



Church of the Good Shepherd, Lake Tekapo.

In this issue

Fixed vs floating	2
The week ahead	3
Data calendar	4
New Zealand forecasts	5
International forecasts	6

Shifting centre of gravity

A hawkish speech from the RBNZ, strong housing market data, and slightly stronger than expected inflation data have prompted us to alter our OCR forecast. We now anticipate OCR cuts in December, March and June (previously December, January and March). We remain steadfast in our view that the terminal OCR will be 2.0%, compared to the current market expectation of 2.5%.

Last week's batch of data revealed that the housing market had another very strong month in September – although the boom's centre of gravity is shifting. In Auckland, house prices continued rising at a rapid clip, but the straws of a slowdown are in the wind. Turnover in Auckland fell in September, and numerous media sources are reporting lower auction clearance rates.

Meanwhile, Hamilton is experiencing a *bona fide* housing market upturn, featuring rapidly accelerating turnover and a 9% price gain over three months. The Tauranga market is also heating up, and there have been modest signs of life in a few other locations such as Dunedin and Nelson.

Some of the shift in regional focus is due to Aucklanders buying houses in cheaper centres nearby. But Reserve Bank and Government policy is also playing a role. For most regions of the country, lower interest rates and the upcoming loosening of mortgage lending restrictions is a stimulatory cocktail for house prices. Meanwhile, mortgage lending restrictions are about to be tightened for Auckland. And new tax rules targeting property "flippers" are more of a negative for Auckland than other markets, due to the preponderance of speculators in Auckland.

Shifting centre of gravity continued

The strong housing market is clearly worrying the Reserve Bank. In a speech last week Governor Wheeler reinstated housing as an issue of direct concern for monetary policy, mentioning the risk of low interest rates inflaming the housing market. That's quite a turnaround – the RBNZ downplayed the housing market when it decided to cut the OCR in June, to our surprise at the time. And the September *Monetary Policy Statement* pointedly omitted any forecast of house prices.

In this week's speech the Governor also reiterated that "Some further easing seems likely," confirming that the RBNZ still intends to reduce the OCR below the current level of 2.75%. But other comments were hawkish. In addition to the housing market, the Governor referred to encouraging local economic data, and to the virtue of correcting deviations from the inflation target only slowly. And he eschewed reference to the renewed vigour of the exchange rate.

We drew two clear conclusions from all of this:

- We remain very comfortable with our forecast for no change in the OCR at the October Review in two weeks' time.
- The RBNZ still plans to deliver just one further OCR hike in the current cycle, most likely in December.

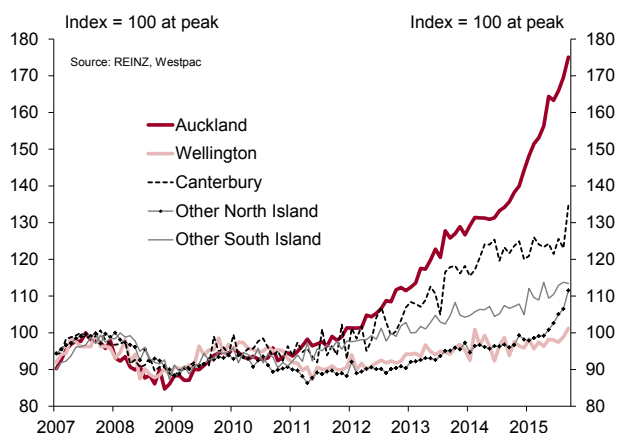
We have long disputed the RBNZ's view that the lower exchange rate will return inflation to two percent on a sustained basis. Consequently, we have argued that only one further OCR cut will not be enough. Instead, we have been forecasting further OCR reductions, in January and March of next year, that would see the OCR fall to 2.0%.

We remain steadfast in our view that the terminal OCR will be 2.0%. In fact, preliminary work indicates that inflation in 2016 could be even lower than we are currently forecasting – not least because the exchange rate has shot up recently.

