

Market Alert

Friday 27 March 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5756	0.0036
NZD/AUD	0.8362	0.0078
NZD/JPY	91.985	-0.87
NZD/EUR	0.4995	-0.0008
NZD/GBP	0.4322	0.0032
NZD/CNH	4.0065	-0.0265
AUD/USD	0.6882	-0.0023
AUD/EUR	0.5971	-0.0064
EUR/USD	1.1523	0.0086
USD/CNH	6.9214	-0.0875
GBP/USD	1.3317	-0.0022
EUR/GBP	0.8649	0.0078

INT RATES	NZ	Australia
OCR/Cash	2.25%	4.10%
90 day bills	2.53%	4.34%
2 year swap	3.43%	4.61%
10 year Govt	4.77%	5.11%

Breaking down last night's key headlines ...

- After Iran rejected President Trump's push for peace talks, the President has threatened to further escalate the conflict.
- With rumours continuing to circulate that a ground offensive will launch over the weekend, Iran has been "building up defences" and "laying traps" on Kharg Island.
- Iranian President Pezeshkian clarified, "Iran seeks a complete end to the war and the achievement of security and stability in the region."
- Israel said it had eliminated an IRGC naval commander; Iran hasn't confirmed the death.
- Fars has reported Iran is drafting a law to charge vessels for safe passage through the Strait of Hormuz.

- European countries are discussing whether they are willing to join a joint coalition to keep the Strait of Hormuz open after the fighting stops.
- Trump criticised NATO for its refusal to support US military operations in Iran as a "test" of the alliance, adding he would "remember" their response.

Scepticism that the US and Iran will reach a ceasefire sent oil prices higher, with crude up 4.4% to USD94.30 while Brent surged 5.1% to USD107.50, although the Omani oil price collapsed to a USD106.70 mid-point after the mysterious bidder who drove the price up to USD170.00 was identified. Unsurprisingly, oil prices remain on pace to record their biggest monthly gain since 1990! Copper, gold and silver are all lower.

Following this week's 2 and 5-year Treasury auctions, that generated tails of 2.0bps and 1.3bps respectively, this morning's 7-year auction was slightly better with just a 0.3bps tail. But the facts are the facts, and no-one is going out of their way to buy Treasuries with yields continuing to grind higher ... this morning the 2-years is 10bps higher at 4.00%, and the 10-years is 9bps higher at 4.42%.

The USD has had a modest bounce gaining 0.3% to 99.75 with, as is usually the case these days, the NZD and AUD hit the hardest falling 0.8%. The other majors are 0.3% lower. Equities are a sea of red, down 1.0% - 2.0%.

Looking at the releases ...

- US initial jobless claims edged up to 210k from 205k, while continuing claims decreased from a revised

1,851k to 1,819k, a 2-year low.

- The Kansas City Fed's manufacturing index edged up from 10 to 11 in March.

The OECD has lifted its inflation forecasts for the G20 to an average 4.0% in 2026, up from December's 2.8%, with US inflation projected to reach 4.2%. Global growth is expected to hold at 2.9% in 2026 before rising slightly to 3.0% in 2027.

After leaving its cash rate at 4.0% overnight, the Norges Bank stated, "It will likely be appropriate to raise the policy rate at one of the forthcoming monetary policy meetings." Conversely, the Mexican Central Bank lowered its benchmark interest rate to 6.75% from 7.00% after a 3-2 vote.

EU lawmakers finally approved a trade deal with the US. The pact would erase levies on US industrial goods, while setting a 15% tariff ceiling for most EU products. ECB President Christine Lagarde confirmed, "We are facing a real shock. The markets are maybe overly optimistic. It may take years to restore the damage from the war."

BoE Board member Greene stated, "The BoE must weigh the inflation risks against the demand risks. It may take up to a year to judge the 2nd round effects."

BlackRock's Rob Kapito suggested investors may be underestimating the risks stemming from the war, warning global growth could be impacted by up to 2.0% should oil prices spike to USD150.

Goldmans CEO Lloyd Blankfein warned of a "fire risk" in private assets and credit suggesting a spark could trigger widespread write-downs.



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Daily Rates

Friday 27 March 2026

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	66.50					CAD	0.7969	0.9531
NZD/USD	0.5756	0.0006	0.0018	0.0036	0.0058	CHF	0.4577	0.5476
NZD/AUD	0.8362	0.0012	0.0038	0.0078	0.0154	CNY	3.9764	4.7559
NZD/JPY	91.985	-0.15	-0.43	-0.8714	-1.87	DKK	3.7306	4.4620
NZD/EUR	0.4995	-0.0002	-0.0005	-0.0008	-0.0018	FJD	1.2694	1.5182
NZD/GBP	0.4322	0.0004	0.0015	0.0032	0.0062	HKD	4.5032	5.3860
						KRW	867.80	1037.92
AU TWI	65.00					MYR	2.2970	2.7473
AUD/USD	0.6882	-0.0003	-0.0010	-0.0023	-0.0059	NOK	5.5805	6.6744
AUD/NZD	1.1957	-0.0017	-0.0055	-0.0113	-0.0224	SEK	5.4357	6.5013
AUD/JPY	110.65	-0.34	-1.01	-2.05	-4.19	SGD	0.7400	0.8850
AUD/EUR	0.5971	-0.0011	-0.0033	-0.0064	-0.0129	TWD	18.40	22.00
AUD/GBP	0.5165	-0.0002	-0.0005	-0.0009	-0.0020	ZAR	9.86	11.79
USD Index	99.95					EQUITIES		
EUR/USD	1.1523	0.0017	0.0048	0.0086	0.0151		Index	
USD/JPY	159.81	-0.43	-1.25	-2.47	-4.79	NZX50	12,977	
GBP/USD	1.3317	-0.0001	-0.0005	-0.0022	-0.0065	ASX200	8,526	
EUR/GBP	0.8649	0.0013	0.0039	0.0078	0.0146	Dow Jones	45,994	
USD/CNY	6.9107	-0.0138	-0.0408	-0.0813	-0.1593	S&P 500	6,484	
						FTSE100	9,972	
INTEREST			New Zealand		Australia	DAX 40	22,613	
RATES			Mid		Mid	Nikkei	53,604	
30 day bank bills			2.43%		4.10%	COMMODITIES		
90 day bank bills			2.53%		4.34%		USD	
1 year swap			2.92%		4.57%	Brent Crude	107.76	
2 year swap			3.43%		4.61%	Gold	4,380.73	
3 year swap			3.70%		4.60%	Silver	67.46	
5 year swap			3.97%		4.63%	Iron Ore	106.02	
10 year swap			4.33%		4.79%	CRB Index	457.52	
3 year Govt bond			3.83%		4.78%		NZD	
5 year Govt bond			4.25%		4.84%	NZ Carbon	42.30	
10 year Govt bond			4.77%		5.11%			

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