in late-2014, probably because the post-election rush of activity has faded.
- Nevertheless, we expect that nationwide sales continued to push higher in March. Data such as mortgage approvals and housing credit growth have accelerated. In addition, sales figures from Barfoot and Thompson for the Auckland region were up 5.5% in March.
- At this stage we remain comfortable with our forecast for a 7.5% increase in nationwide house prices this year – Auckland will probably exceed that figure, while the rest of New Zealand is a little more subdued (including Christchurch).

REINZ house prices and sales

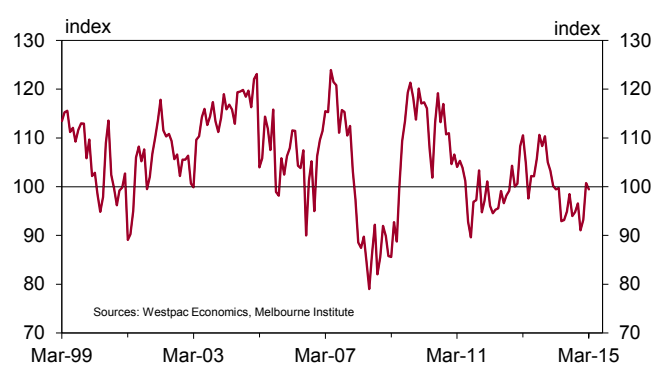


Aus Apr Westpac-MI Consumer Sentiment

Apr 15 Last: 99.5

- The Westpac-Melbourne Institute Consumer Sentiment Index dipped 1.2% to 99.5 in Mar from 100.7 in Feb. Most of the previous month's 8% rate cut driven gain was retained with the RBA's move to a clear easing bias at its Mar meeting likely softening any disappointment at no follow on move. Note that at 99.5, the Index is at a 'neutral' rather than optimistic level.
- The Apr survey will be more of a test of this firming in sentiment. Australia's commodity prices have continued to slide with pressures rising in the iron ore sector in particular. The RBA's Apr decision to leave rates on hold may also be a negative although it again retained a clear easing bias. Other influences on sentiment include: rising petrol prices (up 25c/litre since the Feb survey despite little change in crude prices); and modest gains for shares and house prices.

Consumer Sentiment Index

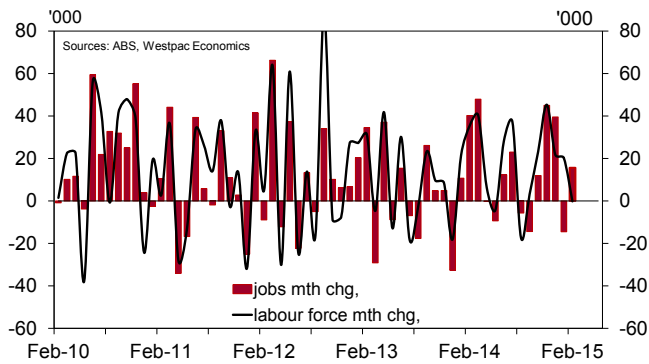


Aus Mar employment

Apr 16, Last: 15.6k, WBC f/c: 20k
Mkt f/c: 15k, Range: flat to 22.5k

- Total employment rose 15.6k in Feb compared to Westpac's forecast of +17k and a market median of +15k. There was a wide range of estimates from a low of -5k to a high of 25k.
- The details were also consistent with an okay print. Full-time employment rose 10.3k while part-time employment rose 5.3k. Annual growth in full-time employment is 84.3k/1.1%yr compared to 66.5k/1.9%yr for part-time employment. Hours worked rose 0.8% in the month following a 0.7% rise in Jan. So far in 2015 hours worked have seen a meaningful lift and are now growing at a 1.8% annual pace.
- The leading indicators have been pointing to a moderation in the pace of employment growth in early 2015. Our 20k forecast will see the annual rate drop to 1.1%yr.

