

# Market Alert

Monday 23 February 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5974	0.0037
NZD/AUD	0.8446	0.0069
NZD/JPY	92.645	-0.78
NZD/EUR	0.5066	-0.0011
NZD/GBP	0.4431	0.0024
NZD/CNH	4.1109	-0.0196
AUD/USD	0.7065	-0.0015
AUD/EUR	0.5989	-0.0063
EUR/USD	1.1789	0.0097
USD/CNH	6.8952	-0.0750
GBP/USD	1.3474	0.0006
EUR/GBP	0.8741	0.0067

  

INT RATES	NZ	Australia
OCR/Cash	2.25%	3.85%
90 day bills	2.49%	4.04%
2 year swap	2.90%	4.23%
10 year Govt	4.38%	4.83%

## Well, that was a weekend for the history books ...

and I'm not even talking about Trump and his tariffs! We had friends visiting from Australia, and while I won't divulge too much about the details, the Aussies managed to delay the return flight after dropping 2 bottles of Johnny Walker Black from their overhead locker!

But back to the day job, and the weekend's tariff announcements. While the US Supreme Court ruled 6-3 that the President exceeded his authority with his tariff policies, the 'Donald' then announced he would raise global tariffs from 10% to 15%. Yeah .... I'm bored of it as well!

So far, the impact has been limited on the open with the USD a touch weaker from Friday's closes. The most interesting move on Friday was the weakening EUR and JPY, although the NZD and

AUD managed to close the session flat. US Treasury yields were a touch firmer with the 2-year 2bp higher at 3.48%, while the 10-year firmed 1bp to 4.09%. Interestingly, equity markets closed 0.5%-1.0% higher, while commodity prices rallied strongly with silver, gold and copper gaining 6.0%, 2.2% and 1.8% respectively, while oil prices firmed 0.1%.

## The US economy is slowing at a rapid pace ...

- After Q4 GDP grew by an annualised 1.4%, missing the forecast of 2.8% and well below Q3's 4.4%. This deceleration brought the 2025 full-year growth rate to 2.2%, down from 2024's 2.8%!
- US core PCE inflation printed at 0.4% for the month, pushing the annual rate to 2.9%, which was above the forecast 2.8%.
- US composite PMIs fell from 53.0 to 52.3 in February, the slowest pace of private-sector expansion since April 2025.
- Australian composite PMIs eased from 55.7 to 52.0 in February.
- Japanese manufacturing PMIs rose from 51.5 to 52.8 in February, although investors looking for an accelerated BoJ hiking cycle will be bitterly disappointed after annual inflation fell from 2.1% to 1.5% in January, its lowest level since March 2022. Core inflation also fell to 2.0%, a 2-year low.

US private credit fund Blue Owl permanently restricted investor withdrawals and sold down USD1.4bn of loans, with several market commentators

querying whether this was a potential 'canary-in-the-coal-mine' moment ahead of a run on private credit funds!

Hats off to Dr Breman, she has a communication plan, and she's sticking to it! Friday's speech saw the good Doctor talk about changing the focus on inflation, from a backward looking perspective, to a forward looking one, stating, "To achieve our inflation target, we need to look ahead to the future, while learning from the past and understanding the present. It takes time for the OCR to influence the economy and inflation. Therefore, we base our MPC decisions on a forecast of where inflation is heading, and not on where inflation is today." On the existing 3.1% inflation, Governor Breman added, "I want to stress that we are never comfortable having inflation outside our target range. But we must accept what has already happened, understand it, and then look ahead."

## The week ahead ...

will be dominated by US releases with producer prices, housing prices, consumer confidence, the Chicago Fed's activity index, and the Dallas and Richmond Fed's manufacturing indexes. In China, the PBoC will review its 1 and 5-year LPR settlements, while in Japan, attention will focus on industrial production, retail sales, housing starts, construction orders, and Tokyo inflation. Q4 GDP updates are expected from Canada and Switzerland, while inflation will be the focus in Australia and Germany, Australia will also update its capex and credit exposures. In New Zealand, we have Q4 retail sales, business confidence, and consumer confidence.



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# Daily Rates

Monday 23 February 2026

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	67.60					CAD	0.8167	0.9665
NZD/USD	0.5974	0.0006	0.0020	0.0037	0.0055	CHF	0.4632	0.5460
NZD/AUD	0.8446	0.0010	0.0033	0.0069	0.0144	CNY	4.1704	4.8860
NZD/JPY	92.6450	-0.13	-0.40	-0.7840	-1.59	DKK	3.7851	4.4794
NZD/EUR	0.5066	-0.0001	-0.0005	-0.0011	-0.0030	FJD	1.3164	1.5579
NZD/GBP	0.4431	0.0005	0.0013	0.0024	0.0040	HKD	4.6654	5.5212
						KRW	862.41	1020.59
AU TWI	64.90					MYR	2.3283	2.7554
AUD/USD	0.7065	-0.0001	-0.0005	-0.0015	-0.0055	NOK	5.6659	6.7052
AUD/NZD	1.1839	-0.0014	-0.0048	-0.0102	-0.0215	SEK	5.4044	6.3957
AUD/JPY	109.69	-0.27	-0.91	-1.81	-3.66	SGD	0.7559	0.8946
AUD/EUR	0.5989	-0.0009	-0.0030	-0.0063	-0.0138	TWD	18.78	22.23
AUD/GBP	0.5235	-0.0001	-0.0005	-0.0014	-0.0043	ZAR	9.57	11.32
USD Index	97.79					<b>EQUITIES</b>		
EUR/USD	1.1789	0.0016	0.0051	0.0097	0.0179		<b>Index</b>	
USD/JPY	155.08	-0.37	-1.18	-2.23	-4.01	NZX50	13,309	
GBP/USD	1.3474	0.0000	0.0003	0.0006	0.0002	ASX200	9,081	
EUR/GBP	0.8741	0.0012	0.0035	0.0067	0.0128	Dow Jones	49,626	
USD/CNY	6.908	-0.0122	-0.0368	-0.0705	-0.1295	S&P 500	6,910	
						FTSE100	10,687	
<b>INTEREST</b>			<b>New Zealand</b>		<b>Australia</b>	DAX 40	25,261	
<b>RATES</b>			Mid		Mid	Nikkei	56,826	
30 day bank bills			2.41%		3.84%	<b>COMMODITIES</b>		
90 day bank bills			2.49%		4.04%		<b>USD</b>	
1 year swap			2.60%		4.19%	Brent Crude	71.76	
2 year swap			2.90%		4.23%	Gold	5,103.49	
3 year swap			3.14%		4.25%	Silver	84.57	
5 year swap			3.47%		4.30%	Iron Ore	99.33	
10 year swap			3.97%		4.56%	CRB Index	391.84	
3 year Govt bond			3.30%		4.31%		<b>NZD</b>	
5 year Govt bond			3.76%		4.45%	NZ Carbon	43.00	
10 year Govt bond			4.38%		4.83%			

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