

# Market Alert

Monday 25 May 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5872	0.0029
NZD/AUD	0.8200	0.0073
NZD/JPY	93.255	-0.95
NZD/EUR	0.5044	-0.0013
NZD/GBP	0.4360	0.0024
NZD/CNH	3.9774	-0.0323
AUD/USD	0.7159	-0.0029
AUD/EUR	0.6149	-0.0071
EUR/USD	1.1640	0.0085
USD/CNH	6.7961	-0.0879
GBP/USD	1.3466	-0.0012
EUR/GBP	0.8642	0.0069

  

INT RATES	NZ	Australia
OCR/Cash	2.25%	4.35%
90 day bills	2.63%	4.48%
2 year swap	3.55%	4.58%
10 year Govt	4.74%	5.02%

## What a weekend that was!

It was well worth the wait with more than a few beers polished off! A big shout out to Auckland FC on their historic win, while the AFC 2nd team won the OFC! Congratulations also go to Arsenal and the Warriors, a shoulder to cry on for my West Ham mates, and what can you say about the man ... Peter Burling ... that dude's got the magic touch!

## This week there will be a lot of talk about the RBNZ ...

But beyond that, there's plenty to keep us busy.

It will be a quiet start to the week, with public holidays in the Northern Hemisphere, and while there have been murmurings of a US-Iran deal over the last 24 hours, there have been conflicting depictions of what the deal might actually

contain. The latest rumours suggest the broad outline of an understanding has been reached with the delivery of uranium linked to the lifting of sanctions.

Financial markets are mildly optimistic that a conclusion may be reached with equity markets taking the bait into the weekend's close, gaining 0.5%-1.0% to close out the session, although it should be noted the Nikkei surged 2.7% on renewed technology and AI optimism.

US Secretary of State Marco Rubio's comments on Friday that there had been "slight progress" in talks generated a steady session for oil prices with crude at USD97.00 and Brent just below USD104.00. Most other commodities were broadly unchanged.

Bond yields were also mixed despite traders now fully pricing in a Fed hike this year, with the 2-year firming 4bp to 4.13%, while the 10-year closed down 1bp at 4.56%. FX markets were also largely unchanged.

Friday's headlines were all pretty ho-hum, with ...

- The University of Michigan's consumer sentiment index plunging to a record low of 44.8 in May to record its 3rd consecutive decline.
- Eurozone wages rising 2.5% from Q1 2025 to Q1 2026.
- German business confidence rising to 84.9 in May, up slightly from April's six-year low of 84.5 and slightly above expectations at 84.2.
- Japanese inflation easing from 1.5% to 1.4% in April, despite food prices increasing 3.5%. Core inflation was also weak easing from 1.8% to 1.4%.

- NZ Q1 retail sales increasing by 0.9%, ahead of expectations at 0.5% to record the index's 6th consecutive increase.

New Fed Chair Kevin Warsh announced, "Ours is a time of great consequence. I will lead a reform-orientated Fed. We will learn from past mistakes and successes." Colleague Austan Goolsbee admitted, "We have a pretty significant inflation problem, but the job market is stable," while Christopher Waller admitted he supported calls to remove language suggesting the Fed may resume lowering rates.

## The week ahead

The nature of the peace negotiations will, without a shadow of a doubt, dominate the headlines this week, but beyond that, it's all about inflation ... and what central banks are going to do about it! On the inflation front, this week brings the latest US PCE report along with a slew of other US data, including final Q1 GDP, housing starts, building permits, personal income, trade, inventories, the Dallas Fed's manufacturing index, Chicago Fed PMIs and activity index. From the Eurozone we have CPI, unemployment, consumer and business confidence.

On this side of the world, it's a busy week in Japan with housing starts, unemployment, industrial production, retail sales, consumer confidence, and Tokyo inflation, while China releases its April industrial profit numbers and PMIs. Australia releases its latest CPI report, construction, private credit and capital expenditure, while it's a big week in New Zealand with the RBNZ on Wednesday and the budget on Thursday.



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# Daily Rates

Monday 25 May 2026

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	66.80					CAD	0.8098	0.9879
NZD/USD	0.5872	0.0006	0.0016	0.0029	0.0044	CHF	0.4602	0.5611
NZD/AUD	0.8200	0.0013	0.0037	0.0073	0.0113	CNY	3.9778	4.8453
NZD/JPY	93.255	-0.16	-0.45	-0.9456	-2.06	DKK	3.7660	4.5945
NZD/EUR	0.5044	-0.0002	-0.0006	-0.0013	-0.0036	FJD	1.2757	1.5563
NZD/GBP	0.4360	0.0004	0.0013	0.0024	0.0042	HKD	4.5974	5.6089
						KRW	892.00	1088.25
AU TWI	66.50					MYR	2.3267	2.8385
AUD/USD	0.7159	-0.0005	-0.0014	-0.0029	-0.0063	NOK	5.4151	6.6065
AUD/NZD	1.2194	-0.0021	-0.0060	-0.0116	-0.0213	SEK	5.4618	6.6635
AUD/JPY	113.43	-0.37	-1.07	-2.16	-4.30	SGD	0.7505	0.9156
AUD/EUR	0.6149	-0.0013	-0.0036	-0.0071	-0.0141	TWD	18.46	22.52
AUD/GBP	0.5315	-0.0003	-0.0009	-0.0018	-0.0036	ZAR	9.61	11.72
USD Index	99.32					<b>EQUITIES</b>		
EUR/USD	1.1640	0.0016	0.0045	0.0085	0.0165		<b>Index</b>	
USD/JPY	158.81	-0.41	-1.19	-2.39	-4.67	NZX50	12,991	
GBP/USD	1.3466	-0.0001	-0.0004	-0.0012	-0.0034	ASX200	8,657	
EUR/GBP	0.8642	0.0012	0.0035	0.0069	0.0140	Dow Jones	50,580	
USD/CNY	6.7945	-0.0149	-0.0439	-0.0882	-0.1735	S&P 500	7,473	
						FTSE100	10,466	
<b>INTEREST</b>		<b>New Zealand</b>		<b>Australia</b>		DAX 40	24,889	
<b>RATES</b>		Mid		Mid		Nikkei	63,339	
30 day bank bills		2.47%		4.35%		<b>COMMODITIES</b>		
90 day bank bills		2.63%		4.48%			<b>USD</b>	
1 year swap		3.12%		4.62%		Brent Crude	103.54	
2 year swap		3.55%		4.58%		Gold	4,508.73	
3 year swap		3.74%		4.53%		Silver	75.49	
5 year swap		3.96%		4.52%		Iron Ore	109.67	
10 year swap		4.32%		4.75%		CRB Index	499.26	
3 year Govt bond		3.88%		4.59%			<b>NZD</b>	
5 year Govt bond		4.23%		4.66%		NZ Carbon	52.50	
10 year Govt bond		4.74%		5.02%				

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