Labour force vs. total employment

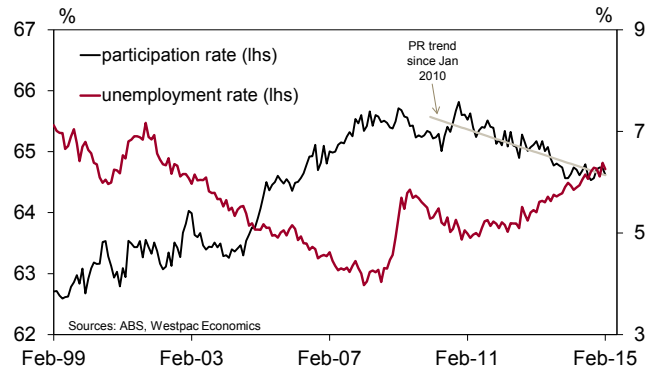


Aus Mar unemployment rate

Apr 16, Last: 6.3%, WBC f/c: 6.3%
Mkt f/c: 6.3%, Range: 6.2% to 6.4%

- In Feb, the unemployment rate dipped to 6.3% (6.25%) from 6.4% (6.38%) in Jan.
- So how did we get a 0.1ppt dip in the unemployment rate to 6.3%, with a 15.6k gain in total employment, if the labour force is growing at an underlying pace of around 18k per month? This was because the participation rate fell from 64.7% to 64.6%, which was enough to hold the labour force flat in the month.
- We are expecting a correction in the participation rate back to 64.7% as, at least for now, the ageing population effect appears to have paused. This should result in a 27k jump in the labour force hence our forecast for flat unemployment rate (6.30% compared to 6.25% in Jan).

Unemployment and participation rates

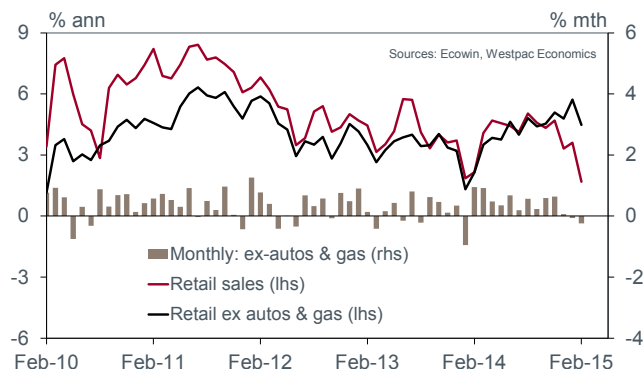


US Mar retail sales

Apr 14 Retail: Last: -0.6%, WBC f/c: 0.8%

- Retail sales fell 0.6% in February. Sales were weak across the board with declines in all storetypes except gasoline (prices higher), food and sporting goods; clothing sales were flat after falls in Nov to Jan and non-store sales recovered from turn of the year softness. Sectors to fall in both Jan and Feb included: health & personal care, furniture, eating out and department stores. Autos, electronics, general merchandise, miscellaneous and DIY all more than reversed Jan gains.
- Retailing was constrained as consumers spent cash on non-retail services like home heating during cold weather. Lower import prices also weighed on nominal sales values.
- In March: gasoline prices levelled off; auto sales jumped 6%; retail jobs rose a further 26k but consumer confidence remained below Jan highs. We expect some weather related sales bounce but an element of caution to persist.

US retail sales

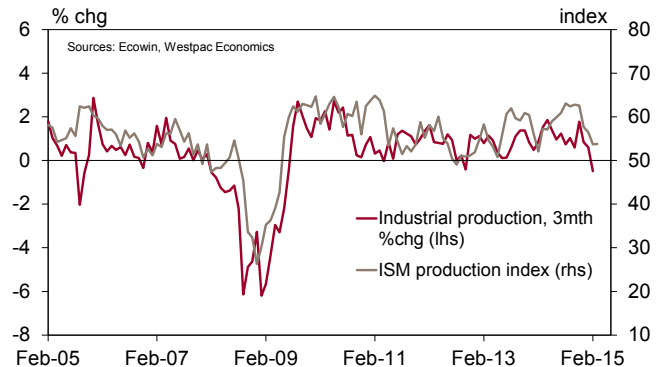


US Mar industrial production

Apr 15: Last: 0.1%, WBC f/c: -0.4%

- Industrial production rose just 0.1% in Feb after falling 0.3% in Jan. Manufacturing fell 0.2% weighed down by the third straight fall in autos, but was flat ex autos. Machinery, business equipment and construction supplies declined; consumer goods and defence gained. Although utility output surged 7.3% during the cold weather, this was offset by a further 2.5% fall in mining, in part due to the shutdown of price uncompetitive oil fracking.
- Factory hours worked fell 0.2% in March. Auto sales were up 6% despite falling orders for autos in Jan-Feb. The core capital goods orders trend has turned negative in the past six months; ISM factory survey orders/production sharply lower since Oct. These mostly weaker signals and a probable pull-back in utilities suggest a renewed IP decline is in prospect.

