

EXCHANGE RATE DEVELOPMENTS OCTOBER 2025

Highlights:

Policy Interest Rates	Current	Change (basis point)	Last Updated	Commodity Prices	Average Price (USD)	Change	Prev Month
Reserve Bank of NZ	2.50%	-0.50	October 8, 2025	crude oil (US\$/bbl)	\$64.51	\$1.87	\$66.38
Reserve Bank of Australia	3.60%	no changes	November 4, 2025	whole milk (US\$/t)	\$3,503.00	\$287.00	\$3,790.00
US Federal Reserve	3.75%-4.00%	-0.25	October 29, 2025				
European Central Bank	2.15%	no changes	October 31, 2025				
Bank of England	4.00%	no changes	November 5, 2025				

USD* per other currencies (month average)

	Oct-24	Sept-25	Oct-25	Sept-25 (%)	Oct-24 (%)
NZD/USD	0.6088	0.5889	0.5766	-2.08	-5.29
AUD/USD	0.6714	0.6591	0.6548	-0.65	-2.47
EUR/USD	1.0904	1.1734	1.1646	-0.75	6.80
USD/YEN	149.6334	147.8207	151.2511	-2.32	-1.08
USD/CNH	7.1024	7.1243	7.1270	-0.04	-0.35
FJD/USD	0.4477	0.4426	0.4404	-0.50	-1.63

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

TALA* per foreign currencies (month average)

	Oct-24	Sept-25	Oct-25	Sept-25 (%)	Oct-24 (%)
USD/TALA	2.7399	2.7707	2.7926	-0.79	-1.92
NZD/TALA	1.6676	1.6313	1.6100	1.31	3.45
AUD/TALA	1.8392	1.8261	1.8285	-0.13	0.58
EUR/TALA	2.9873	3.2509	3.2520	-0.03	-8.86
Nom Index	99.6902	100.2142	100.2594	0.05	0.57
FJD/TALA	1.2266	1.2263	1.2299	-0.29	-0.26
TALA/YEN	54.6057	53.3494	54.1613	1.52	-0.82
TALA/CNH	2.5922	2.5713	2.5521	-0.74	-1.57

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



The US dollar strengthened due to:

- A series of favourable economic data releases from the US, including strong consumer confidence and positive inflation figures, supported the U.S. dollar throughout October.
- Market sentiment remained positive, driven by optimism surrounding a potential trade agreement between the US and China.
- The Federal Reserve implemented a 25-basis-point rate cut as expected; however, Chairman Powell indicated that an additional cut in December is not a foregone conclusion.



The EUR depreciated vs USD on:

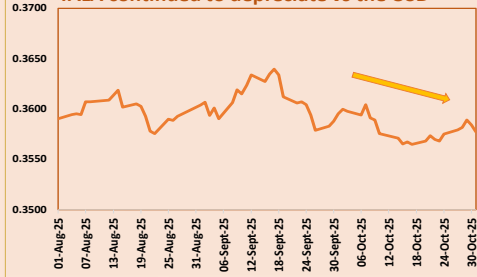
- A combination of a stronger U.S. dollar, relative policy timing, shifting risk and technical dynamics, political uncertainty, and expectations of further U.S. interest rate cuts continued to support demand.
- At its October meeting, the European Central Bank (ECB) kept its key interest rates unchanged for the third consecutive meeting.



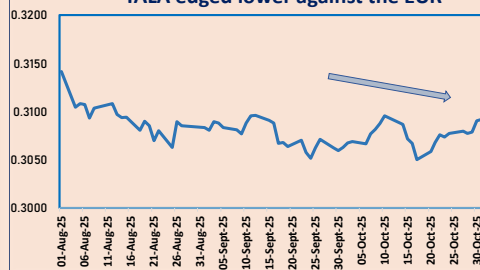
The AUD slipped against the USD:

- A series of unfavourable economic releases, including weaker household sentiment and signs of softness in the labour market, weighed on the Australian dollar.
- Markets reduced their expectations of near-term rate cuts by the Reserve Bank of Australia (RBA) amid ongoing inflationary pressures.
- The RBA kept its policy rate unchanged, reaffirming its data-dependent and cautious approach.

TALA continued to depreciate vs the USD



TALA edged lower against the EUR



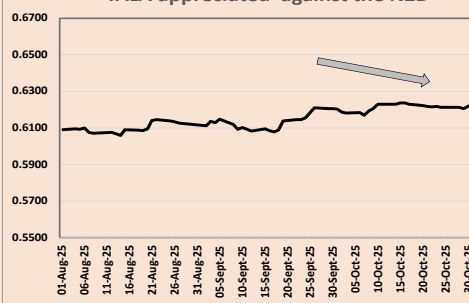
TALA slightly declined against the AUD



NZD dropped against USD following:

- A strengthening US dollar, coupled with a dovish stance from the Reserve Bank of New Zealand (RBNZ) and weaker inflation data, weighed on the New Zealand dollar throughout October.
- The RBNZ reduced its Official Cash Rate by 50 basis points to 2.50%.
- The larger-than-expected cut reflected concerns over a soft domestic economy, subdued business confidence, and elevated living costs.

