Research

Markets Today

25 September 2026

Events round-up

AU: Employment change (k), Aug: 40 vs. 20 exp.

AU: Unemployment rate (%), Aug: 4.6 vs. 4.5 exp.

GE: IFO expectations, Sep: 90.4 vs. 89.3 exp.

CA: Retail sales ex auto (m/m%), Jul: -0.7 vs. -0.5 exp.

US: Initial jobless claims (k), Sep 19: 197 vs. 200 exp.

US: New home sales (k), Aug: 684 vs. 616 exp.

Good morning

Global bond yields continued to rise overnight, although the sell-off eased from the previous session. Bond market weakness weighed on broader risk sentiment, with US equity futures soft through European trading before recovering on hopes of an agreement to restore energy flows through the Strait of Hormuz. The S&P 500 is close to flat in afternoon trading, while major European indices closed modestly lower. The US dollar strengthened against most G10 currencies, and sovereign bond yields are broadly higher.

Oil prices were volatile overnight. Brent crude futures initially rose above US$108 per barrel after a senior Iranian military official warned that Tehran could broaden the conflict to the Indian Ocean if the US or Israel launched further attacks. Separately, Houthi forces renewed attacks on Saudi Arabia. Brent subsequently fell sharply to around US$104 after Reuters reported that the US and Iran were exploring a phased agreement to reopen the Strait of Hormuz but the dip proved temporary.

Moves in US rates broadly tracked oil prices, with little economic data to provide an independent lead. Initial jobless claims were steady at 197k. The Treasury curve steepened. Despite a sizeable trading range at the front end, 2-year yields were little changed, while longer-dated yields rose. The 10-year yield reached 5.16%, while the 30-year yield climbed 5bp to 5.44%, its highest level since 2004. A 7-year Treasury auction tailed by almost 1bp - a weak result, but nonetheless an improvement on the particularly poor 5-year sale the previous day.

The Ifo expectations index rose to 90.4 in September, with the institute's president saying the recovery was continuing across most sectors. The improvement was consistent with the firmer PMI readings released earlier in the week. The Ifo Institute has upgraded its 2026 GDP growth forecast to 1.3%. Meanwhile, 10-year Bunds extended their recent sell-off, with yields rising 4bp to 3.60%.

The US dollar index advanced, largely reflecting yen weakness, while the euro also edged lower. The DXY has posted solid gains this month and is approaching the 2026 highs reached in June and July. USD/JPY traded above 159, leaving the market alert to any official response after the Bank of Japan reportedly conducted a rate check near this level a few days earlier. NZD/USD dipped towards 0.5650, approaching its June low for the year of around 0.5625, while NZD/JPY traded above 90.

The Australian unemployment rate climbed to 4.6% last month, above the consensus estimate for it to remain steady at 4.5%. Employment rose by 40k, double the expected 20k gain, although most of the increase was in part-time jobs. The participation rate increased to 67.1% from 66.9%. The report is the final major economic release ahead of the 29 September RBA meeting. The central bank is widely expected to raise rates next week, although market pricing dipped slightly after the release though remains overwhelmingly in favour of a 25bp hike.

NZ fixed income yields rose significantly across both the swap and government curves yesterday, reflecting the move higher in offshore markets. The 2-year swap rate closed 12bp higher at 4.11%, having retraced marginally from the session highs after the Australian labour market data. The NZ curve shift was largely parallel, with the 10-year rate ending the session 12bp higher at 4.74%. The weekly NZGB tender attracted decent demand, with yields at multi-year highs. Both nominal lines cleared below prevailing market yields, though metrics suggests greater demand for the May-2031 line.

Australian 10-year bond futures are about 3bp higher in yield terms relative to the local close pointing to further upside pressure for NZ rates on the open.

The data calendar is light into the end of the trading week. There are no domestic or regional economic releases, while US durable goods orders and consumer sentiment are due this evening.

