

Market Alert

Friday 05 December 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5771	0.0038
NZD/AUD	0.8725	0.0059
NZD/JPY	89.445	-0.86
NZD/EUR	0.4953	-0.0011
NZD/GBP	0.4326	0.0029
NZD/CNH	4.0786	-0.0171
AUD/USD	0.6613	-0.0002
AUD/EUR	0.5675	-0.0051
EUR/USD	1.1651	0.0102
USD/CNH	7.0689	-0.0758
GBP/USD	1.3339	-0.0004
EUR/GBP	0.8732	0.0078
INT RATES	NZ	Australia
OCR/Cash	2.25%	3.60%
90 day bills	2.47%	3.73%
2 year swap	2.82%	3.86%
10 year Govt	4.40%	4.81%

Comrade Starmer?

Is the UK turning communist? I'm not 100% sure, but there are some 'interesting' trends emerging. ... the latest one saw UK PM Keir Starmer postpone elections for new mayors in four parts of England, with the threat that next years planned elections could be cancelled as well! We all know the incumbent Labour Party is facing a crisis-of-confidence, but at this rate, they could well cancel the General Election in 2029!

All of the opposition parties have all called the move an 'affront to democracy,' and after announcing they would be standing in all 4 off the mayoral elections, the Reform Party received a record GBP9m in a single donation!

Personally speaking, I think the government is trying to leak out all this negative news after the English cricket team is actually had a good

day in Australia ... well done Joe Root! Rumours the Labour Party want to make the singing of "The Red Flag" compulsory at the opening and closing of Parliament everyday are, as yet, unconfirmed.

The US labour market was in the spotlight again ...

... after US-based employers announced 71.3k of job cuts in November according to the Challenger numbers, up 24% from the 57.7k announced in the same month last year, although, on a positive note it is 53% lower than the October numbers. Year to date, layoff plans totalled 1,170.8k, the most since 2020, pandemic year, and up 54% from the same period in 2024.

But there was a tiny positive on the other side of the ledger after the volatile initial claims number fell to its lowest level in more than 3-years during Thanksgiving week, easing from last weeks revised 218k to 191k. Continuing claims fell 4k to 1,939k.

Looking at the other headlines ...

- The Chicago Fed's unemployment tracker is projecting a slight improvement in November unemployment, projecting an easing to 4.44% from October's 4.46%.
- US September factory orders grew 0.2% against forecasts for a 0.5% bump.
- The Atlanta Fed GDPNow Q3 growth estimate dipped from 3.9% to 3.8%!
- Australia's trade surplus widened to AUD4.39bn in October, up from September's downwardly revised AUD3.71bn. Exports grew 3.4% to

a 2-year high of AUD45.98bn while imports rose 2.0% to AUD41.59bn.

US Trade Representative Jamieson Greer speculated President Trump could withdraw from the United States-Mexico-Canada trade agreement (USMCA) next year.

Meta is planning yet another pivot with plans to slash spending on its Metaverse, shifting its focus to AI.

So ... what did it all mean?

Ahead of tonight's US PCE inflation release, financial markets were quiet. The most interesting move saw the JPY firm on a Reuters report the BoJ will hike at their December meeting, although the move soon lost momentum. The AUD broke back above the 0.6600 level, in what was a delayed move, while the NZD/USD continues to consolidate at the 0.5770 level.

Bond yields firmed with the Japanese 10-year JGB yield firming to its highest level since 2007 at 1.94%, the Australian 10-year government bond yield climbed to 4.69%, its highest level since November 2023, while the NZ 10-year yield open this morning likely open 2bps-4bps higher than yesterday's close at 4.28% after the 10-year treasury yield firmed to 4.11%. The 2-years also firmed 4bps, to 3.54%.

US equity markets are trading slightly lower on the day, although the European bourses had a positive session firming 0.25%-0.75%, while commodity market were broadly higher although silver gave up some of its recent gains slipping 3.0%.



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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	66.90					CAD	0.8048
NZD/USD	0.5771	0.0007	0.0021	0.0038	0.0063	CHF	0.4631
NZD/AUD	0.8725	0.0009	0.0029	0.0059	0.0126	CNY	4.0818
NZD/JPY	89.4450	-0.18	-0.44	-0.8617	-1.65	DKK	3.6971
NZD/EUR	0.4953	-0.0002	-0.0005	-0.0011	-0.0025	FJD	1.2887
NZD/GBP	0.4326	0.0005	0.0016	0.0029	0.0051	HKD	4.4884
						KRW	849.82
AU TWI	61.80					MYR	2.3706
AUD/USD	0.6613	0.0001	0.0002	-0.0002	-0.0023	NOK	5.8272
AUD/NZD	1.1459	-0.0014	-0.0038	-0.0083	-0.0168	SEK	5.4318
AUD/JPY	102.41	-0.31	-0.84	-1.67	-3.30	SGD	0.7474
AUD/EUR	0.5675	-0.0009	-0.0025	-0.0051	-0.0109	TWD	18.08
AUD/GBP	0.4956	0.0001	0.0002	0.0000	-0.0013	ZAR	9.80
USD Index	98.97					EQUITIES	
EUR/USD	1.1651	0.0019	0.0053	0.0102	0.0184		Index
USD/JPY	155.00	-0.50	-1.31	-2.48	-4.51	NZX50	13,516
GBP/USD	1.3339	0.0000	-0.0002	-0.0004	-0.0014	ASX200	8,618
EUR/GBP	0.8732	0.0014	0.0041	0.0078	0.0144	Dow Jones	47,882
USD/CNY	7.0714	-0.0146	-0.0388	-0.0731	-0.1311	S&P 500	6,856
						FTSE100	9,711
INTEREST		New Zealand		Australia		DAX 40	23,882
RATES		Mid		Mid		Nikkei	51,028
30 day bank bills			2.41%		3.59%	COMMODITIES	
90 day bank bills			2.47%		3.73%		USD
1 year swap			2.51%		3.71%	Brent Crude	63.43
2 year swap			2.82%		3.86%	Gold	4,202.14
3 year swap			3.07%		3.94%	Silver	56.76
5 year swap			3.41%		4.11%	Iron Ore	107.77
10 year swap			3.95%		4.43%	CRB Index	377.81
3 year Govt bond			3.29%		4.10%		
5 year Govt bond			3.74%		4.30%		NZD
10 year Govt bond			4.40%		4.81%	NZ Carbon	40.99

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