Market Alert

Friday 30 October 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5629	0.0033
NZD/AUD	0.8005	0.0072
NZD/JPY	88.900	-0.83
NZD/EUR	0.5043	-0.0011
NZD/GBP	0.4212	0.0024
NZD/CNH	3.7470	-0.0322
AUD/USD	0.7030	-0.0023
AUD/EUR	0.6297	-0.0070
EUR/USD	1.1162	0.0085
USD/CNH	6.6566	-0.0956
GBP/USD	1.3360	-0.0002
EUR/GBP	0.8353	0.0064

INT RATES	NZ	Australia
OCR/Cash	2.75%	4.60%
90 day bills	3.16%	4.96%
2 year swap	4.00%	4.90%
10 year Govt	4.96%	5.27%

I knew I shouldn't have had that 2nd whiskey

Last night … but I couldn't help myself. Somehow, it feels like it could be a long day!

Financial markets aren't helping the case either having a full-blown existential crisis over Big Tech's AI spending bill, while the Federal Reserve barely escaped a family fistfight over its latest rate hold following 2 dissenting votes. With tech cash-burn terrifying investors, the Nasdaq took a massive 500-pip tumble falling 1.75%, overshadowing a robust US GDP print that technically suggests the broader economic engine is humming along just fine!

Digging into the detail.

Alphabet single-handedly sparked the tech massacre wiping out over USD500bn of its own value after earnings laid bare a staggering multi-billion-dollar AI cash-burn. But while the US exchanges will close 0.5%-2.0% lower, the European bourses firmed 0.5%-1.0%.

In a classic safe-haven play, funds exiting equities moved into treasuries with the yield curve putting on a classic steepening show. Shorter-term yields softened on Fed Chair Kevin Warsh's comments that the Fed has the luxury of time to *"accumulate more information"* and data before making its next move, although long-term yields are holding tight because the bond market knows sticky inflation remains an issue. Ultimately, the 2-year yield fell 4bps to 4.67%, while the 10 and 30-years eased 3 and 2bps to yield 4.99% and 5.33%.

Lower yields saw the USD-index weaken 0.2%, which helped the NZD/USD to hold the 0.5625 level. The NZD/AUD cross rate recovered the 0.8000 after AUD/USD eased back to 0.7025 from 0.7050, while the CNH continued to stellar rally with USD/CNH falling to 0.6550. Bitcoin also lost its recent momentum, sliding back to trade under the USD80k mark.

Oil drifted lower after reports that VP Vance wrote to Iranian hard-liner Mohsen Rezaei at Trump's direction to revive peace talks. Crude eased 0.5% to USD102.25 while Brent was a modest 0.2% lower at USD115.10.

Looking at the releases

The US Q3 GDP print dropped a thumping 3.4%, soundly beating forecasts at 3.2%. How did we get here despite painful interest rates? Businesses poured an absolute fortune into AI chips and data centre construction while consumers kept blindly tapping their credit cards.

Unfortunately, the Fed's favourite metric - PCE inflation - Price accelerated to 3.6% in September, while the Core ticked up to 3.1%. With jobless claims dropping to a tiny 194k, markets are tracking at an 85% likelihood of a Fed December rate-hike.

While the ECB predictably kept its deposit rate steady at 2.5%, staring down the inflationary barrel of an Iran-war-induced energy crunch that has Eurozone inflation running at nearly double its 2.0% target, as with the US markets, pricing suggests there will be a December hike to battle those nasty spikes in natural gas prices. ECB President Christine Lagarde also announced she will resign on 7 February 2027, 9-months before her term expires.

Yesterday RBNZ Governor Breman confirmed, *"The chances of a December rate hike are high. All of the committee members agree further rate increases are likely, although the timing depends on the outlook and inflation. Despite an uncertain environment, the RBNZ will remain calm and focus on its mandate of returning inflation to target."*

New Zealand businesses are apparently unflappable given business confidence ticked up to 52.5 from 51.9. However, pricing intentions and inflation expectations are creeping higher, confirming that businesses are still eager to pass costs if they can get away with it.

Finally, Australian export prices rose by 1.4% in Q3, beating estimates, while import prices slid by 1.1%, while this improves Australia's terms of trade, the data was overshadowed by this weeks 4.3% CPI print.

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Daily Rates

Friday 30 October 2026

FX	Spot Mid	FECs (mid) 1mth	3mths	6mths	12mths
NZ TWI	63.90				
NZD/USD	0.5629	0.0006	0.0018	0.0033	0.0057
NZD/AUD	0.8005	0.0014	0.0039	0.0072	0.0118
NZD/JPY	88.900	-0.12	-0.39	-0.8308	-1.74
NZD/EUR	0.5043	-0.0001	-0.0004	-0.0011	-0.0029
NZD/GBP	0.4212	0.0004	0.0012	0.0024	0.0044
AU TWI	65.40				
AUD/USD	0.7030	-0.0005	-0.0012	-0.0023	-0.0037
AUD/NZD	1.2485	-0.0022	-0.0062	-0.0115	-0.0197
AUD/JPY	111.06	-0.34	-1.03	-2.04	-3.78
AUD/EUR	0.6297	-0.0012	-0.0036	-0.0070	-0.0132
AUD/GBP	0.5260	-0.0004	-0.0010	-0.0018	-0.0023
USD Index	102.03				
EUR/USD	1.1162	0.0013	0.0043	0.0085	0.0170
USD/JPY	157.91	-0.38	-1.18	-2.37	-4.57
GBP/USD	1.3360	0.0000	0.0001	-0.0002	-0.0016
EUR/GBP	0.8353	0.0010	0.0031	0.0064	0.0136
USD/CNY	6.661	-0.0146	-0.0469	-0.0966	-0.1981

	Spot Mid NZD/...	AUD/...
CAD	0.7869	0.9831
CHF	0.4648	0.5809
CNY	3.7475	4.6833
DKK	3.7672	4.7065
FJD	1.2468	1.5577
HKD	4.4150	5.5158
KRW	753.42	941.27
MYR	2.2829	2.8521
NOK	5.2116	6.5110
SEK	5.5470	6.9301
SGD	0.7204	0.9001
TWD	18.31	22.88
ZAR	9.36	11.69

INTEREST RATES	New Zealand Mid	Australia Mid
30 day bank bills	2.93%	4.77%
90 day bank bills	3.16%	4.96%
1 year swap	3.63%	4.98%
2 year swap	4.00%	4.90%
3 year swap	4.13%	4.86%
5 year swap	4.30%	4.89%
10 year swap	4.62%	5.10%
3 year Govt bond	4.17%	4.93%
5 year Govt bond	4.46%	4.98%
10 year Govt bond	4.96%	5.27%

EQUITIES	Index
NZX50	13,710
ASX200	8,892
Dow Jones	52,205
S&P 500	7,700
FTSE100	10,722
DAX 40	26,040
Nikkei	64,659

COMMODITIES	USD
Brent Crude	114.96
Gold	4,013.19
Silver	52.08
Iron Ore	90.70
CRB Index	532.07

	NZD
NZ Carbon	48.25

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