WEEKLY ECONOMIC COMMENTARY

13 Apr 2026 | **Westpac Economics Team** | westpac.co.nz/economics | economics@westpac.co.nz

A hawkish RBNZ is prepared to act decisively

Views on the likely duration and the severity of the war waxed and waned over the week as markets wavered between the prospect of an end to a civilisation (as mooted by President Trump) and the alternative of world peace in our time. The reality remains cloudy and the prospects of a long bumpy road ahead remain the base case. The RBNZ channelled these themes of uncertainty and the prospect of potentially longer-lived inflationary impacts, by delivering a hawkish hold. We brought forward our view of when the OCR will begin to normalise and have further fine-tuned how the overall tightening cycle may evolve.

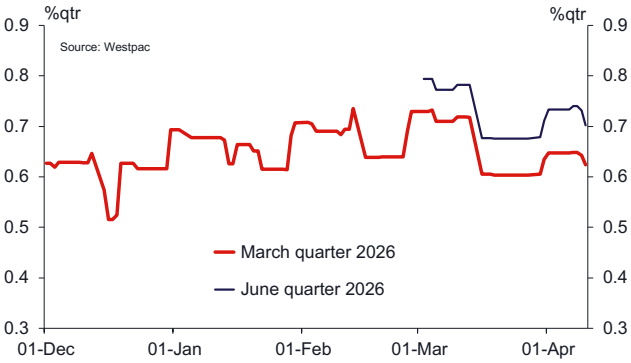
The Iran war and its impacts on New Zealand remained front and centre this week. It's very well understood that the impact will critically depend on the size and duration of the disruption to global energy supply. And this week we saw the full gamut of possibilities on how the war could impact on New Zealand. Businesses and consumers have taken an initial pessimistic view of how the war will impact the operating environment. The questions now are whether those views will be borne out and just how far off course will inflation be knocked and for how long.

The early part of the week was dominated by Trump's Tuesday deadline to Iran to reopen the Strait of Hormuz to traffic or suffer devastating attacks on civilian infrastructure. Fortunately (and as frankly had seemed most likely) cooler heads prevailed, with a hastily arranged cease-fire "deal" announced that at the least allows for a couple of weeks of breathing space for further negotiations towards a permanent truce to occur. That is an advance on where we have been in the last six weeks, which had seen little evidence that discussions were even occurring between key players in Iran, Israel and the US. Initial negotiations took place this weekend

Key views

	Last 3 months	Next 3 months	Next year
Global economy	→	↘	→
NZ economy	↗	↘	↗
Inflation	→	↑	↗
2 year swap	↑	→	↗
10 year swap	↗	→	↗
NZD/USD	→	→	↗
NZD/AUD	↘	→	↗

Westpac GDP nowcasts



Key data and event outlook

Date	Event
17 Apr 26	NZ Selected price indexes, March
21 Apr 26	NZ QSBO Business Survey, March quarter
21 Apr 26	NZ CPI, March quarter
29 Apr 26	FOMC meeting (30 Apr NZT)
5 May 26	RBA Monetary Policy Decision
6 May 26	Labour market surveys, March quarter
15 May 26	NZ Selected price indexes, April
27 May 26	RBNZ OCR Review & Monetary Policy Statement
28 May 26	NZ Government Budget
16 Jun 26	NZ Selected price indexes, May

but failed. The ceasefire has endured for the time being and has seen a marked reduction in the risk premia evident in oil and refined products markets, resulting in a fall in prices. However, we think that the reality around the opposing parties' views on the "deal" means the prospect for a quick resolution of the situation looks low. As we stand today nothing has really changed in terms of New Zealand's medium-term fuel security situation as no meaningful increase in tanker flows out the Persian Gulf is occurring. That said, news that Asian refineries are securing crude feedstock from elsewhere – notably the US – was welcome. This might lower the near-term risk of interruption to fuel inflows into New Zealand and provides breathing space for the government to work on additional storage options and to fine-tune plans for the hopefully unlikely situation where interventions to allocate scarce fuel stocks become necessary.

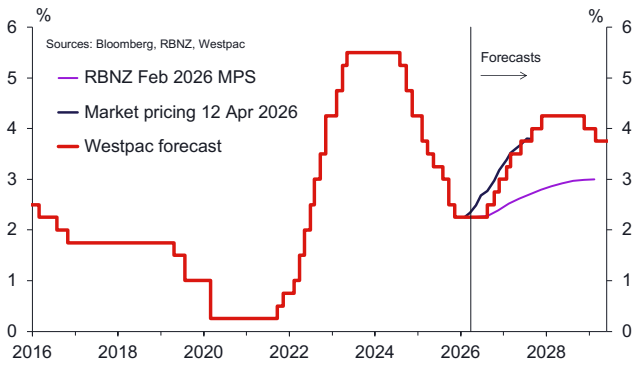
Last week the RBNZ channelled the themes of uncertainty about the outlook, but also realism on just how long-lasting the impact of the war might have on the economy and inflation outlook. The tone of the RBNZ's commentary shifted from the relatively sanguine approach that Governor Breman had communicated a couple of weeks ago to a more hawkish stance. We signalled in **our OCR preview** that such a shift could be in the offing as the broader MPC had a greater opportunity to weigh in. And it seems the MPC was presented some initial forecasts which showed a markedly higher inflation profile was in the offing.

