Market Alert

Friday 18 September 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5733	0.0029
NZD/AUD	0.8063	0.0060
NZD/JPY	89.430	-0.88
NZD/EUR	0.4995	-0.0012
NZD/GBP	0.4293	0.0019
NZD/CNH	3.8615	-0.0367
AUD/USD	0.7108	-0.0018
AUD/EUR	0.6193	-0.0061
EUR/USD	1.1475	0.0084
USD/CNH	6.7038	-0.0979
GBP/USD	1.3351	0.0007
EUR/GBP	0.8592	0.0057
INT RATES	**NZ**	**Australia**
OCR/Cash	2.75%	4.35%
90 day bills	3.15%	4.74%
2 year swap	4.00%	4.99%
10 year Govt	5.08%	5.41%

Cut back

US Treasury yields gave back yesterday's spike, and then some. The 10-year eased 9bps to 4.93% this morning. Equities were up with the S&P 500 rising 1.1%, the NASDAQ 100 up 1.7%, and chipmakers climbing 3.0% overnight.

Falling oil helped the mood, with WTI easing 0.6% to USD101.84 a barrel and Brent near USD105.00 on signs Middle East supply risk is receding, even with Trump telling Axios he's weighing new strikes on Tehran and JPMorgan calling the endgame unpredictable.

NZD/USD firmed to 0.5730 and AUD/USD to 0.7114, both clawing back yesterday's losses, and with Australia being the stronger of the two, the NZD/AUD remains around 0.8060. That yield reversal should let local swaps give back some of Wednesday's spikes this morning, though the Fed's dot plot still points to at least one more hike this year.

In Central Bank Land

The Bank of England held at 3.75% as expected, its sixth straight hold, but the real news was the overhaul of its gilt sale plan: all portfolio bond sales paused until April, long-dated gilt sales scrapped altogether. UK 10-year yields fell 7bps to 5.22% on the relief, gilt markets having spent weeks bracing for more supply than they wanted to absorb. The Bank left the door open to a hike regardless, wary of its own inflation problem.

The ECB's Gabriel Makhlouf told Bloomberg TV every meeting is "*live*" and won't rule out an October hike, which is as close as a central banker gets to keeping everyone honest. The Bank of Japan is due to hike later today, its second in three months and the tightest spacing between moves since 1990, a pace that would have looked unthinkable a year ago. The yen needs the BOJ to sound like it means to keep going rather than treat this as a one-off.

Mark Carney pushed a deeper Canada-EU alliance at the European Parliament, covering mobility for young workers, Canadian gas and critical minerals for European energy security, and joint standards on AI safety, calling the two "*not fair-weather allies*." Trump responded by musing about Canada as a 51st state and threatening steeper tariffs if the tie-up looks hostile to US interests.

A hike for all

NZ GDP grew 0.2% in the quarter, more than the 0.1% market's expected and ahead of the RBNZ's own flat forecast, with the annual rate at 2.6% against 2.2% expected and Q1 revised up to 0.9%. Two of the big four banks are now pricing in an October hike, with markets pricing around a 70% chance of a hike.

Turkey detained two fund executives and travel-banned 48 more after Tera Portföy failed to meet USD7.5bn of redemptions amid share-price manipulation claims, with around 130 funds now facing liquidation. Across the ditch, Australia is weighing a ban on smart glasses in federal buildings over fears public servants are being covertly recorded.

Daily Rates

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FX	Spot Mid	FECs (mid) 1mth	3mths	6mths	12mths		Spot Mid NZD/...	AUD/...
NZ TWI	64.80					CAD	0.8018	0.9943
NZD/USD	0.5733	0.0005	0.0015	0.0029	0.0051	CHF	0.4726	0.5864
NZD/AUD	0.8063	0.0010	0.0032	0.0060	0.0105	CNY	3.8422	4.7670
NZD/JPY	89.430	-0.15	-0.42	-0.8802	-1.90	DKK	3.7334	4.6296
NZD/EUR	0.4995	-0.0002	-0.0006	-0.0012	-0.0028	FJD	1.2603	1.5629
NZD/GBP	0.4293	0.0003	0.0009	0.0019	0.0035	HKD	4.4973	5.5769
						KRW	791.24	981.18
AU TWI	65.80					MYR	2.3478	2.9114
AUD/USD	0.7108	-0.0003	-0.0010	-0.0018	-0.0031	NOK	5.3996	6.6958
AUD/NZD	1.2398	-0.0018	-0.0052	-0.0097	-0.0175	SEK	5.6292	6.9806
AUD/JPY	110.73	-0.34	-0.97	-1.92	-3.77	SGD	0.7312	0.9068
AUD/EUR	0.6193	-0.0010	-0.0032	-0.0061	-0.0115	TWD	18.26	22.64
AUD/GBP	0.5322	-0.0003	-0.0010	-0.0017	-0.0026	ZAR	9.32	11.55
USD Index	100.25							
EUR/USD	1.1475	0.0014	0.0043	0.0084	0.0164			
USD/JPY	156.00	-0.40	-1.15	-2.32	-4.66			
GBP/USD	1.3351	0.0002	0.0006	0.0007	0.0005			
EUR/GBP	0.8592	0.0009	0.0028	0.0057	0.0117			
USD/CNY	6.7074	-0.0153	-0.0468	-0.0961	-0.2042			

INTEREST RATES	New Zealand Mid	Australia Mid
30 day bank bills	2.95%	4.47%
90 day bank bills	3.15%	4.74%
1 year swap	3.66%	4.92%
2 year swap	4.00%	4.99%
3 year swap	4.18%	4.93%
5 year swap	4.39%	4.95%
10 year swap	4.71%	5.14%
3 year Govt bond	4.28%	5.04%
5 year Govt bond	4.60%	5.11%
10 year Govt bond	5.08%	5.41%

EQUITIES	Index
NZX50	13,757
ASX200	8,732
Dow Jones	51,778
S&P 500	7,638
FTSE100	10,816
DAX 40	25,717
Nikkei	64,136

COMMODITIES	USD
Brent Crude	104.05
Gold	4,342.71
Silver	65.24
Iron Ore	97.41
CRB Index	547.61

	NZD
NZ Carbon	52.95

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