

Market Alert

Thursday 29 October 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5627	0.0033
NZD/AUD	0.7979	0.0071
NZD/JPY	88.875	-0.81
NZD/EUR	0.5043	-0.0010
NZD/GBP	0.4222	0.0024
NZD/CNH	3.7956	-0.0323
AUD/USD	0.7053	-0.0023
AUD/EUR	0.6319	-0.0069
EUR/USD	1.1155	0.0086
USD/CNH	6.6620	-0.0952
GBP/USD	1.3322	-0.0002
EUR/GBP	0.8372	0.0063

INT RATES	NZ	Australia
OCR/Cash	2.75%	4.60%
90 day bills	3.16%	4.91%
2 year swap	4.08%	4.88%
10 year Govt	5.02%	5.32%

The Federal Reserve ...

Didn't share the RBNZ's taste for internal drama. In a much more unified session, the Fed left its interest rates settings unchanged in a 10-2 decision. The 2-dissenters policymakers voted for a 25bps hike. The statement stressed that while economic activity is expanding at a strong pace, uncertainty remains elevated, adding that the accumulation of more information will help the Committee determine the appropriate policy stance to ensure inflation returns to its 2.0% target.

While the freeze was entirely baked in by markets, the macroeconomic metrics didn't let the desks relax as the benchmark US 10-year Treasury yield ticked back above the 5.00% threshold to sit at 5.04% as higher oil prices saw fixed-income desks aggressively position themselves for a December hike. The

2-year and 30-years firmed to 4.79% and 5.34%.

Moving well ahead of the pack, the Bank of Canada raised its policy rate to 2.50%. This marks Ottawa's first official rate hike in 3-years, driven by a deteriorating medium-term inflation outlook. Governor Tiff Macklem delivered a blunt post-match warning, explicitly stating that officials stand ready to raise rates even further if sticky consumer price metrics refuse to cool down.

The Fed's hold saw the US Dollar Index flatline at the 102.25 level, though it feels like there is the distinct potential for some broader macro weakness to impact. The RBNZ's 4-3 spilt saw the NZD suffer its deepest single-day collapse in 7-months. While the recent 0.5565 low held against the NZD, the Australian 4.3% inflation print saw the AUD/USD firm to 0.7050 which pushed the NZD/AUD cross rate to a new 13-year low at 0.7935 before it recovered to 0.7990, or 1.2520. The AUD found further support from Governor Bullock's comments that, "*Short-term inflation outlook remains elevated. The CPI data reinforces the upside risks to inflation; The key question is whether monetary policy tightening so far will be enough to return inflation to target in reasonable time. The labour market looks a little tighter than previously judged.*"

Ongoing Middle East shipping disruptions, and mounting fears that triple-digit oil prices will inevitably choke consumer demand, saw energy prices flare up. Crude prices rallied 2.7% to trade at USD 102.60, while Brent firmed 1.2% to sit hot at USD 115.25.

The 'new and improved' RBNZ sure packs a powerful punch, and RBNZ Governor Anna Breman's 3:00pm media conference yesterday was a complete masterclass. It's fair to say, I am a massive fan!

Facing a highly sceptical room of economists and financial journalists, Dr Breman spent the hour trying to convince attendees that a divided house is a stable house. The Governor was immediately hit with a wall of questions regarding the elephant in the room: New Zealand's general election is exactly 10 days away. As rumours circulated that the hold was a tactical retreat to avoid dropping a hawkish rate bomb on voters, Dr Breman hit back hard explicitly rejecting any suggestion that the upcoming political calendar played a part. Defending the 4-3 rift, Breman argued that a live, transparent debate over competing macro risks is a sign of a robust framework, not policy failure.

When grilled on why the majority chose to pause when they are openly forecasting a painful 4.4% headline spike in Q4, Breman argued that the current inflation hump is almost entirely driven by imported fuel shocks and shipping disruptions, and that hiking would unnecessarily punish an already buckling domestic consumer.

Ultimately, this is a textbook "*hawkish hold*" with the Governor openly conceding that further monetary tightening is likely to be required over the coming months should the data stays on this trajectory. The market is pricing this as a minor chronological delay, meaning we will almost certainly see a hike in December!



BANCORP
BANCORP TREASURY SERVICES LIMITED

Barrington
TREASURY SERVICES

Barrington
ASSET CONSULTING



BANCORP
BANCORP CORPORATE FINANCE LIMITED

Daily Rates

Thursday 29 October 2026

FX	Spot	FECs (mid)				Spot Mid	
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	63.80					CAD	0.7883
NZD/USD	0.5627	0.0006	0.0018	0.0033	0.0057	CHF	0.4660
NZD/AUD	0.7979	0.0013	0.0039	0.0071	0.0115	CNY	3.7503
NZD/JPY	88.875	-0.12	-0.38	-0.8106	-1.72	DKK	3.7686
NZD/EUR	0.5043	-0.0001	-0.0004	-0.0010	-0.0028	FJD	1.2470
NZD/GBP	0.4222	0.0004	0.0013	0.0024	0.0046	HKD	4.4130
						KRW	754.58
AU TWI	65.30					MYR	2.2916
AUD/USD	0.7053	-0.0005	-0.0012	-0.0023	-0.0035	NOK	5.2065
AUD/NZD	1.2531	-0.0022	-0.0062	-0.0115	-0.0191	SEK	5.5730
AUD/JPY	110.87	-0.35	-1.02	-2.00	-3.80	SGD	0.7210
AUD/EUR	0.6319	-0.0012	-0.0036	-0.0069	-0.0130	TWD	18.22
AUD/GBP	0.5291	-0.0004	-0.0010	-0.0018	-0.0022	ZAR	9.35
USD Index	102.14					EQUITIES	
EUR/USD	1.1155	0.0014	0.0043	0.0086	0.0175		Index
USD/JPY	157.97	-0.39	-1.17	-2.35	-4.63	NZX50	13,691
GBP/USD	1.3322	0.0000	0.0001	-0.0002	-0.0016	ASX200	8,847
EUR/GBP	0.8372	0.0010	0.0031	0.0063	0.0135	Dow Jones	52,427
USD/CNY	6.666	-0.0158	-0.0469	-0.0960	-0.2017	S&P 500	7,749
						FTSE100	10,695
						DAX 40	25,704
						Nikkei	63,954
						COMMODITIES	
							USD
						Brent Crude	115.35
						Gold	4,039.71
						Silver	53.61
						Iron Ore	90.70
						CRB Index	534.94
							NZD
						NZ Carbon	47.47

INTEREST	New Zealand	Australia
RATES	Mid	Mid
30 day bank bills	2.90%	4.73%
90 day bank bills	3.16%	4.91%
1 year swap	3.78%	4.94%
2 year swap	4.08%	4.88%
3 year swap	4.20%	4.85%
5 year swap	4.34%	4.86%
10 year swap	4.62%	5.09%
3 year Govt bond	4.23%	4.99%
5 year Govt bond	4.52%	5.03%
10 year Govt bond	5.02%	5.32%

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