

Research Markets Today

11 September 2026

Events round-up

EC: ECB deposit facility rate (%), Sep: 2.5 vs. 2.5 exp.

US: Initial jobless claims (k), 5 Sep: 206 vs. 205 exp.

US: PPI ex food, energy (m/m%), Aug: 0.2 vs. 0.3 exp.

US: PPI ex food, energy (y/y%), Aug: 4.6 vs. 4.6 exp.

US: Existing home sales (m/m%), Aug: -2.0 vs. -1.6 exp.

Good morning

Global government bond yields rose to fresh multi-year highs as oil prices extended gains, reflecting concern over the Iran conflict and a hawkish ECB hike. Brent crude traded above \$107 a barrel, while the 10-year Treasury yield rose above 4.90%, its highest level since October 2023. The move weighed on risk sentiment, with major equity indices lower in Europe and North America and the S&P down about 0.5% in afternoon trading. The US dollar was broadly firmer against G10 currencies, with the NZD and AUD underperforming.

The move higher in oil prices reflects renewed Middle East hostilities and increased risk of a drawn-out conflict. A senior Iranian official said Tehran would not back down in response to the US naval blockade and would escalate strikes if attacks on Iranian territory continued. The Wall Street Journal reported that Trump advisers have privately warned the war could run through to 2029, while Trump said it would not end before the November midterms and that meaningful relief from high gasoline prices was unlikely before then.

Headline US producer prices rose 0.4% in August, reflecting higher energy prices, while core prices increased 0.2%, leaving the annual rate at 4.6%. The readings were close to consensus. PPI components make up around one-third of the core PCE deflator, the Fed's preferred inflation gauge, with most inputs sourced from CPI. While PPI has unusually been released before CPI this month, the month-to-month relationship between the two is too loose to be useful for forecasting.

Treasury yields rose sharply, led by the front end, with the initial move accelerating alongside higher oil prices. Two-year yields are 13bp higher at 4.56%, while 10-year yields increased 9bp to 4.53%, flattening the 2y/10y curve to 34bp. The long end outperformed, helped by a strong 30-

year auction that cleared almost 3bp below prevailing market levels and drew the strongest demand in 25 years. The rise in yields appears to have drawn in investors.

The ECB raised rates another 25bp to 2.50% and struck a hawkish tone, highlighting the risk the inflation shock persists and revising headline and core inflation forecasts higher for 2027 and 2028. The shift increases the risk of further tightening, with Bloomberg reporting ECB officials see October as in play. The ECB's renewed inflation concern added to the government bond selloff, led by the front end, and pushed 10-year German and French yields to fresh multi-year highs.

The US dollar index rose alongside energy prices and Treasury yields, driving broad-based gains against G10 currencies, though it later pared some of the advance. The euro recovered from its initial decline and is only modestly weaker against the dollar, while growth-sensitive currencies such as the NZD and AUD have remained under pressure. NZD/USD has fallen back towards 0.5800, with the NZD also weaker on the main European crosses.

NZ fixed income sold off sharply during the local session yesterday, reflecting moves in offshore markets and higher energy prices. Two-year rates rose 9bp to 3.81%, returning to the cycle highs reached earlier this month and in July. Short-end rates have now fully unwound the post-MPS rally. The curve broadly maintained its shape, with 10-year rates closing 8bp higher at 4.57%. The government bond tender attracted decent demand across the three nominal lines offered. 10-year NZGB yields increased 9bp to 4.88%.

10-year Australian bond futures are close to 8bp higher in yields terms since the local close suggesting upward pressure for NZ rate on the open.

