

Market Alert

Friday 15 May 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5914	0.0028
NZD/AUD	0.8191	0.0074
NZD/JPY	93.635	-0.94
NZD/EUR	0.5067	-0.0013
NZD/GBP	0.4414	0.0027
NZD/CNH	4.0130	-0.0316
AUD/USD	0.7219	-0.0031
AUD/EUR	0.6185	-0.0071
EUR/USD	1.1670	0.0083
USD/CNH	6.7866	-0.0854
GBP/USD	1.3398	-0.0019
EUR/GBP	0.8708	0.0072

INT RATES	NZ	Australia
OCR/Cash	2.25%	4.35%
90 day bills	2.67%	4.49%
2 year swap	3.61%	4.73%
10 year Govt	4.80%	5.12%

President Xi warns President Trump

That the future of US-China relations depends on Taiwan, adding that the US and China "will have clashes and even conflicts" if the long-standing issue of Taiwan's independence is not handled "properly." Meanwhile, President Trump focused on the positives, stating, "China has agreed to order 200 'big' Boeing jets. President Xi also offered to help pressure Iran to reopen the Strait of Hormuz."

Looking at the other headlines

- US retail sales rose by 0.5% in April, matching market expectations following March's downwardly revised 1.6% increase.
- US initial jobless claims rose by 12k to

211k, above expectations at 205k, while continuing jobless claims rose by 24k to 1,782k.

- US import prices rose 1.9% in April, the most since March 2022 and well above market expectations for a 1.0% increase.
- Despite the political fallout of the underperforming Starmer government, the UK economy expanded 0.6% in Q1 and 1.1% on the year.

FOMC board member Stephan Miran has submitted his resignation from the Fed board effective on or shortly before new Fed Chair Kevin Warsh is sworn in. Mr Miran also doubled down, adding, "PCE inflation will converge down to normal levels supporting rate cuts based on the lag impact of monetary policy."

Kansas City Fed member Jeffrey Schmid announced, "Continued inflation is the most pressing risk to the economy. It is clear inflation remains too high. The US economy has shown remarkable resilience, and its economic fundamentals remain sound, higher oil prices are still draining household spending power and are raising business costs."

BoE Chief Economist Huw Pill maintained the central bank's recent hawkish rhetoric, stating, "The 2nd round effects of inflation may be stronger. We must not allow ourselves to drift off into deep space of unmoored inflation dynamics. Tighter financial conditions do not get the BoE out of the question whether to raise rates. Prompt but modest increase in rates will be advantageous. If you wait until the market forces you to move, that would be

even more challenging. I cannot say if a rate rise would only be temporary or a plateau for higher rates."

Following the resignation of Wes Streeting from the UK cabinet, UK PM Keir Starmer came under even more pressure with Manchester Mayor Andy Burnham opening the path for a leadership challenge after a Labour member of Parliament resigned and urged the Greater Manchester mayor to run for his seat. This saw the GBP plummet, while the 10-year gilt yield managed to retain the 5.00% handle.

The reaction ...

Overall, apart from the UK impact, it was a pretty lacklustre session for financial markets overnight.

The USD-index continued its recent recovery from just below 98.00 to be at 98.75. While the GBP was the 'biggest loser', the AUD and NZD also weakened. US Treasury yields continued to grind higher with the 2-year regaining the 4.00% handle, firming 2bp to be at 4.02%, while the 10-year firmed 1bp to be at 4.48%.

Commodities were quiet with oil prices firming 0.8%, although copper prices retreated from their prior all-time high falling 1.5%, while silver plummeted 4.8%.

Equities surged with gains in the 0.5%-1.0% range.



BANCORP

BANCORP TREASURY SERVICES LIMITED

Barrington
TREASURY SERVICES

Barrington
ASSET CONSULTING



BANCORP

BANCORP CORPORATE FINANCE LIMITED

Daily Rates

Friday 15 May 2026

FX	Spot	FECs (mid)				Spot Mid	
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	67.00					CAD	0.8112 0.9907
NZD/USD	0.5914	0.0006	0.0016	0.0028	0.0041	CHF	0.4632 0.5658
NZD/AUD	0.8191	0.0014	0.0038	0.0074	0.0130	CNY	4.0141 4.9001
NZD/JPY	93.635	-0.14	-0.45	-0.9417	-2.06	DKK	3.7843 4.6217
NZD/EUR	0.5067	-0.0002	-0.0006	-0.0013	-0.0032	FJD	1.2797 1.5629
NZD/GBP	0.4414	0.0005	0.0014	0.0027	0.0048	HKD	4.6298 5.6543
						KRW	882.26 1077.49
AU TWI	67.30					MYR	2.3230 2.8371
AUD/USD	0.7219	-0.0005	-0.0014	-0.0031	-0.0065	NOK	5.4517 6.6643
AUD/NZD	1.2205	-0.0022	-0.0059	-0.0114	-0.0203	SEK	5.5305 6.7543
AUD/JPY	114.47	-0.37	-1.08	-2.18	-4.29	SGD	0.7539 0.9207
AUD/EUR	0.6185	-0.0013	-0.0037	-0.0071	-0.0137	TWD	18.63 22.76
AUD/GBP	0.5387	-0.0003	-0.0009	-0.0017	-0.0028	ZAR	9.75 11.90
USD Index	98.88					EQUITIES	
EUR/USD	1.1670	0.0017	0.0046	0.0083	0.0151		Index
USD/JPY	158.34	-0.41	-1.18	-2.33	-4.53	NZX50	13,025
GBP/USD	1.3398	-0.0001	-0.0005	-0.0019	-0.0055	ASX200	8,641
EUR/GBP	0.8708	0.0013	0.0037	0.0072	0.0147	Dow Jones	50,053
USD/CNY	6.7851	-0.0147	-0.0432	-0.0863	-0.1670	S&P 500	7,505
						FTSE100	10,373
INTEREST		New Zealand		Australia		DAX 40	24,456
RATES		Mid		Mid		Nikkei	62,654
30 day bank bills		2.48%		4.36%		COMMODITIES	
90 day bank bills		2.67%		4.49%			USD
1 year swap		3.20%		4.72%		Brent Crude	106.30
2 year swap		3.61%		4.73%		Gold	4,658.19
3 year swap		3.80%		4.66%		Silver	83.64
5 year swap		4.02%		4.68%		Iron Ore	111.28
10 year swap		4.37%		4.91%		CRB Index	508.53
3 year Govt bond		0.00%		4.73%			NZD
5 year Govt bond		0.00%		4.80%		NZ Carbon	50.94
10 year Govt bond		0.00%		5.12%			

This document has been prepared by Bancorp Treasury Services Limited ("BTSL"). Whilst all reasonable care has been taken to ensure the facts stated are accurate and the opinions given are fair and reasonable, neither BTSL nor any of its directors, officers or employees shall in any way be responsible for the contents. No liability is assumed by BTSL, its directors, officers or employees for action taken or not taken on the basis of this document.



BANCORP
BANCORP TREASURY SERVICES LIMITED

Barrington
TREASURY SERVICES

Barrington
ASSET CONSULTING



BANCORP
BANCORP CORPORATE FINANCE LIMITED