

# Weekly Commentary

25 October 2011

## RBNZ won't spoil the party

**The big event this week is the RBNZ's Official Cash Rate Review. After having mulled over the worrying news coming from offshore in recent weeks and months, we've updated our OCR forecast to incorporate a later and slower pace of hikes, starting with 25 basis points in June next year and finishing with the OCR peaking at 6% in 2015. But the RBNZ is unlikely to signal a significant shift in view in this week's press release.**

Our updated interest rate call is unchanged in two key ways: compared with other forecasters we've for some time been of the view that OCR rises would start later, but that the hiking cycle would extend longer and higher. The later start date to hikes comes down to our more downbeat view on the global economy. We expect the current slowdown in Europe and the US to deepen and broaden to include Asia. This will weigh on New Zealand export earnings and also produce an inflation environment (via lower oil and other commodity prices) that's friendlier to the RBNZ in 2012 than we previously thought (we're now forecasting inflation to bottom out at 2.3% in mid-2012, rather than the 2.7% we were expecting a couple of months ago).

We also expect that ongoing banking stress in Europe will keep the cost of funds for New Zealand banks high for longer. This will eventually translate into higher mortgage rates for any given OCR, allowing the Reserve Bank to proceed with a slower pace of hikes and still achieve a steady increase in mortgage and deposit rates.

Our unchanged view that the OCR cycle will nonetheless eventually extend to 6% comes down to domestic factors. The sheer magnitude of the Christchurch reconstruction boom will at some point require interest rate settings to rise from current very stimulatory settings to above 'neutral'. As a rule, the later the central bank pushes out that point, the longer/higher the hiking cycle will eventually have to be. And we continue to believe that a 'neutral' OCR is closer to 6% than the 4.5% signaled by the RBNZ: beyond the short term, there is only so much the RBNZ can do to shield the economy from higher offshore funding costs with a lower OCR.

But that's all for the future, and on Thursday the RBNZ will simply set out its latest plans. Our updated near-term OCR forecasts are broadly in line with market expectations, but considerably more dovish than the RBNZ was in September. That's largely because the RBNZ has been more optimistic on global growth than we have, particularly when it comes to New Zealand's two largest trading partners, Asia and Australia. While the overall tone of economic data has softened since September, we don't think enough has happened since the September

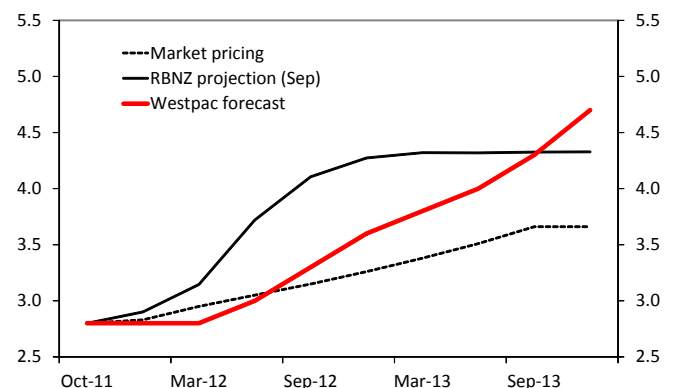
Monetary Policy Statement for the RBNZ to want to signal a material change in their view of the world, or a later start to rate hikes. But a broadly unchanged 'steady as she goes' statement shouldn't surprise markets too much, as they have been expecting a much lower OCR track than the RBNZ has signaled for some months now.

We do think the RBNZ will give a nod to the more patchy nature of recent domestic growth and possibly the mixed economic results from the Rugby World Cup, and will continue to express concern around elevated global economic and financial risks. But it's also likely to remind readers that the positive long-term trend for commodity prices and eventual reconstruction in Canterbury will require higher interest rates further down the track. We continue to expect the RBNZ will eventually have to do more than the market has been pricing in for 2013, 2014 and 2015.

By the time the Governor makes his decision, he will have three more pieces of information in front of him – the September quarter CPI, October business confidence, and the Treasury's latest update of its budget forecasts.

