

Market Alert

Monday 6 October 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5816	0.0039
NZD/AUD	0.8830	0.0045
NZD/JPY	86.905	-0.87
NZD/EUR	0.4963	-0.0014
NZD/GBP	0.4327	0.0031
NZD/CNH	4.1606	-0.0219
AUD/USD	0.6584	0.0009
AUD/EUR	0.5618	-0.0047
EUR/USD	1.1717	0.0108
USD/CNH	7.1355	-0.0844
GBP/USD	1.3436	-0.0009
EUR/GBP	0.8718	0.0085
INT RATES	NZ	Australia
OCR/Cash	3.00%	3.60%
90 day bills	2.74%	3.64%
2 year swap	2.62%	3.43%
10 year Govt	4.31%	4.43%

Payrolls pulled

It's an unusual start to the week, for a few reasons, your usual commentator is away and due to the current US government shutdown, there were no US non-farm payrolls data on Friday which is usually 'exciting' (that's sad to write as a 23-year-old) as there's usually a surprise and large historical revisions that sends markets into a frenzy and gives us something to write about.

It seems that Trump plans to add to the softening labour market and make the next payrolls data weaker, CNN reported that The White House has compiled a list of agencies it plans to target for federal firings that is expected to be released soon. This should help on his insatiable desire for lower interest rates.

Fed Vice Chair Philip Jefferson stated on Friday that the US job market could face stress if not supported by monetary policy, with both sides of the Fed's dual-mandate of stable inflation and maximum employment under pressure. Jefferson continued, stating that *"I see the risks to employment as tilted to the downside and risks to inflation to the upside,"* with the 25bps cut at the last Fed meeting appropriate, although he did not give any indication of what his stance would be in the meeting later this month.

Keeping on theme, China is pushing the Trump administration to roll back national-security restrictions on Chinese deals in the US, with China proposing a large investment as a part of the deal. Hopefully Trump doesn't focus on the cheese and forget about the trap. Trump is also brokering a deal in Israel, with a deadline sometime this morning.

Japan's right-wing Liberal Democratic Party ("LDP") has selected its new leader, Sanae Takaichi, who is now set to serve as the first female prime minister of the country. Takaichi has stated that she admires former British PM Margaret Thatcher, also known as the 'Iron Lady', and is a proponent of former Japanese PM Shinzo Abe's economic policies, aptly named 'Abenomics'. Also, she used to be a heavy metal drummer.

In terms of where we start the week, the lack of data out since Friday means not too much has changed. The US dollar index softened, failing to sustain its

break above 98.00 and now sits at 97.72. The NZD/USD remains above 0.5800, while the AUD/USD is below the 0.6600 level at 0.6585, which has pushed the NZD/AUD up to 0.8835. US Treasury yields firmed slightly with the 10-year currently at 4.12%, while US equity indices reached record highs. In terms of commodities, oil continued its softening trend as OPEC+ confirmed that it will raise production by 137k barrels per day, while gold is sitting just below the USD3900 level.

In the spotlight

On an international front, data this week is pretty non-eventful, with the highlights including minutes from the Fed and ECB meetings and an update on Canada's labour market, while China will remain on holiday until Thursday this week. Locally, it is going to be more exciting, tomorrow we have the September quarterly survey of business opinions (QSBO) which provides an important update on business sentiment and conditions. We have the second-to-last OCR decision of the year on Wednesday, the question on everyone's mind is whether it will be a 50bps or 25bps cut? Of the key local banks, three expect a 50bps cut, while the other two (and markets) sit more on the fence, fully pricing in a 25bps cut.



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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	67.10					CAD	0.8100
NZD/USD	0.5816	0.0007	0.0021	0.0039	0.0068	CHF	0.4623
NZD/AUD	0.8830	0.0008	0.0022	0.0045	0.0090	CNY	4.1504
NZD/JPY	86.9050	-0.16	-0.49	-0.8748	-1.62	DKK	3.6918
NZD/EUR	0.4963	-0.0003	-0.0008	-0.0014	-0.0027	FJD	1.2919
NZD/GBP	0.4327	0.0005	0.0015	0.0031	0.0061	HKD	4.5183
						KRW	815.78
AU TWI	61.20					MYR	2.4424
AUD/USD	0.6584	0.0003	0.0007	0.0009	0.0006	NOK	5.7669
AUD/NZD	1.1312	-0.0011	-0.0029	-0.0061	-0.0127	SEK	5.4455
AUD/JPY	97.27	-0.29	-0.79	-1.51	-2.86	SGD	0.7483
AUD/EUR	0.5618	-0.0009	-0.0025	-0.0047	-0.0093	TWD	17.63
AUD/GBP	0.4897	0.0001	0.0005	0.0009	0.0015	ZAR	9.99
							11.33
USD Index	97.71					EQUITIES	
EUR/USD	1.1717	0.0022	0.0059	0.0108	0.0195		Index
USD/JPY	149.42	-0.48	-1.35	-2.49	-4.47	NZX50	13,514
GBP/USD	1.3436	0.0002	-0.0001	-0.0009	-0.0035	ASX200	8,987
EUR/GBP	0.8718	0.0015	0.0044	0.0085	0.0163	Dow Jones	46,758
USD/CNY	7.119	-0.0146	-0.0398	-0.0711	-0.1340	S&P 500	6,718
						FTSE100	9,491
INTEREST		New Zealand		Australia		DAX 40	24,379
RATES		Mid		Mid		Nikkei	45,770
30 day bank bills			2.88%		3.59%	COMMODITIES	
90 day bank bills			2.74%		3.64%		USD
1 year swap			2.54%		3.41%	Brent Crude	64.53
2 year swap			2.62%		3.43%	Gold	3,885.99
3 year swap			2.79%		3.49%	Silver	47.97
5 year swap			3.11%		3.62%	Iron Ore	104.36
10 year swap			3.70%		4.07%	CRB Index	371.77
3 year Govt bond			3.07%		3.57%		
5 year Govt bond			3.51%		3.79%		NZD
10 year Govt bond			4.31%		4.43%	NZ Carbon	56.75

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