

Market Alert

Tuesday 09 December 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5773	0.0038
NZD/AUD	0.8718	0.0059
NZD/JPY	89.910	-0.86
NZD/EUR	0.4960	-0.0011
NZD/GBP	0.4332	0.0030
NZD/CNH	4.0818	-0.0161
AUD/USD	0.6621	-0.0002
AUD/EUR	0.5688	-0.0052
EUR/USD	1.1638	0.0101
USD/CNH	7.0700	-0.0745
GBP/USD	1.3323	-0.0005
EUR/GBP	0.8733	0.0078
INT RATES	NZ	Australia
OCR/Cash	2.25%	3.60%
90 day bills	2.48%	3.74%
2 year swap	2.92%	3.92%
10 year Govt	4.55%	4.83%

Retraction, detraction, and an apology!

Following yesterday's Market Alert, we would like to extend a retraction and an apology for a comment. The comment, "it's time to start thinking about the second worst thing in the world ... Christmas shopping" was in fact incorrect. As was mentioned by more than one person last night ... while the Christmas shopping has been completed in our household, I haven't actually done any of it!

And on a positive note ... this morning I received a 'Best wishes and season's greetings' from an Italian bank in Japan ... wow ... I must be getting famous!

But while I may be famous

... my fame has done little to generate any interest in financial markets. Last night

was yet another dull session with little of note to report on, but hopefully we'll have some excitement this afternoon with the RBA.

The main headline overnight saw China's trade surplus top a record USD1 trillion in the first 11 months of the year ... despite a deepening slump in shipments to the US. In November, China recorded a trade surplus of USD111.7bn following on from October's USD90.7bn. Exports grew 5.9% amid a rebound of exports to the EU, while imports remained sluggish, growing 1.9%.

The other headlines...

- The New York Fed's inflation expectations survey saw little change after the one-year-ahead median inflation expectation remained at 3.2%, while the three- and five-year-ahead horizons stayed at 3.0%.
- The final Q3 GDP print for Japan saw growth get revised even lower, contracting 2.3% on an annualised basis against the preliminary 1.8% shrinkage.
- Japan posted a current account surplus of JPY2,833bn, up 15.5% from a year earlier, although it was below forecasts at JPY3,109bn. Meanwhile, labour earnings continue to underpin wage inflation, growing 2.6% in October, above forecasts at 2.2%.
- German industrial production increased 1.8% in October, a positive bounce from September's downwardly revised 1.1%.

ECB board member Isabel Schnabel confirmed she is, "comfortable with market bets that the ECB's next policy move could be a rate increase. Risks to both growth and inflation are now tilted to the upside. The updated economic projections in December may be revised higher."

BoE member Alan Taylor was also on the newswires, stating, "The foot is on the brake a little bit still (although) wage inflation and services inflation is coming down."

The meaning of it all?

Not much. The highlight in markets last night was the US Treasury's USD58bn issuance of 3-year notes ... at a high yield of 3.614%. The yield at the time of the auction was 3.622% with a bid to cover ratio of 2.64X so, all up, it was a successful auction in what was a broader 'sell-theme' with the 2 and 10-year yields falling 2bps and 3bps to 3.59% and 4.17%. FX markets were quiet with the NZD/USD continuing to flatline at the 0.5775 level, while the USD-index remains at the 99.00 level.

Equity markets were marginally lower, falling 0.3%-0.5%, as were commodities markets, although oil was hit particularly hard, falling over 2.0%, amid signs of weaker demand. And that's all for today folks!



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Daily Rates

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FX	Spot	FECs (mid)				Spot Mid	
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	66.90					CAD	0.7995 0.9173
NZD/USD	0.5773	0.0007	0.0020	0.0038	0.0061	CHF	0.4654 0.5341
NZD/AUD	0.8718	0.0010	0.0028	0.0059	0.0119	CNY	4.0807 4.6810
NZD/JPY	89.9100	-0.20	-0.45	-0.8600	-1.75	DKK	3.7028 4.2482
NZD/EUR	0.4960	-0.0003	-0.0006	-0.0011	-0.0029	FJD	1.2867 1.4763
NZD/GBP	0.4332	0.0006	0.0016	0.0030	0.0049	HKD	4.4898 5.1511
						KRW	848.06 972.97
AU TWI	62.10					MYR	2.3719 2.7212
AUD/USD	0.6621	0.0001	0.0001	-0.0002	-0.0024	NOK	5.8458 6.7068
AUD/NZD	1.1467	-0.0014	-0.0038	-0.0081	-0.0163	SEK	5.4258 6.2249
AUD/JPY	103.13	-0.35	-0.85	-1.69	-3.40	SGD	0.7487 0.8590
AUD/EUR	0.5688	-0.0009	-0.0025	-0.0052	-0.0111	TWD	17.99 20.64
AUD/GBP	0.4968	0.0001	0.0002	0.0000	-0.0012	ZAR	9.83 11.27
USD Index	99.08					EQUITIES	
EUR/USD	1.1638	0.0021	0.0052	0.0101	0.0180		Index
USD/JPY	155.75	-0.54	-1.33	-2.52	-4.58	NZX50	13,486
GBP/USD	1.3323	-0.0001	-0.0003	-0.0005	-0.0018	ASX200	8,624
EUR/GBP	0.8733	0.0016	0.0041	0.0078	0.0148	Dow Jones	47,658
USD/CNY	7.071	-0.0153	-0.0385	-0.0725	-0.1312	S&P 500	6,838
						FTSE100	9,645
INTEREST		New Zealand		Australia		DAX 40	24,046
RATES		Mid		Mid		Nikkei	50,582
30 day bank bills			2.41%		3.60%	COMMODITIES	
90 day bank bills			2.48%		3.74%		USD
1 year swap			2.58%		3.80%	Brent Crude	62.41
2 year swap			2.92%		3.92%	Gold	4,185.14
3 year swap			3.16%		4.00%	Silver	57.95
5 year swap			3.50%		4.20%	Iron Ore	107.24
10 year swap			4.03%		4.55%	CRB Index	382.53
3 year Govt bond			3.42%		4.09%		
5 year Govt bond			3.89%		4.30%		NZD
10 year Govt bond			4.55%		4.83%	NZ Carbon	40.33

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