EXCHANGE RATE DEVELOPMENTS JUNE 2026

Highlights:

Policy Interest Rates	Current	Change (basis point)	Last Updated
Reserve Bank of NZ	**2.25%**	**no changes**	June 30, 2026
Reserve Bank of Australia	**4.35%**	**no changes**	June 16, 2026
US Federal Reserve	**3.50%-3.75%**	**no changes**	June 17, 2026
European Central Bank	**2.40%**	**0.25**	June 11, 2026
Bank of England	**3.75%**	**no changes**	June 18, 2026

Commodity Prices	Average Price (USD)	Change	Prev Month
ICE Brent ($/BBL)	$72.04	-$15.44	$87.48
whole milk (US$/t)	$3,589.00	-$117.00	$3,706.00

USD* per other currencies (month average)	Jun-25	May-26	Jun-26	May-26 (%)	Jun-25 (%)
NZD/USD	0.6028	0.5897	**0.5781**	-1.98	-4.10
AUD/USD	0.6501	0.7187	**0.7025**	-2.25	8.06
EUR/USD	1.1516	1.1679	**1.1512**	-1.43	-0.03
USD/YEN	144.5690	158.1413	**160.7531**	-1.65	-11.19
USD/CNH	7.1826	6.8023	**6.7807**	0.32	5.60
FJD/USD	0.4433	0.4565	**0.4521**	-0.96	1.99

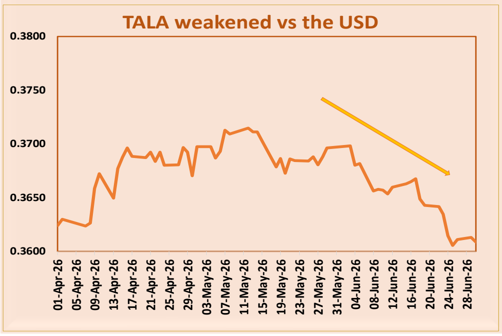
*with the exception of YEN and CNY which is YEN and CNY per USD

Tala* per foreign currencies (month average)	Jun-25	May-26	Jun-26	May-26 (%)	Jun-25 (%)
USD/TALA	2.7600	2.7069	**2.7394**	-1.20	0.74
NZD/TALA	1.6636	1.5963	**1.5833**	0.82	4.83
AUD/TALA	1.7943	1.9452	**1.9243**	1.08	-7.24
EUR/TALA	3.1782	3.1613	**3.1536**	0.24	0.77
Nom Index	**100.1896**	**100.3640**	**100.3754**	**0.01**	**0.19**
FJD/TALA	*1.2235*	*1.2356*	***1.2385***	*-0.23*	*-1.22*
TALA/YEN	*52.3804*	*58.4197*	***58.6792***	*0.44*	*10.73*
TALA/CNH	*2.6024*	*2.5129*	***2.3799***	*-5.29*	*-9.35*

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

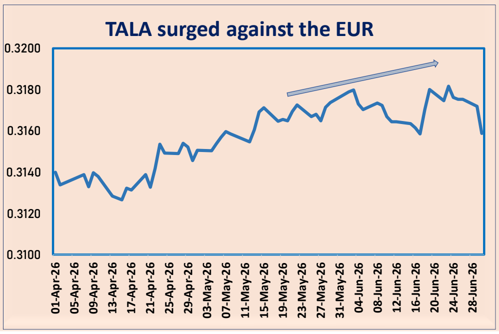
The greenback bounced back on:

- Expectations of higher-for-longer interest rates continued safe-haven demand, resilient U.S. economic conditions, and sustained capital inflows into US assets contributed to the strengthening of the US dollar.
- The US Federal Reserve kept its policy rate unchanged in June 2026 but maintained a hawkish stance, citing persistent inflation risks and reinforcing expectations that interest rates would remain elevated for longer.



