

# Market Alert

Tuesday 19 May 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5878	0.0029
NZD/AUD	0.8197	0.0075
NZD/JPY	93.355	-0.93
NZD/EUR	0.5042	-0.0012
NZD/GBP	0.4374	0.0026
NZD/CNH	3.9962	-0.0312
AUD/USD	0.7169	-0.0031
AUD/EUR	0.6148	-0.0071
EUR/USD	1.1658	0.0082
USD/CNH	6.7973	-0.0855
GBP/USD	1.3436	-0.0017
EUR/GBP	0.8675	0.0071

  

INT RATES	NZ	Australia
OCR/Cash	2.25%	4.35%
90 day bills	2.66%	4.50%
2 year swap	3.61%	4.73%
10 year Govt	4.88%	5.22%

## Would you 'Adam and Eve' it?

I definitely can't believe it! Driving to work this morning I realised the sneaky buggers at AT have added an extra 3-speed bumps and an extra set of traffic lights! I now have 7 speed bumps and 5 sets of traffic lights across a 10-minute drive ... with a 30kph speed limit for half the journey! Uh oh ... I am starting to sound like my father!

And speaking of old men, President Trump has been back on the newswires telling everyone, "I have been asked to hold off a planned attack on Iran" upon a request from Saudi, Qatar and the UAE as "serious negotiations are taking place." By all accounts, Iran has submitted its latest 14-point proposal amid reports that the US has offered to lift sanctions on Iranian oil. But it won't be easy, with Iranian President Pezeshkian warning, "Dialogue does not mean surrender. We will safeguard

the interests and honour of Iran." Summing it all up ... don't hold your breath!

Besides, we've plenty of other things to worry about with an Ebola outbreak in Congo, a 'city killing' asteroid that just missed earth yesterday, and the US military about to release a bunch of 'alien' files!

## Meanwhile, back in the real world

Yield curves are holding on to Friday's gains while currencies are beginning a period of consolidation. 2 and 10-year US Treasury yields opened the week flat at 4.08% and 4.61%, while the USD-index dipped back below the 99.00 level overnight. The NZD and AUD are a touch firmer against the USD and on their crosses, while the JPY continues to struggle to find a base.

Oil and gas prices were flat, gold, silver and copper recovered some of Friday's losses, while wheat was the outperformer rallying 4.5%. European equity prices rallied 0.5%-1.0%, while the US exchanges will likely close flat.

That's interesting ... following last week's meeting between Trump and Xi, President Xi is, this week, holding a 2-day summit with Putin!

## Looking at the headlines ...

- China's retail sales rose just 0.2% in the 12-months to April 2026, slowing sharply from March's 1.7% gain. It was the weakest growth since December 2022 as the fallout from the Iran war dampened consumer demand.

- The other Chinese headlines saw the urban unemployment rate edge down from 5.4% to 5.2%, while industrial production expanded 4.1% in the year to April, slowing from March's 5.7% rise and below expectations of 5.9%. It was the softest growth in industrial production since July 2023.

- US house price index rallied from 34 to 37 in May, ahead of forecasts at 35.

- The New York Fed's services index climbed 8.2 points to -5.8 in May.

- NZ composite PMI rose from 48.7 to 49.4 in April with manufacturing PMI easing, from 52.8 to 50.5, while services increased from a revised 46.2 to 48.9.

- NZ annual food inflation eased to 2.6% in April, from 3.4%.

The European Commissioner for Economy and Productivity, Valdis Dombrovskis, has advised the EU will downgrade its growth forecast because of the "stagflationary shock" caused by the Iranian war.

Ahead of the new Fed Chair being sworn in at the White House on Friday, Fed member Austan Goolsbee announced, "Inflation has got to be front of mind when Kevin Warsh starts as Chair. If you cut rates too much, you ignite inflation more."

While Elon Musk has lost his court battle against OpenAI and Sam Altman after a 3-week trial, President Donald Trump, his two eldest sons, and the Trump Organisation have dropped their USD10bn lawsuit against the Internal Revenue Service.



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# Daily Rates

Tuesday 19 May 2026

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	66.40					CAD	0.8071	0.9847
NZD/USD	0.5878	0.0006	0.0016	0.0029	0.0039	CHF	0.4606	0.5622
NZD/AUD	0.8197	0.0014	0.0038	0.0075	0.0126	CNY	3.9834	4.8616
NZD/JPY	93.355	-0.16	-0.44	-0.9317	-2.06	DKK	3.7662	4.5949
NZD/EUR	0.5042	-0.0003	-0.0006	-0.0012	-0.0034	FJD	1.2766	1.5575
NZD/GBP	0.4374	0.0005	0.0014	0.0026	0.0046	HKD	4.6013	5.6138
						KRW	875.40	1068.03
AU TWI	66.50					MYR	2.3351	2.8490
AUD/USD	0.7169	-0.0005	-0.0014	-0.0031	-0.0064	NOK	5.4341	6.6298
AUD/NZD	1.2195	-0.0021	-0.0059	-0.0114	-0.0200	SEK	5.5105	6.7228
AUD/JPY	113.65	-0.39	-1.07	-2.17	-4.23	SGD	0.7507	0.9159
AUD/EUR	0.6148	-0.0014	-0.0036	-0.0071	-0.0135	TWD	18.53	22.61
AUD/GBP	0.5334	-0.0003	-0.0009	-0.0017	-0.0027	ZAR	9.73	11.87
USD Index	98.98					<b>EQUITIES</b>		
EUR/USD	1.1658	0.0017	0.0045	0.0082	0.0152		<b>Index</b>	
USD/JPY	158.82	-0.44	-1.19	-2.34	-4.56	NZX50	12,763	
GBP/USD	1.3436	-0.0001	-0.0005	-0.0017	-0.0053	ASX200	8,505	
EUR/GBP	0.8675	0.0013	0.0036	0.0071	0.0147	Dow Jones	49,686	
USD/CNY	6.8	-0.0160	-0.0438	-0.0860	-0.1692	S&P 500	7,403	
						FTSE100	10,324	
<b>INTEREST</b>			<b>New Zealand</b>		<b>Australia</b>	DAX 40	24,308	
<b>RATES</b>			Mid		Mid	Nikkei	60,816	
30 day bank bills			2.47%		4.35%	<b>COMMODITIES</b>		
90 day bank bills			2.66%		4.50%		<b>USD</b>	
1 year swap			3.16%		4.71%	Brent Crude	108.88	
2 year swap			3.61%		4.73%	Gold	4,564.99	
3 year swap			3.80%		4.71%	Silver	77.65	
5 year swap			4.03%		4.71%	Iron Ore	110.77	
10 year swap			4.38%		4.94%	CRB Index	515.71	
3 year Govt bond			4.01%		4.78%		<b>NZD</b>	
5 year Govt bond			4.37%		4.87%	NZ Carbon	54.20	
10 year Govt bond			4.88%		5.22%			

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