

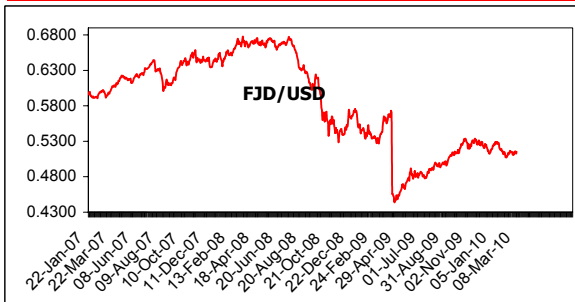
Monday, 8 March 2010

Financial Market Highlights

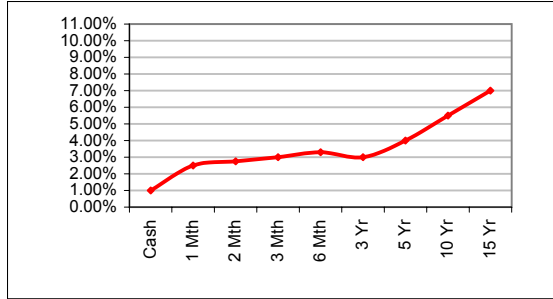


Interest Rates	%	Change	Last updated	Commodities	Latest	Change	Equities	Latest	Change
RBF Cash	4.25%	-		Gold (\$US)	\$1,133.80	2.80	KSPX	131.03	0.00%
RBA Cash	4.00%	0.25	2-Mar-10	Oil (WTI)	\$81.47	1.22	All Ords	4,773.40	15.80
RBNZ Cash	2.50%	0.00	28-Jan-10	CRB Index	276.90	2.00	Dow	10,566.20	122.10
US Fed Cash	0.25%	0.00	27-Jan-10				NZSX50	3,214.60	1.00

FOREIGN EXCHANGE



FIJI INTEREST RATES*



* Rates based on last relevant Treasury Note & Government Bond tender.

FX CURRENCY FORECASTS

	1 Month	2 Months	3 Months	6 Months
FJD/USD	0.5036	0.5023	0.5015	0.5050
FJD/AUD	0.5828	0.5841	0.5832	0.5805
FJD/NZD	0.7326	0.7387	0.7376	0.7214
FJD/JPY	44.81	44.21	44.64	46.80
AUD/USD	0.8642	0.8600	0.8600	0.8700
NZD/USD	0.6874	0.6800	0.6800	0.7000
USD/JPY	88.98	88.00	89.00	92.67
EUR/USD	1.3739	1.3800	1.3700	1.3700

Last updated: 10-Feb-10

FX FORWARDS POINTS*

	1 Month	2 Months	3 Months	6 Months
FJD/USD	-0.0024	-0.0051	-0.0076	-0.0142
FJD/AUD	-0.0015	-0.0035	-0.0053	-0.0100
FJD/NZD	-0.0022	-0.0042	-0.0074	-0.0143
FJD/JPY	-0.24	-0.46	-0.77	-1.49

* Indicative FX forward points for exporters only.

TT Sell Rates

	TT Sell Rates	Opening Levels
FJD/USD	0.5069	AUD/USD 0.9066
FJD/AUD	0.5551	NZD/USD 0.6961
FJD/NZD	0.7248	EUR/USD 1.3628
FJD/EUR	0.3719	USD/JPY 90.38
FJD/JPY	44.94	GBP/USD 1.5123
FJD/GBP	0.3366	

ECONOMIC DATA & EVENTS

9-Mar	Aust - Feb NAB Business Survey
10-Mar	Aust - Mar Consumer Confidence
11-Mar	US - Jan Trade Balance
12-Mar	US - Feb Retail Sales

MARKET COMMENTARY

The main event on Friday evening was the stronger than expected US payrolls report. Equities rallied on the news (S&P500 +1.4%, US banks +2.5%), as did commodities (CRB +0.8%, oil + 1.6%, copper+1.2%) and risk currencies, although the US dollar's reaction was mixed. US Treasury yields rose, the 2yr +4bp, the 10yr +8bp. Notably, US 3mth Libor maintained its crossover with JPY Libor, after sitting lower since August, and raises the profile of the yen as a funding currency. A late data release showed US consumer credit is stabilising. In weekend news, White house adviser (and former Fed hawk) Paul Volcker spoke against exiting monetary and fiscal stimulus while unemployment remained high. The meeting between the German Chancellor and the Greek PM produced nothing for markets. The US dollar initially spiked on the payrolls news from 80.60 to 80.90 but then slipped back to 80.40 for a modest loss on the day. EUR dipped to 1.3530 on payrolls, but closed a cent stronger. German factory orders were strong, and Greece worries are fading. Futures speculators reduced net shorts by around 10%. USD/JPY rose from 89.40 to 90.60, speculation rife the BoJ will consider further QE at the 16 March meeting. The USD weakened by 28points against the FJD, to open at 0.5069 this morning.

Rising production at a time of historically high prices is set to push the value of Australia's gold production through \$10 billion this year. Gold now vies with steaming coal exports as Australia's third-biggest export earner, behind iron ore and coking coal. AUD was already creeping higher pre-payrolls to 0.9030, surging later to 0.9100 and resting slightly lower. NZD also surged with payrolls to 0.6980, holding the gains. The AUD strengthened by 11points against the FJD to open at 0.5551 this morning.

The New Zealand dollar rose strongly after a report showed United States employers cut fewer jobs than expected last month, boosting hopes a US economic recovery is on track. The renewed optimism encouraged investors to buy stocks and high-yield currencies such as the NZ and Australian dollars. NZD's outperformance during the "risk on" session saw AUD/NZD fall from 1.3110 to 1.3020. The NZD strengthened by 51points against the FJD to open at 0.7248 this morning.

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