

# 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 IMFs 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    |  |  |  |
| NZD/USD           | 0.5843      | 0.0007     | 0.0020  | 0.0037    | 0.0058  | CHF         | 0.4635    |  |  |  |
| NZD/AUD           | 0.8646      | 0.0010     | 0.0030  | 0.0061    | 0.0123  | CNY         | 4.0703    |  |  |  |
| NZD/JPY           | 92.4400     | -0.14      | -0.40   | -0.7886   | -1.65   | DKK         | 3.7299    |  |  |  |
| NZD/EUR           | 0.4995      | -0.0001    | -0.0004 | -0.0010   | -0.0030 | FJD         | 1.2994    |  |  |  |
| NZD/GBP           | 0.4354      | 0.0005     | 0.0015  | 0.0028    | 0.0043  | HKD         | 4.5543    |  |  |  |
|                   |             |            |         |           |         | KRW         | 856.56    |  |  |  |
|                   |             |            |         |           |         | MYR         | 2.3621    |  |  |  |
| AU TWI            | 62.70       |            |         |           |         | NOK         | 5.8182    |  |  |  |
| AUD/USD           | 0.6756      | 0.0000     | 0.0000  | -0.0005   | -0.0031 | SEK         | 5.3187    |  |  |  |
| AUD/NZD           | 1.1560      | -0.0014    | -0.0041 | -0.0084   | -0.0169 | SGD         | 0.7500    |  |  |  |
| AUD/JPY           | 106.54      | -0.29      | -0.82   | -1.69     | -3.42   | TWD         | 18.46     |  |  |  |
| AUD/EUR           | 0.5775      | -0.0008    | -0.0025 | -0.0053   | -0.0117 | ZAR         | 9.50      |  |  |  |
| AUD/GBP           | 0.5033      | 0.0000     | 0.0000  | -0.0004   | -0.0023 |             | 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           |             |            |         |           |         | FTSE100     | 10,138    |  |  |  |
| DAX 40            |             |            |         |           |         | DAX 40      | 24,561    |  |  |  |
| Nikkei            |             |            |         |           |         | Nikkei      | 52,775    |  |  |  |
| INTEREST          | New Zealand |            |         | Australia |         | COMMODITIES |           |  |  |  |
| RATES             | Mid         |            |         | Mid       |         | USD         |           |  |  |  |
| 30 day bank bills | 2.41%       |            |         | 3.62%     |         | Brent Crude |           |  |  |  |
| 90 day bank bills | 2.50%       |            |         | 3.78%     |         | 65.35       |           |  |  |  |
| 1 year swap       | 2.70%       |            |         | 3.88%     |         | Gold        |           |  |  |  |
| 2 year swap       | 3.08%       |            |         | 4.04%     |         | 4,846.21    |           |  |  |  |
| 3 year swap       | 3.32%       |            |         | 4.09%     |         | Silver      |           |  |  |  |
| 5 year swap       | 3.68%       |            |         | 4.27%     |         | 93.41       |           |  |  |  |
| 10 year swap      | 4.19%       |            |         | 4.60%     |         | Iron Ore    |           |  |  |  |
| 3 year Govt bond  | 3.47%       |            |         | 4.19%     |         | 106.54      |           |  |  |  |
| 5 year Govt bond  | 3.94%       |            |         | 4.39%     |         | CRB Index   |           |  |  |  |
| 10 year Govt bond | 4.59%       |            |         | 4.89%     |         | 384.77      |           |  |  |  |
|                   |             |            |         |           |         |             | NZD       |  |  |  |
|                   |             |            |         |           |         |             | NZ Carbon |  |  |  |
|                   |             |            |         |           |         |             | 38.00     |  |  |  |

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