

Market Alert

Wednesday 11 March 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5937	0.0036
NZD/AUD	0.8327	0.0075
NZD/JPY	93.750	-0.85
NZD/EUR	0.5108	-0.0012
NZD/GBP	0.4421	0.0027
NZD/CNH	4.0778	-0.0217
AUD/USD	0.7128	-0.0021
AUD/EUR	0.6132	-0.0069
EUR/USD	1.1621	0.0096
USD/CNH	6.8753	-0.0787
GBP/USD	1.3426	-0.0003
EUR/GBP	0.8654	0.0071

INT RATES	NZ	Australia
OCR/Cash	2.25%	3.85%
90 day bills	2.49%	4.12%
2 year swap	3.16%	4.37%
10 year Govt	4.62%	4.95%

Surely that can't be correct?

But it is ... yes, oil prices are down 10.5% after President Trump suggested the war was nearing its end, stating the US was, "very close to finishing" the "excursion," although US Defense Secretary Pete Hegseth later stated, "this is just the beginning!" Interestingly, in the President's first press conference since the war started, there was no mention of regime change.

Ultimately, the oil spike at the start of this week caused concern to the US administration, and since crude peaked at USD119.48 a barrel, the administration has ... lifted sanctions on Russian oil, suggested the US Navy could escort tankers through the Strait of Hormuz, while G7 ministers have pledged to release oil from strategic reserves if necessary. Crude is now trading at USD84.25, but this isn't over ... and we

should anticipate further volatility after Iran's Revolutionary Guards announced, "It is we who will determine the end of the war", while it's been reported Iran is taking steps to deploy mines in the Strait of Hormuz.

The Saudi Aramco CEO confirmed, "There is 180 million barrels of disruption so far. Almost 17% of total supply from the region goes through the Strait of Hormuz, so it is significant. Global inventories are already at a five-year low, we will see faster drawdowns. There would be catastrophic consequences for the oil market the longer the disruption goes on, and the more drastic the consequences will be for the global economy if so."

Goldman Sachs and Barclays warned sustained oil surge could push US inflation toward 3.0%.

But despite the oil and gas ructions, with TTF gas prices falling almost 20%, financial markets have been relatively quiet. FX markets are largely unchanged, although it should be noted NZD/AUD is at a new low at 0.8325 with AUD/USD back above 0.7100. US Treasury yields are higher with 2-year up 4bp and the 10-year 5bp higher at 3.59% and 4.15% respectively. European and Asian equity markets bounced higher, while the US exchanges are mixed.

Breaking the data down ...

US small business optimism fell for a 2nd consecutive month to 98.8 from January's 99.3.

China's trade data for January-February came in stronger than expected printing at USD213.6bn, well above forecasts at

USD179.6bn. In USD terms, exports rose 21.8% while imports rose 19.8%.

The Japanese final Q4 GDP revision resulted in a 0.3% print on the quarter and 1.3% on the year, although January household spending unexpectedly fell 1.0% from a year ago.

Australian business conditions held steady in February at +7, around its long-run average, although business confidence fell sharply to -1 from +4, its first negative reading in almost a year.

Australian consumer sentiment rose modestly in March increasing 1.2% to 91.6, breaking a 3-month run of declines.

Central bank thoughts on the conflict

RBA deputy governor, Andrew Hauser, stated, "The uncertainty over developments in Iran is extremely high. The recent data seems to have confirmed even more decisively that economy has limited spare capacity. There will be very genuine policy debate at the board meeting with arguments on both sides. The rise in oil prices is clearly an upside risk to our inflation projection, although a 5.0% peak for inflation probably looks a little on the pessimistic side."

ECB member Gediminas Šimkus confirmed, "A deeper crisis may have price and growth implications. We need to take the next decision based on the best information on the day of the meeting."

While colleague Madis Muller added, "We need to see if the energy price surge is transitory or not. We shouldn't rush into any decision. The probability that the next move is a rate hike has increased."



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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	0.8060	0.9679
NZD/USD	0.5937	0.0007	0.0020	0.0036	0.0053	CHF	0.4620	0.5549
NZD/AUD	0.8327	0.0011	0.0036	0.0075	0.0147	CNY	4.0751	4.8934
NZD/JPY	93.750	-0.16	-0.42	-0.8540	-1.78	DKK	3.8155	4.5817
NZD/EUR	0.5108	-0.0002	-0.0005	-0.0012	-0.0030	FJD	1.2896	1.5486
NZD/GBP	0.4421	0.0005	0.0015	0.0027	0.0043	HKD	4.6442	5.5768
						KRW	872.12	1047.25
AU TWI	65.50					MYR	2.3269	2.7942
AUD/USD	0.7128	-0.0002	-0.0007	-0.0021	-0.0062	NOK	5.7136	6.8610
AUD/NZD	1.2007	-0.0017	-0.0053	-0.0111	-0.0218	SEK	5.4390	6.5312
AUD/JPY	111.84	-0.34	-0.99	-2.03	-4.04	SGD	0.7552	0.9069
AUD/EUR	0.6132	-0.0011	-0.0033	-0.0069	-0.0141	TWD	18.85	22.64
AUD/GBP	0.5308	-0.0001	-0.0006	-0.0016	-0.0041	ZAR	9.66	11.60
USD Index	98.86					EQUITIES		
EUR/USD	1.1621	0.0018	0.0050	0.0096	0.0161		Index	
USD/JPY	157.91	-0.44	-1.23	-2.39	-4.34	NZX50	13,094	
GBP/USD	1.3426	0.0000	0.0000	-0.0003	-0.0019	ASX200	8,693	
EUR/GBP	0.8654	0.0013	0.0037	0.0071	0.0129	Dow Jones	47,864	
USD/CNY	6.8766	-0.0134	-0.0388	-0.0757	-0.1394	S&P 500	6,798	
						FTSE100	10,412	
INTEREST			New Zealand		Australia	DAX 40	23,969	
RATES			Mid		Mid	Nikkei	54,248	
30 day bank bills			2.42%		3.91%	COMMODITIES		
90 day bank bills			2.49%		4.12%		USD	
1 year swap			2.76%		4.31%	Brent Crude	88.65	
2 year swap			3.16%		4.37%	Gold	5,195.37	
3 year swap			3.43%		4.40%	Silver	88.22	
5 year swap			3.75%		4.47%	Iron Ore	102.90	
10 year swap			4.17%		4.68%	CRB Index	439.27	
3 year Govt bond			3.60%		4.53%		NZD	
5 year Govt bond			4.05%		4.63%	NZ Carbon	44.15	
10 year Govt bond			4.62%		4.95%			

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