The MPC seems to have separated into a couple of camps: a more hawkish group that sees an argument for a proactive approach to lean against potentially persistent inflation pressures with a higher OCR from perhaps in May or July; and a more dovish camp that's happier to take more time to assess given the possibility that the activity implications of the oil shock could dampen inflation over the medium term. That latter group might perhaps be happier to wait until later in the year before beginning to raise rates, but even among this group there seems no appetite for OCR cuts. Hence, the issue is now for the MPC is when, not if, to tighten. And that tightening might come as soon as May.

One interesting titbit from the RBNZ's communications was the sense that coming into the war the economy was gathering momentum following a slightly disappointing December quarter. The RBNZ retains optimism that economic momentum won't be unduly undermined by the war given the assumption that it will be over relatively soon. Certainly, some of the data seemed to support that optimism given that the Business NZ PMI for March showed resilience by falling only modestly (although understandably, respondents expressed more concerns in the comments submitted with their responses). The ANZ's Heavy Traffic Index – a measure of commercial traffic flows – was also resilient in March, although light traffic volumes declined, possibly reflecting higher fuel prices. We also notice that weekly filled jobs trends continued to track in line with year earlier levels through March, suggesting that any job shedding due to the war has not started. Our card spending data for March shows that total spending stalled in March but there is a decided swing from spending on discretionary items to petrol.

This more hawkish take from the MPC prompted us to bring forward when we expect OCR increases to begin, from December to September 2026. We expect 25bp interest rate hikes at each meeting from then until the OCR reaches 3.5% – at which point the OCR will be firmly in the neutral zone from the RBNZ's perspective. After then, the outlook is cloudier and we expect a slower approach where the OCR increases at Monetary Policy Statements only and the pace of tightening accordingly slows. We continue to believe that the same shape of the latter part of the interest rate cycle where the OCR rises above our assessment of neutral (which remains at 3.75%), peaking at 4.25% in December 2027 and remaining at 4.25% through 2028 before returning to 3.75% in 2029. Hence, we have brought forward our OCR profile by two meetings.

Official Cash Rate forecasts



There is a lot of uncertainty about how the economic outlook will play out for obvious reasons. Hence, we think that it's easier to break down the entire interest rate cycle into two components: the initial move of the OCR from stimulatory levels to the neutral zone; and then what happens from there. For now, we suspect it will be easier to get a handle on the first part of the cycle. And indeed, the bar to starting the lift-off of the OCR towards neutral levels is likely a lot lower than moving the OCR above neutral and beyond.

The key focus for the MPC seems to be what the high-frequency data can tell them about the peak in inflation, but especially how persistent inflation pressures are likely to be. Top of mind are indicators of inflation expectations (especially medium-term expectations), firm pricing behaviour and wage growth trends. The reality is that little will be learned about wage setting trends for some time – and indeed stronger wage growth, if in the offing, is more likely a 2027 than a 2026 story. So, the focus should be on what we can learn from the monthly

inflation expectations surveys, the Quarterly Survey of Business Opinion and monthly Selected Price Indices to see if there are signs of broad and potentially persistent inflation pressures.

Over the weekend RBNZ Governor Breman had a wide-ranging interview on TVNZ. Little was learned on the interest rate outlook. But it does seem that further MPC reforms are forthcoming soon. This could at least include more details on individual members' views. Named votes might also be possible – although the time taken to announce a change perhaps indicates some pushback against transparency somewhere in the system. We hope not, and continue to advocate for named votes and a discussion from each MPC member about the rationale for their advice. These reforms will nicely complement the steps forward already taken.

Looking to the week ahead, there are several data releases to watch. Today we'll get the March BusinessNZ PSI which will provide a snapshot of how the service sector has been tracking coming into the current period. Later in the week, we'll get updates on migration and house sales. The latter is likely to show that house price growth has remained muted, with abundant supply and upward pressure on borrowing costs keeping a lid on prices.