But after the RBNZ speech, and with dairy prices and the housing market so strong, we have been forced to rethink the timing of OCR reductions in 2016. **We are now forecasting OCR reductions in March and June next year.**

This forecast assumes three key developments will have taken place by March: (1) An El Nino drought will have impacted agricultural production; (2) The housing market will have

REINZ house price indexes, seasonally adjusted



slowed as a consequence of mortgage lending restrictions in Auckland; and (3) Data will have made it clear that inflation is set to run closer to one percent than two for much of 2016.

The final development that influenced our thinking on the OCR outlook was last week's Consumer Price Index figures for September. Consumer prices rose 0.3% in the September quarter, for an annual inflation rate of 0.4% - a little stronger than we anticipated, and more in line with the RBNZ's forecast.

As expected, annual non-tradables inflation fell to 1.5%, the lowest annual rate since December 2001. This reflects genuinely subdued domestic inflation pressures, as well as one-offs such as the substantial decline in ACC levies.

But tradables inflation was a little stronger than expected at 0.7% for the quarter and -1.4% annual. To some extent this reflects genuine passthrough from the lower exchange rate, and is therefore a minor blow to our "insufficient inflation" view. But a portion of the inflation surprise was down to technicalities – for example, known declines in domestic airfares didn't come through Stats NZ's systems for this quarter, and should show up in later quarters. We are inclined to reduce our December quarter CPI forecast slightly, meaning today's data will have only a small impact on the annual inflation rates that are likely to prevail in 2016.

Fixed vs Floating for mortgages

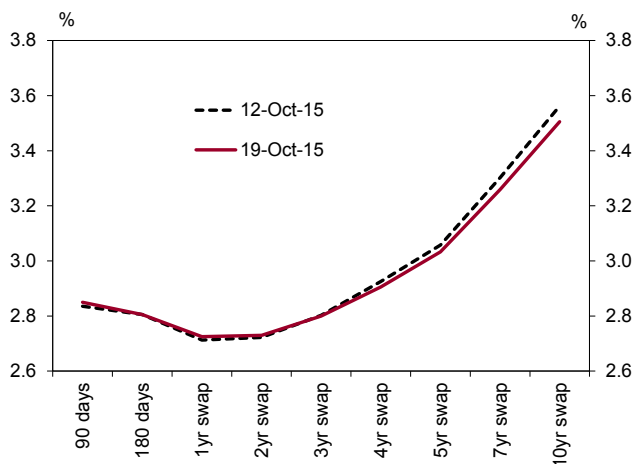
With short-term interest rates likely to fall further, borrowers should feel in no hurry to fix.

Longer-term fixed rates do offer the benefit of stability, but even those looking to fix may want to wait a while longer.

For borrowers with a deposit of deposit of 20% or more, the best value probably continues to lie in the two-year ahead and three-year ahead terms. Four- and five-year rates still seem high relative to where we think shorter-term rates are going to go over the next four or five years.

