

Market Alert

Thursday 26 March 2026

| CURRENCIES | Spot | 6mths |
|------------|--------|---------|
| NZD/USD | 0.5810 | 0.0036 |
| NZD/AUD | 0.8359 | 0.0078 |
| NZD/JPY | 92.625 | -0.86 |
| NZD/EUR | 0.5024 | -0.0008 |
| NZD/GBP | 0.4347 | 0.0033 |
| NZD/CNH | 4.0500 | -0.0244 |
| AUD/USD | 0.6950 | -0.0022 |
| AUD/EUR | 0.6008 | -0.0065 |
| EUR/USD | 1.1565 | 0.0089 |
| USD/CNH | 6.9036 | -0.0842 |
| GBP/USD | 1.3363 | -0.0019 |
| EUR/GBP | 0.8652 | 0.0078 |

| INT RATES | NZ | Australia |
|--------------|-------|-----------|
| OCR/Cash | 2.25% | 4.10% |
| 90 day bills | 2.54% | 4.34% |
| 2 year swap | 3.51% | 4.66% |
| 10 year Govt | 4.76% | 5.08% |

Well, Trump is negotiating ...

But the question is whether it is with the Iranians or himself!

Breaking the overnight headlines down ...

- Iran rejected a 15-point US truce proposal and countered with its own set of 5-conditions for ending the war.
- The US's 15-point plan stipulates that Iran dismantle its main nuclear facilities and use a reduced missile arsenal for self-defence only.
- The Islamic Republic's conditions include recognition of its authority over Hormuz, war reparations and guarantees that the US and Israel won't resume their attacks.
- Iran also warned it would mine the entire Persian Gulf if the US launches a ground invasion.
- Iran stated "non-hostile vessels" may transit the Strait with coordination.

Somewhat surprisingly, oil prices are trading 1.4% lower with crude at USD91.20, Brent at USD103.00, and the onshore Oman price last trading at USD111.50 but offered at USD188.15! It should also be noted that there is an investigation into some 'suspicious oil trades' ahead of Trump's announcement yesterday! Apart from European gas prices, which fell 3.7%, most commodities are trading higher with gold rallying 1.3% after Russian President Putin signed an order halting gold exports.

Bond yields are lower with US 2 and 10-year yields dropping 4bp to 3.89% and 4.33%, the USD-index gained 0.4% to be just under 99.50, which saw the NZD and AUD weaken 0.5% and 0.7% respectively. Equities are trading higher with the European bourses gaining 1.4%, while the US exchanges are 0.7% higher.

Looking at the data releases ...

- The US current account deficit narrowed to a seasonally adjusted USD190.7bn in Q4.
- US import prices rose 1.3%, the most since March 2022 and above expectations at 0.5%.
- Australia's headline inflation cooled to 3.7%, while Trimmed Mean inflation remained elevated at 3.3% in February.

The BoJ's January minutes reinforced a gradual but ongoing rate hiking bias. One member noted the only way to support the JPY was to raise rates in a timely and appropriate manner.

Fed member Michael Barr suggested interest rates may stay on hold "for some

time" as inflation and oil risks persist, while colleague Austin Goolsbee warned the conflict complicates the interest rate outlook and risks the central bank's inflation and growth mandates.

BoE chief economist Huw Pill warned central bankers cannot allow "the fog of uncertainty" to delay action in tackling a resurgence in inflation caused by the war.

RBNZ Chief Economist Paul Conway stated what we already know ... that NZ's inflationary impact and the cost of living is structurally higher than our OECD peers. The pandemic saw prices rise ~26%, while income growth struggled. He then added this will likely continue as growth risks rise and policy remains constrained. Rates will likely remain on hold despite weaker activity, with inflation uncertainty limiting easing expectations and increasing interest rate volatility.

The really important headlines ...

Hundreds of service stations across Australia have reported fuel shortfalls due to the war. At least 600 retail sites have run out of at least one type of fuel affecting about 10% of total outlets. The government will lower diesel standards for the next six months to bolster domestic supplies and has introduced legislation to double penalties for misleading conduct and cartel behaviour.