The CPI result (out today) is unlikely to have much influence on the tone of the RBNZ's statement, which will focus on global uncertainties. We expect a 0.8% rise in the September quarter, with seasonal increases in food, local body rates and alcohol the main contributors. That would see annual inflation ease to 5.0%. While 5% is well above the RBNZ's target band, the central bank will for the time being continue to look through high headline inflation as due to last October's GST hike (though its preferred in-house measure of 'core' inflation could rise

### Future 90 day rate



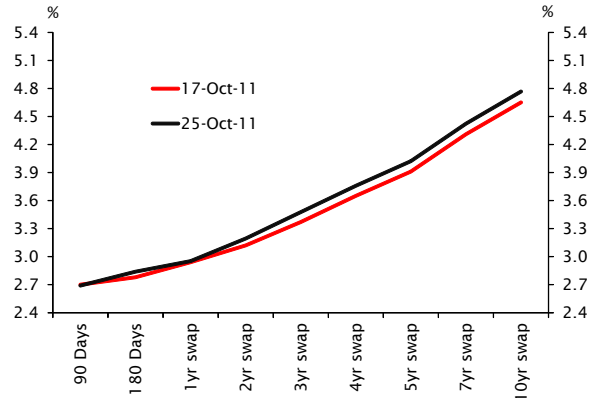
in September from June's already uncomfortable 2.3%). NBNZ business confidence (out tomorrow) is likely to register a fall, based on BNZ business confidence earlier in the month. This could be a sign that the global slowdown is starting to filter through to the local economy, though only very few respondents in the BNZ survey mentioned the overseas turmoil, and none referred to the recent credit rating downgrades.

The Treasury's Pre-Election Fiscal Update (PREFU), also out today, will update May's Budget both for changes in the economic outlook and for changes in Government policy since then (because of the closeness of the election to the end of the year, the Government isn't required to publish a half-yearly update in December, though it may still decide to do so). The main message to emerge from the PREFU will be the fact that the fiscal challenge has become tougher since the May Budget, given the bigger than expected hit to the government's books from the Canterbury earthquakes, the recent credit rating downgrade, and the resulting upward pressure on debt servicing costs. As we noted last week, there's three ways in which this could show up in the new forecasts: the PREFU could show a delay to the projected return to surplus beyond 2014/15, higher revenue than previously forecast, or an even tighter rein on spending than in May. We consider a delayed return to surplus most likely. Other than an increase in EQC levies, no plans for additional revenue raising are in place, and in view of the much weaker global growth outlook we don't see the Treasury raising its forecasts for the economy and the tax take. And the Government hasn't outlined sufficiently clear changes to its spending plans to make it into the PREFU forecasts. But even if the PREFU shows a delayed return to surplus, the Government has already reaffirmed its commitment to the 2014/15 target, and if re-elected will probably adjust policies accordingly. Tighter fiscal settings will in turn mean less work to do for monetary policy.

**Fixed vs floating**

Floating makes sense for now. In a very uncertain global environment fixed rates are unlikely to rise any time soon, and could even move lower. The Reserve Bank previously confirmed it is in no hurry to raise rates while global conditions remain this volatile, and the message from Thursday's OCR Review is likely to be similar. We now expect the RBNZ to stay on hold until June 2012. But rate hikes remain likely over the longer term, and if current conditions in offshore markets persist, higher bank funding costs could drive additional increases in future mortgage rates, independently of RBNZ action. Based on our latest forecasts and current market pricing, fixing for two or three years is likely to result in a lower overall interest bill than remaining on floating.

**NZ interest rates**



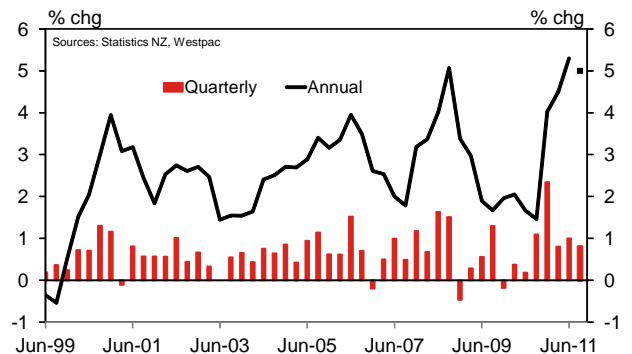
**Key Data Previews**

**NZ Q3 CPI**

Oct 25, Last: 1.0%, WBC f/c: 0.8%, Mkt f/c: 0.7%

- We expect a 0.8% rise in consumer prices for the September quarter, led by seasonal increases in food prices and housing costs, slightly offset by lower fuel prices.
- Our forecast would see annual inflation fall from 5.3% to 5.0%, largely due to some of last year's government charges - the introduction of the ETS and an unscheduled increase in tobacco excise - dropping out of the equation.
- High headline inflation will not faze the RBNZ, which has taken the view that inflation expectations will fall back once last year's GST hike drops out and annual inflation falls back within the 1-3% target band.