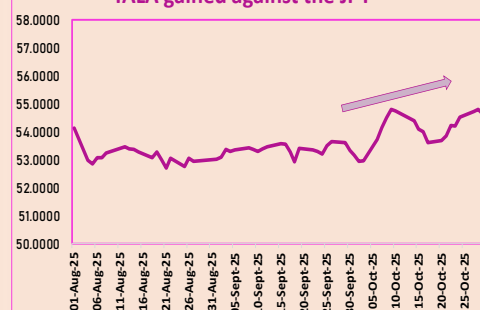
TALA appreciated against the NZD



JPY fell short versus the USD due to

- Political developments, including the election victory of Sanae Takaichi, raised market expectations of more expansionary fiscal policies in Japan, exerting downward pressure on the yen.
- The yield differential between U.S. and Japanese government bonds widened further, favouring the U.S. dollar over the yen.

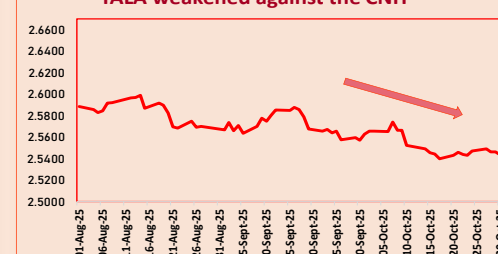
TALA gained against the JPY



CNH edged lower vs. the USD

- A series of weak economic releases from China, including a flat CPI indicating subdued household demand and a continued decline in PPI reflecting weak upstream activity, weighed on sentiment.
- Ongoing trade tensions with the United States further undermined the yuan.
- While the People's Bank of China (PBOC) maintained a measured policy approach, analysts noted that it appeared willing to allow a gradual depreciation of the currency.

TALA weakened against the CNH



ECONOMIC & FINANCIAL FORECASTS

Policy Interest rate forecasts

	Actual (5 Nov 2025)	Dec 25	Mar 26	Jun 26	Sep 26	Dec 26
USA						
Fed Funds Rate	4.125	3.875	3.875	3.875	3.875	3.875
Australia						
RBA Cash Rate	3.60	3.35	3.10	2.85	2.85	2.85
New Zealand						
RBNZ Cash Rate	2.50	2.25	2.25	2.25	2.25	2.50
China						
PRC Loan Prime Rate	3.00	2.80	2.80	2.80	2.80	2.80
Euro-Area						
ECB Refinance Rate	2.00	2.00	1.75	1.75	1.75	1.75
United Kingdom						
BOE Base Rate	4.00	4.00	3.75	3.50	3.50	3.50

Exchange rate forecasts

	Actual (5 Nov 2025)	Dec 25	Mar 26	Jun 26	Sep 26	Dec 26	Mar 27
AUD/USD	0.6489	0.69	0.70	0.71	0.72	0.73	0.73
NZD/USD	0.5656	0.62	0.63	0.63	0.63	0.64	0.64
EUR/USD	1.1483	1.11	1.11	1.12	1.13	1.14	1.14
USD/JPY	153.6250	142	141	140	139	138	137
GBP/USD	1.3022	1.33	1.33	1.34	1.34	1.34	1.34
USD/CNH	7.1347	7.10	7.09	7.06	7.06	7.03	-

US economic indicators and outlook

	Mar25	Jun25	Sep25(f)	Dec25(f)	Mar26(f)	Jun26(f)	Sep26(f)
GDP % qtr.	-0.5	3.3	3.1	0.5	0.6	1.0	1.2
%yr. annual change	2.0	2.1	2.1	1.6	1.9	1.3	0.8
Unemployment rate %	4.1	4.2	4.4	4.6	4.8	4.9	5.0
CPI % YoY.	2.7	2.6	3.0	3.2	3.2	3.0	2.8

Australian economic indicators and outlook

	Mar25	Jun25	Sep25(f)	Dec25(f)	Mar26(f)	Jun26(f)	Sep26(f)
GDP % qtr.	0.2	0.2	0.6	0.5	0.5	0.5	0.6
% Year end	1.3	1.0	1.2	1.5	1.9	2.2	2.2
Unemployment rate %	3.9	4.1	4.1	4.2	4.3	4.4	4.5
CPI % qtr.	1.0	1.0	0.2	0.3	0.6	0.9	1.1
Annual Change (%)	3.6	3.8	2.8	2.5	2.1	2.0	2.9

New Zealand economic indicators and outlook

	Mar25	Jun25	Sep25(f)	Dec25(f)	Mar26(f)	Jun26(f)	Sep26(f)
GDP % qtr.	0.1	-0.2	-0.2	0.3	0.4	0.6	0.6
Annual avg change	0.3	-0.2	-0.1	0.0	-0.1	0.3	0.9
Unemployment rate %	4.4	4.6	5.0	5.3	5.5	5.6	5.5
CPI % qtr.	0.6	0.4	0.6	0.4	0.5	0.3	0.9
Annual change (%)	4.0	3.3	2.2	2.1	1.9	1.8	2.1

Source: Westpac Economics Update (29 October 2025), Trading Economics

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