

Market Alert

Tuesday 17 March 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5864	0.0036
NZD/AUD	0.8289	0.0074
NZD/JPY	93.220	-0.85
NZD/EUR	0.5091	-0.0011
NZD/GBP	0.4399	0.0029
NZD/CNH	4.0405	-0.0232
AUD/USD	0.7074	-0.0021
AUD/EUR	0.6141	-0.0068
EUR/USD	1.1518	0.0093
USD/CNH	6.8905	-0.0808
GBP/USD	1.3330	-0.0009
EUR/GBP	0.8639	0.0074

INT RATES	NZ	Australia
OCR/Cash	2.25%	3.85%
90 day bills	2.49%	4.22%
2 year swap	3.36%	4.53%
10 year Govt	4.78%	5.10%

This can't be good ...

- Taiwan has reported a surge in Chinese military activity, with 16 Chinese aircraft entering Taiwan's air defence identification zone across multiple sectors while 7 naval vessels have been spotted operating near the island.
- While President Trump is pressing for a multinational taskforce to protecting commercial shipping in the Strait of Hormuz, the European countries are reluctant to join the operation with the UK, Germany, Italy, and Greece rejecting it outright.
- Traffic through the Strait of Hormuz is still down 70-90%, but friendly/neutral vessels, meaning Iranian, Chinese, Indian, Pakistani registered ships, continue limited transits.
- The USS Tripoli has been redeployed to the Persian Gulf, and as it carries 2,500 US Marines, speculation is building

about potential boots-on-ground, with the rumour they could be used to secure Iran's main oil exporting hub, Kharg Island.

- According to the WSJ, US oil executives have warned the Trump administration the energy crisis triggered by the conflict with Iran is likely to worsen, as disruptions to shipping through the Strait of Hormuz continue to threaten oil supplies.
- While President Trump told NBC he's willing to make a deal, the Iranian's foreign minister denied it is seeking talks, or a ceasefire. Iran also retaliated with a drone strike that temporarily forced the closure of Dubai's airport.

After a Pakistani oil tanker and two LPG vessels successfully crossed the Straits, and with India currently negotiating to transit 6 more vessels through the 'choke point,' crude oil prices slipped 5.2% to the USD93.50/bbl level, while Brent eased 2.7% to USD100.25/bbl. Against this, silver and copper prices staged a modest bounce back. Broadly speaking, following Friday's meltdown, the overnight price action provided a relief rally of sorts with equity markets rebounding from their 4-month lows, with the European bourses up 0.5%-1.0% while the US exchanges bounced 1.0%-1.5%. Treasuries also staged a rebound with fresh buying interest, which saw the 2-years fall 5bps to 3.69% while the 10-years is currently 6bps lower at 4.22%, which will see local swap rates open lower this morning.

The USD-index, after finally breaking through resistance at 99.50, surged above 100.00, but since then the retreat has seen the index fall back below 99.50

to, essentially, return to where we were last Thursday! This has seen the NZD/USD bounced back above 0.5850 with AUD/USD back above 0.7050, as they retest their old support levels with what has become the initial resistance levels.

Looking at the overnight releases

- The NY Empire State manufacturing index fell from 7.1 in February to -0.2 in March. Forecasts had been at 3.2.
- Following January's 0.7% gain, US industrial production increased 0.2% in February.
- The Chinese economy has made a solid start to 2026 after industrial production rose 6.3% across the combined January-February period, accelerating from December's 5.2% growth and exceeding expectations at 5.1%. Furthermore, retail sales increased 2.8%, fixed-asset investment rose 1.8%, infrastructure investment surged 11.4%, although, on the other side of the ledger, private-sector investment fell 2.6%, property investment dropped 11.1%, and property sales fell 13.5% after new home prices dropped 3.2% on the year.
- New Zealand electronic card retail spending rose 1.4% in February to be at 1.5% for the year, but against this PSI's fell back into contractionary territory, falling from January's 50.7 to 48.0, highlighting fragile domestic demand.
- Japanese and South Korean officials warn they are ready to act against FX volatility following the JPY and Won recent slide against the USD.



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Daily Rates

Tuesday 17 March 2026

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	66.40					CAD	0.8013	0.9670
NZD/USD	0.5864	0.0007	0.0019	0.0036	0.0051	CHF	0.4612	0.5566
NZD/AUD	0.8289	0.0012	0.0036	0.0074	0.0141	CNY	4.0288	4.8628
NZD/JPY	93.220	-0.16	-0.42	-0.8504	-1.85	DKK	3.8025	4.5887
NZD/EUR	0.5091	-0.0002	-0.0005	-0.0011	-0.0030	FJD	1.2805	1.5452
NZD/GBP	0.4399	0.0005	0.0015	0.0029	0.0047	HKD	4.5899	5.5389
						KRW	871.99	1052.28
AU TWI	65.40					MYR	2.3026	2.7787
AUD/USD	0.7074	-0.0002	-0.0008	-0.0021	-0.0060	NOK	5.6642	6.8353
AUD/NZD	1.2063	-0.0019	-0.0054	-0.0110	-0.0214	SEK	5.4684	6.5990
AUD/JPY	111.83	-0.36	-1.00	-2.03	-4.09	SGD	0.7486	0.9034
AUD/EUR	0.6141	-0.0012	-0.0033	-0.0068	-0.0139	TWD	18.73	22.60
AUD/GBP	0.5306	-0.0002	-0.0006	-0.0014	-0.0034	ZAR	9.77	11.79
USD Index	99.68					EQUITIES		
EUR/USD	1.1518	0.0018	0.0050	0.0093	0.0164		Index	
USD/JPY	158.95	-0.47	-1.24	-2.41	-4.48	NZX50	13,165	
GBP/USD	1.3330	-0.0001	-0.0001	-0.0009	-0.0040	ASX200	8,583	
EUR/GBP	0.8639	0.0014	0.0038	0.0074	0.0140	Dow Jones	47,035	
USD/CNY	6.8955	-0.0137	-0.0389	-0.0762	-0.1456	S&P 500	6,707	
						FTSE100	10,318	
INTEREST			New Zealand		Australia	DAX 40	23,564	
RATES			Mid		Mid	Nikkei	53,751	
30 day bank bills			2.42%		4.00%	COMMODITIES		
90 day bank bills			2.49%		4.22%		USD	
1 year swap			2.84%		4.46%	Brent Crude	100.59	
2 year swap			3.36%		4.53%	Gold	5,015.64	
3 year swap			3.63%		4.55%	Silver	81.13	
5 year swap			3.92%		4.58%	Iron Ore	105.14	
10 year swap			4.33%		4.85%	CRB Index	461.82	
3 year Govt bond			3.79%		4.63%		NZD	
5 year Govt bond			4.24%		4.75%	NZ Carbon	40.25	
10 year Govt bond			4.78%		5.10%			

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