**NZ CPI inflation**

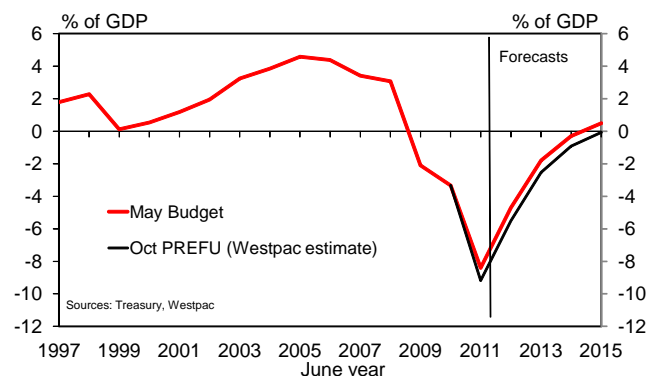


## NZ Pre-Election Economic and Fiscal Update

Oct 25

- The PREFU provides an update of Treasury's economic forecasts and revenue and expense projections, on the basis of current policies, ahead of the November 26 general election.
- Since the May Budget, quake-related liabilities have been increased by over \$4bn – most of which was booked in the FY2011 accounts, but the increased borrowing requirement will add to interest costs in coming years. And given the deteriorating global environment, Treasury is likely to shave down its economic forecasts.
- This means that the projected return to operating surplus could be pushed out beyond the 2014/15 target date, based on current policy. That in turn suggests some policy changes if the current government is re-elected, most likely in the form of tighter limits on spending.

## Operating balance excluding gains and losses

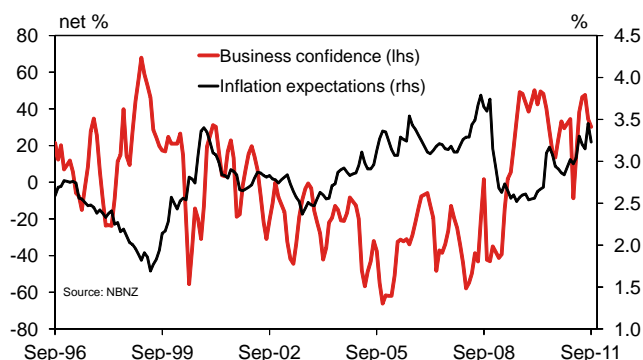


## NZ Oct NBNZ business confidence

Oct 26, Last: 30.3

- General business confidence fell only slightly in September, although the more detailed questions about firms' own activity showed more substantial declines.
- Economic data over the last month has had a softer flavour, although it's unclear how much of this represents an underlying trend. Anecdotes from other business surveys have focused more on disruptions caused by the Rugby World Cup than on concerns about the global environment.
- Inflation expectations remain high, but pricing intentions have eased substantially in the last few months, suggesting limited pricing power even in the construction sector (outside of Christchurch).

## Business confidence and inflation expectations

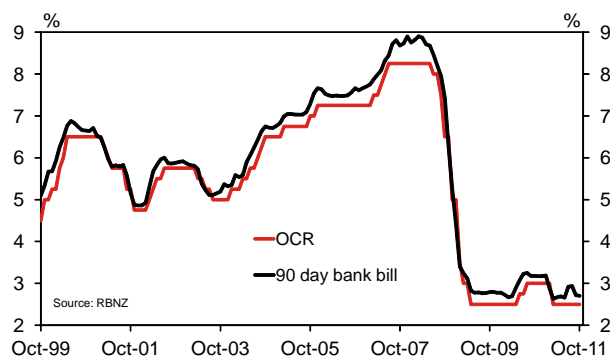


## NZ RBNZ OCR review

Oct 27, Last: 2.50%, WBC f/c: 2.50%, Mkt f/c: 2.50%

- We think the RBNZ will aim for a market-neutral statement in its OCR review, reiterating the messages of the September Monetary Policy Statement.
- Stronger export income and reconstruction in Christchurch are expected to add to demand and inflation pressures over coming years, eventually requiring interest rates to return towards neutral levels. However, the growing risks to the global economy and financial markets argue for keeping the OCR on hold for now.
- The RBNZ previously indicated that hikes were expected to resume around March next year. Global growth forecasts have softened since then, but probably not enough for the RBNZ to explicitly guide the market towards a later start to tightening.

