

# Market Alert

Wednesday 21 January 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5833	0.0037
NZD/AUD	0.8661	0.0061
NZD/JPY	92.230	-0.82
NZD/EUR	0.4976	-0.0011
NZD/GBP	0.4340	0.0027
NZD/CNH	4.0273	-0.0152
AUD/USD	0.6733	-0.0006
AUD/EUR	0.5743	-0.0053
EUR/USD	1.1722	0.0097
USD/CNH	6.9560	-0.0694
GBP/USD	1.3436	-0.0003
EUR/GBP	0.8721	0.0073
INT RATES	NZ	Australia
OCR/Cash	2.25%	3.60%
90 day bills	2.50%	3.78%
2 year swap	3.01%	3.99%
10 year Govt	4.54%	4.90%

## Happy birthday to you

Happy birthday to you, happy birthday, Mr. President, happy birthday to you!

Okay, I'm not Marilyn Monroe, but Donald Trump has now been President for 1 year (in his 2nd administration) ... and what a year it's been with the latest news; a combination of charging Jerome Powell and the threat to annex Greenland, seeing equity markets, bonds, and the USD-index aggressively sold.

Equity markets are on their lows, trading 1.0%-2.0% lower, bond yields surged driven by heavy selling in JGBs and Treasuries, with the Japanese 40-year yield an incredible 27bps higher while the 10-year Treasury yield climbed 6bps to 4.29%, its highest level since August. Borrowing costs across Europe also moved higher. The dollar index extended its decline to the 98.3 mark, falling 0.5% with the EUR and the NZD the biggest

beneficiaries. The NZD is now the strongest performing currency against the USD year-to-date on a combination of the recent strong data releases and safe haven flows out of the Northern Hemisphere! Commodity prices were mixed, with oil and gold posting gains, although silver and copper prices fell.

On a side note, the latest on Greenland is the rumour the US has offered USD700bn to Denmark to buy the country, with an additional USD100k for each Greenland citizen, while the Greenland Leader has advised his people to prepare for an invasion! In an unusual move, President Trump is about to join his press secretary for the daily White House press conference, but so far, the conversation has focused on the Minnesota ICE shooting.

There has been a lot of political comments from various leaders, I won't list them all but I'm sure you can guess the general themes!

## But apart from the Greenland headlines

- US private employers added an average of 8,000 jobs per week in the four weeks ending 27 December, down from an average gain of 11,250 in the prior period.
- UK unemployment flatlined at 5.1%, up from 4.4% 12 months ago, while private-sector payrolls fell by 55k.

The Japanese Finance Minister, Katayama, wouldn't confirm whether they are about to intervene to support the JPY, but she did say the BoJ would

work collaboratively with stakeholders to rebuild market confidence.

German ECB member Joachim Nagel confirmed, *"We are close to our price stability target. It's coming to the point when fiscal consolidation will be vital."*

BoE Governor, Andrew Bailey confirmed, *"Threat to the Federal Reserve's independence risks spillover effects. There is a very substantial scope for spillover. Fed Chair Powell is a man of the utmost integrity. I don't see the same threats to the BoE. So far, we have seen more hedging of dollar positions rather than investors saying they don't want dollars."*

The headlines will note that the Danish pension fund has announced it will exit its holdings of US Treasuries stating, *"The US is basically not a good credit,"* but the simple fact is they only owned USD100m at the end of December.

Microsoft chief Satya Nadella warned that the AI boom could falter without wider adoption.

## The GDT auction

Saw the overall index post a 1.5% gain to follow on from the prior 6.3% gain. The key products all made gains as well, with butter gaining 2.1%, while SMP and WMP firmed 2.2% and 1.0%, respectively. Overall, a positive result with continuing strong production, but it was good to see the return of Middle Eastern buyers.



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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	66.80					CAD	0.8064 0.9310
NZD/USD	0.5833	0.0007	0.0020	0.0037	0.0057	CHF	0.4604 0.5316
NZD/AUD	0.8661	0.0010	0.0029	0.0061	0.0121	CNY	4.0590 4.6860
NZD/JPY	92.2300	-0.15	-0.41	-0.8180	-1.68	DKK	3.7165 4.2907
NZD/EUR	0.4976	-0.0002	-0.0005	-0.0011	-0.0030	FJD	1.3003 1.5012
NZD/GBP	0.4340	0.0005	0.0015	0.0027	0.0044	HKD	4.5481 5.2507
						KRW	862.10 995.29
AU TWI	62.70					MYR	2.3631 2.7282
AUD/USD	0.6733	0.0000	0.0000	-0.0006	-0.0030	NOK	5.8238 6.7236
AUD/NZD	1.1539	-0.0014	-0.0040	-0.0084	-0.0165	SEK	5.3238 6.1463
AUD/JPY	106.24	-0.30	-0.83	-1.69	-3.41	SGD	0.7487 0.8644
AUD/EUR	0.5743	-0.0009	-0.0025	-0.0053	-0.0118	TWD	18.46 21.31
AUD/GBP	0.5010	0.0000	0.0000	-0.0004	-0.0022	ZAR	9.58 11.06
USD Index	98.55					EQUITIES	
EUR/USD	1.1722	0.0018	0.0050	0.0097	0.0185		Index
USD/JPY	158.13	-0.45	-1.23	-2.35	-4.35	NZX50	13,574
GBP/USD	1.3436	-0.0001	-0.0002	-0.0003	-0.0009	ASX200	8,816
EUR/GBP	0.8721	0.0013	0.0038	0.0073	0.0139	Dow Jones	48,503
USD/CNY	6.9599	-0.0112	-0.0326	-0.0636	-0.1213	S&P 500	6,814
						FTSE100	10,127
INTEREST		New Zealand		Australia		DAX 40	24,703
RATES		Mid		Mid		Nikkei	52,991
30 day bank bills		2.41%		3.62%		COMMODITIES	
90 day bank bills		2.50%		3.78%			USD
1 year swap		2.67%		3.87%		Brent Crude	64.77
2 year swap		3.01%		3.99%		Gold	4,761.34
3 year swap		3.26%		4.10%		Silver	94.48
5 year swap		3.61%		4.24%		Iron Ore	107.15
10 year swap		4.13%		4.57%		CRB Index	379.22
3 year Govt bond		3.44%		4.20%			NZD
5 year Govt bond		3.90%		4.40%		NZ Carbon	37.50
10 year Govt bond		4.54%		4.90%			

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