

Market Alert

Wednesday 28 January 2026

CURRENCIES	Spot	6mths
NZD/USD	0.6018	0.0038
NZD/AUD	0.8621	0.0065
NZD/JPY	91.940	-0.78
NZD/EUR	0.5024	-0.0010
NZD/GBP	0.4367	0.0028
NZD/CNH	4.1765	-0.0168
AUD/USD	0.6979	-0.0010
AUD/EUR	0.5826	-0.0057
EUR/USD	1.1978	0.0099
USD/CNH	6.9430	-0.0711
GBP/USD	1.3779	-0.0004
EUR/GBP	0.8691	0.0073
INT RATES	NZ	Australia
OCR/Cash	2.25%	3.60%
90 day bills	2.50%	3.86%
2 year swap	3.10%	4.11%
10 year Govt	4.63%	4.95%

Once again ...

The USD-index struggled to find a friend in amongst the sell-side momentum. The USD has now been sold for the 4th consecutive session falling an additional 0.9% to 96.00, a 4-year low, just ahead of long-term support at 95.85. The key factors remain the same as they have been for the last week or two ... renewed concerns over a possible government shutdown at month-end, uncertainty surrounding President Trump's trade policies, tomorrow's FOMC meeting, and speculation surrounding the joint US-Japan currency intervention. Interestingly, the JPY was the biggest beneficiary rallying 0.9%, while the AUD gained 0.9%, the EUR 0.8%, and the NZD 0.7%.

The US Treasury sold USD70bn of 5-year bonds at 3.823% versus the 'when issued' rate of 3.820%. With the bid to cover ration easing from 2.35 times to 2.34, the

auction generated a slightly 'softer' result than expected at a time of year, which is typically strong for bond auctions. Beyond the auction, bond markets were mixed with the 2-year easing 2bps to 3.58%, while the 10-year firmed a pip to 4.23%.

Commodity prices were higher across the board with gold, silver and oil gaining 1.5%-4.0%, with the gold rally seeing all manner of banks upgrade their year-end calls. Conversely, copper prices fell 2.2%.

Equity markets were buoyant, rallying 0.3%-0.8%, although the Dow fell 0.8% after US health insurer stocks plummeted losing USD80bn of market value after the Trump administration proposed a much smaller-than-expected increase to 2027 Medicare Advantage rates.

Breaking the data releases down

- Australian business activity strengthened in December after business confidence surged from 1 to 3 while conditions improved from 7 to 9.
- Chinese industrial profits rebounded in December as price pressures eased. Profits rose 5.3% in the 12-months to December, beating expectations for a sharp decline, while producer price deflation eased to a 1-year low. This saw full-year profits rise for first time since 2021.
- Japan service inflation held near its recent high, rising 2.6% in the year to December, following on from November's 2.7% gain. Wage pressures persisted, with the labour-intensive sectors saw the strongest gains.

- UK shop price inflation hit a 2-year high jumping 1.5% in the year to January due to the usual ... as food inflation accelerated to 3.9%, while higher energy prices and national insurance added to costs.
- The US Case-Shiller home price index rose 1.4% year over year in November, slightly above October's 1.3% gain and market expectations of 1.2%.
- The US's Fifth District manufacturing activity was largely unchanged in January with the composite manufacturing index inching up to -6 in January from -7 in December.
- US consumer confidence fell sharply in January slumping by 9.7 points in January to 84.5 from December's upwardly revised 94.2.

ECB Council member Nagel confirmed, "I agree with ECB Chief Economist Lane that there is no good argument for changing rates in either direction."

Interesting, but not all that relevant ...

President Donald Trump said he will raise tariffs on South Korean goods to 25% after accusing Seoul's legislature of failing to ratify a previously agreed trade deal.

The *Financial Times* announced the EU is set to sign the 'mother of all' trade deals with India ... which raises the question, how will Mr. Trump react?

And speaking of Trump, word on the street is the US is weighing precision strikes on Iranian officials with the government at its weakest level since the overthrow of the Shah in 1979.



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Daily Rates

Wednesday 28 January 2026

FX	Spot	FECs (mid)				Spot Mid	
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	67.90					CAD	0.8188 0.9497
NZD/USD	0.6018	0.0006	0.0020	0.0038	0.0057	CHF	0.4611 0.5349
NZD/AUD	0.8621	0.0009	0.0031	0.0065	0.0133	CNY	4.1831 4.8535
NZD/JPY	91.9400	-0.13	-0.41	-0.7820	-1.63	DKK	3.7508 4.3504
NZD/EUR	0.5024	-0.0002	-0.0005	-0.0010	-0.0031	FJD	1.3083 1.5175
NZD/GBP	0.4367	0.0005	0.0015	0.0028	0.0045	HKD	4.6937 5.4441
						KRW	865.21 1003.54
AU TWI	63.90					MYR	2.3767 2.7567
AUD/USD	0.6979	0.0000	-0.0002	-0.0010	-0.0044	NOK	5.7883 6.7137
AUD/NZD	1.1597	-0.0013	-0.0043	-0.0091	-0.0186	SEK	5.3041 6.1521
AUD/JPY	106.82	-0.27	-0.86	-1.71	-3.51	SGD	0.7598 0.8812
AUD/EUR	0.5826	-0.0008	-0.0026	-0.0057	-0.0125	TWD	18.86 21.87
AUD/GBP	0.5064	0.0000	-0.0001	-0.0007	-0.0027	ZAR	9.61 11.15
USD Index	96.23					EQUITIES	
EUR/USD	1.1978	0.0016	0.0051	0.0099	0.0186		Index
USD/JPY	152.76	-0.38	-1.19	-2.24	-4.12	NZX50	13,511
GBP/USD	1.3779	-0.0001	-0.0002	-0.0004	-0.0015	ASX200	8,942
EUR/GBP	0.8691	0.0012	0.0038	0.0073	0.0142	Dow Jones	489,722
USD/CNY	6.9545	-0.0113	-0.0330	-0.0648	-0.1212	S&P 500	6,984
						FTSE100	10,208
INTEREST		New Zealand		Australia		DAX 40	24,894
RATES		Mid		Mid		Nikkei	53,334
30 day bank bills		2.41%		3.67%		COMMODITIES	
90 day bank bills		2.50%		3.86%			USD
1 year swap		2.67%		4.00%		Brent Crude	67.16
2 year swap		3.10%		4.11%		Gold	5,087.44
3 year swap		3.38%		4.21%		Silver	108.08
5 year swap		3.73%		4.33%		Iron Ore	106.15
10 year swap		4.20%		4.63%		CRB Index	396.00
3 year Govt bond		3.55%		4.33%			NZD
5 year Govt bond		4.02%		4.50%		NZ Carbon	33.70
10 year Govt bond		4.63%		4.95%			

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