

Market Alert

Thursday 12 March 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5912	0.0036
NZD/AUD	0.8274	0.0075
NZD/JPY	93.970	-0.84
NZD/EUR	0.5110	-0.0010
NZD/GBP	0.4408	0.0029
NZD/CNH	4.0778	-0.0221
AUD/USD	0.7144	-0.0022
AUD/EUR	0.6175	-0.0069
EUR/USD	1.1568	0.0093
USD/CNH	6.8765	-0.0793
GBP/USD	1.3411	-0.0007
EUR/GBP	0.8624	0.0073

INT RATES	NZ	Australia
OCR/Cash	2.25%	3.85%
90 day bills	2.49%	4.20%
2 year swap	3.19%	4.41%
10 year Govt	4.61%	4.95%

It took a decade and trillions of dollars ...

for the US to replace the Taliban in Afghanistan with ... the Taliban in Afghanistan. The good news is that it's only taken twelve days so far, and USD100bn, to replace Ayatollah Khamenei with ... Ayatollah Khamenei!

Unfortunately, the question of the day remains the same, what is the end game, because the overnight moves suggest that this conflict could last a lot longer after ...

- The International Energy Agency (IEA) agreed the largest coordinated release of oil reserves in its history, with the release of 400 million barrels. The release will be 'drip fed' into markets over a 3 to 4-week period and is double the agencies previous record release. The IEA members currently hold more than 1.2 billion barrels of oil stocks,

with a further 600 million barrels held under government obligation.

- New Zealand confirmed it will release about six days' worth of fuel as part of the IEA decision.
- The largest LNG export plant in Qatar has halted shipments for five consecutive days, the longest stretch since 2008, raising the risk of further increases in fuel prices.
- The US military announced it has eliminated 16 Iranian mine-laying vessels near the Strait of Hormuz, although overnight it was reported 3 container vessels have reported damage from flying projectiles near the Straits.
- Not content to remain on the sidelines, North Korea tested a strategic cruise missile designed for deployment against naval destroyers.
- Iran has threatened to strike the US west coast, California, with offensive strike drones. Coincidentally, just after the announcement President Trump announced he's due to visit Gavin Newsome and the Jonas Brothers in California next Thursday!

Looking at the price action, oil futures are 5.0% higher this morning with crude trading at USD87.50 while European gas prices firmed 3.5%. As one would expect, equity markets are also trading in the red, while the selling of US Treasuries saw yields rise, with the 2-years 3bps higher at 3.64% while the 10-years reached its highest level in about a month, firming 5bps to 4.21%. The USD-Index firmed, although the AUD held on to its gains,

and with the NZD lower, NZD/AUD is below 0.8300 at 0.8275.

It's not really relevant in the current environment but ...

- US annual CPI inflation flatlined at 2.4% in February holding at its lowest level since last May, while core annual inflation remained at 2.5%, its lowest level since 2021.
- Japanese producer prices rose 2.0% in the year to February, slowing from January's 2.3% increase, although rising oil prices and higher import costs are threatening to push price pressures back up again.

Overnight the US Treasury auctioned off USD39bn of 10-year notes at a high yield of 4.217%. Once again, the auction wasn't particularly well received, with a 0.7bps tail.

Who knows ...

The recent comments from RBA Deputy Governor Andrew Hauser warning that oil price shocks pose upside risks to inflation has certainly ramped up the pricing for further RBA rate hikes, with Westpac, NAB, Citi and Deutsche anticipating rate hikes at the meetings in both March and May, while BoA, UBS and Capital Economics are 'only' calling for a hike at next week's meeting, Market pricing for an RBA hike next week has risen to above 70%.

ECB President Lagarde pushed back against stagflation concerns stating, "The Eurozone economy is not in a stagflationary environment."



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Daily Rates

Thursday 12 March 2026

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	67.20					CAD	0.8033	0.9710
NZD/USD	0.5912	0.0007	0.0020	0.0036	0.0055	CHF	0.4608	0.5572
NZD/AUD	0.8274	0.0011	0.0037	0.0075	0.0149	CNY	4.0621	4.9103
NZD/JPY	93.970	-0.14	-0.43	-0.8442	-1.78	DKK	3.8167	4.6136
NZD/EUR	0.5110	-0.0002	-0.0006	-0.0010	-0.0027	FJD	1.2848	1.5530
NZD/GBP	0.4408	0.0005	0.0015	0.0029	0.0050	HKD	4.6249	5.5905
						KRW	873.06	1055.35
AU TWI	66.50					MYR	2.3126	2.7954
AUD/USD	0.7144	-0.0002	-0.0008	-0.0022	-0.0062	NOK	5.7017	6.8922
AUD/NZD	1.2082	-0.0018	-0.0055	-0.0113	-0.0224	SEK	5.4513	6.5896
AUD/JPY	113.40	-0.34	-1.02	-2.05	-4.16	SGD	0.7529	0.9101
AUD/EUR	0.6175	-0.0011	-0.0034	-0.0069	-0.0142	TWD	18.78	22.70
AUD/GBP	0.5326	-0.0001	-0.0006	-0.0015	-0.0036	ZAR	9.75	11.79
USD Index	99.22					EQUITIES		
EUR/USD	1.1568	0.0017	0.0052	0.0093	0.0158		Index	
USD/JPY	158.93	-0.43	-1.26	-2.39	-4.42	NZX50	13,293	
GBP/USD	1.3411	0.0000	-0.0001	-0.0007	-0.0033	ASX200	8,744	
EUR/GBP	0.8624	0.0013	0.0039	0.0073	0.0137	Dow Jones	47,361	
USD/CNY	6.8655	-0.0131	-0.0391	-0.0749	-0.1387	S&P 500	6,763	
						FTSE100	10,354	
INTEREST		New Zealand		Australia		DAX 40	23,640	
RATES		Mid		Mid		Nikkei	55,025	
30 day bank bills		2.42%		3.98%		COMMODITIES		
90 day bank bills		2.49%		4.20%			USD	
1 year swap		2.77%		4.35%		Brent Crude	92.05	
2 year swap		3.19%		4.41%		Gold	5,171.06	
3 year swap		3.46%		4.44%		Silver	85.43	
5 year swap		3.78%		4.53%		Iron Ore	103.22	
10 year swap		4.20%		4.74%		CRB Index	448.06	
3 year Govt bond		3.57%		4.50%			NZD	
5 year Govt bond		4.03%		4.61%		NZ Carbon	44.10	
10 year Govt bond		4.61%		4.95%				

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