

Market Alert

Friday 10 October 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5739	0.0042
NZD/AUD	0.8767	0.0052
NZD/JPY	87.865	-0.84
NZD/EUR	0.4968	-0.0010
NZD/GBP	0.4320	0.0035
NZD/CNH	4.1390	-0.0158
AUD/USD	0.6544	0.0009
AUD/EUR	0.5665	-0.0046
EUR/USD	1.1551	0.0109
USD/CNH	7.1377	-0.0799
GBP/USD	1.3281	-0.0010
EUR/GBP	0.8693	0.0087
INT RATES	NZ	Australia
OCR/Cash	2.50%	3.60%
90 day bills	2.56%	3.63%
2 year swap	2.55%	3.41%
10 year Govt	4.22%	4.44%

That's an unusual sight at 6:45am!

Driving into work this morning, there were more than a few runners bounding the pavements, which is what you would expect in springtime ... I mean, we all want the beach bod don't we! As you would expect, there were a lot of young men, most of which wouldn't look out of place playing for the Blues, but here's the question ... why do all of them feel the need to not wear a t-shirt, especially at that time of the morning?

Despite the Federal shutdown ...

The US dollar continues to slowly grind higher, gaining another 0.7% overnight. To some extent, markets are looking beyond the current political

shenanigans with a general view that ... it's better to buy the USD, because everything else is rubbish! The USD continues to strengthen against the JPY following Sanae Takaichi's victory in the LDP leadership race, which has boosted expectations for increased fiscal spending, while the EUR remains under pressure following Friday's technical failure and amid political uncertainty in France following the PM's resignation.

Ultimately, the USD-index firmed to a 2-month high, which is pretty impressive given that last month coincided with the DXY reaching a 3.5-year low. It's a similar story for the NZD/USD which is at the bottom of its 0.5725-0.5850 range. Essentially, last night was all about the USD with the NZD and GBP falling 0.9%, the EUR and AUD falling 0.6%, while the JPY eased 0.3%.

Looking beyond the currency markets, treasury yields firmed with the 2-year gaining 1bps to 3.61%, while the 10-year firmed 3bps to 4.15%. Equity markets were broadly lower, most likely on profit taking, after the US exchanges reached new highs on the open, with most bourses now 0.3%-0.8% lower. Commodity markets sold off with oil and gold prices falling 2.0%, although silver was the standout performer, having, on a percentage return basis, out-performed gold this year having rallied 70%. The commodity weakness comes despite China tightening restrictions on rare earth and critical mineral exports.

In terms of the few releases, there were ...

The ECB minutes which highlighted the fact the members broadly agreed the current policy stance remains consistent with the 2.0% medium-term inflation target. The policymakers also agreed that the current level of interest rates is sufficiently robust to address potential shocks amid two-sided inflation risks.

The Fed's John Williams confirmed, *"I don't think the economy is on the verge of a recession. I would support further interest rate cuts."*

Japan LDP Leader Takaichi announced, *"I don't see an immediate need to revise the Government-BoJ joint agreement."*

Great to see that Isreal and Hamas are nearing an agreement for a permanent ceasefire, which may even lead to a certain Donald Trump receiving the Noble Peace price!



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Daily Rates

Friday 10 October 2025

FX	Spot	FECs (mid)				Spot Mid	
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	67.00					CAD	0.8049
NZD/USD	0.5739	0.0008	0.0022	0.0042	0.0074	CHF	0.4629
NZD/AUD	0.8767	0.0008	0.0025	0.0052	0.0103	CNY	4.0905
NZD/JPY	87.8650	-0.16	-0.47	-0.8430	-1.56	DKK	3.7083
NZD/EUR	0.4968	-0.0002	-0.0006	-0.0010	-0.0021	FJD	1.2866
NZD/GBP	0.4320	0.0005	0.0017	0.0035	0.0067	HKD	4.4640
						KRW	817.74
AU TWI	61.60					MYR	2.4176
AUD/USD	0.6544	0.0003	0.0006	0.0009	0.0007	NOK	5.7844
AUD/NZD	1.1403	-0.0011	-0.0034	-0.0070	-0.0146	SEK	5.4800
AUD/JPY	100.50	-0.28	-0.82	-1.57	-2.98	SGD	0.7458
AUD/EUR	0.5665	-0.0008	-0.0023	-0.0046	-0.0092	TWD	17.54
AUD/GBP	0.4925	0.0002	0.0005	0.0010	0.0014	ZAR	9.88
USD Index	99.53					EQUITIES	
EUR/USD	1.1551	0.0021	0.0059	0.0109	0.0197		Index
USD/JPY	153.09	-0.48	-1.40	-2.58	-4.66	NZX50	13,571
GBP/USD	1.3281	0.0001	-0.0001	-0.0010	-0.0034	ASX200	8,970
EUR/GBP	0.8693	0.0015	0.0045	0.0087	0.0170	Dow Jones	46,295
USD/CNY	7.1275	-0.0143	-0.0389	-0.0706	-0.1305	S&P 500	6,720
						FTSE100	9,509
INTEREST		New Zealand		Australia		DAX 40	24,611
RATES		Mid		Mid		Nikkei	48,580
30 day bank bills			2.65%		3.58%	COMMODITIES	
90 day bank bills			2.56%		3.63%		USD
1 year swap			2.41%		3.44%	Brent Crude	65.09
2 year swap			2.55%		3.41%	Gold	3,962.10
3 year swap			2.73%		3.46%	Silver	48.82
5 year swap			3.05%		3.63%	Iron Ore	104.29
10 year swap			3.67%		4.06%	CRB Index	371.97
3 year Govt bond			2.99%		3.58%		
5 year Govt bond			3.42%		3.80%		NZD
10 year Govt bond			4.22%		4.44%	NZ Carbon	56.00

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