

Market Alert

Monday 04 May 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5916	0.0028
NZD/AUD	0.8191	0.0071
NZD/JPY	92.725	-0.94
NZD/EUR	0.5033	-0.0012
NZD/GBP	0.4356	0.0027
NZD/CNH	4.0288	-0.0341
AUD/USD	0.7219	-0.0032
AUD/EUR	0.6140	-0.0071
EUR/USD	1.1751	0.0082
USD/CNH	6.8297	-0.0899
GBP/USD	1.3575	-0.0022
EUR/GBP	0.8629	0.0072

INT RATES	NZ	Australia
OCR/Cash	2.25%	4.10%
90 day bills	2.61%	4.42%
2 year swap	3.51%	4.68%
10 year Govt	4.73%	5.12%

Let's get the bad news out of the way first ...

On Friday President Trump submitted a formal letter to Congress stressing Operation Epic Fury had already been 'terminated' due to the ceasefire, meaning that the required Congressional review and authorization of use of American troops is essentially voided.

Iran delivered a new proposal to the US via Pakistan, and while President Trump confirmed "I will soon be reviewing the plan that Iran has just sent to us." He then added "but I can't imagine it will be acceptable."

The IRGC countered with, "Trump must choose between an impossible military operation, or a bad deal with the Islamic Republic of Iran!" It should also be noted that Tehran sent the US military a deadline to end its blockade of Iranian ports, highlighting that Europe, China, and Russia are becoming increasingly

critical of 'Washington's war.'

Checking in on the price action

While the Japanese authorities likely spent about USD34.5bn on last week's intervention, the lack of 'follow-through' suggests the rally may see further action. The Golden Week vacation, thin liquidity, and a heavy slate of US data suggest the potential for significant volatility. On the open this morning, USD/JPY is at the 157.00 level, with NZD/USD and AUD/USD a touch firmer against Saturday's close.

The latest Iranian peace proposal saw oil prices fall, with crude futures currently at USD101.95 and Brent at USD108.15. Bond yields remain underpinned while equity markets closed last week higher amid strong corporate earnings and a pullback in oil prices.

US ISM manufacturing PMIs remained unchanged at 52.7 in April, its highest level since August 2022 but fell short of market expectations for a rise to 53.0.

Chicago Fed President Austan Goolsbee warned the Fed needs to be cautious about rate cuts until inflation begins to recede, stating "We have got to get some assurance that we are going back to the 2% inflation target. The composition of inflation now doesn't look good." Fed colleague Neel Kashkari also warned. "There are significant economic risks stemming from ongoing conflict. In some scenario's the Fed may have to raise rates."

Bundesbank President Joachim Nagel confirmed, "The ECB will need to raise rates in June absent a significant shift in the outlook."

Treasury Secretary Scott Bessent stated, "We are very optimistic about a Warsh-led Federal Reserve," while the President announced, "Tariffs on European cars and trucks coming into the US will increase to 25%."

Berkshire had its annual meeting over the weekend. Interestingly, Warren Buffett suggested the investing environment is not ideal at the moment, seeing 'gambling' in markets, stating, "The casino has gotten very attractive. If you're buying one-day options or selling them, that's not investing, it's not speculating - it's gambling." Mind you, Berkshire is sitting on a record cash pile of nearly USD400bn.

The week ahead

We, like most weeks recently, continue to be dominated by the ongoing headlines from the Middle East, but its also a data-heavy week. The US releases will be dominated by the various jobs reports, with unemployment, non-farms, JOLTS and the ADP employment report, while we also have PMIs, trade, and Michigan consumer sentiment. The ECB will release its Annual Report for 2025, the Eurozone will update retail sales, while Germany will update its latest trade numbers. In the UK, Halifax Housing Prices will be posted. China will also release PMIs and trade, Japan will release the minutes from its March meeting, while we also have monetary policy decisions from Sweden, Norway, and Australia, as well as Australian PMIs, trade and building approvals. In NZ, we have unemployment, commodity prices, and the RBNZ latest financial stability report.



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Daily Rates

Monday 04 May 2026

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	66.90					CAD	0.8027	0.9803
NZD/USD	0.5916	0.0006	0.0017	0.0028	0.0038	CHF	0.4619	0.5615
NZD/AUD	0.8191	0.0012	0.0038	0.0071	0.0118	CNY	4.0283	4.9196
NZD/JPY	92.725	-0.16	-0.45	-0.9434	-2.08	DKK	3.7562	4.5874
NZD/EUR	0.5033	-0.0003	-0.0006	-0.0012	-0.0033	FJD	1.2805	1.5639
NZD/GBP	0.4356	0.0004	0.0014	0.0027	0.0048	HKD	4.6307	5.6554
						KRW	869.41	1061.80
AU TWI	66.70					MYR	2.3449	2.8638
AUD/USD	0.7219	-0.0005	-0.0013	-0.0032	-0.0080	NOK	5.4520	6.6584
AUD/NZD	1.2211	-0.0024	-0.0060	-0.0119	-0.0227	SEK	5.4406	6.6445
AUD/JPY	112.50	-0.38	-1.11	-2.21	-4.44	SGD	0.7526	0.9192
AUD/EUR	0.6140	-0.0013	-0.0036	-0.0071	-0.0144	TWD	18.69	22.82
AUD/GBP	0.5314	-0.0003	-0.0008	-0.0016	-0.0034	ZAR	9.83	12.01
USD Index	98.21					EQUITIES		
EUR/USD	1.1751	0.0017	0.0047	0.0082	0.0145		Index	
USD/JPY	156.74	-0.42	-1.23	-2.37	-4.46	NZX50	13,039	
GBP/USD	1.3575	-0.0001	-0.0005	-0.0022	-0.0069	ASX200	8,730	
EUR/GBP	0.8629	0.0013	0.0037	0.0072	0.0147	Dow Jones	49,499	
USD/CNY	6.8273	-0.0160	-0.0442	-0.0870	-0.1665	S&P 500	7,230	
						FTSE100	10,364	
INTEREST			New Zealand		Australia	DAX 40	24,292	
RATES			Mid		Mid	Nikkei	59,513	
30 day bank bills			2.42%		4.25%	COMMODITIES		
90 day bank bills			2.61%		4.42%		USD	
1 year swap			3.10%		4.66%	Brent Crude	108.17	
2 year swap			3.51%		4.68%	Gold	4,613.62	
3 year swap			3.70%		4.66%	Silver	75.34	
5 year swap			3.92%		4.64%	Iron Ore	107.86	
10 year swap			4.29%		4.83%	CRB Index	499.14	
3 year Govt bond			3.86%		4.76%		NZD	
5 year Govt bond			4.21%		4.82%	NZ Carbon	52.75	
10 year Govt bond			4.73%		5.12%			

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