



# WEEKLY ECONOMIC COMMENTARY



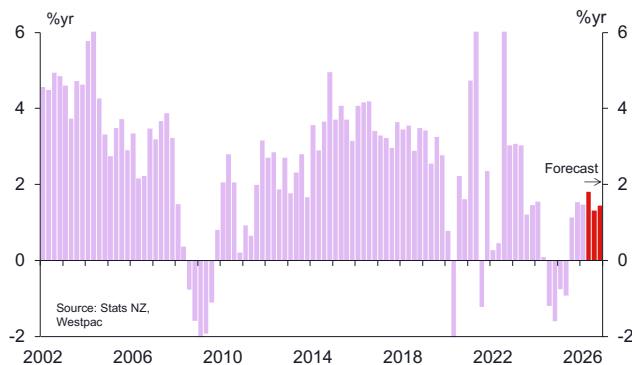
22 Jun 2026 | Westpac Economics Team | [westpac.co.nz/economics](https://westpac.co.nz/economics) | [economics@westpac.co.nz](mailto:economics@westpac.co.nz)

## July RBNZ pause more likely following ceasefire

With global fuel prices dropping back, the current uplift in inflation is likely to be slightly more moderate than expected, and the risks of a widespread and enduring lift in pricing pressures is less pronounced. This gives the RBNZ more breathing space to observe how the economy is tracking before hiking the Official Cash Rate. We continue to expect that the RBNZ will keep the cash rate on hold until September. And depending on how fuel prices evolve, the RBNZ might become circumspect about how quickly rates need to rise beyond that time.

**After a firm start to the year, economic momentum has faded.**

### GDP growth

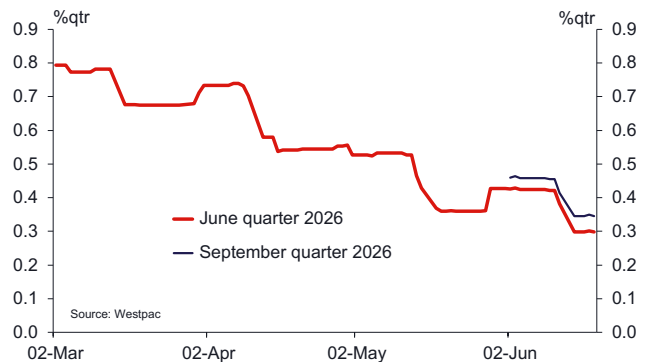


**The latest GDP figures** showed that the New Zealand economy had been gaining traction in the early part of the year, ahead of the conflict in the Middle East. The economy grew by 0.8% in the March quarter, with activity up 1.5% over the past year – the latter slightly firmer than expected due to an upward revision to growth in the December quarter. Growth was also a bit firmer

### 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
2 Jul 26	Govt accounts for 11 months to May
8 Jul 26	RBNZ OCR Review
14 Jul 26	NZIER QSBO Survey, June quarter
17 Jul 26	NZ Selected price indexes, June
21 Jul 26	NZ CPI, June quarter
29 Jun 26	FOMC meeting (30 Jul NZT)
5 Aug 26	Labour market surveys, June quarter
11 Aug 26	RBA Monetary Policy Decision
17 Aug 26	NZ Selected price indexes, July
2 Sep 26	RBNZ OCR Review & Monetary Policy Statement

than the RBNZ had expected, underpinned by earlier interest rate reductions and the continued strength in the agricultural sector.

But despite that encouraging start to the year, more recent data have shown that the economy's momentum has been dented by the conflict in the Middle East. The significant rise in living costs has been weighing on households' spending, and recent business surveys (including last week's PMI and PSI) have shown a downturn in trading activity over the past few months. On top of that, the related nervousness about the outlook has seen plans for hiring and capital expenditure wound back.

It hasn't all been bad news though. Demand for our key commodity exports has remained firm, with notable strength in dairy and red meat prices. And trade data for May revealed strong growth in both consumer and capex imports, suggesting that businesses had been anticipating robust demand prior to the conflict.