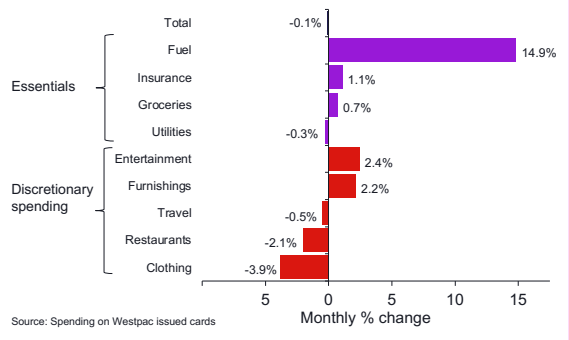
On Friday we'll get updates on both selected consumer prices and retail spending for March. Those releases will warrant close attention, with the impacts of the Middle East conflict likely to be evident. On retail spending, we're expecting a fuel-related rise in spending as prices rocketed higher over the month and many people rushed to fill their tanks ahead of further price increases. However, increased spending on essentials like fuel and groceries is weighing on spending in other areas such as hospitality. As a result, core (ex-fuel) spending is likely to be down. On the price front, March's Selected Prices update will show a sharp rise in fuel costs. The big question is how those costs are rippling through the economy more broadly. The full impact of those indirect fuel price rises won't be evident until later this year. However, we will see some early impacts, with airlines announcing large increases in domestic and international airfares during the month.

Kelly Eckhold, Chief Economist

Chart of the week.

Our March card spending report provided our first detailed look at how household spending has been tracking in the wake of the Middle East war, with the drag from rising living costs clearly evident. Spending on fuel rose a massive 15% over the past month as many of us rushed to top up. We also saw many households stocking up on essentials as the war stoked concerns about shortages and cost increases. But while spending on essentials has lifted, higher fuel prices have siphoned a large amount of cash out of New Zealanders' wallets. That's seen many households winding back their discretionary spending, particularly on items like takeaways and in restaurants. Even with an easing in oil prices over the past week, it's looking likely that ongoing costs of living pressures and economic uncertainty will be a drag on spending and employment growth over the next few months.

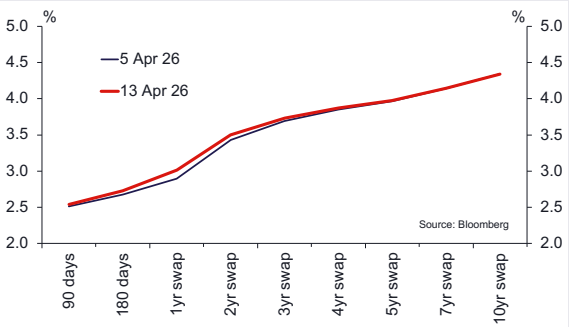
Monthly spending growth by category (per person spending, seasonally adjusted)



Fixed versus floating for mortgages.

Recent weeks have seen a broadening in inflation pressures in the wake of the Middle East conflict and the RBNZ has revised its near-term inflation outlook sharply higher. In response to those developments, the RBNZ's latest policy statement noted related concerns about the longer-term inflation outlook. We've pulled forward our expectations for OCR hikes, which are now expected to begin in September (previously, we expected the first hike in December). Once the tightening cycle does get under way we expect to see a series of rate hikes to return the OCR to more neutral levels. Fixed-term mortgage rates between two and five years now lie above 5%, but fixing for one of these longer periods still appears attractive as it would insulate borrowers from a trend higher in the OCR over the next couple of years.

NZ interest rates



Global wrap

Middle East.

Concerns related to the Middle East conflict eased somewhat last week after a last-ditch agreement was reached to a two-week ceasefire and diplomatic negotiations to try to bring about a permanent end to the war. In the immediate aftermath of the announcement, Brent oil declined by around $15/bbl to $95/bbl. The price of Singapore gasoil – a key benchmark for diesel – closed the week down $26/bbl at $147bbl. Unfortunately, over the weekend the first round of talks between the US and Iran have failed to reach an agreement, with Iran's nuclear ambitions reported to be the key sticking point. This has seen markets reopen in a risk-off mood this morning. And with President Trump suggesting that the US will blockade the Strait of Hormuz to prevent the exit of Iranian oil, oil prices are likely to reopen higher today.

US.

The focus in the US last week was on inflation. The core PCE deflator – the Fed's target – rose 3.0%y/y in February, matching expectations. The leap in energy prices since February resulted in a 0.9% lift in the headline CPI in March, raising annual inflation to 3.3%y/y from 2.4%y/y previously. Core CPI prices rose a more modest 0.2%, although annual inflation on this measure still nudged up to 2.6%y/y. Higher energy prices are also boosting inflation expectations, with the New York Fed's measure of year-ahead inflation rising to 3.4%y/y and the University of Michigan's measure of household inflation expectations surging 1ppt to 4.8%y/y. The coming week is relatively quiet on the data front, with the highlights being reports on industrial production and producer prices and the release of the Fed's latest Beige Book.

