

# Market Alert

Tuesday 23 September 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5870	0.0037
NZD/AUD	0.8895	0.0037
NZD/JPY	86.725	-0.95
NZD/EUR	0.4975	-0.0017
NZD/GBP	0.4343	0.0029
NZD/CNH	4.1686	-0.0222
AUD/USD	0.6598	0.0013
AUD/EUR	0.5592	-0.0044
EUR/USD	1.1798	0.0114
USD/CNH	7.1149	-0.0824
GBP/USD	1.3512	-0.0006
EUR/GBP	0.8727	0.0087
INT RATES	NZ	Australia
OCR/Cash	3.00%	3.60%
90 day bills	2.84%	3.60%
2 year swap	2.67%	3.32%
10 year Govt	4.33%	4.39%

## Just like the Hotel California!

The footy team decided it was time to have an end-of-season debrief. I mean the All Blacks do it after each test, so why shouldn't we ... although I suspect there are some distinct differences in the methods of hydration ... and while a couple of old todgers were about to retire, as the song goes, with this team ... "You can check out any time you like ... but you can never leave!"

## The PBoC ...

Left its benchmark 1-year and 5-year LPR unchanged for a 4th consecutive month at 3.00% and 3.50%. The decision was in line with expectations that the authorities would avoid fresh stimulus for now amid the recent strong rally in Chinese stock markets.

The Chicago Fed's activity index firmed from -0.3 to -0.1 in August, its highest level in five months.

Eurozone consumer confidence rose to -14.9 in September, up from -15.5 in August and beating market expectations of -15.3.

As promised, there were a few Fed speakers overnight ... with a fair bit of contradiction ... Beth Hammack suggested inflation is a bigger problem than jobs, stating, "We should be very cautious in removing policy restriction. I expected 4.3% unemployment to rise a bit, but we're near full employment now. We are missing inflation by a more-meaningful number. If we remove restrictions too quickly, I am worried about inflation. There is a clear position here and it's that the economy is fine and inflation is still high, so it's no time to be cutting rates." Stephen Miran had a different view, stressing, "Policy is considerably restrictive and could slow down economic growth. Short-term rates are roughly 200bps too high. A series of 50bps cuts will recalibrate policy. I expect H2 and early 2026 growth to improve." Raphael Bostic stated, "I see little reason to cut rates further for now. I don't believe the labour market is in a crisis at the moment. The current moment is one of the most difficult periods for policymakers because both risks are rising," while Thomas Barkin suggested, "Wage pressures are steadily coming down. I suspect the current low-hiring, low-firing labour market to continue but it could break in either direction. Business optimism has ticked back up (while) low unemployment, wage gains and stock prices all supporting consumer spending."

RBA Governor Michele Bullock spoke in the Australian Parliament yesterday. It was a very long speech, but she didn't sound particularly dovish, stating, "Inflation appears to be under control, the labour market is resilient, and the domestic data is broadly in line with, or slightly stronger, than expectations."

Following last week's NZ GDP print, 3 out of the 5 local banks are now forecasting a 2.25% OCR by year end.

The overnight price action saw some profit taking on the USD against the G-10 currencies. Late in our time zone the JPY slipped after the race to lead Japan's main ruling Liberal Democratic Party has officially kicked off, although it staged a recovery in the overnight session.

Treasury yields continued their recovery, with the 2-year 3bps higher at 3.61%, while the 10-year firmed 2bps to test resistance at 4.15%.

US equity markets continued their grind higher, firming 0.2%-0.5%, although European markets closed the session lower. Commodities were mixed with oil falling 0.3%, while gold and silver prices surged on safe-haven flows.

## Having left Red Bull 3-months ago ...

Christian Horner has now 'officially' left Red Bull ... with an GBP80m pay-off ... allegedly.



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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	67.40					CAD	0.8113 0.9121
NZD/USD	0.5870	0.0007	0.0019	0.0037	0.0064	CHF	0.4649 0.5228
NZD/AUD	0.8895	0.0006	0.0018	0.0037	0.0076	CNY	4.1670 4.6841
NZD/JPY	86.7250	-0.19	-0.52	-0.9512	-1.72	DKK	3.7125 4.1736
NZD/EUR	0.4975	-0.0003	-0.0009	-0.0017	-0.0031	FJD	1.2985 1.4597
NZD/GBP	0.4343	0.0004	0.0014	0.0029	0.0058	HKD	4.5600 5.1264
						KRW	816.20 917.58
AU TWI	61.00					MYR	2.4650 2.7712
AUD/USD	0.6598	0.0003	0.0008	0.0013	0.0015	NOK	5.8229 6.5461
AUD/NZD	1.1240	-0.0009	-0.0024	-0.0052	-0.0106	SEK	5.4915 6.1736
AUD/JPY	97.45	-0.29	-0.80	-1.49	-2.78	SGD	0.7522 0.8456
AUD/EUR	0.5592	-0.0008	-0.0022	-0.0044	-0.0085	TWD	17.73 19.93
AUD/GBP	0.4880	0.0001	0.0005	0.0011	0.0021	ZAR	10.18 11.44
USD Index	97.31					EQUITIES	
EUR/USD	1.1798	0.0022	0.0061	0.0114	0.0207		Index
USD/JPY	147.74	-0.51	-1.35	-2.53	-4.55	NZX50	13,142
GBP/USD	1.3512	0.0002	0.0002	-0.0006	-0.0030	ASX200	8,811
EUR/GBP	0.8727	0.0014	0.0044	0.0087	0.0170	Dow Jones	46,382
USD/CNY	7.114	-0.0148	-0.0415	-0.0750	-0.1290	S&P 500	6,698
						FTSE100	9,227
						DAX 30	23,527
						Nikkei	45,494
INTEREST		New Zealand		Australia		COMMODITIES	
RATES		Mid		Mid			USD
30 day bank bills		2.98%		3.59%		Brent Crude	66.57
90 day bank bills		2.84%		3.60%		Gold	3,746.20
1 year swap		2.61%		3.36%		Silver	44.05
2 year swap		2.68%		3.34%		Iron Ore	105.44
3 year swap		2.83%		3.41%		CRB Index	369.33
5 year swap		3.15%		3.80%			
10 year swap		3.74%		4.21%			
3 year Govt bond		3.11%		3.46%			
5 year Govt bond		3.55%		3.71%			NZD
10 year Govt bond		4.33%		4.39%		NZ Carbon	57.95

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