

Market Alert

Wednesday 25 February 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5968	0.0039
NZD/AUD	0.8452	0.0071
NZD/JPY	92.960	-0.77
NZD/EUR	0.5066	-0.0010
NZD/GBP	0.4418	0.0025
NZD/CNH	4.1059	-0.0195
AUD/USD	0.7060	-0.0015
AUD/EUR	0.5992	-0.0063
EUR/USD	1.1780	0.0098
USD/CNH	6.8786	-0.0760
GBP/USD	1.3506	0.0007
EUR/GBP	0.8720	0.0067

INT RATES	NZ	Australia
OCR/Cash	2.25%	3.85%
90 day bills	2.49%	4.04%
2 year swap	2.94%	4.18%
10 year Govt	4.38%	4.79%

Despite the cooling domestic economy,

the PBoC left its key LPR lending rates unchanged for the 9th consecutive month with the 1-year at 3.00% and the 5-year at 3.50%. While Beijing has attempted to stimulate the domestic economy through targeted measures, currency dynamics have complicated the policy outlook with the stronger CNY, aided in part by a softer USD. The firmer CNY will help contain imported inflation and capital outflow risks; it will also pose a challenge for exporters with a stronger currency eroding price competitiveness to what has been China's key driver of growth. And speaking of the CNY, USD/CNY is currently trading below the 6.8800 level, a 34-month low, on its reopening after the Lunar New Year.

But while the CNY is outperforming, the same can't be said for the JPY with the

USD/JPY spiking to a 2-week high at 155.75 after it was announced Japanese Prime Minister Sanae Takaichi voiced concerns about raising interest rates to BoJ Governor Kazuo Ueda during their 16-February meeting. Give it another couple of cents and the 'intervention talk' will be back on the agenda. The USD-index, AUD and NZD all flatlined but, as you would expect, are lower against the CNY and higher against the JPY.

The US Treasury auctioned off USD69bn of 2-year notes in what was a broadly well received auction, although it should be noted that domestic buyers were marginally higher than the six-month average, while international buyers were marginally lower. Beyond that, there was little excitement in bond markets with the 2-year yield 1bps higher at 3.47%, while the 10-year is flat at 4.04%.

Equity markets posted gains as they looked to recover from yesterday's losses with the European bourses up to 0.5% higher, while the US exchanges outperformed, rallying 0.8%-1.3%. Commodities were mixed with oil prices easing 0.5%, while iron ore continues to trade below the USD100 per tonne level.

To be honest, its no surprise markets were so quiet given the data releases were all 2nd tier ...

- US ADP employment, or private hiring, saw an average of 12,750 people hired per week in the four weeks ending 7-February, up from a revised 11,500 in the previous period.
- The S&P Case-Shiller 20-city home price index rose 1.4% in the year to December, matching November's pace.

- The Richmond Fed's composite manufacturing index fell to -10 in February from -6 in January. Forecasts had been at -8.
- US February consumer confidence surged from last month's 12-year low of 84.5 to 91.2.
- UK retail sales survey, which has been falling since mid-2023, fell to -43 in February from -17 in January, which was well below expectations at -16.

Speaking to the UK's Parliamentary Treasury Committee, BoE Governor Andrew Bailey stated he would be going into the central bank meeting "asking if a cut is justified." He then added, "Last week's headline inflation was pretty much where we thought we'd be although services prices inflation has not eased as much as we thought it would."

When is a change ... not a change?

When its at the RBA! The RBA's head of economic analysis, Michael Plumb, has talked down the importance of the upcoming change from quarterly CPI reporting to monthly CPI reporting, stating, "We will continue to focus on quarterly CPI data for forecasting. While we have also been analysing underlying inflation measures using monthly CPI, we remain focused on quarterly trimmed mean. Any change some way off. We aim to assess which underlying inflation measures from the monthly data will be preferred in a post-quarterly CPI world and will engage widely and communicate our thinking ahead of any decisions."



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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	67.50					CAD	0.8177	0.9674
NZD/USD	0.5968	0.0007	0.0020	0.0039	0.0056	CHF	0.4614	0.5460
NZD/AUD	0.8452	0.0010	0.0033	0.0071	0.0144	CNY	4.0997	4.8519
NZD/JPY	92.960	-0.12	-0.38	-0.7713	-1.63	DKK	3.7840	4.4772
NZD/EUR	0.5066	-0.0001	-0.0004	-0.0010	-0.0030	FJD	1.3014	1.5398
NZD/GBP	0.4418	0.0005	0.0014	0.0025	0.0040	HKD	4.6678	5.5228
						KRW	859.89	1017.40
AU TWI	65.10					MYR	2.3212	2.7463
AUD/USD	0.7060	-0.0001	-0.0004	-0.0015	-0.0054	NOK	5.7037	6.7484
AUD/NZD	1.1826	-0.0016	-0.0048	-0.0103	-0.0209	SEK	5.3962	6.3846
AUD/JPY	110.13	-0.28	-0.90	-1.84	-3.70	SGD	0.7557	0.8941
AUD/EUR	0.5992	-0.0009	-0.0029	-0.0063	-0.0135	TWD	18.72	22.15
AUD/GBP	0.5226	-0.0001	-0.0005	-0.0015	-0.0041	ZAR	9.52	11.27
USD Index	97.84					EQUITIES		
EUR/USD	1.1780	0.0016	0.0050	0.0098	0.0179		Index	
USD/JPY	155.76	-0.37	-1.18	-2.27	-4.15	NZX50	13,532	
GBP/USD	1.3506	0.0000	0.0003	0.0007	0.0002	ASX200	9,022	
EUR/GBP	0.8720	0.0011	0.0034	0.0067	0.0129	Dow Jones	49,224	
USD/CNY	6.883	-0.0123	-0.0362	-0.0708	-0.1294	S&P 500	6,892	
						FTSE100	10,681	
INTEREST		New Zealand	Australia			DAX 40	24,986	
RATES		Mid	Mid			Nikkei	57,321	
30 day bank bills		2.42%	3.86%			COMMODITIES		
90 day bank bills		2.49%	4.04%				USD	
1 year swap		2.61%	4.19%			Brent Crude	70.97	
2 year swap		2.94%	4.18%			Gold	5,156.89	
3 year swap		3.17%	4.19%			Silver	86.82	
5 year swap		3.49%	4.29%			Iron Ore	99.27	
10 year swap		3.96%	4.55%			CRB Index	390.86	
3 year Govt bond		3.33%	4.28%				NZD	
5 year Govt bond		3.77%	4.41%			NZ Carbon	46.75	
10 year Govt bond		4.38%	4.79%					

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