

Market Alert

Tuesday 21 April 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5891	0.0032
NZD/AUD	0.8204	0.0076
NZD/JPY	93.570	-0.88
NZD/EUR	0.4998	-0.0011
NZD/GBP	0.4352	0.0028
NZD/CNH	4.0141	-0.0288
AUD/USD	0.7179	-0.0028
AUD/EUR	0.6090	-0.0070
EUR/USD	1.1786	0.0090
USD/CNH	6.8146	-0.0858
GBP/USD	1.3531	-0.0015
EUR/GBP	0.8707	0.0074

INT RATES	NZ	Australia
OCR/Cash	2.25%	4.10%
90 day bills	2.54%	4.38%
2 year swap	3.38%	4.55%
10 year Govt	4.64%	5.03%

"War is the unfolding of miscalculations."

With the countdown clock ticking toward Wednesday's end of the ceasefire, there are a few conflicting reports as to whether there will be further negotiations or not. The US announced JD Vance would lead a delegation for another round of talks on Tuesday, although Iranian state TV suggested there are no plans for Tehran's negotiators to attend and the Foreign Ministry spokesperson added there were "no plans for a second round of negotiations with the US ... for now!"

The US President stated it is "highly unlikely" he will extend the ceasefire, although we know that is just a 'negotiation' tactic, while he has once again threatened to destroy Iran's power plants and bridges if negotiations fail adding, "I'm winning a war ... by a lot."

Chinese President Xi in a phone call with

Saudi Arabia's Crown Prince Mohammed bin Salman called for a re-opening of the Strait, stating, "Normal navigation through the Strait of Hormuz should be maintained. This is in the shared interests of regional countries and the international community."

Currently, the Strait of Hormuz remains closed for maritime traffic with confirmation that, on Sunday, the US intercepted, fired upon, and boarded an uncooperative Iranian-flagged vessel. This saw oil prices bounce higher from last week's close, gaining 5.5% with crude now at USD88.75 and Brent at USD95.15.

Currency markets were quiet with the AUD, NZD and EUR all recovering from yesterday's lows. The AUD/USD is closing in on the 0.7200 handle once again although, at least at this stage, the NZD has yet to break above the 0.5900 handle. The AUD's outperformance has seen the NZD/AUD cross fall towards its current base at 0.8200, while the JPY remains under pressure.

After a positive start to the week for fixed income markets, which saw yields lower across the board, we'll likely see a period of stability today with the 2-year US Treasury yield 1bp higher at 3.73%, while the 10-year is flat at 4.26%. Local swap rates will likely open flat this morning with a slight upward bias.

It's not surprising really, but one of the headlines from the FT is that US oil refiners are reaping a windfall from the war, and while equity markets continue to rally despite the underlying risks, Goldman's trading desk has warned of a pullback in US equity markets, and while we did see a slight easing in prices, the US

exchanges only fell 0.3%. The European bourses were hit harder falling 1.0%-1.3%. But here's the thing... what if equity markets are being too sanguine and are understating the risks of a longer, more protracted conflict? Surely an 8.0% spike in the VIX should be telling us something?

And speaking of such things, the BBC has examined trade volume data across several financial market products and matched them to some of the president's most significant market-moving statements. Somewhat surprisingly, it found a consistent pattern of spikes just hours, or minutes, before a social media post or interview went public.

Summing up yesterday's inputs

The PBOC left its loan prime rates unchanged, as was expected, with the 1-year at 3.00% and the 5-year at 3.50%.

In New Zealand, our March trade balance improved from February's revise NZD365m deficit to a NZD698m surplus, but the real excitement will happen today with the Q1 CPI release.

While no one has been talking about the tariffs recently, it should be noted that Canadian PM Mark Carney stated Canada's ties with the US are now a weakness, calling for greater diversity and investment away from its southern neighbours amid growing economic tensions with Washington. Meanwhile, South Korean President Lee Jae Myung is set to meet Indian Prime Minister Narendra Modi in New Delhi today as both countries push to deepen economic ties focusing on shipbuilding, AI, finance, and defence.



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Daily Rates

Tuesday 21 April 2026

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	66.50					CAD	0.8036	0.9796
NZD/USD	0.5891	0.0007	0.0018	0.0032	0.0045	CHF	0.4582	0.5588
NZD/AUD	0.8204	0.0013	0.0038	0.0076	0.0140	CNY	4.0153	4.8941
NZD/JPY	93.570	-0.13	-0.43	-0.8846	-1.91	DKK	3.7333	4.5511
NZD/EUR	0.4998	-0.0002	-0.0006	-0.0011	-0.0031	FJD	1.2774	1.5573
NZD/GBP	0.4352	0.0005	0.0014	0.0028	0.0047	HKD	4.6109	5.6209
						KRW	866.83	1056.71
AU TWI	66.20					MYR	2.3262	2.8357
AUD/USD	0.7179	-0.0004	-0.0012	-0.0028	-0.0067	NOK	5.4865	6.6884
AUD/NZD	1.2187	-0.0020	-0.0058	-0.0116	-0.0211	SEK	5.3744	6.5517
AUD/JPY	113.62	-0.35	-1.06	-2.12	-4.20	SGD	0.7477	0.9115
AUD/EUR	0.6090	-0.0012	-0.0035	-0.0070	-0.0140	TWD	18.50	22.56
AUD/GBP	0.5303	-0.0002	-0.0008	-0.0016	-0.0032	ZAR	9.64	11.75
USD Index	98.06					EQUITIES		
EUR/USD	1.1786	0.0016	0.0048	0.0090	0.0158		Index	
USD/JPY	158.83	-0.41	-1.22	-2.36	-4.42	NZX50	12,915	
GBP/USD	1.3531	-0.0001	-0.0003	-0.0015	-0.0050	ASX200	8,953	
EUR/GBP	0.8707	0.0012	0.0037	0.0074	0.0145	Dow Jones	49,443	
USD/CNY	6.8172	-0.0146	-0.0419	-0.0809	-0.1546	S&P 500	7,109	
						FTSE100	10,609	
INTEREST			New Zealand		Australia	DAX 40	24,418	
RATES			Mid		Mid	Nikkei	58,825	
30 day bank bills			2.39%		4.17%	COMMODITIES		
90 day bank bills			2.54%		4.38%		USD	
1 year swap			3.01%		4.55%	Brent Crude	94.97	
2 year swap			3.38%		4.55%	Gold	4,812.61	
3 year swap			3.60%		4.54%	Silver	79.63	
5 year swap			3.88%		4.52%	Iron Ore	106.85	
10 year swap			4.28%		4.75%	CRB Index	467.97	
3 year Govt bond			3.71%		4.64%		NZD	
5 year Govt bond			4.10%		4.71%	NZ Carbon	48.65	
10 year Govt bond			4.64%		5.03%			

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