# Market Alert

Thursday 24 September 2026

| CURRENCIES | Spot | 6mths |
|---|---|---|
| NZD/USD | 0.5676 | 0.0031 |
| NZD/AUD | 0.8060 | 0.0060 |
| NZD/JPY | 89.855 | -0.87 |
| NZD/EUR | 0.4984 | -0.0011 |
| NZD/GBP | 0.4285 | 0.0020 |
| NZD/CNH | 3.8085 | -0.0372 |
| AUD/USD | 0.7040 | -0.0016 |
| AUD/EUR | 0.6182 | -0.0061 |
| EUR/USD | 1.1386 | 0.0084 |
| USD/CNH | 6.7110 | -0.1020 |
| GBP/USD | 1.3241 | 0.0010 |
| EUR/GBP | 0.8595 | 0.0055 |

| INT RATES | NZ | Australia |
|---|---|---|
| OCR/Cash | 2.75% | 4.35% |
| 90 day bills | 3.19% | 4.77% |
| 2 year swap | 4.01% | 4.98% |
| 10 year Govt | 5.00% | 5.35% |

## Treasury yields explode!

Global markets experienced a violent re-pricing overnight as an explosive PMI print and bullish comments from another Fed member sent Treasury yields soaring.

The initial catalyst was the release of the US flash composite PMIs, which rocketed from 56.0 to 58.4. This marks the fastest expansion in private-sector activity since July 2021, with manufacturing jumping to 57.0 and services hitting 58.7. Crucially, the survey exposed accelerating inflationary pressures across both sides of the economy, with input costs surging to their highest levels since 2022 on the back of transport and energy spikes.

Following the PMI release, Fed Governor Michael Barr stated, *"In my base case, further policy adjustments are likely to be needed to ensure inflation comes down to target in a timely fashion. We want to support sustainable, durable growth in support of maximum employment, and price stability is crucial to that."*

Rate markets are now aggressively pricing in a 70% probability of another FOMC hike at the October meeting.

This lit a match under Treasury yields with the 2-years soaring 15bps to 4.90%, the 10-years rallied 14bps to 5.11%, while the 30-years gained a further 10bps to reach 5.40% amid a further flattening of the curve. The rout was worsened by a highly problematic USD70.0bn 5-year note auction. The notes cleared at a high yield of 5.03%, producing an unusually wide 3.1bps tail over when-issued levels. Primary dealers were forced to absorb 16% of the issuance as institutional indirect bidders pulled back sharply to 54% (vs. the 65% average).

The USD-index rallied 0.4% as it closes in on the 101.00 level, reaching an 8-week high. This relentless rally crushed the NZD, which plummeted through support at 0.5700, erasing all of Tuesday's post-Breman gains to register a fresh 11-week low at 0.5661. It is currently at 0.5675. Unusually, the AUD got hit even harder falling over 1.0% against the USD following Governor Bullock comments that upside inflation risks are actively materialising due to sticky domestic excess demand and higher energy prices. AUD/USD is currently at 0.7045, having recovered from its overnight low at 0.7026. The AUD's out-performance to the downside saw NZD/AUD firm to 0.8060, or AUD/NZD at 1.2410.

Equities buckled under the weight of surging borrowing costs, snapping the recent technology rally with the majors broadly trading 0.5% to 1.0% lower.

Oil prices also spiked higher after a cooling in the prior sessions' geopolitical optimism after US Secretary of State Marco Rubio, downplayed expectations that the recent talks with Tehran were positive they *"did not constitute a diplomatic breakthrough."* Adding to the pessimism, the White House is preparing to halt diesel exports for up to 90-days.

## Looking at the other headlines

Ahead of today's labour report, Australian PMI growth slumped in Q3 with the composite index falling from 52.7 to 50.8. The slowdown was heavily led by a structural downturn in the industrial space, with manufacturing PMIs falling to 49.3, below the 50.0 expansion threshold for the first time since March. Adding to the woes, private firms cut headcount for the first time since May.

