Market Alert

Friday 25 September 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5660	0.0031
NZD/AUD	0.8070	0.0061
NZD/JPY	89.935	-0.90
NZD/EUR	0.4976	-0.0012
NZD/GBP	0.4282	0.0019
NZD/CNH	3.8007	-0.0360
AUD/USD	0.7011	-0.0015
AUD/EUR	0.6163	-0.0062
EUR/USD	1.1375	0.0087
USD/CNH	6.7160	-0.1001
GBP/USD	1.3215	0.0012
EUR/GBP	0.8603	0.0056

INT RATES	NZ	Australia
OCR/Cash	2.75%	4.35%
90 day bills	3.21%	4.79%
2 year swap	4.11%	5.04%
10 year Govt	5.15%	5.47%

Can someone please put out the bond 'fire' sale!

Global bond markets extended their aggressive sell-off overnight, driving global bond yields to milestone highs not seen in decades as a lethal combination of blistering US domestic data - headlined by an historic low in jobless claims and a 6.4% spike in new home sales - solidified expectations for a highly restrictive tightening cycle.

The 10-year Treasury yield jumped over 8bps to hit 5.19%; its highest level since July 2007. Concurrently, the 30-year Treasury bond yield surged 7bps to a 2004 peak of 5.48% as it closes in on the psychological 5.50% level, forcing US mortgage rates past the critical 7.0% mark. Against this, a local mortgage rate advisor suggested NZ mortgage rates under 5.0% are, "*on borrowed time.*" No wonder those guys get paid the big bucks!

US yields weren't helped by a poor 7-year auction as the US Treasury attempted to auction USD44.0bn of 7-year notes. The notes cleared at a high yield of 5.085%, producing a 0.7-basis-point tail (more than triple the historical average) as the bid-to-cover ratio dropped to 2.42x.

The USD-index rallied for a 4th consecutive session to reach 101.0, marking its longest winning streak since May. This saw the NZD continue its retracement falling to 0.5660, while the AUD fell to the 0.7000 level despite the employment report and the likelihood of a rate hike next week.

Oil prices had a volatile session rallying strongly after the Iran-aligned Houthi militants fired missiles at key Saudi export hubs, and while prices eased from their highs after Iranian President Masoud Pezeshkian announced they are actively racing to strike a deal ahead of the November midterms. The fact that the Senate narrowly rejected a nonbinding measure demanding an end to the war means crude will close the session 3.4% higher at USD95.25, with Brent 4.25% higher at USD107.50. The US administration has also asked the major refiners to voluntarily reduce diesel exports.

US equity markets managed to claw back some of their intraday losses after the report that US and Iranian negotiators were making progress on a deal, with the US exchanges currently trading 0.20%-0.50% lower. The European bourses were hit harder weakening 0.25%-0.75%.

Breaking the releases down ...

- US labour conditions tightened to a near 60-year low, just above July's 189k, as initial claims fell 1k to 197k. Continuing claims rose by just 2k to 1,719k remaining close to its 3-year low.
- Adding to the US momentum, new single-family home sales exploded by a massive 6.4% in August, highlighting an economy that continues to grow despite elevated mortgage rates.
- Australian employment grew by a staggering 39.5k in August, doubling consensus forecasts, although the quality of the print was exceptionally soft: full-time roles fell 6.3k, while part-time hiring rose 45.8k. Crucially, the Australian unemployment rate ticked up to 4.6% from 4.5% as a flood of new participants entering the workforce outpaced net hiring.
- Japan's flash composite PMIs fell from 53.5 to 52.5, a 4-month low but the 18th straight month of expansion. Input cost inflation eased to a 4-month low, while employment rose again, extending a run of job creation to 3-years.

On the political front ...

While the existing trade deal had been extended for an additional 2-months ahead of today's highly symbolic White House summit, Presidents Donald Trump and Xi Jinping provided an underlying layer of structural calm with both leaders pledging to, "*coexist in peace*".

Daily Rates

Friday 25 September 2026

FX	Spot Mid	1mth	3mths	6mths	12mths
		FECs (mid)			
NZ TWI	64.50				
NZD/USD	0.5660	0.0005	0.0016	0.0031	0.0056
NZD/AUD	0.8070	0.0011	0.0033	0.0061	0.0104
NZD/JPY	89.935	-0.13	-0.42	-0.8953	-1.92
NZD/EUR	0.4976	-0.0001	-0.0005	-0.0012	-0.0029
NZD/GBP	0.4282	0.0003	0.0010	0.0019	0.0035
AU TWI	65.30				
AUD/USD	0.7011	-0.0003	-0.0009	-0.0015	-0.0024
AUD/NZD	1.2386	-0.0018	-0.0052	-0.0099	-0.0178
AUD/JPY	111.39	-0.32	-0.98	-1.96	-3.83
AUD/EUR	0.6163	-0.0010	-0.0032	-0.0062	-0.0117
AUD/GBP	0.5303	-0.0003	-0.0010	-0.0017	-0.0027
USD Index	101.26				
EUR/USD	1.1375	0.0014	0.0043	0.0087	0.0172
USD/JPY	158.89	-0.38	-1.19	-2.43	-4.91
GBP/USD	1.3215	0.0002	0.0007	0.0012	0.0018
EUR/GBP	0.8603	0.0009	0.0028	0.0056	0.0116
USD/CNY	6.7128	-0.0149	-0.0479	-0.0991	-0.2116

	Spot Mid NZD/...	Spot Mid AUD/...
CAD	0.8000	0.9911
CHF	0.4685	0.5806
CNY	3.7984	4.7072
DKK	3.7187	4.6071
FJD	1.2632	1.5650
HKD	4.4380	5.4982
KRW	773.13	957.84
MYR	2.3111	2.8633
NOK	5.3774	6.6621
SEK	5.6125	6.9534
SGD	0.7242	0.8973
TWD	18.01	22.31
ZAR	9.30	11.52

INTEREST RATES	New Zealand Mid	Australia Mid
30 day bank bills	2.99%	4.53%
90 day bank bills	3.21%	4.79%
1 year swap	3.71%	4.98%
2 year swap	4.11%	5.04%
3 year swap	4.27%	5.07%
5 year swap	4.44%	5.03%
10 year swap	4.75%	5.23%
3 year Govt bond	4.36%	5.10%
5 year Govt bond	4.68%	5.17%
10 year Govt bond	5.15%	5.47%

EQUITIES	Index
NZX50	13,825
ASX200	8,702
Dow Jones	51,349
S&P 500	7,710
FTSE100	10,680
DAX 40	25,267
Nikkei	65,514

COMMODITIES	USD
Brent Crude	107.48
Gold	4,270.94
Silver	63.65
Iron Ore	97.24
CRB Index	545.29
	NZD
NZ Carbon	51.89

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