Research

Markets Today

10 September 2026

Events round-up

CH: PPI (y/y%), Aug: 3.8 vs. 3.6 exp.

CH: CPI (y/y%), Aug: 0.8 vs. 0.8 exp.

Good morning

Risk sentiment is weaker after oil rose above USD100 per barrel, pushing global rates higher. US Treasury yields received an additional boost after disappointment over the size of the expanded buyback programme. In currency markets, the NZD continues to struggle following the RBNZ's dovish tone last week.

Focus remains on the Middle East, given the recent intensification of attacks on shipping and energy infrastructure. US Central Command said it had destroyed eight tankers belonging to the IRGC over the past few days in retaliation for Iranian attacks on the US Navy. The IRGC said it targeted two US vessels and ten other vessels that attempted to enter the restricted waters of the Strait of Hormuz with US backing. Bloomberg reported a senior Iranian official saying Iran is ready for a more intense war and will escalate its counterstrikes if the US continues to attack its territory and infrastructure. Late yesterday, Brent crude broke above the USD100 per barrel mark and rose as high as USD101.50 overnight.

Higher oil prices drove global rates higher, with US long-term yields receiving an additional boost after the Treasury Department said it would buy back $6b in its expanded buyback programme at the upcoming operation, up from $2b previously, with later buybacks to be "at least $4b". The scale of the expanded operation appeared to disappoint the market, as the 10-year rate jumped 5bps to 4.85%. The yield later eased after the rise attracted strong demand at the $39b 10-year auction. The rate is currently 4.83%, up 4bps from the NZ close. European rates are much higher on the day, with 10-year yields up 8-11bps and closing at fresh multi-year highs.

Higher oil prices and rates have weighed on equity markets. The Euro Stoxx 600 index closed down a hefty 1.4%. In late-afternoon trading, the S&P 500 is down 0.4% and the Nasdaq is down 0.6%.

Currency market movements have been modest, although, for a second day, the NZD is the weakest performer of the majors, extending its weak run after the RBNZ's recent display of nonchalance in attempting to bring inflation quickly back to target. The NZD traded down towards 0.5830 overnight before finding some support. The AUD has been relatively steady, maintaining its 0.72 handle and driving the NZD/AUD cross back below 0.81. NZD/GBP and NZD/EUR have softened to just above 0.43 and 0.5020 respectively, while NZD/JPY has fallen to a fresh low for the year of 89.6.

Yesterday, Treasury Secretary Bessent did not win any friends in the market after boasting about his power, commenting: "I am the house now, so when we intervene with the Japanese yen, I have pretty good insight into…what the Bank of Japan is going to do…and you can bet against me if you want". USD/JPY has settled in a 153-154 range.

The domestic rates market traded a little heavy yesterday against the backdrop of higher Australian yields, as more economists capitulated and decided that the more hawkish tone from RBA speakers was enough to convince them the RBA would likely hike again later this month, now priced at a more than 70% chance. Swap rates were up 2-3bps across the curve, while NZGBs were marked 3bps higher.

On the calendar, the ECB meets tonight, where a 25bps hike in the deposit rate to 2.5% has been well anticipated for some time and is fully priced. The policy outlook is likely to remain data-dependent and proceed on a meeting-by-meeting basis. The market will be looking through the details to see whether the new forecasts and guidance justify the further two rate hikes currently priced through the middle of next year. US PPI data tonight will be closely watched, although tomorrow night's CPI release is more important in determining whether the Fed hikes next week.

jason.k.wong@bnz.co.nz

Coming up

		Period	Cons.	Prev.	NZT
EC	ECB deposit facility rate (%)	Sep	2.5	2.25	00:15
US	Initial jobless claims (k)	5-Sept	205	206	00:30
US	PPI ex food, energy (m/m%)	Aug	0.3	0.2	00:30
US	PPI ex food, energy (y/y%)	Aug	4.6	4.2	00:30
US	Existing home sales (m/m%)	Aug	-1.6	-1.7	02:00

Source: Bloomberg

Currencies

FX Majors — Indicative overnight ranges (*)

	Last	% Day	Low	High
NZD	0.5840	-0.2	0.5830	0.5865
AUD	0.7219	+0.0	0.7210	0.7238
EUR	1.1633	+0.1	1.1620	1.1654
GBP	1.3553	+0.1	1.3531	1.3568
JPY	153.51	-0.3	153.09	153.80
CAD	1.3804	+0.1		
NZD/AUD	0.8090	-0.3		
NZD/EUR	0.5020	-0.3		
NZD/GBP	0.4309	-0.3		
NZD/JPY	89.65	-0.5		
NZD/CAD	0.8062	-0.1		
NZ TWI	65.56	-0.2		

