Market Alert

Wednesday 19 August 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5875	0.0027
NZD/AUD	0.8291	0.0063
NZD/JPY	93.765	-0.92
NZD/EUR	0.5074	-0.0012
NZD/GBP	0.4340	0.0021
NZD/CNH	3.9635	-0.0344
AUD/USD	0.7084	-0.0022
AUD/EUR	0.6118	-0.0062
EUR/USD	1.1577	0.0079
USD/CNH	6.7467	-0.0892
GBP/USD	1.3535	-0.0006
EUR/GBP	0.8551	0.0061

INT RATES	NZ	Australia
OCR/Cash	2.50%	4.35%
90 day bills	2.98%	4.55%
2 year swap	3.62%	4.55%
10 year Govt	4.82%	5.20%

Turmoil

Trump says the Strait of Hormuz is open and operating, that all the mines have been removed or detonated, and that there are no talks with Iran going on or scheduled. European officials doubt the mine claim, and shipping data has traffic at a fraction of pre-war levels. Iran's lead negotiator set out the price for reopening: lift the port blockade, release frozen assets, drop oil sanctions and stop military operations. The UAE says Iran fired two ballistic missiles into its territory. As of now, Brent Crude is holding at USD91.00 per barrel.

And Trump wasn't done there. The US 50% tariff on Canadian goods was due to bite at midnight, under a Section of the Tariff Act, never used before. Washington put the odds of a deal at a coin flip or worse, with autos the sticking point. Ottawa wants the new duties deferred and relief on the existing steel and auto ones; Washington wants the provincial alcohol boycotts and the rest of the retaliation dropped. Carney's negotiators have warned that going ahead leaves him no room to concede anything, and all of this is running alongside the USMCA review.

Markets weren't fans of what was going on and the long end did the talking overnight. The US 30-year pushed to a fresh 19-year high after clearing 5.33% overnight, while the 10-year fell 1 bps to 4.71%. Germany's borrowing costs hit a 15-year high as it syndicated EUR4bn of 2056 paper at 3.78%, the UK sold 10-year gilts at an average 5.15%, the dearest since 2007, and Japan's 10-year hit a three-decade high.

Elsewhere, equities were hit as the semiconductor gauge softened more than 5.0%, dragging the Nasdaq down 1.7% and the S&P 500 down 0.7%, while the Dow got off lightly at 0.2% lower. The USD firmed alongside the yields, pulling the NZD/USD back to around 0.5870 and the AUD/USD to near 0.7080, leaving the NZD/AUD at 0.8920.

Economic Data

US industrial production rose by 0.2% in July and 1.08% in the July year. The monthly print was lower than expectations of 0.3%, although it continues the recent positive trend as the fourth consecutive monthly increase. Manufacturing production met expectations with a 0.2% rise on the month following two flat prints.

The Atlanta Fed's GDPNow model has lowered its estimate for US GDP growth in the September quarter, now forecasting growth at 4.0%, down from 4.3%.

The UK's unemployment rate for June came in higher than expected, matching the previous month's reading at 4.9% against forecasts of 4.8%. Average growth in total earnings, including bonuses, for the June quarter fell from 4.4% to 4.1%, although this was slightly higher than expectations of 4.0%.

Sentiments

The Westpac-Melbourne Institute Consumer Sentiment Index rose 6.0% to 88.9 in August, up from 83.9 in July, although still firmly in negative territory below the 100 level. The gain was explicitly attributed to be largely from people with mortgages following the RBA's decision to hold the cash rate, with responses received before the decision being similar to July's. Sentiment among renters also rose after the decision, but was below July's reading before the meeting, leaving a slight decrease overall.

The ZEW Economic Sentiment survey for the Eurozone came in at 31.4 in August, much higher than the previous reading of 23.4 and expectations of 25.9.

The GDT Price Index rose by 2.3% for a third consecutive increase. Skim Milk Powder and Mozzarella were the big winers, up 7.6% and 6.1% respectively, followed by Lactose, Whole Milk Powder, and Cheddar up 3.2%, 3.0%, and 0.6% respectively. Butter was down 2.0%, while Butter Milk Powder fell 3.5%. Anhydrous Milk Fat fell by 6.0%.

Daily Rates

Wednesday 19 August 2026

FX	Spot Mid	1mth	3mths	6mths	12mths
		FECs (mid)			
NZ TWI	66.90				
NZD/USD	0.5875	0.0005	0.0014	0.0027	0.0043
NZD/AUD	0.8291	0.0011	0.0033	0.0063	0.0108
NZD/JPY	93.765	-0.17	-0.44	-0.9225	-1.88
NZD/EUR	0.5074	-0.0002	-0.0005	-0.0012	-0.0031
NZD/GBP	0.4340	0.0004	0.0011	0.0021	0.0037
AU TWI	65.90				
AUD/USD	0.7084	-0.0004	-0.0011	-0.0022	-0.0041
AUD/NZD	1.2058	-0.0018	-0.0051	-0.0096	-0.0172
AUD/JPY	113.37	-0.38	-0.98	-1.98	-3.73
AUD/EUR	0.6118	-0.0011	-0.0031	-0.0062	-0.0117
AUD/GBP	0.5233	-0.0003	-0.0008	-0.0015	-0.0024
USD Index	99.62				
EUR/USD	1.1577	0.0015	0.0040	0.0079	0.0152
USD/JPY	159.60	-0.44	-1.13	-2.29	-4.32
GBP/USD	1.3535	-0.0001	-0.0001	-0.0006	-0.0023
EUR/GBP	0.8551	0.0011	0.0030	0.0061	0.0124
USD/CNY	6.7426	-0.0154	-0.0443	-0.0900	-0.1786

Spot Mid	NZD/...	AUD/...
CAD	0.8161	0.9844
CHF	0.4769	0.5756
CNY	3.9602	4.7782
DKK	3.7920	4.5739
FJD	1.2815	1.5457
HKD	4.6067	5.5566
KRW	829.44	1000.47
MYR	2.3821	2.8733
NOK	5.5283	6.6682
SEK	5.6000	6.7547
SGD	0.7508	0.9056
TWD	18.75	22.61
ZAR	9.55	11.51

INTEREST RATES	New Zealand Mid	Australia Mid
30 day bank bills	2.81%	4.36%
90 day bank bills	2.98%	4.55%
1 year swap	3.37%	4.58%
2 year swap	3.62%	4.55%
3 year swap	3.77%	4.54%
5 year swap	4.00%	4.57%
10 year swap	4.42%	4.89%
3 year Govt bond	3.89%	4.65%
5 year Govt bond	4.24%	4.76%
10 year Govt bond	4.82%	5.20%

EQUITIES	Index
NZX50	13,866
ASX200	9,070
Dow Jones	53,401
S&P 500	7,699
FTSE100	10,728
DAX 40	26,128
Nikkei	67,461

COMMODITIES	USD
Brent Crude	90.90
Gold	4,344.86
Silver	63.45
Iron Ore	94.95
CRB Index	509.09

	NZD
NZ Carbon	54.00

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