

Market Alert

Monday 13 October 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5747	0.0041
NZD/AUD	0.8835	0.0050
NZD/JPY	87.260	-0.85
NZD/EUR	0.4950	-0.0011
NZD/GBP	0.4311	0.0034
NZD/CNH	4.0894	-0.0166
AUD/USD	0.6504	0.0006
AUD/EUR	0.5602	-0.0048
EUR/USD	1.1608	0.0104
USD/CNH	7.1454	-0.0795
GBP/USD	1.3314	-0.0012
EUR/GBP	0.8695	0.0084
INT RATES	NZ	Australia
OCR/Cash	2.50%	3.60%
90 day bills	2.55%	3.64%
2 year swap	2.56%	3.40%
10 year Govt	4.24%	4.45%

Well ... that wasn't much of a weekend!

12 hours of my most hated passion ... gardening! The theory is that if I break the back of it in Spring, it takes care of itself for the rest of the Summer ... but we all know that's not realistic! And I won't mention the 'debate' as to where I was supposed to dispose of the grass cuttings!

The USD bears felt some pain!

In what was a perfect storm for the USD, rising trade tensions between the US and China saw safe haven flows into the USD. Amid an undercurrent of retaliatory threats, President Trump announced new tariffs of 100% on imports from China "over and above any tariff that they are currently paying," adding that "the US tariff action is based on China's export controls.

The US will also impose export curbs on critical software to China." China defended itself stating it's "not afraid of trade war," accusing the US of "double standards" and defended its new export controls on rare earths as a "legitimate" measure under international law, adding "China's position on the trade war is consistent: we do not want it, but we are not afraid of it."

USD bears, including the likes of Goldmans, JPMorgan and Morgan Stanley, will all be feeling the pain on their mark-to-markets after the USD-index spiked towards the 99.50 level. Interestingly, the AUD felt most of the pain opening this morning at 0.6475, while the NZD/USD is tentatively holding above key support in the 0.5725-0.5735 region. The JPY found some support after talks between Japan's ruling coalition partners, the LDP and junior coalition partner Komeito ended without agreement. This saw the JPY rally, along with the CHF, with USD/JPY falling from above the 152.00 level last week to 147.50, while USD/CHF fell a cent to around 0.8000. This morning's open has seen a modest recovery amid the suggestion China's export controls are not a ban on exports, and that China is willing to strengthen dialogue to better maintain pricing and supply chains.

US treasury yields also benefited from safe haven flows, with the 2-years falling 9bps to 3.51% while the 10-years fell to a 3-week low, plummeting 11bps to 4.04%. Equity markets were a 'sea of red,' wiping out last week's gains ... and then some ... with the S&P500 falling 2.7% while the NASDAQ was crushed a mind-blowing

3.5%! The European bourses were 1.0%-1.5% lower. Commodity markets also sold off on the threat of a trade war with copper plummeting 6.0% while oil futures fell 4.0%. Gold prices rallied 1.0% to close above the USD4.000 level, while silver continued to outperform rallying 1.5%.

The University of Michigan's consumer sentiment index for the US came in at 55 in October, virtually unchanged from 55.1 in September and above expectations at 54.2.

The week ahead ...

With the US Federal shutdown about to enter its 3rd week, it would appear we are no closer to a resolution! This means a continuing void of US governmental releases so, at least from a US perspective, the focus will turn to equity markets as we start the US reporting season, with the bank releases viewed as a proxy for the state of the US economy. Beyond that we also have industrial production, the NAHB housing market index, and the Philadelphia Fed and New York Fed manufacturing surveys. In China, attention will turn to trade, inflation, and banking activity, while in Europe, investors will watch Eurozone industrial production, the final inflation print, Germany's ZEW sentiment index, and UK labour market and GDP data. Australia will provide an update on their employment numbers alongside the RBA minutes, while in NZ we have business services PMIs, housing, and food inflation.



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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	66.80					CAD	0.8027
NZD/USD	0.5747	0.0008	0.0022	0.0041	0.0072	CHF	0.4598
NZD/AUD	0.8835	0.0008	0.0025	0.0050	0.0097	CNY	4.0814
NZD/JPY	87.2600	-0.17	-0.47	-0.8520	-1.55	DKK	3.6905
NZD/EUR	0.4950	-0.0002	-0.0006	-0.0011	-0.0021	FJD	1.2908
NZD/GBP	0.4311	0.0005	0.0017	0.0034	0.0067	HKD	4.4663
						KRW	820.13
AU TWI	61.30					MYR	2.4230
AUD/USD	0.6504	0.0002	0.0006	0.0006	0.0006	NOK	5.7675
AUD/NZD	1.1321	-0.0011	-0.0034	-0.0071	-0.0134	SEK	5.4564
AUD/JPY	100.04	-0.30	-0.83	-1.59	-2.95	SGD	0.7442
AUD/EUR	0.5602	-0.0008	-0.0025	-0.0048	-0.0091	TWD	17.61
AUD/GBP	0.4872	0.0001	0.0005	0.0008	0.0017	ZAR	10.04
USD Index	98.85					EQUITIES	
EUR/USD	1.1608	0.0020	0.0057	0.0104	0.0188		Index
USD/JPY	151.80	-0.51	-1.40	-2.58	-4.66	NZX50	13,467
GBP/USD	1.3314	0.0001	-0.0001	-0.0012	-0.0045	ASX200	8,958
EUR/GBP	0.8695	0.0014	0.0043	0.0084	0.0164	Dow Jones	45,480
USD/CNY	7.134	-0.0141	-0.0382	-0.0699	-0.1287	S&P 500	6,553
						FTSE100	9,427
INTEREST		New Zealand		Australia		DAX 40	24,241
RATES		Mid		Mid		Nikkei	48,089
30 day bank bills			2.65%		3.57%	COMMODITIES	
90 day bank bills			2.55%		3.64%		USD
1 year swap			2.44%		3.45%	Brent Crude	62.73
2 year swap			2.56%		3.40%	Gold	4,017.34
3 year swap			2.75%		3.45%	Silver	50.27
5 year swap			3.07%		3.61%	Iron Ore	105.74
10 year swap			3.67%		4.03%	CRB Index	363.85
3 year Govt bond			3.02%		3.60%		
5 year Govt bond			3.45%		3.81%		NZD
10 year Govt bond			4.24%		4.45%	NZ Carbon	56.50

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