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

NZ interest rates

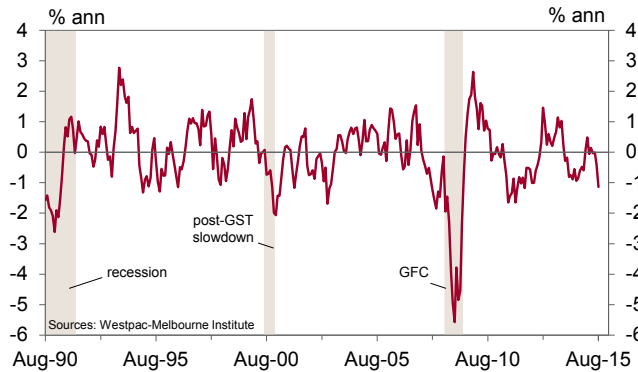


Aus Sep Westpac-MI Leading Index

Oct 21, Last: -1.14%

- The 6mth annualised growth rate of the Leading Index weakened from -0.40% in Jul to -1.14% in Aug. The Index continues to point to a loss of momentum.
- The Sep read will include some more positive component updates, with the Westpac-MI Consumer Expectations Index rising 4.4%, the Westpac Unemployment Expectations Index improving dramatically (by 13.7%), commodity prices up a touch in AUD terms (+2.7% as exchange rate moves outweighed a 0.7% dip in USD terms); and total hours worked up 0.7% mth after a flat Aug. Against this, shares remained under pressure (the ASX 200 fell 3.1%, but is posting a rally so far in Oct), dwelling approvals fell sharply (-6.9%), US industrial production dipped (0.4%), and the yield gap narrowed a touch (falling bond rates are driving a further narrowing in the first half of Oct).

Westpac-MI Leading Index



US Sep housing data

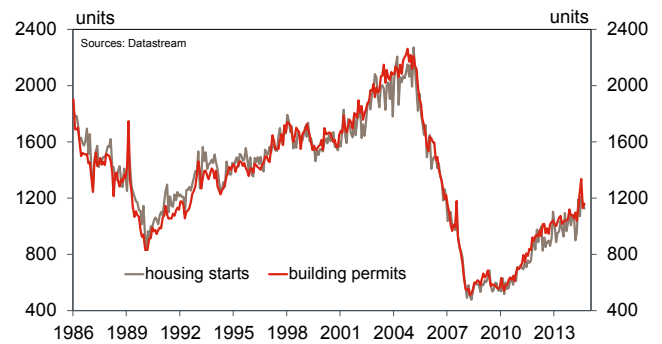
Oct 20, housing starts, Last: -3.0%, WBC f/c: 2.0%

Oct 20, building permits, Last: 3.5%, WBC f/c: 0.5%

Oct 22, existing sales, Last: -4.8%, WBC f/c: 0.4%

- Housing starts have continued to trend higher, albeit at a softer pace of late. Low rates; favourable labour market conditions; improved access to credit; and confidence are all supportive. A modest 2.0% gain is expected in Sep.
- Building permits have also seen substantial gains in recent years, in large part due to rapid growth in multiple-dwelling permits. This is partly due to affordability, but owes more to strong demand amongst investors – to build and rent for yield, and to meet foreign demand for new apartments.
- Turning to home sales, existing sales have run ahead of pending sales in the past six months, in part due to a backlog of completions. But this divergence also points to near-term downside risk for existing sales. We see a soft 0.4% gain.

US housing starts & permits, slower momentum

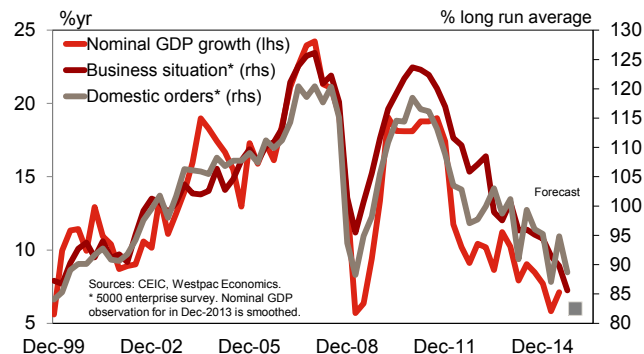


China Q3 real GDP

Oct 19, Last: 7.0%, WBC f/c: 6.8% Mkt f/c 6.8%, Range: 6.4% to 6.9%

- The NBS estimated that China grew at a real rate of 7.0% over the year to Q2, up 1.8% seasonally adjusted vs Q1. Our forecast for Q3 is for a 0.2ppt decline in the y/y rate, with risk in both directions but skewed to the upside. Nominal GDP will fall much more sharply - by 1.1ppts - as it tends to be more sensitive to swings in underlying demand conditions than the real estimate, and the upstream deflationary impulse deepened in the quarter.
- Net exports were a major swing factor in the move from 2014 to 2015. They have since stabilised, with a wider nominal goods surplus exaggerated by steep price declines in imports, while the services deficit is a major drag. The Q2/Q3 swing will be minimal.
- The tertiary sector's contribution will be of significant interest given that the large impact of finance in Q2 was clearly not sustained in Q3.

