

EXCHANGE RATE DEVELOPMENTS MARCH 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	March 31, 2026	crude oil (US\$/bbl)	\$82.78	+\$4.77	\$78.01
Reserve Bank of Australia	4.10%	+0.25	March 17, 2026	whole milk (US\$/t)	\$3,687.00	-\$19.00	\$3,706.00
US Federal Reserve	3.50%-3.75%	no changes	March 18, 2026				
European Central Bank	2.15%	no changes	March 19, 2026				
Bank of England	3.75%	no changes	March 19, 2026				

USD* per other currencies (month average)

	Mar-25	Feb-26	Mar-26	Feb-26 (%)	Mar-25 (%)
NZD/USD	0.5725	0.6009	0.5860	-2.48	2.36
AUD/USD	0.6300	0.7050	0.7027	-0.33	11.54
EUR/USD	1.0793	1.1826	1.1573	-2.14	7.23
USD/YEN	149.1067	155.0065	158.5670	-2.30	-6.34
USD/CNH	7.2550	6.9051	6.8973	0.11	4.93
FJD/USD	0.4335	0.4535	0.4534	-0.02	4.59

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

Tala* per foreign currencies (month average)

	Mar-25	Feb-26	Mar-26	Feb-26 (%)	Mar-25 (%)
USD/TALA	2.8248	2.7065	2.7288	-0.82	3.40
NZD/TALA	1.6171	1.6262	1.5988	1.68	1.13
AUD/TALA	1.7796	1.9080	1.9173	-0.49	-7.74
EUR/TALA	3.0483	3.2005	3.1580	1.33	-3.60
Nom Index	100.2994	100.2901	100.3365	0.05	0.04
FJD/TALA	1.2247	1.2287	1.2372	-0.69	-1.02
TALA/YEN	52.7847	57.2702	58.1075	1.46	9.16
TALA/CNH	2.5683	2.5513	2.5276	-0.93	-1.61

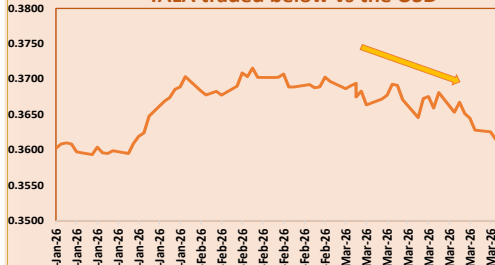
*with the exception of YEN and CNY which is YEN and CNY per TALA



The greenback strengthened:

- Supported by a strong upside surprise in nonfarm payrolls, consistently low jobless claims, and stabilizing ISM activity indicators; further impacted by sticky inflation that delayed Fed rate-cut expectations.
- The greenback also drew support from rising safe-haven demand amid geopolitical tensions and higher energy prices.

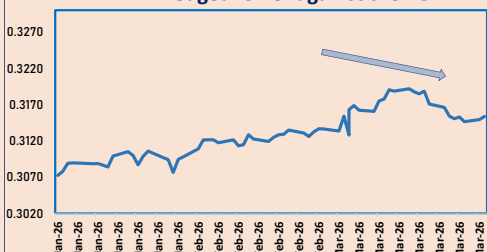
TALA traded below vs the USD



The EUR depreciated against USD as:

- Safe-haven demand for the US dollar and higher energy price risks for the Euro area outweighed speculation that the ECB might stay more hawkish.
- Euro-area activity retreated materially as services stagnated, new manufacturing orders fell, and employment declined amid slumping confidence and energy-driven cost shocks.

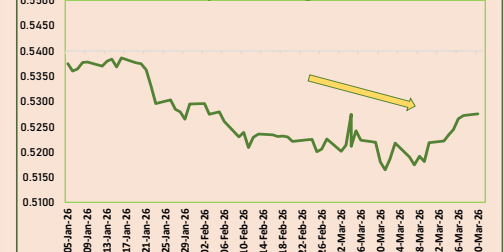
TALA edged lower against the EUR



The AUD slipped vs the USD due to:

- Escalating Middle East tensions triggered global risk aversion and safe-haven demand for the U.S. dollar, leaving AUD/USD down during the month despite strong quarterly performance.
- The Reserve Bank of Australia (RBA) delivered its second consecutive 25-bp rate hike, lifting the cash rate to 4.10% and signalling a clear hawkish pivot driven by persistent domestic inflation pressures.

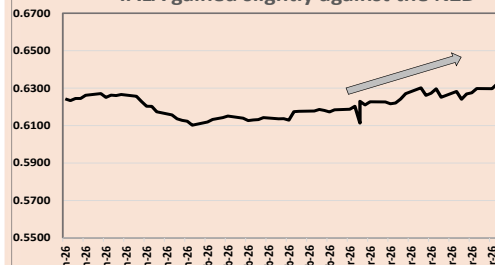
TALA depreciated against the AUD



NZD declined against USD on:

- Heightened geopolitical uncertainty, rising fuel costs, and concerns regarding global growth slowed spending and investment intentions, reinforcing a negative sentiment backdrop for the NZD.
- The Reserve Bank of New Zealand (RBNZ) maintained the Official Cash Rate at 2.25%, holding a cautious stance as it judged the economic recovery to be gradual yet fragile.

