

Research Markets Today

29 September 2026

Events round-up

NZ: Filled Jobs (m/m%), Aug: 0.2 vs. 0.2 prev.

US: Dallas Fed Manf. Activity, Sep: 9.8 vs. 7.3 exp.

Good morning

US equities declined as global bond yields surged further, extending moves seen during yesterday's Asian session after President Trump rejected Iran's proposal to reopen the Strait of Hormuz. The S&P 500 fell close to 1% intraday, as higher energy costs reinforced expectations of further Federal Reserve tightening and weighed on risk appetite. US Treasury yields reached fresh multi-year highs, although both equities and bonds partially recovered as oil prices retreated. The US dollar was little changed, while precious metals sold off, with gold falling more than 3% towards US\$4,100 an ounce.

Iran and the US remained far apart over a ceasefire agreement and the reopening of the Strait of Hormuz. Tehran said it was standing by a proposal rejected by President Trump, although Iranian Foreign Minister Abbas Araghchi was reportedly still due to meet mediators in New York. Front-month Brent crude futures traded above US\$108 per barrel before retreating on reports that Trump was open to sanctions relief linked to nuclear issues. The contract, which expires this week, remains at a significant premium to the more actively traded December contract, signalling near-term supply tightness.

Gold's pullback in September has not been accompanied by the ETF outflows typically associated with a sustained price decline. Some analysts have noted that the divergence is unusually wide, with selling instead concentrated among fast-money investors such as hedge funds. Resilient ETF holdings and renewed central-bank purchases have cushioned the decline so far. However, ETF flows can lag price action, and a delayed adjustment in holdings could create a technical overhang, amplifying further weakness as gold approaches important support around the 2026 lows near US\$4,000 an ounce.

Oil prices remained the key driver of volatile trading in US Treasuries. After yields moved higher during the Asian session, Brent's rise above US\$108 pushed them to fresh overnight highs. The 10-year yield peaked intraday at 5.27% before retracing as oil prices pulled back. With no

material economic data to provide direction, macro factors dominated. European sovereign bonds also came under pressure - German 10-year Bund yields rose to 3.65%, the highest since 2009.

Currency-market moves broadly tracked developments in energy prices and rates. The rise in Treasury yields to session highs coincided with a firmer US dollar, although the net move was modest. The subsequent retracement left the dollar index little changed from the NZ close. The yen marginally outperformed after Japan's top currency diplomat, Atsushi Mimura, reportedly said markets should heed the "very clear" message Tokyo and Washington sent last week on yen weakness.

The NZD traded steadily near 0.5665 for most of the offshore session, although it briefly spiked higher as oil prices retreated. The NZD crosses were little changed overall. NZD/JPY fell towards 88.80 before recovering above 89.00.

Trading was subdued in the local NZ fixed income session yesterday. Rates edged higher across the curve, reflecting a softer offshore backdrop as US Treasuries opened weaker in Asia. Swap rates closed 1-2bp higher, with a similar move in NZ government bond yields.

The Treasury will release its Pre-election Economic and Fiscal Update today, ahead of the 7 November general election. We expect the operating balance to remain on track to return to surplus by 2028/29. Finance Minister Willis sounded positive over the weekend about the PREFU numbers. NZDM will update the borrowing programme alongside the release, with markets focused on any change in gross issuance relative to the Budget baseline and details of forthcoming syndicated transactions.

The RBA is unanimously expected to raise the cash rate to 4.6%, with around 90% of the move priced. A follow-up increase in November remains a clear risk. With no new forecasts due, the focus will be on any dovish dissent and the post-meeting guidance. In the US, the Conference Board consumer confidence index and JOLTS job openings are scheduled for release.

stuart_ritson@bnz.co.nz

Coming up

	Period	Cons.	Prev.	NZT
NZ Treasury Releases Pre-Election Fiscal Update				13:00
AU Household Spending (m/m%)	Aug	0.4	1.1	14:30
AU RBA Cash Rate Target	Sep	4.6	4.35	17:30
EC Economic Confidence	Sep	98.9	98.4	22:00
EC ECB's Nagel Speaks in Frankfurt				23:00
CA GDP (m/m%)	Jul	0		01:30
US Conf. Board Consumer Conf.	Sep	89.2	89.4	03:00
US JOLTS Job Openings	Aug	7225	7271	03:00
US Fed's Goolsbee Speaks in Moderated Discussion				06:00
US Fed's Williams Gives Keynote Remarks				07:00