Nevertheless, the economy is on course for another year of soggy growth. We expect that economic activity will expand by just 1.4% over 2026 (a rate that's well below average), with unemployment lingering above 5%.

### Inflation pressures moderating.

Against that challenging backdrop, the easing in tensions in the Middle East has been a welcome respite. The immediate impact for New Zealand households and businesses has been a decline in fuel costs. With global oil prices dropping back, the average price of 91 unleaded around the country has already fallen around 6c/ltr over the past week, with diesel prices down nearly 20c/ltr. And if global oil prices remain around current levels, 91-unleaded could drop by another 20 to 30c/ltr over the coming weeks. That would take prices back to around \$2.80 to \$2.90/ltr.

#### Oil prices



But while the global headwinds that have been buffeting the New Zealand economy have moderated, it will still take time for the disruptions to global supply chains and related increases in cost pressures to fully reverse. In the meantime, fuel costs remain well above the levels

we saw prior to the conflict, and that is continuing to squeeze households' finances. Similarly in the business sector, many firms are likely to see continued increases in materials costs over the next few months. Given ongoing concerns about the durability of the ceasefire in the Middle East, it's also likely that businesses will remain reluctant to take on new staff or commit to significant capital expenditure (at least until we see definitive signs of a turn in economic activity).

We're currently reviewing our forecasts in light of the changing global backdrop. However, we've already made some changes to **our inflation forecasts**. We've revised down our forecast for inflation through the middle part of the year and now expect that it will peak at 4.2%/yr in the September quarter (down from our previous forecast of 4.5%). That downwards revision is in part due to the easing in oil prices. We've also seen softness in airfares. More generally, subdued demand has constrained how far many businesses have been able to raise their prices despite increases in operating costs.

Our updated forecast for inflation is slightly lower than the RBNZ assumed in their latest projections in May (which showed inflation peaking at 4.3%).

### The changing global backdrop gives the RBNZ more headroom.

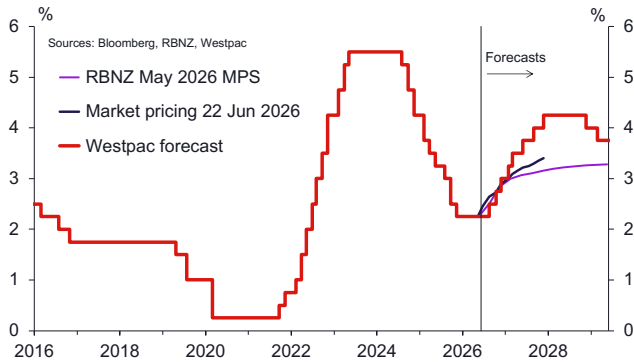
These shifts in the global and domestic outlooks have important implications for the RBNZ. At the time of their last policy statement in May, all members of the RBNZ's Monetary Policy Committee agreed that the Official Cash Rate would likely need to rise through the latter part of the year. However, the Committee was split in terms of how quickly hikes were needed - three members voted for an immediate hike in May, the other three (including the Governor) voted to keep the OCR on hold. Those members who voted for a hold wanted to see how inflation pressures were shaping up. In particular, there were questions about whether the recent uplift in fuel prices would give rise to a more widespread and long-lasting lift in price pressures.

We're still looking at a firm near-term inflation outlook. However, with global fuel costs dropping back, the longer-term risks to the inflation outlook are now less pronounced. And with softness in domestic activity and the labour market, the RBNZ has more headroom to watch how the economy is tracking before it hikes the OCR.

Given that moderation in longer-term inflation risks, we continue to expect that the RBNZ will remain on hold until September. We can't entirely rule out an earlier start at the July policy meeting, and financial markets still see a strong chance of a July hike (around 85%). However, we think that recent developments have certainly strengthened the case for a continued hold. Even some of those on the Committee who had previously advocated

for a hike may reconsider how quickly policy needs to be adjusted given the changing global backdrop. They may now see merit in waiting to see the outcome of the June quarter CPI and labour market reports, as well as the next round of inflation expectation surveys, which will all be released between the July and September OCR reviews.

