

Market Alert

Monday 9 February 2026

CURRENCIES	Spot	6mths
NZD/USD	0.6016	0.0037
NZD/AUD	0.8575	0.0069
NZD/JPY	94.480	-0.78
NZD/EUR	0.5085	-0.0010
NZD/GBP	0.4423	0.0026
NZD/CNH	4.1697	-0.0188
AUD/USD	0.7015	-0.0015
AUD/EUR	0.5929	-0.0061
EUR/USD	1.1828	0.0095
USD/CNH	6.9287	-0.0730
GBP/USD	1.3598	0.0000
EUR/GBP	0.8680	0.0068

INT RATES	NZ	Australia
OCR/Cash	2.25%	3.85%
90 day bills	2.49%	3.98%
2 year swap	3.07%	4.25%
10 year Govt	4.57%	4.93%

While we were enjoying the long weekend

financial markets were in turmoil after Silver had another mini meltdown on Thursday, before bouncing back strongly on Friday. The Thursday sell-off saw the precious metal fall from USD90.71 To USD70.63, before Friday's 10% recovery saw it close a smidge under the USD78.00 level. The key relevance for us was that the sell-off helped the USD-index rally, which led the NZD and AUD fall to lows at 0.5928 and 0.6897, before both recovered above the 0.6000 and 0.7000 handles.

Japanese PM Sanae Takaichi's decision to call a snap election appears to have consolidated her power base with her party, the LDP, on track to record one of its best ever election results, sailing past the 233 seats needed for a majority less than two hours after polls closed,

with the coalition expected to deliver a supermajority of two-thirds of seats in parliament's lower house. But while everyone likes political clarity, Takaichi's policies have weakened the JPY, which has opened even lower this morning with the USD/JPY at 157.25, AUD/JPY jumping to 110.30, while NZD/JPY is at 94.50.

The moves also sparked some interest in buying US Treasuries with the 2 and 10-year yields easing to 3.50% and 4.22%. Equity markets staged a broad-based comeback after last week's bruising tech selloff with the European bourses 0.5%-1.0% higher, while the US exchanges surged 2.0%-2.5%.

Looking at the recent headlines

The University of Michigan's US consumer sentiment index rose for a 3rd consecutive month firming by 0.9 pips to 57.3 in February, ahead of expectations at 55.0.

Chinese FX reserves increased by USD41.2bn to USD3.4trn in January.

Following on from the ECB's 'on hold' decision, President Christine Lagarde suggested, "*We are in a good place ... and inflation is in a good place. The economy continues to show good resilience in a difficult global environment,*" but warned, "*Further friction in international trade could disrupt supply chains, reduce exports, and weaken consumption and investment.*"

It was a lot closer with the BoE who, after a 5-4 vote, also left its cash rate unchanged which led Deputy Governor Sarah Breen to confirm, "*The significant*

amount of evidence since December has led to a finely balanced decision," while colleague Dave Ramsden was more clear, stating, "*I see risks to the latest central projection for inflation as now tilted to the downside. I judge that policy should be less restrictive in order to meet the 2.0% target sustainably in the medium term.*"

Fed President Mary Daly announced, "*I am leaning towards more cuts in 2026, although it's hard to say if it's one or two. To cut, you'd need to be more confident on inflation or see a more challenging labour market. I would be comfortable holding for longer if inflation picks up.*"

The week ahead

This week is slightly unusual in that we have the delayed US non-farms payrolls, unemployment and average hourly earnings reports, and the CPI releases which impact both sides of the Federal Reserve's dual mandate. We also have retail sales and employment costs data from the US. It is a busy week in the UK with Q4 GDP, industrial production, trade, and construction data. From the Eurozone we have the second estimate of GDP after the preliminary reading of 0.3%, unemployment, and German wholesale sales.

In Asia, it will be an eventful week headlined by the fall-out from this weekend's snap election in Japan, while we also have Chinese CPI, Australian business and consumer confidence, New Zealand manufacturing PMIs and immigration data.



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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	68.30					CAD	0.8209 0.9574
NZD/USD	0.6016	0.0006	0.0019	0.0037	0.0053	CHF	0.4666 0.5427
NZD/AUD	0.8575	0.0010	0.0032	0.0069	0.0140	CNY	4.1651 4.8559
NZD/JPY	94.4800	-0.13	-0.41	-0.7822	-1.63	DKK	3.8025 4.4347
NZD/EUR	0.5085	-0.0001	-0.0005	-0.0010	-0.0033	FJD	1.3130 1.5313
NZD/GBP	0.4423	0.0005	0.0014	0.0026	0.0040	HKD	4.6995 5.4808
						KRW	880.21 1026.54
AU TWI	64.30					MYR	2.3729 2.7674
AUD/USD	0.7015	-0.0001	-0.0004	-0.0015	-0.0055	NOK	5.7952 6.7587
AUD/NZD	1.1653	-0.0014	-0.0046	-0.0098	-0.0201	SEK	5.4172 6.3178
AUD/JPY	109.28	-0.28	-0.90	-1.82	-3.69	SGD	0.7643 0.8914
AUD/EUR	0.5929	-0.0009	-0.0028	-0.0061	-0.0134	TWD	19.01 22.18
AUD/GBP	0.5157	-0.0001	-0.0003	-0.0012	-0.0039	ZAR	9.64 11.25
USD Index	97.68					EQUITIES	
EUR/USD	1.1828	0.0016	0.0049	0.0095	0.0175		Index
USD/JPY	157.06	-0.38	-1.18	-2.25	-4.05	NZX50	13,444
GBP/USD	1.3598	-0.0001	0.0000	0.0000	-0.0009	ASX200	8,709
EUR/GBP	0.8680	0.0012	0.0036	0.0068	0.0131	Dow Jones	50,116
USD/CNY	6.9388	-0.0116	-0.0356	-0.0683	-0.1293	S&P 500	6,932
						FTSE100	10,370
						DAX 40	24,721
						Nikkei	54,254
INTEREST		New Zealand		Australia		COMMODITIES	
RATES		Mid		Mid			USD
30 day bank bills		2.42%		3.84%		Brent Crude	68.05
90 day bank bills		2.49%		3.98%		Gold	4,959.94
1 year swap		2.66%		4.17%		Silver	77.98
2 year swap		3.07%		4.25%		Iron Ore	100.11
3 year swap		3.34%		4.29%		CRB Index	389.40
5 year swap		3.68%		4.36%			NZD
10 year swap		4.17%		4.65%		NZ Carbon	37.75
3 year Govt bond		3.50%		4.34%			
5 year Govt bond		3.97%		4.49%			
10 year Govt bond		4.57%		4.93%			

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