Market Alert

Monday 7 September 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5876	0.0026
NZD/AUD	0.8165	0.0060
NZD/JPY	91.640	-0.88
NZD/EUR	0.5059	-0.0013
NZD/GBP	0.4348	0.0019
NZD/CNH	3.9432	-0.0348
AUD/USD	0.7190	-0.0023
AUD/EUR	0.6190	-0.0063
EUR/USD	1.1614	0.0080
USD/CNH	6.7072	-0.0892
GBP/USD	1.3512	-0.0001
EUR/GBP	0.8591	0.0059

INT RATES	NZ	Australia
OCR/Cash	2.75%	4.35%
90 day bills	3.06%	4.64%
2 year swap	3.70%	4.76%
10 year Govt	4.87%	5.28%

For all of the Dads out there ...

Hopefully you had a smashing Father's Day… brekkie in bed, a bit of sport on the telly, and a nice tipple to finish the day off!

A scorching nonfarm payrolls print ...

shattered the US summer hiring slowdown, sending short-end yields to multi-year highs as political and central bank pressures collide.

The US economy added a brisk 162k jobs in August, utterly destroying expectations for a modest 55k gain. To rub salt in the wounds of the macro bears, the July numbers were revised upward from a negative print back into positive territory at a 21k gain, while June caught a healthy 11k upward revision.

The headline unemployment rate held dead steady at 4.1%, while average hourly earnings ticked up 0.3% to be at 3.1% on the year. A deeper dive into the payroll registers revealed a remarkable demographic splinter: women accounted for a staggering 158k - or roughly 98% - of the total net positions added, while men represented a meagre 4k additions.

The reaction was swift and unforgiving, traders immediately ramped up their tightening bets, pushing the implied probability of a 25bps hike at this month's FOMC meeting to 52%. Short end yields surged with the 2-years 4bps higher at 4.38%, touching its highest absolute level since January 2025. The key 10-year Treasury note yield gained 2bps to 4.79%, although the long-dated 30-year yield flatlined at 5.245% highlighting the flattening bias of the US curve. Higher yields supported a stronger US Dollar Index, which firmed 0.258% to 99.15, although the NZD and AUD flatlined.

With little prospect of a peace deal, oil prices recorded their strongest weekly performance since mid-July to be up more than 9% on the week with crude closing at USD91.50 while Brent ended at USD96.25. Equity markets closed in the -0.25% to +0.25% range.

Following the payrolls release, President Trump immediately demanded the Fed slash interest rates tweeting, *"We should be paying the lowest interest rates in the world."* He also threatened to completely cut off trade with any country maintaining a trade deficit with the US if the central bank refuses to comply.

Cleveland Fed President, Beth Hammack, led the counter-offensive stating, *"Fed policy is not restrictive, and inflation remains too high. Local contacts indicate that now is the time for the Fed to raise rates to control inflation."*

In Europe, Eurozone retail sales fell 0.6% in July, following June's upwardly revised 0.2% increase. Expectations had been for a 0.3% decline.

The week ahead ...

Will start quietly with Monday being the US Labor Day vacation, although the shortened trading week brings a heavy pipeline of tier-one macro events:

- US: The dominant focus turns squarely to the final pre-FOMC data gates: the August CPI and PPI inflation reports. Markets will also scan the latest Michigan Consumer Sentiment Index and existing home sales for signs of demand elasticity.
- Europe & UK: The absolute headline belongs to the ECB with its highly anticipated interest rate decision, accompanied by monthly EU and UK GDP prints, and German industrial production metrics.
- Asia-Pacific: Institutional desks will parse China's August goods trade figures to calculate the immediate fallout from renewed US tariffs, alongside the latest CPI release. Japan posts its domestic PPI, current account balances, and wage aggregates, while Australian attention will centre on consumer and business confidence, consumer inflation expectations and building approvals. From NZ we have manufacturing activity and business PMIs.

Daily Rates

Monday 7 September 2026

FX	Spot Mid	FECs (mid) 1mth	3mths	6mths	12mths
NZ TWI	66.30				
NZD/USD	0.5876	0.0004	0.0013	0.0026	0.0046
NZD/AUD	0.8165	0.0009	0.0031	0.0060	0.0113
NZD/JPY	91.640	-0.15	-0.44	-0.8786	-1.81
NZD/EUR	0.5059	-0.0002	-0.0006	-0.0013	-0.0030
NZD/GBP	0.4348	0.0003	0.0009	0.0019	0.0034
AU TWI	66.40				
AUD/USD	0.7190	-0.0003	-0.0012	-0.0023	-0.0044
AUD/NZD	1.2246	-0.0015	-0.0050	-0.0096	-0.0182
AUD/JPY	112.56	-0.32	-0.97	-1.92	-3.74
AUD/EUR	0.6190	-0.0010	-0.0032	-0.0063	-0.0123
AUD/GBP	0.5318	-0.0003	-0.0009	-0.0017	-0.0034
USD Index	99.16				
EUR/USD	1.1614	0.0013	0.0040	0.0080	0.0161
USD/JPY	155.91	-0.36	-1.08	-2.16	-4.26
GBP/USD	1.3512	0.0000	0.0000	-0.0001	-0.0011
EUR/GBP	0.8591	0.0009	0.0028	0.0059	0.0118
USD/CNY	6.7108	-0.0142	-0.0432	-0.0876	-0.1844

	Spot Mid NZD/...	AUD/...
CAD	0.8115	0.9942
CHF	0.4740	0.5804
CNY	3.9460	4.8331
DKK	3.7771	4.6272
FJD	1.2761	1.5634
HKD	4.6017	5.6375
KRW	788.91	966.48
MYR	2.3717	2.9055
NOK	5.4382	6.6622
SEK	5.6133	6.8767
SGD	0.7434	0.9107
TWD	18.56	22.74
ZAR	9.36	11.47

INTEREST RATES	New Zealand Mid	Australia Mid
30 day bank bills	2.95%	4.39%
90 day bank bills	3.06%	4.64%
1 year swap	3.42%	4.77%
2 year swap	3.70%	4.76%
3 year swap	3.85%	4.74%
5 year swap	4.07%	4.74%
10 year swap	4.46%	4.98%
3 year Govt bond	3.97%	4.81%
5 year Govt bond	4.31%	4.90%
10 year Govt bond	4.87%	5.28%

EQUITIES	Index
NZX50	13,974
ASX200	9,006
Dow Jones	53,414
S&P 500	7,718
FTSE100	10,831
DAX 40	26,046
Nikkei	65,021

COMMODITIES	USD
Brent Crude	96.28
Gold	4,427.69
Silver	66.19
Iron Ore	99.57
CRB Index	535.22
	NZD
NZ Carbon	50.23