## NZ OCR and 90 day rate

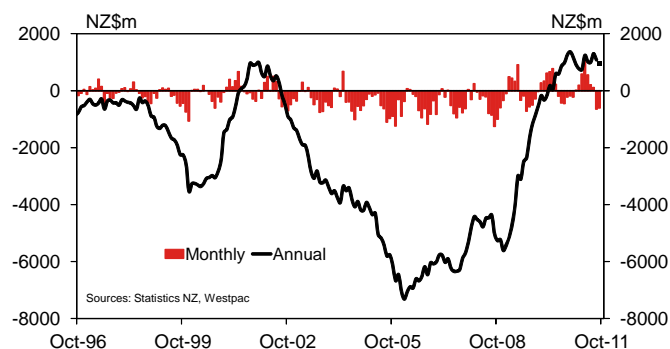


## NZ Sep merchandise trade

Oct 27, Last: -\$641m, WBC f/c: -\$600m, Mkt f/c: -\$450m

- October's trade deficit was the first monthly trade deficit in seven months, on the back of a seasonal decline in exports and solid import growth. We expect a similar-sized monthly deficit to be recorded in September.
- Exports are forecast to fall modestly. Volumes remain near their seasonal lows, and commodity prices have been easing (though the weaker NZD in September should provide some offset). Import growth is also expected to be modest following a strong, broad-based pickup in August (possibly something of a catch-up following softer imports in the preceding few months).
- This combination should leave the annual trade surplus a shade under \$1bn.

## NZ merchandise trade balance



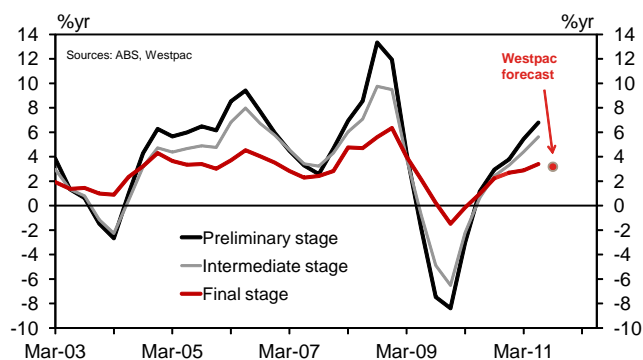
## Aus Q3 PPI

Oct 24, Last: 0.8%, WBC f/c: 1.1%

Mkt f/c: 0.8%, Range: 0.4% to 2.2%

- The final stage producer price index (PPI) rose 0.8% in Q2. The annual rate lifted from 2.9%yr to 3.4%yr. The major inflationary influences were fuel, building construction while food inflation remained elevated (1%qtr vs. 2.9%qtr in Q1).
- The big swing factor in Q2 was non-residential construction output which rose 1.7%qtr compared to a fall of -0.3%qtr in Q1. This was why total building construction output prices rose 1.2%qtr vs a more modest 0.2%qtr rise in Q1.
- We expect non-residential construction again to make a meaningful contribution. With non-petroleum import prices being boosted by a weaker AUD, rising utilities bills and other seasonal positives, we think these will more than offset any disinflationary impact from falling oil and food prices hence the forecast 1.1%qtr/3.1%yr forecast.

## PPI inflation: modest upstream pressure



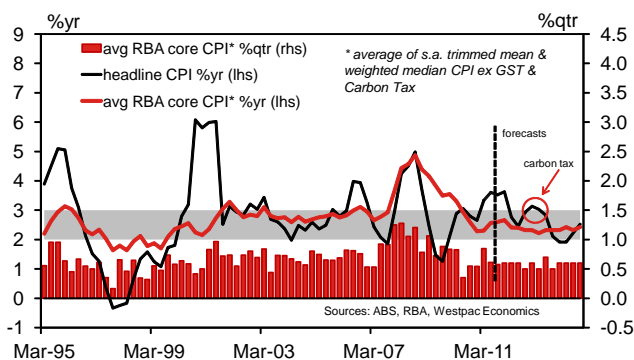
## Aus Q3 CPI

Oct 26, Last: 0.9%, WBC f/c: 0.6%

Mkt f/c: 0.6%, Range: 0.3% to 0.8%

- The headline CPI rose 0.9% in Q2 for 3.6%yr, up from 3.3%yr in Q1. The average of the RBA core inflation measures also rose 0.9% to be up 2.7%yr compared to 2.3%yr in March. Both results were above market forecasts of 0.7%qtr rises.
- Since then the ABS has revised its seasonal adjustment process which removed residual seasonality in the core measures that Westpac had been highlighting. So now the average of the core measures rose 0.6%qtr/2.6%yr in Q2.
- There will be some unwinding of the food price shocks earlier this year and petrol prices fell around ¼%qtr. There should be further softness in some discretionary items while pharmaceuticals have their usual seasonal fall. But housing costs are being boosted by rents and utilities. This will see the CPI rise 3.5%yr and core average 0.6%qtr/2.6%yr.

