Research

Markets Today

23 September 2026

Events round-up

EA: Consumer Confidence, Sep: -16.5 vs. -16.0 exp.

Good morning

In the absence of major newsflow, market movements have been modest overnight. Oil prices are slightly lower amid positive vibes around the Middle East conflict. NZD/USD is trading around 0.5725, recovering from fresh lows yesterday afternoon.

Brent crude fluctuated between USD97.50 and USD102 per barrel overnight and currently trades with a USD98 handle, down modestly. Saudi Arabia is preparing to restart its key East-West pipeline and resume crude exports from its Red Sea port by the end of the week. There were plenty of headlines overnight on diplomatic efforts to reach a deal between the US and Iran. Trump noted that US officials met with Iran's delegation at the UN for three hours.

Media commentary on President Trump's speech at the UN highlighted his threat to "annihilate" Iran, although less biased outlets noted the full quote, which was more balanced: "Will a deal be made with Iran that lets them rebuild and create a far greater country than it ever was before – maybe one of the greatest in the Middle East or even the world – or do I annihilate the Islamic Republic and do it quickly?" He also added that he believes a deal will come "right after" the midterm election, saying, "they're waiting to see how I do".

US 10-year Treasury yields are currently flat around 4.96%, after trading an overnight range of 4.92%-4.98%. The 2-year rate traded at a fresh two-year high of 4.785%. The Fed Funds market is pricing in three full rate hikes by the middle of next year, spread over the next six meetings.

US equities have shown modest movements. The S&P 500 is currently flat, while the Nasdaq index is up 0.5%, trimming earlier gains that saw it trade at a fresh record high.

The USD is broadly stronger overnight, although moves have been modest. NZD/USD is trading around 0.5725, relatively flat from this time yesterday. The NZD traded down to about 0.5695 early yesterday afternoon, a fresh two-month low, in what looked like a liquidity vacuum before rebounding with some support from an RBNZ press release (see below). At the same time, the AUD fell through 0.71, although that did not prevent NZD/AUD from hitting a fresh 13-year low of 0.8006 before recovering sharply. The AUD is trading back above 0.71, while the NZD/AUD cross is around 0.8050. Most of the price action in all NZD crosses occurred yesterday afternoon, with only small moves overnight.

The RBNZ released a statement under the guise of various MPC members' visit to Dunedin, including comments on recent data and economic conditions. The RBNZ seemed to be trying to deliver a clear message to the market, but we are just not sure what it was! There was a mix of soundbites that could be interpreted as either dovish or hawkish, depending on one's disposition.

The market seemed to latch on to the comment noting that higher oil prices, if sustained, "are expected to result in somewhat higher near-term inflation than we assumed in the September Statement". Of note, the RBNZ's statement followed a critical report highlighting the mistakes it made in the wake of the COVID-19 pandemic. A key conclusion of the review was that greater emphasis should be placed on real interest rates when assessing and communicating the stance of monetary policy, while near-term inflation developments should receive greater focus.

Applying these recommendations to the current situation, NZ's real interest rates remain clearly stimulatory against a backdrop of headline CPI inflation that is on the verge of breaking up through 4%, while core inflation could easily breach 3%. On this basis, while the RBNZ has been tightening policy, there remains significant heavy lifting to do.

Domestic rates showed a flattening bias, with higher short-term rates in response to the RBNZ's comments against flat long-term rates. The 2-year rate closed up 4bps to 4.04%, just shy of its recent multi-year high, while the 10-year rate was unchanged at 4.65%. Short-end NZGB yields rose 3bps against a flat 10-year rate and a 1bp fall in ultra-long bonds.

On the economic calendar, global PMIs across Europe and the US are released tonight, with consensus estimates pointing to only modest changes in the early-September indicators compared with August.

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Coming up

		Period	Cons.	Prev.	NZT
GE	Manufacturing PMI	Sep	54.0	54.3	19:30
GE	Services PMI	Sep	49.9	49.7	19:30
EC	Manufacturing PMI	Sep	52.6	52.7	20:00
EC	Services PMI	Sep	51.4	51.6	20:00
UK	Manufacturing PMI	Sep	51.5	51.7	20:30
UK	Services PMI	Sep	52.0	52.5	20:30
US	Manufacturing PMI	Sep	53.6	53.9	01:45
US	Services PMI	Sep	55.9	56.5	01:45

