Market Alert

Wednesday 9 September 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5854	0.0027
NZD/AUD	0.8113	0.0062
NZD/JPY	90.145	-0.85
NZD/EUR	0.5037	-0.0012
NZD/GBP	0.4324	0.0020
NZD/CNH	3.9263	-0.0335
AUD/USD	0.7214	-0.0022
AUD/EUR	0.6206	-0.0062
EUR/USD	1.1621	0.0080
USD/CNH	6.7069	-0.0880
GBP/USD	1.3537	0.0000
EUR/GBP	0.8582	0.0059
INT RATES	**NZ**	**Australia**
OCR/Cash	2.75%	4.35%
90 day bills	3.06%	4.66%
2 year swap	3.70%	4.79%
10 year Govt	4.84%	5.29%

The Middle East theatre ramped up another notch after …

Multiple massive explosions were heard across the Gulf after a commercial Iranian oil tanker was targeted and struck by a US missile attack. Compounding the supply-side panic, Iran-allied Houthi militants in Yemen launched coordinated drone attacks against Saudi Arabian energy facilities, forcing a temporary halt to production.

In amongst the chaos, the US Treasury successfully sold USD58.0bn of 3-year notes at a high yield of 4.474%. Institutional demand remains firm with the bid-to-cover ratio at a robust 2.72x. Domestic accounts aggressively anchored the book by taking 26.9% of the issue, while international accounts stepped back slightly to absorb 64.2%. The 2-year yield is 2bps high at 4.40%, while the 10-years remains at 4.80%.

The JPY surged to a 6-month high against the USD as traders aggressively built positions of an accelerated hiking cycle ahead of next week's BoJ meeting after a policymaker warned that underlying inflation is at risk of running well ahead of the bank's 2.0% target. Dovish comments from Prasanna Gai weighed on the NZD, with NZD/USD re-entering its 'buy-zone', while NZD/AUD fell to a new low trading in the 0.8000s. The AUD continues to flatline just above the 0.7200 handle.

The data releases …

Were largely 2nd tier …

- US consumers' 1-year inflation expectations were unchanged at 3.6% in August, while small business optimism fell from 99.8 to 98.7, below forecasts of 99.3.
- The German trade surplus widened to EUR21.3bn in July, its largest surplus since August 2024. Exports fell 0.8% to EUR138.2bn while imports dropped 5.7% to EUR116.9bn.
- Japanese Q2 GDP grew 0.4%, slightly better than the flash print at 0.3% and in line with market forecasts. It was the third straight quarter of expansion.
- Japanese wage growth surged 4.7% in the year to July, surpassing market expectations for a 3.9% gain. It was the largest increase since January 1997.
- The Chinese trade surplus widened to USD119.1bn from USD112.5bn in July. Exports jumped 25.0% to USD401.4bn while imports gained 28.2% to USD282.4bn.
- Australian consumer sentiment plummeted 5.2% to 84.4 in September, reversing August's 6.0% gain to record the index's first decline since June.

Central bank rhetoric

RBNZ external MPC member Prasanna Gai announced, *"New Zealand's OCR may already be within the neutral zone, and it doesn't necessarily need to move into restrictive territory to return inflation to the target mid-point,"* adding, *"I don't hold a strong view on whether further policy tightening will be required … I'm comfortable with inflation tracking along the projected path."*

RBA Assistant Governor Sarah Hunter confirmed, *"The housing market is an important transition mechanism for monetary policy. The impact of house price changes on consumer spending is actually quite small. I would not expect to see a recession in the economy (and) the RBA does want to see a softer economy relative to trend. The RBA is looking to cool things off in both the housing market and the broader economy."*

BoE Governor Andrew Bailey attempted to damp market pricing stating, *"I want to dispel the idea that we have a secret plan to raise rates,"* although he acknowledged, *"The market's BoE rate curve reflects investors' concern about further energy price rises."* Colleague Megan Greene warned, *"The length of time that oil prices have been high worries me about the 2nd round effects,"* while Deputy Governor Dave Ramsden countered both stating, *"The domestic inflation position is relatively benign."*

Daily Rates

Wednesday 9 September 2026

FX

FX	Spot Mid	FECs (mid) 1mth	3mths	6mths	12mths
NZ TWI	66.00				
NZD/USD	0.5854	0.0005	0.0014	0.0027	0.0051
NZD/AUD	0.8113	0.0010	0.0031	0.0062	0.0113
NZD/JPY	90.145	-0.16	-0.42	-0.8493	-1.74
NZD/EUR	0.5037	-0.0002	-0.0006	-0.0012	-0.0028
NZD/GBP	0.4324	0.0003	0.0010	0.0020	0.0038
AU TWI	66.30				
AUD/USD	0.7214	-0.0003	-0.0011	-0.0022	-0.0043
AUD/NZD	1.2317	-0.0017	-0.0050	-0.0098	-0.0181
AUD/JPY	111.08	-0.34	-0.95	-1.89	-3.68
AUD/EUR	0.6206	-0.0011	-0.0031	-0.0062	-0.0121
AUD/GBP	0.5327	-0.0003	-0.0009	-0.0017	-0.0028
USD Index	98.85				
EUR/USD	1.1621	0.0014	0.0040	0.0080	0.0160
USD/JPY	153.98	-0.40	-1.08	-2.16	-4.21
GBP/USD	1.3537	0.0001	0.0001	0.0000	-0.0010
EUR/GBP	0.8582	0.0010	0.0028	0.0059	0.0121
USD/CNY	6.7105	-0.0157	-0.0433	-0.0883	-0.1851

	Spot Mid NZD/...	AUD/...
CAD	0.8066	0.9943
CHF	0.4737	0.5842
CNY	3.9282	4.8438
DKK	3.7634	4.6393
FJD	1.2689	1.5642
HKD	4.5887	5.6566
KRW	784.48	967.07
MYR	2.3742	2.9267
NOK	5.3965	6.6525
SEK	5.6111	6.9171
SGD	0.7402	0.9125
TWD	18.44	22.73
ZAR	9.37	11.55

EQUITIES

	Index
NZX50	13,793
ASX200	8,921
Dow Jones	52,786
S&P 500	7,674
FTSE100	10,812
DAX 40	26,008
Nikkei	65,269

INTEREST RATES

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	3.44%	4.79%
2 year swap	3.70%	4.79%
3 year swap	3.87%	4.78%
5 year swap	4.09%	4.77%
10 year swap	4.48%	5.01%
3 year Govt bond	3.94%	4.84%
5 year Govt bond	4.28%	4.92%
10 year Govt bond	4.84%	5.29%

COMMODITIES

	USD
Brent Crude	99.02
Gold	4,356.49
Silver	65.62
Iron Ore	99.57
CRB Index	539.51

	NZD
NZ Carbon	46.00

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