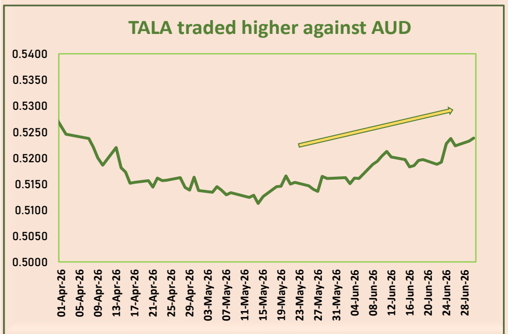
The EUR slipped vs USD:

- Weaker growth prospects and a comparatively less restrictive monetary policy outlook in the Euro Area placed downward pressure on the Euro currency, contributing to EUR/USD depreciation during June 2026.
- The European Central Bank (ECB) raised its key policy rates by 25 basis points in June 2026 and maintained a hawkish bias to address inflation, despite a weakening growth outlook.



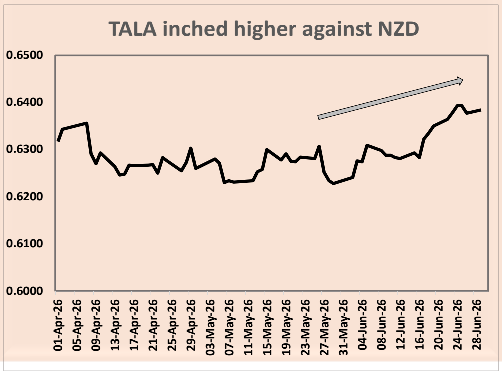
The AUD declined against the USD as:

- Australian economic conditions in June 2026 were marked by easing inflation, moderating growth, and a softer labour market, reinforcing expectations that the Reserve Bank of Australia would maintain a cautious policy stance.
- The RBA kept its policy rate unchanged in June 2026, maintaining a cautious approach as inflation remained above target despite signs of moderating growth and easing domestic demand.



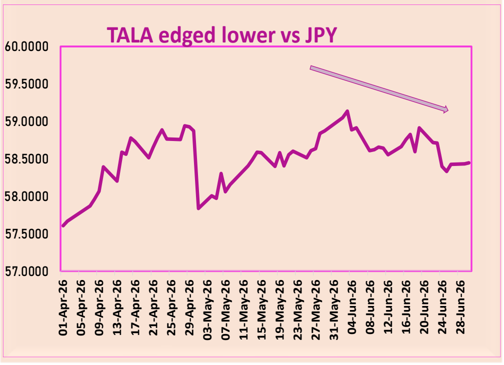
NZD depreciated against USD:

- The New Zealand dollar came under pressure in June 2026 as broad-based US dollar strength coincided with weaker domestic economic momentum and reduced expectations of further monetary policy tightening.
- The Reserve Bank of New Zealand (RBNZ) kept its policy rate unchanged in June 2026, while maintaining a hawkish and data-dependent stance amid concerns that inflationary pressures could remain elevated for longer.



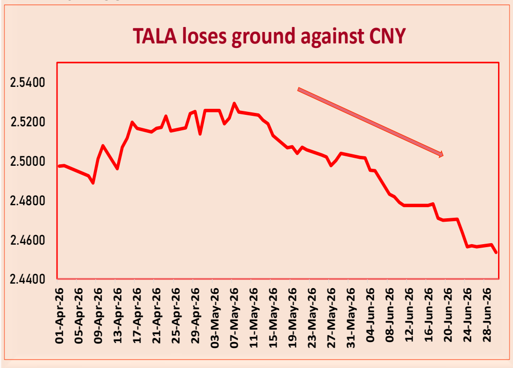
JPY edged lower vs the USD:

- The JPY weakened during June 2026 as stronger US economic data and the Federal Reserve's hawkish policy stance continued to support the US dollar. This outweighed the positive effects of favourable Japanese economic indicators and the Bank of Japan's recent monetary policy tightening.
- In June 2026, the BOJ maintained a hawkish policy stance, raising its policy rate to 1.0% in response to persistent inflationary pressures and ongoing concerns over the weakness of the Japanese yen.