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	0.5672	+0.3	0.5653	0.5687	CHF	0.8319	+0.4	S&P 500	7,702	-0.5	15.9	Oil (Brent)	105.75	+1.3
AUD	0.7023	+0.1	0.7008	0.7039	SEK	9.955	+0.3	Dow	51,586	-0.3	11.5	Oil (WTI)	93.24	+0.8
EUR	1.1370	-0.1	1.1353	1.1391	NOK	9.534	+0.3	Nasdaq	26,863	-0.5	19.5	Gold	4129.0	-3.7
GBP	1.3263	+0.2	1.3236	1.3280	HKD	7.845	+0.0	Stoxx 50	6,301	-0.0	14.6	HRC steel	1235.0	-0.2
JPY	157.38	+0.0	156.51	157.60	CNY	6.714	+0.0	FTSE	10,685	-0.1	15.1	CRB	418.5	-1.1
CAD	1.4168	+0.2			SGD	1.278	-0.0	DAX	25,374	-0.1	6.9	SGX Iron Ore	94.75	-0.1
NZD/AUD	0.8076	+0.2			IDR	17,978	+0.4	CAC 40	8,078	+0.0	2.6	NZ Milk '26	9.69	+0.0
NZD/EUR	0.4989	+0.3			THB	33.59	+0.5	Nikkei	65,878	-0.7	46.3	NZ Milk '27	10.00	+0.5
NZD/GBP	0.4277	+0.0			KRW	1,360	+0.3	Shanghai	3,824	-1.7	-0.1	NZ Milk '28	10.00	+0.3
NZD/JPY	89.27	+0.3			TWD	31.78	+0.1	ASX 200	8,680	+0.2	-2.1	WM powder	3710	-0.3
NZD/CAD	0.8036	+0.4			PHP	62.54	+0.1	NZX 50	13,831	+0.1	5.3	Australian Futures		
NZ TWI	64.46	+0.2						VIX Index	15.94	+7.2	+4.3	3 year bond	94.94	-0.03
												10 year bond	94.55	-0.06
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	4.00	4.85	4.78	4.87	USD	5.24	0.08	15-May-28	3.95	0.02	BKBM 1-mth	3.01	0.01	
AUD	4.35	4.77	5.05	5.53	AUD	5.42	0.05	20-Apr-29	4.24	0.01	BKBM 3-mth	3.24	0.01	
NZD	2.75	3.24	4.13	4.82	NZD	5.13	0.02	15-May-30	4.44	0.01	1 year	3.79	0.02	
EUR	2.50	2.61	3.56	3.70	GER	3.64	0.04	15-May-31	4.60	0.02	2 year	4.13	0.01	
GBP	3.75	3.87	4.69	4.95	GBP	5.42	0.06	15-May-32	4.75	0.02	3 year	4.30	0.02	
JPY	1.24	-0.03	2.00	2.97	JPY	3.10	0.02	14-Apr-33	4.85	0.01	5 year	4.49	0.02	
CAD	2.25	4.97	3.32	3.77	CAD	3.98	0.05	15-May-34	4.95	0.02	7 year	4.64	0.02	
								15-May-35	5.05	0.02	10 year	4.82	0.03	
								15-May-36	5.13	0.02	15 year	5.02	0.02	
								15-May-37	5.21	0.03				
								15-May-38	5.26	0.02				
								15-May-41	5.46	0.02				
								15-May-51	5.65	0.02				
								15-May-54	5.66	0.02				

NZD exchange rates

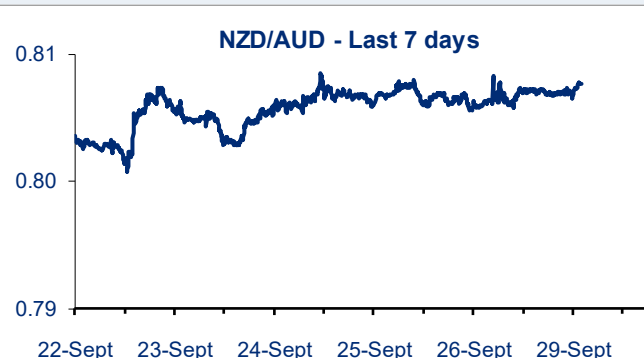
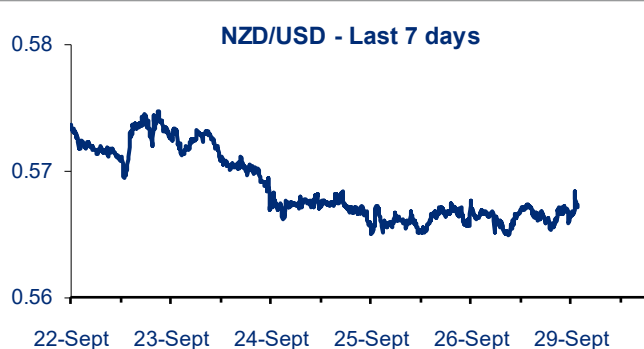
29/09/2026	6:12 am	Prev. NY close
USD	0.5672	0.5663
GBP	0.4277	0.4275
AUD	0.8076	0.8064
EUR	0.4989	0.4971
JPY	89.27	89.07
CAD	0.8036	0.8009
CHF	0.4719	0.4691
DKK	3.7292	3.7165
FJD	1.2783	1.2675
HKD	4.4497	4.4421
INR	54.44	54.26
NOK	5.4078	5.3857
PKR	157.18	156.94
PHP	35.48	35.38
PGK	2.5481	2.5202
SEK	5.6465	5.6168
SGD	0.7247	0.7233
CNY	3.8065	3.8015
THB	19.05	18.89
TOP	1.3479	1.3439
VUV	67.53	67.17
WST	1.5575	1.5550
XPF	59.41	59.26
ZAR	9.3123	9.2362

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	5.46	5.66
3 Months	16.08	16.75
6 Months	31.11	32.35
9 Months	44.15	46.93
1 Year	55.91	60.11

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	11.56	12.01
3 Months	33.40	34.81
6 Months	61.53	64.27
9 Months	84.98	90.67
1 Year	105.43	113.73



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

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