

# Market Alert

Tuesday 10 February 2026

| CURRENCIES   | Spot   | 6mths     |
|--------------|--------|-----------|
| NZD/USD      | 0.6055 | 0.0036    |
| NZD/AUD      | 0.8537 | 0.0069    |
| NZD/JPY      | 94.385 | -0.79     |
| NZD/EUR      | 0.5082 | -0.0011   |
| NZD/GBP      | 0.4423 | 0.0026    |
| NZD/CNH      | 4.1866 | -0.0194   |
| AUD/USD      | 0.7092 | -0.0016   |
| AUD/EUR      | 0.5952 | -0.0061   |
| EUR/USD      | 1.1914 | 0.0095    |
| USD/CNH      | 6.9151 | -0.0731   |
| GBP/USD      | 1.3687 | 0.0000    |
| EUR/GBP      | 0.8702 | 0.0069    |
| INT RATES    | NZ     | Australia |
| OCR/Cash     | 2.25%  | 3.85%     |
| 90 day bills | 2.49%  | 3.99%     |
| 2 year swap  | 3.08%  | 4.21%     |
| 10 year Govt | 4.57%  | 4.97%     |

## The key takeaway ...

from last night's trading activity was renewed USD weakness following on from the Chinese announcement to limit US Treasury holdings. To be fair, it is not a new headline given we've heard a similar rhetoric from others, most noticeably several European pension funds during the recent Trump-Greenland stout, but the result was the same ... a weaker USD!

Last night's price action saw the USD-index retreat from the 97.50 level to 96.75, with the AUD the biggest gainer after RBA Governor Michele Bullock stated that interest rates must remain tight to curb persistent inflation, while she also highlighted the resilient labour market. The NZD also made gains, firming to the 0.6050 level, the AUD's outperformance saw it closing in on the 0.7100 level, resulting in the NZD/AUD falling to 0.8535. The JPY was also a big gainer, which was a surprise given the

election result, although comments from Japan's top currency diplomat, Atsushi Mimura, who stated the government was, "Closely watching currency movements with a high sense of urgency" supported the JPY's rally.

Fixed income markets remain quiet with yields a touch lower after White House Economic Advisor Kevin Hassett warned investors should expect "slightly smaller" US jobs numbers. The 2 and 10-year US Treasuries are 1bp lower at 3.50% and 4.20%. Most action was focused on the UK's gilt market with yields trading higher as concerns over PM Keir Starmer's leadership intensified after the resignation of his chief of staff amid the Lord Peter Mandelson controversy.

Equity markets were a 'sea-of-green' spurred higher by a recovery of AI companies. Most exchanges were 0.5%-1.5% higher, although the standout performer was the Nikkei which rallied 5.2% after the election result fuelled expectations of higher government spending.

Commodity prices were mixed, although gold prices rose over 2.0% to a week-high above USD5,050 on lower yields, a weaker USD, and safe-haven flows.

## There wasn't much in the way of data ...

with the highlight being the NY Fed's inflation survey, its 1-year inflation projection fell to a 6-month low easing from 3.4% to 3.1%, although the 3 and 5-year forecasts were unchanged at 3.0%.

Australia personal spending unexpectedly declined in December

dropping 0.4%, reversing November's 1.0% gain.

China's gold reserves increased further, as buying continued for a 15th straight month. Despite the volatility in January, China continued to build up its holdings with 74.19 million troy ounces at January month-end compared to 74.15 troy ounces in December. The increase in size, overlayed with the increase in price, saw the value of China's gold holdings increase from USD319.5bn to USD369.6bn.

Interestingly, the Chinese authorities have also advised financial institutions to limit their holdings of US Treasuries, citing concerns over market volatility and concentration risks. While the move has been framed around diversifying financial markets risk, it should also be noted there are also plenty of geopolitical tensions between the two!

In the Eurozone, President Christine Lagarde reiterated what she stated last week, confirming, "We expect inflation to stabilise at our 2.0% medium term target. Our data dependent approach serves us well in the current environment," while colleague Joachim Nagel added, "We will take action when medium-term inflation deviates substantially, and noticeably from 2.0%. The inflation shortfall is short-term and small. The risks to inflation are currently roughly balanced. The current interest rate settings are still appropriate."

On a side note, Bank of France Governor and ECB member Francois Villeroy de Galhau unexpectedly quit today, citing personal reasons.



