Market Alert

Monday 21 September 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5723	0.0031
NZD/AUD	0.8039	0.0063
NZD/JPY	89.745	-0.86
NZD/EUR	0.4985	-0.0010
NZD/GBP	0.4275	0.0020
NZD/CNH	3.8314	-0.0348
AUD/USD	0.7117	-0.0020
AUD/EUR	0.6196	-0.0062
EUR/USD	1.1476	0.0084
USD/CNH	6.6944	-0.0964
GBP/USD	1.3378	0.0008
EUR/GBP	0.8573	0.0056

INT RATES	NZ	Australia
OCR/Cash	2.75%	4.35%
90 day bills	3.16%	4.74%
2 year swap	3.95%	4.98%
10 year Govt	5.03%	5.37%

Poor US data

US industrial production was flat in August, missing the 0.3% consensus, with manufacturing output falling 0.3% against expectations of a 0.3% gain. That ended a seven-month run of factory gains, with motor vehicles and aerospace the main culprits. Capacity utilisation held at 76.3%. The US leading index slipped 0.1% in August to 99.5, the first fall since March, after a 0.2% gain in July. Consumer expectations remain the big drag on the index. Building permits also fell, which the Conference Board says points to slower growth ahead.

The US 10-year Treasury yield closed slightly lower at 4.99%, while the 2-year yield was also down, to 4.74%. The USD index closed at 100.22, with the NZD/USD at 0.5723 and the AUD/USD at 0.7117. The NZD/AUD is at 0.8039. Oil prices were down marginally (but still elevated), with WTI crude at 100.30 and Brent crude at 103.87.

Minneapolis Fed President, Neel Kashkari, claimed on Sunday that US inflation remains too high across all sectors of the US economy and has broadened beyond just oil prices, stating that "*... even if we strip out energy, which is really volatile, and strip out food, they matter a lot, but in terms of where the economy is going, inflation is still too high.*"

Rest of the world

As markets expected, the Bank of Japan hiked by 25bps on Friday to bring the target rate to a 31-year high of 1.25%. The hike came a few hours after CPI prints, with inflation up 1.9% over the August year, slightly lower than expectations of 2.0%. Core inflation, which excludes fresh food, was up 1.7% over the year against expectations of 1.8%. Core-core, which excludes fresh food and energy, was up 1.9% against expectations of 2.0%. This was the first slowdown in Japanese inflation in four months, although price trends are expected to pick up in the coming months.

German Chancellor Friedrich Merz has stated that he will stay on despite his party, the Christian Democratic Union ("CDU"), suffering its worst-ever result in a state election, winning just 5.0% of the vote in the state of Mecklenburg-Western Pomerania, and just meeting the 5.0% threshold required to enter the regional assembly. The CDU was also beaten by Die Linke ("The Left") in Berlin.

- New Zealand posted a goods trade deficit of NZD1.3bn in August, narrower than the NZD1.78bn shortfall the market expected. Exports rose 15% year-on-year to NZD6.7bn, imports rose 13% to NZD8.0bn, and the annual deficit sits at NZD5.4bn, up from NZD3.2bn a year ago.
- UK retail sales volumes rose 0.5% in August, defying expectations of a 0.2% fall and rebounding from July's 0.5% decline. Online retailers led the recovery, with fuel sales falling -1.3% as pump prices bit.
- China held its 1 and 5-year loan prime rates as expected at 3.00% and 3.50% respectively, marking the 16th straight month without any changes.

In New Zealand

The Newcastle Knights silenced a sold-out Eden Park crowd of 48,511 to win 12-10, and Leka Halasima's double wasn't enough to save the home side from its own errors. Finishing second on the table only to bow out in straight sets is what I'd call a classic case of overvaluation ... and the referees copped a few projectiles on the way out, which suggests the market wasn't happy with the closing price! The Knights now head to a preliminary final against Penrith for the first time since 2013.

Daily Rates

Monday 21 September 2026

FX	Spot Mid	FECs (mid) 1mth	3mths	6mths	12mths
NZ TWI	64.80				
NZD/USD	0.5723	0.0005	0.0016	0.0031	0.0057
NZD/AUD	0.8039	0.0011	0.0033	0.0063	0.0110
NZD/JPY	89.745	-0.14	-0.44	-0.8623	-1.89
NZD/EUR	0.4985	-0.0001	-0.0005	-0.0010	-0.0023
NZD/GBP	0.4275	0.0003	0.0010	0.0020	0.0041
AU TWI	66.00				
AUD/USD	0.7117	-0.0003	-0.0010	-0.0020	-0.0035
AUD/NZD	1.2434	-0.0017	-0.0052	-0.0099	-0.0178
AUD/JPY	112.37	-0.33	-1.03	-1.95	-3.90
AUD/EUR	0.6196	-0.0010	-0.0032	-0.0062	-0.0116
AUD/GBP	0.5312	-0.0003	-0.0010	-0.0018	-0.0026
USD Index	100.22				
EUR/USD	1.1476	0.0014	0.0043	0.0084	0.0166
USD/JPY	156.70	-0.39	-1.20	-2.35	-4.79
GBP/USD	1.3378	0.0002	0.0005	0.0008	0.0005
EUR/GBP	0.8573	0.0009	0.0027	0.0056	0.0118
USD/CNY	6.6975	-0.0153	-0.0468	-0.0962	-0.2054

	Spot Mid NZD/...	AUD/...
CAD	0.7993	0.9956
CHF	0.4696	0.5855
CNY	3.8316	4.7666
DKK	3.7186	4.6316
FJD	1.2509	1.5580
HKD	4.4822	5.5828
KRW	791.74	986.14
MYR	2.3290	2.9009
NOK	5.3775	6.6979
SEK	5.6162	6.9952
SGD	0.7290	0.9081
TWD	18.15	22.61
ZAR	9.29	11.57

INTEREST RATES	New Zealand Mid	Australia Mid
30 day bank bills	2.95%	4.47%
90 day bank bills	3.16%	4.74%
1 year swap	3.63%	4.93%
2 year swap	3.95%	4.98%
3 year swap	4.10%	4.97%
5 year swap	4.30%	4.90%
10 year swap	4.61%	5.14%
3 year Govt bond	4.23%	5.00%
5 year Govt bond	4.54%	5.07%
10 year Govt bond	5.03%	5.37%

EQUITIES	Index
NZX50	13,739
ASX200	8,731
Dow Jones	51,683
S&P 500	7,651
FTSE100	10,659
DAX 40	25,304
Nikkei	65,019

COMMODITIES	USD
Brent Crude	103.87
Gold	4,376.91
Silver	66.23
Iron Ore	97.57
CRB Index	543.93

	NZD
NZ Carbon	52.80

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