## Inflation outlook

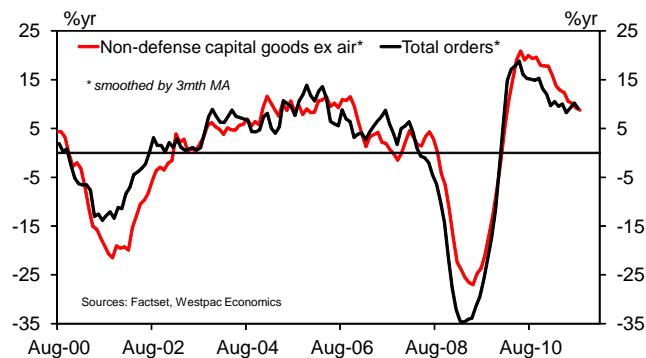


## US Sep durable goods orders

Oct 26, Last: -0.1%, WBC f/c: 0.5%

- DGOs fell 0.1% in Aug. Auto orders were down 8.5%, reversing their July jump, but this was offset by a further 24% jump in aircraft orders (consistent with solid Boeing reports) and a 1.1% rise in core capital goods orders (true to recent form, rising in the mid month of the quarter). Defence orders fell for the third month in a row.
- ISM factory new orders remained below 50 in Sep: three consecutive contractions for the first time since the recession. Boeing saw 59 new jet orders vs 127 in Aug and that does not look to be seasonal weakness. But auto orders probably rose given that sales were up 3.6% in Sep. Core orders tend to rise in the end-quarter month. Put together, these clues suggest a modest durables gain, with most risk from aircraft (to downside) and autos (to upside).

## US durable goods orders

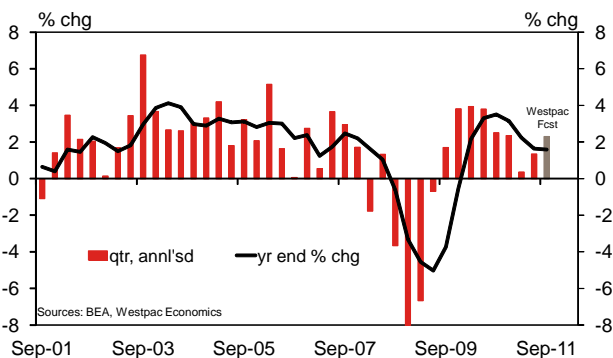


## US Q3 GDP

Oct 27, Last: 1.3% annualised, WBC f/c: 2.3% annualised

- After 3% growth in 2010, the economy almost stalled at 0.4% in Q1 this year. Q2's 1.3% growth pace was little better: two years into the economic recovery, the housing sector remained a shadow of its former self (though it grew marginally in the quarter), heavily constraining consumer spending already weighed down by high unemployment and minimal income growth.
- Q3 growth was shaping up as little better than Q2's anaemic result until Sep monthly data showed less weak jobs and quite solid auto and retail sales figures, indicative of a consumer spending bounce (despite sentiment back at 2008/09 recession levels). Also, trade data suggested another modest contribution to growth from net exports. But orders/shipments of capital goods have been softer, housing flat and stock-building cautious. We expect GDP growth back around the late 2010 pace of 2.3%.