### Official Cash Rate forecasts



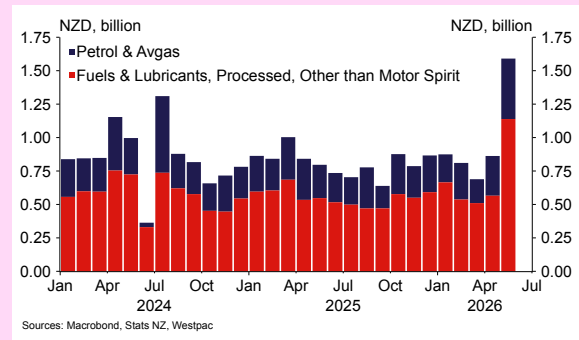
Depending on how fast oil prices fall, the RBNZ could also become more circumspect about just how far and fast the OCR ultimately has to rise. However, this isn't a one-way bet, with the longer-term outlook for activity and monetary policy opaque. Although global headwinds are easing back, inflation remains elevated, including the domestic non-tradable components which have been slow to decline. In addition, the easing in near-term cost pressures and economic uncertainty that we're now seeing could help the economy regain its momentum sooner than we previously thought.

**Satish Ranchhod**, Senior Economist

### Chart of the week.

New Zealand's annual current account deficit remained stable at 3.6% of GDP in the March quarter. While the Middle East conflict began in late February and caused a huge lift in global energy prices in March, forward contracting and delivery lags meant that the landed cost of fuel and lubricant imports was stable through April. However, data released last week showed a doubling of the import bill to \$1.6bn in May and this bill is likely to remain elevated over the next few months even with global energy prices receding significantly in recent weeks. As a result, after adjusting for seasonality, we estimate that a current account deficit of around 4.3% of GDP will be recorded in the June quarter.

### Fuel imports

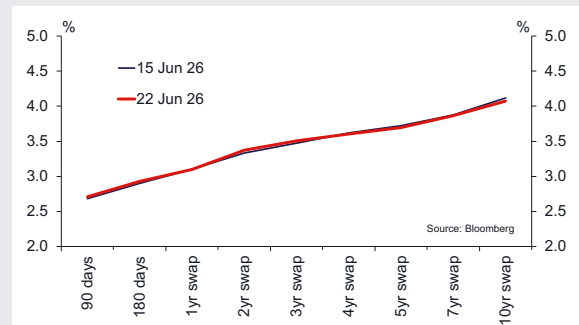


### Fixed versus floating for mortgages.

The RBNZ's May Monetary Policy Statement indicated that the Official Cash Rate is likely to be hiked several times through the latter part of the year. Financial markets pricing for rate hikes has been wound back since the signing of a ceasefire in the Middle East. Even so, markets are pricing in a high likelihood of a rate hike in July. We're expecting 25bp hikes at the RBNZ's September, October and December meetings, with the OCR expected to continue rising next year.

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 Conflict.

The major economic development over the past week was the signing of a 14-point Memorandum of Understanding between the US and Iran, including a 60-day ceasefire during which time the two sides will work towards an agreement regarding Iran's nuclear programme. The Strait of Hormuz has reopened for shipping, though it will take time for traffic in the region to normalise. Oil prices have fallen sharply in recent days. However, negotiations remain difficult, partly due to ongoing tensions in Lebanon.

## US.

The first FOMC meeting with Warsh as Chair saw the Federal Funds rate left on hold, as expected. However, communications were more hawkish than anticipated, with a notable upward revision to inflation forecasts and just over half of the Committee expecting at least one rate hike by year-end. This week's calendar includes personal income, spending, the PCE deflator (Thursday), and several business surveys.

## Asia-Pacific.

The Bank of Japan raised its policy rate by 25bps to 1.0% in June, following strong wage growth and evidence of pass-through to services inflation. Deputy Governor Uchida signalled further tightening ahead, while JGB tapering will continue at a slower pace.

In China, May activity data disappointed, with retail sales down 0.6%yr and fixed asset investment down 4.1%ytd, while industrial production rose 5.4%ytd.