US industrial sector



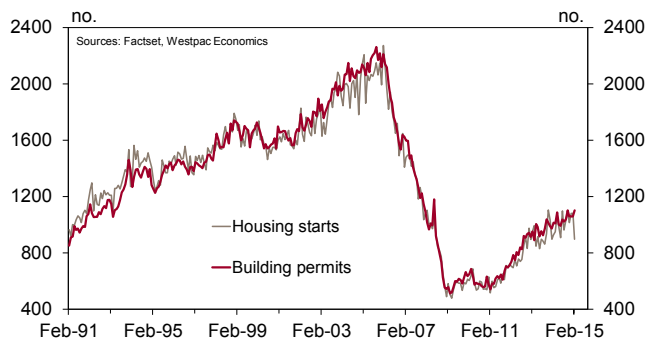
US Mar housing starts/permits

Apr 16, Housing starts: Last: -17.0%, WBC f/c: 14.0%

Apr 16, Housing permits: Last: 4.0%, WBC f/c: -1.0%

- Housing starts plunged 17% in Feb with multiples down 21% and single family house starts down 15%, the latter following a 4% fall in Jan. Weather was a factor with single family starts in the northeast/midwest down 61%/32% respectively, but the south/west also recorded falls of 6%/9%, suggestive of some underlying weakness. Also, building permits' 4% gain in Feb – their first rise since Oct – was driven by an 18% jump in multiples while single family permits fell 6% after a 2% Jan fall. Permits are less likely to be weather impacted than starts.
- This lacklustre activity story contrasts with faster new and pending existing home sales. But for starts to catch up, permits must also rise: permits for single family houses ran a 652k annualised pace in the 3 mnths to Feb, below singles starts on 672k. So scope for better than a partial bounce in starts is limited near term.

US housing starts & permits

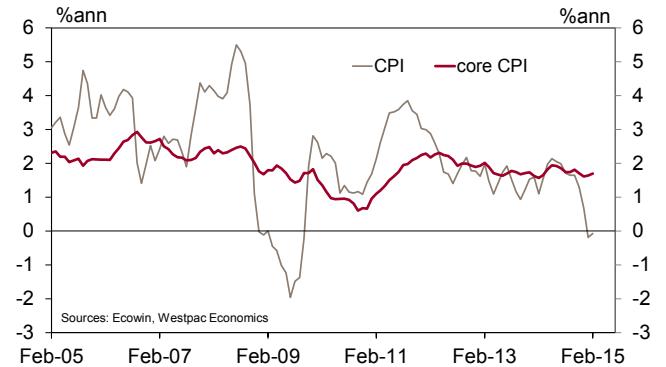


US Mar consumer price index

Apr 17, CPI: Last: 0.2%, WBC f/c: 0.2%

- The CPI (headline/core) rose 0.2% in Feb, with food prices up 0.2% (weather disruption a minor factor), and lower-weighted energy prices up 1.0%. Rent was on trend at 0.2%, clothing rose 0.3% for a second month, but medical care surprised with a 0.2% fall. New auto prices rose 0.2%, their first since Oct. The core annual rate at 1.7%yr was its second lowest since mid 2011, but still well above the 0.6%yr low in October 2010, associated with deflation concerns at the time. The headline CPI at 0.0%yr remained at the post-2009 recession low.
- Gasoline prices rose in March, some of which is seasonal so not captured in the headline CPI. Food prices rarely fall but the PPI suggests they should be subdued. Core pressures are modest albeit with a tendency to round up recently.