Other FX

	Last	% Day
CHF	0.8101	+0.1
SEK	9.596	+0.2
NOK	9.198	-0.3
HKD	7.842	+0.0
CNY	6.709	+0.0
SGD	1.264	-0.1
IDR	17,511	-0.7
THB	32.92	+0.0
KRW	1,340	-0.1
TWD	31.47	-0.2
PHP	62.52	-0.2

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,643	-0.4	17.4
Dow	52,490	-0.6	14.8
Nasdaq	26,271	-0.6	20.1
Stoxx 50	6,312	-1.6	17.6
FTSE	10,670	-1.3	15.4
DAX	25,576	-1.7	7.8
CAC 40	8,157	-1.9	5.3
Nikkei	65,143	-0.2	48.6
Shanghai	3,952	+0.3	3.8
ASX 200	8,911	-0.1	0.9
NZX 50	13,819	+0.2	4.1
VIX Index	16.20	+3.1	+7.7

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	101.25	+3.4
Oil (WTI)	96.03	+3.2
Gold	4428.2	+0.5
HRC steel	1234.0	+0.3
CRB	419.6	+0.8
SGX Iron Ore	99.05	-0.4
NZ Milk '26	9.75	+0.0
NZ Milk '27	9.90	+0.6
NZ Milk '28	9.79	+0.0
WM powder	3705	-0.4

Australian Futures

	Last	Net Day
3 year bond	95.18	-0.04
10 year bond	94.74	-0.06

Interest Rates

	Rates		Swap Yields	
	Cash	3Mth	2 Yr	10 Yr
USD	3.75	4.85	4.29	4.45
AUD	4.35	4.62	4.86	5.32
NZD	2.75	3.05	3.72	4.49
EUR	2.25	2.64	3.28	3.47
GBP	3.75	3.87	4.50	4.80
JPY	0.99	-0.03	1.85	2.78
CAD	2.25	4.97	3.09	3.61

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.83	0.04
AUD	5.21	0.02
NZD	4.79	0.03
GER	3.44	0.08
GBP	5.26	0.09
JPY	2.89	-0.01
CAD	3.84	0.03

NZ Government Bonds

	Last	Chg
15-May-28	3.62	0.03
20-Apr-29	3.85	0.03
15-May-30	4.04	0.03
15-May-31	4.22	0.03
15-May-32	4.37	0.03
14-Apr-33	4.48	0.03
15-May-34	4.59	0.03
15-May-35	4.70	0.03
15-May-36	4.79	0.03
15-May-37	4.89	0.03
15-May-38	4.95	0.03
15-May-41	5.19	0.03
15-May-51	5.42	0.03
15-May-54	5.44	0.03

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.95	0.00
BKBM 3-mth	3.05	-0.01
1 year	3.44	0.01
2 year	3.72	0.02
3 year	3.87	0.02
5 year	4.09	0.02
7 year	4.27	0.03
10 year	4.49	0.03
15 year	4.74	0.03

NZ Inflation-Indexed Bonds

	Last	Chg
Sept-30	1.65	0.02
Sept-35	2.48	0.02
Sept-40	2.95	0.02

Carbon Price

	Level	% Day	% Year
NZU	48.05	+4.5	-17.5

Policy Meeting Run

	NZD	AUD	USD
1st	2.82	4.54	3.79
2nd	2.99	4.65	3.86
3rd	3.12	4.72	4.00
4th	3.24	4.80	4.07
5th	3.34	4.83	4.17

* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer

Rates are as of: NZT 06:41

Source: Bloomberg

NZD exchange rates

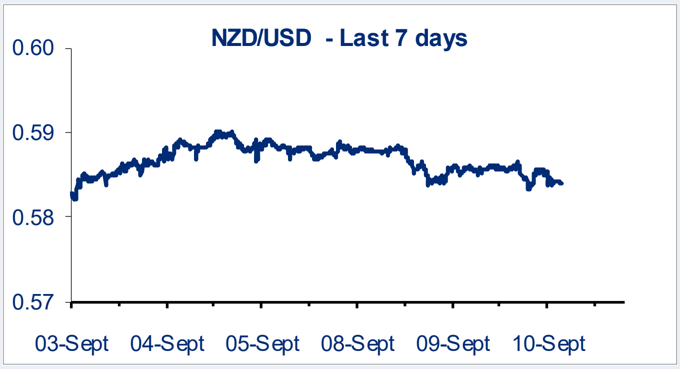
10/09/2026	6:41 am	Prev. NY close
USD	0.5840	0.5853
GBP	0.4309	0.4322
AUD	0.8090	0.8110
EUR	0.5020	0.5035
JPY	89.65	90.12
CAD	0.8062	0.8068
CHF	0.4730	0.4737
DKK	3.7528	3.7636
FJD	1.2916	1.2909
HKD	4.5821	4.5895
INR	55.57	55.50
NOK	5.3713	5.4002
PKR	162.15	162.44
PHP	36.53	36.66
PGK	2.6073	2.6353
SEK	5.6031	5.6071
SGD	0.7385	0.7404
CNY	3.9197	3.9275
THB	19.22	19.27
TOP	1.3522	1.3714
VUV	68.85	69.00
WST	1.5877	1.5842
XPF	59.76	59.90
ZAR	9.3678	9.3683