In Australia, the RBA unanimously decided to leave the cash rate unchanged at 4.35%, as expected. However, the RBA's communications leaned against the idea that the hiking cycle is definitively over, emphasising that both headline and underlying inflation is "too high". The Board explicitly signalled that it will not rule out "increasing the cash rate target further if required". This week's calendar includes updates on inflation (Wednesday) and labour market conditions (Thursday).

## UK.

The Bank of England remained on hold in June, with seven of nine MPC members voting to keep the Bank Rate at 3.75%. Chief Economist Pill and external member Greene preferred a 25bp hike due to risks of second-round effects from energy inflation.

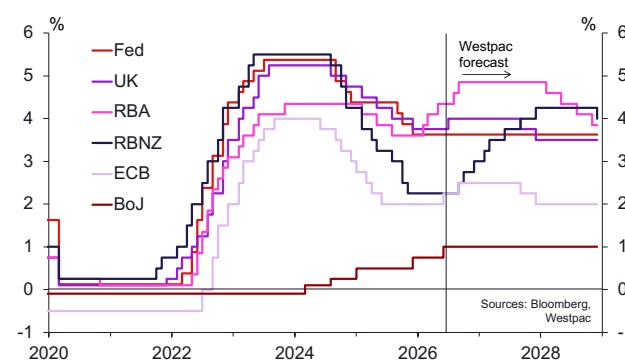
Trading partner real GDP (calendar years)

	Annual average % change			
	2025	2026	2027	2028
Australia	2.0	1.7	1.3	2.3
China	5.0	4.7	4.6	4.4
United States	2.1	2.1	1.8	1.9
Japan	1.1	0.6	0.8	0.9
East Asia ex China	4.7	4.5	4.2	4.1
India	7.6	6.5	6.7	6.6
Euro Zone	1.5	0.2	1.1	1.5
United Kingdom	1.4	1.1	1.1	1.5
NZ trading partners	3.2	2.8	2.7	2.9
World	3.4	3.1	3.3	3.3

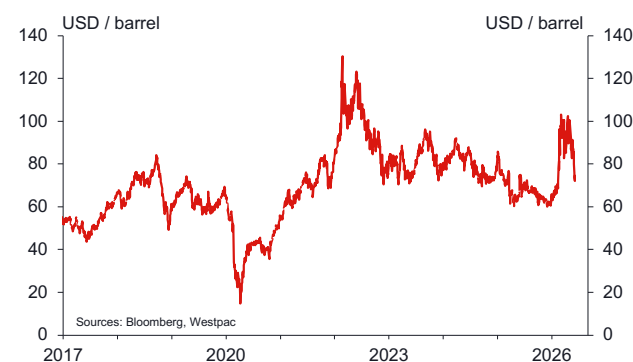
Australian & US interest rate outlook

	19 Jun	Dec-26	Dec-27	Dec-28
<b>Australia</b>				
Cash	4.35	4.85	4.85	3.85
90 Day BBSW	4.47	4.90	4.80	3.95
3 Year Swap	4.44	4.65	4.30	3.90
3 Year Bond	4.45	4.65	4.30	3.90
10 Year Bond	4.80	4.90	4.85	4.95
10 Year Spread to US (bps)	35	40	20	10
<b>US</b>				
Fed Funds	3.625	3.625	3.625	3.625
US 10 Year Bond	4.45	4.50	4.65	4.85

Global central bank policy rates



Oil prices



# Financial markets wrap

## Foreign exchange.

NZD/USD last week extended its decline to 0.5723 – lowest since early April, and looks poised to test the early April low of 0.5680 during the week ahead.

The decline has been caused mostly by a rising US dollar (the DXY - a broad US dollar index - is at the highest level since May 2025), which in turn is supported by the fragile US-Iran ceasefire, as well as the solid US economy and expectations of Fed rate hikes. A lesser contributor to the decline has been NZ's lacklustre economic momentum.

This week's event calendar is thin. US PCE inflation data will be watched by markets, while in NZ there's little of note.

