

Market Alert

Wednesday 18 March 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5860	0.0036
NZD/AUD	0.8250	0.0077
NZD/JPY	93.190	-0.87
NZD/EUR	0.5078	-0.0011
NZD/GBP	0.4387	0.0029
NZD/CNH	4.0332	-0.0241
AUD/USD	0.7102	-0.0024
AUD/EUR	0.6154	-0.0070
EUR/USD	1.1539	0.0094
USD/CNH	6.8831	-0.0829
GBP/USD	1.3356	-0.0008
EUR/GBP	0.8638	0.0074

INT RATES	NZ	Australia
OCR/Cash	2.25%	4.10%
90 day bills	2.49%	4.23%
2 year swap	3.37%	4.48%
10 year Govt	4.72%	5.05%

RBA hikes again

The RBA increased its cash rate target by 25bps to 4.10% on Tuesday, the second hike in a row with a 5-4 vote in favour of the hike and interestingly 4 votes to keep the cash rate unchanged, implying it was a near balanced call. The statement revealed that the Monetary Policy Board considered the impact of higher fuel prices from the Middle East conflict, strong growth in the activity and prices of the housing market, and a material rise in inflation in the second half of 2025, with short-term measures of inflation expectations having already risen and the material risk that inflation will remain above target for longer than anticipated. The Board ended the statement by saying that they will “remain attentive to the data and pay close attention to developments in the global economy and financial markets,” with “monetary policy

well places to respond to developments.”

The hike saw the AUD/USD currency rise as expected, reaching a high of 0.7118 before slightly retreating to now sit at around 0.7100 level. Overall, this pair has been relatively stable in a 0.6975 to 0.7175 range through the conflict.

The rate hike was anticipated by households as the latest ANZ-Roy Morgan Consumer Confidence index revealed that Australian consumer confidence fell 4.9 points to 68.5 in March. This was the second-lowest reading ever, with the only lower occasion being in March 2020, the start of the of the COVID-19 pandemic when lockdowns were first introduced in Australia.

Food prices higher

The latest GDT price index rose by a meagre 0.1% overnight, with an average winning price of USD4,330m/t with AMF the biggest gainer and followed by SMP, up 6.4% and 5.2% respectively. Mozzarella was up by 0.5%, followed by Cheddar up 0.1%, with Lactose, Butter, and WMP down 0.3%, 0.9%, and 4.0% respectively. BMP was not offered at this auction.

New Zealand food prices rose by 4.5% in the 12 months to February 2026, up from 4.2% in the 12 months to January 2026, which was revised down from the previously published 4.6% as a result of human error from one of the supermarket data providers. Higher prices for meat, poultry and fish contributed the most to the annual increase, up 7.5%, followed by fruit and vegetables, up 9.4%. Worryingly

the average price of beef mince was now \$4.60 more than the same period in 2025 – a 23.2% increase for a basic staple of NZ households.

The NZD/USD rose to a high of 0.5861 overnight and currently remains around that level, while the NZD/AUD fell (albeit after a brief jump to 0.8291) following the RBA hike and is now testing a new 13-year low at 0.8250.

Rest of the world

Germany’s ZEW survey saw economic sentiment drop by a whopping 58.8 points in March to now sit at a reading of -0.5. The press release included the comment “The ZEW Indicator has collapsed. The escalation in the Middle East spikes energy prices and increases inflationary pressure.” Approximately 80% of survey responders expect inflationary pressures to build up in the eurozone. The EUR/USD rose overnight, reaching a high of 1.1547 and currently remaining near there, around the 1.1540 level.

Oil prices remain high, with WTI currently at 95.90 and Brent at 103.36. Both WTI and Brent are off their recent highs but remain in uptrends as the conflict in the Middle East continues. The USD-index fell overnight, going from a high of 100.15 to a now sit just below the 100.00 level at 0.99.80. The US 10-year Treasury yield retreated overnight to now sit at 4.20% and remains in its 4.00% -4.30% range, while the 2-year followed a similar pattern to now sit at 3.67%.



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Daily Rates

Wednesday 18 March 2026

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	66.80					CAD	0.8023	0.9727
NZD/USD	0.5860	0.0007	0.0020	0.0036	0.0054	CHF	0.4597	0.5574
NZD/AUD	0.8250	0.0012	0.0039	0.0077	0.0145	CNY	4.0260	4.8797
NZD/JPY	93.190	-0.16	-0.44	-0.8742	-1.82	DKK	3.7931	4.5985
NZD/EUR	0.5078	-0.0002	-0.0006	-0.0011	-0.0029	FJD	1.2782	1.5496
NZD/GBP	0.4387	0.0005	0.0015	0.0029	0.0048	HKD	4.5904	5.5653
						KRW	871.04	1056.01
AU TWI	65.90					MYR	2.2963	2.7840
AUD/USD	0.7102	-0.0003	-0.0010	-0.0024	-0.0063	NOK	5.6129	6.8049
AUD/NZD	1.2116	-0.0019	-0.0058	-0.0115	-0.0218	SEK	5.4352	6.5894
AUD/JPY	112.62	-0.36	-1.06	-2.12	-4.14	SGD	0.7475	0.9062
AUD/EUR	0.6154	-0.0012	-0.0036	-0.0070	-0.0141	TWD	18.66	22.62
AUD/GBP	0.5316	-0.0002	-0.0007	-0.0015	-0.0035	ZAR	9.76	11.83
USD Index	99.58					EQUITIES		
EUR/USD	1.1539	0.0018	0.0052	0.0094	0.0163		Index	
USD/JPY	159.02	-0.44	-1.28	-2.45	-4.48	NZX50	13,182	
GBP/USD	1.3356	0.0000	-0.0001	-0.0008	-0.0035	ASX200	8,614	
EUR/GBP	0.8638	0.0013	0.0039	0.0074	0.0140	Dow Jones	47,043	
USD/CNY	6.8863	-0.0137	-0.0409	-0.0783	-0.1465	S&P 500	6,719	
						FTSE100	10,404	
INTEREST			New Zealand		Australia	DAX 40	23,731	
RATES			Mid		Mid	Nikkei	53,700	
30 day bank bills			2.42%		4.00%	COMMODITIES		
90 day bank bills			2.49%		4.23%		USD	
1 year swap			2.83%		4.41%	Brent Crude	103.42	
2 year swap			3.37%		4.48%	Gold	5,003.20	
3 year swap			3.64%		4.53%	Silver	79.28	
5 year swap			3.93%		4.58%	Iron Ore	105.34	
10 year swap			4.34%		4.80%	CRB Index	460.24	
3 year Govt bond			3.75%		4.61%		NZD	
5 year Govt bond			4.19%		4.71%	NZ Carbon	41.00	
10 year Govt bond			4.72%		5.05%			

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