

# Market Alert

Tuesday 7 October 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5842	0.0039
NZD/AUD	0.8828	0.0046
NZD/JPY	87.805	-0.92
NZD/EUR	0.4987	-0.0014
NZD/GBP	0.4333	0.0032
NZD/CNH	4.1725	-0.0199
AUD/USD	0.6616	0.0009
AUD/EUR	0.5648	-0.0046
EUR/USD	1.1713	0.0111
USD/CNH	7.1410	-0.0807
GBP/USD	1.3482	-0.0008
EUR/GBP	0.8685	0.0087

  

INT RATES	NZ	Australia
OCR/Cash	3.00%	3.60%
90 day bills	2.73%	3.64%
2 year swap	2.61%	3.40%
10 year Govt	4.34%	4.44%

## I have learnt, a weekend away

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With a few drinks, a few card games, and a few board games ... is a recipe for various family members not speaking to each other!

## With very little progress towards ...

Ending the US government shutdown, we can expect further data delays and an exacerbated focus on other 'minor' events! But in amid the silence, economic adviser Kevin Hassett has suggested the White House is holding off from announcing layoffs, at least until today, to see if Democrats cave on the stop-gap funding bill.

There were some interesting moves overnight, US Treasury yields firmed

with the 2-year gaining 3bps to 3.61%, while the 10-year firmed 4bps to 4.16%. Although the USD-index posted a modest 0.4% gain, the AUD and NZD also rallied, consolidating above the 0.6600 and 0.5825 levels. The rationale for these moves was the follow-through on EUR/USD after Friday's failure to break technical resistance at 1.1760. This has seen NZD/EUR bounce to 0.4990, a key level for the pair, while the NZD/USD is testing key resistance around 0.5847.

The S&P 500 and the Nasdaq 100 continued their relentless grind higher on further AI-related partnerships after Advanced Micro Devices (AMD) shares soared more than 30% following a partnership with OpenAI. Against this positivity, European exchanges closed lower.

Commodity prices were mostly higher, gold reached another record high, rallying 2.0%, oil firmed 1.5%, although copper prices eased 0.8%.

Breaking the releases down ...

- UK new car sales rose 13.7% in the year to September. Interestingly, BYD's UK sales soared 880%, making it the EV-maker's largest market outside China.
- The Melbourne Institute's inflation forecast suggests Australian inflation will firm 0.4% in September to reach 3.1% annually, a touch firmer than the prior month's -0.3% and 2.8%
- The New Zealand commodity price index fell 1.1% in September, mainly driven by falling dairy prices. In NZD terms, the index fell 0.6%.

President Trump has asked, "Fannie Mae and Freddie Mac to get the 'Big

Homebuilders' going again." In other words, please help them get some cheap money!

ECB President Christine Lagarde spoke at the 'Hearing of the Committee on Economic and Monetary Affairs' at the European Parliament, stating, "The euro area economy showed resilience, supported by domestic demand. Past ECB rate cuts and government spending are expected to support investment. Growth was uneven: frontloading of trade boosted Q1, but higher tariffs, the stronger EUR, and global competition weighed on Q2 ... and are expected to limit growth short term. Risks remain from volatile global trade environment, but the range of risks has narrowed. No pre-commitment to a rate path—decisions will be based on inflation outlook, underlying dynamics, and transmission strength."

Ahead of tomorrow's RBNZ meeting, the NZIER Shadow Board has recommended the RBNZ continue its easing cycle with another 25bps cut. The members believe there is sufficient spare capacity within the economy to stimulate the recovery without reigniting inflation. But there were some disagreements with several members arguing that the weaker-than-expected Q2 GDP justified a 50bps cut, while one member preferred to hold rates, referencing the recent uptick in inflation. Ultimately, most members expect the OCR to settle between 2.50% and 2.75% over the next year.

## That's pretty cool ...

New Zealand rugby legend Portia Woodman-Wickliffe will have a Barbie doll modelled on her.



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# Daily Rates

Tuesday 7 October 2025

FX	Spot	FECs (mid)				Spot Mid	
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	67.20					CAD	0.8146 0.9229
NZD/USD	0.5842	0.0007	0.0021	0.0039	0.0068	CHF	0.4643 0.5262
NZD/AUD	0.8828	0.0007	0.0022	0.0046	0.0096	CNY	4.1504 4.7014
NZD/JPY	87.8050	-0.19	-0.51	-0.9230	-1.68	DKK	3.7212 4.2156
NZD/EUR	0.4987	-0.0004	-0.0008	-0.0014	-0.0026	FJD	1.2989 1.4715
NZD/GBP	0.4333	0.0005	0.0015	0.0032	0.0061	HKD	4.5449 5.1488
						KRW	823.57 933.01
AU TWI	61.20					MYR	2.4604 2.7873
AUD/USD	0.6616	0.0003	0.0007	0.0009	0.0007	NOK	5.7946 6.5646
AUD/NZD	1.1325	-0.0010	-0.0030	-0.0062	-0.0127	SEK	5.4715 6.2038
AUD/JPY	99.17	-0.29	-0.83	-1.57	-2.96	SGD	0.7539 0.8541
AUD/EUR	0.5648	-0.0009	-0.0024	-0.0046	-0.0092	TWD	17.80 20.16
AUD/GBP	0.4906	0.0001	0.0005	0.0009	0.0016	ZAR	10.03 11.36
USD Index	98.12					EQUITIES	
EUR/USD	1.1713	0.0023	0.0061	0.0111	0.0202		Index
USD/JPY	150.29	-0.51	-1.40	-2.57	-4.63	NZX50	13,489
GBP/USD	1.3482	0.0002	0.0000	-0.0008	-0.0036	ASX200	8,981
EUR/GBP	0.8685	0.0016	0.0045	0.0087	0.0169	Dow Jones	46,692
USD/CNY	7.119	-0.0146	-0.0398	-0.0711	-0.1340	S&P 500	6,746
						FTSE100	9,479
INTEREST						DAX 40	24,378
RATES						Nikkei	47,945
						COMMODITIES	
30 day bank bills			2.84%		3.59%		USD
90 day bank bills			2.73%		3.64%	Brent Crude	65.49
1 year swap			2.53%		3.41%	Gold	3,961.42
2 year swap			2.61%		3.40%	Silver	48.71
3 year swap			2.79%		3.45%	Iron Ore	104.36
5 year swap			3.10%		3.62%	CRB Index	373.97
10 year swap			3.69%		4.07%		NZD
3 year Govt bond			3.08%		3.58%	NZ Carbon	56.50
5 year Govt bond			3.52%		3.80%		
10 year Govt bond			4.34%		4.44%		

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