Source: Bloomberg

Currencies

FX Majors — **Indicative overnight ranges (*)**

	Last	% Day	Low	High
NZD	0.5724	+0.2	0.5713	0.5749
AUD	0.7112	-0.1	0.7092	0.7120
EUR	1.1442	-0.2	1.1429	1.1471
GBP	1.3336	-0.2	1.3322	1.3374
JPY	157.50	+0.1	156.83	157.78
CAD	1.4067	+0.2		
NZD/AUD	0.8048	+0.3		
NZD/EUR	0.5003	+0.4		
NZD/GBP	0.4292	+0.4		
NZD/JPY	90.15	+0.3		
NZD/CAD	0.8052	+0.4		
NZ TWI	64.81	+0.1		

Other FX

	Last	% Day
CHF	0.8212	+0.0
SEK	9.850	+0.1
NOK	9.443	-0.0
HKD	7.844	-0.0
CNY	6.700	+0.1
SGD	1.276	-0.0
IDR	17,884	+0.2
THB	33.16	-0.3
KRW	1,359	-1.1
TWD	31.72	-0.1
PHP	62.72	-0.1

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,771	+0.1	16.1
Dow	51,893	-0.3	11.9
Nasdaq	27,248	+0.5	19.6
Stoxx 50	6,325	+0.1	16.2
FTSE	10,708	-0.3	16.1
DAX	25,579	+0.0	8.7
CAC 40	8,155	+0.2	4.1
Nikkei	65,019	+1.4	42.5
Shanghai	3,952	+0.1	3.2
ASX 200	8,758	+0.3	-1.0
NZX 50	13,875	+0.4	5.6
VIX Index	14.27	-4.0	-11.4

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	99.32	-1.1
Oil (WTI)	94.59	-0.6
Gold	4356.5	+0.1
HRC steel	1239.0	+0.2
CRB	419.3	-0.8
SGX Iron Ore	96.65	+0.6
NZ Milk '26	9.75	+0.0
NZ Milk '27	9.85	+0.4
NZ Milk '28	9.83	+0.0
WM powder	3685	+1.4

Australian Futures

3 year bond	94.99	-0.02
10 year bond	94.69	-0.02

Interest Rates

Rates / **Swap Yields**

	Cash	3Mth	2 Yr	10 Yr
USD	4.00	4.85	4.63	4.59
AUD	4.35	4.73	4.99	5.37
NZD	2.75	3.17	4.04	4.65
EUR	2.50	2.62	3.49	3.50
GBP	3.75	3.87	4.62	4.80
JPY	0.98	-0.03	1.89	2.86
CAD	2.25	4.97	3.20	3.62

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.97	0.02
AUD	5.30	0.02
NZD	4.95	0.00
GER	3.46	0.01
GBP	5.24	0.03
JPY	2.99	0.00
CAD	3.83	-0.01

NZ Government Bonds

	Last	Chg
15-May-28	3.87	0.03
20-Apr-29	4.13	0.03
15-May-30	4.32	0.02
15-May-31	4.47	0.01
15-May-32	4.60	0.01
14-Apr-33	4.69	0.01
15-May-34	4.79	0.00
15-May-35	4.87	0.00
15-May-36	4.95	0.00
15-May-37	5.03	-0.00
15-May-38	5.08	-0.00
15-May-41	5.28	-0.01
15-May-51	5.49	-0.01
15-May-54	5.50	-0.01

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.97	0.02
BKBM 3-mth	3.17	0.00
1 year	3.70	0.02
2 year	4.04	0.04
3 year	4.19	0.04
5 year	4.36	0.02
7 year	4.49	0.01
10 year	4.65	-0.00
15 year	4.86	-0.00

NZ Inflation-Indexed Bonds

Sept-30	1.80	0.01
Sept-35	2.57	0.01
Sept-40	3.01	0.01

Carbon Price

	Level	% Day	% Year
NZU	51.65	-2.2	-10.9

Policy Meeting Run

	NZD	AUD	USD
1st	2.93	4.58	4.03
2nd	3.14	4.71	4.22
3rd	3.33	4.77	4.33
4th	3.50	4.87	4.49
5th	3.66	4.94	4.57