China: business conditions, orders & GDP



		Last	Market median	Westpac forecast	Risk/Comment
Mon 19					
NZ	Sep Business NZ PSI	58.2	–	–	Has remained firm in recent months.
Chn	Q3 GDP %yr	7.0%	6.8%	6.8%	Implies 6.0% nominal GDP, down from 7.1% in Q2.
	Sep industrial production %yr	6.1%	6.0%	–	Upside risk in our minds given strong biz conditions in Westpac-MNI.
	Sep fixed investment %yr	10.9%	10.8%	–	Real estate and manuf/mining continue to fall away.
	Sep retail sales %yr	10.8%	10.8%	–	Consumer confidence has firmed, but CPI drop a weight on nominal series.
UK	Oct Rightmove house prices	0.9%	–	–	Low mortgage rates have boosted the housing market.
US	Fedspeak	–	–	–	Brainard speaks on cutting regulatory red tape.
	Oct NAHB housing market index	62	62	–	At highest level in almost a decade.
	Fedspeak	–	–	–	Lacker speaks on education in Richmond.
Tue 20					
Aus	RBA October meeting minutes	–	–	–	Assessment of global conditions of interest.
Eur	Aug current account €b	22.6	–	–	Global economy to the detriment of net exports.
US	Sep housing starts	–3.0%	1.4%	2.0%	Uptrend entrenched; although growth likely to be more modest.
	Sep building permits	3.5%	–0.6%	0.5%	Volatile, but continues to trend higher.
	Fedspeak	–	–	–	Dudley and Powell speak at market conference in New York.
	Fedspeak	–	–	–	Chair Yellen makes brief welcoming remarks at ceremony.
Can	Aug wholesale trade	0.0%	–	–	Sales were softer than expected in August.
Wed 21					
NZ	GlobalDairyTrade auction	9.9%	–	–	Futures prices flattening out as pasture growth in NZ improves.
	Sep net immigration	5470	–	5390	Migration flows are expect to remain elevated in September.
Aus	Leading Index	–1.14%	–	–	Has lost momentum; but Sep data updates favourable.
UK	Sep public sector borrowing	11.3	9.0	–	Strengthening domestic activity is boosting tax revenues.
US	Fedspeak	–	–	–	Powell moderates panel on market liquidity in New York.
Can	Bank of Canada rate decision	0.5%	0.5%	0.5%	Low energy prices are a headwind, inflation remains low.
Thu 22					
Aus	RBA Assist. Gov. Edey	–	–	–	At ISDA 2015 Annual Australia conference, Sydney.
Eur	ECB policy announcement	0.05%	0.05%	0.05%	Open to further action if/when necessary; but comfortable for now.
UK	Sep retail sales	0.2%	0.3%	–	Low inflation and the strengthening labour market boosting spending.
US	Sep Chicago Fed national activity index	–0.41	–	–	Has been pointing to slightly below trend growth.
	Sep initial jobless claims	255k	–	–	Claims have remained at very low levels for some time.
	Sep FHFA house price index	0.6%	0.5%	–	Moderate uptrend continuing for house prices.
	Sep existing home sales	–4.8%	0.9%	0.4%	Pending sales signals downside risk to Sep outcome.
	Sep leading index	0.1%	0.0%	–	Signalling moderate growth in coming months.
	Oct Kansas Fed manufacturing activity	–8	–8	–	Points to soft manufacturing activity.
Fri 23					
Chn	Sep 70-city property prices new %net bal	18.6%	–	–	Improved nicely last month after lagging est. throughout rebound.
	Sep 70-city property prices, est. %net bal	34.3%	–	–	Basically unchanged for 2mths, broadening out may be reaching limits.
Eur	Oct Markit manuf. PMI (provisional)	52.0	51.8	–	Momentum starting to ebb; more modest growth hence.
	Oct Markit services PMI (provisional)	53.7	53.5	–	Domestic demand has had a strong run; likely to soften somewhat.
Ger	Oct Markit manuf. PMI (provisional)	52.3	51.9	–	Global economy an unfavourable influence.
	Oct Markit services PMI (provisional)	54.1	54.0	–	Strength of labour market supportive of domestic demand.
US	Oct Markit manuf. PMI (provisional)	53.1	53.1	–	Printing more robust outcomes than ISM measure.
Can	Sep CPI	0.0%	–	–	Falls in oil prices signal softness in inflation.