Asia Pacific.

In Australia, higher fuel prices saw the Melbourne Institute's monthly inflation gauge surge 1.3% in March, lifting annual inflation to a 26-month high of 4.3%. Household spending rose a solid 4.6%y/y in February, but job ads fell 3.1% in March after rising strongly over the previous two months. Tomorrow's Westpac consumer confidence survey and NAB business survey will cast further light on the early economic impact of the Middle East conflict. Meanwhile, Thursday's Labour Force survey for March will also provide a final labour market snapshot ahead of the next RBA meeting on 5 May (markets are currently pricing around a 65% chance of a further 25bp hike in the policy rate to 4.35%).

A big week ahead for data in China is highlighted by Thursday's Q1 GDP report, together with the release of monthly indicators for March.

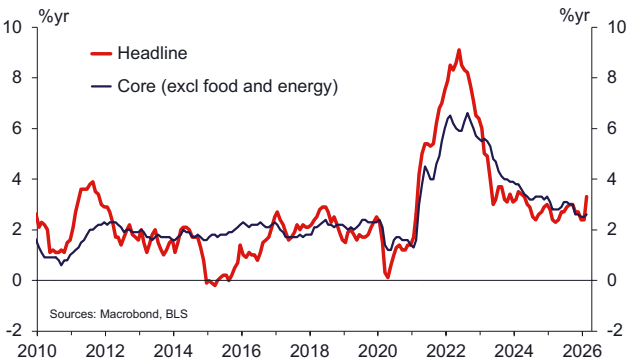
Trading partner real GDP (calendar years)

	Annual average % change			
	2024	2025	2026	2027
Australia	1.0	2.6	1.4	2.0
China	5.0	5.0	4.6	4.5
United States	2.8	2.2	2.5	1.8
Japan	0.1	1.2	0.6	0.8
East Asia ex China	4.3	4.6	4.2	4.1
India	6.5	7.2	6.4	6.5
Euro Zone	0.9	1.5	1.0	1.4
United Kingdom	1.1	1.3	0.8	1.3
NZ trading partners	2.9	3.3	2.8	2.8
World	3.3	3.4	3.2	3.2

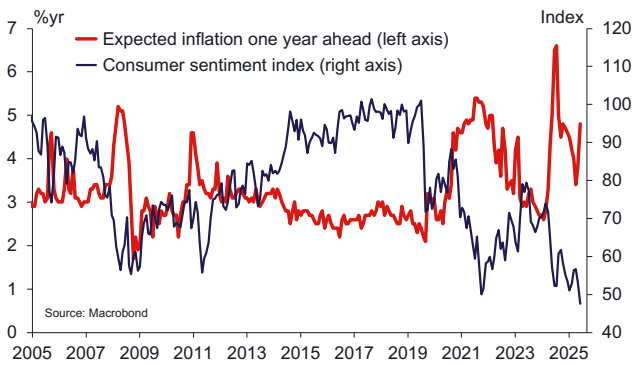
Australian & US interest rate outlook

	10 Apr	Jun-26	Dec-26	Dec-27
Australia				
Cash	4.10	4.60	4.85	4.85
90 Day BBSW	4.32	4.80	4.90	4.80
3 Year Swap	4.65	4.80	4.70	4.40
3 Year Bond	4.66	4.80	4.70	4.40
10 Year Bond	4.97	5.05	5.05	4.95
10 Year Spread to US (bps)	67	65	60	30
US				
Fed Funds	3.625	3.625	3.625	3.625
US 10 Year Bond	4.30	4.40	4.45	4.65

US CPI inflation



US Consumer sentiment & inflation expectations



Financial markets wrap

Foreign exchange.

NZD/USD remains hostage to developments in the US-Iran war. Last week it found support at around 0.5700 and was poised to test 0.5900 in response to some de-escalation via the weekend talks in Pakistan. But those talks concluded yesterday without agreement, and the US has threatened a blockade of the Hormuz Strait. That has seen NZD/USD open lower this morning, to 0.5792, with near term risks skewed to the downside.

Local events worth watching this week include partial NZ CPI data and retail sales data for March, both released on Friday. Westpac's own card spending data, just released, indicates a flat month, with a spike in fuel spending offset by falls in other categories.

For the quarter ahead, we retain a neutral bias pending some resolution of the Iran war. An escalation would likely cause a break below 0.5700, towards 0.5500, while a resolution would likely ignite a rally beyond 0.5900.