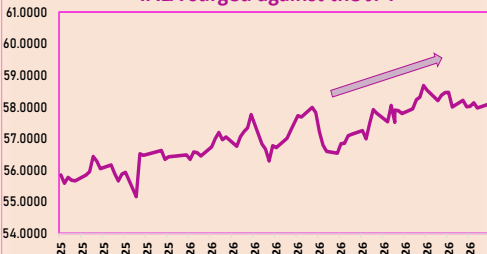
TALA gained slightly against the NZD



JPY traded lower vs the USD as:

- A string of unfavourable economic releases, including cooling manufacturing data, weakening industrial production, and subdued inflation, this left overall growth softer, and the yen pressured relative to stronger global peers.
- The Bank of Japan (BOJ) maintained interest rates at 0.75% while signalling a cautious hawkish tilt.

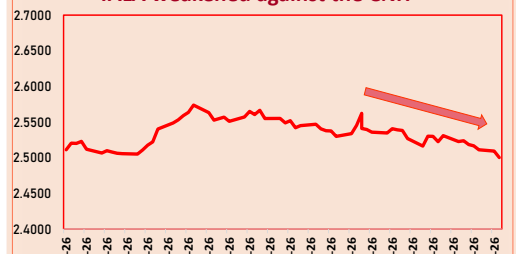
TALA surged against the JPY



CNH gained modestly vs the USD:

- CNH showed relative resilience amid a consolidating dollar, with policy guidance limiting sharp depreciation pressures despite ongoing global risk aversion.
- The PBOC maintained a supportive monetary stance, prioritizing growth and ample liquidity while managing the yuan to ensure broad stability at reasonable levels.

TALA weakened against the CNH



ECONOMIC & FINANCIAL FORECASTS

Policy Interest rate forecasts

	Actual (13 Apr 2026)	Jun 26	Sep 26	Dec 26	Mar 27	Jun 27
USA						
Fed Funds Rate	3.625	3.625	3.625	3.625	3.625	3.625
Australia						
RBA Cash Rate	4.10	4.60	4.85	4.85	4.85	4.85
New Zealand						
RBNZ Cash Rate	2.25	2.25	2.25	2.50	3.00	3.50
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	3.75	3.75	3.50	3.25	3.25

Exchange rate forecasts

	Actual (13 Apr 2026)	Jun 26	Sep 26	Dec 26	Mar 27	Jun 27	Sep 27
AUD/USD	0.6992	0.72	0.72	0.73	0.73	0.74	0.74
NZD/USD	0.5799	0.59	0.61	0.62	0.64	0.66	0.67
EUR/USD	1.1666	1.17	1.18	1.19	1.20	1.21	1.22
USD/JPY	159.4850	156.00	155.00	154.00	152.00	150.00	148.00
GBP/USD	1.3392	1.35	1.36	1.37	1.38	1.39	1.40
USD/CNH	6.8397	6.85	6.80	6.95	6.73	6.57	-

US economic indicators and outlook

	Sep25	Dec25	Mar26(f)	Jun26(f)	Sep26(f)	Dec26(f)	Mar27(f)
GDP % qtr.	4.4	1.4	3.0	2.1	1.8	1.8	1.8
%yr. annual change	2.3	2.2	3.2	2.7	2.1	1.8	-
Unemployment rate %	4.3	4.4	4.5	4.5	4.6	4.6	4.5
CPI % YoY.	2.9	2.7	2.9	3.2	3.1	2.9	2.4
Annual change (%)	2.9	2.9	2.7	2.7	2.6	2.5	2.3

Australian economic indicators and outlook

	Sep25	Dec25	Mar26(f)	Jun26(f)	Sep26(f)	Dec26(f)	Mar27(f)
GDP % qtr.	0.5	0.8	0.5	0.2	0.1	0.2	0.3
% Year end	2.1	2.6	2.6	1.9	1.6	1.0	0.9
Unemployment rate %	4.3	4.3	4.2	4.3	4.6	4.9	5.0
CPI % qtr.	1.3	0.6	1.5	1.9	0.9	0.3	0.5
Annual Change (%)	3.2	3.6	4.2	5.4	5.0	4.6	3.6

New Zealand economic indicators and outlook

	Sep25	Dec25	Mar26(f)	Jun26(f)	Sep26(f)	Dec26(f)	Mar27(f)
GDP % qtr.	0.9	0.2	0.8	-0.4	0.5	1.0	1.4
Annual avg change	-0.6	0.2	0.6	1.2	1.3	1.5	1.9
Unemployment rate %	5.3	5.4	5.4	5.6	5.6	5.4	5.1
CPI % qtr.	1.0	0.6	0.8	1.6	1.0	0.4	0.3
Annual change (%)	3.0	3.1	2.9	4.1	4.0	3.8	3.3

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

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