Market Alert

Monday 24 August 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5981	0.0027
NZD/AUD	0.8348	0.0061
NZD/JPY	95.105	-0.93
NZD/EUR	0.5122	-0.0013
NZD/GBP	0.4389	0.0020
NZD/CNH	4.0189	-0.0348
AUD/USD	0.7164	-0.0023
AUD/EUR	0.6134	-0.0061
EUR/USD	1.1673	0.0081
USD/CNH	6.7206	-0.0879
GBP/USD	1.3615	-0.0004
EUR/GBP	0.8556	0.0060

INT RATES	NZ	Australia
OCR/Cash	2.50%	4.35%
90 day bills	3.00%	4.54%
2 year swap	3.64%	4.55%
10 year Govt	4.82%	5.16%

Wow ... that was some weekend

There was a lot of eating, drinking, and waking the house up in the wee hours with a bit of Titanium at full volume. But there was also time for a bit of football, some rugby, league and F1, as week as a movie and a jazz night. Basically, I'm exhausted. Thank heavens I can come to work for a rest!

Financial markets saw a quiet close to the week on Saturday morning. Oil prices steadied as markets weighed a potential de-escalation path, although that may be a bit optimistic given Iranian President Masoud Pezeshkian stated Iran would prefer to conclude the conflict from a *"position of strength,"* and while the comments cooled immediate supply fears, US Secretary Scott Bessent threatened a further unprecedented wave of economic sanctions.

Speaking of young Scottie, President Donald Trump denied directing Treasury Secretary Bessent to intervene in the bond markets while also asserting that US economic growth would naturally resolve the national debt. The President also announced a temporary 90-day suspension of the 26.4% tariff on up to 300k metric tons of ground beef imports to lower retail prices by an estimated 25%. Unfortunately, the recent US-Canada trade negotiations collapsed.

In amongst the relatively minor geopolitical headlines, the hot US data releases saw long-dated bond yields grind higher, completely erasing the declines triggered by the Treasury's expanded buyback program. The 2, 10, and 30-years all locked in gains between 2bps and 4bps, closing at 4.24%, 4.74%, and 5.28% respectively. But despite the higher yields, the USD-index extended its decline, which saw the NZD and AUD consolidate their recent gains, while their out-performance saw them also make gains on the crosses.

So, what were the actual US releases ...

That saw Treasury yields reassert their grind higher?

- US business activity accelerated sharply after private-sector growth surged to a 52-month high after the S&P composite PMIs jumped to 56.0. Robust service-sector expansion, at 56.8, comfortably offset a slowdown in manufacturing to a 5-month low at 53.2.
- Eurozone business activity ticked higher in August after German flash manufacturing PMIs beat expectations to reach 54.1.
- In the UK, services PMIs beat forecasts at 52.8, providing a stark contrast to a disappointing July retail sales print, which contracted 0.5%.
- Australian private sector expansion cooled due to intense cost pressures with the composite PMI easing from 53.2 to 52.5. Service growth slowed for a 3rd straight month easing to 52.9.
- The NZ July trade statistics revealed a heavy deficit blowout to NZD1.95bn, down from a prior NZD23.0m surplus. Imports jumped to NZD9.34bn while exports fell to NZD7.39bn, pushing the annual trade deficit down to NZD5.24bn.

The week ahead

Will see markets focused on the Jackson Hole Economic Policy Symposium hosted by the Kansas City Fed. Chairman Kevin Warsh will deliver the keynote address, where he is expected to soothe investor anxieties regarding long-term sovereign duration yields amid concerns of domestic economic strain. Data-wise, the focus turns to PCE inflation, personal income and spending, the 2nd estimate for Q2 GDP, durable goods orders, and the annual nonfarm payroll revisions. In Europe, the ECB will release its latest meeting minutes, while Germany and France will publish updated Q2 GDP, unemployment, and confidence metrics. In China, the focus will be on the National People's Congress Standing Committee meeting, Japan will post Tokyo CPI data and its unemployment rate, while the RBA will publish its latest meeting minutes, monthly CPI, lending, household spending, capital expenditure and construction work, while in NZ we have retail sales and employment.

Daily Rates

Monday 24 August 2026

FX	Spot Mid	FECs (mid) 1mth	3mths	6mths	12mths
NZ TWI	67.40				
NZD/USD	0.5981	0.0005	0.0014	0.0027	0.0046
NZD/AUD	0.8348	0.0011	0.0033	0.0061	0.0109
NZD/JPY	95.105	-0.15	-0.45	-0.9316	-1.89
NZD/EUR	0.5122	-0.0002	-0.0006	-0.0013	-0.0030
NZD/GBP	0.4389	0.0004	0.0011	0.0020	0.0038
AU TWI	65.90				
AUD/USD	0.7164	-0.0004	-0.0011	-0.0023	-0.0043
AUD/NZD	1.1985	-0.0017	-0.0048	-0.0090	-0.0161
AUD/JPY	113.49	-0.34	-0.99	-1.96	-3.73
AUD/EUR	0.6134	-0.0011	-0.0032	-0.0061	-0.0117
AUD/GBP	0.5252	-0.0003	-0.0008	-0.0015	-0.0025
USD Index	98.84				
EUR/USD	1.1673	0.0014	0.0040	0.0081	0.0157
USD/JPY	159.02	-0.39	-1.13	-2.27	-4.34
GBP/USD	1.3615	0.0000	-0.0001	-0.0004	-0.0017
EUR/GBP	0.8556	0.0010	0.0031	0.0060	0.0123
USD/CNY	6.721	-0.0163	-0.0443	-0.0888	-0.1795

	Spot Mid NZD/...	AUD/...
CAD	0.8253	0.9900
CHF	0.4782	0.5731
CNY	4.0185	4.8176
DKK	3.8236	4.5868
FJD	1.2932	1.5513
HKD	4.6819	5.6164
KRW	827.60	992.79
MYR	2.4097	2.8907
NOK	5.5473	6.6545
SEK	5.6443	6.7709
SGD	0.7578	0.9091
TWD	19.00	22.79
ZAR	9.57	11.48

INTEREST RATES	New Zealand Mid	Australia Mid
30 day bank bills	2.84%	4.36%
90 day bank bills	3.00%	4.54%
1 year swap	3.37%	4.56%
2 year swap	3.64%	4.55%
3 year swap	3.79%	4.54%
5 year swap	4.01%	4.57%
10 year swap	4.42%	4.85%
3 year Govt bond	3.91%	4.62%
5 year Govt bond	4.25%	4.73%
10 year Govt bond	4.82%	5.16%

EQUITIES	Index
NZX50	13,973
ASX200	9,059
Dow Jones	53,277
S&P 500	7,674
FTSE100	10,817
DAX 40	26,137
Nikkei	66,016

COMMODITIES	USD
Brent Crude	94.39
Gold	4,602.61
Silver	68.97
Iron Ore	95.21
CRB Index	521.39
	NZD
NZ Carbon	52.35

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