NZD/AUD last week made a fresh 13-year low at 0.8192, but it has since risen slightly, catalysed by a more hawkish than expected RBNZ MPR. We expect any further gains to be limited to 0.8400 during the week ahead. Multi-moth, we retain a bearish bias, based on relative economic performance and NZ-AU yield spreads which should continue to support the AUD. Australia's terms of trade are more resilient to an oil shock than are NZ's.

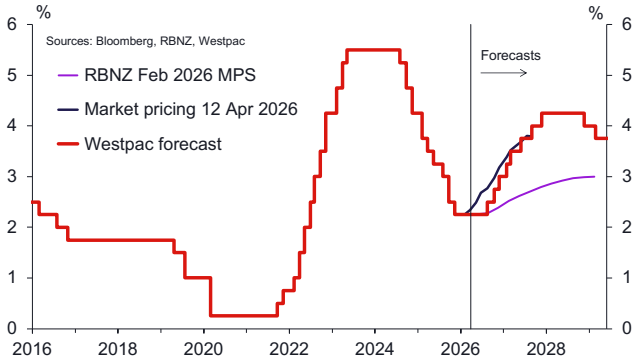
Interest rates.

The NZ 2yr swap rate has consolidated during the past two weeks, between around 3.35% and 3.55%, following a war-related surge to a 17-month high of 3.68%. Risks are now skewed towards a retest of the 3.60% area during the month ahead, war-related inflationary pressures likely to keep market pricing for OCR hikes elevated.

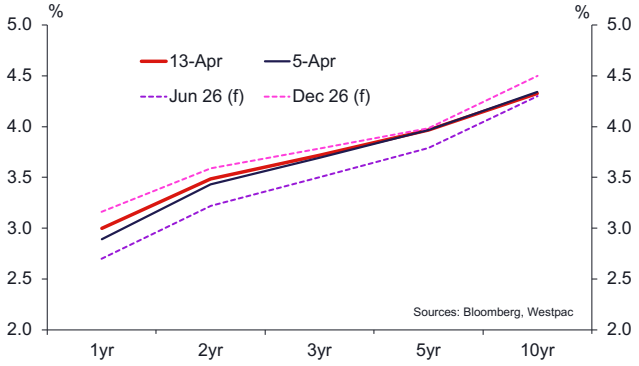
The OIS market currently prices a 90% chance of an OCR hike by July and almost three hikes in total by year end. That seems fair based on our economists' revised forecast of hikes in September, October and December (and beyond). The RBNZ last week indicated it was more concerned about the inflationary impact of the war than the risks to growth.

The yield curve has flattened from the peak in late December, driven mostly by higher short maturity yields, initially in expectation the RBNZ will start hiking rates by year end, and more recently in response to the Iran war. The difference between 2yr and 10yr swap rates is currently 84bp, vs the December peak at 120bp. War risks aside, we expect further flattening during the year ahead as we approach the RBNZ's tightening cycle.

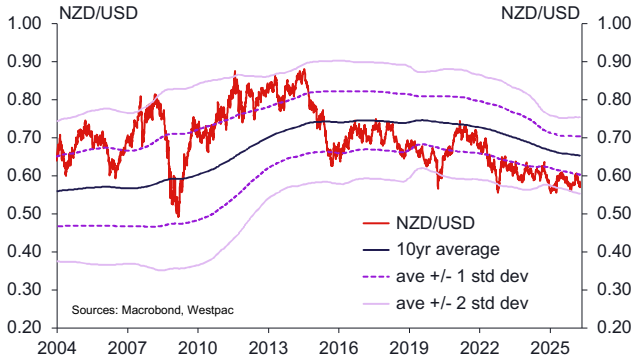
Official Cash Rate forecasts



Swap rates



NZD/USD vs rolling 10yr average



FX recent developments

	Historical data				F'cast
	Spot	3mth range	5yr range	5yr avg	Dec-26
USD	0.580	0.569-0.605	0.553-0.728	0.622	0.62
AUD	0.829	0.822-0.865	0.822-0.971	0.915	0.85
EUR	0.497	0.492-0.511	0.484-0.637	0.564	0.52
GBP	0.433	0.427-0.444	0.426-0.531	0.483	0.45
JPY	92.6	90.2-94.4	74.7-98.6	86.0	95.5

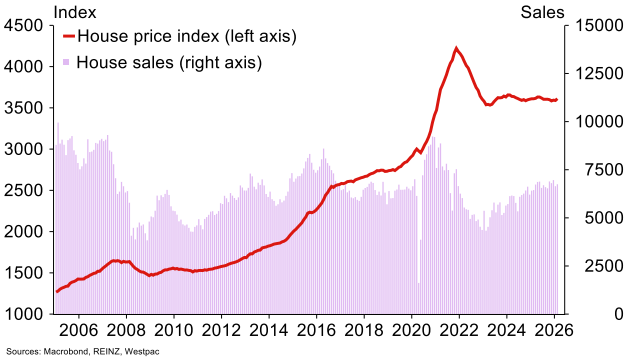
The week ahead

Mar REINZ House Sales and Prices

Apr 15, Sales last: 0.3%, Prices last: 0.0%

February was a perkier month for the housing market, with a lift in the number of sales and a 0.6% seasonally adjusted rise in prices. However, neither measure has escaped from the generally sideways trend of the last year or so. Low mortgage rates are supporting demand, but the ample supply of homes on the market, low population growth and falling rents mean that there is a lack of pressure on house prices. The move higher in fixed-term mortgage rates in recent months has likely weighed on investor sentiment as well.