New Zealand forecasts

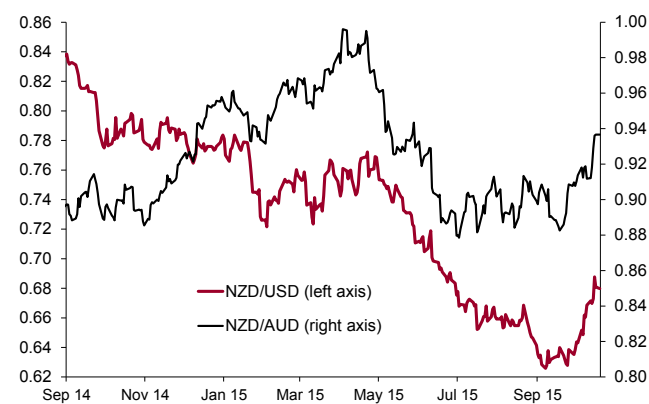
Economic Growth Forecasts	March years				Calendar years			
	2014	2015	2016f	2017f	2013	2014	2015f	2016f
% change								
GDP (Production) ann avg	2.5	3.2	2.0	2.2	2.3	3.3	2.2	2.0
Employment	3.8	3.2	0.8	2.3	2.9	3.6	1.1	2.0
Unemployment Rate % s.a.	6.0	5.8	6.5	6.3	6.1	5.7	6.4	6.4
CPI	1.5	0.3	1.3	1.6	1.6	0.8	0.5	1.9
Current Account Balance % of GDP	-2.6	-3.4	-5.5	-4.6	-3.2	-3.1	-4.7	-5.0

Financial Forecasts	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17
Cash	2.50	2.25	2.00	2.00	2.00	2.00
90 Day bill	2.60	2.30	2.10	2.10	2.10	2.10
2 Year Swap	2.50	2.30	2.20	2.20	2.20	2.20
5 Year Swap	3.10	3.10	3.10	3.20	3.20	3.20
10 Year Bond	3.40	3.50	3.60	3.70	3.70	3.70
NZD/USD	0.64	0.63	0.61	0.62	0.63	0.63
NZD/AUD	0.94	0.95	0.92	0.92	0.92	0.91
NZD/JPY	77.4	76.2	74.4	75.9	78.6	76.7
NZD/EUR	0.59	0.59	0.57	0.57	0.58	0.57
NZD/GBP	0.43	0.43	0.41	0.41	0.41	0.41
TWI	69.9	69.7	67.6	67.9	68.9	68.3

2 Year Swap and 90 Day Bank Bills



NZD/USD and NZD/AUD



NZ interest rates as at market open on Monday 19 October 2015

Interest Rates	Current	Two weeks ago	One month ago
Cash	2.75%	2.75%	2.75%
30 Days	2.86%	2.84%	2.85%
60 Days	2.85%	2.83%	2.83%
90 Days	2.85%	2.83%	2.85%
2 Year Swap	2.73%	2.68%	2.73%
5 Year Swap	3.03%	3.01%	3.10%

