

Market Alert

Thursday 22 January 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5843	0.0037
NZD/AUD	0.8646	0.0061
NZD/JPY	92.440	-0.79
NZD/EUR	0.4995	-0.0010
NZD/GBP	0.4354	0.0028
NZD/CNH	4.0665	-0.0144
AUD/USD	0.6756	-0.0005
AUD/EUR	0.5775	-0.0053
EUR/USD	1.1697	0.0097
USD/CNH	6.9594	-0.0689
GBP/USD	1.3416	-0.0001
EUR/GBP	0.8714	0.0073
INT RATES	NZ	Australia
OCR/Cash	2.25%	3.60%
90 day bills	2.50%	3.78%
2 year swap	3.08%	4.04%
10 year Govt	4.59%	4.89%

President Trump's flight

to the World Economic Forum in Davos had to return to Joint Base Andrews shortly after take-off due to a minor electrical fault, although it raises the question ... will this be the only u-turn the President undertakes on his Davos trip?

And no sooner than that last sentence was typed President Trump announced, "I won't use force to get Greenland," although he then called for an "immediate start to the negotiations! If you say no, we will remember." He then went on to one of his 90-minute rants. The highlights were, "US inflation has been defeated. The economy will grow at double the IMF's projected rate and the stock market will double. The US is keeping the world afloat. I will announce a Fed Chair soon, and he will be someone very respected. We should be paying a much lower interest rate. Growth doesn't mean inflation; it can fight inflation. Europe is not heading in the right direction. When the US

goes up, you (Europe) follow. We are 'going heavy' on nuclear energy. Nato, it is time to step up. Nato and Europe don't appreciate the work that the US does. The West has to become stronger and defend its culture."

ECB President Christine Lagarde also gave a speech, announcing, "The curtain is coming up on new world order. The US is behaving very strangely for an ally. European countries can do better on growth, productivity and debt. Eurozone inflation is under control. Monetary policy is in a good position."

While the WSJ reported ECB President Christine Lagarde walked out of a VIP dinner in Davos after remarks by US Commerce Secretary Howard Lutnick blasted Europe's energy policies and declining competitiveness. Some diners applauded Lutnick's comments, emphasising the United States' superiority over Europe, while others booed!

Meanwhile, back in the real world

The Atlanta Fed Q1 GDPNow tracker climbed from 5.3% to 5.4%.

US pending home sales fell 9.3% in December, the biggest drop since April 2020 and reversing November's 3.3% gain. The decline ended a 4-month streak of gains.

UK inflation rose to 3.4% in December, up from November's 8-month low of 3.2% and slightly above market expectations at 3.3%.

The Japanese opposition party, the DPP, has called for a new round of JGB buybacks, slower BoJ tapering, and FX

intervention to support the JPY in a bid to stabilise markets amid the ultra-long yield stress. They also suggested the BoJ keep hiking gradually provided wage growth remains near 5.0%.

China announced a new range of policies to lift consumption and address supply-demand imbalances for the 2026-2030 5-year plan. The focus of the policies is aimed at lifting services consumption by extending interest subsidies for consumption and service-sector loans that were set to expire this year with a further CNY500bn guarantee program and MSME loan subsidies to spur private investment.

The US Supreme Court appears likely to deny Trump's request to immediately fire Federal Reserve Governor Lisa Cook.

While financial market ...

Traders paused for breath following the volatile start to the week. The USD-index staged a minor recovery firming 0.2%, mainly at the expense of the CHF, EUR, and GBP. The NZD and AUD consolidated the week's gains near their recent highs. Bond markets also staged a mini recovery, with the 2-year treasury falling 1bps to 3.60% while the 10-years eased 3bps to 4.26%, as did equity markets with the US exchanges 0.5%-0.7% higher, although the European bourses fell 0.2%-0.5%. Commodity prices were mixed, with natural gas prices adding another 24% today, on top of the 26% already achieved so far this week, although silver and copper prices fell.



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Daily Rates

Thursday 22 January 2026

FX	Spot	FECs (mid)				Spot Mid	
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	67.00					CAD	0.8076 0.9341
NZD/USD	0.5843	0.0007	0.0020	0.0037	0.0058	CHF	0.4635 0.5363
NZD/AUD	0.8646	0.0010	0.0030	0.0061	0.0123	CNY	4.0703 4.7092
NZD/JPY	92.4400	-0.14	-0.40	-0.7886	-1.65	DKK	3.7299 4.3142
NZD/EUR	0.4995	-0.0001	-0.0004	-0.0010	-0.0030	FJD	1.2994 1.5030
NZD/GBP	0.4354	0.0005	0.0015	0.0028	0.0043	HKD	4.5543 5.2677
						KRW	856.56 990.74
AU TWI	62.70					MYR	2.3621 2.7321
AUD/USD	0.6756	0.0000	0.0000	-0.0005	-0.0031	NOK	5.8182 6.7296
AUD/NZD	1.1560	-0.0014	-0.0041	-0.0084	-0.0169	SEK	5.3187 6.1519
AUD/JPY	106.54	-0.29	-0.82	-1.69	-3.42	SGD	0.7500 0.8675
AUD/EUR	0.5775	-0.0008	-0.0025	-0.0053	-0.0117	TWD	18.46 21.35
AUD/GBP	0.5033	0.0000	0.0000	-0.0004	-0.0023	ZAR	9.50 10.99
USD Index	98.71					EQUITIES	
EUR/USD	1.1697	0.0017	0.0049	0.0097	0.0183		Index
USD/JPY	158.20	-0.43	-1.22	-2.37	-4.35	NZX50	13,417
GBP/USD	1.3416	-0.0001	-0.0002	-0.0001	-0.0005	ASX200	8,783
EUR/GBP	0.8714	0.0013	0.0038	0.0073	0.0137	Dow Jones	48,728
USD/CNY	6.9637	-0.0121	-0.0339	-0.0654	-0.1225	S&P 500	6,837
						FTSE100	10,138
INTEREST		New Zealand		Australia		DAX 40	24,561
RATES		Mid		Mid		Nikkei	52,775
30 day bank bills		2.41%		3.62%		COMMODITIES	
90 day bank bills		2.50%		3.78%			USD
1 year swap		2.70%		3.88%		Brent Crude	65.35
2 year swap		3.08%		4.04%		Gold	4,846.21
3 year swap		3.32%		4.09%		Silver	93.41
5 year swap		3.68%		4.27%		Iron Ore	106.54
10 year swap		4.19%		4.60%		CRB Index	384.77
3 year Govt bond		3.47%		4.19%			NZD
5 year Govt bond		3.94%		4.39%		NZ Carbon	38.00
10 year Govt bond		4.59%		4.89%			

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