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Coming up

		Period	Cons.	Prev.	NZT
GE	GfK Consumer Confidence	Oct	-27.2	-26.6	18:00
US	Durable Goods Orders	Aug P	-0.3	1.1	00:30
US	Durables Ex Transportation	Aug P	0.6	0.4	00:30
US	U. of Mich. Sentiment	Sep F	47.5	47.8	02:00
US	U. of Mich. 5-10 Yr Inflation	Sep F	3.4	3.4	02:00

Source: Bloomberg

Currencies

FX Majors — Indicative overnight ranges (*)

	Last	% Day	Low	High
NZD	0.5659	-0.3	0.5650	0.5684
AUD	0.7014	-0.4	0.7006	0.7045
EUR	1.1371	-0.1	1.1359	1.1399
GBP	1.3217	-0.2	1.3204	1.3256
JPY	158.84	+0.3	158.07	159.04
CAD	1.4142	+0.3		
NZD/AUD	0.8068	+0.1		
NZD/EUR	0.4977	-0.1		
NZD/GBP	0.4282	-0.1		
NZD/JPY	89.89	+0.1		
NZD/CAD	0.8003	+0.0		
NZ TWI	64.41	-0.1		

Other FX

	Last	% Day
CHF	0.8281	+0.4
SEK	9.925	+0.1
NOK	9.513	+0.3
HKD	7.843	-0.0
CNY	6.713	+0.0
SGD	1.280	-0.0
IDR	17,916	+0.5
THB	33.48	+0.2
KRW	1,368	+0.2
TWD	31.83	+0.3
PHP	62.74	+0.2

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,694	-0.2	15.9
Dow	51,371	-0.3	11.4
Nasdaq	26,904	-0.1	19.6
Stoxx 50	6,273	-0.4	14.8
FTSE	10,680	-0.2	15.5
DAX	25,267	-0.6	6.8
CAC 40	8,081	-0.5	3.2
Nikkei	65,514	+0.8	43.2
Shanghai	3,888	-1.2	0.9
ASX 200	8,702	-0.7	-0.8
NZX 50	13,825	+0.0	5.1
VIX Index	15.84	+4.3	-2.1

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	106.86	+3.5
Oil (WTI)	95.06	+3.0
Gold	4260.6	-0.5
HRC steel	1237.0	+0.0
CRB	419.7	+0.2
SGX Iron Ore	95.75	+0.2
NZ Milk '26	9.69	-0.6
NZ Milk '27	9.90	+0.2
NZ Milk '28	9.90	+0.0
WM powder	3700	+0.5

Australian Futures

	Last	Net Day
3 year bond	94.95	-0.10
10 year bond	94.60	0.00

Interest Rates

	Rates Cash	Rates 3Mth	Swap Yields 2 Yr	Swap Yields 10 Yr
USD	4.00	4.85	4.75	4.76
AUD	4.35	4.74	5.02	5.47
NZD	2.75	3.21	4.11	4.74
EUR	2.50	2.62	3.58	3.64
GBP	3.75	3.87	4.68	4.90
JPY	1.24	-0.03	1.94	2.94
CAD	2.25	4.97	3.33	3.75

Benchmark 10 Yr Bonds

	Last	Net Day
USD	5.15	0.04
AUD	5.37	0.12
NZD	5.07	0.15
GER	3.60	0.04
GBP	5.38	0.03
JPY	3.08	0.09
CAD	3.97	0.02

NZ Government Bonds

	Last	Chg
15-May-28	3.93	0.11
20-Apr-29	4.22	0.14
15-May-30	4.41	0.14
15-May-31	4.57	0.15
15-May-32	4.71	0.15
14-Apr-33	4.80	0.14
15-May-34	4.90	0.14
15-May-35	4.98	0.15
15-May-36	5.07	0.15
15-May-37	5.14	0.15
15-May-38	5.19	0.15
15-May-41	5.39	0.15
15-May-51	5.59	0.14
15-May-54	5.59	0.14

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.99	0.01
BKBM 3-mth	3.21	0.02
1 year	3.76	0.07
2 year	4.11	0.12
3 year	4.26	0.12
5 year	4.44	0.13
7 year	4.58	0.13
10 year	4.74	0.12
15 year	4.94	0.12

NZ Inflation-Indexed Bonds

	Last	Chg
Sept-30	1.91	0.11
Sept-35	2.68	0.11
Sept-40	3.12	0.11

Carbon Price

	Level	% Day	% Year
NZU	51.89	-0.0	-8.2

Policy Meeting Run

	NZD	AUD	USD
1st	2.94	4.59	4.06
2nd	3.14	4.71	4.26
3rd	3.34	4.77	4.39
4th	3.52	4.88	4.56
5th	3.68	4.93	4.66