For the quarter ahead, we retain a neutral bias, pending an enduring resolution of the Iran war (beyond the 60-day ceasefire). A positive outcome could boost the NZD towards the 0.5900 area, while a breakdown could cause a decline to 0.5600.

NZD/AUD is resuming its trend decline, following a brief and shallow bounce following the on-hold RBA, and looks poised to test the 13-year low at 0.8138 during the week ahead. Key will be AU CPI and labour data this week.

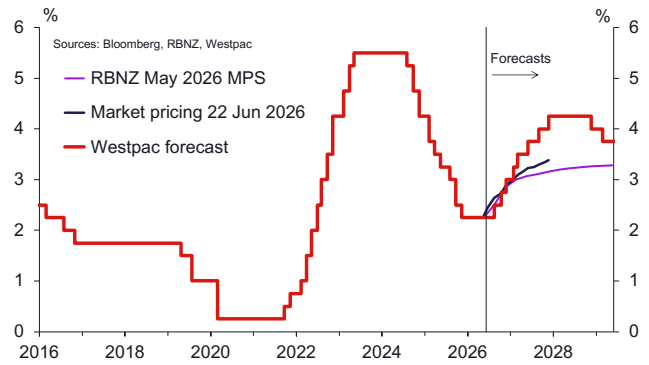
## Interest rates.

The NZ 2yr swap rate fell to 3.25% last week, extending a month-old decline, partly in sympathy with AU interest rates, and partly due to sluggish NZ economic momentum. Any further declines should be limited to the 3.15%-3.20% area, though, since an RBNZ tightening cycle is expected to start soon.

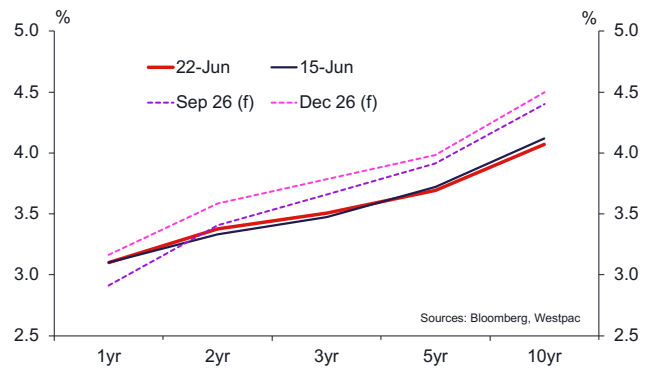
OIS pricing for the next RBNZ meeting on 8 July has fluctuated recently between a 70% and 90% chance of a hike. For year end, it has fluctuated between 2.5 and 3 hikes, which seems fair. We expect hikes in September, October and December.

The yield curve's flattening trend since the peak in late December resumed last week, the 2-10yr swap at a cycle low of 69bp, down from the cycle high of 120bp in December. We expect further flattening during the year ahead approaching the RBNZ's tightening cycle, the 2-10yr swap potentially to 50bp.

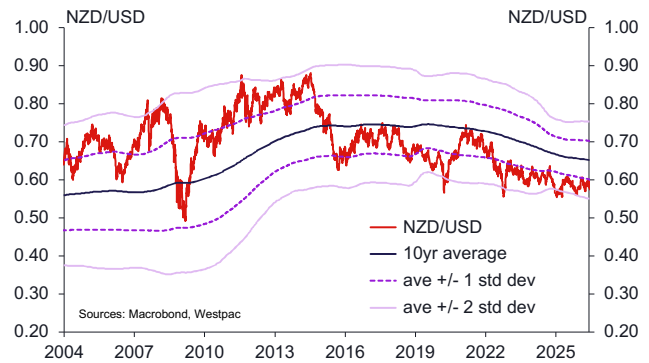
## Official Cash Rate forecasts



## 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	0.575	0.569-0.596	0.553-0.720	0.617	0.60
AUD	0.820	0.816-0.837	0.816-0.971	0.911	0.82
EUR	0.502	0.493-0.511	0.484-0.637	0.560	0.51
GBP	0.436	0.430-0.442	0.426-0.531	0.480	0.44
JPY	92.6	91.0-94.8	74.7-98.6	86.6	93.6

