

Market Alert

Tuesday 2 September 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5904	0.0037
NZD/AUD	0.9007	0.0031
NZD/JPY	86.890	-1.06
NZD/EUR	0.5041	-0.0022
NZD/GBP	0.4358	0.0025
NZD/CNH	4.2117	-0.0263
AUD/USD	0.6553	0.0018
AUD/EUR	0.5595	-0.0045
EUR/USD	1.1712	0.0124
USD/CNH	7.1357	-0.0883
GBP/USD	1.3546	0.0004
EUR/GBP	0.8642	0.0087

INT RATES	NZ	Australia
OCR/Cash	3.00%	3.60%
90 day bills	3.00%	3.61%
2 year swap	2.85%	3.26%
10 year Govt	4.47%	4.43%

If anyone wants to see what a bloke who's been on a 24-hour bender looks like ...

They should have a look at last night's news ... as there were quite a few rugby players who looked like they hadn't seen a bed for a while! But well done to the Stags for beating an All Black laden Waikato team to take the Shield down south for the first time since 2011! Now ... time to start prepping for their first defence against Canterbury on Saturday! It will be worth a watch ...

With the US holiday ...

It was a lacklustre session overnight.

Currencies were largely unchanged, with the USD-index a smidge lower. This saw the NZD/USD reclaim the 0.5900 handle, AUD/USD move back above 0.6550, and

EUR/USD firm to 1.1715. It should also be noted that the NZD/AUD bounced to a high of 0.9032 late in our session yesterday, but has since eased back to 0.9005.

Concerns over the UK's ability to fund its deficit have seen the 10-year gilt hover around its 17-year high at 4.76%, while concerns in France have seen the 10-year French government bond yield rally to 3.54%, its highest level since mid-March, as political discord deepened over the country's budget plans.

European equity markets posted modest gains, in the 0.3%-0.5% range, while in commodity-land precious metals shone after silver traded above the USD40.00 level for the first time since 2011, with spot prices now up over 40% in 2025. It should also be noted that gold, platinum, and palladium prices have appreciated strongly this year.

In saying that, there were a few headlines.

- While the weekend's Chinese NBS manufacturing release saw PMIs remain in contractionary territory, the RatingDog manufacturing PMI index rose from 49.5 to 50.5 in August. It was the highest print since March and ahead of forecasts at 49.5. New orders posted their fastest gain in 5-months, while foreign sales recovered. Confidence also rose to a 5-month high.
- The Eurozone unemployment rate fell from 6.3% to 6.2% in July, which was in line with market expectations.
- UK net mortgage approvals rose to 65.3k in July, up from June's upwardly revised 64.5k.

• UK manufacturing PMIs printed at 47.0 in August, down from July's 6-month high at 48.0 and below the critical 50.0 mark for the 11th month in a row.

• According to the PM, Amazon Web Services are planning to invest NZD7.5bn into New Zealand. By all accounts, it will create up to a thousand jobs and contribute NZD11bn to GDP. I suspect that will generate a lot of NZD5m+ home sales for the Amazon management!

In the political corner ...

ECB President Christine Lagarde weighed in on the Jerome Powell and Lisa Cook debates, stating it's, "a very serious danger for the US economy and the world economy. If US monetary policy were no longer independent and instead dependent on the dictates of this or that person, then I believe that the effect on the balance of the American economy could, as a result of the effects this would have around the world, be very worrying, because it is the largest economy in the world."

US Treasury Secretary Scott Bessent also added his 2-cents' worth, stating, "Lisa Cook should be removed if allegations are true ... and she hasn't denied them! The Fed is independent, and it should remain that way, but it has made a lot of mistakes."

It must be in the genes ... or the chinos ... Charlie Woods, 16-year-old son of Tiger Woods, hit his 2nd hole-in-one in the last 8-months over the weekend! To provide a comparison, his dad's total is 10 holes-in-one!



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Daily Rates

Tuesday 2 September 2025

FX	Spot	FECs (mid)				Spot Mid	
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	68.10					CAD	0.8114 0.9009
NZD/USD	0.5904	0.0007	0.0019	0.0037	0.0063	CHF	0.4722 0.5246
NZD/AUD	0.9007	0.0005	0.0014	0.0031	0.0058	CNY	4.2126 4.6772
NZD/JPY	86.890	-0.19	-0.57	-1.06	-1.94	DKK	3.7608 4.1756
NZD/EUR	0.5041	-0.0004	-0.0013	-0.0022	-0.0043	FJD	1.3130 1.4578
NZD/GBP	0.4358	0.0004	0.0011	0.0025	0.0050	HKD	4.6016 5.1092
						KRW	822.16 912.85
AU TWI	60.60					MYR	2.4918 2.7667
AUD/USD	0.6553	0.0003	0.0010	0.0018	0.0026	NOK	5.8946 6.5448
AUD/NZD	1.1099	-0.0007	-0.0020	-0.0040	-0.0077	SEK	5.5419 6.1531
AUD/JPY	96.33	-0.27	-0.79	-1.51	-2.78	SGD	0.7577 0.8413
AUD/EUR	0.5595	-0.0008	-0.0023	-0.0045	-0.0085	TWD	18.07 20.06
AUD/GBP	0.4835	0.0001	0.0005	0.0011	0.0021	ZAR	10.40 11.54
USD Index	97.67					EQUITIES	
EUR/USD	1.1712	0.0022	0.0066	0.0124	0.0226		Index
USD/JPY	147.17	-0.49	-1.43	-2.71	-4.88	NZX50	13,070
GBP/USD	1.3546	0.0004	0.0007	0.0004	-0.0014	ASX200	8,928
EUR/GBP	0.8642	0.0014	0.0043	0.0087	0.0171	Dow Jones	45,545
USD/CNY	7.1376	-0.0185	-0.0449	-0.0836	-0.1590	S&P 500	6,460
						FTSE100	9,196
						DAX 30	24,037
						Nikkei	42,189
INTEREST RATES			New Zealand	Australia			
			Mid	Mid			
30 day bank bills			3.10%	3.60%			
90 day bank bills			3.00%	3.61%			
1 year swap			2.81%	3.33%			
2 year swap			2.88%	3.28%			
3 year swap			3.02%	3.35%			
5 year swap			3.32%	3.76%			
10 year swap			3.90%	4.22%			
3 year Govt bond			3.30%	3.43%			
5 year Govt bond			3.72%	3.70%			
10 year Govt bond			4.47%	4.43%			
						COMMODITIES	
							USD
						Brent Crude	68.16
						Gold	3,475.84
						Silver	41.22
						Iron Ore	104.26
						CRB Index	374.05
							NZD
						NZ Carbon	58.00

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