

Market Alert

Friday 09 October 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5602	0.0029
NZD/AUD	0.8054	0.0060
NZD/JPY	88.435	-0.86
NZD/EUR	0.4998	-0.0014
NZD/GBP	0.4236	0.0020
NZD/CNH	3.7531	-0.0348
AUD/USD	0.6954	-0.0017
AUD/EUR	0.6203	-0.0064
EUR/USD	1.1209	0.0087
USD/CNH	6.7037	-0.0959
GBP/USD	1.3222	0.0004
EUR/GBP	0.8474	0.0062

INT RATES	NZ	Australia
OCR/Cash	2.75%	4.60%
90 day bills	3.22%	4.82%
2 year swap	4.03%	4.89%
10 year Govt	5.19%	5.52%

Financial markets ...

Shifted into a defensive, risk-off posture over the last 24 hours, completely reversing the early-week optimism as resurgent energy shocks and unyielding central bank minutes hammered sentiment.

Brent oil surged 4.25% to USD104.45 a barrel following reports that the US is actively preparing for a "massive bombing" campaign against new Iranian targets, breaking assumptions that geopolitical tensions would remain capped ahead of the US midterm elections, but oil prices pared back some of those gains after President Trump tweeted, "We will not be attacking Iran at any time prior to the Midterm Elections." This geopolitical friction collided with severe physical disruptions in North America, where Hurricane Isaias forced the immediate shutdown of roughly 25% of oil and

16.4% of gas production in the Gulf of Mexico.

Fixed income, FX, commodity, and equity desks buckled under the weight of resurgent inflation fears. The retreat from risk was compounded by the release of the September FOMC meeting minutes, which revealed that most Fed officials remain deeply concerned about sticky inflation driven by energy prices. The ECB minutes added to the sentiment after it was revealed that the members acknowledged the inflation risks remain skewed to the upside, while renewed concerns about the validity of AI infrastructure spending all combined to underline the higher-for-longer narrative.

The impact of Fed comments!

While Fed Governor Christopher Waller's comments that, "*The hikes do not need to come at consecutive meetings, but they should be in place in an acceptable period of time,*" along with colleague Alberto Musalem statement, "*Inflation is elevated and being driven by persistent demand pressures and supply shocks. Rates ought to be going up in the next 6 to 9-months,*" initially sent yields higher, those advances were quickly lost after President Donald Trump said the US won't attack Iran until after the November midterm elections. As I type, Treasury yields are trading lower with the 2, 10 and 30-years 0.1bps, 0.7bps and 0.7% lower at 4.76%, 5.23% and 5.61% respectively.

But despite the yield pulls back from their multi-decade highs, the USD-index

remained supported on safe-haven flows, with little movement in the NZD and AUD.

On a sidenote, the US Treasury sold off USD22.0bn of 30-year bonds at a high yield of 5.618%. The auction was well received with the high yield slightly above the WI level while demand was strong with the bid-to-cover exceeding its recent averages.

Equity indices slid for a second consecutive session, falling -0.5% to -1.5%, as they continued to pull back from Tuesday's record highs. Semiconductor and tech heavyweights bore the brunt of the liquidation wave after a report suggested OpenAI's revenue is USD20.0bn less than previously signalled, calling into question the insane AI spending. Adding to the pessimistic sentiment, a flagship Australian data centre firm backed by Nvidia failed to attract anticipated institutional funding prompted billionaire investor Ray Dalio to reiterate stark warnings over an AI funding bubble.

The minutes from the ECB's September meeting, where the central bank hiked rates 25bps, highlighted that while Governing Council was united in its view that a worsening inflation outlook and economic resilience called for a hike, the minutes gave a less hawkish picture than the one presented by President Christine Lagarde at the press conference. While some ECB members suggested, "*The inflation energy shock could be less persistent than assumed, it was still too early to draw a firm conclusion about the degree of resilience of the economy on the basis of the latest growth figures.*"



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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	63.80					CAD	0.7965
NZD/USD	0.5602	0.0005	0.0015	0.0029	0.0051	CHF	0.4656
NZD/AUD	0.8054	0.0012	0.0033	0.0060	0.0102	CNY	3.7495
NZD/JPY	88.435	-0.13	-0.42	-0.8581	-1.82	DKK	3.7340
NZD/EUR	0.4998	-0.0002	-0.0006	-0.0014	-0.0036	FJD	1.2450
NZD/GBP	0.4236	0.0003	0.0010	0.0020	0.0037	HKD	4.3947
						KRW	751.76
AU TWI	64.70					MYR	2.2893
AUD/USD	0.6954	-0.0004	-0.0010	-0.0017	-0.0027	NOK	5.3551
AUD/NZD	1.2411	-0.0019	-0.0052	-0.0097	-0.0170	SEK	5.5858
AUD/JPY	109.98	-0.33	-0.97	-1.88	-3.63	SGD	0.7172
AUD/EUR	0.6203	-0.0011	-0.0033	-0.0064	-0.0123	TWD	17.89
AUD/GBP	0.5257	-0.0004	-0.0009	-0.0016	-0.0022	ZAR	9.30
							11.55
USD Index	102.12					EQUITIES	
EUR/USD	1.1209	0.0014	0.0044	0.0087	0.0180		Index
USD/JPY	157.85	-0.39	-1.19	-2.33	-4.64	NZX50	13,692
GBP/USD	1.3222	0.0002	0.0004	0.0004	0.0001	ASX200	8,661
EUR/GBP	0.8474	0.0009	0.0030	0.0062	0.0132	Dow Jones	51,180
USD/CNY	6.7021	-0.0153	-0.0470	-0.0960	-0.2050	S&P 500	7,758
						FTSE100	10,442
INTEREST		New Zealand		Australia		DAX 40	24,807
RATES		Mid		Mid		Nikkei	69,042
30 day bank bills		3.00%		4.61%		COMMODITIES	
90 day bank bills		3.22%		4.82%			USD
1 year swap		3.67%		4.89%		Brent Crude	104.34
2 year swap		4.03%		4.89%		Gold	4,127.51
3 year swap		4.20%		4.91%		Silver	59.11
5 year swap		4.43%		4.97%		Iron Ore	91.13
10 year swap		4.80%		5.22%		CRB Index	534.57
3 year Govt bond		4.29%		4.98%			NZD
5 year Govt bond		4.64%		5.09%		NZ Carbon	50.75
10 year Govt bond		5.19%		5.52%			

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