

Market Alert

Wednesday 27 August 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5860	0.0036
NZD/AUD	0.9024	0.0028
NZD/JPY	86.395	-1.08
NZD/EUR	0.5034	-0.0024
NZD/GBP	0.4347	0.0025
NZD/CNH	4.2014	-0.0274
AUD/USD	0.6491	0.0019
AUD/EUR	0.5576	-0.0044
EUR/USD	1.1640	0.0126
USD/CNH	7.1537	-0.0906
GBP/USD	1.3475	0.0005
EUR/GBP	0.8634	0.0089
INT RATES	NZ	Australia
OCR/Cash	3.00%	3.60%
90 day bills	3.02%	3.60%
2 year swap	2.85%	3.23%
10 year Govt	4.47%	4.43%

It's a high bar ...

Trying to sack a Fed member ... but President Trump is trying to jump it! Long story short, President Trump has announced he's removing Fed Governor Lisa Cook from her position on the Board of Governors, effective immediately, due to her mortgage 'discrepancies' ... although, it might not be as easy as he thinks given Ms. Cook fired back with, "No cause exists for me to be fired. I will continue to carry out duties as a Fed Governor." Trump then countered with, "We are prepared for a legal fight. I have somebody in mind (for Cook's replacement). We do have to get rates down a little bit. We will have a majority shortly on the Fed (board)." To which a Fed spokesperson countered with, "Congress, through the Federal Reserve Act, directs that governors serve in

long, fixed terms and may be removed by the President only 'for cause.' Fed member Cook has indicated through her personal attorney that she will promptly challenge this action in court. As always, the Federal Reserve will abide by any court decision."

Speaking of the Fed, the Dallas Fed's general business activity index increased 4.8 points to 6.8 in August, its highest level since January. The revenue index increased from 6.3 to 8.6, while the employment index eased from 2.8 to 1.2.

US durable goods orders fell 2.8% in July, following on from June's 9.4% decline. Market expectations had been for a 3.8% drop. Meanwhile, the Fifth District composite manufacturing index rose by 13 points to -7 in August, reflecting the softest magnitude of pessimism among factories in the region since March.

Richmond Fed's Tom Barkin announced, "I see modest movement in the economy. If there's modest movement in the economy, that would imply a modest adjustment in rates."

The German auto sector has shed close to 7% of its workforce, or around 51,500 jobs, in the 12-months to June.

ECB Council member Francois Villeroy de Galhau confirmed, "The US-EU trade agreement cannot be considered positive for Europe. Tariffs are bad news."

The RBA's minutes from its August meeting highlighted, "The board saw a strong case for a 25bps cut in the cash rate. The board judged some further reduction in the cash rate likely needed over the coming

year. The stance of policy was still considered somewhat restrictive. Faster easing might be needed if the labour market is already in balance, risking inflation undershooting the midpoint. The balance of risks could shift to the downside on adverse developments in the global economy."

The overnight moves were a bit ho-hum. Quite possibly the biggest move was the NZD, which was down 0.2% on our close before it rebounded to be up 0.2% after the USD-index failed at the 98.50 level on the Lisa Cook shenanigans. The AUD undertook similar a bounce. US Treasury yields were lower, with the 2-year falling 4bps to 3.69%, while the 10-year eased 2bps to 4.26%, amid a steepening bias. Equity markets were mixed with the European bourses down 0.8% to 1.3%, while the US exchanges firmed 0.4%-0.5%. commodity markets were also mixed.

Last, but by no means least ... the big news is ...

That Taylor Swift and Travis Kelce are officially engaged, announcing, "Your English teacher and your gym teacher are getting married!" Travis was a bit cheap ... only spending USD550k on the ring, which carries just 8 carats. Cheapskate. By no means is it guaranteed they'll actually make it to the altar, but if they do ... I give it 3-years!



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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	67.60					CAD	0.8104 0.8980
NZD/USD	0.5860	0.0007	0.0019	0.0036	0.0062	CHF	0.4705 0.5217
NZD/AUD	0.9024	0.0005	0.0015	0.0028	0.0055	CNY	4.1895 4.6429
NZD/JPY	86.395	-0.20	-0.57	-1.08	-1.96	DKK	3.7567 4.1626
NZD/EUR	0.5034	-0.0005	-0.0012	-0.0024	-0.0043	FJD	1.3093 1.4508
NZD/GBP	0.4347	0.0004	0.0012	0.0025	0.0050	HKD	4.5654 5.0588
						KRW	816.80 905.06
AU TWI	60.10					MYR	2.4686 2.7353
AUD/USD	0.6491	0.0004	0.0010	0.0019	0.0028	NOK	5.9320 6.5730
AUD/NZD	1.1076	-0.0007	-0.0021	-0.0041	-0.0078	SEK	5.5993 6.2043
AUD/JPY	95.53	-0.28	-0.78	-1.50	-2.76	SGD	0.7529 0.8342
AUD/EUR	0.5576	-0.0008	-0.0023	-0.0044	-0.0084	TWD	17.90 19.84
AUD/GBP	0.4815	0.0001	0.0005	0.0012	0.0024	ZAR	10.33 11.45
USD Index	98.20					EQUITIES	
EUR/USD	1.1640	0.0024	0.0067	0.0126	0.0227		Index
USD/JPY	147.42	-0.51	-1.44	-2.73	-4.84	NZX50	12,958
GBP/USD	1.3475	0.0004	0.0007	0.0005	-0.0015	ASX200	8,936
EUR/GBP	0.8634	0.0015	0.0044	0.0089	0.0173	Dow Jones	45,418
USD/CNY	7.152	-0.0175	-0.0467	-0.0861	-0.1632	S&P 500	6,453
						FTSE100	9,266
INTEREST		New Zealand		Australia		DAX 30	24,153
RATES		Mid		Mid		Nikkei	42,394
30 day bank bills			3.10%		3.61%	COMMODITIES	
90 day bank bills			3.02%		3.60%		USD
1 year swap			2.82%		3.31%	Brent Crude	67.31
2 year swap			2.89%		3.24%	Gold	3,389.49
3 year swap			3.03%		3.30%	Silver	38.56
5 year swap			3.32%		3.73%	Iron Ore	101.60
10 year swap			3.89%		4.20%	CRB Index	369.10
3 year Govt bond			3.31%		3.41%		
5 year Govt bond			3.72%		3.69%		NZD
10 year Govt bond			4.47%		4.43%	NZ Carbon	56.25

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