CBS

EXCHANGE RATE DEVELOPMENTS SEPTEMBER 2025

Highlights:

Policy Interest Rates	Current	Change (basis point)	Last Updated
Reserve Bank of NZ	**3.00%**	**no changes**	September 30, 2025
Reserve Bank of Australia	**3.60%**	**no changes**	September 30, 2025
US Federal Reserve	**4.00% - 4.25%**	**-0.25**	September 17, 2025
European Central Bank	**2.15%**	**no changes**	September 11, 2025
Bank of England	**4.00%**	**no changes**	September 18, 2025

Commodity Prices	Average Price (USD)	Change	Prev Month
crude oil (US$/bbl)	$66.38	$2.53	$68.91
whole milk (US$/t)	$3,790.00	$246.00	$4,036.00

USD* per other currencies (month average)

	Sep-24	Aug-25	Sept-25	Aug-25 (%)	Sept-24 (%)
NZD/USD	0.6222	0.5899	**0.5889**	-0.19	-5.36
AUD/USD	0.6766	0.6482	**0.6591**	1.68	-2.59
EUR/USD	1.1101	1.1628	**1.1734**	0.91	5.70
USD/YEN	143.2395	147.7231	**147.8207**	-0.07	-3.20
USD/CNH	7.0836	7.1836	**7.1243**	0.82	-0.57
FJD/USD	0.4518	0.4425	**0.4426**	0.02	-2.04

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

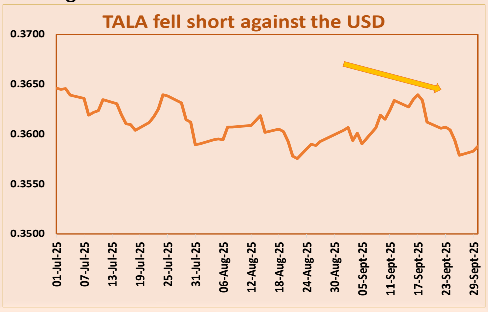
Tala* per foreign currencies (month average)

	Sep-24	Aug-25	Sept-25	Aug-25 (%)	Sept-24 (%)
USD/TALA	2.7183	2.7796	**2.7707**	0.32	-1.93
NZD/TALA	1.6911	1.6398	**1.6313**	0.52	3.54
AUD/TALA	1.8391	1.8018	**1.8261**	-1.34	0.71
EUR/TALA	3.0175	3.2320	**3.2509**	-0.59	-7.73
Nom Index	**99.6527**	**100.2177**	**100.2142**	**0.00**	**0.56**
FJD/TALA	*1.2282*	*1.2300*	***1.2263***	*0.31*	*0.15*
TALA/YEN	*52.6950*	*53.1443*	***53.3494***	*0.39*	*1.23*
TALA/CNH	*2.6061*	*2.5843*	***2.5713***	*-0.51*	*-1.35*

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

The US dollar softened due to:

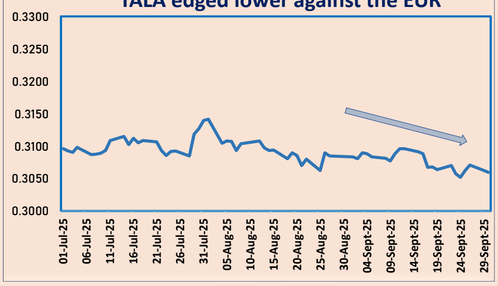
- A string of unfavourable economic releases out of the United States such as the weak domestic data (rising unemployment claims and softer jobs growth).
- The Fed cut its benchmark federal funds rate by 25 basis points (0.25%) lowering the target range from 4.25%-4.50% to 4.00%-4.25%.
- Concerns over potential U.S government shut down
- Despite easing, the Fed's tone was somewhat cautious, characterizing it as a "risk management" cut.



TALA fell short against the USD

The EUR appreciated vs USD on:

- A series of improving data out of the Eurozone such as positive inflation, robust composite PMI, and Germany's 2025 economic growth revised upwards to a forecast 0.2% from 0%.
- The ECB's projected economic growth of 1.2% for 2025, an upward revision suggesting a modest recovery in the Eurozone.
- The ECB emphasized its data-dependent approach.



TALA edged lower against the EUR

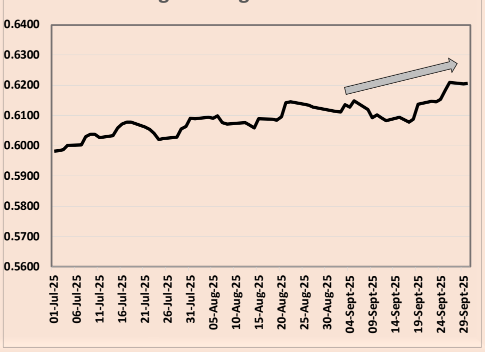
The AUD gained against the USD:

- Given the softening US dollar along with favourable developments for the Australian economy.
- As a cautious RBA policy stance saw its cash rate maintained at 3.60%. This decision was influenced by persistent inflation risks and strong economic indicators.