The August manufacturing PMI is released today. The index eased to 54.3 last month but remained well above its long-term average. Attention this evening will centre on the US CPI report, which is widely seen as pivotal to whether the Fed raises rates next week. Many FOMC members have indicated they would support tightening in the absence of further progress towards the 2% inflation target. The consensus expects core CPI to rise 0.2% m/m, which would lower the annual rate to 2.4%. Michigan consumer confidence data are also due.

stuart_ritson@bnz.co.nz

Coming up

		Period	Cons.	Prev.	NZT
NZ	BusinessNZ Manufacturing PMI	Aug		54.3	10:30
UK	Monthly GDP (m/m%)	Jul	0	0.3	18:00
UK	Industrial Production (m/m%)	Jul	-0.2	-0.2	18:00
US	CPI (m/m%)	Aug	0.4	0.1	00:30
US	Core CPI (m/m%)	Aug	0.2	0.2	00:30
US	CPI (y/y%)	Aug	3.4	3.4	00:30
US	Core CPI (y/y%)	Aug	2.4	2.5	00:30
US	U. of Mich. Sentiment	Sep P	51	51.7	02:00
US	U. of Mich. 5-10 Yr Inflation	Sep P	3.3	3.3	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	0.5796	-0.7	0.5795	0.5856	CHF	0.8131	+0.4	S&P 500	7,598	-0.6	16.3	Oil (Brent)	107.50	+6.4
AUD	0.7159	-0.8	0.7157	0.7216	SEK	9.682	+0.9	Dow	52,001	-0.7	14.3	Oil (WTI)	102.08	+6.4
EUR	1.1614	-0.2	1.1592	1.1642	NOK	9.278	+1.0	Nasdaq	26,084	-0.7	19.2	Gold	4356.8	-1.6
GBP	1.3513	-0.3	1.3491	1.3558	HKD	7.842	-0.0	Stoxx 50	6,269	-0.7	16.9	HRC steel	1234.0	+0.0
JPY	154.37	+0.5	153.32	154.67	CNY	6.712	+0.1	FTSE	10,609	-0.6	15.0	CRB	423.1	+0.8
CAD	1.3829	+0.2			SGD	1.268	+0.3	DAX	25,361	-0.8	7.3	SGX Iron Ore	97.70	-0.5
NZD/AUD	0.8096	+0.1			IDR	17,547	+0.2	CAC 40	8,117	-0.5	4.6	NZ Milk '26	9.75	+0.0
NZD/EUR	0.4991	-0.6			THB	33.11	+0.6	Nikkei	65,271	+0.2	47.1	NZ Milk '27	9.90	+0.0
NZD/GBP	0.4289	-0.5			KRW	1,348	+0.6	Shanghai	3,934	-0.4	3.2	NZ Milk '28	9.79	+0.0
NZD/JPY	89.47	-0.2			TWD	31.55	+0.3	ASX 200	8,819	-1.0	0.2	WM powder	3695	-0.3
NZD/CAD	0.8015	-0.6			PHP	62.55	+0.0	NZX 50	13,711	-0.8	3.6	Australian Futures		
NZ TWI	65.29	-0.4						VIX Index	17.43	+5.9	+13.6	3 year bond	95.15	-0.03
												10 year bond	94.65	-0.09
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	4.43	4.54	USD	4.94	0.10	15-May-28	3.69	0.07	BKBM 1-mth	2.95	0.00	
AUD	4.35	4.63	4.95	5.42	AUD	5.25	0.04	20-Apr-29	3.93	0.08	BKBM 3-mth	3.06	0.01	
NZD	2.75	3.06	3.81	4.57	NZD	4.88	0.09	15-May-30	4.12	0.08	1 year	3.51	0.06	
EUR	2.25	2.63	3.45	3.53	GER	3.50	0.06	15-May-31	4.30	0.08	2 year	3.81	0.09	
GBP	3.75	3.87	4.72	4.92	GBP	5.37	0.11	15-May-32	4.45	0.08	3 year	3.97	0.10	
JPY	0.99	-0.03	1.84	2.80	JPY	2.92	0.04	14-Apr-33	4.57	0.09	5 year	4.19	0.09	
CAD	2.25	4.97	3.24	3.71	CAD	3.94	0.09	15-May-34	4.68	0.09	7 year	4.36	0.09	
Carbon Price					Policy Meeting Run			15-May-35	4.78	0.09	10 year	4.57	0.08	
								15-May-36	4.88	0.09	15 year	4.82	0.08	
								15-May-37	4.97	0.08	NZ Inflation-Indexed Bonds			
								15-May-38	5.03	0.08	Sept-30	1.71	0.05	
								15-May-41	5.27	0.07	Sept-35	2.53	0.05	
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer					Rates are as of: NZT 06:17			15-May-51	5.49	0.07	Sept-40	3.00	0.05	
								15-May-54	5.50	0.06				
Source: Bloomberg					5th 3.40 4.88 4.30									

