Market Alert

Thursday 10 September 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5836	0.0027
NZD/AUD	0.8088	0.0062
NZD/JPY	89.665	-0.84
NZD/EUR	0.5019	-0.0011
NZD/GBP	0.4310	0.0020
NZD/CNH	3.9140	-0.0344
AUD/USD	0.7214	-0.0023
AUD/EUR	0.6203	-0.0062
EUR/USD	1.1627	0.0080
USD/CNH	6.7067	-0.0900
GBP/USD	1.3538	-0.0001
EUR/GBP	0.8585	0.0058
INT RATES	**NZ**	**Australia**
OCR/Cash	2.75%	4.35%
90 day bills	3.05%	4.67%
2 year swap	3.68%	4.79%
10 year Govt	4.87%	5.31%

I go to a conference for a day and what happens...

The world order collapses … Brent oil surged past USD101.00 as the Gulf War intensifies, while US Treasury Secretary, Scott Bessent, deployed a massive USD6.00bn, *"Bazooka"*, to defend a bleeding Treasury curve!

The global energy complex crossed a major psychological threshold overnight after the price for a barrel of Brent oil surged to the USD101.35 level for the first time since May, driven by accelerating combat operations in the Strait of Hormuz and a bounce in Chinese oil demand. The US military confirmed it completely destroyed five Iranian oil tankers following a fresh series of direct missile attacks. In response, Tehran declared it is fully prepared for a, "*more intense conflict*", and will not back down destroying all hopes for a diplomatic off-ramp. Meanwhile, Chinese refiners are stepping up oil purchases from Africa, Canada, Latin America and Russia, as Iranian and Gulf supplies remain constrained.

The inflationary shockwaves spread instantly through the broader energy markets with European gas prices skyrocketed above EUR80.00 per megawatt-hour, printing their highest trading levels since 2023. Attempting to manage the narrative, President Trump posted that forcing oil prices down will, *"take a little longer"*, but promised a drastic reduction will arrive, "*shortly, right after the election.*"

Adding to the mayhem …

The relentless energy spike sent long-dated borrowing costs screaming higher driven by a lethal cocktail of sticky war-driven inflation, massive corporate debt supply (with AI giants dumping over USD1.50trn in new issuance), and ongoing liquidations from Tokyo as Japanese officials sell off Treasuries to support the Yen.

US Treasury yields spiked higher to cement in their recent gains with the 2-years gaining 3bps to yield 4.43%, the 10-years spiked 5bps to reach 4.84% - its highest absolute peak since October 2023, while the 30-years gained 4bps to reach 5.29%. While some are asking whether the US 10-year yield will break the psychological 5.00% level, I think the real question is will it reach the 5.50% level? Regardless, local swap rates will trade higher on our open this morning!

In an attempt to stall the yield breakout, Secretary, Scott Bessent, executed an aggressive emergency intervention with the US Treasury announcing it would triple the size of its long-dated government debt buyback to USD6.0bn tonight, completely overriding his earlier guidance of a USD4.0bn cap. Furthermore, the Treasury confirmed that the maximum purchase size for the 6 remaining scheduled long-dated buybacks this quarter will be locked at least USD4.0bn. The immediate market impact was highly volatile: Treasuries initially extended their losses as bond desks parsed the sheer scale of fiscal stress, while global equity bourses tumbled. However, long-end yields managed to recoup a fraction of their losses late in the session after a fresh note auction highlighted that institutional buyers are still willing to step in at these extreme levels.

Despite the unwind of Treasuries, the US Dollar Index has remained incredibly stable trading just below the 99.00 level. The AUD/USD is unchanged although the NZD weakened as the oil-NZD correlation re-established itself. This saw, once again, NZD/AUD reach a new low at 0.8084 while the yen also continued its recovery with the JPY now having rallied 4.25% so far in September.

Daily Rates

Thursday 10 September 2026

FX	Spot Mid	1mth	3mths	6mths	12mths
		FECs (mid)			
NZ TWI	65.80				
NZD/USD	0.5836	0.0005	0.0014	0.0027	0.0051
NZD/AUD	0.8088	0.0010	0.0032	0.0062	0.0115
NZD/JPY	89.665	-0.16	-0.42	-0.8423	-1.75
NZD/EUR	0.5019	-0.0002	-0.0006	-0.0011	-0.0027
NZD/GBP	0.4310	0.0003	0.0010	0.0020	0.0039
AU TWI	66.40				
AUD/USD	0.7214	-0.0003	-0.0011	-0.0023	-0.0046
AUD/NZD	1.2359	-0.0017	-0.0051	-0.0102	-0.0190
AUD/JPY	110.94	-0.33	-0.95	-1.91	-3.73
AUD/EUR	0.6203	-0.0010	-0.0031	-0.0062	-0.0122
AUD/GBP	0.5326	-0.0003	-0.0009	-0.0017	-0.0028
USD Index	98.83				
EUR/USD	1.1627	0.0014	0.0040	0.0080	0.0158
USD/JPY	153.65	-0.38	-1.08	-2.16	-4.26
GBP/USD	1.3538	0.0001	0.0001	-0.0001	-0.0015
EUR/GBP	0.8585	0.0010	0.0028	0.0058	0.0122
USD/CNY	6.7077	-0.0154	-0.0440	-0.0889	-0.1874

Spot Mid	NZD/...	AUD/...
CAD	0.8059	0.9963
CHF	0.4728	0.5847
CNY	3.9156	4.8373
DKK	3.7506	4.6369
FJD	1.2660	1.5652
HKD	4.5759	5.6573
KRW	781.79	966.55
MYR	2.3737	2.9347
NOK	5.3690	6.6379
SEK	5.6019	6.9258
SGD	0.7378	0.9121
TWD	18.36	22.70
ZAR	9.37	11.58

INTEREST RATES	New Zealand Mid	Australia Mid
30 day bank bills	2.95%	4.42%
90 day bank bills	3.05%	4.67%
1 year swap	3.43%	4.79%
2 year swap	3.68%	4.79%
3 year swap	3.83%	4.77%
5 year swap	4.05%	4.77%
10 year swap	4.46%	5.01%
3 year Govt bond	3.97%	4.88%
5 year Govt bond	4.31%	4.96%
10 year Govt bond	4.87%	5.31%

EQUITIES	Index
NZX50	13,819
ASX200	8,911
Dow Jones	52,381
S&P 500	7,636
FTSE100	10,670
DAX 40	25,576
Nikkei	65,143

COMMODITIES	USD
Brent Crude	101.71
Gold	4,394.17
Silver	67.13
Iron Ore	100.02
CRB Index	544.12
	NZD
NZ Carbon	48.05

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