TALA slipped against the AUD

NZD dropped against USD following:

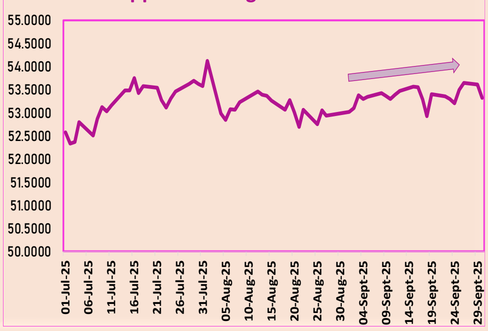
- A sequence of disappointing economic releases out of New Zealand such as a 0.9% contraction in real GDP for the June quarter, rising unemployment and unfavourable shifts in consumer sentiment.
- While no immediate rate change occurred, market expectations indicated potential further cuts.



TALA gained against the NZD

JPY fell short versus the USD due to

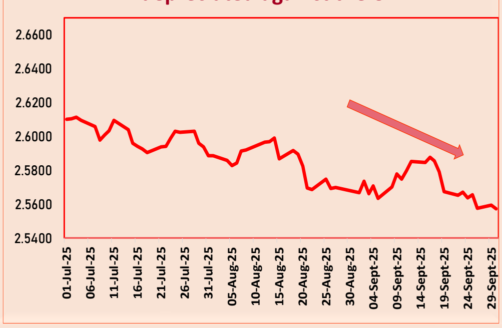
- Global uncertainties such as U.S. tariffs and political instability in Japan influenced investor sentiment and currency movement.
- Japan's manufacturing sector experienced its sharpest decline in six months from 49.7 to 48.5. The BOJ's decision regarding interest rates will be watched.



TALA appreciated against the JPY

CNH edged higher vs. the USD

- A combination of domestic policy measures, global economic shifts, and investor sentiment.
- To bolster investment amid economic challenges, China announced the deployment of 500 billion Yuan in policy-based financial tools.
- The PBoC maintained it one-year LPR at 3.00% and five-year LPR at 3.50%



TALA depreciated against the CNH

ECONOMIC & FINANCIAL FORECASTS

Policy Interest rate forecasts

	Actual (03 Oct 2025)	Dec 25	Mar 26	Jun 26	Sep 26	Dec 26
USA						
Fed Funds Rate	4.125	4.125	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	3.00	2.50	2.50	2.50	2.50	2.50
China						
PBOC Loan Prime Rate	3.00	2.80	2.80	2.80	2.80	2.80
Euro-Area						
ECB Refinance Rate	2.00	1.75	1.75	1.75	1.75	1.75
United Kingdom						
BOE Base Rate	4.00	3.75	3.50	3.50	3.50	**3.50**

Exchange rate forecasts

	Actual (03 Oct 2025)	Dec 25	Mar 26	Jun 26	Sep 26	Dec 26	Mar 27
AUD/USD	0.6599	0.68	0.69	0.70	0.71	0.71	0.72
NZD/USD	0.5822	0.59	0.60	0.61	0.62	0.62	0.63
EUR/USD	1.1725	1.18	1.19	1.19	1.20	1.20	1.21
USD/JPY	147.1750	145	143	141	139	137	135
GBP/USD	1.3450	1.36	1.36	1.37	1.37	1.37	1.37
USD/CNH	7.1310	7.11	7.09	7.06	7.11	-	**7.07**

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.	0.3	0.6	0.5	0.6	0.6	0.6	0.6
% Year end	1.4	1.8	1.9	1.9	1.9	2.2	2.4
Unemployment rate %	4.1	4.2	4.3	4.4	4.4	4.5	4.5
CPI % qtr.	0.9	0.7	1.1	0.2	0.7	0.8	0.6
Annual Change (%)	2.4	2.1	3.0	3.0	2.8	2.9	2.4

New Zealand economic indicators and outlook

	Mar25	Jun25	Sep25(f)	Dec25(f)	Mar26(f)	Jun26(f)	Sep26(f)
GDP % qtr.	0.9	-0.9	0.6	1.0	0.7	0.4	0.8
Annual avg change	-1.1	-1.1	-0.4	0.4	0.8	1.6	2.1
Unemployment rate %	5.1	5.2	5.3	5.3	5.2	5.0	4.8
CPI % qtr.	0.9	0.5	1.1	0.5	0.5	0.2	0.8
Annual change (%)	**2.5**	2.7	3.1	3.0	2.5	2.2	2.0

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

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

FINANCIAL MARKETS DEPARTMENT
03 October 2025