

Market Alert

Wednesday 20 May 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5836	0.0028
NZD/AUD	0.8212	0.0075
NZD/JPY	92.845	-0.94
NZD/EUR	0.5029	-0.0012
NZD/GBP	0.4356	0.0026
NZD/CNH	3.9782	-0.0316
AUD/USD	0.7105	-0.0030
AUD/EUR	0.6122	-0.0072
EUR/USD	1.1603	0.0083
USD/CNH	6.8160	-0.0871
GBP/USD	1.3395	-0.0017
EUR/GBP	0.8658	0.0072

INT RATES	NZ	Australia
OCR/Cash	2.25%	4.35%
90 day bills	2.66%	4.50%
2 year swap	3.63%	4.72%
10 year Govt	4.80%	5.17%

Will he...

To no surprise, Middle East headlines remain front and centre, with markets weighing on tentative progress against the risk that US strikes on Iran resume. US Vice President JD Vance said the US had made "a lot of progress" and that Tehran appeared to want a deal but also warned the US could restart its military campaign if talks fail. Al Hadath also reported that President Trump has made the decision to attack Iran and that it is "only a matter of time" but we've heard that a few times before... Nonetheless, for markets, this keeps the war 'premiums' firmly in place,

with negotiations clearly still some way from delivering a clear off-ramp.

The pressure is not just military. US Treasury Secretary Scott Bessent has called on Europe, other Middle Eastern states and Asia to step up action against Iran's financiers, shell companies, bank branches and shadow banking networks.

Looking at the data ...

In Canada, April CPI rose to 2.8% from 2.4%, below the 3.1% expected, although the detail still showed it was energy-led, with gasoline prices up 28.6% year-on-year.

The UK labour market moved the other way, with unemployment rising to 5.0%, payrolls falling sharply in April and wage growth slowing, adding to the growth outlook risk.

Across the Tasman, the recent RBA meeting minutes showed eight of nine board members backed May's rate hike to 4.35%, with the Board focused on the risk that higher fuel prices could feed into inflation expectations. It also suggests the RBA is not in a rush to soften its tone, even if growth risks are becoming harder to ignore.

In New Zealand, April electronic card spending fell 1.3%, reversing March's 0.7% lift, while spending was weaker

across all major retail categories. Producer prices accelerated notably, with output PPI up 0.8% and input PPI up 1.4% in Q1, showing cost pressures are building in the pipeline and will feed into consumer prices.

The overnight GDT auction was a small positive, with the overall index up 0.6%. Butter (2.5%) was a standout performer with SMP(1.2%) and WMP(0.2%) was also firmer, while AMP(-1.6%) was softer.

Market moves

Higher US Treasury yields were the main story overnight. The US 10-year bond yield rose 8bps to 4.66%, the 2-year rose 7bps to 4.11% and the 30-year rose to 5.18%, its highest level since 2007. That saw US equities soften across the board by 0.6-0.7%. The USD was firmer, supported by the higher yields and the ongoing higher inflation backdrop as it stabilised back above 99.30. This saw the NZD/USD slip to just below 0.5840, while the AUD/USD was worse off as it fell to just below 0.7110, pushing the NZD/AUD cross rate back above 0.8200. Locally, higher US Treasuries will mean NZ swap rates are likely to open higher this morning.



BANCORP

BANCORP TREASURY SERVICES LIMITED

Barrington
TREASURY SERVICES

Barrington
ASSET CONSULTING



BANCORP

BANCORP CORPORATE FINANCE LIMITED

Daily Rates

Wednesday 20 May 2026

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	66.60					CAD	0.8021	0.9768
NZD/USD	0.5836	0.0006	0.0016	0.0028	0.0044	CHF	0.4601	0.5607
NZD/AUD	0.8212	0.0014	0.0039	0.0075	0.0131	CNY	3.9742	4.8401
NZD/JPY	92.845	-0.15	-0.44	-0.9381	-2.00	DKK	3.7566	4.5751
NZD/EUR	0.5029	-0.0002	-0.0006	-0.0012	-0.0030	FJD	1.2732	1.5506
NZD/GBP	0.4356	0.0005	0.0013	0.0026	0.0048	HKD	4.5698	5.5653
						KRW	879.31	1070.87
AU TWI	66.40					MYR	2.3190	2.8242
AUD/USD	0.7105	-0.0005	-0.0014	-0.0030	-0.0059	NOK	5.4065	6.5843
AUD/NZD	1.2175	-0.0021	-0.0060	-0.0115	-0.0199	SEK	5.4842	6.6790
AUD/JPY	113.21	-0.38	-1.07	-2.19	-4.22	SGD	0.7480	0.9109
AUD/EUR	0.6122	-0.0013	-0.0036	-0.0072	-0.0134	TWD	18.46	22.48
AUD/GBP	0.5301	-0.0003	-0.0009	-0.0017	-0.0027	ZAR	9.74	11.87
USD Index	99.32					EQUITIES		
EUR/USD	1.1603	0.0017	0.0045	0.0083	0.0155		Index	
USD/JPY	159.08	-0.42	-1.19	-2.39	-4.59	NZX50	12,974	
GBP/USD	1.3395	-0.0001	-0.0005	-0.0017	-0.0049	ASX200	8,605	
EUR/GBP	0.8658	0.0013	0.0036	0.0072	0.0145	Dow Jones	49,364	
USD/CNY	6.8144	-0.0155	-0.0020	-0.0865	-0.1696	S&P 500	7,354	
						FTSE100	10,331	
						DAX 40	24,401	
						Nikkei	60,551	
INTEREST RATES			New Zealand	Australia				
			Mid	Mid				
30 day bank bills			2.47%	4.36%		COMMODITIES		
90 day bank bills			2.66%	4.50%			USD	
1 year swap			3.19%	4.70%		Brent Crude	111.41	
2 year swap			3.63%	4.72%		Gold	4,483.96	
3 year swap			3.84%	4.62%		Silver	73.82	
5 year swap			4.08%	4.70%		Iron Ore	110.54	
10 year swap			4.44%	4.94%		CRB Index	516.28	
3 year Govt bond			3.94%	4.73%			NZD	
5 year Govt bond			4.30%	4.81%		NZ Carbon	52.75	
10 year Govt bond			4.80%	5.17%				

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