

Market Alert

Thursday 19 March 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5817	0.0036
NZD/AUD	0.8250	0.0078
NZD/JPY	92.915	-0.84
NZD/EUR	0.5068	-0.0010
NZD/GBP	0.4377	0.0029
NZD/CNH	4.0108	-0.0224
AUD/USD	0.7050	-0.0023
AUD/EUR	0.6141	-0.0071
EUR/USD	1.1478	0.0092
USD/CNH	6.8936	-0.0813
GBP/USD	1.3288	-0.0010
EUR/GBP	0.8634	0.0072

INT RATES	NZ	Australia
OCR/Cash	2.25%	4.10%
90 day bills	2.49%	4.31%
2 year swap	3.27%	4.47%
10 year Govt	4.63%	4.99%

Central banks are sticking to the plan ...

devised by the Bank of International Settlements, leaving their key benchmark interest rates unchanged.

The FOMC voted 11-1 to leave the Fed Funds rate in its 3.50%-3.75% target range. Fed Governor Stephen Miran voted against the decision in favour of a 25bps cut.

The dot plot projections highlight the median expectation is for a 25bps cut by year end, with another 25bps cut in 2027. Fed officials see the core inflation rate at 2.7% by the end of 2026, up from the 2.5% forecast in December, with GDP growth of 2.4%, compared with 2.3%.

The statement highlighted, *"The implications of developments in the Middle East for the US economy are uncertain,"* while also repeating *"job gains have remained low"* and that the jobless rate

"has been little changed in recent months." The statement also reiterated economic activity *"has been expanding at a solid pace,"* and inflation *"remains somewhat elevated."*

In the Q&A session, Chair Powell acknowledged the members had discussed the possibility of a rate hike, although *"The vast majority of participants don't see that as their base case."* Mr. Powell also emphasised, *"The committee is likely to be on hold until there's clarity on inflation and the job market,"* adding *"It's important to keep policy either mildly restrictive or close to that, but not too restrictive, because of the downside risks in the labour market. We are balancing these two goals."* On his future, he added he wouldn't step down until the Justice Department investigation was over, stating *"I have no intention of leaving the board until the investigation is well and truly over with transparency and finality."*

The BoC left its overnight policy rate unchanged at 2.25%, acknowledging that while the prospect of higher energy costs will push up inflation, it also recognised there is excess supply in the economy and that unemployment has been rising.

Later today we have the BoJ, and overnight the SNB, BoE and ECB who will likely maintain this morning's 'unchanged' trend.

Meanwhile, events in the Middle East escalated ...

after the US and Israel attacked the giant South Pars gas field. Iran has retaliated by publishing a list of Gulf energy sites it will look to target. Ahead of any attacks, the Gulf states are looking to empty

and transport oil and gas reserves away from storage and refineries, while Saudi Arabia's Defense Ministry has posted that it has intercepted a drone attack on one of its facilities.

Other headlines saw a further strike against the Iranian leadership with the death of the intelligence minister Esmail Khatib, while the US Navy's most advanced aircraft carrier has retreated from the Red Sea after a fire broke out in the laundry room.

The escalation in infrastructure attacks naturally saw spikes in gas and oil prices. Most effected was the price of European gas which surged over 6.0%. The price of crude spiked higher, trading above the USD99.00/bbl level, although it has since eased back to be 1.0% higher at USD97.20/bbl, although Brent prices surged 4.4% to USD107.95/bbl. Gold, silver and copper prices also plummeted, dropping 3.0%, 4.0% and 4.1% respectively.

The Fed announcement supported Treasury yields and the USD-index, with the 2-year yield 6bps higher at 3.74% while the 10-years has gained 5bps to be at 4.26%. The USD-index is 0.5% higher on the day at USD99.75. The NZD and AUD were the weakest performers against the USD, falling 0.7%, while they are broadly 0.3% lower on the crosses with NZD/AUD flat at 0.8250. The CHF, EUR and JPY all weakened, although USD/CNY continues to bounce between 6.8900 and 6.9000.



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Daily Rates

Thursday 19 March 2026

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	66.40					CAD	0.8013	0.9670
NZD/USD	0.5864	0.0007	0.0019	0.0036	0.0051	CHF	0.4612	0.5566
NZD/AUD	0.8289	0.0012	0.0036	0.0074	0.0141	CNY	4.0288	4.8628
NZD/JPY	93.220	-0.16	-0.42	-0.8504	-1.85	DKK	3.8025	4.5887
NZD/EUR	0.5091	-0.0002	-0.0005	-0.0011	-0.0030	FJD	1.2805	1.5452
NZD/GBP	0.4399	0.0005	0.0015	0.0029	0.0047	HKD	4.5899	5.5389
						KRW	871.99	1052.28
AU TWI	65.40					MYR	2.3026	2.7787
AUD/USD	0.7074	-0.0002	-0.0008	-0.0021	-0.0060	NOK	5.6642	6.8353
AUD/NZD	1.2063	-0.0019	-0.0054	-0.0110	-0.0214	SEK	5.4684	6.5990
AUD/JPY	111.83	-0.36	-1.00	-2.03	-4.09	SGD	0.7486	0.9034
AUD/EUR	0.6141	-0.0012	-0.0033	-0.0068	-0.0139	TWD	18.73	22.60
AUD/GBP	0.5306	-0.0002	-0.0006	-0.0014	-0.0034	ZAR	9.77	11.79
USD Index	99.68					EQUITIES		
EUR/USD	1.1518	0.0018	0.0050	0.0093	0.0164		Index	
USD/JPY	158.95	-0.47	-1.24	-2.41	-4.48	NZX50	13,165	
GBP/USD	1.3330	-0.0001	-0.0001	-0.0009	-0.0040	ASX200	8,583	
EUR/GBP	0.8639	0.0014	0.0038	0.0074	0.0140	Dow Jones	47,035	
USD/CNY	6.8955	-0.0137	-0.0389	-0.0762	-0.1456	S&P 500	6,707	
						FTSE100	10,318	
INTEREST			New Zealand		Australia	DAX 40	23,564	
RATES			Mid		Mid	Nikkei	53,751	
30 day bank bills			2.42%		4.00%	COMMODITIES		
90 day bank bills			2.49%		4.22%		USD	
1 year swap			2.84%		4.46%	Brent Crude	100.59	
2 year swap			3.36%		4.53%	Gold	5,015.64	
3 year swap			3.63%		4.55%	Silver	81.13	
5 year swap			3.92%		4.58%	Iron Ore	105.14	
10 year swap			4.33%		4.85%	CRB Index	461.82	
3 year Govt bond			3.79%		4.63%		NZD	
5 year Govt bond			4.24%		4.75%	NZ Carbon	40.25	
10 year Govt bond			4.78%		5.10%			

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