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.

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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

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

	Last	% Day	Low	High
NZD	0.5672	+0.3	0.5653	0.5687
AUD	0.7023	+0.1	0.7008	0.7039
EUR	1.1370	-0.1	1.1353	1.1391
GBP	1.3263	+0.2	1.3236	1.3280
JPY	157.38	+0.0	156.51	157.60
CAD	1.4168	+0.2		
NZD/AUD	0.8076	+0.2		
NZD/EUR	0.4989	+0.3		
NZD/GBP	0.4277	+0.0		
NZD/JPY	89.27	+0.3		
NZD/CAD	0.8036	+0.4		
NZ TWI	64.46	+0.2		

Other FX

	Last	% Day
CHF	0.8319	+0.4
SEK	9.955	+0.3
NOK	9.534	+0.3
HKD	7.845	+0.0
CNY	6.714	+0.0
SGD	1.278	-0.0
IDR	17,978	+0.4
THB	33.59	+0.5
KRW	1,360	+0.3
TWD	31.78	+0.1
PHP	62.54	+0.1

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,702	-0.5	15.9
Dow	51,586	-0.3	11.5
Nasdaq	26,863	-0.5	19.5
Stoxx 50	6,301	-0.0	14.6
FTSE	10,685	-0.1	15.1
DAX	25,374	-0.1	6.9
CAC 40	8,078	+0.0	2.6
Nikkei	65,878	-0.7	46.3
Shanghai	3,824	-1.7	-0.1
ASX 200	8,680	+0.2	-2.1
NZX 50	13,831	+0.1	5.3
VIX Index	15.94	+7.2	+4.3

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	105.75	+1.3
Oil (WTI)	93.24	+0.8
Gold	4129.0	-3.7
HRC steel	1235.0	-0.2
CRB	418.5	-1.1
SGX Iron Ore	94.75	-0.1
NZ Milk '26	9.69	+0.0
NZ Milk '27	10.00	+0.5
NZ Milk '28	10.00	+0.3
WM powder	3710	-0.3
Australian Futures		
3 year bond	94.94	-0.03
10 year bond	94.55	-0.06

Interest Rates

Rates / **Swap Yields**

	Cash	3Mth	2 Yr	10 Yr
USD	4.00	4.85	4.78	4.87
AUD	4.35	4.77	5.05	5.53
NZD	2.75	3.24	4.13	4.82
EUR	2.50	2.61	3.56	3.70
GBP	3.75	3.87	4.69	4.95
JPY	1.24	-0.03	2.00	2.97
CAD	2.25	4.97	3.32	3.77

Benchmark 10 Yr Bonds

	Last	Net Day
USD	5.24	0.08
AUD	5.42	0.05
NZD	5.13	0.02
GER	3.64	0.04
GBP	5.42	0.06
JPY	3.10	0.02
CAD	3.98	0.05

NZ Government Bonds

	Last	Chg
15-May-28	3.95	0.02
20-Apr-29	4.24	0.01
15-May-30	4.44	0.01
15-May-31	4.60	0.02
15-May-32	4.75	0.02
14-Apr-33	4.85	0.01
15-May-34	4.95	0.02
15-May-35	5.05	0.02
15-May-36	5.13	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

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	3.01	0.01
BKBM 3-mth	3.24	0.01
1 year	3.79	0.02
2 year	4.13	0.01
3 year	4.30	0.02
5 year	4.49	0.02
7 year	4.64	0.02
10 year	4.82	0.03
15 year	5.02	0.02

NZ Inflation-Indexed Bonds

	Last	Chg
Sept-30	1.96	0.01
Sept-35	2.73	0.01
Sept-40	3.18	0.01

Carbon Price

	Level	% Day	% Year
NZU	51.35	-0.3	-9.9

Policy Meeting Run

	NZD	AUD	USD
1st	2.94	4.60	4.06
2nd	3.14	4.73	4.27
3rd	3.35	4.78	4.41
4th	3.54	4.89	4.59
5th	3.72	4.94	4.69