US consumer price inflation



Data calendar

		Last	Market median	Westpac forecast	Risk/Comment
Sometime this week					
Chn	Mar new loans RMBbn	1020	1040	-	PBoC banking survey argued loan demand picked up in Q1 over Q4.
	Mar aggregate financing CNY	1353	1500	-	Mar 2014 was a big month due to LNY timing, ergo base effect onerous.
	Mar M2 money supply %yr	12.5%	12.4%	-	Steep decline in base money growth the latest drag here.
	Mar foreign reserves USDbn	3843	3820	-	Bank FX activity points to major financial account outflows.
Mon 13					
NZ	Mar retail card transactions	1.0%	0.8%	0.6%	Retail spending has remained strong.
	Mar REINZ house sales %yr	12.6%	-	-	Due this week. Housing market activity appears to have remained firm.
	Mar REINZ house prices %yr	6.1%	-	-	We continue to expect firm growth in house prices over 2015.
Chn	Mar trade balance USDbn	60.6	40.2	-	Monster surpluses in Jan-Feb, with import bill slashed by price collapse.
UK	Mar BRC sales %yr	0.2%	-	-	Earlier Easter this year may impact March and April data.
Tue 14					
NZ	Q1 Quarterly Survey of Business Opinion	19.6	-	-	Strong domestic demand is boosting business conditions.
Aus	Mar NAB business survey	2	-	-	In Feb, conditions steady at +2, confidence below LR avg at 0.
Eur	Feb industrial production	-0.1%	0.3%	0.2%	German IP (ex construction) rose 0.2% in Feb.
UK	Feb ONS house prices %yr	8.4%	-	-	Peaked at 12.1% yr in Sep last year.
	Mar CPI %yr	flat	flat	0.1%	BRC shop price suggests limited potential for further fall.
	Mar PPI %yr	0.2%	0.2%	-	Core output measure.
US	Mar PPI final demand	-0.5%	0.2%	0.3%	Gasoline prices higher in Mar; services prices to recover somewhat.
	Mar retail sales	-0.6%	1.0%	0.8%	Auto sales up 5.5%; gasoline prices higher.
	Mar retail sales ex autos & gas	-0.2%	0.6%	0.4%	Some potential for Feb upward revision after weather disruption.
	Feb business inventories	flat	0.2%	0.2%	Steadier gasoline prices a factor at play.
	Mar NFIB small business optimism	98.0	98.3	97.5	Hiring intentions already released, down 2pts in March.
	Fedspeak	-	-	-	Kocherlakota.
Can	Mar house prices %yr	4.4%	-	-	Teranet/National Bank index.
Wed 15					
NZ	Mar food price index	-0.7%	-	-0.7%	Seasonal drop in produce prices.
Aus	Apr Westpac-MI Consumer Sentiment	99.5	-	-	Held on to most of Feb's rate cut driven gain but still only around 'neutral'.
	Apr Westpac-MI unemploy. expect.	-2.5%	-	-	Down 9.6% last 3mths to be 12.4% lower over the year (i.e. improving).
Chn	Mar retail sales %yr	10.8%	10.9%	-	February rate cut lifted sentiment, although spending plans muted.
	Mar industrial production %yr	6.8%	7.0%	-	PMIs consistent with output growth marking time at best.
	Mar fixed asset investment %ytd	13.9%	13.9%	-	Look for infra strength, real estate stability, heavy ind. ongoing decline.
	Q1 GDP %yr	7.3%	7.0%	7.1%	Net exports a strength, base effect flattering, but IP <7% on the P side.
Eur	Feb trade balance €bn sa	22.8	-	-	From deficit to record surplus in 3 years.
	ECB policy decision	0.05%	0.05%	0.05%	Policy course now set; first meeting since ECB QE kicked off March 9.
US	Mar industrial production	0.1%	-0.3%	-0.4%	Factory hours fell by 0.2%. Utilities to be a drag.
	Apr NAHB housing market index	53	55	56	House sales have picked up recently, should see confidence rise.
	Apr NY Fed factory survey	6.9	7.0	3.5	Way below 20+ readings seen last year. April often disappoints.
	Feb TIC data, \$bn	27.2	-	-	Net long-term TIC flows.
	Fed beige book	-	-	-	Prepared ahead of the next FOMC meeting at the end of the month.
	Fedspeak	-	-	-	Bullard and Lacker.
Can	Bank of Canada policy decision	0.75%	0.75%	0.75%	Policy firmly on hold, but next move eventually up.
	Feb manufacturing sales	-1.7%	-	-	Fast sales growth in Jan, with steel offsetting weaker autos.
	Mar existing home sales	1.0%	-	-	Feb saw first rise since Oct last year.
Thu 16					
NZ	GlobalDairyTrade auction	-10.8	-	-	Drought premium has now been fully reversed.
	Mar manufacturing PMI	55.9	-	-	Has generally remained strong for the last two years.
	Apr ANZ consumer confidence	124.6	-	-	Modest increase in March.
Aus	Apr MI inflation expectations %yr	3.2%	-	-	Petrol prices surged 13% in March, how did this effect expectations?
	Mar employment, chg '000	15.6k	15k	20k	Leading indicators point to a soft patch with growth slowing to 1.1%yr.
	Mar unemployment rate	6.3%	6.3%	6.3%	20k is just enough to hold unemployment flat with rounding.
	Mar new vehicle sales	2.9%	-	1.5%	FCAI reported 105k sales, +8%yr; previous March record was 97.6k.
US	Initial jobless claims w/e 12/4	281k	-	275k	Easter seasonality swings might come into play.
	Mar housing starts	-17.0%	15.9%	14.0%	Starts pace for (single family dwellings) had been running ahead of permits, despite weather impact.
	Mar building permits	4.0%	-2.0%	-1.0%	
	Apr Philadelphia Fed factory survey	5.0	5.0	7.0	Less likely than NY Fed to show April weakness.
	Fedspeak	-	-	-	Lockhart, Mester and Fischer.
Fri 17					
Eur	Feb current a/c balance sa €bn	30.5	-	-	In surplus since late 2011, record was €31.4bn in Sep 2014.
	Mar CPI final %yr	-0.1% a	-0.1%	-	Inflation has been sub zero since Dec last year.
UK	Mar unemployment ch'	-31k	-29k	-30k	Benefit claimants. Jobs growth rising despite GDP growth moderation.
US	Mar CPI	0.2%	0.3%	0.2%	Gasoline prices higher in Mar but (PPI) food prices falling and core price pressures minimal.
	Mar CPI core	0.2%	0.2%	0.1%	
	Mar leading index	0.2%	0.3%	0.4%	Similar negatives on work-week and orders in Feb and Mar.
	Apr UoM consumer sentiment prelim	93.0	93.7	96.0	300 responses in prelim; IBD-TIPP up quite sharply with 900 replies.
Can	Mar CPI %yr	1.0%	1.0%	-	BoC core rate was 2.1%yr in Feb.
	Feb retail sales	-1.7%	-	-	Retail sales down sharply in Dec-Jan, weakness broad-based.
Sat 18					
Chn	Feb new property prices %net bal	-90.0%	-	-	Too early for Feb rate cut to impact, pre-dates LVR easing.
	Feb 2ndary property prices %net bal	-75.7%	-	-	Tier one stabilising, tier four haemorrhaging.

