

# Market Alert

Wednesday 25 March 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5817	0.0036
NZD/AUD	0.8349	0.0077
NZD/JPY	92.445	-0.89
NZD/EUR	0.5021	-0.0008
NZD/GBP	0.4346	0.0034
NZD/CNH	4.0500	-0.0251
AUD/USD	0.6966	-0.0022
AUD/EUR	0.6013	-0.0065
EUR/USD	1.1583	0.0088
USD/CNH	6.8989	-0.0846
GBP/USD	1.3384	-0.0022
EUR/GBP	0.8652	0.0079

  

INT RATES	NZ	Australia
OCR/Cash	2.25%	4.10%
90 day bills	2.54%	4.33%
2 year swap	3.53%	4.64%
10 year Govt	4.88%	5.13%

## Looking at the latest Gulf related headlines ...

- Despite Trump's 5-day pause, Iran has reported an attack on a gas pipeline feeding a power station.
- Saudi Arabia and the UAE are losing patience with Iran, with Saudi Arabia signalling a potential shift toward direct military involvement while the UAE is targeting Iranian-linked financial assets.
- With 5k US troops already in the region, the US announced it will send another 3k paratroopers including the 101st and the 82nd.

While everyone is talking about oil, it should be remembered 46% of global urea is sourced directly from the Gulf region with the spot urea pricing surging 40%. Supply has also been constrained with China, which exports USD13bn of fertiliser annually, halting all exports to

protect its domestic supply while Qatar's state-owned producer has shut down its urea plant. Australia, which sources over 60% of its urea from the Middle East, expects its fertiliser stocks to run out by mid-April.

This morning oil prices are 3.8% higher with crude at USD91.50/bbl and WTI at USD103.65/bbl. Interestingly, the Omani contract has fallen from yesterday's USD160.00 to USD128.00. Interestingly, European gas prices have fallen 6.0% while the mid-cycle dairy auction saw a continuation of the recent trend with SMP higher and WMP lower.

In currency-land, yesterday the NZD remained elevated compared to its peers after the slightly hawkish comments from the RBNZ Governor, but overnight that trend was reversed as the USD-index recovered to be 0.25% higher on the session with the EUR and AUD outperforming. Currently, AUD/USD is 0.5% lower on the session at 0.6975 with the NZD/USD 0.6% lower at 0.5825. This saw the NZD/AUD eased back from the 0.8375 level to 0.8350.

## Looking at the data releases ...

- US flash composite PMIs fell to 51.4 in March from 51.9, the lowest level since April. Services growth weakened from 51.7 to 51.1, although manufacturing outperformed, jumping from 51.06 to 52.4.
- Australia manufacturing PMIs eased from 51.0 to 50.1 in March, although services PMIs fell to 46.6 from 52.8, which meant the composite fell to 47.0 from February's 52.4.

- Japanese annual inflation eased from 1.5% to 1.3% in February.
- Australian consumer confidence fell to its lowest since records began in 1973 as soaring petrol prices saw inflation expectations rise to an all-time high.

The RBNZ signalled it will largely look past a temporary spike in energy prices from the conflict, but warned rates could rise if inflation proves more persistent. Governor Anna Breman stressed that the duration of the shock is critical as policymakers needed to weigh the inflationary pressures against slower growth, stating, "A short-lived disruption and a temporary increase in petrol prices can - and should - be looked through... if unlikely to affect medium-term inflation." However, if higher energy costs begin to shape inflation expectations, "The appropriate policy response could be to increase interest rates to prevent these second-round effects." The Governor also flagged rising uncertainty for households and businesses, arguing that targeted fiscal support would be more effective than monetary policy in cushioning the impact.

The Fed's Mary Daly was more explicit stating, "There are two possible paths for the economy. In one, the conflict in the Middle East resolves quickly, oil and energy prices fall, and the impact on the U.S. economy is short-lived and muted. Under those circumstances, it would make sense to look through the temporary rise. But if the conflict becomes more protracted, with disruptions in energy supply and associated cost pressures, it increases the risks for higher inflation, slower growth, and a weaker labour market."



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# Daily Rates

Wednesday 25 March 2026

FX	Spot	FECs (mid)				Spot Mid	
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	66.90					CAD	0.8007 0.9589
NZD/USD	0.5817	0.0007	0.0019	0.0036	0.0057	CHF	0.4599 0.5509
NZD/AUD	0.8349	0.0013	0.0039	0.0077	0.0148	CNY	4.0082 4.8007
NZD/JPY	92.445	-0.16	-0.42	-0.8879	-1.94	DKK	3.7514 4.4931
NZD/EUR	0.5021	-0.0002	-0.0005	-0.0008	-0.0019	FJD	1.2780 1.5307
NZD/GBP	0.4346	0.0005	0.0016	0.0034	0.0063	HKD	4.5517 5.4517
						KRW	872.43 1044.93
AU TWI	65.00					MYR	2.2991 2.7537
AUD/USD	0.6966	-0.0003	-0.0009	-0.0022	-0.0057	NOK	5.6465 6.7630
AUD/NZD	1.1971	-0.0019	-0.0056	-0.0113	-0.0218	SEK	5.4362 6.5111
AUD/JPY	110.41	-0.36	-1.01	-2.07	-4.24	SGD	0.7443 0.8914
AUD/EUR	0.6013	-0.0012	-0.0033	-0.0065	-0.0129	TWD	18.57 22.24
AUD/GBP	0.5204	-0.0002	-0.0005	-0.0009	-0.0019	ZAR	9.92 11.88
USD Index	99.40					<b>EQUITIES</b>	
EUR/USD	1.1583	0.0018	0.0049	0.0088	0.0154		<b>Index</b>
USD/JPY	158.93	-0.44	-1.25	-2.48	-4.78	NZX50	12,702
GBP/USD	1.3384	-0.0001	-0.0005	-0.0022	-0.0066	ASX200	8,379
EUR/GBP	0.8652	0.0013	0.0039	0.0079	0.0156	Dow Jones	46,281
USD/CNY	6.8918	-0.0140	-0.0408	-0.0808	-0.1561	S&P 500	6,579
						FTSE100	9,965
<b>INTEREST</b>		<b>New Zealand</b>		<b>Australia</b>		DAX 40	22,637
<b>RATES</b>		Mid		Mid		Nikkei	52,252
30 day bank bills		2.43%		4.10%		<b>COMMODITIES</b>	
90 day bank bills		2.54%		4.33%			<b>USD</b>
1 year swap		2.96%		4.57%		Brent Crude	103.92
2 year swap		3.53%		4.64%		Gold	4,400.49
3 year swap		3.80%		4.68%		Silver	69.56
5 year swap		4.09%		4.70%		Iron Ore	106.00
10 year swap		4.46%		4.89%		CRB Index	443.27
3 year Govt bond		3.94%		4.77%			<b>NZD</b>
5 year Govt bond		4.36%		4.85%		NZ Carbon	42.00
10 year Govt bond		4.88%		5.13%			

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