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# Daily Rates

Tuesday 10 February 2026

| FX                | Spot    | FECs (mid)         |         |                  |         | Spot Mid         |          |
|-------------------|---------|--------------------|---------|------------------|---------|------------------|----------|
|                   | Mid     | 1mth               | 3mths   | 6mths            | 12mths  | NZD/...          | AUD/...  |
| NZ TWI            | 68.40   |                    |         |                  |         | CAD              | 0.8210   |
| NZD/USD           | 0.6055  | 0.0006             | 0.0019  | 0.0036           | 0.0054  | CHF              | 0.4641   |
| NZD/AUD           | 0.8537  | 0.0010             | 0.0032  | 0.0069           | 0.0139  | CNY              | 4.1832   |
| NZD/JPY           | 94.3850 | -0.13              | -0.40   | -0.7928          | -1.62   | DKK              | 3.7952   |
| NZD/EUR           | 0.5082  | -0.0002            | -0.0005 | -0.0011          | -0.0031 | FJD              | 1.3096   |
| NZD/GBP           | 0.4423  | 0.0005             | 0.0014  | 0.0026           | 0.0041  | HKD              | 4.7304   |
|                   |         |                    |         |                  |         | KRW              | 882.60   |
| AU TWI            | 64.90   |                    |         |                  |         | MYR              | 2.3800   |
| AUD/USD           | 0.7092  | -0.0001            | -0.0004 | -0.0016          | -0.0056 | NOK              | 5.7972   |
| AUD/NZD           | 1.1709  | -0.0014            | -0.0045 | -0.0098          | -0.0195 | SEK              | 5.3955   |
| AUD/JPY           | 110.15  | -0.28              | -0.89   | -1.82            | -3.65   | SGD              | 0.7658   |
| AUD/EUR           | 0.5952  | -0.0009            | -0.0028 | -0.0061          | -0.0133 | TWD              | 19.09    |
| AUD/GBP           | 0.5180  | 0.0000             | -0.0003 | -0.0012          | -0.0037 | ZAR              | 9.62     |
|                   |         |                    |         |                  |         |                  |          |
| USD Index         | 96.89   |                    |         |                  |         | EQUITIES         |          |
| EUR/USD           | 1.1914  | 0.0016             | 0.0049  | 0.0095           | 0.0176  | Index            |          |
| USD/JPY           | 155.89  | -0.37              | -1.16   | -2.23            | -3.99   | NZX50            | 13,446   |
| GBP/USD           | 1.3687  | -0.0001            | 0.0000  | 0.0000           | -0.0010 | ASX200           | 8,870    |
| EUR/GBP           | 0.8702  | 0.0012             | 0.0035  | 0.0069           | 0.0133  | Dow Jones        | 50,141   |
| USD/CNY           | 6.922   | -0.0110            | -0.0345 | -0.0680          | -0.1275 | S&P 500          | 6,969    |
|                   |         |                    |         |                  |         | FTSE100          | 10,386   |
| <b>INTEREST</b>   |         | <b>New Zealand</b> |         | <b>Australia</b> |         | DAX 40           | 25,015   |
| <b>RATES</b>      |         | Mid                |         | Mid              |         | Nikkei           | 56,364   |
| 30 day bank bills |         | 2.41%              |         | 3.84%            |         | COMMODITIES      |          |
| 90 day bank bills |         | 2.49%              |         | 3.99%            |         | USD              |          |
| 1 year swap       |         | 2.68%              |         | 4.13%            |         | Brent Crude      | 69.10    |
| 2 year swap       |         | 3.08%              |         | 4.21%            |         | Gold             | 5,067.93 |
| 3 year swap       |         | 3.35%              |         | 4.26%            |         | Silver           | 83.05    |
| 5 year swap       |         | 3.70%              |         | 4.36%            |         | Iron Ore         | 100.11   |
| 10 year swap      |         | 4.19%              |         | 4.65%            |         | CRB Index        | 389.40   |
| 3 year Govt bond  |         | 3.51%              |         | 4.37%            |         |                  |          |
| 5 year Govt bond  |         | 3.97%              |         | 4.52%            |         |                  |          |
| 10 year Govt bond |         | 4.57%              |         | 4.97%            |         | <b>NZ Carbon</b> | 38.50    |

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