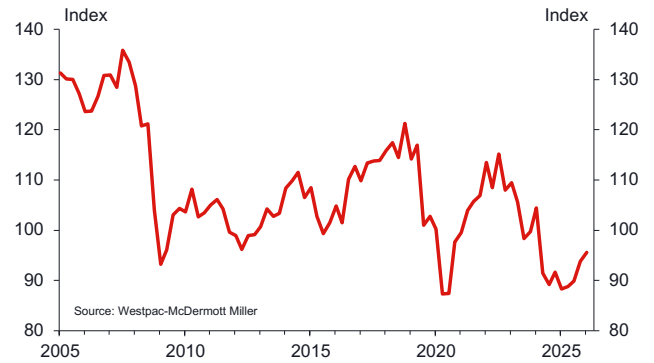
# The week ahead

## Q2 Westpac-McDermott Miller Employment Confidence Index

Jun 23, Last: 95.6

The Employment Confidence Index rose slightly in the March quarter survey, led by a lift in perceptions about job availability. That measure in particular is often a useful leading indicator of the unemployment rate, which looked to have reached its peak for the cycle until the Middle East conflict provided a fresh blow to the economy. As with our consumer confidence index, the March survey was held early in the month, largely before the conflict began to flow through into fuel prices, while the latest survey was held in early June before the US-Iran peace agreement was reached.

Employment Confidence Index

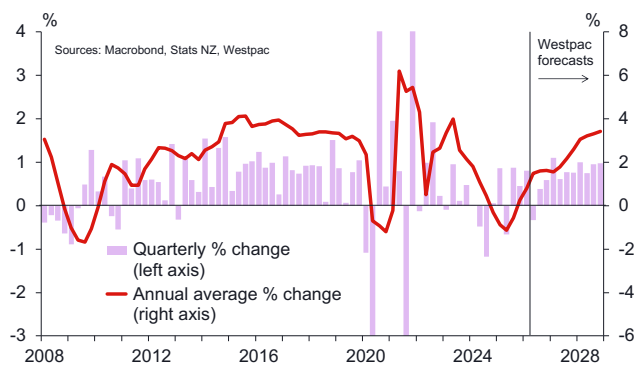


# Economic and financial forecasts

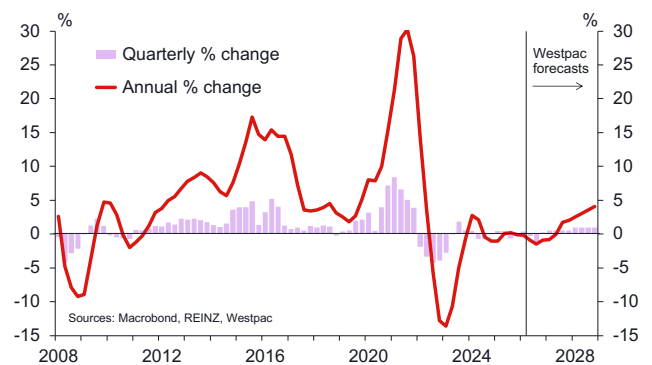
Economic indicators	Quarterly % change				Annual % change			
	Mar-26	Jun-26	Sep-26	Dec-26	2024	2025	2026	2027
GDP (production)	0.8	-0.3	0.4	0.6	-1.6	1.5	1.4	3.3
Consumer price index	0.9	1.5	1.1	0.5	2.2	3.1	4.1	1.7
Employment change	0.1	0.1	0.1	0.2	-1.3	0.2	0.6	2.9
Unemployment rate	5.3	5.4	5.5	5.6	5.1	5.4	5.6	4.9
Labour cost index (all sectors)	0.5	0.6	0.7	0.7	3.3	2.0	2.5	2.3
Current account balance (% of GDP)	-3.6	-3.7	-3.9	-4.0	-4.7	-3.6	-4.0	-4.2
Terms of trade	-1.6	-1.1	1.7	-0.5	8.9	3.4	-1.6	4.6
House price index	0.4	-0.3	-1.3	0.2	-1.0	-0.1	-0.9	2.0