NZD exchange rates

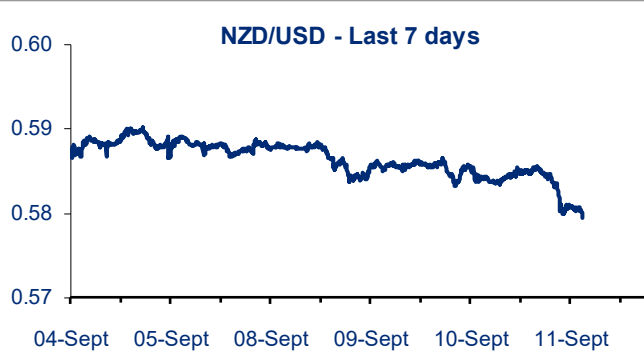
11/09/2026	6:17 am	Prev. NY close
USD	0.5796	0.5839
GBP	0.4289	0.4310
AUD	0.8096	0.8091
EUR	0.4991	0.5019
JPY	89.47	89.66
CAD	0.8015	0.8061
CHF	0.4713	0.4731
DKK	3.7304	3.7518
FJD	1.2815	1.2881
HKD	4.5449	4.5791
INR	55.32	55.53
NOK	5.3778	5.3664
PKR	160.85	162.05
PHP	36.25	36.50
PGK	2.5863	2.6290
SEK	5.6117	5.6019
SGD	0.7348	0.7382
CNY	3.8904	3.9170
THB	19.09	19.21
TOP	1.3454	1.3678
VUV	68.30	68.81
WST	1.5880	1.5821
XPF	59.30	59.73
ZAR	9.4010	9.3711

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	4.83	5.04
3 Months	14.84	15.43
6 Months	29.18	30.39
9 Months	42.00	44.42
1 Year	53.56	58.01

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	10.07	10.48
3 Months	32.81	33.97
6 Months	64.26	67.01
9 Months	93.42	98.57
1 Year	118.97	127.50



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

This document has been produced by Bank of New Zealand (BNZ). BNZ is a registered bank in New Zealand and is only authorised to offer products and services to customers in New Zealand.

Analyst Disclaimer: The Information accurately reflects the personal views of the author(s) about the securities, issuers and other subject matters discussed, and is based upon sources reasonably believed to be reliable and accurate. The views of the author(s) do not necessarily reflect the views of the NAB Group. No part of the compensation of the author(s) was, is, or will be, directly or indirectly, related to any specific recommendations or views expressed.

BNZ maintains an effective information barrier between the research analysts and its private side operations. Private side functions are physically segregated from the research analysts and have no control over their remuneration or budget. The research functions do not report directly or indirectly to any private side function. The Research analyst might have received help from the issuer subject in the research report.

New Zealand: The information in this publication is provided for general information purposes only, and is a summary based on selective information which may not be complete for your purposes. This publication does not constitute any advice or recommendation with respect to any matter discussed in it, and its contents should not be relied on or used as a basis for entering into any products described in it. Bank of New Zealand recommends recipients seek independent advice prior to acting in relation to any of the matters discussed in this publication.

Any statements as to past performance do not represent future performance, and no statements as to future matters are guaranteed to be accurate or reliable.

Neither Bank of New Zealand nor any person involved in this publication accepts any liability for any loss or damage whatsoever which may directly or indirectly result from any advice, opinion, information, representation or omission, whether negligent or otherwise, contained in this publication.

USA: If this document is distributed in the United States, such distribution is by nabSecurities, LLC. This document is not intended as an offer or solicitation for the purchase or sale of any securities, financial instrument or product or to provide financial services. It is not the intention of nabSecurities to create legal relations on the basis of information provided herein.