REINZ house prices and sales

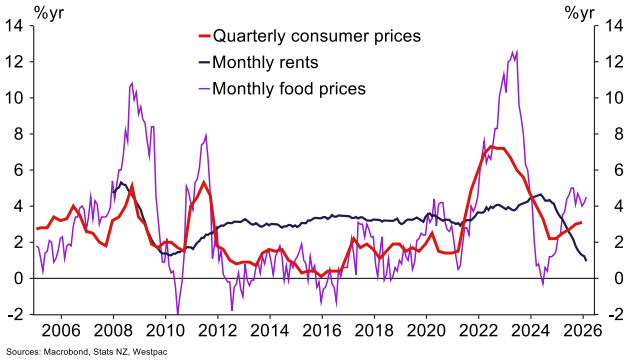


Mar Selected Prices

Apr 17

The SPI covers around 50% of the full CPI (out 21 April) and will provide an early read on how the Middle East conflict has affected inflation pressures. Petrol prices are estimated to be up 20% over the past month with diesel prices up 50%. Importantly, those higher fuel prices have been flowing through to other prices. While the full impact of those indirect price rises won't be evident until later this year, March did see large increases in domestic and international airfares. There could be some related softness in other prices, like holiday accommodation, but that would only offset a small proportion of the other cost increases were seeing. On the housing front, we're expecting to see continued softness in rents.

Selected consumer prices

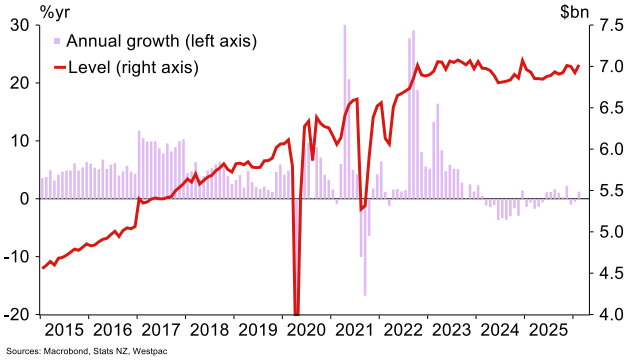


Mar Retail Card Spending

Apr 17, Last: 1.4%, Westpac: 0.5%

We're expecting a 0.5% rise in retail card spending in March. But underlying that is an ugly breakdown of spending across categories. Underpinning the expected rise in spending is the large increases in petrol and diesel prices over the past month as a result of the Middle East war. We also saw households rushing to fill tanks and keep them full. We're also expecting a pick-up in grocery food spending, in part due to concerns about shortages which saw some households stocking up. However, core spending (ex fuel) is likely to be down over the month, with higher fuel prices and increased spending on essentials likely to see households reining in their spending in discretionary areas. In particular, we expect a sharp fall in hospitality spending.

