

Research Markets Today

30 September 2026

Events round-up

AU: Household spending (m/m%), Aug: 0.0 vs. 0.4 exp.

AU: RBA cash rate target, Sep: 4.6 vs. 4.6 exp.

EA: Economic confidence, Sep: 97.9 vs. 99.0 exp.

CA: GDP (m/m%), Jul: 0.0 vs. 0.0 exp.

US: Conf. Board consumer conf., Sep: 81.9 vs. 89.0 exp.

US: JOLTS job openings (k), Aug: 7079 vs. 7228 exp.

Good morning

Markets are trading cautiously, with US Treasury yields reaching new milestones and weighing on US equities. The risk-off mood has seen the NZD and AUD underperform overnight, compounded by some dovish remarks from Governor Bullock after the RBA delivered another rate hike.

Oil prices are modestly lower following the restoration of half the capacity of Saudi Arabia's East-West pipeline, easing global supply concerns. Flows through the Strait of Hormuz are also increasing amid fewer attacks by Iran and more covert efforts to move ships through. The US Department of Energy said the US would offer up to 40m barrels from the Strategic Petroleum Reserve, which would reduce the reserve to its lowest level since 1982. Brent crude is down about 2% on the day at around USD103 per barrel.

Despite lower oil prices, long-term Treasury yields have reached new milestones. The 10-year rate traded at 5.29% overnight, its highest level since 2007, while the 30-year rate traded at 5.62%, its highest level since 2002. The curve has steepened, with the 2-year rate little changed from the previous New York close, while the 10-year rate is up 5bps and the 30-year rate is up 6bps. More than half of respondents to a Bloomberg survey believed the 30-year rate would reach 6% by year-end. The rise in rates caps off a poor September, with 2-year and 5-year rates recording the largest moves, up 60bps with one trading day still remaining.

European rates have not kept pace with US rates, with German and UK 10-year government bond yields slightly lower on the day. France was the exception, with its 10-year yield up 4bps and the France-Germany spread widening further to 119bps, its highest level in 14 years. France's budget deficit is set to widen to 5.4% of GDP this

year, and the debt agency said it would seek to raise a record €340b of new debt next year.

Against a backdrop of record-high yields, US equities are lower, although the moves have been modest. The S&P 500 is currently down 0.3%, the Nasdaq is down 0.4%, and the Euro Stoxx 600 fell 0.1%.

US economic data were weaker than expected. The Conference Board's measure of consumer confidence fell 6.7pts to 81.9 in September, its lowest level since 2014, driven by declines in both the present situation and expectations components. Survey respondents cited the cost of living, particularly oil and gas prices, as a key factor. However, the recent relationship between confidence and spending has not been particularly strong, with spending growth remaining solid this year despite declining confidence. The labour market indicator measuring the difference between those saying jobs were plentiful and those saying jobs were hard to get fell to a five-year low, pointing to a weaker labour market.

The JOLTS report also pointed to a weaker labour market, with job openings falling by 256k in August to 7,079k. However, layoffs also declined, and the data overall remained consistent with a low-firing, low-hiring labour market.

The weaker data did not alter market expectations for further Fed rate hikes, with nearly four additional 25bp hikes priced in over the coming 12 months.

In currency markets, weaker risk sentiment has supported the USD. While the yen is relatively flat, European currencies are modestly weaker, with EUR heading towards 1.13 and GBP close to falling through 1.32. There was little market reaction to UK PM Burnham's speech at the Labour conference. Most of the plans he outlined would not take effect until 2030, after the next election in 2029.

The NZD and AUD have underperformed. The NZD matched its June year-to-date low of 0.5626 and could well be below that level by the time we go to print. A downside break would open up 0.5580 as the next support level. The NZD is weaker on the key crosses apart from the AUD, with NZD/AUD steady at around 0.8075 as the AUD fell to 0.6970 following yesterday's RBA update (see below). NZD/JPY is probing fresh year-to-date lows around 88.6, while the TWI, at 64.1, is testing fresh 15-year lows.

As widely expected, the RBA voted unanimously to raise the cash rate for a fourth time this year, lifting it by 25bps to a 15-year high of 4.6%. A tightening bias was maintained, with the Statement noting that “the Board will continue to do what it considers necessary to bring inflation sustainably back to target, including increasing the cash rate target further if needed”. Governor Bullock sounded slightly dovish, noting that the Board had considered holding rates steady at this meeting and expressing hope that the tightening delivered would prove sufficient, although she added, “I’m not going to give forward guidance”.

