

# Research Markets Today

11 March 2026

## Events Round-Up

AU: Westpac consumer confid., Mar: 91.6 vs. 90.5 prev.

AU: NAB business conditions, Feb: 7 vs. 7 prev.

CH: Exports (USD, YTD y/y%), Feb: 21.8 vs. 7.2 exp.

CH: Imports (USD, YTD y/y%), Feb: 19.8 vs. 7.0 exp.

US: NFIB small business optimism, Feb: 98.8 vs. 99.6 exp.

US: Existing home sales (m/m%), Feb: 1.7 vs. -0.8 exp.

## Good Morning

Risk sentiment has improved further following the tumble in oil prices, taking Brent crude to USD86 per barrel. Equity markets have rebounded. US Treasury yields show only small movement while European rates have played catch-up and are much lower. The USD is broadly weaker, while the AUD has been the top performer, sending NZD/AUD down to a fresh multi-year low.

Soon after we went to press yesterday, President Trump told CBS news that the war could be over soon, "I think the war is very complete, pretty much", adding that the US is "very far" ahead of his initial 4-5 week estimated time frame. Regarding the Strait of Hormuz, Trump said he is "thinking about taking it over".

This message was repeated at a news conference, where he added that he didn't believe the conflict would be over this week and "we're looking to keep the oil prices down". He claimed that Iran's missile capability was down to 10% and that drone launches from the country had decreased 83%.

These soundbites triggered further falls in oil prices and a sharp lift in US equities into the New York close, setting for scene for a much-improved Asian trading session. Equity markets across Asia recovered and the Euro Stoxx 600 has closed up 1.9%. The S&P500 is up 0.4% in afternoon trading, following yesterday's gain of 0.8%.

European bond markets played catch up to the news and curves are steeper, with Germany's 2-year rate down 6bps against a 2bps fall in the 10-year rate, with a sharp repricing of ECB rate hike expectations towards less tightening this year, down to about 20bps from 30bps over the session. European gas prices have followed the move lower in oil, down 16% to EUR47, after having peaked just below EUR70 at the height of panic.

US Treasury yields have traded a tight range by comparison, between about 4.09% to 4.14% for the 10-year rate overnight and currently little changed from the NZ close at 4.12%.

Oil prices have sustained the fall seen yesterday, with Brent crude trading this morning at USD86 per barrel and WTI crude at USD81. France's Finance Minister said the G7 wants to be ready to deploy oil reserves if needed, and tasked the IEA with studying the volumes that could be released. We might hear more about this later to today after the IEA meeting.

Trump has talked about the US Navy escorting tankers through the Strait of Hormuz. Just before we went to print, the US Energy Secretary tweeted that the US navy escorted an oil tanker through the Strait but the tweet was subsequently deleted. We're not sure of the truth at this stage, but in any case logistically doing this on an ongoing basis and at scale is a nightmare. The initial tweet sent Brent crude to a low of USD81 before rebounding to USD86 after the retraction, highlighting the market sensitivity to re-opening the Strait for shipping.

Despite Trump's optimism that the war could soon be over, there's no hint of any de-escalation. US Defence Secretary Hegseth said the US and Israel attacks on Iran have intensified and "we will not relent until the enemy is totally and decisively defeated". Iran remains defiant, with a spokesman saying the country is "absolutely" not seeking a ceasefire and the country continues to fire missiles and drones around the gulf region, albeit at a lesser rate. The Strait of Hormuz remains effectively closed for shipping and gulf nations have cut more production due to damage to some plant and a lack of storage facilities.

Painting a more realistic picture of the reality, Saudi Arabia's Aramco CEO said, "there would be catastrophic consequences for the world's oil markets the longer the disruption goes on". This follows a similar tone to the Qatar energy minister's comments at the end of last week that the war in the Middle East could bring down the economies of the world over a few weeks and it would take "weeks to months" to return to a normal cycle of deliveries following damage to the country's largest LNG plant.

In the currency market, the USD is broadly weaker overnight and over the past 24 hours. The AUD has been the best performer, helped by the improvement in risk

sentiment and some hawkish comments by RBA deputy Governor Hauser. He presented a hawkish interpretation of recent labour market data and noted inflation is headed higher than the February projection, and higher prices from the Iran conflict were not helpful. He added that there would be a “very genuine debate” about next week’s policy meeting regarding the decision. A couple of global banks changed their call expecting the RBA to hike by 25bps next week.

The AUD is up 1.3% overnight to 0.7155, That move has provided a tailwind for the NZD, which has traded above 0.5960, while the NZD/AUD cross rate has tumbled to 0.8320, a fresh low for the cycle not seen since 2013. Until the RBNZ pivots in a more hawkish direction, the downside bias to the cross rate will remain. The NZD shows small to modest gains on the other key crosses.

In the domestic rates market, yields tumbled in response to the offshore moves but not making up for the surge in rates over the previous session, nor the underperformance on a cross-market basis. Both NZGB and swap rates were down 11bps across the curve. While debate is raging

across the Tasman about RBA rate hikes, that narrative has yet to be fully embraced in NZ, but this seems just a matter of time. Inflation is already running above target, stimulatory policy settings are adding to inflation risks, and the inflationary impact of the war in Iran is already well underway, with higher oil prices feeding into retail petrol and diesel prices, airline fares, fertiliser and freight costs.

On the economic calendar, US CPI data are released tonight for February, where the consensus sees annual inflation steady at 2.4% and the core rate steady at 2.5%.

