

Market Alert

Thursday 15 January 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5744	0.0037
NZD/AUD	0.8600	0.0060
NZD/JPY	91.005	-0.80
NZD/EUR	0.4935	-0.0009
NZD/GBP	0.4278	0.0028
NZD/CNH	4.0273	-0.0133
AUD/USD	0.6678	-0.0004
AUD/EUR	0.5738	-0.0051
EUR/USD	1.1637	0.0096
USD/CNH	6.9713	-0.0674
GBP/USD	1.3426	-0.0002
EUR/GBP	0.8664	0.0072

INT RATES	NZ	Australia
OCR/Cash	2.25%	3.60%
90 day bills	2.50%	3.79%
2 year swap	2.91%	3.95%
10 year Govt	4.50%	4.82%

That's not a bad day at the office!

Sydney amateur tennis player Jordan Smith has lived out a real-life David-versus-Goliath dream to win AUD1m in a 'One Point Slam,' defeating the likes of Carlos Alcaraz, Jannik Sinner, and Alexander Zverev in a sudden death contest. And a big shout out to Daryl Mitchell, who hit 131 last night as the Black Caps defeated India in the 2nd ODI.

Bond markets perked back into life as traders re-assessed the potential magnitude of FOMC rate cuts this year, which saw the 2-year yield ease back 2bps to 3.52% while the 10-years fell 4bps to 4.14%. FX markets were quiet with little movement, while equity markets extended their losses amid pessimistic signals from the US banks during their reporting seasons and fresh tech sector selling. Commodity markets

were broadly higher, with silver rallying a further 6.5% while copper futures jumped 1.25% to a new record high as supply-side risks continued to dominate sentiment.

Looking at the key overnight releases:

- US producer price inflation rose 0.2% in November, up from October's 0.1% in October and in line with expectations. Core PPI was flat, below forecasts of a 0.2% increase. On an annual basis, both headline and core producer inflation climbed to 3.0%, exceeding expectations.
- US retail sales rose 0.6% in November. It was the largest gain since July, recovering from October's revised 0.1% decline and exceeding forecasts of a 0.4% increase.
- China's exports increased by 6.6% in the year to December, surpassing expectations at 3.0% and accelerating from a 5.9% rise in November. With imports flat, it saw China post a record USD1.189trn trade surplus in 2025,
- The NZ commodity index fell 1.2% in December driven by a 5.3% decline in dairy prices while butter prices plummeted 16.9%, but on a positive note meat and wool prices hit record levels for a 4th month. In NZD terms, the news was even more pessimistic, falling 3.9%.

In the Fed corner, Raphael Bostic announced, "Inflation remains significantly above target levels. The labour market has weakened, but it's not clearly weak. There is a continuing need for restrictive interest rate policy settings." Colleague Neel Kashkari added, "The tariffs have been less

damaging than anticipated, but the long-term effects remain uncertain. The economy remains resilient, defying expectations, with a K-shaped recovery. Inflation is still too high, but it is moving in the right direction." Finally, Philadelphia Fed President Anna Paulson stated, "Monetary policy is a little restrictive right now. I see further rate cuts later this year if forecasts are met. I am cautiously optimistic inflation will move back to target to be around 2.0% by year-end."

The World Bank lifted its 2026 global growth outlook from 2.4% to 2.6%, before edging up to 2.7% in 2027. Despite the improved near-term outlook, the bank also warned the global economy is on track for its weakest decade of growth since the 1960s.

The US and the UK are evacuating personnel from their military bases in the Middle East as Trump threatens to escalate tensions with Iran. Trump also announced, "Anything less than US control of Greenland is unacceptable." Interestingly, Denmark has recently boosted its military presence in Greenland.

Well, that was a smack on the wrist!

NZ Foreign Affairs Minister Winston Peters rebuked RBNZ Governor, Anna Breman, after she joined forces with other central bank heads in throwing their support behind Fed Chair Jerome Powell. Minister Peters posted on X, "The RBNZ has no role, nor should it involve itself, in US domestic politics. We remind the Governor to stay in her New Zealand lane and stick to domestic monetary policy."



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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	66.20					CAD	0.7965 0.9264
NZD/USD	0.5744	0.0007	0.0020	0.0037	0.0059	CHF	0.4594 0.5345
NZD/AUD	0.8600	0.0010	0.0029	0.0060	0.0122	CNY	4.0040 4.6559
NZD/JPY	91.0050	-0.14	-0.39	-0.8046	-1.63	DKK	3.6861 4.2870
NZD/EUR	0.4935	-0.0001	-0.0004	-0.0009	-0.0027	FJD	1.2994 1.5112
NZD/GBP	0.4278	0.0005	0.0015	0.0028	0.0045	HKD	4.4769 5.2067
						KRW	840.85 977.92
AU TWI	62.50					MYR	2.3232 2.7019
AUD/USD	0.6678	0.0000	0.0000	-0.0004	-0.0030	NOK	5.7723 6.7133
AUD/NZD	1.1624	-0.0014	-0.0040	-0.0085	-0.0169	SEK	5.2849 6.1464
AUD/JPY	106.31	-0.28	-0.81	-1.67	-3.37	SGD	0.7395 0.8600
AUD/EUR	0.5738	-0.0008	-0.0024	-0.0051	-0.0112	TWD	18.12 21.07
AUD/GBP	0.4972	0.0001	0.0001	-0.0003	-0.0019	ZAR	9.44 10.98
USD Index	99.13					EQUITIES	
EUR/USD	1.1637	0.0017	0.0049	0.0096	0.0178		Index
USD/JPY	158.44	-0.43	-1.22	-2.37	-4.42	NZX50	13,758
GBP/USD	1.3426	-0.0001	-0.0002	-0.0002	-0.0009	ASX200	8,821
EUR/GBP	0.8664	0.0013	0.0037	0.0072	0.0137	Dow Jones	49,032
USD/CNY	6.973	-0.0131	-0.0318	-0.0633	-0.1228	S&P 500	6,905
						FTSE100	10,184
INTEREST		New Zealand		Australia		DAX 40	25,286
RATES		Mid		Mid		Nikkei	54,341
30 day bank bills		2.41%		3.62%		COMMODITIES	
90 day bank bills		2.50%		3.79%			USD
1 year swap		2.63%		3.89%		Brent Crude	66.35
2 year swap		2.91%		3.95%		Gold	4,636.39
3 year swap		3.16%		4.02%		Silver	92.83
5 year swap		3.52%		4.21%		Iron Ore	107.90
10 year swap		4.07%		4.55%		CRB Index	384.86
3 year Govt bond		3.35%		4.13%			NZD
5 year Govt bond		3.82%		4.32%		NZ Carbon	35.10
10 year Govt bond		4.50%		4.82%			

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