## Finally

The Asian Development Bank kept its baseline economic growth forecasts for China unchanged, anchoring expectations at 4.6% for 2026 and 4.5% for 2027. They also cut their 2026 China inflation forecast down to 0.9% (from its prior 1.2% estimate) underscores an environment where strong supply is outstripping sluggish retail consumption. In contrast to the Chinese slowdown, the ADB upgraded its 2026 growth outlook for broader Asia to 5.0% (up from 4.9%), citing robust semiconductor demand, electronics export resilience, and easing global financial conditions outside of the immediate G10 space.

# Daily Rates

Thursday 24 September 2026

| FX | Spot Mid | 1mth | 3mths | 6mths | 12mths |
|---|---|---|---|---|---|
| | | FECs (mid) | | | |
| NZ TWI | 64.60 | | | | |
| NZD/USD | 0.5676 | 0.0005 | 0.0016 | 0.0031 | 0.0058 |
| NZD/AUD | 0.8060 | 0.0011 | 0.0032 | 0.0060 | 0.0102 |
| NZD/JPY | 89.855 | -0.14 | -0.45 | -0.8730 | -1.94 |
| NZD/EUR | 0.4984 | -0.0002 | -0.0006 | -0.0011 | -0.0027 |
| NZD/GBP | 0.4285 | 0.0003 | 0.0010 | 0.0020 | 0.0037 |
| AU TWI | 65.80 | | | | |
| AUD/USD | 0.7040 | -0.0003 | -0.0009 | -0.0016 | -0.0026 |
| AUD/NZD | 1.2397 | -0.0018 | -0.0053 | -0.0099 | -0.0168 |
| AUD/JPY | 112.37 | -0.32 | -1.01 | -1.95 | -3.78 |
| AUD/EUR | 0.6182 | -0.0011 | -0.0033 | -0.0061 | -0.0115 |
| AUD/GBP | 0.5314 | -0.0003 | -0.0010 | -0.0016 | -0.0025 |
| USD Index | 101.11 | | | | |
| EUR/USD | 1.1386 | 0.0014 | 0.0044 | 0.0084 | 0.0168 |
| USD/JPY | 158.31 | -0.39 | -1.22 | -2.40 | -4.92 |
| GBP/USD | 1.3241 | 0.0002 | 0.0007 | 0.0010 | 0.0012 |
| EUR/GBP | 0.8595 | 0.0009 | 0.0029 | 0.0055 | 0.0116 |
| USD/CNY | 6.7111 | -0.0156 | -0.0480 | -0.0989 | -0.2103 |

| Spot Mid | NZD/... | AUD/... |
|---|---|---|
| CAD | 0.7999 | 0.9924 |
| CHF | 0.4678 | 0.5806 |
| CNY | 3.8075 | 4.7242 |
| DKK | 3.7250 | 4.6218 |
| FJD | 1.2457 | 1.5456 |
| HKD | 4.4502 | 5.5215 |
| KRW | 775.12 | 961.73 |
| MYR | 2.3133 | 2.8702 |
| NOK | 5.3804 | 6.6758 |
| SEK | 5.6192 | 6.9721 |
| SGD | 0.7262 | 0.9010 |
| TWD | 18.03 | 22.38 |
| ZAR | 9.27 | 11.51 |

| INTEREST RATES | New Zealand Mid | Australia Mid |
|---|---|---|
| 30 day bank bills | 2.98% | 4.52% |
| 90 day bank bills | 3.19% | 4.77% |
| 1 year swap | 3.69% | 4.94% |
| 2 year swap | 4.01% | 4.98% |
| 3 year swap | 4.16% | 4.97% |
| 5 year swap | 4.33% | 4.94% |
| 10 year swap | 4.63% | 5.13% |
| 3 year Govt bond | 4.22% | 5.00% |
| 5 year Govt bond | 4.53% | 5.06% |
| 10 year Govt bond | 5.00% | 5.35% |

| EQUITIES | Index |
|---|---|
| NZX50 | 13,822 |
| ASX200 | 8,765 |
| Dow Jones | 51,494 |
| S&P 500 | 7,703 |
| FTSE100 | 10,705 |
| DAX 40 | 25,411 |
| Nikkei | 65,019 |

| COMMODITIES | USD |
|---|---|
| Brent Crude | 103.48 |
| Gold | 4,287.18 |
| Silver | 64.41 |
| Iron Ore | 97.32 |
| CRB Index | 540.62 |
| | NZD |
| NZ Carbon | 51.90 |