

Market Alert

Tuesday 30 September 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5782	0.0039
NZD/AUD	0.8788	0.0044
NZD/JPY	85.950	-0.91
NZD/EUR	0.4930	-0.0015
NZD/GBP	0.4303	0.0031
NZD/CNH	4.1248	-0.0215
AUD/USD	0.6578	0.0011
AUD/EUR	0.5609	-0.0045
EUR/USD	1.1727	0.0115
USD/CNH	7.1272	-0.0850
GBP/USD	1.3434	-0.0006
EUR/GBP	0.8726	0.0088

INT RATES	NZ	Australia
OCR/Cash	3.00%	3.60%
90 day bills	2.80%	3.64%
2 year swap	2.65%	3.45%
10 year Govt	4.31%	4.45%

Having married into a family of

Irish, I've spent time on the Emerald Isle and learnt a lot of their history and customs ... heck, I even like Guinness... so maybe I'm a little conflicted here, but if you get a spare moment in front of the telly, I can highly recommend the House of Guinness for a watch.

Did we learn anything overnight?

The short answer is no ... but here's an interesting question ... with the Republicans and Democrats unable to agree on a new funding deal, it's possible the US government will shut down at 00:01 on Wednesday, US time. This would be their first shutdown in nearly 7 years and could lead to large-scale layoffs of Federal workers and the temporary closure of all non-essential US government services ... "But what about

us?" I hear you say ... what about the US data releases and Friday's non-farm payrolls? At this stage, no one is 100% sure what will happen to the US data ... but the consensus seems to be that the releases will be suspended.

The threat of a US government shutdown weighed on the USD, with the JPY and AUD the biggest beneficiaries ... but as we all know, the NZD continues to struggle and was, once again, the worst performing currency. The good news, and biggest beneficiaries of last night's moves, were those that export into Japan and Australia, with NZD/JPY below 86.00 while NZD/AUD plummeted into the 0.8700s.

Somewhat bizarrely, the session saw outright bond buyers, although I suspect the move was more about squaring positions ahead of quarter-end given the recent spike in yields. As I type, the 25-year yield is a pip lower at 3.64% while the 10-year yield eased 3bps to 4.14%. Interestingly, the 10-year gilt yield also eased lower, falling 5bps to 4.72% after Chancellor Rachel Reeves's offered no details about anticipated tax hikes in her speech at the Labour Party conference.

Interestingly, even a government shutdown couldn't halt equity markets, with most exchanges flat - 0.25% higher. Commodity markets were mixed ranging between weakening 3.5% and rallying 3.0% with, at the extremes, oil prices falling 3.5% after Iraq's Kurdistan region resumed crude oil exports after a 2.5-year halt, and as OPEC+ plans another output hike, exacerbating concerns about a glut. Copper prices rose 3.0% to

their highest level in 2 months as markets continued to assess the impact of mining disruptions and supply chain fragility.

Overnight ...

- US pending home sales firmed to a 6-month high, rising 4.0% in August and exceeding forecasts for a 0.3% gain.
- The Dallas Fed's general business activity index for Texas manufacturing slipped from -1.7 to -8.7 in September, signalling a second consecutive month of manufacturing contraction, and the steepest since decline in 3 months. The production index, a key measure of manufacturing conditions, came in at 5.2, down 10 pips from August and indicative of below-average output growth.

St Louis Fed President Alberto Musalem announced, "It's important to lean against above-target inflation regardless of source. The impact of the tariffs has been more muted than expected, perhaps responsible for 10% of current inflation." Colleague John Williams suggested, "Monetary policy continues to be restrictive ... there is still a ways to go to get to our 2.0% goal. Monetary policy continues to be in a position to put downward pressure on inflation. We don't want to see the labour market softening go too far. My estimate for real neutral rate is 2.75%," while Beth Hammack added, "Inflation is too high, and the trend is in the wrong direction."

But despite the lacklustre session

We will get some excitement this afternoon with the RBA ... when it will likely leave its cash rate unchanged!



BANCORP

BANCORP TREASURY SERVICES LIMITED

Barrington
TREASURY SERVICES

Barrington
ASSET CONSULTING



BANCORP

BANCORP CORPORATE FINANCE LIMITED

Daily Rates

Tuesday 30 September 2025

FX	Spot	FECs (mid)				Spot Mid	
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	66.80					CAD	0.8043
NZD/USD	0.5782	0.0007	0.0021	0.0039	0.0070	CHF	0.4608
NZD/AUD	0.8788	0.0007	0.0022	0.0044	0.0090	CNY	4.1188
NZD/JPY	85.9500	-0.20	-0.53	-0.9080	-1.67	DKK	3.6786
NZD/EUR	0.4930	-0.0004	-0.0009	-0.0015	-0.0028	FJD	1.2899
NZD/GBP	0.4303	0.0005	0.0015	0.0031	0.0060	HKD	4.4984
						KRW	809.46
AU TWI	61.00					MYR	2.4345
AUD/USD	0.6578	0.0003	0.0007	0.0011	0.0013	NOK	5.7673
AUD/NZD	1.1376	-0.0009	-0.0030	-0.0060	-0.0123	SEK	5.4422
AUD/JPY	97.51	-0.30	-0.84	-1.53	-2.87	SGD	0.7454
AUD/EUR	0.5609	-0.0009	-0.0024	-0.0045	-0.0089	TWD	17.61
AUD/GBP	0.4895	0.0001	0.0005	0.0010	0.0018	ZAR	9.98
							11.36
USD Index	97.90					EQUITIES	
EUR/USD	1.1727	0.0024	0.0063	0.0115	0.0208		Index
USD/JPY	148.65	-0.53	-1.45	-2.56	-4.63	NZX50	13,133
GBP/USD	1.3434	0.0002	0.0001	-0.0006	-0.0027	ASX200	8,863
EUR/GBP	0.8726	0.0016	0.0046	0.0088	0.0169	Dow Jones	46,300
USD/CNY	7.1194	-0.0148	-0.0419	-0.0750	-0.1400	S&P 500	6,660
						FTSE100	9,300
INTEREST		New Zealand		Australia		DAX 40	23,745
RATES		Mid		Mid		Nikkei	45,044
30 day bank bills			2.94%		3.58%	COMMODITIES	
90 day bank bills			2.80%		3.64%		USD
1 year swap			2.55%		3.45%	Brent Crude	67.76
2 year swap			2.65%		3.45%	Gold	3,823.89
3 year swap			2.80%		3.50%	Silver	46.76
5 year swap			3.11%		3.69%	Iron Ore	105.44
10 year swap			3.70%		4.10%	CRB Index	375.62
3 year Govt bond			3.06%		3.56%		
5 year Govt bond			3.51%		3.79%		NZD
10 year Govt bond			4.31%		4.45%	NZ Carbon	57.00

This document has been prepared by Bancorp Treasury Services Limited ("BTSL"). Whilst all reasonable care has been taken to ensure the facts stated are accurate and the opinions given are fair and reasonable, neither BTSL nor any of its directors, officers or employees shall in any way be responsible for the contents. No liability is assumed by BTSL, its directors, officers or employees for action taken or not taken on the basis of this document.



BANCORP
BANCORP TREASURY SERVICES LIMITED

Barrington
TREASURY SERVICES

Barrington
ASSET CONSULTING



BANCORP
BANCORP CORPORATE FINANCE LIMITED