Financial forecasts	End of quarter				End of year			
	Mar-26	Jun-26	Sep-26	Dec-26	2024	2025	2026	2027
OCR	2.25	2.25	2.50	3.00	4.25	2.25	3.00	4.25
90 day bank bill	2.51	2.50	2.95	3.40	4.45	2.52	3.40	4.45
2 year swap	3.12	3.55	3.85	4.15	3.64	2.71	4.15	4.35
5 year swap	3.71	3.90	4.10	4.25	3.73	3.27	4.25	4.45
10 year bond	4.54	4.60	4.65	4.80	4.50	4.27	4.80	5.10
TWI	67.2	66.7	66.6	67.2	69.5	66.4	67.2	71.8
NZD/USD	0.59	0.59	0.59	0.60	0.59	0.57	0.60	0.66
NZD/AUD	0.85	0.82	0.82	0.82	0.91	0.87	0.82	0.89
NZD/EUR	0.50	0.51	0.50	0.51	0.55	0.49	0.51	0.54
NZD/GBP	0.44	0.44	0.44	0.44	0.46	0.43	0.44	0.47

GDP growth



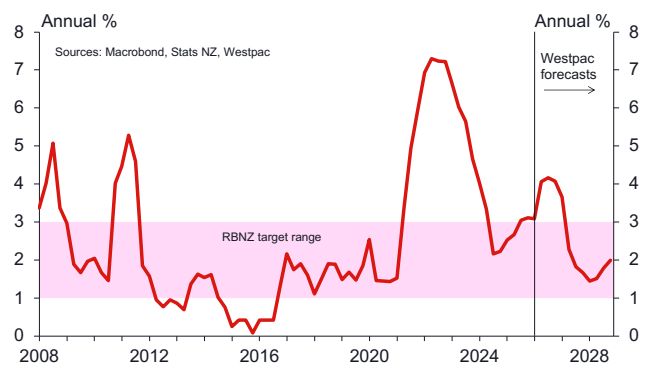
House prices



Unemployment and wage growth



Consumer price inflation



# Data calendar

		Last	Market median	Westpac forecast	Risk/Comment
<b>Mon 22</b>					
<b>Eur</b>	Jun Consumer Confidence, index	-19	-16	-	Remains deeply pessimistic owing to current conditions.
<b>Tue 23</b>					
<b>NZ</b>	Q2 Westpac MM Employment Conf., index	95.6	-	-	Surveyed before the ceasefire announcement.
<b>Jpn</b>	Jun S&P Global Manufacturing PMI, index	54.5	-	-	Activity supported by new orders and inventory expansion ...
	Jun S&P Global Services PMI, index	50	-	-	... though services activity looks to have stagnated.
<b>Eur</b>	Jun S&P Global Manufacturing PMI, index	51.6	51.5	-	Upturn in manufacturing activity has lost momentum ...
	Jun S&P Global Services PMI, index	47.7	49.3	-	... with cost pressures for services on a persistent uptrend.
<b>UK</b>	Jun S&P Global Manufacturing PMI, index	53.9	50	-	Upturn gathering pace, with production hitting a 3mth high ...
	Jun S&P Global Services PMI, index	49.3	53	-	... services takes a setback with the first fall in a year.
<b>US</b>	Jun S&P Global Manufacturing PMI, index	55.1	54.6	-	May recorded the fastest upturn in production since Apr-22 ...
	Jun S&P Global Services PMI, index	50.7	51	-	... but sluggish growth in services is a drag on overall activity.
	Jun Richmond Fed Manufacturing, index	13	8	-	Some reversal expected following May's bounce.
<b>Wed 24</b>					
<b>Aus</b>	May Monthly Headline CPI, %ann	4.2	4.3	4.4	Lower fuel prices will continue to weigh on the headline print.
	May Monthly Trimmed Mean CPI, %ann	3.4	3.5	3.6	Construction costs becoming a key pressure point.
	RBA Deputy Governor Hauser	-	-	-	Speaking in Melbourne.
<b>Ger</b>	Jun IFO Business Climate Survey, index	84.9	85.5	-	Continues to suggest a weak growth outcome for H2 2026.
<b>US</b>	May New Home Sales, %mth	-6.2	3.5	-	Builders are reporting bloated inventories of homes.
<b>Thu 25</b>					
<b>Aus</b>	May Employment Change, 000s	-18.6	30	45	Bounce-back from holiday-related weakness in April ...
	May Unemployment Rate, %	4.5	4.4	4.4	... will give a clearer idea of underlying momentum.
