

# Market Alert

Tuesday 16 September 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5970	0.0034
NZD/AUD	0.8950	0.0032
NZD/JPY	87.995	-1.05
NZD/EUR	0.5074	-0.0021
NZD/GBP	0.4387	0.0026
NZD/CNH	4.2507	-0.0262
AUD/USD	0.6670	0.0013
AUD/EUR	0.5668	-0.0044
EUR/USD	1.1766	0.0114
USD/CNH	7.1187	-0.0843
GBP/USD	1.3606	-0.0004
EUR/GBP	0.8645	0.0087
INT RATES	NZ	Australia
OCR/Cash	3.00%	3.60%
90 day bills	2.96%	3.63%
2 year swap	2.84%	3.26%
10 year Govt	4.41%	4.39%

## It was a bit hard yesterday ...

a lot of chit chat ... but in general a state of depression given the weekend's sporting results. As you can see ... I'm still not 100% over it!

## Well ... who would have thought that?

After all of the recent data revisions, the US Bureau of Labor Statistics - the agency responsible for collecting and reporting the data - is hiring 25 'price collectors' to fix some of the issues with the CPI reporting ... by going door-to-door to businesses. By all accounts, the Federal hiring freeze is impacting the agency's ability to collect the data, and they've been forced to perform a guessing game on the data because they're understaffed.

Mind you, I don't think paying 25 people \$21.54-\$25.39 an hour is going to fix the issue!

Looking at the overnight release ...

- The New York Empire State manufacturing index fell to -8.7 in September. It was the lowest level in 3 months and below forecasts at 5.

- Chinese industrial production grew by 5.2% in the year to August, easing from July's 5.7% gain and below expectations of 5.8%. It was the softest increase in industrial production since August 2024.

- The other headlines out of China saw new house prices fall 0.3% in August to be down 2.5% on the year, while household deposits decreased by CNY600bn from a year ago as household savings rotated into equities amid active markets and policy tailwinds.

- The Eurozone trade surplus narrowed to EUR12.4bn in July, down from EUR18.5bn a year. Expectations had been at EUR11.7bn.

- Germany August wholesale prices contracted 0.6% on the month but rose 0.7% on the year.

- UK house prices fell 0.1% on the year in what was their first drop since January 2024.

- New Zealand August services PMIs fell from 48.9 to 47.5.

In terms of the price action, as Bill Dudley stated, with a 25bps FOMC cut fully baked in, markets were relatively stable overnight. Treasury yields eased

back with the 2 and 10-years easing 2bps and 3bps to yield 3.55% and 4.04%, respectively. I suspect that this 'stability' will remain in place until we get the dot-plot update on Thursday.

Currencies were also stable with the DXY a touch weaker, which saw the AUD and NZD firm back to last Thursday's levels. Equity and commodity markets traded higher with equities 0.25%-0.75% higher, while commodities gained 1.0%-2.0% with oil prices firming 1.0%. Ultimately ... markets are 'treading water' ahead of Thursday.

## On a side note ...

Trump tweeted "*Too late must cut interest rates, now, and bigger than he had in mind. Housing will soar!!*" He also called for US companies to ditch quarterly reporting. ECB board member Kocher announced "*The ECB's rates are fine where they are right now. The risks are more equally balanced. The ECB should keep its powder dry.*"

Goldman Sachs suggest a slowdown in AI could crash the S&P500 by 20%.

Alphabet has become the 4th company to reach USD3trn market cap.



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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	68.50					CAD	0.8219
NZD/USD	0.5970	0.0006	0.0018	0.0034	0.0056	CHF	0.4739
NZD/AUD	0.8950	0.0006	0.0016	0.0032	0.0061	CNY	4.2477
NZD/JPY	87.995	-0.19	-0.55	-1.05	-1.95	DKK	3.7859
NZD/EUR	0.5074	-0.0004	-0.0011	-0.0021	-0.0040	FJD	1.3177
NZD/GBP	0.4387	0.0004	0.0012	0.0026	0.0051	HKD	4.6429
						KRW	826.73
AU TWI	61.50					MYR	2.5066
AUD/USD	0.6670	0.0003	0.0008	0.0013	0.0016	NOK	5.8626
AUD/NZD	1.1171	-0.0008	-0.0021	-0.0043	-0.0081	SEK	5.5331
AUD/JPY	98.25	-0.28	-0.79	-1.54	-2.86	SGD	0.7640
AUD/EUR	0.5668	-0.0008	-0.0023	-0.0044	-0.0085	TWD	18.01
AUD/GBP	0.4901	0.0001	0.0005	0.0011	0.0022	ZAR	10.35
USD Index	97.29					EQUITIES	
EUR/USD	1.1766	0.0022	0.0062	0.0114	0.0203		Index
USD/JPY	147.39	-0.48	-1.37	-2.60	-4.61	NZX50	13,208
GBP/USD	1.3606	0.0002	0.0003	-0.0004	-0.0031	ASX200	8,853
EUR/GBP	0.8645	0.0014	0.0043	0.0087	0.0167	Dow Jones	45,868
USD/CNY	7.1186	-0.0166	-0.0452	-0.0821	-0.1460	S&P 500	6,608
						FTSE100	9,277
INTEREST		New Zealand		Australia		DAX 30	23,749
RATES		Mid		Mid		Nikkei	44,768
30 day bank bills			3.06%		3.59%	COMMODITIES	
90 day bank bills			2.96%		3.63%		USD
1 year swap			2.80%		3.35%	Brent Crude	67.45
2 year swap			2.87%		3.31%	Gold	3,682.62
3 year swap			3.01%		3.35%	Silver	42.70
5 year swap			3.29%		3.73%	Iron Ore	105.43
10 year swap			3.84%		4.15%	CRB Index	378.62
3 year Govt bond			3.29%		3.47%		
5 year Govt bond			3.68%		3.72%		NZD
10 year Govt bond			4.41%		4.39%	NZ Carbon	58.00

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