Monthly retail card spending

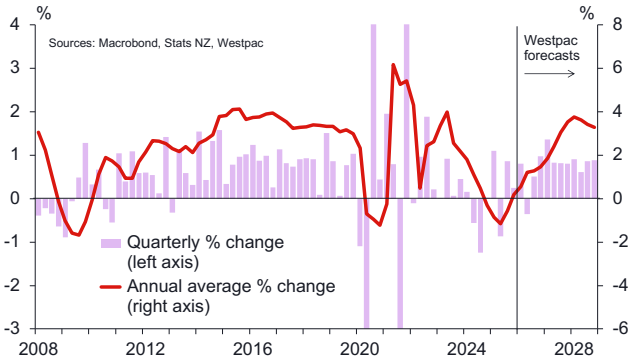


Economic and financial forecasts

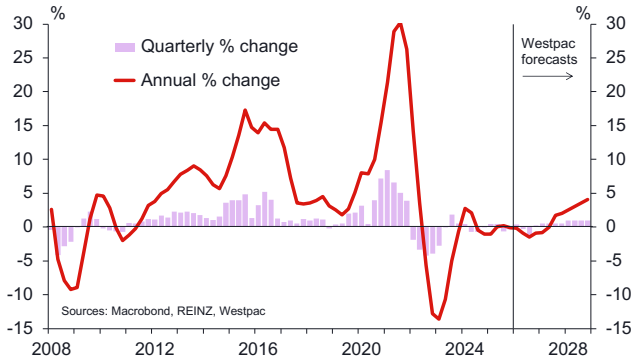
Economic indicators	Quarterly % change				Annual % change			
	Sep-25	Dec-25	Mar-26	Jun-26	2024	2025	2026	2027
GDP (production)	0.9	0.2	0.8	-0.4	-1.6	1.3	1.9	3.9
Consumer price index	1.0	0.6	0.8	1.6	2.2	3.1	3.8	1.7
Employment change	0.0	0.5	0.2	0.0	-1.3	0.2	1.2	3.1
Unemployment rate	5.3	5.4	5.4	5.6	5.1	5.4	5.4	4.6
Labour cost index (all sectors)	0.4	0.4	0.5	0.6	3.3	2.0	2.3	2.2
Current account balance (% of GDP)	-3.5	-3.7	-3.9	-4.1	-4.7	-3.7	-4.1	-3.7
Terms of trade	-0.5	0.3	-3.0	-0.1	8.9	3.5	2.9	4.3
House price index	-0.6	-0.3	0.4	-0.3	-1.0	-0.1	-0.9	2.0

Financial forecasts	End of quarter				End of year			
	Sep-25	Dec-25	Mar-26	Jun-26	2024	2025	2026	2027
OCR	3.00	2.25	2.25	2.25	4.25	2.25	3.00	4.25
90 day bank bill	3.10	2.52	2.51	2.50	4.45	2.52	3.40	4.45
2 year swap	2.99	2.71	3.12	3.75	3.64	2.71	4.30	4.35
5 year swap	3.40	3.27	3.71	4.10	3.73	3.27	4.35	4.45
10 year bond	4.42	4.27	4.54	4.85	4.50	4.27	5.00	5.10
TWI	68.4	66.4	67.2	66.5	69.5	66.4	68.9	72.5
NZD/USD	0.59	0.57	0.59	0.59	0.59	0.57	0.62	0.67
NZD/AUD	0.91	0.87	0.85	0.82	0.91	0.87	0.85	0.91
NZD/EUR	0.51	0.49	0.50	0.50	0.55	0.49	0.52	0.55
NZD/GBP	0.44	0.43	0.44	0.44	0.46	0.43	0.45	0.48

