

Market Alert

Friday 19 December 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5773	0.0036
NZD/AUD	0.8729	0.0060
NZD/JPY	89.865	-0.83
NZD/EUR	0.4926	-0.0010
NZD/GBP	0.4314	0.0029
NZD/CNH	4.0608	-0.0173
AUD/USD	0.6613	-0.0005
AUD/EUR	0.5642	-0.0051
EUR/USD	1.1719	0.0096
USD/CNH	7.0332	-0.0738
GBP/USD	1.3379	-0.0008
EUR/GBP	0.8757	0.0076
INT RATES	NZ	Australia
OCR/Cash	2.25%	3.60%
90 day bills	2.50%	3.77%
2 year swap	3.00%	4.00%
10 year Govt	4.54%	4.86%

And it's good night from me, and it's good night from him!

And just like that, we are signing off for the year. Our next Market Alert publication will be on Monday, 12 January 2026... but until then, wishing you all a very Merry Christmas and a happy, healthy and successful year ahead.

But just because New Zealand is closing for Christmas

It hasn't stopped the rest of the world from keeping busy, with two central bank meetings overnight, and one this afternoon.

First up was the BoE, who cut its overnight cash rate by 25bps to 3.75%, its lowest level since 2022, as falling inflation and a struggling economy prompted policymakers to act. Five

policymakers voted for the cut, while four favoured holding rates. Governor Andrew Bailey warned of limited room for further easing in 2026, which saw markets scale back expectations for further rate cuts.

The ECB left borrowing costs unchanged for a fourth consecutive meeting with the main refinancing rate remaining at 2.15% and the deposit facility rate holding at 2.00%. Officials noted the easing cycle is likely at an end based on their current growth and inflation forecasts, noting it would take a severe downward shift in inflation and growth for the central bank to move back into cutting mode again. ECB President Christine Lagarde noted, "The economy has been resilient. The ECB in good place, it was a unanimous decision."

Last, but by no means least, we have the BoJ later today. Markets are currently pricing a 95% chance of a 25bps hike.

Beyond the central banks, annual US CPI inflation fell from 3.1% to 2.7% in November, it's lowest level since July and below forecasts at 3.1%. A further positive was the fact the core also fell, from 3.0% to 2.6%, it's lowest since March 2021. But despite the positivity surrounding the releases, some economists warned of flaws in the inflation report. US initial jobless claims eased back this week from the revised 237k to 224k, although continuing claims firmed from 1,830k to 1,897k.

In New Zealand, GDP rose 1.1% in Q3, although the Q2 print was revised lower, from a 0.9% contraction to a 1.0% contraction. This saw the year-on-year growth rate land at 1.3%.

But despite all of the central bank rhetoric and headlines

Markets took the news in its stride. Currency markets are largely unchanged with the NZD/USD and AUD/USD holding on to the 0.5775 and 0.6600 levels respectively. US bond yields are lower, with the 2-year 2bps lower at 3.48% and the 10-year 4bps lower at 4.13%, which will likely see local swap rates lower on our open. Equity markets are a 'sea of green' trading 0.5%-1.5% higher, although commodity prices are mixed.

"Th', tha', that, that's all, folks!"



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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	66.70					CAD	0.7950 0.9110
NZD/USD	0.5773	0.0007	0.0019	0.0036	0.0055	CHF	0.4584 0.5255
NZD/AUD	0.8729	0.0009	0.0028	0.0060	0.0122	CNY	4.0630 4.6558
NZD/JPY	89.8650	-0.16	-0.44	-0.8343	-1.68	DKK	3.6788 4.2155
NZD/EUR	0.4926	-0.0002	-0.0005	-0.0010	-0.0027	FJD	1.3077 1.4985
NZD/GBP	0.4314	0.0005	0.0015	0.0029	0.0048	HKD	4.4900 5.1451
						KRW	851.64 975.89
AU TWI	61.60					MYR	2.3569 2.7007
AUD/USD	0.6613	0.0001	0.0001	-0.0005	-0.0030	NOK	5.8653 6.7211
AUD/NZD	1.1451	-0.0013	-0.0040	-0.0081	-0.0164	SEK	5.3609 6.1430
AUD/JPY	102.92	-0.29	-0.83	-1.67	-3.35	SGD	0.7445 0.8531
AUD/EUR	0.5642	-0.0008	-0.0024	-0.0051	-0.0108	TWD	18.20 20.86
AUD/GBP	0.4941	0.0001	0.0001	-0.0001	-0.0015	ZAR	9.66 11.07
USD Index	98.47					EQUITIES	
EUR/USD	1.1719	0.0019	0.0051	0.0096	0.0168		Index
USD/JPY	155.64	-0.47	-1.27	-2.41	-4.36	NZX50	13,257
GBP/USD	1.3379	-0.0001	-0.0003	-0.0008	-0.0027	ASX200	8,588
EUR/GBP	0.8757	0.0014	0.0040	0.0076	0.0139	Dow Jones	48,004
USD/CNY	7.0411	-0.0116	-0.0349	-0.0684	-0.1262	S&P 500	6,794
						FTSE100	9,838
						DAX 40	24,200
						Nikkei	49,002
INTEREST		New Zealand		Australia		COMMODITIES	
RATES		Mid		Mid			USD
30 day bank bills		2.41%		3.60%		Brent Crude	59.96
90 day bank bills		2.50%		3.77%		Gold	4,327.73
1 year swap		2.63%		3.88%		Silver	65.20
2 year swap		3.00%		4.00%		Iron Ore	106.61
3 year swap		3.27%		4.04%		CRB Index	367.76
5 year swap		3.64%		4.21%			NZD
10 year swap		4.16%		4.55%		NZ Carbon	38.05
3 year Govt bond		3.40%		4.13%			
5 year Govt bond		3.89%		4.34%			
10 year Govt bond		4.54%		4.86%			

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