

Market Alert

Tuesday 19 August 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5925	0.0034
NZD/AUD	0.9124	0.0024
NZD/JPY	87.595	-1.15
NZD/EUR	0.5077	-0.0027
NZD/GBP	0.4386	0.0023
NZD/CNH	4.2503	-0.0299
AUD/USD	0.6492	0.0020
AUD/EUR	0.5563	-0.0045
EUR/USD	1.1669	0.0130
USD/CNH	7.1865	-0.0923
GBP/USD	1.3511	0.0008
EUR/GBP	0.8634	0.0088
INT RATES	NZ	Australia
OCR/Cash	3.25%	3.60%
90 day bills	3.14%	3.64%
2 year swap	3.06%	3.23%
10 year Govt	4.54%	4.38%

When I say there's very little to comment on ...

There's very little to comment on! So why don't I tell you what I did last night instead? Wait a minute, I ironed 10 shirts and watched a Tom Cruise movie well, that's not so exciting either is it!

Unsurprisingly ...

Financial markets are 'treading water' as we work our way through the northern hemisphere summer. Breaking the markets down ...

- The USD-index firmed overnight, but only 0.2%, with the EUR and GBP coming under the most pressure. The AUD was also weaker, although the NZD outperformed, trading flat on the session which saw NZD/AUD firm to the 0.9125 level.

- Following the USD-index, treasury yields firmed 2bps, which saw the 2-years grind to 3.78%, while the 10-years is at 4.34%.

- Equity markets are flat with the European exchanges closing a touch lower, while the US bourses remained near their all-time highs.

- Commodity markets were broadly lower, although oil prices firmed 0.9%, with crude now at USD63.30.

Noting the second tier releases ...

- US builder confidence eased to 32 in August from 33 in July, missing market expectations of 34.

- The Eurozone recorded a EUR7,047.3m trade surplus in June.

- Following the surge in New Zealand manufacturing PMIs last week, yesterday saw services PMIs surge from 46.0 to 48.9.

Ahead of tomorrow's RBNZ meeting, the NZIER's shadow board unsurprisingly recommended a 25bps cut. This follows on from last week's Reuters poll which had 28 out of 30 economists anticipating a rate cut to 3.00%. And on a side note, is it fair to say we're currently experiencing the biggest shake-up to the NZ dairy industry since 2001?

In the White House, President Trump optimistically expressed hope that a swift peace deal could be negotiated between Russia and Ukraine, stating "Substantial progress is being made. There is a possibility something could come out of

our meeting with Putin." He also pledged US security support for a meeting between the 2 presidents in Ukraine and said he would call Putin following talks with Zelensky and European leaders. President Zelensky though was a lot more pragmatic, stating "It would be impossible to give up territory to Russia. Russia can only be forced into peace through strength."

That man is quite literally paying for himself!

The Ferrari F1 team has reportedly earned an additional USD58m in revenues since Lewis Hamilton joined the team in January ... and he's hardly reached the podium in the 8 months he's been there!



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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	68.60					CAD	0.8177 0.8962
NZD/USD	0.5925	0.0007	0.0018	0.0034	0.0055	CHF	0.4779 0.5241
NZD/AUD	0.9124	0.0005	0.0013	0.0024	0.0034	CNY	4.2492 4.6577
NZD/JPY	87.595	-0.21	-0.59	-1.15	-2.18	DKK	3.7882 4.1521
NZD/EUR	0.5077	-0.0005	-0.0014	-0.0027	-0.0055	FJD	1.3209 1.4478
NZD/GBP	0.4386	0.0004	0.0011	0.0023	0.0040	HKD	4.6309 5.0758
						KRW	822.31 901.30
AU TWI	60.40					MYR	2.4995 2.7396
AUD/USD	0.6492	0.0004	0.0010	0.0020	0.0033	NOK	6.0409 6.6213
AUD/NZD	1.0955	-0.0006	-0.0017	-0.0031	-0.0057	SEK	5.6590 6.2026
AUD/JPY	95.94	-0.29	-0.79	-1.52	-2.76	SGD	0.7604 0.8334
AUD/EUR	0.5563	-0.0009	-0.0023	-0.0045	-0.0084	TWD	17.79 19.50
AUD/GBP	0.4805	0.0001	0.0005	0.0012	0.0023	ZAR	10.44 11.44
USD Index	98.13					EQUITIES	
EUR/USD	1.1669	0.0025	0.0067	0.0130	0.0235		Index
USD/JPY	147.81	-0.54	-1.45	-2.79	-4.97	NZX50	12,971
GBP/USD	1.3511	0.0004	0.0008	0.0008	-0.0001	ASX200	8,959
EUR/GBP	0.8634	0.0016	0.0044	0.0088	0.0172	Dow Jones	44,905
USD/CNY	7.1846	-0.0183	-0.0468	-0.0901	-0.1687	S&P 500	6,448
						FTSE100	9,158
INTEREST		New Zealand		Australia		DAX 30	24,315
RATES		Mid		Mid		Nikkei	43,714
30 day bank bills			3.14%		3.62%	COMMODITIES	
90 day bank bills			3.14%		3.64%		USD
1 year swap			3.02%		3.32%	Brent Crude	66.50
2 year swap			3.07%		3.24%	Gold	3,332.36
3 year swap			3.19%		3.32%	Silver	38.02
5 year swap			3.45%		3.73%	Iron Ore	101.59
10 year swap			3.98%		4.21%	CRB Index	365.75
3 year Govt bond			3.45%		3.39%		
5 year Govt bond			3.83%		3.66%		NZD
10 year Govt bond			4.54%		4.38%	NZ Carbon	55.50

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