GDP growth

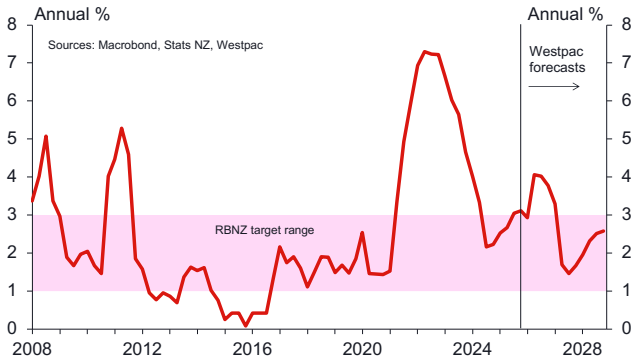


House prices



Unemployment and wage growth

Consumer price inflation



Data calendar

		Last	Market median	Westpac forecast	Risk/Comment
Mon 13					
NZ	Mar BusinessNZ PSI, index	48	–	–	Began the year on a contractionary heading.
Jpn	BoJ Governor Ueda	–	–	–	Speaking at Trust Companies Conference.
US	Mar Existing Home Sales, %mth	1.7	0.1	–	Low turnover in established market reflects rate pressures.
Tue 14					
NZ	Feb Net Migration, no.	4460	–	–	Recent signs of an uptick, though data is prone to revisions.
Aus	RBA Deputy Governor Hauser	–	–	–	Fireside chat at NYU.
	Apr Westpac–MI Cons. Sentiment, index	91.6	–	–	Will capture the full reaction to US-Iran oil price shock.
	Mar NAB Business Conditions, index	7	–	–	Conditions on shaky footing, confidence evaporating.
Jpn	Feb Industrial Production, %mth	–2.1	–	–	Final estimate.
US	Mar NFIB Small Business Optimism, index	98.8	–	–	Acute risks facing small businesses amid uncertainty.
	Mar PPI, %mth	0.7	1.2	–	Wholesale inflation already lifting pre-conflict.
	Fedspeak	–	–	–	Goolsbee.
Wed 15					
NZ	Mar REINZ House Prices, %yr	0	–	–	Prices remain muted despite low mortgage rates...
	Mar REINZ House Sales, %yr	0.3	–	–	...with an ample supply of homes available for sale.
Jpn	Feb Core Machinery Orders, %mth	–5.5	–1.1	–	Exceptionally volatile, but was on a firmer footing pre-conflict.
Eur	Feb Industrial Production, %mth	–1.5	0.4	–	PMIs pointing to a slowdown in industrial activity.
US	Apr Fed Empire State Manuf Survey, index	–0.2	–	–	Blizzards impact, but high-tech skew is paying dividends.
	Mar Import Price Index, %ann	1.3	–	–	Headline vs. ex petroleum will give sense of scale.
	Apr NAHB Housing Market, index	18.1	–	–	Surge in fuel costs rubs salt in the wound for homebuilders.
	Federal Reserve's Beige Book	–	–	–	Update on conditions across the districts.
	Fedspeak	–	–	–	Bowman.
Thu 16					
Aus	RBA Deputy Governor Hauser	–	–	–	Panel participation at IIF Forum.
	Apr MI Inflation Expectations, %ann	5.2	–	–	Fuel price shock is salient to consumers.
	Mar Employment Change, 000s	48.9	20	25	The first 'hard' economic data since conflict begun, but it ...
	Mar Unemployment Rate, %	4.3	4.3	4.2	... will take longer for labour market weakening to take hold.
	RBA Assistant Governor Hunter	–	–	–	Panel participation at IMF Spring Meetings.
Chn	Q1 GDP, %ann	4.5	4.8	4.8	Growth expected to remain sub-5% on an annual basis.
	Mar Retail Sales, ytd %yr	2.8	–	–	Lunar New Year muddies the read on local consumption ...
	Mar Industrial Production, ytd %yr	6.3	–	–	... but its clear that foreign demand remains a key support.
	Mar Fixed Asset Investment, ytd %yr	1.8	2	–	Cooling in high-tech manufacturing investment largely done.
Eur	Mar HICP Inflaiton, %ann	2.5	2.5	–	Final estimate.
UK	Feb Monthly GDP, %mth	0	–	–	Shaky start to the year, before conflict impacts.
US	Initial Jobless Claims	–	–	–	Still at a low level versus history.
	Apr Phily Fed Manufacturing, index	18.1	–	–	Continues to outperform all other regions.
	Mar Industrial Production, %mth	0.2	0.1	–	Set to slow near-term given fuel intensity of industry.
	Fedspeak	–	–	–	Williams.
Fri 17					
NZ	Mar Selected Price Indices - Food, %mth	–0.1	–	0.3	Grocery food price pushing higher.
	Mar Selected Price Indices - Rents, %mth	–0.1	–	0.1	Very weak, with the demand-supply balance favouring tenants.
	Mar Retail Card Spending, %mth	1.4	–	0.5	Core spending to fall, as higher fuel price constrain spending.
Aus	Q1 Westpac-Now, %qtr	0.6	–	–	Refined Q1 GDP growth nowcast.
Eur	Feb Trade Balance, €bn	12.1	–	–	Maintaining a solid surplus despite trade disputes.

Contact

Westpac Economics Team | **westpac.co.nz/economics** | economics@westpac.co.nz

Connect with us

Kelly Eckhold, Chief Economist | +64 9 348 9382 | +64 21 786 758 | kelly.eckhold@westpac.co.nz

Satish Ranchhod, Senior Economist | +64 9 336 5668 | +64 21 710 852 | satish.ranchhod@westpac.co.nz

Darren Gibbs, Senior Economist | +64 9 367 3368 | +64 21 794 292 | darren.gibbs@westpac.co.nz

Michael Gordon, Senior Economist | +64 9 336 5670 | +64 21 749 506 | michael.gordon@westpac.co.nz

Paul Clark, Industry Economist | +64 9 336 5656 | +64 21 713 704 | paul.clark@westpac.co.nz

Imre Speizer, Market Strategist | +64 9 336 9929 | +64 21 769 968 | imre.speizer@westpac.co.nz

Past performance is not a reliable indicator of future performance. The forecasts given in this document 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 ultimate outcomes may differ substantially from these forecasts.

Disclaimer

©2026 Westpac Banking Corporation ABN 33 007 457 141 (including where acting under any of its Westpac, St George, Bank of Melbourne or BankSA brands, collectively, "Westpac"). References to the "Westpac Group" are to Westpac and its subsidiaries and includes the directors, employees and representatives of Westpac and its subsidiaries.

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.

This information, unless specifically indicated otherwise, is under copyright of the Westpac Group. None of the material, nor its contents, nor any copy of it, may be altered in any way, transmitted to, copied of distributed to any other party without the prior written permission of the Westpac Group.

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.

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.

Westpac Banking Corporation.