

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.

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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							Equities				Commodities				
FX Majors		Indicative overnight ranges (*)			Other FX		Major Indices				Price (Near futures, except CRB)				
	Last	% Day	Low	High		Last	% Day		Last	% Day	% Year		Last	Net Day	
NZD	0.5840	-0.2	0.5830	0.5865	CHF	0.8101	+0.1	S&P 500	7,643	-0.4	17.4	Oil (Brent)	101.25	+3.4	
AUD	0.7219	+0.0	0.7210	0.7238	SEK	9.596	+0.2	Dow	52,490	-0.6	14.8	Oil (WTI)	96.03	+3.2	
EUR	1.1633	+0.1	1.1620	1.1654	NOK	9.198	-0.3	Nasdaq	26,271	-0.6	20.1	Gold	4428.2	+0.5	
GBP	1.3553	+0.1	1.3531	1.3568	HKD	7.842	+0.0	Stoxx 50	6,312	-1.6	17.6	HRC steel	1234.0	+0.3	
JPY	153.51	-0.3	153.09	153.80	CNY	6.709	+0.0	FTSE	10,670	-1.3	15.4	CRB	419.6	+0.8	
CAD	1.3804	+0.1			SGD	1.264	-0.1	DAX	25,576	-1.7	7.8	SGX Iron Ore	99.05	-0.4	
NZD/AUD	0.8090	-0.3			IDR	17,511	-0.7	CAC 40	8,157	-1.9	5.3	NZ Milk '26	9.75	+0.0	
NZD/EUR	0.5020	-0.3			THB	32.92	+0.0	Nikkei	65,143	-0.2	48.6	NZ Milk '27	9.90	+0.6	
NZD/GBP	0.4309	-0.3			KRW	1,340	-0.1	Shanghai	3,952	+0.3	3.8	NZ Milk '28	9.79	+0.0	
NZD/JPY	89.65	-0.5			TWD	31.47	-0.2	ASX 200	8,911	-0.1	0.9	WM powder	3705	-0.4	
NZD/CAD	0.8062	-0.1			PHP	62.52	-0.2	NZX 50	13,819	+0.2	4.1	Australian Futures			
NZ TWI	65.56	-0.2						VIX Index	16.20	+3.1	+7.7	3 year bond	95.18	-0.04	
												10 year bond	94.74	-0.06	
Interest Rates															
Rates		Swap Yields		Benchmark 10 Yr Bonds			NZ Government Bonds			NZ BKBM and Swap Yields					
	Cash	3Mth	2 Yr	10 Yr		Last	Net Day		Last	Chg		Last	Chg		
USD	3.75	4.85	4.29	4.45	USD	4.83	0.04	15-May-28	3.62	0.03	BKBM 1-mth	2.95	0.00		
AUD	4.35	4.62	4.86	5.32	AUD	5.21	0.02	20-Apr-29	3.85	0.03	BKBM 3-mth	3.05	-0.01		
NZD	2.75	3.05	3.72	4.49	NZD	4.79	0.03	15-May-30	4.04	0.03	1 year	3.44	0.01		
EUR	2.25	2.64	3.28	3.47	GER	3.44	0.08	15-May-31	4.22	0.03	2 year	3.72	0.02		
GBP	3.75	3.87	4.50	4.80	GBP	5.26	0.09	15-May-32	4.37	0.03	3 year	3.87	0.02		
JPY	0.99	-0.03	1.85	2.78	JPY	2.89	-0.01	14-Apr-33	4.48	0.03	5 year	4.09	0.02		
CAD	2.25	4.97	3.09	3.61	CAD	3.84	0.03	15-May-34	4.59	0.03	7 year	4.27	0.03		
								15-May-35	4.70	0.03	10 year	4.49	0.03		
Carbon Price					Policy Meeting Run				15-May-36	4.79	0.03		15 year	4.74	0.03
	Level	% Day	% Year		NZD	AUD	USD		15-May-37	4.89	0.03	NZ Inflation-Indexed Bonds			
NZU	48.05	+4.5	-17.5		1st	2.82	4.54	3.79	15-May-38	4.95	0.03	Sept-30	1.65	0.02	
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer					2nd	2.99	4.65	3.86	15-May-41	5.19	0.03	Sept-35	2.48	0.02	
Rates are as of: NZT 06:41					3rd	3.12	4.72	4.00	15-May-51	5.42	0.03	Sept-40	2.95	0.02	
Source: Bloomberg					5th	3.34	4.83	4.17							

NZD exchange rates

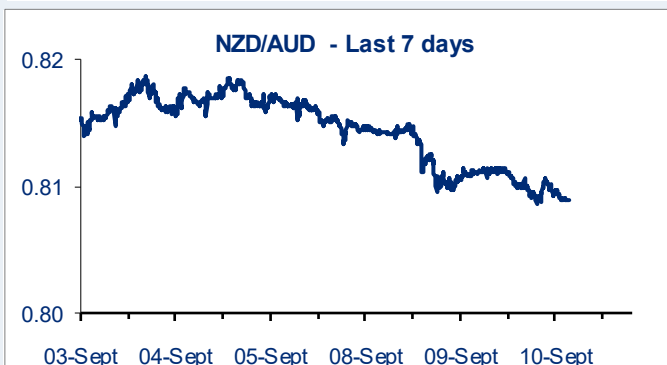
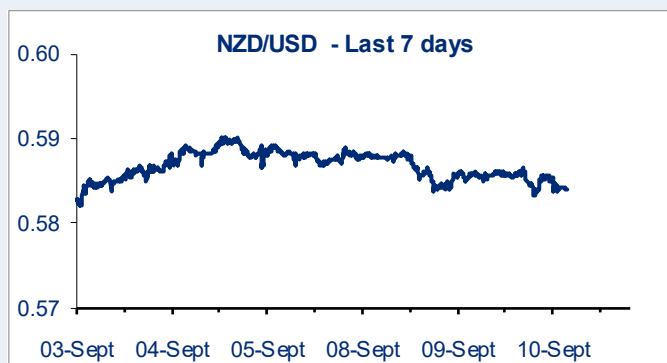
10/09/2026	6:41 am	Prev. NY close
USD	0.5840	0.5853
GBP	0.4309	0.4322
AUD	0.8090	0.8110
EUR	0.5020	0.5035
JPY	89.65	90.12
CAD	0.8062	0.8068
CHF	0.4730	0.4737
DKK	3.7528	3.7636
FJD	1.2916	1.2909
HKD	4.5821	4.5895
INR	55.57	55.50
NOK	5.3713	5.4002
PKR	162.15	162.44
PHP	36.53	36.66
PGK	2.6073	2.6353
SEK	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



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