

Market Alert

Thursday 08 October 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5603	0.0029
NZD/AUD	0.8045	0.0061
NZD/JPY	88.540	-0.86
NZD/EUR	0.5004	-0.0014
NZD/GBP	0.4240	0.0020
NZD/CNH	3.7834	-0.0349
AUD/USD	0.6964	-0.0018
AUD/EUR	0.6218	-0.0065
EUR/USD	1.1197	0.0086
USD/CNH	6.7022	-0.0960
GBP/USD	1.3214	0.0005
EUR/GBP	0.8471	0.0061

INT RATES	NZ	Australia
OCR/Cash	2.75%	4.60%
90 day bills	3.23%	4.81%
2 year swap	4.01%	4.89%
10 year Govt	5.20%	5.51%

Hawkish Fed

The Fed's minutes for the unanimous decision to increase the Fed Funds rate by 25bps in September were released this morning. The minutes stated that "most participants assessed that another increase in the target range for the Federal Funds rate would likely be appropriate by year end." Over the intermeeting period, the market-implied policy path, Treasury yields, near-term inflation compensation, equity prices, and the US dollar all depreciated. The minutes had a decidedly hawkish tone, as most participants assessed that another rate hike would be appropriate by the end of 2026, with several participants commenting that the underlying momentum in the economy appears to have increased, and that financial conditions appear to be supportive of economic growth.

A survey by the New York Fed revealed that the public's near-term expected path for inflation has jumped in September to reach its highest level in over 3 years, with respondents stating that inflation is expected to hit 3.9% a year from now, up from the previous month's reading of 3.6%. 5-year inflation expectations held steady at 3.0%

Treasury yields fell following the minutes release, with the 2-year yield at 4.76%, the 10-year yield at 5.27%, and the 30-year yield at 5.66%. The US dollar index also fell, now sitting around the 102 level. Oil prices have also fallen since yesterday's close as traders assessed an increase in Iranian attacks on vessels in the Strait of Hormuz, with WTI crude currently at 88.42 and Brent crude at 100.43. The S&P500 has fallen from its recent all-time high on the back of the hawkish Fed and renewed oil tensions.

Rest of the world

House prices in the UK were flat in September, both month-on-month and year-on-year, with rising mortgage costs weighing on the market. Economists had predicated price rises after the recent fall in August, which had been the first drop in 3 years. The UK 30-year gilt has hit a 28-year high amid global bond selloffs, peaking at 6.04% before dropping down to sit around the 5.98% level.

Building approvals in Australia fell 6.1% in August, meeting market expectations. Apartment, unit, and townhouse building approvals fell 21.0% over the month,

and were down 2.1% over the August year. Private sector freestanding house approvals were up 3.7% over the month and 18.4% over the year.

The NZD/USD is up this morning, currently around the 0.5600 level, while the AUD/USD also rose, currently sitting around the 0.6960 level. On the cross, the NZD/AUD is up this morning, sitting around the 0.8000 level.



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Daily Rates

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FX	Spot	FECs (mid)				Spot Mid	
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	64.00					CAD	0.7984
NZD/USD	0.5603	0.0005	0.0015	0.0029	0.0050	CHF	0.4666
NZD/AUD	0.8045	0.0012	0.0034	0.0061	0.0105	CNY	3.7512
NZD/JPY	88.540	-0.13	-0.44	-0.8602	-1.85	DKK	3.7386
NZD/EUR	0.5004	-0.0002	-0.0007	-0.0014	-0.0037	FJD	1.2447
NZD/GBP	0.4240	0.0003	0.0010	0.0020	0.0036	HKD	4.3958
						KRW	749.92
AU TWI	64.80					MYR	2.2886
AUD/USD	0.6964	-0.0004	-0.0010	-0.0018	-0.0028	NOK	5.3602
AUD/NZD	1.2423	-0.0019	-0.0053	-0.0098	-0.0171	SEK	5.5998
AUD/JPY	110.24	-0.33	-1.01	-1.90	-3.67	SGD	0.7166
AUD/EUR	0.6218	-0.0011	-0.0034	-0.0065	-0.0125	TWD	17.83
AUD/GBP	0.5268	-0.0004	-0.0010	-0.0016	-0.0024	ZAR	9.31
USD Index	102.26					EQUITIES	
EUR/USD	1.1197	0.0014	0.0045	0.0086	0.0180		Index
USD/JPY	158.01	-0.39	-1.22	-2.32	-4.66	NZX50	13,684
GBP/USD	1.3214	0.0002	0.0004	0.0005	0.0003	ASX200	8,728
EUR/GBP	0.8471	0.0009	0.0031	0.0061	0.0131	Dow Jones	51,206
USD/CNY	6.7045	-0.0157	-0.0496	-0.0986	-0.2135	S&P 500	7,798
						FTSE100	10,459
						DAX 40	25,104
						Nikkei	70,036
						COMMODITIES	
							USD
						Brent Crude	101.05
						Gold	4,108.41
						Silver	59.71
						Iron Ore	91.18
						CRB Index	530.70
							NZD
						NZ Carbon	52.00

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