## US GDP growth



## Key Data and Events

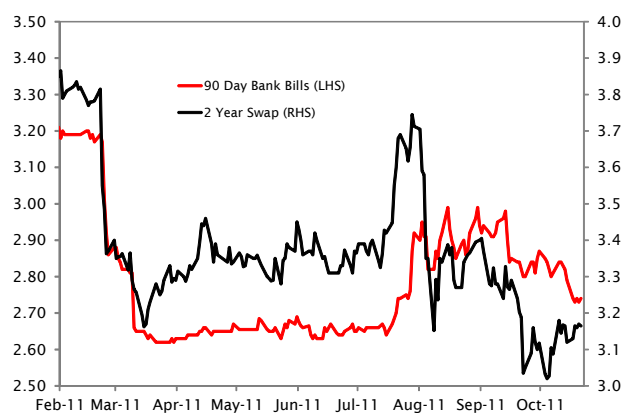
		Last	Market median	Westpac forecast	Risk/Comment
<b>Mon 24</b>					
<b>NZ</b>	Labour day	-	-	-	Markets closed.
<b>Aus</b>	Q3 PPI	0.8%	0.8%	1.1%	Utilities, non-residential construction & seasonality lifts the PPI in Q3.
<b>Jpn</b>	Sep trade balance ¥bn sa	-294	-121	-	Weaker foreign demand jostling rebound in supply capability.
	Oct small business conditions	47.2	-	-	Tentative date: leads shifts in aggregate business conditions.
<b>Twn</b>	Sep industrial production %yr	3.88%	6.68%	-	The PMI is very weak and external demand increasingly questionable.
<b>Eur</b>	Oct PMI factory advance	48.5	48.2	48.0	Despite gyrating financial markets, European business surveys have been uniformly weak so far in Oct.
	Oct PMI services advance	48.8	48.5	48.0	
	Aug industrial orders	-1.7%	-0.1%	-1.0%	Back to back orders falls in Ger in Jul-Aug to constrain euro orders.
<b>UK</b>	Q2 mortgage equity withdrawal £bn	-5.8	-6.0	-	BoE data due by end of Oct.
<b>US</b>	Sep Chicago Fed national activity ind	-0.43	-	-0.10	Sep saw some improved figures on retailing, jobs, multiple house starts.
	Fedspeak	-	-	-	NY Fed's Dudley on the economy.
<b>Tue 25</b>					
<b>NZ</b>	Q3 CPI	1.0%	0.7%	0.7%	Annual inflation remains boosted by last year's GST hike.
	Aug national employment indicator	-0.3%	-	-	New monthly indicator, a useful cross-check on the quarterly surveys.
	Pre-Election Economic & Fiscal Update	-	-	-	Higher quake costs, lower growth forecasts compared to May Budget.
<b>Aus</b>	RBA Deputy Gov Battellino speaking	-	-	-	To Australian & New Zealand Investment Conference, Sydney 10am AEDT.
<b>Ger</b>	Nov Gfk consumer confidence	5.2	5.1	-	Has drifted down from peak at 6 earlier this year.
<b>UK</b>	Sep loans for house purchase, no.	35.2k	-	-	BBA data.
	Q2 current account balance £bn	-9.4	-10.8	-	Deficit narrowed sharply in Q1, UK economists expect a rebound.
<b>US</b>	Aug house prices %yr	-4.1%	-3.7%	-	S&P/Case Shiller 20 city index.
	Aug house prices %mth	0.8%	flat	-	FHFA index has showed price gains since April.
	Oct Conf Board consumer confidence	45.4	46.0	43.0	UoM sentiment is back at recession lows, suggests downside risk.
	Oct Richmond Fed factory index	-6	-	-2	NY Fed headline weak, detail stronger. Philly headline & detail stronger.
<b>Can</b>	Aug retail sales	-0.6%	0.4%	-	July data were soft but weighed down more by autos.
	BoC rate decision	1.0%	1.0%	1.0%	On Sep 7 BoC noted diminished need to withdraw policy stimulus.
<b>Wed 26</b>					
<b>NZ</b>	Oct NBNZ business confidence	30.3	-	-	Firms have faced RWC disruptions and volatile global markets.
<b>Aus</b>	Q3 CPI %qtr	0.9%	0.6%	0.6%	Food shocks are correcting, utilities rising, petrol broadly flat.
	Q3 average core measures %qtr	0.6%(r)	0.6%	0.6%	Outsized gains trimmed or adjusted out; housing setting the median pace.
<b>Ger</b>	Sep retail sales	-2.7%	1.0%	-	Very volatile report due to changed survey sample this year.
<b>UK</b>	Oct CBI industrial trends survey	-9	-7	-12	Total orders.
<b>US</b>	Sep durable goods orders	-0.1%	-0.7%	0.5%	Aircraft down, autos up, core orders up.
	Sep new home sales	-2.3%	1.7%	1.0%	Homebuilders a little less pessimistic; maybe they saw some sales!
<b>Can</b>	Aug house prices %yr	5.3%	-	-	Teranet/National Bank index.
	BoC monetary policy report.	-	-	-	More on the policy outlook.
<b>Thu 27</b>					
<b>NZ</b>	RBNZ OCR review	2.50%	2.50%	2.50%	On hold until next year due to mounting global risks.
	Sep merchandise trade	-\$641m	-\$440m	-\$600m	A monthly deficit with export volumes near seasonal lows.
<b>Chn</b>	Sep industrial profits %ytd	28.2%	-	-	Profit resilience a major plank in the soft landing story.
<b>Eur</b>	Sep money supply M3 % yr	2.8%	2.8%	-	Aug M3 growth fastest in two years.
	Oct business climate index	-0.06	-0.15	-0.15	Despite gyrating financial markets, European business surveys have been uniformly weak so far in Oct.
	Oct economic confidence	95.0	94.1	93.5	
<b>Ger</b>	Oct CPI prelim %yr	2.6%	2.6%	-	Sep CPI highest since late 2008.
	Sep import prices %yr	6.6%	7.0%	6.8%	Euro weakened sharply in Sep, but so did energy prices.
<b>UK</b>	Oct CBI retail survey	-15	-	-10	Apple iPhone 4S impact?
<b>US</b>	Initial jobless claims w/e 14/10	403k	-	410k	Settling back in low 400s.
	Q3 GDP advance % annualised	1.3%	2.3%	2.3%	Improved Sep data flow should deliver first 2%+ result since last year.
	Sep pending home sales	-1.2%	0.1%	-1.0%	Continuing to drift lower despite falling mortgage rates.
	Oct Kansas City Fed factory index	6	-	8	This Fed index is the only one not to drop below zero this year.
<b>Can</b>	BoC Governor Carney	-	-	-	Speaking in NY.
<b>Fri 28</b>					
<b>Aus</b>	2010-11 System of National Accounts	-	-	-	Annual benchmarking, often results in significant revisions to GDP etc.
<b>UK</b>	Oct Gfk consumer confidence	-30	-30	-32	Further QE that doesn't cut mortgage rates but means eco struggling.
<b>US</b>	Q3 employment cost index	0.7%	0.6%	0.5%	Recent faster costs growth not consistent with high jobless rate.
	Sep personal income	-0.1%	0.3%	0.4%	Sep payrolls showed hours worked and earnings stronger.
	Sep personal spending	0.2%	0.6%	0.8%	Strong spending on cars and other retailing. Q3 totals out 27/10.
	Sep core PCE deflator	0.1%	0.2%	0.1%	Sep CPI was 0.054% before rounding.
	Oct UoM consumer sentiment	57.5 a	58.0	57.0	Back at levels last seen during the 2008-09 recession.

