Market Alert

Tuesday 22 September 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5716	0.0030
NZD/AUD	0.8029	0.0061
NZD/JPY	89.980	-0.87
NZD/EUR	0.4986	-0.0012
NZD/GBP	0.4276	0.0019
NZD/CNH	3.8314	-0.0361
AUD/USD	0.7118	-0.0017
AUD/EUR	0.6208	-0.0062
EUR/USD	1.1464	0.0086
USD/CNH	6.6926	-0.0981
GBP/USD	1.3363	0.0010
EUR/GBP	0.8574	0.0055

INT RATES	NZ	Australia
OCR/Cash	2.75%	4.35%
90 day bills	3.17%	4.78%
2 year swap	3.96%	4.99%
10 year Govt	5.03%	5.38%

Global markets started the week with a clear *"risk-on"* rotation

Driven by intensive diplomatic efforts to resolve the US-Iran conflict. Hopes for a regional de-escalation, alongside reports from US Central Command that crude and LNG flows through the Strait of Hormuz have hit a 6-month high, heavily weighed on energy markets.

This subsequent drop in oil prices provided much-needed relief to global bond markets, pushing Treasury yields lower and triggering a fresh rally in equity markets, most notably within the technology sector. The US Dollar Index maintained a firm footing as investors digested a light economic calendar ahead of the PMI releases, while also keeping a close eye on hawkish rhetoric from Federal Reserve officials.

Breaking it all down …

Crude tumbled 5.0% to USD95.35 a barrel while Brent eased to USD100.00 to record their 4th consecutive session of declines, marking the longest losing streak since June. Selling pressure accelerated on hopes that intensified diplomatic efforts to lift Tehran's fuel tanker blockade may be gaining traction after shipments through the Strait reached their highest level in 6-months, coupled with reports of a new USD5.0bn proposal to rebuild Middle Eastern energy infrastructure and bypass the Strait of Hormuz.

The commodity sell-off supported some of the commodity-linked currencies, such as the CAD, although the AUD and NZD remained under pressure, balancing persistent geopolitical uncertainties against the headwind of a higher-for-longer interest rate environment. The JPY also remained under pressure in quiet trading, with Japanese markets closed until Thursday, while the EUR posted a modest gain following German state election upsets for the CDU.

Treasury yields eased directly tracking the retreat in oil prices amid cooling immediate inflation anxieties. The 2-years slipped 1bps to 4.76%, while the 10 and 30-years eased 4bps to 4.96% and 5.28% respectively.

Equity markets were a 'sea of green' as the US exchanges recorded their 3rd straight session of gains after US and Chinese officials hailed positive talks ahead of this week's Donald Trump and Xi Jinping summit, while Bitcoin surged past USD85k extending last week's momentum to secure its highest valuation since January.

There was only the one release of significance overnight …

The Chicago Fed National Activity Index dropped to -0.04 in August (from a revised +0.08 in July), highlighting an incremental slowdown in US economic expansion.

There were also a couple of speeches from Fed members, Alberto Musalem and Austin Goolsbee. Musalem confirmed, *"Interest rates will likely need to rise further to tame inflation. Without further policy restraint it is more likely inflation will remain substantially above our 2.0% target 18 months from now. It would be better for rate hikes to be earlier and incremental rather than later and larger."* Goolsbee added, *"I'm not viewing the rate hike as taking back the cuts from 2025. I am worried services inflation may not go away. Fed projections are not enough if inflation is demand driven. I sense some inflation coming from overheating demand."*

Daily Rates

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FX	Spot Mid	1mth	3mths	6mths	12mths
NZ TWI	64.70				
NZD/USD	0.5716	0.0006	0.0016	0.0030	0.0054
NZD/AUD	0.8029	0.0011	0.0032	0.0061	0.0107
NZD/JPY	89.980	-0.13	-0.44	-0.8678	-1.90
NZD/EUR	0.4986	-0.0001	-0.0005	-0.0012	-0.0029
NZD/GBP	0.4276	0.0003	0.0010	0.0019	0.0034
AU TWI	66.00				
AUD/USD	0.7118	-0.0003	-0.0010	-0.0017	-0.0030
AUD/NZD	1.2448	-0.0018	-0.0052	-0.0099	-0.0181
AUD/JPY	112.37	-0.33	-1.02	-1.95	-3.86
AUD/EUR	0.6208	-0.0010	-0.0032	-0.0062	-0.0119
AUD/GBP	0.5323	-0.0003	-0.0010	-0.0018	-0.0029
USD Index	100.41				
EUR/USD	1.1464	0.0014	0.0043	0.0086	0.0169
USD/JPY	157.41	-0.39	-1.20	-2.35	-4.78
GBP/USD	1.3363	0.0002	0.0006	0.0010	0.0009
EUR/GBP	0.8574	0.0009	0.0028	0.0055	0.0115
USD/CNY	6.6953	-0.0155	-0.0480	-0.0973	-0.2064

FECs (mid)

	Spot Mid NZD/...	Spot Mid AUD/...
CAD	0.8018	0.9989
CHF	0.4691	0.5845
CNY	3.8273	4.7660
DKK	3.7254	4.6410
FJD	1.2547	1.5630
HKD	4.4828	5.5843
KRW	785.42	978.40
MYR	2.3285	2.9006
NOK	5.3921	6.7170
SEK	5.6242	7.0062
SGD	0.7293	0.9085
TWD	18.12	22.57
ZAR	9.29	11.57

INTEREST RATES	New Zealand Mid	Australia Mid
30 day bank bills	2.95%	4.52%
90 day bank bills	3.17%	4.78%
1 year swap	3.66%	4.93%
2 year swap	3.96%	4.99%
3 year swap	4.12%	4.98%
5 year swap	4.31%	4.90%
10 year swap	4.63%	5.14%
3 year Govt bond	4.24%	5.04%
5 year Govt bond	4.55%	5.10%
10 year Govt bond	5.03%	5.38%

EQUITIES	Index
NZX50	13,821
ASX200	8,732
Dow Jones	52,061
S&P 500	7,774
FTSE100	10,739
DAX 40	25,575
Nikkei	65,019

COMMODITIES	USD
Brent Crude	100.17
Gold	4,342.27
Silver	66.00
Iron Ore	97.57
CRB Index	539.89

	NZD
NZ Carbon	52.80

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