

EXCHANGE RATE DEVELOPMENTS FEBRUARY 2026

Highlights:

Policy Interest Rates	Current	Change (basis point)	Last Updated	Commodity Prices	Average Price (USD)	Change	Prev Month
Reserve Bank of NZ	2.25%	no changes	February 18, 2026	crude oil (US\$/bbl)	\$78.01	-\$12.63	\$65.38
Reserve Bank of Australia	3.85%	+0.25	February 3, 2026	whole milk (US\$/t)	\$3,706.00	-\$257.00	\$3,449.00
US Federal Reserve	3.50%-3.75%	no changes	February 28, 2026				
European Central Bank	2.15%	no changes	February 5, 2026				
Bank of England	3.75%	no changes	February 5, 2026				

USD* per other currencies (month average)

	Feb-25	Jan-26	Feb-26	Jan-26 (%)	Feb-25 (%)
NZD/USD	0.5684	0.5839	0.6009	2.91	5.72
AUD/USD	0.6302	0.6780	0.7050	3.98	11.87
EUR/USD	1.0413	1.1733	1.1826	0.79	13.57
USD/YEN	151.7668	156.7363	155.0065	1.10	-2.13
USD/CNH	7.2847	6.9652	6.9051	0.86	5.21
FJD/USD	0.4311	0.4425	0.4535	2.49	5.20

*with the exception of YEN and CNY which is YEN and CNY per USD

Tala* per foreign currencies (month average)

	Feb-25	Jan-26	Feb-26	Jan-26 (%)	Feb-25 (%)
USD/TALA	2.8317	2.7575	2.7065	1.85	4.42
NZD/TALA	1.6094	1.6097	1.6262	-1.03	-1.04
AUD/TALA	1.7844	1.8693	1.9080	-2.07	-6.93
EUR/TALA	2.9486	3.2355	3.2005	1.08	-8.54
Nom Index	100.3148	100.3160	100.2901	-0.03	-0.02
FJD/TALA	1.2207	1.2201	1.2287	-0.70	-0.66
TALA/YEN	53.5931	56.8335	57.2702	0.77	6.42
TALA/CNH	2.5725	2.5258	2.5513	1.01	-0.83

*with the exception of YEN and CNY which is YEN and CNY per TALA



The greenback weakened due to:

- A series of less favourable economic releases, including softer GDP growth and mixed activity data, signalled slowing economic momentum, reinforcing expectations that the Federal Reserve would proceed cautiously with its policy stance.
- Trade and policy uncertainty in the United States also weighed on the greenback, encouraging diversification into other major currencies.



The EUR appreciated vs USD as:

- The EUR strengthened modestly against the greenback, supported by strong economic indicators, including GDP growth of 3%, a decline in unemployment rate from 6% to 4%, rising retail sales and strong PMI readings.
- The ECB maintained its key interest rate of 2%, noting that inflation and monetary policy are currently in a favourable position, signalling no imminent shift in policy.



The AUD gained against the USD due to:

- A series of positive economic releases from Australia, including elevated inflation, resilient labour market conditions and strong commodity export prices.
- The Reserve Bank of Australia raised its official cash rate to 3.85% in early February, making Australian assets more attractive to investors.

TALA appreciated vs the USD



TALA edged higher against the EUR



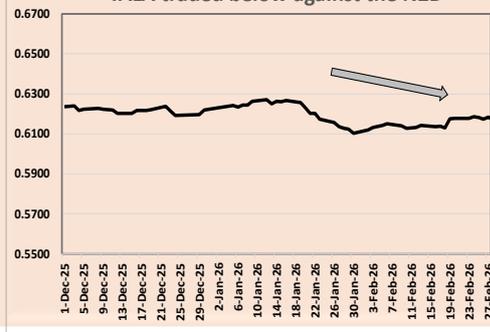
TALA depreciated against the AUD



NZD rose modestly against USD on:

- Broad weakness in the greenback, along with favourable releases from New Zealand, including robust GDP growth, low unemployment and rising commodity exports.
- The Reserve Bank of New Zealand held its official cash rate at 2.25 percent, noting that if economic conditions evolve as expected, monetary policy is likely to remain accommodative for some time.

TALA traded below against the NZD



JPY traded higher vs the USD as:

- The Japanese yen strengthened amid rising speculation that the Bank of Japan would continue normalising monetary policy after years of ultra-loose settings, prompting investors to unwind positions and buy back yen.
- Growing expectations that the Federal Reserve may begin cutting interest rates later in the year also narrowed the interest rate differential that had previously favoured the US dollar over the yen.

