

Market Alert

Thursday 09 April 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5825	0.0034
NZD/AUD	0.8262	0.0076
NZD/JPY	92.355	-0.86
NZD/EUR	0.4993	-0.0009
NZD/GBP	0.4346	0.0030
NZD/CNH	3.9758	-0.0266
AUD/USD	0.7049	-0.0025
AUD/EUR	0.6041	-0.0068
EUR/USD	1.1666	0.0089
USD/CNH	6.8319	-0.0851
GBP/USD	1.3401	-0.0015
EUR/GBP	0.8701	0.0075

INT RATES	NZ	Australia
OCR/Cash	2.25%	4.10%
90 day bills	2.52%	4.37%
2 year swap	3.38%	4.68%
10 year Govt	4.68%	4.95%

Ceasefire in Iran

Markets reacted positively to news that the US had agreed to a two-week ceasefire with Iran, with the proposal described as a workable basis for negotiations and tied to Iran pausing its blockade of oil and gas flows through the Strait of Hormuz. For financial markets, the initial move was a straightforward unwind of some of the worst-case pricing that had built up around energy supply disruption. Oil fell sharply, equities rallied, the USD softened, US Treasury yields moved lower, and gold moved higher.

That said, the ceasefire was always going to be put through its paces and has already started to be tested. Israel has continued strikes on Hezbollah in Lebanon, with Israeli Prime Minister Netanyahu arguing the agreement does not apply there. Iran has responded by warning that key parts of the ceasefire

have already been violated. That leaves markets trying to balance the relief of a ceasefire headline with the reality that the arrangement still looks fragile and could unravel quickly.

Oil prices and the Strait of Hormuz remain central to that story. Iran had indicated that counterattacks would stop and that safe passage could be provided, but disruption is still significant and there is still confusion around what has actually changed on the ground. Reports suggest hundreds of vessels remain stuck inside the Gulf, and while there has been some improvement in traffic, the broader question is whether shipping can normalise fast enough to alleviate some of the energy shock that has driven markets over recent weeks.

A steady pair of hands

As widely expected, the RBNZ left the OCR unchanged at 2.25% yesterday. The tone was cautious and slightly firmer than markets had expected. The RBNZ acknowledged the weakness in the domestic economy and labour market but also made clear that the Middle East conflict and the associated disruption to oil and gas supply will lift inflation to uncomfortable levels over the short term. Some members discussed a pre-emptive interest rate hike to curb medium-term inflation pressures, although others argued against it, given the softness in the real economy, labour market and the uncertainty around how long the conflict will last. The key line was that the Committee stands ready to act decisively if needed.

The Fed minutes overnight told a very similar story. Policymakers saw risks on both sides. A prolonged conflict could weaken hiring and broader activity, but it could also keep energy prices elevated and make inflation slower to return to target. The minutes noted that the vast majority of participants thought progress on inflation could be slower than previously expected, while most also judged that a protracted Middle East conflict could further reduce hiring and weigh on the labour market. That is increasingly the challenge for central banks: growth risks are real, but the inflation risk from energy is difficult to ignore.

Where are we now?

Oil prices have softened with WTI crude down almost 15%, the US 10-year Treasury yield initially fell 10bp but has since bounced and is at 4.28%, roughly 5bps lower following the ceasefire news. The USD Index is down around 0.6%, just above the 99.00 level. This saw the NZD/USD strengthen from 0.5700 to around 0.5830 currently. Local swap rates fell 5-10bp across the curve.



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Daily Rates

Thursday 09 April 2026

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	66.00					CAD	0.8062	0.9759
NZD/USD	0.5825	0.0006	0.0018	0.0034	0.0053	CHF	0.4607	0.5578
NZD/AUD	0.8262	0.0012	0.0038	0.0076	0.0147	CNY	3.9817	4.8162
NZD/JPY	92.355	-0.15	-0.43	-0.8566	-1.82	DKK	3.7297	4.5150
NZD/EUR	0.4993	-0.0002	-0.0005	-0.0009	-0.0025	FJD	1.2736	1.5418
NZD/GBP	0.4346	0.0005	0.0015	0.0030	0.0051	HKD	4.5605	5.5206
						KRW	860.74	1041.97
AU TWI	65.60					MYR	2.3141	2.8013
AUD/USD	0.7049	-0.0003	-0.0010	-0.0025	-0.0063	NOK	5.5715	6.7446
AUD/NZD	1.2096	-0.0018	-0.0057	-0.0115	-0.0217	SEK	5.4244	6.5665
AUD/JPY	111.52	-0.34	-1.01	-2.08	-4.17	SGD	0.7415	0.8976
AUD/EUR	0.6041	-0.0011	-0.0034	-0.0068	-0.0138	TWD	18.48	22.37
AUD/GBP	0.5257	-0.0002	-0.0006	-0.0014	-0.0033	ZAR	9.54	11.54
USD Index	99.04					EQUITIES		
EUR/USD	1.1666	0.0017	0.0048	0.0089	0.0157		Index	
USD/JPY	158.52	-0.42	-1.21	-2.40	-4.49	NZX50	13,254	
GBP/USD	1.3401	-0.0001	-0.0004	-0.0015	-0.0043	ASX200	8,952	
EUR/GBP	0.8701	0.0013	0.0037	0.0075	0.0144	Dow Jones	47,824	
USD/CNY	6.8287	-0.0145	-0.0410	-0.0809	-0.1537	S&P 500	6,768	
						FTSE100	10,609	
INTEREST		New Zealand	Australia			DAX 40	24,081	
RATES		Mid	Mid			Nikkei	56,308	
30 day bank bills		2.42%	4.12%			COMMODITIES		
90 day bank bills		2.52%	4.37%				USD	
1 year swap		2.85%	4.62%			Brent Crude	96.35	
2 year swap		3.38%	4.68%			Gold	4,728.04	
3 year swap		3.64%	4.57%			Silver	74.47	
5 year swap		3.92%	4.59%			Iron Ore	108.32	
10 year swap		4.31%	4.77%			CRB Index	463.63	
3 year Govt bond		3.76%	4.60%				NZD	
5 year Govt bond		4.15%	4.66%			NZ Carbon	42.70	
10 year Govt bond		4.68%	4.95%					

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