Market Alert

Tuesday 29 September 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5668	0.0031
NZD/AUD	0.8074	0.0061
NZD/JPY	89.210	-0.86
NZD/EUR	0.4986	-0.0013
NZD/GBP	0.4276	0.0019
NZD/CNH	3.8049	-0.0361
AUD/USD	0.7018	-0.0016
AUD/EUR	0.6173	-0.0063
EUR/USD	1.1367	0.0090
USD/CNH	6.7120	-0.0998
GBP/USD	1.3254	0.0012
EUR/GBP	0.8575	0.0058
INT RATES	**NZ**	**Australia**
OCR/Cash	2.75%	4.35%
90 day bills	3.24%	4.82%
2 year swap	4.07%	5.00%
10 year Govt	5.21%	5.52%

Apologies for the lopsided timing of this morning's briefing

A forced detour back home to rescue an intact pair of glasses was required to avoid navigating today's massive macro data loop looking cross-eyed!

Turning to the screens ...

A volatile tug-of-war between explosive geopolitical supply shocks and unexpected hints of US-Iran sanctions relief triggered wild swings across energy, fixed income, and precious metals.

Oil prices spiked heavily on the open after President Donald Trump rejected a 7-day proposal from Tehran to reopen the Strait of Hormuz. However, crude subsequently erased its highs, falling below USD91.50 as Brent slid below USD104.00, after reports surfaced that Iran had agreed to suspend uranium enrichment in exchange for US sanctions relief. Currently, the oil derivates are at USD92.35 and USD105.05 respectively.

Despite the negotiations, the Persian Gulf remains a powder keg. Iran reported targeting 19 vessels over a 48-hour window, including a cruise missile strike on a vessel in the Strait while Iran-backed Houthi forces launched missile strikes at Riyadh. Furthermore, in an attempt to curb soaring domestic fuel costs, the Trump administration is "*very seriously*" evaluating a complete ban on US diesel exports, which would have a significant impact on Australian diesel prices considering they absorb 10% of, 'on water' transits.

Sovereign debt concerns and underlying inflation expectations saw a further weakening in bond pricing, which saw the US 10-year Treasury yield surge 8bps to 5.25% while the 30-year yield gained 7bps to reach 5.57%. Adding to the pessimism Treasury Secretary Scott Bessent urged the Fed to keep an open mind on rates, arguing that AI adoption and aggressive deregulation will ultimately buffer structural inflation.

Rocketing yields and hawkish Fed positioning triggered a massive liquidation event in precious metals. Gold plummeted over 6%, violently smashing through its USD4,250 support level, which dragging silver down 3%. FX markets were largely unchanged while equity markets were mixed with the European bourses posting modest gains while the US exchanges will close 0.5%-1.0% lower.

Central bankers were also out enforce ...

ECB's Christine Lagarde confirmed, "*We see higher inflation ahead but no signs yet that it is becoming embedded. The inflation outlook will be higher in 2027 and 2028 than we expected a few months ago. We still see upside inflation risks, and downside for growth. We view a 'measured response' as appropriate to keep inflation in check.*"

BoE Deputy Governor Dave Ramsden announced, "*Interest rate increases may be necessary if inflationary pressures continue. More will be known about 2nd round effects at the upcoming meetings. The BoE QT changes in September have been well understood and well received by markets.*"

Across the Atlantic, Fed member Tom Barkin stated, "*A low unemployment rate is a key factor for consumption,*" while Lisa Cook added, "*I expect to see continued inflation pressure in the coming months from AI and the conflict in the Middle East. I hope the pace of AI adoption will minimise net job losses (although) those gains will not come in time to offset broadening inflation this year. The labour market seems well positioned to handle higher rates.*"

Japanese services PPI rose 3.7%, signalling persistent wage-push inflation. Meanwhile, the July BoJ minutes revealed an 8-to-1 vote to hold rates near 1.0%, with board member Hajime Takata dissenting in favour of a hike to 1.25%.

China's August industrial profits slowed to an annualised 4.2% expansion - the weakest pace of corporate growth recorded this year.

This afternoon we will get a reality check with the RBA announcement.

Daily Rates

Tuesday 29 September 2026

FX	Spot Mid	FECs (mid) 1mth	3mths	6mths	12mths		Spot Mid NZD/...	AUD/...
NZ TWI	64.40					CAD	0.8028	0.9946
NZD/USD	0.5668	0.0006	0.0017	0.0031	0.0057	CHF	0.4713	0.5840
NZD/AUD	0.8074	0.0012	0.0035	0.0061	0.0105	CNY	3.8006	4.7084
NZD/JPY	89.210	-0.12	-0.40	-0.8566	-1.85	DKK	3.7251	4.6148
NZD/EUR	0.4986	-0.0001	-0.0005	-0.0013	-0.0031	FJD	1.2519	1.5509
NZD/GBP	0.4276	0.0004	0.0010	0.0019	0.0034	HKD	4.4440	5.5054
						KRW	770.30	954.27
AU TWI	65.20					MYR	2.3113	2.8633
AUD/USD	0.7018	-0.0003	-0.0009	-0.0016	-0.0024	NOK	5.4021	6.6923
AUD/NZD	1.2381	-0.0019	-0.0055	-0.0098	-0.0173	SEK	5.6375	6.9840
AUD/JPY	110.03	-0.32	-0.96	-1.91	-3.69	SGD	0.7237	0.8965
AUD/EUR	0.6173	-0.0011	-0.0033	-0.0063	-0.0118	TWD	18.00	22.30
AUD/GBP	0.5293	-0.0004	-0.0010	-0.0017	-0.0028	ZAR	9.30	11.52
USD Index	101.21							
EUR/USD	1.1367	0.0014	0.0045	0.0090	0.0178			
USD/JPY	157.40	-0.37	-1.17	-2.37	-4.77			
GBP/USD	1.3254	0.0002	0.0007	0.0012	0.0021			
EUR/GBP	0.8575	0.0009	0.0029	0.0058	0.0119			
USD/CNY	6.7103	-0.0153	-0.0491	-0.0995	-0.2126			

EQUITIES	Index
NZX50	13,831
ASX200	8,680
Dow Jones	51,501
S&P 500	7,721
FTSE100	10,685
DAX 40	25,374
Nikkei	65,878

INTEREST RATES	New Zealand Mid	Australia Mid
30 day bank bills	3.01%	4.57%
90 day bank bills	3.24%	4.82%
1 year swap	3.73%	4.94%
2 year swap	4.07%	5.00%
3 year swap	4.23%	4.99%
5 year swap	4.42%	4.99%
10 year swap	4.75%	5.24%
3 year Govt bond	4.39%	5.12%
5 year Govt bond	4.72%	5.19%
10 year Govt bond	5.21%	5.52%

COMMODITIES	USD
Brent Crude	105.51
Gold	4,133.36
Silver	61.04
Iron Ore	97.06
CRB Index	533.82
	NZD
NZ Carbon	51.35

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