

Market Alert

Thursday 05 March 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5937	0.0037
NZD/AUD	0.8390	0.0072
NZD/JPY	93.255	-0.83
NZD/EUR	0.5106	-0.0011
NZD/GBP	0.4445	0.0026
NZD/CNH	4.0828	-0.0223
AUD/USD	0.7075	-0.0017
AUD/EUR	0.6084	-0.0066
EUR/USD	1.1627	0.0098
USD/CNH	6.8932	-0.0804
GBP/USD	1.3354	0.0003
EUR/GBP	0.8704	0.0071

INT RATES	NZ	Australia
OCR/Cash	2.25%	3.85%
90 day bills	2.49%	4.12%
2 year swap	2.99%	4.31%
10 year Govt	4.44%	4.86%

Regarding "Operation Epic Fury"

there have been a few interesting headlines this morning

- A container ship was hit while transiting the Gulf of Hormuz.
- An NYT article suggests Iran has reached out indirectly to the US to end the war, although Iranian authorities have denied this.
- Despite President Trump's plan to protect vessels in the Strait of Hormuz with insurance backstops from the administration and military escorts, Gulf insurance costs have soared 12-fold.
- Western officials claim Iran could be days from exhausting its ballistic missile supply, although the Pentagon also has concerns about its own stockpile.

So, at the end of the day ... what did it mean for financial markets?

The USD-index saw some profit taking, allowing the NZD and the AUD to outperform, which is unsurprising given they were the 'biggest losers' yesterday. The NZD/USD is back above 0.5925, while the AUD/USD firmed to 0.7075, which saw NZD/AUD reach 0.8385. US Treasury yields recorded their 3rd consecutive gain with the 2-year trading 3bp higher at 3.54%, while the 10-year gained 1bp to 4.08%.

Equity markets staged a modest recovery with the European and US exchanges 1.0% to 2.0% higher, although the Kospi (the South Korean exchange) suffered huge losses falling 18% in a two-day capitulation, wiping out USD625bn worth of market value. European natural gas futures dropped more than 9% overnight following their 60% surge over the prior two sessions, while oil prices are flat. Interestingly, in times of oil shocks, the oil rally, on average, tops out after 23-days, 27% higher.

Looking at the headlines

from financial markets ...

- US services PMIs climbed to 56.1 from January's 53.8. It was the fastest expansion since August 2022.
- US private businesses added 63k jobs in February, the most since July following January's revised 11k gain. Forecasts had been at 50k.
- The Fed's Biege book saw economic activity rise at a moderate pace in 7 of the 12 districts.

• Eurozone producer price inflation increased to 0.7% in January following December's 0.3% contraction.

• The Australian economy expanded 0.8% on the quarter and 2.6% on the year, ahead of the prior quarter's 2.1%, marking the 17th consecutive quarter of growth.

• China official manufacturing PMIs eased from 49.3 to 49.0. Non-manufacturing PMIs firmed to 49.5 from 49.4, which meant the composite contracted, from 49.8 to 49.5

• New Zealand's Q4 terms of trade surged from Q3's -2.1% to 3.7%.

• The White House submitted its nomination of Kevin Warsh for Fed Chair to the Senate.

Goldman Sachs CEO David Solomon said financial markets have had a surprisingly "*benign*" reaction to the Iran war, while Fed Cleveland President Beth Hammack said it was too early to gauge the economic impact of the Iran war and backed holding interest rates steady for, "*quite some time.*"

But let's forget about all of the above as ...

it's been a pretty good 24-hours for NZ sport! First up, congratulations to Dave Rennie for getting the biggest job in NZ, and a hearty well done to the Black Caps after they qualified for the T20 World Cup final after Finn Allen smashed the fastest century in T20 World Cup history!



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Daily Rates

Thursday 05 March 2026

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	67.00					CAD	0.8108	0.9665
NZD/USD	0.5937	0.0007	0.0020	0.0037	0.0057	CHF	0.4627	0.5518
NZD/AUD	0.8390	0.0011	0.0035	0.0072	0.0145	CNY	4.0852	4.8747
NZD/JPY	93.255	-0.15	-0.43	-0.8337	-1.67	DKK	3.8132	4.5457
NZD/EUR	0.5106	-0.0002	-0.0006	-0.0011	-0.0029	FJD	1.2922	1.5404
NZD/GBP	0.4445	0.0005	0.0014	0.0026	0.0043	HKD	4.6397	5.5310
						KRW	867.90	1034.61
AU TWI	65.00					MYR	2.3372	2.7861
AUD/USD	0.7075	-0.0001	-0.0006	-0.0017	-0.0054	NOK	5.7161	6.8140
AUD/NZD	1.1917	-0.0016	-0.0051	-0.0106	-0.0214	SEK	5.4419	6.4871
AUD/JPY	110.40	-0.33	-0.98	-1.95	-3.87	SGD	0.7565	0.9019
AUD/EUR	0.6084	-0.0011	-0.0032	-0.0066	-0.0140	TWD	18.77	22.38
AUD/GBP	0.5296	-0.0001	-0.0005	-0.0015	-0.0042	ZAR	9.70	11.56
USD Index	98.86					EQUITIES		
EUR/USD	1.1627	0.0018	0.0052	0.0098	0.0178		Index	
USD/JPY	157.08	-0.43	-1.25	-2.37	-4.30	NZX50	13,531	
GBP/USD	1.3354	0.0000	0.0001	0.0003	-0.0005	ASX200	8,901	
EUR/GBP	0.8704	0.0013	0.0037	0.0071	0.0131	Dow Jones	48,798	
USD/CNY	6.8969	-0.0127	-0.0378	-0.0751	-0.1347	S&P 500	6,881	
						FTSE100	10,568	
INTEREST		New Zealand	Australia			DAX 40	24,205	
RATES		Mid	Mid			Nikkei	54,246	
30 day bank bills		2.42%	3.89%			COMMODITIES		
90 day bank bills		2.49%	4.12%				USD	
1 year swap		2.64%	4.27%			Brent Crude	81.13	
2 year swap		2.99%	4.31%			Gold	5,131.66	
3 year swap		3.23%	4.34%			Silver	83.34	
5 year swap		3.55%	4.42%			Iron Ore	99.57	
10 year swap		4.02%	4.65%			CRB Index	411.55	
3 year Govt bond		3.40%	4.36%				NZD	
5 year Govt bond		3.85%	4.48%			NZ Carbon	44.05	
10 year Govt bond		4.44%	4.86%					

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