

Market Alert

Thursday 22 October 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5703	0.0029
NZD/AUD	0.8111	0.0060
NZD/JPY	90.205	-0.90
NZD/EUR	0.5076	-0.0015
NZD/GBP	0.4257	0.0020
NZD/CNH	3.7800	-0.0366
AUD/USD	0.7030	-0.0018
AUD/EUR	0.6257	-0.0066
EUR/USD	1.1233	0.0087
USD/CNH	6.6740	-0.0979
GBP/USD	1.3395	0.0004
EUR/GBP	0.8385	0.0062

INT RATES	NZ	Australia
OCR/Cash	2.75%	4.60%
90 day bills	3.32%	4.85%
2 year swap	4.08%	4.85%
10 year Govt	5.13%	5.39%

I must say ...

At football last night ... I was magnificent, and then, to top the night off I had my favourite dinner ... bangers and mash with a beer! Life just couldn't get any better!

But beyond my little oasis, things aren't so great as global diplomatic manoeuvrings injected fresh volatility into markets, but despite this, there was a subdued relief rally clawing on strong corporate earnings and tentative diplomatic headlines, even as structural debt and European fiscal stress lingered. This saw equity market firm with the global markets gaining 0.50%-1.50%.

Global markets caught a mild bid following unconfirmed reports that mediators from Qatar and Pakistan have presented a new diplomatic framework aimed at de-escalating the conflict in the

Middle East. Unfortunately, oil prices ignored the US-Iran diplomatic rumours, with crude flat at USD98.00 while Brent firmed 1.0% to USD110.00.

Political volatility worsened in Europe as intense domestic protests against public spending cuts forced France's 10-year bond, the OAT, to surge to 5.0% to reach a new 24-year high as investors grew increasingly concerned about the country's fragile public finances and mounting social unrest. Importantly, the spread over 10-year German Bunds widened to 156bps, its highest level since the eurozone sovereign debt crisis in 2011/2012. In the US, the Treasury auctioned off USD13.0bn of 20-year bonds in what was a 'mixed' auction with a 0.9bps tail. This helped yields regain some of their recent losses with the 2, 10 and 30-years yields firming 5, 4 and 2bps to yield 4.84%, 5.15% and 5.45% respectively.

The USD-index continued to consolidate around 101.60 level amid an expanding consensus that the Fed will opt to hold rates flat at its October meeting. The EUR continues to trade just above the 1.1200 level, weighed down heavily by the French fiscal crisis. Meanwhile, the NZD emerged as a major cross-rate champion, with NZD/USD trading above the 0.5700 level for the first time in a month while NZD/AUD continues to hold above the 0.8100 level. The AUD/USD also made a modest gain to reach 0.7025.

In terms of the overnight releases

- UK annual inflation rate rose to 3.5% in September, its highest since October 2025 and above expectations at 3.4% and August's 3.1%.
- Today we have the NZ Q3 inflation report.

RBA Deputy Governor Andrew Hauser warned that the nation's inflation outlook has deteriorated and looks "materially worse" than the central bank's August projections. He also noted that an increasing share of businesses are shifting their inflation expectations, viewing a 3% to 3.5% inflation rate as the "new normal" adding, "That is the central banker's nightmare. We can't allow expectations to shift away from target."

Looking at the 'interesting' but not essential headlines ...

Ken Griffin stated, "AI is almost certainly a bubble. I think all of Corporate America is looking at their bills from Anthropic and OpenAI and going, okay, we need to think about how to make sure we're getting productivity out of this."

Meta has been ordered to pay a USD25.0bn in penalties related to the Cambridge Analytica scandal in New Mexico. SpaceX stock jumped 10% on an earnings beat and hints by Elon that he may merge Tesla and SpaceX.

In perhaps the most surprising move, US special envoy Steve Witkoff, on a visit to Russia, complimented President Vladimir Putin stating, "You are a humanitarian, sir, and I salute that, I commend you."



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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	64.50					CAD	0.8008
NZD/USD	0.5703	0.0005	0.0015	0.0029	0.0052	CHF	0.4699
NZD/AUD	0.8111	0.0011	0.0033	0.0060	0.0099	CNY	3.8059
NZD/JPY	90.205	-0.15	-0.47	-0.9028	-1.94	DKK	3.7934
NZD/EUR	0.5076	-0.0002	-0.0007	-0.0015	-0.0037	FJD	1.2607
NZD/GBP	0.4257	0.0003	0.0010	0.0020	0.0037	HKD	4.4734
						KRW	756.09
AU TWI	64.90					MYR	2.3252
AUD/USD	0.7030	-0.0004	-0.0010	-0.0018	-0.0026	NOK	5.3335
AUD/NZD	1.2327	-0.0018	-0.0052	-0.0096	-0.0169	SEK	5.6336
AUD/JPY	111.07	-0.34	-1.03	-1.95	-3.75	SGD	0.7280
AUD/EUR	0.6257	-0.0011	-0.0034	-0.0066	-0.0124	TWD	18.47
AUD/GBP	0.5247	-0.0003	-0.0009	-0.0016	-0.0021	ZAR	9.33
							11.51
USD Index	101.77					EQUITIES	
EUR/USD	1.1233	0.0014	0.0045	0.0087	0.0181		Index
USD/JPY	158.16	-0.40	-1.23	-2.38	-4.79	NZX50	13,761
GBP/USD	1.3395	0.0001	0.0003	0.0004	0.0001	ASX200	8,831
EUR/GBP	0.8385	0.0010	0.0031	0.0062	0.0132	Dow Jones	52,728
USD/CNY	6.6758	-0.0161	-0.0490	-0.0978	-0.2071	S&P 500	7,748
						FTSE100	10,753
						DAX 40	25,645
						Nikkei	64,621
INTEREST		New Zealand		Australia		COMMODITIES	
RATES		Mid		Mid			USD
30 day bank bills		3.08%		4.64%		Brent Crude	109.45
90 day bank bills		3.32%		4.85%		Gold	4,130.09
1 year swap		3.76%		4.88%		Silver	57.78
2 year swap		4.08%		4.85%		Iron Ore	90.86
3 year swap		4.22%		4.85%		CRB Index	536.46
5 year swap		4.40%		4.90%			NZD
10 year swap		4.71%		5.13%		NZ Carbon	50.30
3 year Govt bond		4.33%		4.98%			
5 year Govt bond		4.63%		5.06%			
10 year Govt bond		5.13%		5.39%			

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