Market Alert

Friday 11 September 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5797	0.0029
NZD/AUD	0.8097	0.0064
NZD/JPY	89.495	-0.86
NZD/EUR	0.4993	-0.0010
NZD/GBP	0.4291	0.0022
NZD/CNH	3.8922	-0.0336
AUD/USD	0.7157	-0.0021
AUD/EUR	0.6165	-0.0061
EUR/USD	1.1608	0.0079
USD/CNH	6.7148	-0.0914
GBP/USD	1.3505	-0.0005
EUR/GBP	0.8592	0.0057
INT RATES	**NZ**	**Australia**
OCR/Cash	2.75%	4.35%
90 day bills	3.06%	4.68%
2 year swap	3.72%	4.86%
10 year Govt	4.96%	5.35%

RIP ...

To all of the friends and colleagues I lost 25-years ago today.

And to another disaster ...

The violent escalation in the Gulf cemented oil prices in the triple digits, while a scorching US PPI print and a hawkish ECB hike boosted global bond yields to fresh multi-year highs!

The direct military engagement between Washington and Tehran saw oil prices skyrocket 6.9%, with crude at USD102.70, close to its 3-month high, and brent at USD108.05, nearly 40% above its pre-war baseline.

The rampant energy surge aggressively fed into US factory inputs as producer prices jumped 0.4% in August to record its sharpest acceleration in three months with the move led by a surge in diesel costs. This pushed the annual rate to a stinging 5.4% (exceeding the 5.3% consensus forecast), confirming that secondary inflationary pressures are building rapidly ahead of next week's FOMC meeting.

Across the Atlantic, with Eurozone inflation at 3.3% in August and energy inflation spiking a brutal 14.3%, the ECB had no choice but to raise its key interest rates by 25bps to record its 2nd hike since the outbreak of the US-Iran war. The main refinancing rate moves up to 2.65%, with the deposit rate at 2.50%. The ECB kept its 2026 inflation forecast at 3.0% but revised its projections higher for 2027 and 2028, to 2.5% and 2.1%, respectively.

ECB president Christine Lagarde conveyed a highly hawkish rhetoric, warning that the conflict in the Middle East, and recent developments in Russia's war on Ukraine, will keep headline inflation *"well above target"* adding, *"The ECB was surprised by longer-lasting inflation."*

The toxic combination of rampant oil prices and inflation triggered an absolute rout across global fixed-income desks. The benchmark US 10-year Treasury yield rose 12bps to 4.96%, aggressively knocking on the door of the psychological 5.00% level, while the policy-sensitive 2-year yield spiked 14bps to hit 4.59%, as rates desks rapidly priced in a 52% probability of a pre-emptive Fed rate hike on 16 September. The 30-year yield also pushed up 8 bps to close at 5.37%.

Overnight, the US Treasury bought USD5.2bn of 10 and 20-year notes, although they could buy them even cheaper now! They also sold off USD22.0bn of 30-year bonds at a high yield of 5.308% in an auction dominated by international buyers.

The USD-index posted a modest 0.3% gain to reclaim the 99.00 handle, but with the oil-antipodean correlation back in play, the AUD fell 0.9% against the USD while the NZD fell 0.8% as the NZD/AUD cross fell back below the 0.8100 level.

The oil and yield moves naturally weighed on equity markets, although the adjustment lower wasn't as bad as it potentially could have been with the US indices and European bourses easing 0.5%-1.0%.

But there may be an alternative to fuel inflation after ...

Chinese state scientists announced a major proton-transfer breakthrough that boosts hydrogen fuel cell power fourfold. The new architecture heavily optimises performance for commercial vehicles and space systems while reducing the required volume of expensive platinum.

On the other hand, President Trump unveiled an extraordinary campaign bombshell ahead of the looming midterm election promising to deliver a $5,000 cash check for US voters if Republicans secure control of both the House and the Senate. The mammoth $1.0 trillion-plus *"national dividend"* proposal met immediate, fierce bipartisan pushback with economists warning it would completely break the US fiscal balance sheet.

Daily Rates

Friday 11 September 2026

FX	Spot Mid	1mth	3mths	6mths	12mths
NZ TWI	65.70				
NZD/USD	0.5797	0.0005	0.0015	0.0029	0.0054
NZD/AUD	0.8097	0.0010	0.0033	0.0064	0.0118
NZD/JPY	89.495	-0.14	-0.41	-0.8617	-1.78
NZD/EUR	0.4993	-0.0002	-0.0005	-0.0010	-0.0020
NZD/GBP	0.4291	0.0003	0.0010	0.0022	0.0046
AU TWI	66.30				
AUD/USD	0.7157	-0.0003	-0.0011	-0.0021	-0.0039
AUD/NZD	1.2344	-0.0016	-0.0052	-0.0101	-0.0192
AUD/JPY	110.74	-0.31	-0.95	-1.92	-3.77
AUD/EUR	0.6165	-0.0010	-0.0031	-0.0061	-0.0115
AUD/GBP	0.5297	-0.0003	-0.0009	-0.0015	-0.0024
USD Index	99.08				
EUR/USD	1.1608	0.0013	0.0040	0.0079	0.0146
USD/JPY	154.38	-0.36	-1.10	-2.25	-4.45
GBP/USD	1.3505	0.0001	0.0001	-0.0005	-0.0025
EUR/GBP	0.8592	0.0009	0.0029	0.0057	0.0121
USD/CNY	6.7061	-0.0146	-0.0436	-0.0897	-0.1876

FECs (mid): 1mth, 3mths, 6mths, 12mths

Spot Mid	NZD/...	AUD/...
CAD	0.8017	0.9901
CHF	0.4711	0.5821
CNY	3.8957	4.8102
DKK	3.7311	4.6080
FJD	1.2606	1.5569
HKD	4.5442	5.6122
KRW	781.69	965.41
MYR	2.3533	2.9065
NOK	5.3770	6.6408
SEK	5.6135	6.9328
SGD	0.7347	0.9074
TWD	18.34	22.65
ZAR	9.40	11.61

INTEREST RATES	New Zealand Mid	Australia Mid
30 day bank bills	2.95%	4.43%
90 day bank bills	3.06%	4.68%
1 year swap	3.45%	4.83%
2 year swap	3.72%	4.86%
3 year swap	3.88%	4.84%
5 year swap	4.12%	4.85%
10 year swap	4.52%	5.06%
3 year Govt bond	4.06%	4.91%
5 year Govt bond	4.40%	4.99%
10 year Govt bond	4.96%	5.35%

EQUITIES	Index
NZX50	13,711
ASX200	8,819
Dow Jones	52,064
S&P 500	7,592
FTSE100	10,609
DAX 40	25,361
Nikkei	65,271

COMMODITIES	USD
Brent Crude	108.16
Gold	4,322.29
Silver	63.62
Iron Ore	99.37
CRB Index	551.95

	NZD
NZ Carbon	49.00

BANCORP
BANCORP TREASURY SERVICES LIMITED

Barrington TREASURY SERVICES

Barrington ASSET CONSULTING

BANCORP
BANCORP CORPORATE FINANCE LIMITED