The market pared pricing for a hike at the next meeting and now sees a greater chance of the RBA remaining on hold than delivering another hike in November. The 3-year bond future rallied after Governor Bullock’s comments, and that move has been sustained overnight, while the 10-year rate has been more influenced by the overnight move in Treasuries. Since the NZ close, the 3-year yield is 4bps lower, while the 10-year yield is around 1bp lower.

There were only small movements in the domestic rates market yesterday. The 2-year swap rate was unchanged at 4.14%, while the 5- and 10-year rates rose by 1bp. NZGBs slightly outperformed, with yields falling by 1bp across maturities out to 10 years, supported by the fiscal update.

The government’s pre-election economic and fiscal update delivered a positive surprise, with fiscal metrics upgraded relative to the Budget and the projected debt programme reduced over the coming years. In the current fiscal year to June 2027, government bond issuance will be around \$4b lower at \$30b, alongside a substantial \$5b reduction in short-term borrowing to \$10b. While little, if any, weight should be placed on the outer-year fiscal projections given

the looming general election, the estimates for the current fiscal year are more concrete.

Today’s economic calendar includes the ANZ New Zealand Business Outlook survey, Australian monthly CPI, and China PMI data. The key global releases tonight are German CPI, US ADP private payrolls, and the US core PCE deflator, for which the market expects annual core inflation to remain steady at 3.3%.

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Coming up

		Period	Cons.	Prev.	NZT
NZ	ANZ activity outlook (net%)	Sep		48.2	13:00
AU	CPI (y/y%)	Aug	4.1	3.5	14:30
AU	CPI trimmed mean (m/m%)	Aug	0.3	0.5	14:30
AU	CPI trimmed mean (y/y%)	Aug	3.6	3.6	14:30
CH	Manufacturing PMI	Sep	50.1	49.8	14:30
CH	Non-manufacturing PMI	Sep	49.2	49.0	14:30
CH	RatingDog PMI services	Sep	51.3	51.4	14:45
CH	RatingDog PMI manufacturing	Sep	51.7	51.5	14:45
GE	Unemployment rate (%)	Sep	6.4	6.4	20:55
GE	CPI EU harmonised (y/y%)	Sep	3.2	2.9	01:00
US	ADP employment change (k)	Sep	75	38	01:15
US	Real personal spending (m/m%)	Aug	0.5	0.0	01:30
US	Core PCE deflator (m/m%)	Aug	0.3	0.2	01:30
US	Core PCE deflator (y/y%)	Aug	3.3	3.3	01:30
US	Goods trade balance (\$b)	Aug	-115	-119	01:30

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	0.5634	-0.6	0.5626	0.5660	CHF	0.8348 +0.3	S&P 500	7,662	-0.3	15.0	Oil (Brent)	103.25	-1.9
AUD	0.6975	-0.6	0.6966	0.7007	SEK	10.007 +0.4	Dow	51,255	-0.4	10.7	Oil (WTI)	90.16	-2.6
EUR	1.1327	-0.4	1.1312	1.1363	NOK	9.607 +0.7	Nasdaq	26,760	-0.2	18.5	Gold	4146.5	+0.2
GBP	1.3218	-0.3	1.3202	1.3253	HKD	7.847 +0.0	Stoxx 50	6,320	+0.3	14.8	HRC steel	1235.0	-0.2
JPY	157.33	-0.0	156.98	157.72	CNY	6.708 -0.1	FTSE	10,637	-0.5	14.4	CRB	414.2	-1.0
CAD	1.4192	+0.1			SGD	1.279 +0.1	DAX	25,399	+0.1	7.0	SGX Iron Ore	94.25	+0.8
NZD/AUD	0.8077	+0.0			IDR	17,981 +0.0	CAC 40	8,036	-0.5	2.0	NZ Milk '26	9.69	+0.0
NZD/EUR	0.4974	-0.2			THB	33.60 +0.1	Nikkei	65,481	-0.6	45.7	NZ Milk '27	10.00	+0.0
NZD/GBP	0.4262	-0.3			KRW	1,355 -0.4	Shanghai	3,830	+0.2	-0.8	NZ Milk '28	10.00	+0.0
NZD/JPY	88.64	-0.6			TWD	31.91 +0.4	ASX 200	8,709	+0.3	-1.6	WM powder	3730	+0.5
NZD/CAD	0.7996	-0.4			PHP	62.58 +0.1	NZX 50	13,684	-1.1	2.9	Australian Futures		
NZ TWI	64.16	-0.5					VIX Index	16.27	+1.2	+0.9	3 year bond	95.02	0.08
											10 year bond	94.59	0.03
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	4.76	4.89	USD	5.27	0.03	15-May-28	3.94	-0.01	BKBM 1-mth	3.01	0.00
AUD	4.35	4.77	4.97	5.48	AUD	5.37	-0.04	20-Apr-29	4.23	-0.01	BKBM 3-mth	3.24	0.00
NZD	2.75	3.24	4.14	4.83	NZD	5.12	-0.01	15-May-30	4.43	-0.01	1 year	3.78	-0.00
EUR	2.50	2.59	3.60	3.70	GER	3.63	-0.02	15-May-31	4.59	-0.01	2 year	4.14	0.00
GBP	3.75	3.87	4.71	4.96	GBP	5.41	-0.01	15-May-32	4.75	-0.01	3 year	4.30	0.01
JPY	1.24	-0.03	1.98	2.95	JPY	3.09	-0.01	14-Apr-33	4.84	-0.00	5 year	4.50	0.01
CAD	2.25	4.97	3.31	3.80	CAD	4.00	0.03	15-May-34	4.95	-0.01	7 year	4.65	0.01
								15-May-35	5.04	-0.01	10 year	4.83	0.01
								15-May-36	5.12	-0.01	15 year	5.03	0.01
								15-May-37	5.21	-0.00			
								15-May-38	5.25	-0.00			
								15-May-41	5.45	-0.00			
								15-May-51	5.65	-0.00			
								15-May-54	5.66	-0.00			
Carbon Price				Policy Meeting Run				NZ Inflation-Indexed Bonds					
	Level	% Day	% Year		NZD	AUD	USD						
NZU	52.75	+2.7	-7.5	1st	2.94	4.61	4.03	Sept-30	1.97		0.01		
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer				2nd	3.15	4.72	4.24	Sept-35	2.74		0.01		
Rates are as of: NZT 07:04				3rd	3.35	4.76	4.38	Sept-40	3.19		0.01		
Source: Bloomberg				4th	3.54	4.87	4.55						
				5th	3.72	4.91	4.65						

