

Market Alert

Thursday 28 August 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5860	0.0036
NZD/AUD	0.9004	0.0029
NZD/JPY	86.410	-1.07
NZD/EUR	0.5037	-0.0023
NZD/GBP	0.4342	0.0025
NZD/CNH	4.1823	-0.0266
AUD/USD	0.6506	0.0018
AUD/EUR	0.5592	-0.0046
EUR/USD	1.1633	0.0124
USD/CNH	7.1507	-0.0897
GBP/USD	1.3496	0.0005
EUR/GBP	0.8618	0.0088
INT RATES	NZ	Australia
OCR/Cash	3.00%	3.60%
90 day bills	3.02%	3.59%
2 year swap	2.85%	3.24%
10 year Govt	4.47%	4.44%

Technology is great ...

When it works, but when it doesn't, it's a right pain! This morning, the car park wasn't 'reading' my number plate correctly, which meant I had to drive into the car park three times ... all of which ended in failure and 15 wasted minutes of my life I'll never get back!

It was pretty lacklustre session last night ...

And to be honest, there's not a great deal to comment on with markets 'treading water' ahead of the Nvidia results after the bell. Currency markets are flat, although it should be noted that EUR/USD is consolidating above the 1.1600 level while NZD/AUD traded below the 0.9000 level overnight ... and is just above that level on this morning's

open. Treasury yields are weaker with the 2-years 7bps lower at 3.62%, while the 10-year eased 3bps to 4.24%. Equity and commodity markets posted modest gains.

There wasn't a great deal of interest in the data releases ...

- German consumer sentiment fell to -23.6 in August from July's revised -21.7. This was the weakest print since April and below forecasts of -22.0.

- UK retail sales improved to -32 from July's -34, ahead of expectations at -33.

- Chinese industrial profit fell for the 3rd consecutive month dipping 1.5% on the year, and 1.7% year-to-date.

- Australian monthly CPI surged 0.9% on the month to 2.8% on the year, which was substantially above expectations at 0.2% and 2.3%. The RBA's favoured trimmed mean was also higher, jumping from last month's 2.1% to 2.7%.

- Australian Q2 completed construction work soared 3.0% in the quarter against forecasts at 0.8%

NY Fed President John Williams announced, based on his reading of the data, the era of persistently low underlying interest rates does not appear to be over, stating, "*The Fed could reduce interest rates and still be somewhat restrictive. Every meeting is 'live' for me.*" Meanwhile, CNBC has announced Fed Governor Lisa Cook plans to file a lawsuit against President Trump within the next 24 hours.

US Treasury Secretary Scott Bessant announced, "*The Fed has strayed from its core mission of setting monetary policy and needs to focus back on it,*" and on replacing the Governor, he added, "*There are 11 strong Fed chair candidates. After Labor Day we'll start interviews and present a shortlist to President Trump.*"

A Chinese Ministry of Commerce official confirmed the authorities plan to announce further stimulatory measures in September in an attempt to broaden service consumption. China will also send a trade envoy to Washington this week, its first in several years, in an attempt to strengthen the tariff discussions. Finally, the PBoC continues to set its USD/CNY daily fixing substantially below the spot price, jamming it down to 7.1108 yesterday against spot at 7.1559.

The Dutch government faces a no-confidence vote, while the French Government may lose confidence as it struggles to pass its latest budget.

Cracker Barrel shares plummeted

After scrapping its old logo, which incorporated an old todger sitting by a barrel. Incredibly, this caused an uproar on social media, and even President Trump weighed in, saying the brand should restore its vintage "old timer" logo. The theory, "*any publicity is good publicity*" was not the case this time as the share price plummeted 15% yesterday, but to be fair, within 24-hours the CEO backtracked and reinstated the old logo ... which saw the share price rally 7%!



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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	67.70					CAD	0.8077 0.8969
NZD/USD	0.5860	0.0006	0.0019	0.0036	0.0060	CHF	0.4701 0.5223
NZD/AUD	0.9004	0.0004	0.0015	0.0029	0.0052	CNY	4.1892 4.6525
NZD/JPY	86.410	-0.21	-0.56	-1.07	-1.99	DKK	3.7594 4.1746
NZD/EUR	0.5037	-0.0005	-0.0012	-0.0023	-0.0047	FJD	1.3087 1.4532
NZD/GBP	0.4342	0.0003	0.0012	0.0025	0.0048	HKD	4.5617 5.0654
						KRW	815.78 905.87
AU TWI	60.20					MYR	2.4795 2.7533
AUD/USD	0.6506	0.0004	0.0010	0.0018	0.0027	NOK	5.9074 6.5597
AUD/NZD	1.1102	-0.0006	-0.0020	-0.0042	-0.0076	SEK	5.5840 6.2006
AUD/JPY	95.66	-0.28	-0.78	-1.52	-2.79	SGD	0.7531 0.8362
AUD/EUR	0.5592	-0.0008	-0.0023	-0.0046	-0.0086	TWD	17.89 19.87
AUD/GBP	0.4820	0.0001	0.0005	0.0011	0.0024	ZAR	10.36 11.50
USD Index	98.21					EQUITIES	
EUR/USD	1.1633	0.0024	0.0065	0.0124	0.0226		Index
USD/JPY	147.45	-0.52	-1.42	-2.72	-4.85	NZX50	12,862
GBP/USD	1.3496	0.0004	0.0007	0.0005	-0.0015	ASX200	8,961
EUR/GBP	0.8618	0.0015	0.0044	0.0088	0.0174	Dow Jones	45,565
USD/CNY	7.1536	-0.0173	-0.0458	-0.0850	-0.1624	S&P 500	6,484
						FTSE100	9,256
						DAX 30	24,046
						Nikkei	42,520
INTEREST		New Zealand		Australia		COMMODITIES	
RATES		Mid		Mid			USD
30 day bank bills		3.10%		3.61%		Brent Crude	67.79
90 day bank bills		3.02%		3.59%		Gold	3,394.83
1 year swap		2.83%		3.32%		Silver	38.48
2 year swap		2.89%		3.25%		Iron Ore	101.53
3 year swap		3.04%		3.32%		CRB Index	371.97
5 year swap		3.34%		3.73%			
10 year swap		3.91%		4.20%			
3 year Govt bond		3.31%		3.44%			
5 year Govt bond		3.73%		3.71%			
10 year Govt bond		4.47%		4.44%		NZ Carbon	56.75

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