

Market Alert

Monday 1 September 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5890	0.0037
NZD/AUD	0.8997	0.0027
NZD/JPY	86.630	-1.08
NZD/EUR	0.5035	-0.0024
NZD/GBP	0.4362	0.0024
NZD/CNH	4.1823	-0.0267
AUD/USD	0.6538	0.0018
AUD/EUR	0.5589	-0.0045
EUR/USD	1.1696	0.0121
USD/CNH	7.1193	-0.0873
GBP/USD	1.3502	0.0005
EUR/GBP	0.8651	0.0088
INT RATES	NZ	Australia
OCR/Cash	3.00%	3.60%
90 day bills	3.01%	3.62%
2 year swap	2.88%	3.24%
10 year Govt	4.45%	4.39%

Well ... that was a wet and a wild weekend ...

And hopefully everyone is safe and sound! At least the weather allowed for some time to sit and relax ... which is exactly how it was for me on Saturday after I was sent off. Still, we won ... just ... 8-1! And looking at the other action ... I had my money on the wrong chap in F1 but well done to Isack Hadjar, and there were a few upsets in the Premier League. The Warriors? Well, let's just leave it there!

What? The tariffs are illegal?

Apparently so, after the Federal Circuit for the US Court of Appeals struck down the majority of President Donald Trump's tariffs, ruling them illegal under the laws that give Congress control of tariff and tax policy! The 7-4 decision ruled that

the IEEPA (International Emergency Economic Powers Act) does not give the President the authority to implement the tariffs!

The President will appeal the ruling tweeting, "If allowed to stand, this decision would literally destroy the United States of America." But despite the favourable ruling, the court ruled the decision was 'stayed' until 14-October allowing time for appeals with the case likely to head to the Supreme Court. But even if the Supreme Court determines that the tariffs are illegal, there are still other ways for Trump to implement these levies such as the 1974 Trade Act!

Ultimately ... the outlook is as clear as mud!

One thing that is clear though is the data out of China continues to paint a depressing picture after the NBS manufacturing PMIs remained in contractionary territory for a 5th consecutive month, although they did firm from July's 3-month low to reach 49.4. Services PMIs also firmed, from 50.1 to 50.3, which saw the composite squeeze to 50.5 from 50.2.

Friday's releases saw ...

- US PCE inflation printed in line with expectations at 2.6%, although the core firmed from 2.8% to 2.9%.
- The Atlanta Fed's GDPNow tracker for Q3 growth jumped from 2.2% to 3.5%.
- The University of Michigan consumer sentiment report for August was confirmed at 58.2, against the preliminary 58.6 print.

- The US trade deficit widened by USD18.7bn to USD103.6bn in July, while personal spending increased by 0.5%.

- Canadian Q2 GDP flatlined with Q1 at -0.1%, against expectations at 0.1%.

- German inflation firmed from 2.0% in June to 2.2% in July.

So, what did it all mean? Well, to be honest, not a great deal! The USD-index came under a bit of selling pressure, which, for a change, saw the NZD and AUD outperform with NZD/USD closing in on the 0.5900 level, while AUD/USD continued its consolidation above 0.6500. The US treasury curve steepened with the 2-year easing 1bps to 3.63%, while the 10-year firmed 2bps to 4.23%. Equity markets pulled back from their highs falling 0.8% to 1.3%, while commodity moves saw oil prices ease 0.8% while gold and silver firmed.

With today being a US and Canadian holiday ...

It will be a quiet start to the week, but later on it will get busy with, from the US, nonfarm payrolls, unemployment, wage growth, PMIs, the ADP report, trade numbers, and the JOLTS, and Challenger jobs reports. In Europe, we have the latest CPI and PPI updates, unemployment, GDP and, along with the UK, retail sales. From China, we have the Caixin PMIs release, we have a host of Australian releases with Q2 GDP, trade, building permits, current account, the Ai Group Industry index, and household spending, while, from NZ, we have building permits, trade, commodity and house prices, and building volumes.



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Daily Rates

Monday 1 September 2025

FX	Spot	FECs (mid)				Spot Mid	
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	67.90					CAD	0.8089
NZD/USD	0.5890	0.0006	0.0019	0.0037	0.0061	CHF	0.4712
NZD/AUD	0.8997	0.0004	0.0015	0.0027	0.0052	CNY	4.2027
NZD/JPY	86.630	-0.20	-0.56	-1.08	-1.96	DKK	3.7614
NZD/EUR	0.5035	-0.0004	-0.0012	-0.0024	-0.0047	FJD	1.3113
NZD/GBP	0.4362	0.0003	0.0012	0.0024	0.0048	HKD	4.5917
						KRW	817.87
AU TWI	60.50					MYR	2.4863
AUD/USD	0.6538	0.0003	0.0010	0.0018	0.0027	NOK	5.9017
AUD/NZD	1.1083	-0.0006	-0.0020	-0.0041	-0.0080	SEK	5.5576
AUD/JPY	95.98	-0.28	-0.78	-1.51	-2.76	SGD	0.7553
AUD/EUR	0.5589	-0.0008	-0.0023	-0.0045	-0.0087	TWD	18.00
AUD/GBP	0.4841	0.0001	0.0005	0.0011	0.0024	ZAR	10.39
							11.53
USD Index	97.86					EQUITIES	
EUR/USD	1.1696	0.0022	0.0064	0.0121	0.0219		Index
USD/JPY	147.06	-0.49	-1.41	-2.69	-4.84	NZX50	12,931
GBP/USD	1.3502	0.0004	0.0007	0.0005	-0.0013	ASX200	8,973
EUR/GBP	0.8651	0.0014	0.0043	0.0088	0.0171	Dow Jones	45,545
USD/CNY	7.1304	-0.0187	-0.0444	-0.0837	-0.1596	S&P 500	6,460
						FTSE100	9,187
INTEREST		New Zealand		Australia		DAX 30	23,902
RATES		Mid		Mid		Nikkei	42,718
30 day bank bills			3.10%		3.60%	COMMODITIES	
90 day bank bills			3.01%		3.62%		USD
1 year swap			2.81%		3.32%	Brent Crude	67.48
2 year swap			2.90%		3.25%	Gold	3,446.75
3 year swap			3.01%		3.31%	Silver	39.67
5 year swap			3.31%		3.71%	Iron Ore	104.26
10 year swap			3.91%		4.17%	CRB Index	374.05
3 year Govt bond			3.28%		3.41%		
5 year Govt bond			3.70%		3.67%		NZD
10 year Govt bond			4.45%		4.39%	NZ Carbon	58.00

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