

Market Alert

Monday 8 September 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5896	0.0034
NZD/AUD	0.8998	0.0029
NZD/JPY	87.340	-1.08
NZD/EUR	0.5034	-0.0023
NZD/GBP	0.4366	0.0025
NZD/CNH	4.1990	-0.0275
AUD/USD	0.6552	0.0013
AUD/EUR	0.5593	-0.0045
EUR/USD	1.1710	0.0115
USD/CNH	7.1232	-0.0858
GBP/USD	1.3501	-0.0003
EUR/GBP	0.8666	0.0086

INT RATES	NZ	Australia
OCR/Cash	3.00%	3.60%
90 day bills	3.01%	3.63%
2 year swap	2.87%	3.26%
10 year Govt	4.49%	4.45%

WOW ...

The ABs vs Springbok 'arm-wrestle' game will go down in the annals of history, and even I lost count of how many players went off for concussion tests! But it does create an issue as to what to watch next Saturday evening with the Warriors facing the Penrith Panthers in their elimination playoff at 6.00pm, with the union starting at 7:00pm!

Overnight, Liam had a hard day at the office finishing 14th at Monza, and welcome back to the NFL!

The US non-farm payrolls report

Played to expectations, printing at a disappointing 22k in August, which was well below expectations at 75k, underscoring signs of a cooling labour market. The report showed a marked slowdown from the July increase of 79k,

which was revised up by 6k, although the June revision showed a net loss of 13k jobs. This saw the unemployment rate edge up to 4.3%, its highest level since 2021, with wages rising 0.3%.

The poor employment numbers likely cemented in a FOMC cut at its 18 September meeting, with markets pricing in an 8% chance of a 50bps cut. US Treasury yields also plummeted amid a steepening curve, with the 2-year falling 8bps to reach its lowest level since April at 3.52%, while the 10-years plummeted 9bps to a 5-month low at 4.07%, while the 30-years crashed, falling 10bps to 4.76%.

The USD-index fell across the board following the report with the CHF, NZD and AUD out-performing, while the USD/JPY also had a good session falling back below the 148.00 level, while EUR/USD reclaimed the 1.1700 handle.

But despite the probability of an FOMC rate cut next week, equity markets were broadly lower with European and US bourses -0.25%-0.75% lower. Gold's powerful rally took on fresh legs rallying a further 1.4% with prices falling just shy of the USD3,600 per ounce level, while oil prices fell 2.25%.

The other releases saw ...

- German factory orders fall 2.9% in July against forecasts for 0.5% growth. It was the third straight monthly decline following June's 0.2% drop, and the steepest pace since January.

- Japan's nominal wages climbed 4.1% in July, from a year earlier, the fastest pace in seven months.

- The FAO Food Price Index was at 130.1 in August 2025, the highest since February 2023, and little changed from 130.0 in July.

- Global meat prices hit a fresh record in August as strong American and Chinese demand for beef extended a month-long rally, although China imposed temporary duties of up to 62.4% on EU pork imports.

- Tesla proposed a potential compensation package for Elon Musk valued close to USD1trn!

- The WSJ has reported President Trump is planning a UFC cage match on the South Lawn with thousands of spectators!

With the Fed, BoC, BoE, and BoJ all ...

Meeting next week, this week the focus will be on the ECB's decision along with the latest updates on US inflation, with the CPI and PPI releases. The US labour market will remain in focus with the annual non-farm benchmark revisions to March, while we also have the latest University of Michigan consumer credit update. We also have inflation updates from France and Germany, with German industrial production, trade, and current account releases. We also have a dump of Chinese data with CPI, PPI, trade and new Yuan loans, while we also have the latest Japanese Tankan update. Australia will release its latest consumer and business confidence, inflation expectations, and building permits and private housing approval numbers, while in NZ there will be updates on manufacturing activity, migration card spending and business PMIs.



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Daily Rates

Monday 8 September 2025

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	67.70					CAD	0.8129	0.9061
NZD/USD	0.5896	0.0006	0.0018	0.0034	0.0055	CHF	0.4687	0.5210
NZD/AUD	0.8998	0.0004	0.0016	0.0029	0.0058	CNY	4.2032	4.6746
NZD/JPY	87.340	-0.21	-0.55	-1.08	-1.98	DKK	3.7463	4.1759
NZD/EUR	0.5034	-0.0005	-0.0012	-0.0023	-0.0045	FJD	1.3080	1.4579
NZD/GBP	0.4366	0.0003	0.0012	0.0025	0.0048	HKD	4.5830	5.1085
						KRW	814.80	908.23
AU TWI	60.60					MYR	2.4805	2.7649
AUD/USD	0.6552	0.0003	0.0009	0.0013	0.0013	NOK	5.8857	6.5606
AUD/NZD	1.1103	-0.0007	-0.0022	-0.0043	-0.0079	SEK	5.5201	6.1530
AUD/JPY	96.92	-0.28	-0.79	-1.52	-2.83	SGD	0.7547	0.8413
AUD/EUR	0.5593	-0.0008	-0.0023	-0.0045	-0.0087	TWD	17.92	19.98
AUD/GBP	0.4850	0.0001	0.0005	0.0011	0.0021	ZAR	10.34	11.53
USD Index	97.74					EQUITIES		
EUR/USD	1.1710	0.0021	0.0061	0.0115	0.0203		Index	
USD/JPY	148.12	-0.49	-1.39	-2.64	-4.69	NZX50	13,224	
GBP/USD	1.3501	0.0003	0.0004	-0.0003	-0.0032	ASX200	8,871	
EUR/GBP	0.8666	0.0014	0.0043	0.0086	0.0168	Dow Jones	45,401	
USD/CNY	7.1325	-0.0155	-0.0452	-0.0828	-0.1570	S&P 500	6,482	
						FTSE100	9,208	
INTEREST		New Zealand		Australia		DAX 30	23,597	
RATES		Mid		Mid		Nikkei	43,019	
30 day bank bills			3.10%		3.60%	COMMODITIES		
90 day bank bills			3.01%		3.63%		USD	
1 year swap			2.80%		3.34%	Brent Crude	65.50	
2 year swap			2.90%		3.27%	Gold	3,586.36	
3 year swap			3.04%		3.33%	Silver	40.98	
5 year swap			3.34%		3.73%	Iron Ore	104.49	
10 year swap			3.90%		4.18%	CRB Index	368.67	
3 year Govt bond			3.30%		3.49%		NZD	
5 year Govt bond			3.72%		3.75%	NZ Carbon	58.15	
10 year Govt bond			4.49%		4.45%			

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