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

Rates are as of: NZT 06:11

Source: Bloomberg

NZD exchange rates

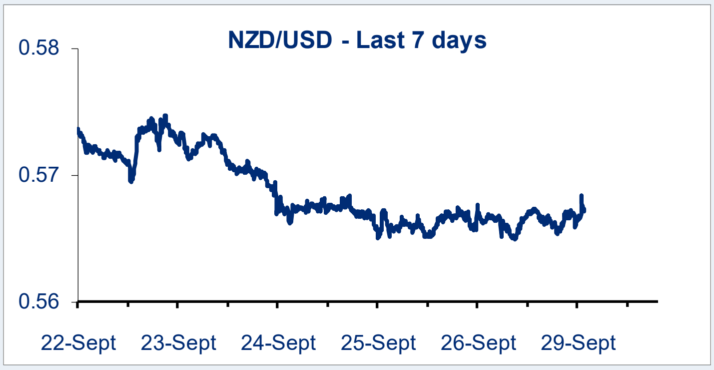
29/09/2026	6:12 am	Prev. NY close
USD	0.5672	0.5663
GBP	0.4277	0.4275
AUD	0.8076	0.8064
EUR	0.4989	0.4971
JPY	89.27	89.07
CAD	0.8036	0.8009
CHF	0.4719	0.4691
DKK	3.7292	3.7165
FJD	1.2783	1.2675
HKD	4.4497	4.4421
INR	54.44	54.26
NOK	5.4078	5.3857
PKR	157.18	156.94
PHP	35.48	35.38
PGK	2.5481	2.5202
SEK	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

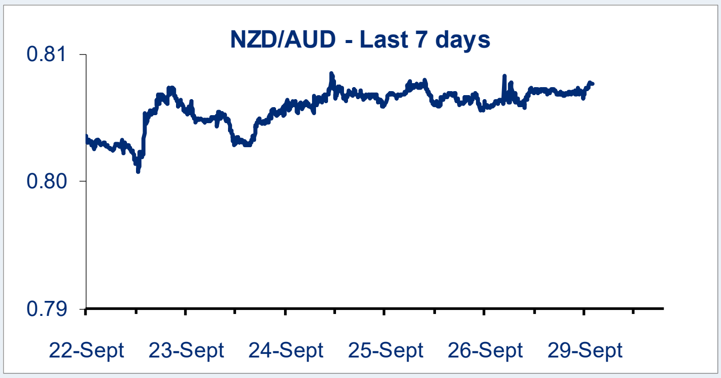
NZD/USD Forward Points

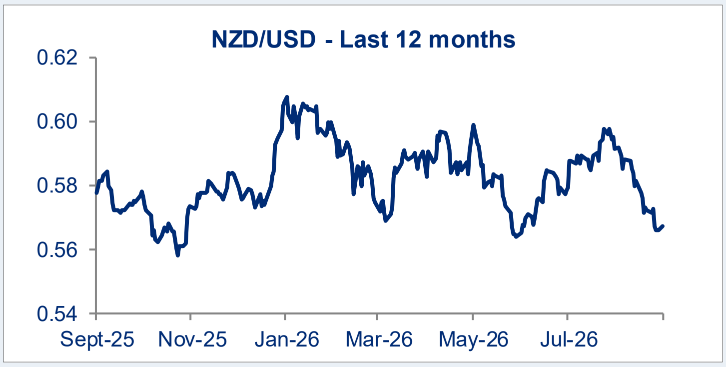
	BNZ buys NZD	BNZ sells NZD
1 Month	5.46	5.66
3 Months	16.08	16.75
6 Months	31.11	32.35
9 Months	44.15	46.93
1 Year	55.91	60.11

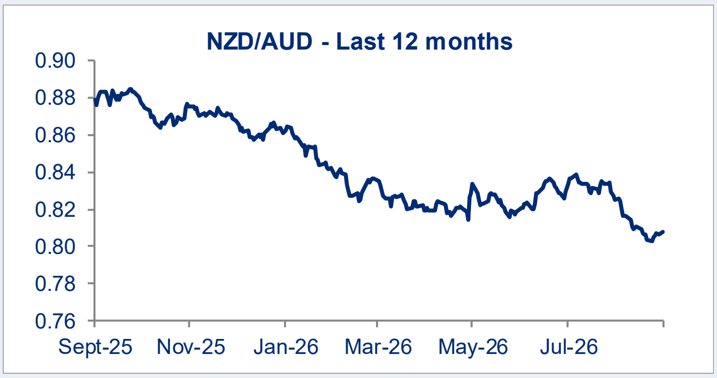
NZD/AUD Forward Points

	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









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