Market Alert

Wednesday 30 September 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5644	0.0030
NZD/AUD	0.8076	0.0060
NZD/JPY	88.740	-0.86
NZD/EUR	0.4977	-0.0013
NZD/GBP	0.4266	0.0019
NZD/CNH	3.7853	-0.0378
AUD/USD	0.6987	-0.0016
AUD/EUR	0.6160	-0.0063
EUR/USD	1.1340	0.0087
USD/CNH	6.7076	-0.1003
GBP/USD	1.3228	0.0011
EUR/GBP	0.8570	0.0059
INT RATES	**NZ**	**Australia**
OCR/Cash	2.75%	4.35%
90 day bills	3.24%	4.82%
2 year swap	4.12%	5.04%
10 year Govt	5.21%	5.48%

From a macro perspective ...

All trends remain in play as markets continue to witness the severe re-pricing of interest rate risk after a fresh surge in treasury yields sent the USD to an eight-week high, battering the AUD, NZD and EUR. Macroeconomic anxiety was compounded by deteriorating Eurozone economic sentiment, marking its first monthly drop since April, as consumers grew increasingly alarmed by the 6-month-long US-Iran war.

Breaking it all down ...

The US 10-year Treasury yield gained 3bps to 5.2%, consolidating at its highest level since 2007, while the 30-year yield surged 5bps to breach 5.60%, touching levels not recorded since the 2002 dotcom bust.

The USD-index charged to a three-month high driven by a hawkish Fed outlook. The widening interest rate spread drove the EUR down to a May 2025 low, at 1.1335, while the NZD slumped to levels last seen in June. The AUD broke support at 0.7000 despite the RBA hike.

In a unanimous decision, the RBA raised its cash rate by 25bps to 4.60%, its highest terminal level since 2011 - marking the RBA's fourth hike of the year driven by sticky inflation. While the move had been fully priced in by markets, the AUD/USD fell to a 9-week low after Governor Michele Bullock downplayed the today's CPI update warning traders not put *"too much emphasis"* on the number, arguing that the RBA needs to be forward looking rather than reacting to data showing what happened a month ago.

Eurozone economic sentiment fell to 97.9 from August's 98.4. It marked the first decline in sentiment since April, as consumer confidence deteriorated to -16.5 from -15.5. Inflation expectations rose to 35.2 from 33.0. Meanwhile, US job openings US fell to 7.01m, the lowest in 5-months, against forecasts at 7.23m.

Crude slumped below USD90.00 a barrel while Brent eased to USD102.50 after the US announced a SPR exchange scheme with the US releasing up to 40m barrels via corporate loans. Borrowing companies are legally required to return roughly 200m barrels over the next year to repay the emergency liquidity with interest, expanding total volumes by 20%. Unfortunately, the move lost momentum after US and Iranian officials forcefully denied rumours that Washington had offered sanctions relief and unfrozen funds in exchange for nuclear compliance.

China launches a new series of stimulatory measures after the PBoC slashed its Pledged Supplementary Lending (PSL) rate by 25bps to 1.50% adding it would pump a further 500.0bn yuan into agricultural and small-business relending. Beijing also announced it will now directly help fund interest payments for first-time home mortgages to support its real estate sector.

In the technology sector, AI leader Anthropic's leaked IPO prospectus exposed a staggering net loss of USD42.0bn for 2025, balanced against USD4.6bn of revenue and a massive USD518.0bn in future infrastructure commitments. Equity markets closed mixed, ranging between -0.25% and +0.25%.

In NZ...

The Pre-election Economic and Fiscal Update delivered a larger-than-expected structural improvement to the Crown's balance sheet forecasting a 2026/27 deficit of just NZD6.8bn - a massive reduction from the NZD11.4bn shortfall predicted in the May budget! This suggests the governments books are securely on track to hit a NZD4.0bn surplus by 2028/29 - handily outperforming May's NZD2.6bn forecast.

The turnaround was predominantly propelled by an NZD11.4bn upward revision in tax revenue over the 4-year window, which saw the Government announced it will borrow NZD15.0bn less with net debt projected to peak at 43.9% of GDP in 2028.

Daily Rates

Wednesday 30 September 2026

FX	Spot Mid	FECs (mid) 1mth	3mths	6mths	12mths
NZ TWI	64.40				
NZD/USD	0.5644	0.0005	0.0016	0.0030	0.0054
NZD/AUD	0.8076	0.0012	0.0034	0.0060	0.0101
NZD/JPY	88.740	-0.14	-0.45	-0.8628	-1.84
NZD/EUR	0.4977	-0.0002	-0.0007	-0.0013	-0.0031
NZD/GBP	0.4266	0.0003	0.0010	0.0019	0.0034
AU TWI	64.80				
AUD/USD	0.6987	-0.0004	-0.0010	-0.0016	-0.0022
AUD/NZD	1.2377	-0.0019	-0.0053	-0.0097	-0.0170
AUD/JPY	109.96	-0.33	-1.01	-1.89	-3.64
AUD/EUR	0.6160	-0.0011	-0.0034	-0.0063	-0.0115
AUD/GBP	0.5280	-0.0004	-0.0010	-0.0017	-0.0025
USD Index	101.39				
EUR/USD	1.1340	0.0014	0.0046	0.0087	0.0175
USD/JPY	157.22	-0.40	-1.23	-2.35	-4.72
GBP/USD	1.3228	0.0002	0.0006	0.0011	0.0018
EUR/GBP	0.8570	0.0009	0.0030	0.0059	0.0119
USD/CNY	6.703	-0.0160	-0.0487	-0.1005	-0.2150

	Spot Mid NZD/...	AUD/...
CAD	0.7997	0.9903
CHF	0.4701	0.5825
CNY	3.7731	4.6747
DKK	3.7182	4.6047
FJD	1.2494	1.5475
HKD	4.4260	5.4821
KRW	763.43	945.59
MYR	2.2998	2.8486
NOK	5.4116	6.7019
SEK	5.6358	6.9806
SGD	0.7206	0.8924
TWD	17.94	22.22
ZAR	9.24	11.45

INTEREST RATES	New Zealand Mid	Australia Mid
30 day bank bills	3.01%	4.58%
90 day bank bills	3.24%	4.82%
1 year swap	3.78%	4.98%
2 year swap	4.12%	5.04%
3 year swap	4.29%	5.04%
5 year swap	4.49%	5.08%
10 year swap	4.81%	5.29%
3 year Govt bond	4.38%	5.04%
5 year Govt bond	4.71%	5.12%
10 year Govt bond	5.21%	5.48%

EQUITIES	Index
NZX50	13,684
ASX200	8,709
Dow Jones	51,360
S&P 500	7,676
FTSE100	10,637
DAX 40	25,399
Nikkei	65,481

COMMODITIES	USD
Brent Crude	102.60
Gold	4,168.64
Silver	61.31
Iron Ore	96.92
CRB Index	527.72
	NZD
NZ Carbon	52.75

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