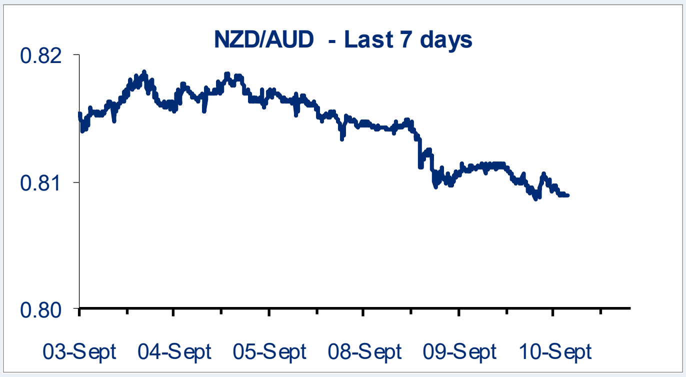
NZD/USD Forward Points

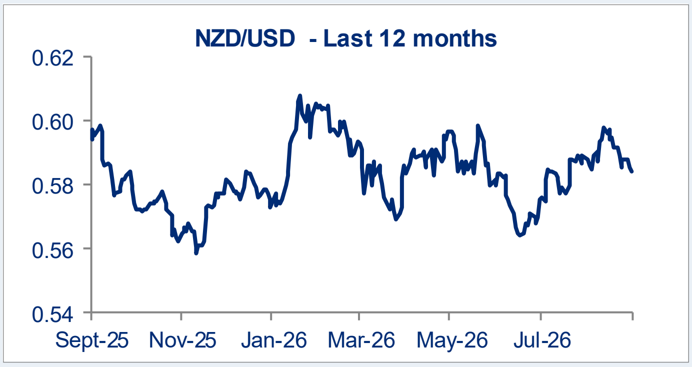
	BNZ buys NZD	BNZ sells NZD
1 Month	4.96	5.16
3 Months	14.28	14.80
6 Months	27.93	29.07
9 Months	39.95	42.06
1 Year	50.71	53.99

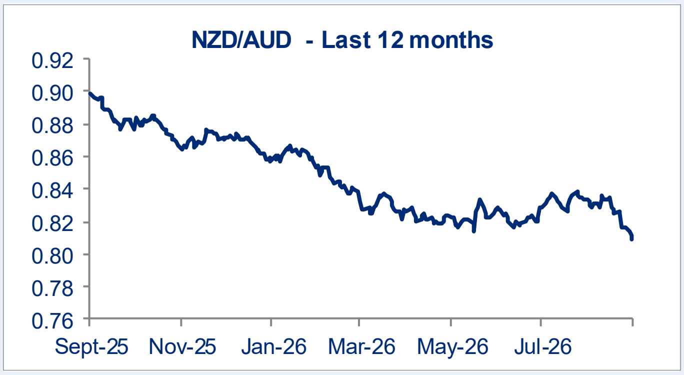
NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	10.36	10.77
3 Months	31.91	33.06
6 Months	63.11	65.79
9 Months	92.04	96.66
1 Year	118.58	125.39









Contact Details

BNZ Research

Stephen Toplis
Head of Research

Doug Steel
Senior Economist

India Power
Economist

Jason Wong
Senior Markets Strategist

Stuart Ritson
Senior Interest Rate Strategist

Mike Jones
BNZ Chief Economist

Main Offices

Wellington
Level 2, BNZ Place
1 Whitmore St
Private Bag 39806
Wellington Mail Centre
Lower Hutt 5045
New Zealand
Toll Free: 0800 283 269

Auckland
80 Queen Street
Private Bag 92208
Auckland 1142
New Zealand
Toll Free: 0800 283 269

Christchurch
111 Cashel Street
Christchurch 8011
New Zealand
Toll Free: 0800 854 854