Research

Markets Today

27 March 2026

Events Round-Up

GE: GfK consumer confidence, Apr: -28.0 vs. -27.3 exp.

US: Initial jobless claims (k), wk to 21 Mar. 210 vs. 210 exp.

Good Morning

Risk sentiment is weaker, as investors lose hope of any speedy resolution to the Iran conflict. Global equity markets are weaker, global rates are higher, oil prices are higher and the NZD and AUD have underperformed, probing fresh lows since the conflict began.

Market attention remains focused on the Middle East, with investors questioning the chance of a diplomatic solution to end the war. Media reports convey a sense that President Trump wants a quick end to the war, sticking to his original plan of the conflict lasting 4-6 weeks. Iran still seems to be in no mood to negotiate, rebuffing reports that any negotiating is taking place. In response to a 15-point peace plan proposed by the US, Iran has responded with its own 5-point plan to end the conflict and the two sides are miles apart. Whether one calls that a negotiation is debateable, although in an official capacity, Pakistan is relaying comments by both sides to each other.

The chance of a deal ahead is remote, ahead of Trump's deadline for the end of this week before he "obliterates" Iran energy infrastructure. Questioned about whether he would extend the deadline, Trump responded "I'll announce it, we'll see".

The so-called "present" that Trump claimed was a gift given by Iran as a sign of good faith in talks, was Iran allowing 10 oil tankers to pass through the Strait of Hormuz earlier this week – eight Pakistani-flagged oil tankers followed by two others.

In a Truth Social post overnight, Trump claims Iran is "begging" to make a deal and "they better get serious soon, before it is too late, because once that happens, there is NO TURNING BACK, and it won't be pretty!"

Iran's Parliament is drafting a new law allowing a fee to be charged in exchange for security for ships to pass through the Strait of Hormuz. This law would face significant pushback from neighbouring Gulf nations and is widely considered a non-starter.

The US Maritime Administration has issued a new warning to ships about risks in the Bal El Mandeb Strait from the Houthis. The significance of this is that Saudi Arabia has been able to direct 4m barrels of oil per day via its East-West pipeline, facilitating increased shipping of oil via the Red Sea. If Houthis start firing at ships in this area, then that would cut off another vital source of oil supply to the world.

The OECD sharply increased its inflation forecast for major economies, now seeing an average of 4% this year. It left its global growth forecast unchanged at 2.9%, but said without the conflict it would have revised the figure 0.3ppts higher. US initial jobless claims increased 5k to 210k last week, but is settling at some of the lowest levels seen in the last year, consistent with a "low-firing" environment. Continuing claims have fallen to their lowest level in nearly two years, questioning the extent of labour market weakness evident in confidence surveys.

In central bank news, Norway's Norges Bank held policy unchanged but its guidance pivoted from expected easing to expected tightening. An earlier plan of three rate cuts by the end of 2028 has been replaced by guidance that an increase "at one of the forthcoming monetary policy meetings" will likely be necessary. Norges Bank's policy rate is already at the higher end of the peer group countries, at 4%. The move by the Norges Bank will be widely seen as indicative of policy guidance ahead for many other central banks as they stare into the face of much higher inflation pressure.

Souring sentiment about the war's progress has seen a steady lift in oil prices through the Asian trading session, and continuing overnight. Brent crude has traded as high as USD109 per barrel, up 6% for the day. The S&P500 is down 1.3% in early afternoon trading, while the Euro Stoxx 600 index closed down 1.1%.

Global rates are higher across the board. US Treasury yields are up 8-9bps for the day, out to 10-years maturity, with the 10-year rate trading at 4.4.1%, up 6bps from the NZ close. European and UK rates are up 10-13bps across the curve.

Apart from a small lift in NOK, the USD is broadly stronger and the risk-sensitive NZD and AUD have underperformed. The AUD has traded below 0.69 for the first time since the conflict began. The NZD has fallen to close to 0.5760, also a fresh low since the conflict began and consistent with our prevailing view that the NZD will grind steadily lower for every week that the Strait of Hormuz remains closed.

Apart from NZD/AUD remaining steady around 0.8360, other key NZD crosses are all lower. NZD/EUR has had a peek below 0.50, NZD/GBP has fallen to 0.4325 and NZD/JPY has converged towards 92.

In the domestic rates market, in contrast to the recent volatility, trading conditions were subdued and there were minimal changes in rates across the NZGB and swaps curves. The overnight rates market selloff will see NZ rates higher from the open today. The Australian 10-year bond future is up 6bps in yield terms since the NZ close.

There are only second tier economic data releases to end the week. Consumer confidence data, including in NZ, will give an early read on the Iran conflict and these should all show an initial dip.

