Market Alert

Friday 4 September 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5883	0.0026
NZD/AUD	0.8169	0.0062
NZD/JPY	91.635	-0.88
NZD/EUR	0.5059	-0.0013
NZD/GBP	0.4349	0.0019
NZD/CNH	3.9516	-0.0349
AUD/USD	0.7201	-0.0023
AUD/EUR	0.6193	-0.0062
EUR/USD	1.1626	0.0079
USD/CNH	6.7181	-0.0886
GBP/USD	1.3524	-0.0001
EUR/GBP	0.8594	0.0058

INT RATES	NZ	Australia
OCR/Cash	2.75%	4.35%
90 day bills	3.06%	4.66%
2 year swap	3.69%	4.80%
10 year Govt	4.86%	5.28%

Christopher Waller hands bond markets a lifeline!

A subtle dovish tactical shift from one of the Fed's most influential voting governors managed to soothe market anxieties after Governor, Christopher Waller confirmed, *"If there is continued progress toward our 2.0% goal, then I am willing to support holding the policy rate at its current level. I expect a reasonable CPI print, and inflation should start to show some lower readings. I am finally seeing signs of disinflation and would be inclined to leave rates unchanged in September if August's inflation data shows continued progress."*

The comments saw Treasury Yields continue their pull-back from their recent highs with the 2-year yield easing 4bps to 4.34% while the 10 and 30-year yields eased 1bps to 4.78% and 5.25%.

There was also a 'knock-on' impact in FX markets with the US Dollar Index falling 0.6%, although most of the headlines were centred on the JPY which surged 2.0% against the USD after reports leaked that the BoJ is actively leaning toward delivering a 25bps interest rate hike at its 18-September meeting. Rumours of possible intervention appear unfounded given the BoJ flow data suggest the central bank did not conduct official physical intervention, although the move did see longs get squeezed out. The NZD and AUD both had a positive session, gaining 0.5% against the USD, while they also ground higher on the crosses apart from the JPY.

Global oil markets remain in 'crouch and hold' mode with crude hovering near a 6-week high at USD91.65 while Brent continues to hold above USD95.00 a barrel at USD95.75 as the geopolitical risk premium remains elevated after Tehran claimed fresh drone strikes on US forward bases, prompting Israel to issue a blistering warning that it would launch a retaliatory campaign to send Iran "*back into the Stone Age*", if its domestic infrastructure were hit.

Equity markets swung sharply higher to reverse their post-Jackson Hole slump gaining 0.50%-1.0%.

While VW has announced it will lay off 50k workers …

- The Challenger data revealed that planned US job cuts so far in 2026 are running at their lowest level in 4-years while corporate hiring plans hit their highest level since 2023.
- US initial claims inched up by 2k to 206k while continuing claims rose by 8k to 1,779k.
- US ISM Services PMI rose to 55.4 in August from July's 54.1, beating forecasts of 54.3. The reading pointed to the strongest gain in the services sector in 6-months.
- The US trade deficit widened to USD88.6bn in July, marking the largest gap since March 2025, rising from June's USD71.1bn shortfall and market expectations for a USD90.0bn deficit. Exports declined 2.1% to USD310.7bn while imports rose 2.8% to USD399.3bn.
- The Australian trade surplus narrowed from AUD2.34bn to AUD1.93bn in July. Exports dropped 3.3% to AUD46.26bn while imports fell 2.5% to a five-month low of AUD44.34bn.

BoE Chief Economist Huw Pill confirmed, *"I see the need to raise the bank rate to 4.00%. Raising the Bank Rate on need not be the start of a prolonged and aggressive series of increases. A prompt increase in Bank Rate may serve to head off some of the potential insidious catch-up dynamics."*

The NZ residential real estate market continues to bleed out

After the Home Value Index dropped another 0.4% in August, dragging property prices down to their lowest levels in more than 3-years.

OpenAI says it has overtaken Anthropic with its latest AI model.

Private credit markets remain under stress after Blackstone capped redemptions from its flagship private credit fund at 5% for a second straight quarter while Cliffwater did the same after investors sought to withdraw about 16% of the fund.

Daily Rates

Friday 4 September 2026

FX	Spot Mid	FECs (mid) 1mth	3mths	6mths	12mths
NZ TWI	66.10				
NZD/USD	0.5883	0.0004	0.0013	0.0026	0.0046
NZD/AUD	0.8169	0.0009	0.0031	0.0062	0.0112
NZD/JPY	91.635	-0.15	-0.44	-0.8801	-1.79
NZD/EUR	0.5059	-0.0002	-0.0006	-0.0013	-0.0030
NZD/GBP	0.4349	0.0003	0.0009	0.0019	0.0037
AU TWI	66.10				
AUD/USD	0.7201	-0.0003	-0.0012	-0.0023	-0.0043
AUD/NZD	1.2238	-0.0015	-0.0049	-0.0096	-0.0182
AUD/JPY	112.45	-0.31	-0.96	-1.91	-3.70
AUD/EUR	0.6193	-0.0010	-0.0031	-0.0062	-0.0121
AUD/GBP	0.5323	-0.0002	-0.0009	-0.0017	-0.0029
USD Index	98.96				
EUR/USD	1.1626	0.0013	0.0039	0.0079	0.0158
USD/JPY	155.77	-0.37	-1.08	-2.17	-4.24
GBP/USD	1.3524	0.0000	0.0000	-0.0001	-0.0011
EUR/GBP	0.8594	0.0009	0.0029	0.0058	0.0121
USD/CNY	6.7181	-0.0138	-0.0428	-0.0879	-0.1842

Spot Mid	NZD/...	AUD/...
CAD	0.8107	0.9925
CHF	0.4749	0.5815
CNY	3.9501	4.8375
DKK	3.7805	4.6283
FJD	1.2756	1.5617
HKD	4.6112	5.6452
KRW	797.88	976.79
MYR	2.3754	2.9081
NOK	5.4649	6.6904
SEK	5.6098	6.8678
SGD	0.7452	0.9123
TWD	18.65	22.83
ZAR	9.41	11.52

INTEREST RATES	New Zealand Mid	Australia Mid
30 day bank bills	2.95%	4.38%
90 day bank bills	3.06%	4.66%
1 year swap	3.43%	4.79%
2 year swap	3.69%	4.80%
3 year swap	3.84%	4.79%
5 year swap	4.08%	4.78%
10 year swap	4.49%	5.00%
3 year Govt bond	3.95%	4.82%
5 year Govt bond	4.29%	4.90%
10 year Govt bond	4.86%	5.28%

EQUITIES	Index
NZX50	13,846
ASX200	9,020
Dow Jones	53,686
S&P 500	7,748
FTSE100	10,832
DAX 40	26,003
Nikkei	64,214

COMMODITIES	USD
Brent Crude	95.77
Gold	4,471.06
Silver	66.92
Iron Ore	97.72
CRB Index	535.54
	NZD
NZ Carbon	50.15

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