CNH strengthened vs the USD:

- The Chinese yuan strengthened in June 2026, supported by stronger manufacturing activity, rebounding export demand, and signs of a modest economic recovery in China, which boosted investor confidence.
- The People's Bank of China maintained an accommodative monetary policy stance in June 2026, continuing to support economic growth through liquidity measures and targeted policy initiatives.



ECONOMIC & FINANCIAL FORECASTS

Policy Interest rate forecasts

	Actual (8 July 2026)	Sep 26	Dec 26	Mar 27	Jun 27	Sep 27
USA						
Fed Funds Rate	3.625	3.625	3.625	3.625	3.625	3.625
Australia						
RBA Cash Rate	4.35	4.85	4.85	4.85	4.85	4.35
New Zealand						
RBNZ Cash Rate	2.25	2.50	2.75	3.25	3.50	3.75
China						
PBOC Loan Prime Rate	3.00	2.80	2.80	2.80	2.80	2.80
Euro-Area						
ECB Refinance Rate	2.25	2.50	2.50	2.50	2.50	2.25
United Kingdom						
BOE Base Rate	3.75	4.00	4.00	4.00	4.00	3.75

Exchange rate forecasts

	Actual (8 July 2026)	Sep 26	Dec 26	Mar 27	Jun 27	Sep 27	Dec 27
AUD/USD	0.6926	0.72	0.73	0.73	0.74	0.74	0.74
NZD/USD	0.5677	0.59	0.60	0.62	0.64	0.65	0.66
EUR/USD	1.1413	1.17	1.18	1.19	1.20	1.21	1.22
USD/JPY	162.0600	158.00	156.00	154.00	152.00	150.00	148.00
GBP/USD	1.3355	1.36	1.37	1.38	1.39	1.40	1.35
USD/CNH	6.8043	6.78	6.75	6.70	6.70	6.55	6.60

US economic indicators and outlook

	Mar26	Jun26(f)	Sep26(f)	Dec26(f)	Mar27(f)	Jun27(f)	Sep27(f)
GDP % qtr.	1.6	2.8	1.3	1.5	1.9	1.9	1.8
%yr. annual change	2.6	2.3	1.6	1.8	1.9	1.6	1.8
Unemployment rate %	4.3	4.4	4.4	4.5	4.5	4.5	4.5
CPI % YoY	2.7	4.0	3.8	3.6	3.4	2.3	2.3
Annual change (%)	3.1	3.4	3.3	3.2	2.6	2.9	2.3

Australian economic indicators and outlook

	Mar26	Jun26(f)	Sep26(f)	Dec26(f)	Mar27(f)	Jun27(f)	Sep27(f)
GDP % qtr.	0.3	0.0	0.1	0.3	0.4	0.4	0.4
% Year end	2.5	1.6	1.3	0.7	0.9	1.2	1.4
Unemployment rate %	4.2	4.4	4.6	4.9	5.0	4.9	4.9
CPI % qtr.	1.4	1.0	1.5	0.7	0.7	0.8	0.5
Annual Change (%)	3.5	**3.8**	3.8	3.8	3.7	**3.5**	**3.2**

New Zealand economic indicators and outlook

	Mar26	Jun26(f)	Sep26(f)	Dec26(f)	Mar27(f)	Jun27(f)	Sep27(f)
GDP % qtr.	0.8	-0.1	0.6	0.7	1.0	0.5	0.6
Annual avg change	0.8	1.6	1.8	1.9	2.0	2.1	2.4
Unemployment rate %	5.3	5.4	5.4	5.3	5.2	5.1	5.0
CPI % qtr.	0.9	1.4	0.7	0.4	0.6	0.2	0.7
Annual change (%)	3.1	4.0	3.7	3.5	3.1	1.9	1.9

Source: Westpac Economics Update (6 July 2026), Trading Economics

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

FINANCIAL MARKETS DEPARTMENT
10 July 2026