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### Coming Up

	Period	Cons.	Prev.	NZT
US CPI (m/m%)	Feb	0.3	0.2	01:30
US Core CPI (m/m%)	Feb	0.2	0.3	01:30
US CPI (y/y%)	Feb	2.4	2.4	01:30
US Core CPI (y/y%)	Feb	2.5	2.5	01:30

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	% Year		Last	Net Day				
NZD	0.5957	+0.4	0.5914	0.5965	CHF	0.7769	-0.1		S&P 500	6,820	+0.4	21.5	Oil (Brent)	85.46	-13.4
AUD	0.7156	+1.1	0.7075	0.7168	SEK	9.136	+0.0		Dow	48,146	+0.9	14.9	Oil (WTI)	80.90	-14.4
EUR	1.1645	+0.1	1.1620	1.1667	NOK	9.616	+0.2		Nasdaq	22,867	+0.8	30.9	Gold	5237.9	+2.6
GBP	1.3461	+0.2	1.3431	1.3483	HKD	7.824	+0.0		Stoxx 50	5,837	+2.7	8.4	HRC steel	1018.0	+0.1
JPY	157.63	-0.0	157.28	157.98	CNY	6.865	-0.6		FTSE	10,412	+1.6	21.1	CRB	356.9	+1.4
CAD	1.3570	-0.1			SGD	1.271	-0.3		DAX	23,969	+2.4	6.0	Wheat Chic.	590.0	-2.2
NZD/AUD	0.8324	-0.7			IDR	16,863	-0.5		CAC 40	8,057	+1.8	0.1	Sugar	14.38	-1.9
NZD/EUR	0.5116	+0.3			THB	31.44	-0.7		Nikkei	54,248	+2.9	47.4	Cotton	65.28	+1.0
NZD/GBP	0.4425	+0.2			KRW	1,466	-0.6		Shanghai	4,123	+0.6	22.5	Coffee	295.8	-0.7
NZD/JPY	93.90	+0.4			TWD	31.75	-0.4		ASX 200	8,693	+1.1	10.2	WM powder	3945	+0.0
NZD/CAD	0.8084	+0.3			PHP	58.92	-1.0		NZX 50	13,094	-0.0	5.5	<b>Australian Futures</b>		
NZ TWI	67.45	-0.2						VIX Index	23.08	-9.5	-17.2	3 year bond	95.52	0.08	
												10 year bond	95.14	0.00	
<b>Interest Rates</b>															
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	3.38	3.69	USD	4.12	0.03	15-May-28	3.32	-0.11	BKBM 1-mth	2.43	0.00		
AUD	3.85	4.07	4.45	4.95	AUD	4.85	-0.09	20-Apr-29	3.60	-0.11	BKBM 3-mth	2.50	0.01		
NZD	2.25	2.50	3.19	4.19	NZD	4.57	-0.11	15-May-30	3.85	-0.11	1 year	2.76	-0.04		
EUR	2.00	2.08	2.43	2.87	GER	2.84	-0.02	15-May-31	4.06	-0.11	2 year	3.19	-0.11		
GBP	3.75	3.88	3.69	4.14	GBP	4.55	-0.09	15-May-32	4.21	-0.11	3 year	3.45	-0.11		
JPY	0.73	-0.03	1.23	1.99	JPY	2.18	-0.01	14-Apr-33	4.31	-0.11	5 year	3.78	-0.11		
CAD	2.25	4.97	2.50	3.10	CAD	3.36	-0.01	15-May-34	4.40	-0.11	7 year	3.98	-0.11		
								15-May-35	4.49	-0.11	10 year	4.19	-0.11		
								15-May-36	4.57	-0.11	15 year	4.44	-0.11		
								15-May-37	4.67	-0.11					
								15-May-41	4.94	-0.11	<b>NZ Inflation-Indexed Bonds</b>				
								15-May-51	5.19	-0.11	Sept-30	1.60	0.00		
								15-May-54	5.20	-0.11	Sept-35	2.38	0.00		
											Sept-40	2.80	0.01		
<b>Carbon Price</b> Level % Day % Year NZU 44.15 -0.2 -28.8 * These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer Rates are as of: NZT 06:54 Source: Bloomberg															
					<b>Policy Meeting Run</b>										
					NZD	AUD	USD								
					1st	2.26	4.01	3.64							
					2nd	2.30	4.17	3.62							
					3rd	2.37	4.23	3.53							
					4th	2.49	4.35	3.47							
					5th	2.53	4.39	3.37							

**NZD exchange rates**

11/03/2026	6:54 am	Prev. NY close
USD	0.5957	0.5934
GBP	0.4425	0.4416
AUD	0.8324	0.8386
EUR	0.5116	0.5100
JPY	93.90	93.56
CAD	0.8084	0.8063
CHF	0.4618	0.4614
DKK	3.8167	3.8099
FJD	1.3084	1.3137
HKD	4.6577	4.6411
INR	54.65	54.79
NOK	5.7194	5.6942
PKR	166.27	165.78
PHP	35.06	35.31
PGK	2.5615	2.5534
SEK	5.4365	5.4212
SGD	0.7563	0.7563
CNY	4.0870	4.0986
THB	18.82	19.04
TOP	1.3838	1.3641
VUV	71.28	70.88
WST	1.5940	1.5879
XPF	60.55	60.40
ZAR	9.6433	9.6727



**NZD/USD Forward Points**

	BNZ buys NZD	BNZ sells NZD
1 Month	7.01	7.21
3 Months	19.68	20.22
6 Months	35.97	37.42
9 Months	47.03	49.55
1 Year	53.04	56.36

**NZD/AUD Forward Points**

	BNZ buys NZD	BNZ sells NZD
1 Month	11.57	12.22
3 Months	35.31	37.10
6 Months	74.29	77.80
9 Months	112.44	117.70
1 Year	145.50	153.77

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