Market Alert

Monday 17 August 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5889	0.0027
NZD/AUD	0.8311	0.0063
NZD/JPY	93.810	-0.91
NZD/EUR	0.5090	-0.0012
NZD/GBP	0.4351	0.0021
NZD/CNH	3.9691	-0.0348
AUD/USD	0.7084	-0.0022
AUD/EUR	0.6123	-0.0062
EUR/USD	1.1568	0.0079
USD/CNH	6.7428	-0.0898
GBP/USD	1.3527	-0.0004
EUR/GBP	0.8544	0.0061

INT RATES	NZ	Australia
OCR/Cash	2.50%	4.35%
90 day bills	2.95%	4.56%
2 year swap	3.61%	4.56%
10 year Govt	4.76%	5.11%

What a great weekend that was

The All Blacks won, as did the Wallabies. the Warriors, and Hawthorn. Heck, even my team came close to a win with a 4-4 draw … yep, the entertainers are back. But what about the 'Baggy Greens'? I mean, losing a test at home is bad enough… but to Bangladesh … by 9-wickets?

A tweet will never change the world, but President Trump is trying pretty hard, declaring, *"Pretty soon I'll be declaring the Hormuz Strait a territory of the United States."* He then added, *"We're making a fortune with tariffs."*

Oil prices closed the week 5.0% higher, with crude at USD82.40 and brent at USD88.50, following an announcement from US Treasury Secretary Bessent that the US will undertake further economic sanctions against Iran. The International Energy Agency also warned of a deep supply deficit, predicting, for 2026, the widest shortfall in 5-years. Wheat futures also rallied 3.0% to hit a 3-week high following the Ukrainian strike on a Russian Baltic port and Moscow's subsequent rejection of a proposed Black Sea truce.

The 10-year US Treasury yield closed at 4.69% after reaching a 19-month high of 4.75% with the 30-year closing at 5.26%. But despite the rise in US yields, the USD-index fell 0.3% with the NZD the day's strongest performer as it recovered to the 0.5890 level. The AUD also posted a gain, closing the week at 0.7090. The surge in yields contributed to equities finishing the week 0.0%-0.3% lower.

Breaking Friday's headlines down

- US retail sales fell 0.6% in July, missing market expectations of a 0.1% rise and reversing June's 0.2% gain. This marks the first monthly decline since October 2025 and the largest drop in over a year.
- US business inventories growth slowed to 0.0% in June, down from 0.3% in the prior month and missing forecasts of 0.1%.
- The University of Michigan's consumer sentiment index dropped to 51.0 in August, down from 55.2 in July and below the expected 54.5. Inflation expectations firmed from 4.2% to 4.3%, remaining above the 4.0% threshold for a 5th consecutive month.
- Australian Q2 housing lending fell 1.9% quarter-on-quarter to AUD60.5bn. While this represents a 9-month low, it shows an easing pace of decline compared to the downwardly revised 3.5% drop recorded in Q1.
- NZ manufacturing PMIs fell 5.8 points to 54.3 in June. In among the sub-indexes, production led at 57.3, while employment was the weakest component at 52.8, though it remains in expansionary territory.
- NZ visitor arrivals grew 8.1% year-on-year to 201,855 in June, accelerating from a 6.7% rise in May, driven largely by gains from Australia.

Chicago Fed President Austan Goolsbee stated, *"I supported the July rate decision. I was encouraged by the CPI report, but we need more data."*

The week ahead …

Will focus on the details of the economic pressure the US is expected to apply to Iran, which will impact energy prices and global interest rates. Markets will also focus on the minutes from the July FOMC and ECB meetings. Beyond that, the US will release PMIs, building permits, trade terms, and industrial production, while PMIs and CPIs will also be published for the Eurozone and the UK.

Chinese investors will evaluate industrial production, retail sales, house prices, fixed asset investment, and the unemployment rate, while the PBOC is widely expected to hold its 1-year and 5-year LPRs steady at 3.00% and 3.50%. Japan releases Q2 GDP, trade, inflation, machinery orders, and flash PMIs, Australia will digest its July PMIs, employment, consumer confidence and inflation expectations, while it's a busy week in NZ with PPIs, PSIs, food inflation, migration, card spending and trade.

Daily Rates

Monday 17 August 2026

FX	Spot Mid	FECs (mid) 1mth	3mths	6mths	12mths
NZ TWI	66.60				
NZD/USD	0.5889	0.0005	0.0015	0.0027	0.0042
NZD/AUD	0.8311	0.0012	0.0033	0.0063	0.0109
NZD/JPY	93.810	-0.14	-0.43	-0.9148	-1.87
NZD/EUR	0.5090	-0.0002	-0.0005	-0.0012	-0.0032
NZD/GBP	0.4351	0.0004	0.0011	0.0021	0.0038
AU TWI	65.60				
AUD/USD	0.7084	-0.0004	-0.0012	-0.0022	-0.0042
AUD/NZD	1.2023	-0.0020	-0.0051	-0.0096	-0.0169
AUD/JPY	112.53	-0.34	-0.99	-1.96	-3.69
AUD/EUR	0.6123	-0.0011	-0.0031	-0.0062	-0.0118
AUD/GBP	0.5229	-0.0003	-0.0008	-0.0015	-0.0024
USD Index	99.64				
EUR/USD	1.1568	0.0014	0.0039	0.0079	0.0157
USD/JPY	159.27	-0.39	-1.13	-2.26	-4.29
GBP/USD	1.3527	-0.0001	-0.0001	-0.0004	-0.0018
EUR/GBP	0.8544	0.0011	0.0030	0.0061	0.0127
USD/CNY	6.7412	-0.0149	-0.0441	-0.0889	-0.1797

	Spot Mid NZD/...	AUD/...
CAD	0.8168	0.9829
CHF	0.4787	0.5733
CNY	3.9704	4.7741
DKK	3.8038	4.5773
FJD	1.2840	1.5450
HKD	4.6192	5.5584
KRW	834.11	1003.71
MYR	2.4043	2.8931
NOK	5.5455	6.6731
SEK	5.5932	6.7304
SGD	0.7527	0.9057
TWD	18.83	22.66
ZAR	9.52	11.45

INTEREST RATES	New Zealand Mid	Australia Mid
30 day bank bills	2.78%	4.37%
90 day bank bills	2.95%	4.56%
1 year swap	3.33%	4.58%
2 year swap	3.61%	4.56%
3 year swap	3.75%	4.53%
5 year swap	3.94%	4.51%
10 year swap	4.35%	4.78%
3 year Govt bond	3.86%	4.58%
5 year Govt bond	4.20%	4.68%
10 year Govt bond	4.76%	5.11%

EQUITIES	Index
NZX50	13,854
ASX200	9,115
Dow Jones	53,732
S&P 500	7,786
FTSE100	10,750
DAX 40	26,440
Nikkei	68,714

COMMODITIES	USD
Brent Crude	88.52
Gold	4,375.89
Silver	64.66
Iron Ore	95.17
CRB Index	501.99

	NZD
NZ Carbon	54.80

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