NZ foreign currency mid-rates as at Monday 19 October 2015

Exchange Rates	Current	Two weeks ago	One month ago
NZD/USD	0.6798	0.6461	0.6312
NZD/EUR	0.5988	0.5759	0.5568
NZD/GBP	0.4402	0.4252	0.4089
NZD/JPY	81.14	77.50	76.03
NZD/AUD	0.9366	0.9153	0.8910
TWI	72.74	70.09	68.49



International forecasts

Economic and Financial Forecasts

Economic Forecasts (Calendar Years)	2011	2012	2013	2014	2015f	2016f
Australia						
Real GDP % yr	2.7	3.6	2.1	2.7	2.2	2.7
CPI inflation % annual	3.0	2.2	2.7	1.7	2.2	2.0
Unemployment %	5.2	5.3	5.8	6.2	6.5	6.1
Current Account % GDP	-2.8	-4.4	-3.4	-3.0	-4.2	-4.7
United States						
Real GDP %yr	1.6	2.2	1.5	2.4	2.4	2.8
Consumer Prices %yr	3.1	2.1	1.5	1.6	0.1	1.7
Unemployment Rate %	8.9	8.1	7.4	6.2	5.3	4.9
Current Account %GDP	-2.9	-2.9	-2.3	-2.2	-2.3	-2.3
Japan						
Real GDP %yr	-0.5	1.7	1.6	-0.1	0.6	1.3
Euroland						
Real GDP %yr	1.6	-0.8	-0.3	0.9	1.5	1.1
United Kingdom						
Real GDP %yr	1.6	0.7	1.7	3.0	2.5	2.5
China						
Real GDP %yr	9.5	7.7	7.7	7.3	7.0	6.8
East Asia ex China						
Real GDP %yr	4.5	4.6	4.2	4.1	3.5	4.0
World						
Real GDP %yr	4.2	3.4	3.3	3.4	3.0	3.6
Forecasts finalised 9 Oct 2015						

Interest Rate Forecasts	Latest	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16
Australia						
Cash	2.00	2.00	2.00	2.00	2.00	2.00
90 Day Bill	2.14	2.20	2.20	2.20	2.20	2.20
10 Year Bond	2.61	2.85	2.90	3.00	3.10	3.35
International						
Fed Funds	0.125	0.375	0.625	0.875	1.125	1.375
US 10 Year Bond	2.01	2.35	2.50	2.70	2.90	3.00
ECB Repo Rate	0.05	0.05	0.05	0.05	0.05	0.05

Exchange Rate Forecasts	Latest	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16
AUD/USD	0.7300	0.68	0.66	0.66	0.67	0.69
USD/JPY	119.20	121	121	122	123	124
EUR/USD	1.1377	1.09	1.07	1.07	1.08	1.10
AUD/NZD	1.0678	1.06	1.05	1.08	1.09	1.09

Westpac economics team contact details

Dominick Stephens, Chief Economist
+64 9 336 5671

Michael Gordon, Senior Economist
+64 9 336 5670

Satish Ranchhod, Senior Economist
+64 9 336 5668

Anne Boniface, Senior Economist
+64 9 336 5669

David Norman, Industry Economist
+64 9 336 5656

Any questions email:
economics@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

Things you should know: 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.

If you are located in Australia, this material and access to this website is provided to you solely for your own use and in your own capacity as a wholesale client of Westpac Institutional Bank being a division of Westpac Banking Corporation ABN 33 007 457 141 AFSL 233714 ('Westpac'). If you are located outside of Australia, this material and access to this website is provided to you as outlined below.

This material and this website contain general commentary only and does not constitute investment 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 has been prepared without taking account of your objectives, financial situation or needs. This material and this website 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 the information is free from error, none of Westpac or its related entities warrants the accuracy, adequacy or completeness of the information, or otherwise endorses it in any way. Except where contrary to law, Westpac and its related entities intend by this notice to exclude liability for the information. The information is subject to change without notice and none of Westpac or its related entities is under any obligation to update the information or correct any inaccuracy which may become apparent at a later date. The information contained in this material and this website 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 a legally binding contract. Past performance is not a reliable indicator of future performance. The forecasts given in this material and this website 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.

