

Market Alert

Wednesday 11 February 2026

CURRENCIES	Spot	6mths
NZD/USD	0.6044	0.0036
NZD/AUD	0.8547	0.0069
NZD/JPY	93.395	-0.79
NZD/EUR	0.5083	-0.0011
NZD/GBP	0.4429	0.0026
NZD/CNH	4.1778	-0.0192
AUD/USD	0.7071	-0.0015
AUD/EUR	0.5946	-0.0061
EUR/USD	1.1891	0.0095
USD/CNH	6.9136	-0.0718
GBP/USD	1.3642	0.0000
EUR/GBP	0.8713	0.0069
INT RATES	NZ	Australia
OCR/Cash	2.25%	3.85%
90 day bills	2.49%	3.99%
2 year swap	3.07%	4.24%
10 year Govt	4.56%	4.93%

Asian markets were a buzz of activity yesterday ...

with all of the action in currency markets!

First up, China strengthened its yuan mid-point to its highest level since May 2023 with its 6.9458 USD/CNY daily fixing. Then, the JPY strengthened after Finance Minister Katayama signalled an accelerated timetable to pass the budget and tax reforms, with the proposed food tax cuts and funding options now under discussion. This proactive approach gave the JPY a bump, with NZD/JPY initially falling through the 94.00 level, while AUD/JPY plummeted below 110.00. The overnight session added to the momentum following the weaker-than-expected US data with the USD/JPY falling to 154.50, the AUD/JPY dropping to 109.20, while the NZD/JPY has plummeted to 93.30. US Treasury yields also eased lower on the poor retail sales

release, with the 2-year yield falling 3bp to 3.47%, while the 10-year eased 6bp to 4.15%. Equity markets were mixed, ranging between -0.2% and +0.2%, while commodities were broadly lower with silver dropping 3.3%, gold easing 1.0%, and oil prices softening 0.5%.

Looking at the US releases ...

- Retail sales were unchanged in December, missing expectations for a 0.4% gain following November's 0.6% surge.
- Consumer delinquency rates rose to 4.8% in Q4, their highest level since 2017.
- Employment costs firmed 0.7% in Q4, the least since Q2 2021.
- Import prices remained at 0.1%.
- In Australia, consumer sentiment Index dropped further into negative territory on inflationary concerns, falling from -1.7% to -2.6% in February to record its 3rd consecutive monthly decline.
- Conversely, Australian business confidence inched up from 2 to 3 in January, its highest reading since October, although business conditions weakened from 9 to 7 on weaker sales.

Word on the street is that the Trump administration is set to repeal the 2009 "endangerment finding," a landmark scientific determination that provided the legal framework for US climate regulations. A 'roll-back' of these regulations would amount to the most significant reversal of climate regulation on record, and reshape the economic

outlook for energy, autos and clean-tech markets.

President Trump continued his attack on Fed Chair Jerome Powell, stating, "Powell is incompetent, but I'd question whether he's corrupt." Now I wouldn't say it was staged, but Trump was then asked if the probe into Powell was worth holding up the Warsh nomination, to which he replied, "I don't know ..." Could we be about to experience a TACO moment.

In the Fed Speak Corner

Stephen Miran announced, "we've seen no significant tariff-driven inflation so far," before adding, "Interest rates should be much lower than current levels."

Colleague Beth Hammack added, "Inflation is still too high, and tariff issues remain in play. There's a risk inflation could stick at 3.0% this year. The jobs market has stabilised into a low hire, low fire landscape. I expect inflation to ease as the year moves forward, but that's just a forecast. The current Fed target rate is in the vicinity of neutral. Rate policy could be on hold for quite some time."

Finally, Lorrie Logan added, "In the coming months, if inflation falls, and the labour market stays stable, no further rate cuts will be needed. I'm more worried about inflation remaining stubbornly high. The current policy stance may be very close to neutral. Last year's rate cuts were insurance against a cooling labour market but adds to the risk of inflation. Inflation has been above its 2.0% target for nearly 5-years; I'm not fully confident inflation is heading all the way back to 2.0%.

Daily Rates

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FX	Spot	FECs (mid)				Spot Mid	
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	68.40					CAD	0.8187
NZD/USD	0.6044	0.0006	0.0019	0.0036	0.0050	CHF	0.4642
NZD/AUD	0.8547	0.0009	0.0032	0.0069	0.0135	CNY	4.1761
NZD/JPY	93.3950	-0.14	-0.41	-0.7889	-1.65	DKK	3.7958
NZD/EUR	0.5083	-0.0002	-0.0005	-0.0011	-0.0033	FJD	1.3086
NZD/GBP	0.4429	0.0004	0.0014	0.0026	0.0039	HKD	4.7233
						KRW	880.40
AU TWI	65.20					MYR	2.3691
AUD/USD	0.7071	-0.0001	-0.0004	-0.0015	-0.0054	NOK	5.7550
AUD/NZD	1.1694	-0.0013	-0.0045	-0.0096	-0.0193	SEK	5.3759
AUD/JPY	109.92	-0.28	-0.88	-1.79	-3.63	SGD	0.7643
AUD/EUR	0.5946	-0.0009	-0.0028	-0.0061	-0.0132	TWD	19.03
AUD/GBP	0.5181	-0.0001	-0.0003	-0.0012	-0.0037	ZAR	9.64
USD Index	96.89					EQUITIES	
EUR/USD	1.1891	0.0016	0.0049	0.0095	0.0173	Index	
USD/JPY	154.53	-0.37	-1.15	-2.22	-3.97	NZX50	13,514
GBP/USD	1.3642	0.0000	0.0000	0.0000	-0.0013	ASX200	8,867
EUR/GBP	0.8713	0.0012	0.0035	0.0069	0.0133	Dow Jones	50,181
USD/CNY	6.9106	-0.0110	-0.0347	-0.0675	-0.1260	S&P 500	6,952
						FTSE100	10,354
INTEREST		New Zealand		Australia		DAX 40	24,988
RATES		Mid		Mid		Nikkei	57,651
30 day bank bills		2.41%		3.84%		COMMODITIES	
90 day bank bills		2.49%		3.99%		USD	
1 year swap		2.68%		4.13%		Brent Crude	68.66
2 year swap		3.07%		4.24%		Gold	5,011.99
3 year swap		3.34%		4.28%		Silver	80.75
5 year swap		3.68%		4.37%		Iron Ore	100.63
10 year swap		4.16%		4.64%		CRB Index	391.49
3 year Govt bond		3.51%		4.34%			
5 year Govt bond		3.97%		4.49%			
10 year Govt bond		4.56%		4.93%		NZ Carbon	41.45

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