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Coming Up

		Period	Cons.	Prev.	NZT
NZ	ANZ consumer confidence	Mar		100.1	10:00
UK	GfK consumer confidence	Mar	-24	-19	13:01
UK	Retail sales ex auto fuel (m/m%)	Feb	-1.0	2.0	20:00
US	U. of Mich. Sentiment	Mar	54.0	55.5	03:00
US	U. of Mich. 5-10yr inflation exp.	Mar	3.5	3.2	03:00

Source: Bloomberg

Currencies

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

	Last	% Day	Low	High
NZD	0.5761	-0.8	0.5761	0.5800
AUD	0.6892	-0.8	0.6891	0.6953
EUR	1.1527	-0.3	1.1523	1.1567
GBP	1.3327	-0.3	1.3322	1.3378
JPY	159.75	+0.2	159.29	159.75
CAD	1.3854	+0.3		
NZD/AUD	0.8359	+0.0		
NZD/EUR	0.4998	-0.5		
NZD/GBP	0.4323	-0.5		
NZD/JPY	92.03	-0.6		
NZD/CAD	0.7981	-0.5		
NZ TWI	66.24	-0.4		

Other FX

	Last	% Day
CHF	0.7949	+0.4
SEK	9.443	+1.0
NOK	9.690	-0.1
HKD	7.826	+0.1
CNY	6.914	+0.2
SGD	1.286	+0.3
IDR	16,904	-0.0
THB	32.96	+0.8
KRW	1,508	+0.4
TWD	31.92	-0.2
PHP	60.26	+0.3

Equities

Major Indices

	Last	% Day	% Year
S&P 500	6,509	-1.3	13.9
Dow	46,022	-0.9	8.4
Nasdaq	21,529	-1.8	20.3
Stoxx 50	5,566	-1.5	2.9
FTSE	9,972	-1.3	14.8
DAX	22,613	-1.5	-1.0
CAC 40	7,769	-1.0	-3.3
Nikkei	53,604	-0.3	41.8
Shanghai	3,889	-1.1	15.4
ASX 200	8,526	-0.1	7.0
NZX 50	12,977	+0.4	5.5
VIX Index	27.79	+9.7	+51.6

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	108.48	+6.1
Oil (WTI)	95.01	+5.2
Gold	4381.4	-3.7
HRC steel	1043.0	-0.4
CRB	356.4	-0.8
Wheat Chic.	617.5	+1.4
Sugar	15.87	+1.9
Cotton	69.41	+1.8
Coffee	307.1	-2.8
WM powder	3745	+0.4

Australian Futures

	Last	Net Day
3 year bond	95.24	-0.11
10 year bond	94.90	-0.13

Interest Rates

Rates / **Swap Yields**

	Cash	3Mth	2 Yr	10 Yr
USD	3.75	4.85	3.79	3.94
AUD	4.10	4.29	4.74	5.14
NZD	2.25	2.53	3.47	4.35
EUR	2.00	2.14	2.93	3.13
GBP	3.75	3.86	4.42	4.50
JPY	0.74	-0.03	1.35	2.10
CAD	2.25	4.97	2.87	3.32

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.41	0.08
AUD	5.01	0.05
NZD	4.73	0.00
GER	3.07	0.12
GBP	4.97	0.14
JPY	2.28	0.02
CAD	3.57	0.08

NZ Government Bonds

	Last	Chg
15-May-28	3.55	0.01
20-Apr-29	3.83	0.01
15-May-30	4.05	0.00
15-May-31	4.25	0.00
15-May-32	4.38	0.00
14-Apr-33	4.46	0.00
15-May-34	4.55	0.00
15-May-35	4.64	0.00
15-May-36	4.73	0.01
15-May-37	4.83	0.01
15-May-41	5.08	0.01
15-May-51	5.32	0.01
15-May-54	5.33	0.01

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.43	0.00
BKBM 3-mth	2.53	-0.01
1 year	2.94	0.01
2 year	3.47	0.01
3 year	3.73	0.00
5 year	3.99	-0.00
7 year	4.17	-0.00
10 year	4.35	-0.00
15 year	4.58	-0.01

NZ Inflation-Indexed Bonds

	Last	Chg
Sept-30	1.58	-0.02
Sept-35	2.36	-0.02
Sept-40	2.82	-0.02

Carbon Price

	Level	% Day	% Year
NZU	42.30	+1.1	-27.1

Policy Meeting Run

	NZD	AUD	USD
1st	2.27	4.28	3.67
2nd	2.35	4.38	3.70
3rd	2.47	4.57	3.72
4th	2.63	4.70	3.76
5th	2.70	4.80	3.79