After 7-years away, Korean K-pop band BTS reunion concert drew a record 18.4m viewers globally. Netflix and Sid are very happy!



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Daily Rates

Thursday 26 March 2026

| FX | Spot | FECs (mid) | | | | Spot Mid | | |
|-------------------|--------|--------------------|---------|------------------|---------|--------------------|--------------|---------|
| | Mid | 1mth | 3mths | 6mths | 12mths | NZD/... | AUD/... | |
| NZ TWI | 66.70 | | | | | CAD | 0.8021 | 0.9598 |
| NZD/USD | 0.5810 | 0.0006 | 0.0019 | 0.0036 | 0.0058 | CHF | 0.4598 | 0.5503 |
| NZD/AUD | 0.8359 | 0.0012 | 0.0039 | 0.0078 | 0.0149 | CNY | 4.0078 | 4.7958 |
| NZD/JPY | 92.625 | -0.16 | -0.43 | -0.8606 | -1.87 | DKK | 3.7524 | 4.4903 |
| NZD/EUR | 0.5024 | -0.0003 | -0.0005 | -0.0008 | -0.0019 | FJD | 1.2768 | 1.5278 |
| NZD/GBP | 0.4347 | 0.0005 | 0.0016 | 0.0033 | 0.0061 | HKD | 4.5405 | 5.4332 |
| | | | | | | KRW | 872.23 | 1043.74 |
| AU TWI | 65.00 | | | | | MYR | 2.3011 | 2.7536 |
| AUD/USD | 0.6950 | -0.0003 | -0.0010 | -0.0022 | -0.0056 | NOK | 5.6278 | 6.7343 |
| AUD/NZD | 1.1959 | -0.0018 | -0.0056 | -0.0113 | -0.0218 | SEK | 5.4290 | 6.4965 |
| AUD/JPY | 110.79 | -0.35 | -1.03 | -2.06 | -4.18 | SGD | 0.7439 | 0.8902 |
| AUD/EUR | 0.6008 | -0.0012 | -0.0034 | -0.0065 | -0.0129 | TWD | 18.56 | 22.20 |
| AUD/GBP | 0.5199 | -0.0002 | -0.0006 | -0.0010 | -0.0021 | ZAR | 9.84 | 11.77 |
| USD Index | 99.56 | | | | | EQUITIES | | |
| EUR/USD | 1.1565 | 0.0017 | 0.0050 | 0.0089 | 0.0157 | | Index | |
| USD/JPY | 159.42 | -0.43 | -1.27 | -2.46 | -4.74 | NZX50 | 12,929 | |
| GBP/USD | 1.3363 | 0.0000 | -0.0005 | -0.0019 | -0.0058 | ASX200 | 8,534 | |
| EUR/GBP | 0.8652 | 0.0013 | 0.0040 | 0.0078 | 0.0153 | Dow Jones | 46,463 | |
| USD/CNY | 6.9011 | -0.0135 | -0.0412 | -0.0796 | -0.1555 | S&P 500 | 98 | |
| | | | | | | FTSE100 | 10,107 | |
| INTEREST | | New Zealand | | Australia | | DAX 40 | 22,957 | |
| RATES | | Mid | | Mid | | Nikkei | 53,750 | |
| 30 day bank bills | | 2.43% | | 4.10% | | COMMODITIES | | |
| 90 day bank bills | | 2.54% | | 4.34% | | | USD | |
| 1 year swap | | 2.96% | | 4.61% | | Brent Crude | 102.56 | |
| 2 year swap | | 3.51% | | 4.66% | | Gold | 4,539.37 | |
| 3 year swap | | 3.78% | | 4.63% | | Silver | 71.98 | |
| 5 year swap | | 4.06% | | 4.68% | | Iron Ore | 106.10 | |
| 10 year swap | | 4.42% | | 4.88% | | CRB Index | 454.06 | |
| 3 year Govt bond | | 3.83% | | 4.70% | | | NZD | |
| 5 year Govt bond | | 4.24% | | 4.77% | | NZ Carbon | 41.85 | |
| 10 year Govt bond | | 4.76% | | 5.08% | | | | |

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