	Q2 Job Vacancies, %qtr	2.7	-	-3.5	Partial indicators point to a small pull-back.
	May Household Spending Indicator, %mth	-1.1	0.5	0.7	Moderation in consumer momentum further ahead.
<b>US</b>	May Personal Income, %mth	0	0.4	-	A strong jobs report likely supported income growth and...
	May Personal Spending, %mth	0.5	0.6	-	... higher spending despite bleak sentiment among consumers.
	May PCE Deflator, %mth	0.4	0.4	-	Non-durables and services driving most of the increase.
	May Durable Goods Orders, %mth	8	-4.7	-	Upheld by tech-related investment; transport adds volatility.
	May Chicago Fed Activity, index	0.14	-	-	Growth moving above trend signalling pressures on inflation.
	Initial Jobless Claims	226	-	-	Seasonal volatility high this time of year.
	Q1 GDP, %ann'd	1.6	1.7	-	Final estimate.
	Jun Kansas City Fed Manufacturing, index	8	-	-	Defying expectations for steep falls amid higher input costs.
	Fedspeak	-	-	-	Williams.
<b>Fri 26</b>					
<b>Aus</b>	Q2 Westpac-Now, %qtr	0.4	-	-	First estimate will likely point to a further softening in activity.
<b>Jpn</b>	Jun Tokyo CPI, %ann	1.4	1.6	-	Pass-through of higher labour and import costs likely.
<b>Chn</b>	Q1 Current Account Balance, US\$bn	184.1	-	-	Final estimate.
<b>US</b>	May Wholesale Inventories, %mth	0.6	0.2	-	Normalising from its surge in March.
	Jun Uni. Of Michigan Sentiment, index	48.9	50	-	Final estimate.
	Fedspeak	-	-	-	Goolsbee, Kashkari.
<b>Sat 27</b>					
<b>Chn</b>	May Industrial Profits, %ann	24.7	-	-	Manufacturing industry a key source of strength.

# Contact

Westpac Economics Team | [westpac.co.nz/economics](https://westpac.co.nz/economics) | [economics@westpac.co.nz](mailto:economics@westpac.co.nz)



Connect with us

**Kelly Eckhold**, Chief Economist | +64 9 348 9382 | +64 21 786 758 | [kelly.eckhold@westpac.co.nz](mailto:kelly.eckhold@westpac.co.nz)

**Satish Ranchhod**, Senior Economist | +64 9 336 5668 | +64 21 710 852 | [satish.ranchhod@westpac.co.nz](mailto:satish.ranchhod@westpac.co.nz)

**Darren Gibbs**, Senior Economist | +64 9 367 3368 | +64 21 794 292 | [darren.gibbs@westpac.co.nz](mailto:darren.gibbs@westpac.co.nz)

**Michael Gordon**, Senior Economist | +64 9 336 5670 | +64 21 749 506 | [michael.gordon@westpac.co.nz](mailto:michael.gordon@westpac.co.nz)

**Paul Clark**, Industry Economist | +64 9 336 5656 | +64 21 713 704 | [paul.clark@westpac.co.nz](mailto:paul.clark@westpac.co.nz)

**Imre Speizer**, Market Strategist | +64 9 336 9929 | +64 21 769 968 | [imre.speizer@westpac.co.nz](mailto: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 or 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](http://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](http://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](http://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.