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

Rates are as of: NZT 06:49

Source: Bloomberg

NZD exchange rates

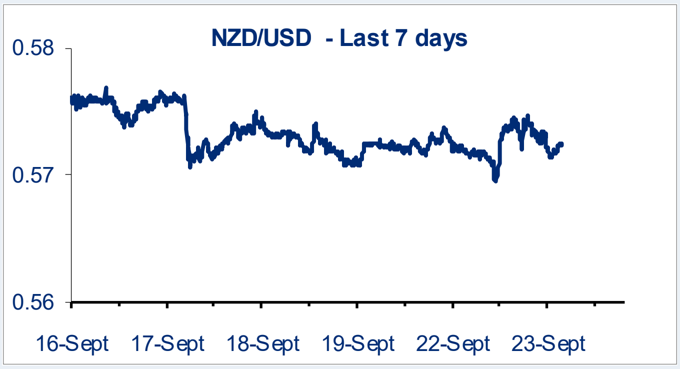
23/09/2026	6:50 am	Prev. NY close
USD	0.5724	0.5715
GBP	0.4292	0.4275
AUD	0.8048	0.8029
EUR	0.5003	0.4985
JPY	90.15	89.93
CAD	0.8052	0.8021
CHF	0.4699	0.4693
DKK	3.7384	3.7266
FJD	1.2761	1.2697
HKD	4.4851	4.4837
INR	54.66	54.76
NOK	5.4040	5.3974
PKR	158.49	158.43
PHP	35.86	35.89
PGK	2.5538	2.5525
SEK	5.6377	5.6237
SGD	0.7297	0.7292
CNY	3.8312	3.8263
THB	18.97	19.02
TOP	1.3316	1.3441
VUV	67.75	67.71
WST	1.5652	1.5615
XPF	59.21	59.42
ZAR	9.2771	9.2854

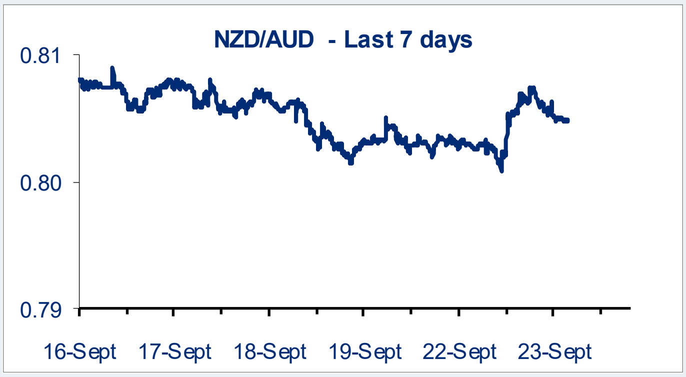
NZD/USD Forward Points

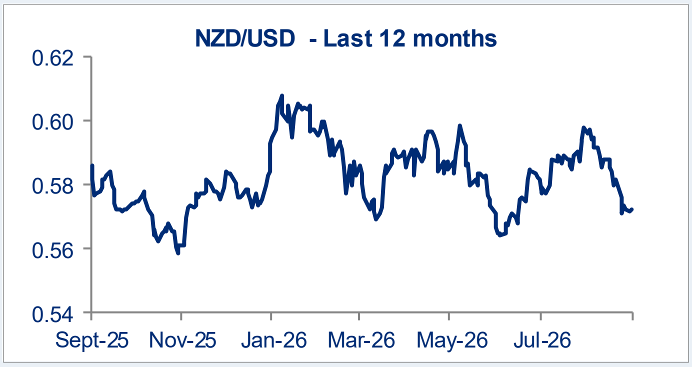
	BNZ buys NZD	BNZ sells NZD
1 Month	5.92	6.17
3 Months	15.71	16.29
6 Months	30.09	31.25
9 Months	42.80	45.26
1 Year	54.01	57.99

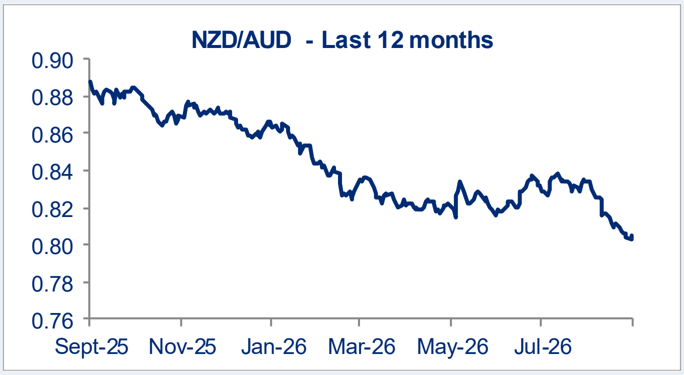
NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	11.78	12.27
3 Months	32.26	33.51
6 Months	60.48	63.08
9 Months	85.28	90.45
1 Year	107.25	115.14









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