

Market Alert

Wednesday 06 May 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5888	0.0029
NZD/AUD	0.8197	0.0075
NZD/JPY	92.940	-0.94
NZD/EUR	0.5034	-0.0011
NZD/GBP	0.4348	0.0028
NZD/CNH	4.0207	-0.0319
AUD/USD	0.7181	-0.0031
AUD/EUR	0.6139	-0.0071
EUR/USD	1.1696	0.0083
USD/CNH	6.8279	-0.0874
GBP/USD	1.3539	-0.0025
EUR/GBP	0.8634	0.0075

INT RATES	NZ	Australia
OCR/Cash	2.25%	4.35%
90 day bills	2.61%	4.43%
2 year swap	3.51%	4.70%
10 year Govt	4.70%	5.07%

Despite the war, RBA hike, and GDT auction ...

Financial markets traded in tight ranges overnight. Equity markets rebounded from the prior session's declines, cementing in gains in the 1.0%-2.0% range, which saw the S&P500 and Nasdaq reaching record highs. Treasury yields also eased back amid lower oil prices, with the US-Iran ceasefire tentatively holding despite the recent exchanges. The 2 and 10-years both eased to 3.95% and 4.43% respectively. The USD-index continues to bounce around near the bottom of its range, which saw the NZD and AUD post modest gains although both still remain below the week's highs. The lack of follow through from the prior session's physical exchanges across the Strait of Hormuz saw oil prices fall 3.7%. Currently crude is at USD102.50 with Brent at USD110.30.

Talking of the Strait, the overnight headlines saw US Secretary of State Marco Rubio announce the offensive actions of Operation Epic Fury are over. But unfortunately, no one has told the Iranians, with the UAE under attack again while another vessel has come under attack in Hormuz. Two US Navy destroyers also transited the Strait of Hormuz and entered the Persian Gulf.

A Pentagon spokesperson suggested Monday's exchange of fire was "below the threshold of restarting major combat operations at this point," while contradictory statements out of Tehran support the theory of division between IRGC & civilian leaders. Iranian Foreign Minister Abbas Araghchi is expected to travel to Beijing to discuss the conflict with his Chinese counterparts.

There were no surprises from the RBA yesterday ...

After the Central Bank played to expectations, lifting the cash rate by 25 bps to 4.35% and reversing in full the brief easing cycle from 2025. The vote was 8-1. The statement highlighted that inflation is likely to remain above target for some time and that the risks remain tilted to the upside. The RBA updated its projections, with inflation expected to peak at 4.8% in Q2. Having raised the cash rate three times in 2026, the statement advised monetary policy is now well placed to respond to developments.

In the post-meeting Q&A conference, RBA Governor Michele Bullock, stated, "The interest rate increase will help contain the inflationary shock. If second round

effects feed through to expectations, then it could require even higher rates. The cash rate level is now a bit restrictive. That gives us space to see how the conflict plays out. We want to guard against inflation pressures being embedded into the economy. Even if the conflict is resolved quickly, the costs will mount all throughout the year. With this rate hike, we have space to sit and see what happen."

Prior to the RBA, the Australian services PMI rose to 50.7 in April from 46.3 in March, but new orders fell for a second month, and input price inflation hit its fastest pace since August 2022. Australian household spending also jumped by the most in over two years in March, surging 1.6% on the month and 6.3% on the year.

The overnight headlines saw

US job openings fell by 56k to 6.866m in March, above market expectations of 6.84m, while the services PMI inched down to 53.6 in April from 54 in the previous month.

The US trade deficit jumped 4.3% in March to USD60.3bn. It was the second straight monthly jump and a reading that reflects the first full month after the Supreme Court struck down President Trump's blanket tariffs.

The ECB's Survey of Professional Forecasters for Q2 2026 showed headline inflation expectations revised sharply upward to 2.7% for 2026, up from a previous expectation of 1.8%, while GDP growth expectations were cut to 1.0% for 2026 and 1.3% for 2027.



BANCORP

BANCORP TREASURY SERVICES LIMITED

Barrington
TREASURY SERVICES

Barrington
ASSET CONSULTING



BANCORP

BANCORP CORPORATE FINANCE LIMITED

Daily Rates

Wednesday 06 May 2026

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	66.50					CAD	0.8017	0.9781
NZD/USD	0.5888	0.0006	0.0017	0.0029	0.0041	CHF	0.4607	0.5624
NZD/AUD	0.8197	0.0014	0.0039	0.0075	0.0127	CNY	4.0290	4.9142
NZD/JPY	92.940	-0.16	-0.46	-0.9386	-2.05	DKK	3.7605	4.5879
NZD/EUR	0.5034	-0.0002	-0.0006	-0.0011	-0.0029	FJD	1.2771	1.5580
NZD/GBP	0.4348	0.0005	0.0014	0.0028	0.0051	HKD	4.6121	5.6268
						KRW	864.92	1055.22
AU TWI	66.30					MYR	2.3309	2.8437
AUD/USD	0.7181	-0.0005	-0.0014	-0.0031	-0.0065	NOK	5.4487	6.6475
AUD/NZD	1.2194	-0.0021	-0.0059	-0.0115	-0.0203	SEK	5.4561	6.6566
AUD/JPY	112.50	-0.38	-1.10	-2.18	-4.27	SGD	0.7509	0.9161
AUD/EUR	0.6139	-0.0014	-0.0036	-0.0071	-0.0133	TWD	18.58	22.67
AUD/GBP	0.5301	-0.0003	-0.0008	-0.0014	-0.0022	ZAR	9.80	11.96
USD Index	98.48					EQUITIES		
EUR/USD	1.1696	0.0017	0.0046	0.0083	0.0146		Index	
USD/JPY	157.82	-0.41	-1.22	-2.35	-4.56	NZX50	13,036	
GBP/USD	1.3539	-0.0001	-0.0006	-0.0025	-0.0072	ASX200	8,681	
EUR/GBP	0.8634	0.0013	0.0037	0.0075	0.0150	Dow Jones	49,298	
USD/CNY	6.83	-0.0160	-0.0442	-0.0870	-0.1665	S&P 500	7,256	
						FTSE100	10,219	
INTEREST			New Zealand		Australia	DAX 40	24,402	
RATES			Mid		Mid	Nikkei	59,513	
30 day bank bills			2.44%		4.28%	COMMODITIES		
90 day bank bills			2.61%		4.43%		USD	
1 year swap			3.13%		4.66%	Brent Crude	110.20	
2 year swap			3.51%		4.70%	Gold	4,555.74	
3 year swap			3.69%		4.68%	Silver	72.83	
5 year swap			3.92%		4.64%	Iron Ore	108.17	
10 year swap			4.29%		4.85%	CRB Index	505.75	
3 year Govt bond			3.84%		4.68%		NZD	
5 year Govt bond			4.18%		4.75%	NZ Carbon	54.20	
10 year Govt bond			4.70%		5.07%			

This document has been prepared by Bancorp Treasury Services Limited ("BTSL"). Whilst all reasonable care has been taken to ensure the facts stated are accurate and the opinions given are fair and reasonable, neither BTSL nor any of its directors, officers or employees shall in any way be responsible for the contents. No liability is assumed by BTSL, its directors, officers or employees for action taken or not taken on the basis of this document.



BANCORP
BANCORP TREASURY SERVICES LIMITED

Barrington
TREASURY SERVICES

Barrington
ASSET CONSULTING



BANCORP
BANCORP CORPORATE FINANCE LIMITED