

# Market Alert

Wednesday 04 March 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5889	0.0038
NZD/AUD	0.8372	0.0074
NZD/JPY	92.870	-0.82
NZD/EUR	0.5073	-0.0012
NZD/GBP	0.4412	0.0027
NZD/CNH	4.0744	-0.0207
AUD/USD	0.7032	-0.0018
AUD/EUR	0.6057	-0.0068
EUR/USD	1.1607	0.0100
USD/CNH	6.9190	-0.0789
GBP/USD	1.3344	0.0001
EUR/GBP	0.8695	0.0072

  

INT RATES	NZ	Australia
OCR/Cash	2.25%	3.85%
90 day bills	2.49%	4.04%
2 year swap	2.97%	4.23%
10 year Govt	4.43%	4.86%

## What actually is the endgame here ...

because from what we're seeing ... no-one seems to have an idea! we suspect that's why we've seen the reaction we have overnight, with the war continuing for a 4th day and Israel launching new airstrikes against Tehran and Beirut, while Iran retaliated with strikes against countries including Qatar, Bahrain and Oman.

President Trump justified the attacks stating, "Based on the way the talks were going, we felt strongly Iran was going to attack first." On regime change, the President added, "We would like to see somebody in there that's better," adding, "There was another hit today on the new leadership", referencing the targeted attack on those voting to appoint the new Ayatollah. Finally, he added, "You could have high oil prices for a little while, but I

expect prices to drop as soon as the Iranian action ends."

On the threat of an expansion to a wider war amongst the Gulf states, and for the first time in modern warfare, Iranian drones struck three Amazon data centres in the Middle East, marking a major escalation in the targeting of civilian infrastructure!

Once again, the USD-index was the beneficiary of safe haven flows firming a further 0.5%, although the AUD played 'catch-up'. After valiantly holding the 0.7100 level yesterday, the AUD/USD capitulated overnight falling to a low of 0.6945 before bouncing back to 0.7050. The NZD was also hit hard dropping to a 0.5836 low overnight, although it has popped back to 0.5890 as I type.

In amongst the volatility, the US 10-year Treasury yield rose nearly 6bp to 4.10%, although it has since eased back to be just 1bp higher at 4.05%. Amid the selling of treasury bonds, the 2-year yield is 2bp higher at 3.50%.

Oil prices firmed a further 5.0% after Iraq started stopping oil production at its Rumaila field while there was a fire at the UAE's Fujairah oil hub. An Iranian official also warned it would "burn any ship" attempting to transit the Strait of Hormuz, although Saudi oil giant Aramco said it may start exporting crude via the Red Sea. European natural gas prices surged 48%, before paring more than half of the gains to close 22% higher, after the world's largest LNG exporting plant in Qatar shutdown. Silver prices plummeted 7.0%, gold dropped 4.0%, while copper eased 1.5%.

With few signs of de-escalation, equity markets were a sea of red with the European bourses falling 3.0%, while the US exchanges are 1.0% lower.

## On a side note

there were some data releases ...

- Eurozone inflation increased from 1.7% to 1.9%. For potentially the last time, energy prices were negative but, most importantly, core inflation jumped from 2.2% to 2.4%.
- NZ building consents rose 1.9% in January.

Fed member Neel Kashkari confirmed what we all know, "The Iran war impact could have an impact on monetary policy." Colleague John Williams added, "While movements in oil prices do not fundamentally shift the US economy as they did 50-years ago, they do still influence the near-term inflation outlook. The market reaction to the Iran conflict has been muted so far (although) the increased uncertainty may also have an impact."

RBA Governor Michele Bullock signalled the March policy meeting would be "live" for a possible rate increase and that higher oil prices could reignite domestic inflationary pressures even further!

At least all the news isn't doom and gloom ... the overnight GDT auction produced another stellar result, climbing 5.7%. The increase marked the 5th consecutive gain, driven by broad-based strength across key dairy products. Skim milk powder led the advance with a 9.1% rise, butter surged 6.1%, while WMP firmed 4.5%.



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# Daily Rates

Wednesday 04 March 2026

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	67.40					CAD	0.8048	0.9612
NZD/USD	0.5889	0.0007	0.0020	0.0038	0.0057	CHF	0.4604	0.5501
NZD/AUD	0.8372	0.0011	0.0035	0.0074	0.0150	CNY	4.0482	4.8230
NZD/JPY	92.870	-0.16	-0.41	-0.8195	-1.62	DKK	3.7895	4.5257
NZD/EUR	0.5073	-0.0002	-0.0005	-0.0012	-0.0028	FJD	1.2867	1.5364
NZD/GBP	0.4412	0.0005	0.0014	0.0027	0.0045	HKD	4.5953	5.4882
						KRW	871.59	1040.93
AU TWI	65.80					MYR	2.3216	2.7727
AUD/USD	0.7032	-0.0001	-0.0006	-0.0018	-0.0058	NOK	5.7051	6.8136
AUD/NZD	1.1939	-0.0018	-0.0051	-0.0108	-0.0218	SEK	5.4589	6.5196
AUD/JPY	111.04	-0.34	-0.95	-1.96	-3.88	SGD	0.7520	0.8981
AUD/EUR	0.6057	-0.0011	-0.0032	-0.0068	-0.0142	TWD	18.66	22.29
AUD/GBP	0.5267	-0.0001	-0.0005	-0.0015	-0.0041	ZAR	9.74	11.63
USD Index	99.02					<b>EQUITIES</b>		
EUR/USD	1.1607	0.0018	0.0051	0.0100	0.0174		<b>Index</b>	
USD/JPY	157.71	-0.44	-1.23	-2.39	-4.21	NZX50	13,620	
GBP/USD	1.3344	0.0000	0.0001	0.0001	-0.0013	ASX200	9,077	
EUR/GBP	0.8695	0.0013	0.0037	0.0072	0.0134	Dow Jones	48,500	
USD/CNY	6.8996	-0.0128	-0.0375	-0.0757	-0.1353	S&P 500	6,829	
						FTSE100	10,484	
<b>INTEREST</b>		<b>New Zealand</b>	<b>Australia</b>			DAX 40	23,791	
<b>RATES</b>		Mid	Mid			Nikkei	56,279	
30 day bank bills		2.42%	3.86%			<b>COMMODITIES</b>		
90 day bank bills		2.49%	4.04%				<b>USD</b>	
1 year swap		2.63%	4.19%			Brent Crude	81.28	
2 year swap		2.97%	4.23%			Gold	5,116.61	
3 year swap		3.20%	4.28%			Silver	82.62	
5 year swap		3.53%	4.32%			Iron Ore	99.81	
10 year swap		3.99%	4.56%			CRB Index	404.26	
3 year Govt bond		3.37%	4.36%				<b>NZD</b>	
5 year Govt bond		3.82%	4.49%			NZ Carbon	43.80	
10 year Govt bond		4.43%	4.86%					

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