Market Alert

Wednesday 23 September 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5731	0.0030
NZD/AUD	0.8051	0.0061
NZD/JPY	90.190	-0.89
NZD/EUR	0.5005	-0.0012
NZD/GBP	0.4294	0.0019
NZD/CNH	3.8378	-0.0377
AUD/USD	0.7116	-0.0017
AUD/EUR	0.6214	-0.0062
EUR/USD	1.1450	0.0085
USD/CNH	6.6976	-0.1006
GBP/USD	1.3343	0.0009
EUR/GBP	0.8579	0.0056
INT RATES	**NZ**	**Australia**
OCR/Cash	2.75%	4.35%
90 day bills	3.17%	4.78%
2 year swap	3.99%	4.98%
10 year Govt	5.03%	5.40%

The overnight session initially saw optimism spike

'Fuelled' by rumours that Tehran had offered to reopen the Strait of Hormuz following a 3-hour US-Iran meeting at the UN.

However, in a speech to the UN General Assembly, US President Donald Trump defended the joint military actions with Israel against Iran, although he did offer an olive branch believing a deal would be finalised following the November midterm elections.

The geopolitical optimism, combined with unyielding hawkish rhetoric from the Fed, RBNZ, and RBA, prompted one of the larger European banks to warn of a "*globally synchronised rate hiking cycle,*" arguing that investors are dangerously underestimating the scale of central bank tightening required to tame resurgent commodity-driven inflation. While swap pricing is forecasting only two further Fed hikes by July 2027, underlying input costs across oil, gas, food, and services are signalling pressures last seen when headline US CPI ran near 5.0%. Experts note that unusually loose financial conditions and tight credit spreads mean central banks will likely have to deliver far more aggressive hiking cycles than the consensus currently projects.

Central bankers lay down the line!

The Fed's Tom Barkin noted that upside inflation risks heavily outweigh employment concerns, stating, "*We raised rates last week because risks to inflation outweigh risks to maximum employment,*" while colleague Susan Collins confirmed she supported last week's rate hike, noting, "*The lack of expected progress on inflation, ongoing energy pressures, and a heightened risk of inflation remaining above 2.0%.*" Ms Collins confirmed she, "*expect a second rate hike later this year.*"

ECB chief economist Philip Lane noted that, while baseline European growth remains steady, a building second wave of energy price shocks will inevitably lift inflation prints before any meaningful cooling materialises in mid-2027.

RBA Governor Michele Bullock warned, "*Supply shocks are difficult for monetary policy to manage. Policy must (seek to) address the 2nd round inflationary effects,*" while RBA Assistant Governor Sarah Hunter confirmed that the central bank may need to implement further interest rate increases due to upside risks to inflation.

RBNZ Governor Anna Breman warned persistent oil shocks will likely push near-term inflation above the bank's September forecast, adding that, "*While the economy was showing signs of growth, the recovery remains uneven across the country.*" Consequently, markets lifted the probability of a 25bps October rate hike from 60% to 75%. Four hikes are now priced into the NZ curve by mid-2027.

So ... what did it all mean?

US Treasury yields found a degree of support as traders assessed the latest developments in the Middle East, oil prices, and central bank comments from Fed officials, which will likely see a consolidation in local swap pricing. As we going into the US close, the 2 and 10-year yields are flat at 4.75% and 4.96%, while the 30-year is 1bps higher at 5.30%.

While the USD-index flatlined at 100.25, and the AUD continued to trade just above the 0.7100 level, the RBNZ Governor's comments saw the NZD snap its losing streak to bounce of its 10-week low.

Oil prices trimmed some of their losses, although they remain in the negative territory down 2.0%-2.8% on the session, while equity markets are mixed,

Daily Rates

Wednesday 23 September 2026

FX

FX	Spot Mid	FECs (mid) 1mth	3mths	6mths	12mths
NZ TWI	64.50				
NZD/USD	0.5731	0.0006	0.0017	0.0030	0.0053
NZD/AUD	0.8051	0.0012	0.0033	0.0061	0.0105
NZD/JPY	90.190	-0.15	-0.44	-0.8879	-1.93
NZD/EUR	0.5005	-0.0002	-0.0005	-0.0012	-0.0030
NZD/GBP	0.4294	0.0003	0.0010	0.0019	0.0035
AU TWI	65.90				
AUD/USD	0.7116	-0.0003	-0.0009	-0.0017	-0.0029
AUD/NZD	1.2415	-0.0019	-0.0053	-0.0097	-0.0177
AUD/JPY	112.37	-0.32	-1.01	-1.92	-3.82
AUD/EUR	0.6214	-0.0011	-0.0032	-0.0062	-0.0118
AUD/GBP	0.5330	-0.0003	-0.0010	-0.0017	-0.0028
USD Index	100.54				
EUR/USD	1.1450	0.0015	0.0043	0.0085	0.0170
USD/JPY	157.38	-0.39	-1.20	-2.36	-4.78
GBP/USD	1.3343	0.0002	0.0006	0.0009	0.0014
EUR/GBP	0.8579	0.0009	0.0028	0.0056	0.0116
USD/CNY	6.6996	-0.0176	-0.0491	-0.0995	-0.2084

	Spot Mid NZD/...	AUD/...
CAD	0.8056	1.0006
CHF	0.4698	0.5838
CNY	3.8386	4.7686
DKK	3.7398	4.6452
FJD	1.2583	1.5629
HKD	4.4935	5.5814
KRW	776.50	964.49
MYR	2.3317	2.8962
NOK	5.4069	6.7159
SEK	5.6303	6.9934
SGD	0.7304	0.9072
TWD	18.14	22.53
ZAR	9.27	11.51

INTEREST RATES

INTEREST RATES	New Zealand Mid	Australia Mid
30 day bank bills	2.97%	4.52%
90 day bank bills	3.17%	4.78%
1 year swap	3.65%	4.94%
2 year swap	3.99%	4.98%
3 year swap	4.14%	4.94%
5 year swap	4.33%	4.92%
10 year swap	4.65%	5.09%
3 year Govt bond	4.27%	5.06%
5 year Govt bond	4.57%	5.12%
10 year Govt bond	5.03%	5.40%

EQUITIES

EQUITIES	Index
NZX50	13,875
ASX200	8,758
Dow Jones	51,890
S&P 500	7,778
FTSE100	10,708
DAX 40	25,579
Nikkei	65,019

COMMODITIES

COMMODITIES	USD
Brent Crude	98.37
Gold	4,361.18
Silver	67.18
Iron Ore	97.51
CRB Index	539.21

	NZD
NZ Carbon	51.65

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