NZD exchange rates

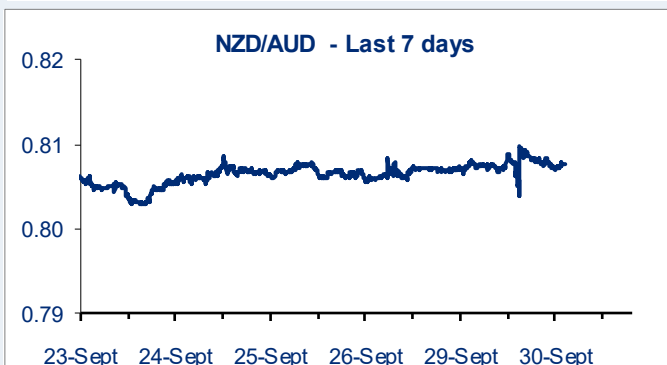
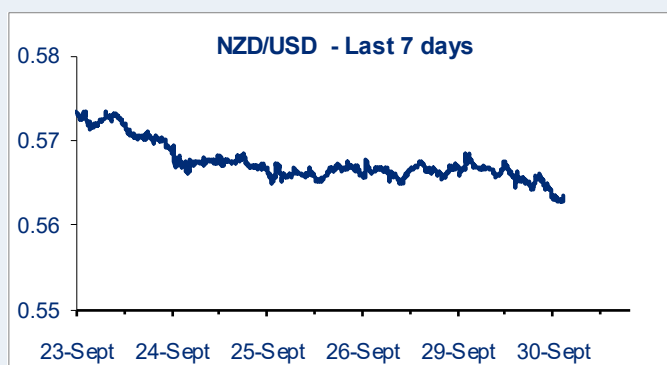
30/09/2026	7:04 am	Prev. NY close
USD	0.5634	0.5667
GBP	0.4262	0.4275
AUD	0.8077	0.8075
EUR	0.4974	0.4984
JPY	88.64	89.19
CAD	0.7996	0.8032
CHF	0.4702	0.4716
DKK	3.7151	3.7257
FJD	1.2685	1.2772
HKD	4.4192	4.4459
INR	54.06	54.39
NOK	5.4116	5.4054
PKR	156.05	157.04
PHP	35.24	35.45
PGK	2.5301	2.5220
SEK	5.6403	5.6458
SGD	0.7202	0.7238
CNY	3.7767	3.8032
THB	18.92	19.03
TOP	1.2989	1.3448
VUV	67.05	67.22
WST	1.5575	1.5550
XPF	58.72	59.36
ZAR	9.2586	9.3062

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	5.70	5.90
3 Months	16.76	17.21
6 Months	31.07	32.13
9 Months	44.46	46.92
1 Year	56.19	60.12

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	12.16	12.58
3 Months	34.33	35.45
6 Months	60.89	63.54
9 Months	83.84	89.11
1 Year	102.61	110.59



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