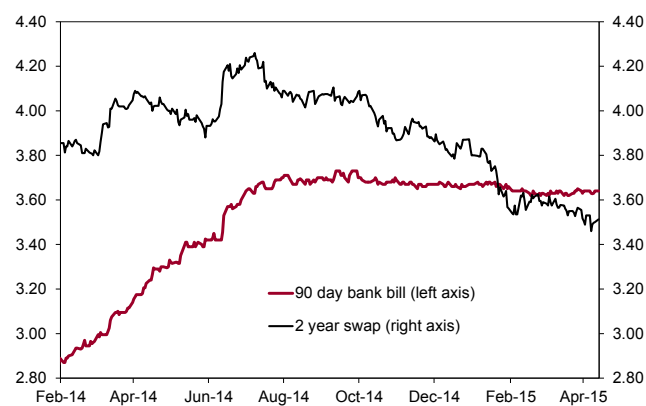


New Zealand forecasts

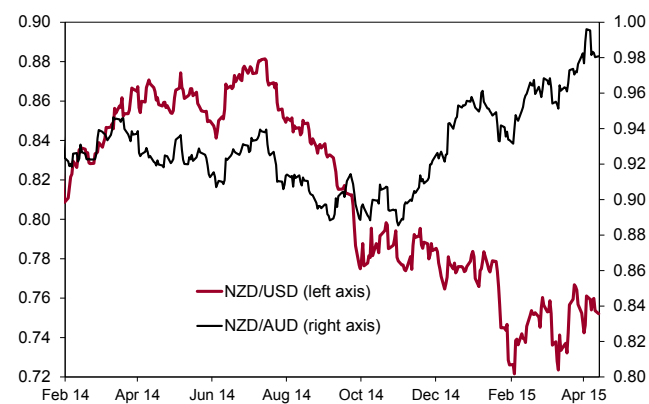
Economic Growth Forecasts	March years				Calendar years			
	2013	2014	2015f	2016f	2013	2014f	2015f	2016f
% change								
GDP (Production) ann avg	2.2	2.5	3.3	3.0	2.3	3.3	3.0	3.4
Employment	0.2	3.8	3.0	3.0	2.9	3.6	2.7	2.3
Unemployment Rate % s.a.	6.3	6.1	5.9	5.1	6.1	5.7	5.2	4.9
CPI	0.9	1.5	0.3	0.9	1.6	0.8	0.3	1.7
Current Account Balance % of GDP	-3.7	-2.6	-4.1	-4.7	-3.3	-3.3	-4.8	-4.4

