

# Market Alert

Friday 22 May 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5877	0.0030
NZD/AUD	0.8215	0.0075
NZD/JPY	93.400	-0.93
NZD/EUR	0.5057	-0.0013
NZD/GBP	0.4373	0.0026
NZD/CNH	3.9958	-0.0308
AUD/USD	0.7152	-0.0029
AUD/EUR	0.6154	-0.0070
EUR/USD	1.1620	0.0086
USD/CNH	6.7985	-0.0865
GBP/USD	1.3436	-0.0012
EUR/GBP	0.8645	0.0071

  

INT RATES	NZ	Australia
OCR/Cash	2.25%	4.35%
90 day bills	2.64%	4.49%
2 year swap	3.56%	4.67%
10 year Govt	4.77%	5.07%

## I knew it wasn't going to go well

When I realised I was the only bloke there! I'm not quite sure how it happened, but I ended up in the front row at a comedy event last night. It started with a bit of shock when the female host stepped up on to the stage with no clothes on ... apart from an apron. Needless to stay, 1 hour later, having had to wear something called spandex, and a bra, I was relieved to survive to the end! At least, as a bloke, I can concentrate on the important things this weekend with the A-league final, the F1, and the Warriors!

Speaking of surviving to the end, it appears Iran may have also survived. By all accounts a US-Iran draft agreement is close to being finalised with an announcement due in the next few hours, although a few points remain

outstanding. It's been reported the Ayatollah is insisting their stockpile of enriched uranium remains inside Iranian territory, although some Iranian officials suggested this may not be the case to Al Jazeera. Isreal has announced this is non-negotiable. The White House has suggested Iran should make a deal as soon as possible or, *"They can face a punishment from our military the likes of which has not been seen in modern history."* US Secretary of State Marco Rubio confirmed, *"A tolling system in the Strait of Hormuz would make a diplomatic deal unfeasible,"* while US military intelligence confirmed Iran has rebuilt its drone program *"much faster than expected."* To me, it still seems like there is a long way to go.

While the latest US-Iran headlines have supported the recent sense of optimism, financial markets are taking a 'considered' approach. Oil prices are 1.0% lower, at USD97.50 and 104.00, while European gas prices fell almost 4.0%. Gold, silver and copper all posted modest gains. Despite the FOMO impact with SpaceX, OpenAI, and Anthropic all looking to IPO, investors are set to dump billions of shares to ensure they have capacity to participate. Currently global exchanges are consolidating, trading 0.25%-0.75% higher.

It was also a quiet session for bond markets with the 2-year treasury yield flat at 4.07% while the 10-years eased 3bps to 4.56%. Currency markets are trading flat.

## Well ... that's made things a bit more complicated for the RBA!

Australia's unemployment rate unexpectedly rose to 4.5% in April from March's 4.3%. It's the highest level of unemployment since November 2021 after employment fell by 18,600 against expectations of a 17,500 gain.

Is it enough to tip the BoJ over the line? I suspect it might be ... BoJ board member Junko Koeda suggested the Central Bank should raise interest rates at an *"appropriate pace as underlying inflation may exceed its 2.0% target due to the prolonged conflict in the Middle East."*

US manufacturing PMIs rose to 55.3 in May to their highest level since 2022 and above forecasts at 53.8. Meanwhile, initial claims fell by 3k to 209k, continuing claims rose by 6k to 1,782k, and housing starts fell 2.8% to a seasonally adjusted annual rate of 1.465 million in April ... which is not surprising given the yield on the 30-year T-bond.

New Zealand's trade surplus widened to a record NZD1.92bn in April, ahead of forecasts at NZD0.98bn and up from NZD1.20bn 12 months ago. Exports rose 12% to a record high NZD8.6bn to the EU (30%), Australia (27%), the US (19%), Japan (9.8%) and China (3.9%). Imports increased by 3.4% to NZD 6.7bn from South Korea (26%), the EU (17%) and China (13%).

Rent-a-quote Fed member Austin Goolsbee admitted, *"We have a pretty significant inflation problem, but job market is stable."*



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# Daily Rates

Friday 22 May 2026

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	66.70					CAD	0.8095	0.9853
NZD/USD	0.5877	0.0006	0.0016	0.0030	0.0045	CHF	0.4619	0.5624
NZD/AUD	0.8215	0.0013	0.0038	0.0075	0.0127	CNY	3.9800	4.8478
NZD/JPY	93.400	-0.15	-0.44	-0.9259	-1.98	DKK	3.7784	4.5990
NZD/EUR	0.5057	-0.0002	-0.0006	-0.0013	-0.0034	FJD	1.2779	1.5555
NZD/GBP	0.4373	0.0004	0.0013	0.0026	0.0044	HKD	4.6033	5.6029
						KRW	883.36	1075.00
AU TWI	66.40					MYR	2.3269	2.8322
AUD/USD	0.7152	-0.0005	-0.0014	-0.0029	-0.0057	NOK	5.4332	6.6131
AUD/NZD	1.2169	-0.0020	-0.0059	-0.0113	-0.0198	SEK	5.4838	6.6746
AUD/JPY	113.32	-0.36	-1.07	-2.15	-4.13	SGD	0.7508	0.9138
AUD/EUR	0.6154	-0.0013	-0.0036	-0.0070	-0.0135	TWD	18.52	22.54
AUD/GBP	0.5321	-0.0003	-0.0009	-0.0018	-0.0029	ZAR	9.65	11.75
USD Index	99.22					<b>EQUITIES</b>		
EUR/USD	1.1620	0.0016	0.0045	0.0086	0.0160		<b>Index</b>	
USD/JPY	158.92	-0.41	-1.19	-2.37	-4.55	NZX50	12,878	
GBP/USD	1.3436	-0.0001	-0.0004	-0.0012	-0.0036	ASX200	8,622	
EUR/GBP	0.8645	0.0013	0.0036	0.0071	0.0139	Dow Jones	50,286	
USD/CNY	6.8025	-0.0148	-0.0438	-0.0874	-0.1700	S&P 500	7,444	
						FTSE100	10,443	
<b>INTEREST</b>		<b>New Zealand</b>		<b>Australia</b>		DAX 40	24,607	
<b>RATES</b>		Mid		Mid		Nikkei	61,684	
30 day bank bills		2.47%		4.35%		<b>COMMODITIES</b>		
90 day bank bills		2.64%		4.49%			<b>USD</b>	
1 year swap		3.17%		4.67%		Brent Crude	104.71	
2 year swap		3.56%		4.67%		Gold	4,541.15	
3 year swap		3.78%		4.63%		Silver	76.64	
5 year swap		4.02%		4.66%		Iron Ore	110.09	
10 year swap		4.45%		4.88%		CRB Index	498.82	
3 year Govt bond		3.91%		4.63%			<b>NZD</b>	
5 year Govt bond		4.26%		4.71%		NZ Carbon	52.45	
10 year Govt bond		4.77%		5.07%				

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