Transactions involving carbon give rise to substantial risk (including regulatory 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 has been prepared without taking account of your objectives, financial situation or needs. Statements setting out a concise description of the characteristics of carbon units, Australian carbon credit units and eligible international emissions units (respectively) are available at www.cleanenergyregulator.gov.au as mentioned in section 202 of the Clean Energy Act 2011, section 162 of the Carbon Credits (Carbon Farming Initiative) Act 2011 and section 61 of the Australian National Registry of Emissions Units Act 2011. You should consider each such statement in deciding whether to acquire, or to continue to hold, any carbon unit, Australian carbon credit unit or eligible international emissions unit.

Additional information if you are located outside of Australia

New Zealand: The current disclosure statement for the New Zealand division of Westpac Banking Corporation ABN 33 007 457 141 or Westpac New Zealand Limited can be obtained at the internet address www.westpac.co.nz. Westpac Institutional Bank products and services are provided by either Westpac Banking Corporation ABN 33 007 457 141 incorporated in Australia (New Zealand division) or Westpac New Zealand Limited. For further information please refer to the Product Disclosure Statement (available from your Relationship Manager) for any product for which a Product Disclosure Statement is required, or applicable customer agreement. Download the Westpac NZ QFE Group Financial Advisers Act 2008 Disclosure Statement at www.westpac.co.nz.

China, Hong Kong, Singapore and India: Westpac Singapore Branch holds a wholesale banking licence and is subject to supervision by the Monetary Authority of Singapore. Westpac Hong Kong Branch holds a banking licence and is subject to supervision by the Hong Kong Monetary Authority. Westpac Hong Kong branch also holds a license issued by the Hong Kong Securities and Futures Commission (SFC) for Type 1 and Type 4 regulated activity.

Westpac Shanghai and Beijing Branches hold banking licenses and are subject to supervision by the China Banking Regulatory Commission (CBRC). Westpac Mumbai Branch holds a banking license from Reserve Bank of India (RBI) and subject to regulation and supervision by the RBI.

Disclaimer continued overleaf.



Disclaimer continued

U.K.: Westpac Banking Corporation is registered in England as a branch (branch number BR000106), and is authorised and regulated by the Australian Prudential Regulatory Authority in Australia. WBC is authorised in the United Kingdom by the Prudential Regulation Authority. WBC is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority in the United Kingdom. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. Westpac Europe Limited is a company registered in England (number 05660023) and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. This material and this website and any information contained therein is directed at a) persons who have professional experience in matters relating to investments falling within Article 19(1) of the Financial Services Act 2000 (Financial Promotion) Order 2005 or (b) high net worth entities, and other persons to whom it may otherwise be lawfully communicated, falling within Article 49(1) of the Order (all such persons together being referred to as “relevant persons”). The investments to which this material and this website relates are only available to and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such investments will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely upon this material and this website or any of its contents. In the same way, the information contained in this material and this website is intended for “eligible counterparties” and “professional clients” as defined by the rules of the Financial Services Authority and is not intended for “retail clients”. With this in mind, Westpac expressly prohibits you from passing on the information in this material and this website to any third party. In particular this material and this website, website content and, in each case, any copies thereof may not be taken, transmitted or distributed, directly or indirectly into any restricted jurisdiction.

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. 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”). 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. If you would like to speak to someone regarding any security mentioned herein, please contact WCM on +1 212 389 1269. All disclaimers set out with respect to Westpac apply equally to WCM.

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 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.

For the purposes of Regulation AC only: Each analyst whose name appears in this report certifies that (1) the views expressed in this report accurately reflect the personal views of the analyst about any and all of the subject companies and their securities and (2) no part of the compensation of the analyst was, is, or will be, directly or indirectly related to the specific views or recommendations in this report.

