

# Market Alert

Monday 28 July 2025

CURRENCIES	Spot	6mths
NZD/USD	0.6020	0.0035
NZD/AUD	0.9154	0.0021
NZD/JPY	88.925	-1.24
NZD/EUR	0.5117	-0.0032
NZD/GBP	0.4482	0.0019
NZD/CNH	4.3088	-0.0346
AUD/USD	0.6572	0.0022
AUD/EUR	0.5586	-0.0048
EUR/USD	1.1762	0.0136
USD/CNH	7.1649	-0.0984
GBP/USD	1.3430	0.0019
EUR/GBP	0.8756	0.0089

  

INT RATES	NZ	Australia
OCR/Cash	3.25%	3.85%
90 day bills	3.19%	3.77%
2 year swap	3.15%	3.33%
10 year Govt	4.68%	4.45%

## Well ... that could have gone a lot worse ...

Considering it was a fight between me, a chainsaw, and a tree. At one stage it looked like the tree was going to win ... especially when the chainsaw got stuck, but luckily, I'm smart enough to have 2 chainsaws and used the second one to free the first one. Unfortunately, the tree then fell the wrong way ... but next week ... I'll be mastering the art of using a chainsaw up a tree!

## This week starts with some good news ...

In that President Donald Trump and European Commission President Ursula von der Leyen announced the US and the EU have reached a trade deal. Trump said that the deal imposes a 15% tariff on most European goods to the US, including cars, with von der Leyen adding, some

products, including aircrafts, chemicals and pharmaceuticals will not be subject to tariffs.

We also had US Commerce Secretary Howard Lutnick announce there would be "No more extensions of tariffs past the 1-August deadline," although, that was after the headline that the US and China are planning to extend their tariff pause for another 90-days.

Breaking down the end of last week's releases:

- The Atlanta Fed GDPNow US growth estimate for Q2 remained steady at 2.4%.
- US durable goods orders in the US declined 9.3% to USD311.8bn in June, reversing May's upwardly revised 16.5% jump.
- German IFO business sentiment edged up to 88.6 from June's 88.4 in June, the index's highest print since May 2024.
- UK consumer confidence edged lower in July, with GfK's index falling to -19 from June's -18, reflecting growing caution among households.
- Japanese Tokyo inflation eased from 3.1% to 2.9%, as did core inflation.

On the Japanese inflation print, while both remain above the BoJ's 2.0% target, the central bank insists that inflation is not yet sufficiently above target, which is one of the reasons it is holding back from further interest rate hikes. Market expectations for the next BoJ rate hike are for very late 2025/early 2026.

ECB member Joachim Nagel confirmed, "The inflation outlook has remained unchanged since the last projection, and

the economic outlook has improved slightly. Holding rates makes sense after eight cuts."

Friday's price action was tame with the NZD/USD and AUD/USD easing back from their 0.6050 and 0.6600 levels. US treasury yields were mixed with the 2-years 1bps higher at 3.94%, while the 10-years eased 1bps to 4.39%. US equity markets firmed, while commodity prices were lower.

## The week ahead ...

... will, once again, focus on the tariff deadlines, but it's a busy week for US corporate earnings, the week is also packed with central bank decisions from the Fed, the BoJ, and the BoC. On the data front, the US economic calendar is heavy with Q2 GDP, the monthly jobs report, employment, the PCE release, earnings, and manufacturing PMIs. Elsewhere, the focus will be on the latest GDP and inflation updates from the Eurozone, Germany, and France, along with the monthly GDP release from Canada. In the UK, the calendar is lighter with mortgage approvals, CBI distributive trades, and house prices. In Asia, beyond the BoJ meeting, we have the latest Japanese industrial production, retail sales, consumer confidence, and unemployment releases, while China will update its NBS and Caixin PMI reports. Australia will also provide its latest inflation update along with retail sales and private credit while in NZ, the calendar is light, with filled jobs, business confidence and building permits.



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# Daily Rates

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FX	Spot	FECs (mid)				Spot Mid	
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	69.30					CAD	0.8245
NZD/USD	0.6020	0.0006	0.0018	0.0035	0.0063	CHF	0.4786
NZD/AUD	0.9154	0.0004	0.0013	0.0021	0.0041	CNY	4.3115
NZD/JPY	88.925	-0.22	-0.63	-1.24	-2.24	DKK	3.8258
NZD/EUR	0.5117	-0.0006	-0.0016	-0.0032	-0.0060	FJD	1.3358
NZD/GBP	0.4482	0.0003	0.0010	0.0019	0.0035	HKD	4.7242
						KRW	832.61
AU TWI	60.70					MYR	2.5388
AUD/USD	0.6572	0.0003	0.0011	0.0022	0.0038	NOK	6.0949
AUD/NZD	1.0931	-0.0007	-0.0018	-0.0034	-0.0056	SEK	5.7202
AUD/JPY	96.98	-0.29	-0.83	-1.58	-2.89	SGD	0.7710
AUD/EUR	0.5586	-0.0009	-0.0025	-0.0048	-0.0092	TWD	17.74
AUD/GBP	0.4892	0.0001	0.0004	0.0009	0.0015	ZAR	10.69
USD Index	97.67					EQUITIES	
EUR/USD	1.1762	0.0024	0.0070	0.0136	0.0254		Index
USD/JPY	147.68	-0.51	-1.50	-2.89	-5.22	NZX50	12,853
GBP/USD	1.3430	0.0004	0.0011	0.0019	0.0026	ASX200	8,667
EUR/GBP	0.8756	0.0016	0.0045	0.0089	0.0165	Dow Jones	44,902
USD/CNY	7.1679	-0.0169	-0.0473	-0.0907	-0.1758	S&P 500	6,389
						FTSE100	9,120
INTEREST		New Zealand		Australia		DAX 30	24,218
RATES		Mid		Mid		Nikkei	41,456
30 day bank bills			3.32%		3.75%	COMMODITIES	
90 day bank bills			3.19%		3.77%		USD
1 year swap			3.10%		3.41%	Brent Crude	68.44
2 year swap			3.17%		3.34%	Gold	3,335.93
3 year swap			3.30%		3.40%	Silver	38.14
5 year swap			3.57%		3.79%	Iron Ore	98.55
10 year swap			4.11%		4.24%	CRB Index	372.39
3 year Govt bond			3.58%		3.49%		
5 year Govt bond			3.97%		3.76%		NZD
10 year Govt bond			4.68%		4.45%	NZ Carbon	56.05

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