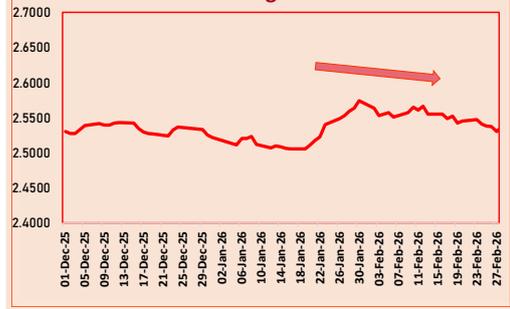
TALA climbed above vs the JPY



CNH strengthened vs the USD as:

- The US dollar came under pressure as markets increasingly priced in expectations that the Federal Reserve would cut interest rate this year following softer US economic data.
- Furthermore, domestic factors in China, including corporate US dollar selling and increased demand for the yuan in trade and investment, helped support the yuan.

TALA weakened against the CNH



ECONOMIC & FINANCIAL FORECASTS

Policy Interest rate forecasts

	Actual (4 Mar 2026)	Mar 26	Jun 26	Sep 26	Dec 26	Mar 27
USA						
Fed Funds Rate	3.625	3.625	3.375	3.375	3.375	3.375
Australia						
RBA Cash Rate	3.85	3.85	3.85	4.10	4.10	4.10
New Zealand						
RBNZ Cash Rate	2.25	2.25	2.25	2.25	2.50	2.75
China						
PBOC Loan Prime Rate	3.00	2.80	2.80	2.80	2.80	2.80
Euro-Area						
ECB Refinance Rate	2.00	2.00	2.00	2.00	2.00	2.00
United Kingdom						
BOE Base Rate	3.75	3.50	3.25	3.25	3.25	3.25

Exchange rate forecasts

	Actual (4 Mar 2026)	Mar 26	Jun 26	Sep 26	Dec 26	Mar 27	Jun 27
AUD/USD	0.7049	0.70	0.71	0.72	0.72	0.73	0.73
NZD/USD	0.5899	0.59	0.60	0.62	0.63	0.65	0.67
EUR/USD	1.1619	1.19	1.20	1.20	1.21	1.21	1.22
USD/JPY	157.5550	151	149	147	145	144	143
GBP/USD	1.3357	1.37	1.38	1.38	1.39	1.39	1.40
USD/CNH	6.9149	-	6.85	6.85	6.80	-	6.73

US economic indicators and outlook

	Sep25	Dec25(f)	Mar26(f)	Jun26(f)	Sep26(f)	Dec26(f)	Mar27(f)
GDP % qtr.	4.4	3.5	2.4	2.1	1.8	1.8	1.8
%yr. annual change	2.3	2.7	3.5	3.1	1.9	1.8	-
Unemployment rate %	4.3	4.4	4.5	4.5	4.6	4.6	4.5
CPI % YoY.	2.9	2.7	2.7	2.8	2.7	2.6	2.5
Annual change (%)	2.7	2.8	2.7	2.7	2.6	2.5	2.4

Australian economic indicators and outlook

	Sep25	Dec25(f)	Mar26(f)	Jun26(f)	Sep26(f)	Dec26(f)	Mar27(f)
GDP % qtr.	0.4	0.9	0.7	0.5	0.6	0.6	0.6
% Year end	2.1	2.4	2.8	2.6	2.7	2.5	2.3
Unemployment rate %	4.3	4.2	4.1	4.3	4.4	4.5	4.5
CPI % qtr.	1.3	0.6	1.1	0.7	1.0	0.5	0.6
Annual Change (%)	3.0	3.4	3.5	3.5	3.4	3.2	2.9

New Zealand economic indicators and outlook

	Sep25	Dec25(f)	Mar26(f)	Jun26(f)	Sep26(f)	Dec26(f)	Mar27(f)
GDP % qtr.	1.1	0.6	1.0	0.5	0.9	0.9	1.1
Annual avg change	-0.5	0.4	0.9	2.0	2.5	2.8	3.3
Unemployment rate %	5.3	5.4	5.3	5.1	4.9	4.7	4.6
CPI % qtr.	1.0	0.6	0.5	0.5	0.9	0.4	0.4
Annual change (%)	3.0	3.1	2.6	2.6	2.5	2.3	2.3

Source: Westpac Economics Update (23 February 2025), Trading Economics

Note: (a) – actual; (e) – estimate; (f) – forecast; (adv) – advance estimates