Market Alert

Tuesday 8 September 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5877	0.0027
NZD/AUD	0.8142	0.0062
NZD/JPY	90.720	-0.86
NZD/EUR	0.5057	-0.0013
NZD/GBP	0.4340	0.0019
NZD/CNH	3.9432	-0.0347
AUD/USD	0.7216	-0.0023
AUD/EUR	0.6208	-0.0063
EUR/USD	1.1621	0.0080
USD/CNH	6.7087	-0.0892
GBP/USD	1.3537	0.0000
EUR/GBP	0.8581	0.0058

INT RATES	NZ	Australia
OCR/Cash	2.75%	4.35%
90 day bills	3.06%	4.66%
2 year swap	3.70%	4.74%
10 year Govt	4.86%	5.30%

If you were counting on a quiet overnight session due to the US Labor Day holiday ...

You were wrong, a fresh wave of attacks in the Strait of Hormuz pushed oil prices towards the USD100.00 level, the JPY strengthen to reach a 6-month high, while company valuations exposed severe cracks across the private credit architecture!

The now 6-month conflict in the Middle East reached a dangerous new climax after Iran fired ballistic missiles directly at 2 US Navy warships, while the US military responded striking 3 Iranian oil tankers. US Energy Secretary Chris Wright struck a defiant tone signalling there will be no let-up in the American naval presence adding that flows through the Strait are currently averaging 9 million barrels per day, roughly two-thirds of pre-conflict levels.

Oil prices, naturally, spiked higher with crude at USD92.75, while brent spiked to USD97.25, a 6-week high. As shipping attacks accelerate, Goldman Sachs explicitly warned that Brent could rocket past USD120.00 should the corridor suffers a prolonged blockade. Base metals also caught a major supply-squeeze tailwind, pushing copper prices to a new record high on the LME.

Sovereign yields continued to post gains, this time led by the German 10-year Bund yield which rose to a 15-year high at 3.38% as investors remain deeply anxious following the AfD party's landmark state victory in Saxony-Anhalt amid the re-pricing of a pre-emptive interest rate hike at this week's ECB meeting.

The USD-index weakened after a crushing 1.2% collapse in the USD/JPY to 154.35, testing its 6-month low of 154.06. The JPY has now gained a massive 3.4% over the last 5-sessions as traders aggressively front-run an expected hawkish BoJ policy pivot later this month. The AUD/USD ground out a modest gain to 0.7220, a 4-month high, although the NZD struggled for momentum which saw NZD/AUD make a fresh low at 0.8134.

Looking at the releases ...

It was no surprise the overnight session was 'European focused' given the US Labour Day holiday.

- Eurozone Q2 GDP growth was revised up to a robust 0.6% (from 0.4%), marking the strongest expansion since 2022. The upgrade was driven by a staggering 10.2% surge in Ireland's GDP.
- German industrial production plunged 1.1% in July, hampered by a 9.2% collapse in automotive manufacturing.
- The Guardian reported that European factories are bracing for 300k industrial job cuts through the remainder of 2026 due to brutal trade competition from China.
- Euro-area Q2 wage growth slowed to 3.3%.
- Responding to its domestic demand freeze, China's Finance Ministry announced it will issue a massive tranche of 'special' sovereign bonds to inject USD45.0 bn into 8 domestic banks and insurers in an attempt to recapitalise its financial architecture before systemic risks spill over.
- China's FX reserves rose to USD3.44trn in August, up from July's USD3.42trn and above market expectations of USD3.43trn.
- Australian job ads rose 2.5% in August, quickening from July's upwardly revised 1.9%.

Highlighting the potential of a hidden structural rot!

The USD1.8trn private credit market is facing a major valuation reckoning after Moody's Ratings officially deemed Loparex, an adhesive liner manufacturer, in default, warning that a Chapter 11 bankruptcy filing is imminent. At the end of last year, Blue Owl Capital's retail private credit fund had marked Loparex's senior loans at a perfect 100 cents on the dollar, but it's only taken a matter of months for that debt to collapse toward zero.

Daily Rates

Tuesday 8 September 2026

FX	Spot Mid	1mth	3mths	6mths	12mths
		FECs (mid)			
NZ TWI	66.00				
NZD/USD	0.5877	0.0005	0.0014	0.0027	0.0048
NZD/AUD	0.8142	0.0010	0.0031	0.0062	0.0115
NZD/JPY	90.720	-0.14	-0.43	-0.8645	-1.76
NZD/EUR	0.5057	-0.0002	-0.0006	-0.0013	-0.0030
NZD/GBP	0.4340	0.0003	0.0009	0.0019	0.0037
AU TWI	66.30				
AUD/USD	0.7216	-0.0003	-0.0011	-0.0023	-0.0044
AUD/NZD	1.2274	-0.0016	-0.0050	-0.0098	-0.0184
AUD/JPY	111.44	-0.31	-0.96	-1.91	-3.69
AUD/EUR	0.6208	-0.0010	-0.0031	-0.0063	-0.0122
AUD/GBP	0.5327	-0.0003	-0.0009	-0.0017	-0.0029
USD Index	98.93				
EUR/USD	1.1621	0.0013	0.0040	0.0080	0.0157
USD/JPY	154.36	-0.36	-1.08	-2.16	-4.21
GBP/USD	1.3537	0.0000	0.0001	0.0000	-0.0010
EUR/GBP	0.8581	0.0009	0.0028	0.0058	0.0121
USD/CNY	6.7108	-0.0143	-0.0432	-0.0878	-0.1848

	Spot Mid NZD/...	Spot Mid AUD/...
CAD	0.8115	0.9967
CHF	0.4755	0.5843
CNY	3.9434	4.8422
DKK	3.7780	4.6404
FJD	1.2780	1.5697
HKD	4.6059	5.6572
KRW	790.13	970.48
MYR	2.3759	2.9182
NOK	5.4459	6.6890
SEK	5.6364	6.9230
SGD	0.7438	0.9136
TWD	18.51	22.74
ZAR	9.40	11.54

INTEREST RATES	New Zealand Mid	Australia Mid
30 day bank bills	2.95%	4.40%
90 day bank bills	3.06%	4.66%
1 year swap	3.42%	4.75%
2 year swap	3.70%	4.74%
3 year swap	3.85%	4.73%
5 year swap	4.07%	4.74%
10 year swap	4.46%	4.99%
3 year Govt bond	3.96%	4.84%
5 year Govt bond	4.30%	4.93%
10 year Govt bond	4.86%	5.30%

EQUITIES	Index
NZX50	13,943
ASX200	9,011
Dow Jones	53,414
S&P 500	7,719
FTSE100	10,822
DAX 40	26,007
Nikkei	66,400

COMMODITIES	USD
Brent Crude	97.31
Gold	4,404.67
Silver	66.14
Iron Ore	99.57
CRB Index	535.22

	NZD
NZ Carbon	49.00

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