Market Alert

Tuesday 15 September 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5779	0.0029
NZD/AUD	0.8094	0.0061
NZD/JPY	89.180	-0.88
NZD/EUR	0.5004	-0.0011
NZD/GBP	0.4280	0.0021
NZD/CNH	3.8769	-0.0347
AUD/USD	0.7138	-0.0019
AUD/EUR	0.6181	-0.0060
EUR/USD	1.1548	0.0081
USD/CNH	6.7086	-0.0931
GBP/USD	1.3500	0.0001
EUR/GBP	0.8552	0.0059
INT RATES	**NZ**	**Australia**
OCR/Cash	2.75%	4.35%
90 day bills	3.13%	4.72%
2 year swap	4.02%	4.97%
10 year Govt	5.10%	5.44%

The magic number

The US 10-year Treasury yield broke through 5.00% overnight for the first time since October 2023, touching 5.01% before buyers stepped in and pulled it back to 4.94%, a shade below yesterday's close. It's the level we flagged closing in on yesterday, and it didn't take long to get there. Standard Bank's Steven Barrow lifted his year-end forecast to 5.20% and his first quarter 2027 call to 5.30% on the back of it. Local swap rates should open little-changed again this morning though a seventh straight month of rising US yields, the longest run since 2011, makes it hard to call a top.

Thursday's Fed decision continues to carry odds above 90% for a hike, the first hike since 2023, and Columbia Threadneedle's Ed Al-Hussainy gave his opinion on the alternative bluntly: no hike and "*it's going to be pandemonium.*"

Treasury Secretary Scott Bessent has widened his debt buyback programme to USD6bn and leaned on Japan to slow its own Treasury sales, with little to show for it so far, a reminder that this is a structural story as much as a Fed one. The Treasury market has grown to USD32trn from USD4.5trn in 2007, competing for capital against a wall of AI infrastructure debt, and a gauge of global government borrowing costs sits at its highest since 2007. The Bank of England and ECB are being dragged into the same conversation, now priced for four and three hikes respectively over the next year, alongside Thursday's Fed and Friday's BoJ.

The NZD/USD, which opened at 0.5818 yesterday, and AUD/USD at 0.7161, are trading at 0.5775 and 0.7140 respectively this morning, the move so far more about US yields and increasing oil prices than anything specific to either currency, as they softened on Asia's open yesterday morning.

Oil's back up

Oil pared some of yesterday's gains after Trump claimed Russia and Ukraine had agreed not to strike each other's energy infrastructure, only for Zelenskyy to say no deal exists and that Kyiv is "*not convinced Russia is willing to abide by any agreement.*" with Brent pushing back above USD105.00. Saudi Arabia's East-West pipeline, hit by projectiles at the weekend, looks set to stay offline for several weeks according to the AP, and Saudi Arabia is trying to push more barrels through the Strait of Hormuz to cover the shortfall now that the Houthis control Bab el-Mandeb.

Elsewhere overnight

China's credit data missed badly, with new yuan lending coming in under a sixth of the median forecast as both households and businesses stayed on the sidelines, an awkward look given how much of the oil story depends on Chinese demand eventually showing up. In equities, chip stocks bore the brunt of a broader AI slowdown debate, after several AI leaders called for a pause in frontier model development, Microsoft moved to cap its own model work, and Trump and Canada's Mark Carney weighed in from opposite ends, Carney wanting global oversight of the technology. Carney also used Canada's first Investment Summit to court capital, saying the collapse of August's trade talks at least clarified where his red lines sit.

Finally, locally, the performance of services index rose to 51.2 in August from 50.6 in July, a third straight month of expansion and the strongest reading since September 2023. New orders led the gain at 55.2, but employment and activity both sat at 49.4, still below the line that separates expansion from contraction. BusinessNZ's Katherine Rich called the recovery encouraging but fragile, with cost of living, interest rates and election uncertainty the main gripes among respondents.

Daily Rates

Tuesday 15 September 2026

FX	Spot Mid	FECs (mid) 1mth	3mths	6mths	12mths
NZ TWI	65.30				
NZD/USD	0.5779	0.0005	0.0015	0.0029	0.0052
NZD/AUD	0.8094	0.0011	0.0032	0.0061	0.0108
NZD/JPY	89.180	-0.13	-0.42	-0.8823	-1.88
NZD/EUR	0.5004	-0.0001	-0.0005	-0.0011	-0.0026
NZD/GBP	0.4280	0.0004	0.0010	0.0021	0.0041
AU TWI	65.80				
AUD/USD	0.7138	-0.0003	-0.0010	-0.0019	-0.0036
AUD/NZD	1.2349	-0.0018	-0.0051	-0.0098	-0.0174
AUD/JPY	110.12	-0.31	-0.96	-1.91	-3.79
AUD/EUR	0.6181	-0.0010	-0.0031	-0.0060	-0.0114
AUD/GBP	0.5287	-0.0003	-0.0009	-0.0015	-0.0022
USD Index	99.46				
EUR/USD	1.1548	0.0014	0.0042	0.0081	0.0157
USD/JPY	154.32	-0.37	-1.13	-2.27	-4.54
GBP/USD	1.3500	0.0001	0.0003	0.0001	-0.0015
EUR/GBP	0.8552	0.0009	0.0029	0.0059	0.0123
USD/CNY	6.7082	-0.0152	-0.0462	-0.0938	-0.1988

	Spot Mid NZD/...	AUD/...
CAD	0.8033	0.9925
CHF	0.4721	0.5834
CNY	3.8701	4.7844
DKK	3.7400	4.6210
FJD	1.2607	1.5577
HKD	4.5320	5.5995
KRW	778.46	961.69
MYR	2.3540	2.9084
NOK	5.3889	6.6573
SEK	5.6368	6.9646
SGD	0.7341	0.9070
TWD	18.34	22.66
ZAR	9.39	11.61

INTEREST RATES	New Zealand Mid	Australia Mid
30 day bank bills	2.95%	4.45%
90 day bank bills	3.13%	4.72%
1 year swap	3.65%	4.91%
2 year swap	4.02%	4.97%
3 year swap	4.18%	4.97%
5 year swap	4.39%	5.04%
10 year swap	4.71%	5.24%
3 year Govt bond	4.29%	5.03%
5 year Govt bond	4.60%	5.10%
10 year Govt bond	5.10%	5.44%

EQUITIES	Index
NZX50	13,561
ASX200	8,750
Dow Jones	52,463
S&P 500	7,629
FTSE100	10,698
DAX 40	25,441
Nikkei	63,493

COMMODITIES	USD
Brent Crude	105.91
Gold	4,286.08
Silver	63.04
Iron Ore	98.02
CRB Index	545.39

	NZD
NZ Carbon	50.55

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