

Market Alert

Tuesday 20 January 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5795	0.0037
NZD/AUD	0.8631	0.0061
NZD/JPY	91.600	-0.80
NZD/EUR	0.4977	-0.0010
NZD/GBP	0.4316	0.0028
NZD/CNH	4.0273	-0.0145
AUD/USD	0.6713	-0.0005
AUD/EUR	0.5765	-0.0052
EUR/USD	1.1643	0.0097
USD/CNH	6.9567	-0.0689
GBP/USD	1.3423	-0.0003
EUR/GBP	0.8670	0.0073
INT RATES	NZ	Australia
OCR/Cash	2.25%	3.60%
90 day bills	2.50%	3.78%
2 year swap	2.93%	3.97%
10 year Govt	4.51%	4.85%

One of the headlines I saw this morning ...

summed it up perfectly when it said, "Greenland pressure risks dollar blowback" and that sums up last night's trading headlines!

Trump's threats over the weekend to annex Greenland, and place tariffs on those countries that oppose him, and his letter to the Norwegian PM in which he stated, "I no longer feel an obligation to think purely of peace, although it will be predominant", saw the USD-index come under selling pressure. The USD-index is currently down 0.4% with the EUR, AUD, GBP all up by around 0.6% ... but here's the shock of it all, the NZD is up 0.9%! So far, the NZD and AUD are the two strongest performing currencies against the USD year-to-date as our isolation appears to be a benefit away from the geo-political issues in the Northern Hemisphere, as well as the strength of the Australian economy and the green

shoots in the New Zealand economy.

The USD-related selling also overflowed into bond markets, which drove yields higher, and while the US market was close for the bank holiday, the Japanese 10-year JGB yield rose 6bps to 2.24%, its highest level since 1999.

Commodities markets surged, with silver benefiting from the safe haven flows, having risen by 5.1%, while gold gained 1.7%. Copper firmed 1.3%, but the standout performer was natural gas, which surged 16.0% and rebounded from last week's 13-week low.

Equity markets were a 'sea-of-red' amid the escalating tension and tariff threats, with the European bourses 0.75%-1.75% lower.

But in amongst the political tensions ...

there were a few releases as well:

- Chinese GDP met its 2025 full-year 5.0% growth target, but a sharp Q4 slowdown to 4.5%, its lowest level in 3-years, highlights its rising dependence on exports amid weak domestic demand. This was highlighted by the other Chinese releases, which saw December retail sales firm 0.9% against forecasts at 1.2%, fixed asset investment which contracted 3.8% against expectations for a 3.0% drop, and new home prices which fell -0.4%. The only positive was industrial production which grew 5.2% against forecasts at 5.0%.
- On a side note, the US and China's 'belt and road' global infrastructure strategy logged a record USD213bn of new deals in 2025 as metals

projects in Central Asia soared.

- Eurozone inflation eased to 1.9% in December, down from November's 2.1% and slightly below forecasts at 2.0%.
- Conversely, Canadian inflation rose to a 3-month high at 2.4% in December from the prior month's 2.2%. Expectations had been for an unchanged print.
- UK house prices rose 2.8% in January, their biggest January jump on record. Prices are now 0.5% higher on the year after their recent weakness.

In amongst the recent 'doom and gloom', the IMF raised its global growth forecast from 3.1% to 3.3% for 2026 but warned that risks remain. The upgrade reflects resilient activity, strong labour markets, and heavy investment in new technologies, especially AI, although the IMF cautioned that these same forces of growth could become sources of instability.

Japan PM Sanae Takaichi announced, "I will ask for a mandate to continue as Premier. My administration will put an end to excessively tight fiscal policy. Strategic fiscal spending will increase jobs, household income, and lead to higher tax revenues."

You couldn't make this up!

It's true ... a Nigerian King has been given a 3-year suspended prison sentence and ordered to pay USD72k in restitution for defrauding Medicaid during the pandemic! I guess he must have asked Medicare for the USD72k to help him get all those millions out of that country that he kept emailing me about!

Daily Rates

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FX	Spot	FECs (mid)				Spot	Mid
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	66.40					CAD	0.8034
NZD/USD	0.5795	0.0007	0.0020	0.0037	0.0059	CHF	0.4619
NZD/AUD	0.8631	0.0010	0.0029	0.0061	0.0124	CNY	4.0346
NZD/JPY	91.6000	-0.15	-0.40	-0.8029	-1.63	DKK	3.7175
NZD/EUR	0.4977	-0.0002	-0.0004	-0.0010	-0.0028	FJD	1.3115
NZD/GBP	0.4316	0.0005	0.0015	0.0028	0.0045	HKD	4.5174
						KRW	853.42
AU TWI	62.30					MYR	2.3477
AUD/USD	0.6713	0.0000	0.0000	-0.0005	-0.0029	NOK	5.8275
AUD/NZD	1.1580	-0.0015	-0.0040	-0.0084	-0.0171	SEK	5.3342
AUD/JPY	105.74	-0.30	-0.82	-1.68	-3.37	SGD	0.7442
AUD/EUR	0.5765	-0.0009	-0.0025	-0.0052	-0.0115	TWD	18.28
AUD/GBP	0.4999	0.0000	0.0000	-0.0004	-0.0021	ZAR	9.49
USD Index	99.04					EQUITIES	
EUR/USD	1.1643	0.0018	0.0049	0.0097	0.0182	Index	
USD/JPY	158.08	-0.46	-1.22	-2.38	-4.38	NZX50	13,580
GBP/USD	1.3423	-0.0001	-0.0003	-0.0003	-0.0008	ASX200	8,875
EUR/GBP	0.8670	0.0014	0.0037	0.0073	0.0138	Dow Jones	49,359
USD/CNY	6.9634	-0.0119	-0.0327	-0.0635	-0.1216	S&P 500	6,940
						FTSE100	10,195
INTEREST		New Zealand			Australia	DAX 40	24,959
RATES		Mid			Mid	Nikkei	53,584
30 day bank bills		2.41%		3.61%		COMMODITIES	
90 day bank bills		2.50%		3.78%		USD	
1 year swap		2.65%		3.86%		Brent Crude	64.09
2 year swap		2.93%		3.97%		Gold	4,674.50
3 year swap		3.17%		4.07%		Silver	94.51
5 year swap		3.53%		4.19%		Iron Ore	107.15
10 year swap		4.07%		4.53%		CRB Index	379.22
3 year Govt bond		3.39%		4.16%			
5 year Govt bond		3.86%		4.35%			
10 year Govt bond		4.51%		4.85%		NZ Carbon	34.55

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