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

Rates are as of: NZT 06:18

Source: Bloomberg

NZD exchange rates

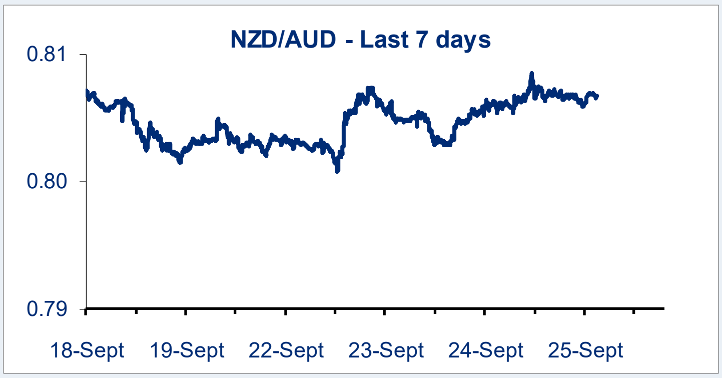
25/09/2026	6:18 am	Prev. NY close
USD	0.5659	0.5674
GBP	0.4282	0.4286
AUD	0.8068	0.8061
EUR	0.4977	0.4985
JPY	89.89	89.83
CAD	0.8003	0.8001
CHF	0.4686	0.4682
DKK	3.7206	3.7265
FJD	1.2668	1.2665
HKD	4.4382	4.4503
INR	54.31	54.33
NOK	5.3834	5.3835
PKR	156.83	157.27
PHP	35.51	35.53
PGK	2.5073	2.5140
SEK	5.6168	5.6260
SGD	0.7243	0.7263
CNY	3.7988	3.8079
THB	18.95	18.87
TOP	1.3231	1.3338
VUV	67.10	67.16
WST	1.5532	1.5513
XPF	59.01	59.43
ZAR	9.2982	9.2835

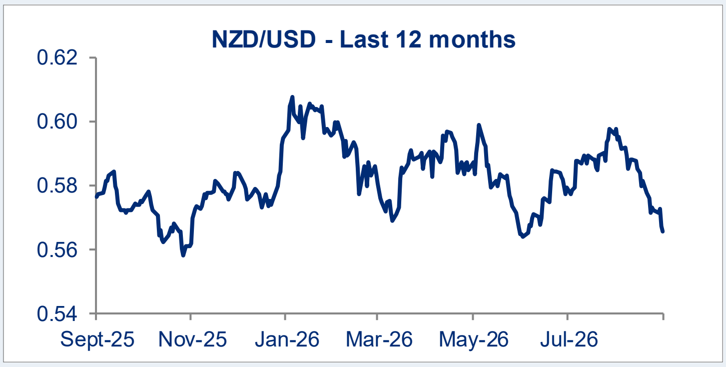
NZD/USD Forward Points

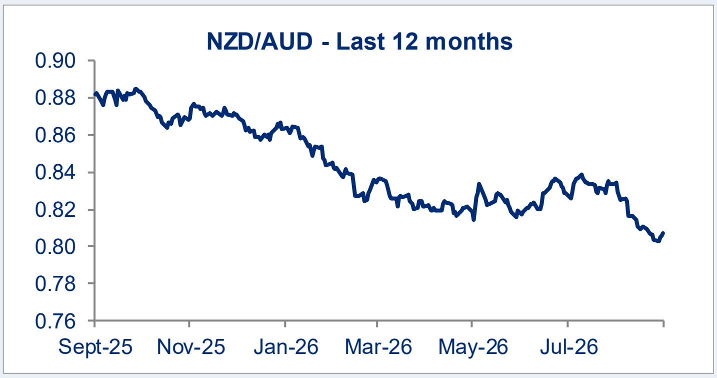
	BNZ buys NZD	BNZ sells NZD
1 Month	5.36	5.57
3 Months	16.00	16.58
6 Months	30.92	32.39
9 Months	43.92	46.86
1 Year	55.93	60.03

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	11.02	11.45
3 Months	32.82	34.08
6 Months	61.13	64.10
9 Months	84.46	90.40
1 Year	105.36	113.53







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