## New Zealand Economic and Financial Forecasts

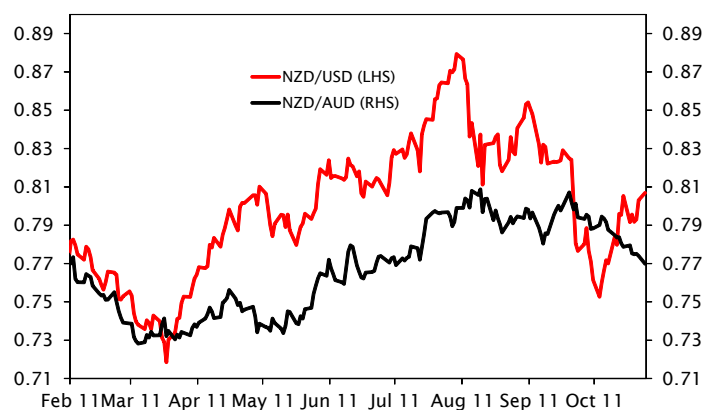
Economic Growth Forecasts	March years				Calendar years			
	2010	2011e	2012f	2013f	2010	2011f	2012f	2013f
% change								
GDP (Production) ann avg	-0.7	1.6	2.3	3.8	1.6	2.0	3.7	3.0
Employment	-0.1	1.8	1.6	3.0	1.3	2.3	3.0	2.0
Unemployment Rate % s.a.	6.1	6.5	6.1	5.0	6.7	6.3	5.1	4.5
CPI	2.0	4.5	2.8	2.7	4.0	3.1	2.4	2.9
Current Account Balance % of GDP	-1.9	-3.6	-4.6	-6.3	-3.5	-4.0	-6.1	-5.5

Financial Forecasts	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13
Cash	2.50	2.50	2.75	3.00	3.25	3.50
90 Day bill	2.80	2.80	3.00	3.30	3.60	3.80
2 Year Swap	3.30	3.50	3.80	4.10	4.40	4.60
5 Year Swap	4.00	4.30	4.50	4.70	4.90	5.10
10 Year Bond	4.50	4.50	4.60	4.70	4.80	4.90
NZD/USD	0.73	0.71	0.69	0.74	0.77	0.78
NZD/AUD	0.77	0.76	0.76	0.77	0.79	0.80
NZD/JPY	55.5	54.0	52.4	57.7	62.4	65.5
NZD/EUR	0.56	0.56	0.57	0.58	0.60	0.61
NZD/GBP	0.48	0.47	0.46	0.48	0.49	0.49
TWI	66.0	65.2	64.2	67.5	70.0	71.2

