

Market Alert

Monday 15 December 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5803	0.0037
NZD/AUD	0.8730	0.0059
NZD/JPY	90.415	-0.85
NZD/EUR	0.4943	-0.0011
NZD/GBP	0.4340	0.0030
NZD/CNH	4.0946	-0.0161
AUD/USD	0.6642	-0.0004
AUD/EUR	0.5656	-0.0052
EUR/USD	1.1737	0.0099
USD/CNH	7.0506	-0.0727
GBP/USD	1.3368	-0.0007
EUR/GBP	0.8770	0.0077
INT RATES	NZ	Australia
OCR/Cash	2.25%	3.60%
90 day bills	2.48%	3.76%
2 year swap	3.06%	4.02%
10 year Govt	4.62%	4.85%

First of all

Our thoughts and prayers are with the people of Sydney this morning after yesterday's horrific attack.

Last week saw a quiet close

With the following releases:

- The UK trade deficit widened to GBP4.8bn in October, up from GBP1.1bn in September, while GDP fell by 0.1% in the three months to October.
- Australian employment declined by 21.3k in November, following on from October's 41.1k increase. Expectations had been for a 20k gain, although the unemployment rate was unchanged at 4.3%.
- NZ business PMIs printed at 51.4 while electronic card transactions in rose 1.2% to NZD7.0bn in November.

China announced plans to expand exports and imports next year as part of efforts to promote "sustainable trade."

The WSJ reported President Trump is leaning towards either former Fed Governor Kevin Warsh or National Economic Council Director Kevin Hassett for the position of Fed Chair.

Bond markets firmed after the Chicago Fed President Austin Goolsbee said policymakers "should have waited" for more data before cutting again. You may recall, Goolsbee had voted to leave the Fed funds rate unchanged last week even though he had voted in favour of the rate cuts at the September and October meetings. The other Fed dissenter, Kansas City Fed President Jeffrey Schmid warned against complacency, arguing policy may not be restrictive enough to cool prices, stating, "*Data is still incomplete, but based on what is available, inflation remains too high while the job market seems largely in balance.*"

This ultimately saw the US Treasury 10-year yield grind a couple of bps higher towards the 4.20% level, eventually closing at 4.18%, although the 2-year eased 2bps to 3.53%. The USD-index also weakened for a 3rd consecutive week, which helped the NZD/USD and AUD/USD to consolidate above the 0.5800 and 0.6650 levels respectively.

European and US equity markets closed sharply lower, falling between 0.2% and 1.0%, although the NASDAQ fell 1.9% with tech stocks under pressure. Commodity markets were also a 'sea-of-red' with oil weakening 0.2%, while gold and silver plummeted 2.4%.

The week ahead

Will largely focus on the delayed US labour reports from the shutdown, which will include the non-farm payroll reports for October and November, as well as the November jobless rate. We'll also have the October retail sales, November inflation data, and the S&P Global PMIs for December, as well as speeches by various Fed officials following last week's rate cut.

Beyond the US, we have interest rate decisions from the ECB, BoE, and BoJ. Additional highlights include inflation figures from Canada, Japan, and the UK, as well as flash PMIs for Australia, Japan, the UK, the Eurozone and Germany. We will also have the latest ZEW economic sentiment and IFO Business updates from Germany. In our part of the world, China will release its November industrial production, retail sales, fixed asset investment, unemployment, housing and foreign direct investment data, as well as inflation, Japan will release its latest Tankan data, unemployment and November trade, Australia will provide its latest consumer confidence numbers, while in New Zealand our Treasury will provide its half year fiscal update, while we also be updated on Q3 GDP, trade, food prices, business PSIs, consumer confidence, and the current account balance.



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Daily Rates

Monday 15 December 2025

FX	Spot	FECs (mid)				Spot Mid	
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	67.10					CAD	0.7983
NZD/USD	0.5803	0.0007	0.0020	0.0037	0.0055	CHF	0.4615
NZD/AUD	0.8730	0.0009	0.0029	0.0059	0.0115	CNY	4.0892
NZD/JPY	90.4150	-0.17	-0.43	-0.8536	-1.76	DKK	3.6883
NZD/EUR	0.4943	-0.0002	-0.0005	-0.0011	-0.0029	FJD	1.3009
NZD/GBP	0.4340	0.0006	0.0016	0.0030	0.0045	HKD	4.5131
						KRW	855.08
AU TWI	62.10					MYR	2.3731
AUD/USD	0.6642	0.0001	0.0001	-0.0004	-0.0030	NOK	5.8636
AUD/NZD	1.1457	-0.0013	-0.0039	-0.0082	-0.0163	SEK	5.3656
AUD/JPY	103.94	-0.31	-0.84	-1.70	-3.43	SGD	0.7488
AUD/EUR	0.5656	-0.0009	-0.0025	-0.0052	-0.0112	TWD	18.17
AUD/GBP	0.4966	0.0001	0.0002	-0.0001	-0.0017	ZAR	9.78
USD Index	98.39					EQUITIES	
EUR/USD	1.1737	0.0019	0.0052	0.0099	0.0177		Index
USD/JPY	155.73	-0.48	-1.28	-2.46	-4.47	NZX50	13,407
GBP/USD	1.3368	-0.0001	-0.0004	-0.0007	-0.0022	ASX200	8,697
EUR/GBP	0.8770	0.0015	0.0041	0.0077	0.0142	Dow Jones	48,458
USD/CNY	7.0548	-0.0127	-0.0387	-0.0727	-0.1314	S&P 500	6,827
						FTSE100	9,649
INTEREST		New Zealand		Australia		DAX 40	24,186
RATES		Mid		Mid		Nikkei	50,837
30 day bank bills			2.41%		3.60%	COMMODITIES	
90 day bank bills			2.48%		3.76%		USD
1 year swap			2.67%		3.89%	Brent Crude	61.12
2 year swap			3.06%		4.02%	Gold	4,302.12
3 year swap			3.33%		4.10%	Silver	62.01
5 year swap			3.69%		4.21%	Iron Ore	106.05
10 year swap			4.18%		4.55%	CRB Index	373.19
3 year Govt bond			3.54%		4.15%		
5 year Govt bond			4.02%		4.35%		NZD
10 year Govt bond			4.62%		4.85%	NZ Carbon	39.94

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