Financial Forecasts	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16
Cash	3.50	3.50	3.50	3.50	3.50	3.75
90 Day bill	3.70	3.70	3.70	3.75	3.75	4.00
2 Year Swap	3.40	3.50	3.60	3.70	3.90	4.00
5 Year Swap	3.50	3.60	3.70	3.80	4.00	4.20
10 Year Bond	3.20	3.30	3.40	3.50	3.70	4.00
NZD/USD	0.74	0.72	0.71	0.71	0.71	0.72
NZD/AUD	0.99	0.99	0.99	0.99	0.99	1.00
NZD/JPY	88.8	87.8	88.2	88.0	88.8	90.7
NZD/EUR	0.70	0.70	0.70	0.70	0.70	0.71
NZD/GBP	0.51	0.50	0.50	0.49	0.48	0.48
TWI	79.8	78.9	78.6	78.4	78.4	79.5

2 Year Swap and 90 Day Bank Bills



NZD/USD and NZD/AUD



NZ interest rates as at market open on Monday 13 April 2015

Interest Rates	Current	Two weeks ago	One month ago
Cash	3.50%	3.50%	3.50%
30 Days	3.63%	3.63%	3.62%
60 Days	3.63%	3.64%	3.63%
90 Days	3.64%	3.65%	3.64%
2 Year Swap	3.51%	3.56%	3.58%
5 Year Swap	3.58%	3.65%	3.70%

NZ foreign currency mid-rates as at Monday 13 April 2015

Exchange Rates	Current	Two weeks ago	One month ago
NZD/USD	0.7521	0.7562	0.7328
NZD/EUR	0.7102	0.6942	0.7004
NZD/GBP	0.5142	0.5079	0.4971
NZD/JPY	90.52	90.16	88.98
NZD/AUD	0.9808	0.9760	0.9613
TWI	79.16	79.10	77.69



Economic and Financial Forecasts

Economic Forecasts (Calendar Years)	2011	2012	2013	2014	2015f	2016f
Australia						
Real GDP % yr	2.7	3.6	2.1	2.7	2.2	3.0
CPI inflation % annual	3.0	2.2	2.7	1.7	2.3	2.4
Unemployment %	5.2	5.3	5.8	6.2	6.7	6.4
Current Account % GDP	-2.8	-4.4	-3.3	-2.8	-3.3	-2.9
United States						
Real GDP %yr	1.6	2.3	2.2	2.4	2.6	3.2
Consumer Prices %yr	3.1	2.1	1.5	1.6	1.0	2.1
Unemployment Rate %	8.9	8.1	7.4	6.2	5.3	5.0
Current Account %GDP	-2.9	-2.9	-2.4	-2.4	-2.4	-2.4
Japan						
Real GDP %yr	-0.4	1.7	1.6	-0.1	1.0	1.7
Euroland						
Real GDP %yr	1.6	-0.6	-0.4	0.8	1.1	1.1
United Kingdom						
Real GDP %yr	1.1	0.3	1.7	2.6	2.5	2.7
China						
Real GDP %yr	9.3	7.7	7.7	7.4	7.1	7.3
East Asia ex China						
Real GDP %yr	4.5	4.5	4.3	4.1	4.8	5.1
World						
Real GDP %yr	4.1	3.4	3.3	3.2	3.5	4.1
Forecasts finalised 10 April 2015						

Interest Rate Forecasts	Latest	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16
Australia						
Cash	2.25	2.00	2.00	2.00	2.00	2.00
90 Day Bill	2.26	2.20	2.20	2.20	2.20	2.20
10 Year Bond	2.35	2.45	2.60	2.60	2.80	3.00
International						
Fed Funds	0.125	0.125	0.375	0.625	0.875	1.125
US 10 Year Bond	1.90	2.10	2.30	2.50	2.70	3.00
ECB Repo Rate	0.05	0.05	0.05	0.05	0.05	0.05

Exchange Rate Forecasts	Latest	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16
AUD/USD	0.7692	0.75	0.73	0.72	0.72	0.72
USD/JPY	120.29	120	122	124	124	125
EUR/USD	1.0740	1.06	1.03	1.02	1.02	1.02
AUD/NZD	1.0168	1.01	1.01	1.02	1.01	1.01

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