2 Year Swap and 90 Day Bank Bills



NZD/USD and NZD/AUD



## NZ interest rates as at market open on Tuesday 25 October 2011

Interest Rates	Current	Two Weeks Ago	One Month Ago
Cash	2.50%	2.50%	2.50%
30 Days	2.69%	2.77%	2.77%
60 Days	2.74%	2.82%	2.79%
90 Days	2.74%	2.81%	2.84%
2 Year Swap	3.20%	3.09%	3.05%
5 Year Swap	4.02%	3.78%	3.66%

## NZ foreign currency mid-rates as at Tuesday 25 October 2011

Exchange Rates	Current	Two Weeks Ago	One Month Ago
NZD/USD	0.7789	0.7675	0.8069
NZD/EUR	0.5754	0.5747	0.5792
NZD/GBP	0.5025	0.4935	0.5046
NZD/JPY	59.574	58.895	61.371
NZD/AUD	0.7919	0.7886	0.7700
TWI	69.230	68.620	69.940

## Economic and Financial Forecasts

Economic Forecasts (Calendar Years)	2007	2008	2009	2010	2011f	2012f
<b>Australia</b>						
Real GDP % yr	4.6	2.6	1.4	2.7	1.2	2.5
CPI inflation % annual	3.0	3.7	2.1	2.7	3.6	3.1
Unemployment %	4.4	4.3	5.6	5.2	5.1	5.6
Current Account % GDP	-6.3	-4.5	-4.2	-2.7	-2.2	-3.4
<b>United States</b>						
Real GDP %yr	1.9	-0.3	-3.5	3.0	1.6	1.3
Consumer Prices %yr	2.9	3.8	-0.3	1.6	3.1	2.0
Unemployment Rate %	5.8	5.8	9.3	9.6	9.1	9.4
Current Account %GDP	-5.3	-4.7	-2.7	-3.2	-3.4	-3.1
<b>Japan</b>						
Real GDP %yr	2.2	-1.5	-6.6	4.3	-0.4	3.2
Consumer Prices %yr	0.1	1.4	-1.3	-0.7	0.2	0.6
Unemployment Rate %	3.9	4.0	5.1	5.1	4.6	4.5
Current Account %GDP	4.8	3.3	2.8	3.6	2.0	2.1
<b>Euroland</b>						
Real GDP %yr	2.8	0.3	-4.0	1.7	1.6	-0.6
Consumer Prices %yr	2.1	3.3	0.3	1.7	2.5	1.0
Unemployment Rate %	7.5	7.5	9.5	10.0	10.3	11.0
Current Account %GDP	0.2	-0.8	-0.7	-0.5	-0.5	0.0
<b>United Kingdom</b>						
Real GDP %yr	2.7	-0.1	-4.9	1.4	0.8	0.3
Consumer Prices %yr	2.3	3.6	2.2	3.2	4.0	2.2
Unemployment Rate %	5.3	5.6	7.6	7.8	8.0	8.2
Current Account %GDP	-2.6	-1.6	-1.3	-2.4	-2.0	-1.5

Forecasts finalised 10 October 2011

Interest Rate Forecasts	Latest (Oct 25)	Dec-11	Mar-12	Jun-12	Sep 12	Dec 12
<b>Australia</b>						
Cash	4.75	4.50	4.25	4.00	3.75	3.75
90 Day Bill	4.71	4.50	4.25	4.00	3.75	3.80
10 Year Bond	4.47	4.30	4.30	4.40	4.50	4.70
<b>International</b>						
Fed Funds	0.125	0.125	0.125	0.125	0.125	0.125
US 10 Year Bond	2.18	2.10	2.20	2.40	2.50	2.60
ECB Repo Rate	1.50	1.00	0.75	0.75	0.75	0.75

Exchange Rate Forecasts	Latest (Oct 25)	Dec-11	Mar-12	Jun-12	Sep 12	Dec 12
AUD/USD	1.0217	0.95	0.93	0.91	0.96	0.98
USD/JPY	76.789	76	76	76	78	81
EUR/USD	1.3777	1.30	1.26	1.22	1.27	1.28
AUD/NZD	1.2893	1.30	1.31	1.32	1.30	1.27

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