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

Rates are as of: NZT 06:47

Source: Bloomberg

NZD exchange rates

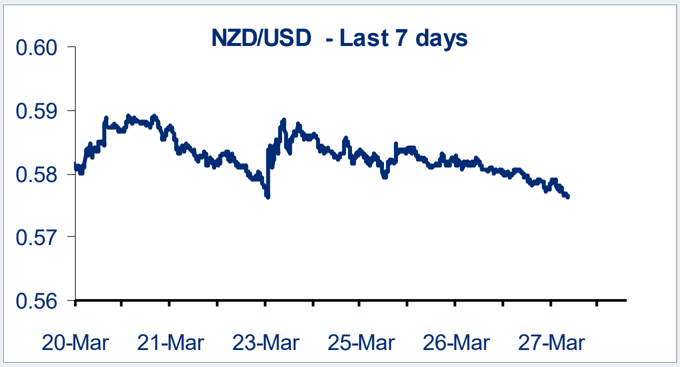
27/03/2026	6:47 am	Prev. NY close
USD	0.5761	0.5806
GBP	0.4323	0.4344
AUD	0.8359	0.8358
EUR	0.4998	0.5023
JPY	92.03	92.59
CAD	0.7981	0.8019
CHF	0.4582	0.4596
DKK	3.7360	3.7533
FJD	1.2806	1.2948
HKD	4.5148	4.5394
INR	54.21	54.50
NOK	5.5859	5.6287
PKR	161.14	162.21
PHP	34.76	34.90
PGK	2.4845	2.4983
SEK	5.4383	5.4302
SGD	0.7413	0.7440
CNY	3.9878	4.0076
THB	18.94	18.96
TOP	1.3336	1.3412
VUV	69.08	69.17
WST	1.5592	1.5701
XPF	59.68	60.01
ZAR	9.8647	9.8559

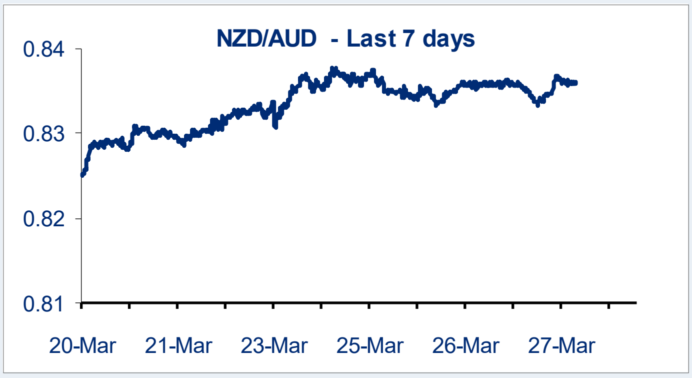
NZD/USD Forward Points

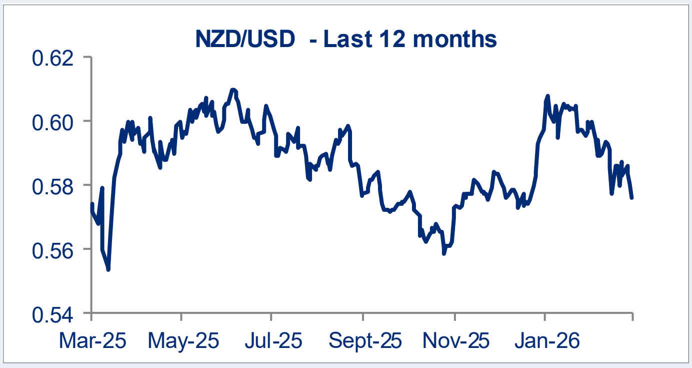
	BNZ buys NZD	BNZ sells NZD
1 Month	6.31	6.55
3 Months	18.67	19.26
6 Months	35.34	36.64
9 Months	48.85	51.59
1 Year	57.91	61.67

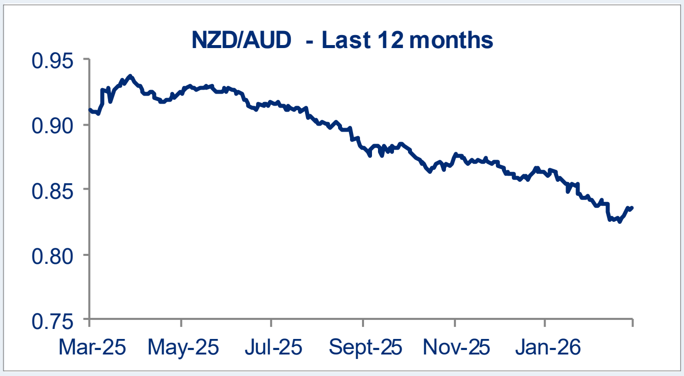
NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	11.99	12.60
3 Months	38.06	39.60
6 Months	77.98	81.05
9 Months	118.30	124.10
1 Year	152.56	160.86









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