

Market Alert

Wednesday 28 October 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5685	0.0028
NZD/AUD	0.8088	0.0062
NZD/JPY	89.765	-0.91
NZD/EUR	0.5105	-0.0016
NZD/GBP	0.4269	0.0020
NZD/CNH	3.7956	-0.0358
AUD/USD	0.7027	-0.0020
AUD/EUR	0.6310	-0.0069
EUR/USD	1.1135	0.0085
USD/CNH	6.6638	-0.0951
GBP/USD	1.3314	0.0001
EUR/GBP	0.8362	0.0064
INT RATES	NZ	Australia
OCR/Cash	2.75%	4.60%
90 day bills	3.35%	4.90%
2 year swap	4.04%	4.88%
10 year Govt	5.06%	5.26%

This is the only commentary that

Looks at a US macro data double-whammy, an absolute bloodbath for French consumer sentiment, and Goldman Sachs calling time on the AI wealth effect, and asks, "Who cares about bond markets when Harry Kane is finally holding the Ballon d'Or?"

Harry Kane, the England captain and all-time record goalscorer, has spent his entire career being the perpetual bridesmaid, largely due to spending the best years of his life playing for Spurs. But one swift transfer to Germany, and suddenly young Harry is winning trophies, smashing records, and to cap it all off, he was officially crowned the Ballon d'Or winner last night.

Some critics might say he should have abandoned the Spurs ship years ago, but I prefer to look at it as a man who has continued to battle uphill his entire career. At the age of 33, he is finally

getting his just rewards for never giving up. Well done Harry!

Speaking of elections ...

The political landscape is moving at terminal velocity. Following the weekend's historic populist upsets in Serbia and Brazil, this morning it is Israel's turn with the country heading into its first national election since the Hamas attacks in 2023.

The macroeconomic data dropping out of the US over the last 24 hours delivered an absolute one-two punch to the demand-destruction narrative, painting a picture of an economy that is stubbornly refusing to slow down:

- US new orders for manufactured durable goods surged 1.8% to hit USD 345.4bn, the largest single-month expansion in 5-months.
- The American consumer showed resilience after consumer confidence surging by 7.5pips to hit 91.7 in October.
- Conversely, French consumer confidence collapsed falling from 85 to a dismal 80 in October.
- Across the Channel, UK annual shop price inflation accelerated to 2.1% in October, up from 1.4% in September.
- Japan's services PPI rose 3.7% through to September, up from August's revised 3.5%.
- Finally, China's industrial profits posted a major turnaround, rebounding 14.4% in September after August's grim 4.2% print.

Despite the explosive data releases, it was a quiet session for financial markets

as global fixed-income desks spent the session locked in a strict holding pattern ahead of this week's heavy central bank schedule. US Treasury yields finished largely unchanged, with the 2, 10, and 30-year yields settling at 4.74%, 5.00%, and 5.31% respectively.

The USD-index firmed 0.35% to hit the 102.30 level with markets pricing in a meagre 8% probability of a Fed rate hike this week. The NZD behaved itself, locking into a steady 0.5685-0.5715 consolidation zone, while the AUD remained largely unchanged at 0.7025.

Global equity desks managed a modest, short-covering relief bounce of 0.50% to 1.0%, throwing a temporary lifeline to the technology sector. The UK market was the outlier on profit-taking ahead of tonight's Autumn Budget.

Goldman Sachs has declared that the consumer wealth boost driven by the AI infrastructure boom has topped out. A combination of surging oil prices, high bond yields, and accelerating corporate layoffs is projected to reverse this wealth effect heading into 2027.

Oil is trading 1.754% lower, but don't break out the champagne just yet given prices remain elevated. Crude is trading at the USD100.00 level while Brent remains hot at USD113.90 a barrel!

Happy RBNZ day ...

Unsurprisingly, the majority of the NZIER's Monetary Policy Shadow Board is backing a 25 bps RBNZ cash rate hike to 3.00%, explicitly citing the dual pressures of higher energy prices and a structurally weaker NZD.



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Daily Rates

Wednesday 28 October 2026

FX	Spot	FECs (mid)				Spot Mid	
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	64.70					CAD	0.7987
NZD/USD	0.5685	0.0005	0.0015	0.0028	0.0049	CHF	0.4710
NZD/AUD	0.8088	0.0012	0.0034	0.0062	0.0102	CNY	3.7890
NZD/JPY	89.765	-0.15	-0.45	-0.9128	-1.92	DKK	3.8146
NZD/EUR	0.5105	-0.0002	-0.0007	-0.0016	-0.0039	FJD	1.2564
NZD/GBP	0.4269	0.0004	0.0010	0.0020	0.0039	HKD	4.4590
						KRW	753.80
AU TWI	65.10					MYR	2.3231
AUD/USD	0.7027	-0.0005	-0.0011	-0.0020	-0.0029	NOK	5.3040
AUD/NZD	1.2357	-0.0019	-0.0053	-0.0098	-0.0167	SEK	5.6514
AUD/JPY	110.78	-0.35	-1.02	-1.98	-3.75	SGD	0.7281
AUD/EUR	0.6310	-0.0012	-0.0035	-0.0069	-0.0126	TWD	18.41
AUD/GBP	0.5277	-0.0004	-0.0010	-0.0016	-0.0020	ZAR	9.45
USD Index	102.32					EQUITIES	
EUR/USD	1.1135	0.0014	0.0043	0.0085	0.0177		Index
USD/JPY	157.90	-0.40	-1.20	-2.37	-4.70	NZX50	13,680
GBP/USD	1.3314	0.0000	0.0002	0.0001	-0.0009	ASX200	8,850
EUR/GBP	0.8362	0.0010	0.0031	0.0064	0.0138	Dow Jones	52,369
USD/CNY	6.666	-0.0156	-0.0470	-0.0956	-0.2010	S&P 500	7,718
						FTSE100	10,687
						DAX 40	25,591
						Nikkei	63,268
						COMMODITIES	
							USD
						Brent Crude	114.00
						Gold	4,059.91
						Silver	54.32
						Iron Ore	90.78
						CRB Index	532.51
							NZD
						NZ Carbon	48.25

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