

Market Alert

Friday 20 March 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5873	0.0038
NZD/AUD	0.8288	0.0080
NZD/JPY	92.590	-0.84
NZD/EUR	0.5068	-0.0008
NZD/GBP	0.4373	0.0034
NZD/CNH	4.0411	-0.0228
AUD/USD	0.7085	-0.0024
AUD/EUR	0.6113	-0.0069
EUR/USD	1.1589	0.0090
USD/CNH	6.8811	-0.0822
GBP/USD	1.3428	-0.0022
EUR/GBP	0.8628	0.0080

INT RATES	NZ	Australia
OCR/Cash	2.25%	4.10%
90 day bills	2.49%	4.32%
2 year swap	3.27%	4.54%
10 year Govt	4.72%	5.08%

Last night was a busy one for central bank watchers ...

with 5 meetings overnight!

The BoE voted unanimously to keep rates on hold at 3.75%. The Central Bank warned the conflict in the Middle East will cause a sharp rise in global energy and commodity prices. Higher energy prices are expected to push UK inflation to between 3.0%-3.5% over the next few quarters, although the accompanying slowdown in economic growth from rising costs could limit the second-round effects. The unanimous vote has seen markets price in further rate hikes, with the 2-year gilt rallying 28bps to yield 4.40%, while the 10-year is 10bps higher at 4.78%.

The ECB left its key interest rates unchanged with the main refi rate at 2.15%, the deposit rate at 2.00%, and

its marginal lending rate at 2.40%. The Central Bank reaffirmed its commitment to stabilising inflation at 2.0%, although policymakers highlighted that the war has significantly increased the upside risks to inflation and the downside risks for growth. The ECB raised its inflation forecasts, projecting 2.6% in 2026, 2.0% in 2027, and 2.1% in 2028. Following the meeting the 2-year German bund yield firmed 15bps to 2.60% while the 10-year is 3bps higher at 2.97%.

The BoJ left its key short-term rate unchanged at 0.75%, keeping borrowing costs at their highest level since September 1995. The decision was widely expected, although the vote saw a dissenter with an 8-1 vote, with Hajime Takata favouring a hike to 1.0%. Policymakers stressed the Japanese economy is recovering moderately but warned that escalating Middle East tensions cloud the outlook. The Board signalled it will continue raising rates and adjusting monetary policy should growth and inflation unfold as projected, although inflation is expected to temporarily dip below 2.0% before higher oil prices start to impact. JGB yields firmed with the 2-years gaining 2bps to 1.27% while the 10-years gained 5bps to be at 2.27%

The SNB kept its policy rate unchanged at 0.0%. On the war, the Swiss Central Bank signalled a greater willingness to intervene in currency markets to prevent excessive Swiss franc appreciation and protect price stability.

Sweden's Riksbank also held its key rate, at 1.75%, and said it would remain at this level for some time.

To be fair, the central bankers were correct to highlight energy inflation given that oil prices surged towards the USD120/bbl level during the session, while European natural gas jumped as much as 35.0% after Qatar Energy said it will take up to 5-years to repair its facilities following yesterday's Iranian attack. But despite the threats to global supply, prices have mysteriously fallen with crude now actually trading 1.0% lower at USD95.50/bbl, while Brent is flat at USD107.25/bbl. European gas prices have held on to some of their gains, given that the Qatari facility provides approximately 20% of European supply, to be 11.15% higher on the day. US gas is 3.7% higher, while gold fell 3.8% and silver plummeted 4.6%. Equities are a 'sea of red' trading 0.25% to 2.0% lower.

With global bond yields firming, US yields continued the trend with the 2-years firming 6bps to 3.84% while the 10-years is 2bps higher at 4.28%. The USD-index capitulated overnight, easing 1.0% to 99.00, with the JPY the strongest performer firming 1.4%. The EUR and NZD surged 1.2% with NZD/USD testing resistance at 0.5875, while the AUD gained 0.9% to be at 0.7085, which saw NZD/AUD a touch firmer at 0.8285.

Despite benign growth at 0.2% on the quarter and 1.3% on the year, NZ swap rates will open higher this morning.



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Daily Rates

Friday 20 March 2026

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	66.50					CAD	0.8056	0.9721
NZD/USD	0.5873	0.0007	0.0020	0.0038	0.0061	CHF	0.4627	0.5585
NZD/AUD	0.8288	0.0012	0.0039	0.0080	0.0159	CNY	4.0185	4.8504
NZD/JPY	92.590	-0.15	-0.42	-0.8398	-1.80	DKK	3.7850	4.5667
NZD/EUR	0.5068	-0.0002	-0.0005	-0.0008	-0.0018	FJD	1.2869	1.5533
NZD/GBP	0.4373	0.0005	0.0016	0.0034	0.0067	HKD	4.5982	5.5498
						KRW	873.92	1054.48
AU TWI	65.80					MYR	2.3108	2.7890
AUD/USD	0.7085	-0.0003	-0.0010	-0.0024	-0.0063	NOK	5.5624	6.7094
AUD/NZD	1.2067	-0.0018	-0.0057	-0.0120	-0.0234	SEK	5.4500	6.5761
AUD/JPY	111.97	-0.34	-1.03	-2.11	-4.26	SGD	0.7496	0.9042
AUD/EUR	0.6113	-0.0011	-0.0035	-0.0069	-0.0138	TWD	18.69	22.55
AUD/GBP	0.5276	-0.0002	-0.0006	-0.0010	-0.0020	ZAR	9.85	11.88
USD Index	99.39					EQUITIES		
EUR/USD	1.1589	0.0017	0.0049	0.0090	0.0156		Index	
USD/JPY	157.63	-0.43	-1.24	-2.43	-4.65	NZX50	13,052	
GBP/USD	1.3428	-0.0001	-0.0004	-0.0022	-0.0071	ASX200	8,498	
EUR/GBP	0.8628	0.0013	0.0039	0.0080	0.0162	Dow Jones	45,812	
USD/CNY	6.8998	-0.0141	-0.0408	-0.0803	-0.1540	S&P 500	6,574	
						FTSE100	10,064	
						DAX 40	22,840	
						Nikkei	53,373	
INTEREST		New Zealand		Australia		COMMODITIES		
RATES		Mid		Mid			USD	
30 day bank bills		2.42%		4.10%		Brent Crude	108.64	
90 day bank bills		2.49%		4.32%		Gold	4,641.69	
1 year swap		2.78%		4.47%		Silver	71.87	
2 year swap		3.27%		4.54%		Iron Ore	105.54	
3 year swap		3.54%		4.51%		CRB Index	460.09	
5 year swap		3.83%		4.55%			NZD	
10 year swap		4.24%		4.76%		NZ Carbon	40.50	
3 year Govt bond		3.74%		4.68%				
5 year Govt bond		4.18%		4.77%				
10 year Govt bond		4.72%		5.08%				

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