

Market Alert

Friday 27 February 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5977	0.0038
NZD/AUD	0.8418	0.0071
NZD/JPY	93.445	-0.79
NZD/EUR	0.5071	-0.0011
NZD/GBP	0.4437	0.0025
NZD/CNH	4.1068	-0.0201
AUD/USD	0.7100	-0.0016
AUD/EUR	0.6024	-0.0064
EUR/USD	1.1785	0.0100
USD/CNH	6.8435	-0.0764
GBP/USD	1.3468	0.0008
EUR/GBP	0.8747	0.0067

INT RATES	NZ	Australia
OCR/Cash	2.25%	3.85%
90 day bills	2.49%	4.04%
2 year swap	2.96%	4.20%
10 year Govt	4.39%	4.79%

International trends always eventually reach New Zealand

and they're not always the good ones! With up to 1,000 phones being stolen a day in the UK by men on bikes and scooters, I was surprised to see 2 young men wearing face masks while cycling around Auckland yesterday! If you live in the 'big smoke' I'd be keeping your mobile phone firmly in your pocket the next time you're walking the 'mean streets!'

The key macroeconomic impact from the last 24 hours ...

was the latest IMF update. The IMF sees 2026 US growth at 2.4% but warned against rising deficits and heighten debt vulnerabilities with total debt heading towards to 140% of GDP. Unemployment is projected to remain close to 4.0% through 2026-27, while core PCE

inflation is expected to reach the Fed's 2% target in early 2027. IMF Managing Director Kristalina Georgieva added US goods inflation has been "somewhat affected" by the tariffs, underscoring the lingering price impacts of trade policy even as broader inflation moderates.

Looking at the data releases:

- US initial claims rose by 4k to 212k last week against forecasts at 215k, signalling a resilient labour market, albeit one that is cooling. Continuing claims fell to a 4-week low of 1.833 million.
- Eurozone economic sentiment dropped slightly in February, with confidence easing to 98.3 in February, down from a three-year high of 99.3 in January.
- The Bank of Korea held its core interest rate settling at 2.50% and also introduced a Fed-style dot plot guidance. Of the dot plots, 16 of 21 dots sit at 2.50%, 4 dots were at 2.25%, implying scope for one cut, while 1 dot was at 2.75%.
- Australian private capital expenditure edged higher in the December quarter, delivering a modest 0.4% upside surprise, reinforcing the resilience of business investment heading into 2026.
- NZ businesses continued to generate positivity amid the economic recovery despite business confidence easing 5pips to 59.2 while the own-activity outlook improved slightly to 52.6. Wage expectations lifted to 3.01%, with inflation expectations also higher

at 2.93%. Pricing intentions eased marginally but remain high at 53%.

BoJ Governor Ueda reiterated the central bank will "Maintain its conditional tightening bias. The BoJ is not behind the curve. Interest rates will rise if the outlook materialises as planned. Underlying inflation is still below 2.0%, but inflation is expected to re-accelerate. The March and April meetings are live, although the JPY's weakness complicates the timing."

Financial markets predominately

spent last night's session trading water ... with a few ebbs and flows. Equity markets were mixed, with the European bourses 0.5%-1.0% higher, although the US exchanges were lower, with the NASDAQ down 1.0%, mainly driven by Nvidia sinking 5.0% despite their 'better-than-expected' results. Commodity prices are also a mixed of red and green, but there was a positive in that oil prices are a smidge lower amid the ongoing US-Iran talks.

FX markets saw minimal changes, with the USD-index a touch firmer, which took the shine of the NZD and AUD, although the JPY has staged a modest recovery following BoJ Governor Ueda's comments. In bond-land, while this week's 2- and 5-year Treasury auctions were met with below-average demand, this morning's 7-year auction saw marginally higher than average demand. Ultimately, Treasury yields are a smidge lower this morning, with the 2- and 10-years 2bps lower at 3.46% and 4.03% respectively.



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Daily Rates

Friday 27 February 2026

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	67.70					CAD	0.8178	0.9718
NZD/USD	0.5977	0.0008	0.0020	0.0038	0.0055	CHF	0.4628	0.5501
NZD/AUD	0.8418	0.0012	0.0034	0.0071	0.0142	CNY	4.0832	4.8478
NZD/JPY	93.445	-0.13	-0.41	-0.7943	-1.58	DKK	3.7875	4.5006
NZD/EUR	0.5071	-0.0001	-0.0005	-0.0011	-0.0030	FJD	1.2964	1.5405
NZD/GBP	0.4437	0.0005	0.0014	0.0025	0.0039	HKD	4.6744	5.5545
						KRW	856.32	1017.55
AU TWI	65.40					MYR	2.3195	2.7562
AUD/USD	0.7100	-0.0001	-0.0005	-0.0016	-0.0056	NOK	5.7137	6.7895
AUD/NZD	1.1873	-0.0018	-0.0049	-0.0103	-0.0211	SEK	5.4142	6.4336
AUD/JPY	110.91	-0.32	-0.93	-1.87	-3.77	SGD	0.7555	0.8977
AUD/EUR	0.6024	-0.0010	-0.0030	-0.0064	-0.0139	TWD	18.68	22.20
AUD/GBP	0.5269	-0.0001	-0.0005	-0.0016	-0.0046	ZAR	9.52	11.31
USD Index	97.89					EQUITIES		
EUR/USD	1.1785	0.0017	0.0051	0.0100	0.0181		Index	
USD/JPY	156.34	-0.42	-1.20	-2.29	-4.10	NZX50	13,671	
GBP/USD	1.3468	0.0001	0.0004	0.0008	0.0006	ASX200	9,175	
EUR/GBP	0.8747	0.0012	0.0035	0.0067	0.0127	Dow Jones	49,445	
USD/CNY	6.8409	-0.0128	-0.0368	-0.0709	-0.1291	S&P 500	6,889	
						FTSE100	10,847	
INTEREST		New Zealand		Australia		DAX 40	25,289	
RATES		Mid		Mid		Nikkei	58,753	
30 day bank bills		2.42%		3.86%		COMMODITIES		
90 day bank bills		2.49%		4.04%			USD	
1 year swap		2.62%		4.21%		Brent Crude	71.21	
2 year swap		2.96%		4.20%		Gold	5,186.16	
3 year swap		3.19%		4.22%		Silver	87.72	
5 year swap		3.51%		4.30%		Iron Ore	99.07	
10 year swap		3.97%		4.55%		CRB Index	392.58	
3 year Govt bond		3.33%		4.28%			NZD	
5 year Govt bond		3.78%		4.41%		NZ Carbon	44.95	
10 year Govt bond		4.39%		4.79%				

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