Market Alert

Monday 16 March 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5787	0.0035
NZD/AUD	0.8283	0.0073
NZD/JPY	92.430	-0.86
NZD/EUR	0.5066	-0.0011
NZD/GBP	0.4373	0.0028
NZD/CNH	4.0643	-0.0235
AUD/USD	0.6986	-0.0020
AUD/EUR	0.6115	-0.0068
EUR/USD	1.1421	0.0091
USD/CNH	6.9027	-0.0817
GBP/USD	1.3231	-0.0009
EUR/GBP	0.8634	0.0073

INT RATES	NZ	Australia
OCR/Cash	2.25%	3.85%
90 day bills	2.49%	4.23%
2 year swap	3.33%	4.54%
10 year Govt	4.70%	5.05%

Well … we got through Friday the 13th …

and it was a great weekend! Young Liam did well, United, Auckland FC and the Warriors all won, and the Six Nations actually produced some good rugby!

But unfortunately, in the real world the war continues.

The latest headline saw US President Trump threaten further strikes on Iran's oil export hub on Kharg Island, while also urging China and other allies to send warships to secure the Strait of Hormuz. Some economists believe if the Strait of Hormuz remains closed until the end of the month, oil prices could firm to the USD150-USD200 level! Iran has threatened counterstrikes across the Gulf regions' oil infrastructure.

Looking at Friday's US data releases:

- The US economy expanded at an annualised 0.7% in Q4, well below the advance estimate at 1.4% and the weakest performance since the contraction in Q1 2025.
- US PCE inflation fell from 2.9% to 2.8%, with the core easing from 3.0% to 2.8%.
- Consumer sentiment also weakened after the University of Michigan index fell to 55.5 in March

Ahead of Jerome Powell's 2nd to last meeting as Fed Chair, a Federal Judge has quashed the subpoenas sent to the Fed and to Mr. Powell, stating, *"There is abundant evidence that the subpoenas' dominant (if not sole) purpose is to harass and pressure Powell either to yield to the President or to resign and make way for a Fed Chair who will!"*

Risk aversion was the trend into the week's close, which saw equity prices end the week as they had started … trading to the downside, with Friday's price action cementing in losses in the 0.3% to 0.8% range. Commodity prices also continued their trend with silver prices dropping 4.0%, while copper and gold eased 1.9% and 1.1%. Oil prices firmed a further 3.0% with crude at USD98.75/bbl and brent at USD103.15/bbl, although gas prices fell.

Friday's price action saw a number of FX technical levels breached. The USD-index surged through resistance at 99.50 to close the week at 100.10. This saw the NZD/USD break support at 0.5875, which saw the pair plummet to 0.5775. The AUD was also under pressure against the USD, although less than the NZD, dropping below 0.7000, which saw the NZD/AUD drop to 0.8250. USD/JPY is closing in on the 160.00 level, EUR/USD is below 1.1425, although USD/CNH is flatlining around the 6.9000 level. US Treasuries were mixed, with the 2-year a bp lower at 3.73%, while the 10-year yield firmed 1bp to 4.28%.

This week

the war in the Middle East will continue to dominate the headlines, clouding the decision-making process for central bankers with meetings from the Federal Reserve, the ECB, Riksbank, BoE, SNB, BoC, BoJ, PBoC, and the RBA.

We also have a full calendar of data releases with, from the US, PPIs, industrial production, and the NY Empire and Philadelphia Fed manufacturing indexes. From the Eurozone we have inflation, wage growth, current account, trade, German ZEW economic sentiment index, and final German producer prices. In the UK, we have unemployment, wage growth, and public sector borrowing.

In our part of the world, Chinese Vice Premier He Lifeng will meet with US Treasury Secretary Scott Bessent ahead of a meeting later in the month between Presidents Xi and Trump, while the Chinese authorities will release its latest industrial production, unemployment, fixed-asset investment, and house price data, Japan will provide updates on industrial production, trade, machine orders, and the Reuters Tankan survey. Following tomorrow's RBA update, we also have Australian employment and wage inflation, while Stats NZ will provide Q4 GDP, trade, PSIs, card spending, trade, and food inflation. They'll need a lie-down after all that!

Daily Rates

Monday 16 March 2026

FX	Spot Mid	FECs (mid) 1mth	3mths	6mths	12mths
NZ TWI	66.70				
NZD/USD	0.5787	0.0007	0.0019	0.0035	0.0054
NZD/AUD	0.8283	0.0012	0.0036	0.0073	0.0140
NZD/JPY	92.430	-0.15	-0.42	-0.8560	-1.84
NZD/EUR	0.5066	-0.0002	-0.0006	-0.0011	-0.0027
NZD/GBP	0.4373	0.0005	0.0014	0.0028	0.0050
AU TWI	65.80				
AUD/USD	0.6986	-0.0002	-0.0008	-0.0020	-0.0059
AUD/NZD	1.2068	-0.0017	-0.0054	-0.0109	-0.0218
AUD/JPY	112.09	-0.33	-0.99	-2.00	-4.06
AUD/EUR	0.6115	-0.0011	-0.0034	-0.0068	-0.0137
AUD/GBP	0.5278	-0.0001	-0.0005	-0.0013	-0.0031
USD Index	100.50				
EUR/USD	1.1421	0.0017	0.0050	0.0091	0.0154
USD/JPY	159.71	-0.43	-1.25	-2.40	-4.50
GBP/USD	1.3231	0.0000	-0.0001	-0.0009	-0.0042
EUR/GBP	0.8634	0.0013	0.0038	0.0073	0.0139
USD/CNY	6.8961	-0.0138	-0.0397	-0.0779	-0.1492

	Spot Mid NZD/...	AUD/...
CAD	0.7934	0.9583
CHF	0.4559	0.5503
CNY	4.0046	4.8375
DKK	3.7852	4.5718
FJD	1.2734	1.5381
HKD	4.5271	5.4679
KRW	867.61	1047.91
MYR	2.2766	2.7497
NOK	5.6290	6.7988
SEK	5.4719	6.6090
SGD	0.7419	0.8961
TWD	18.56	22.41
ZAR	9.80	11.83

INTEREST RATES	New Zealand Mid	Australia Mid
30 day bank bills	2.42%	4.00%
90 day bank bills	2.49%	4.23%
1 year swap	2.84%	4.45%
2 year swap	3.33%	4.54%
3 year swap	3.59%	4.56%
5 year swap	3.88%	4.59%
10 year swap	4.29%	4.81%
3 year Govt bond	3.72%	4.61%
5 year Govt bond	4.16%	4.72%
10 year Govt bond	4.70%	5.05%

EQUITIES	Index
NZX50	13,187
ASX200	8,617
Dow Jones	46,558
S&P 500	6,632
FTSE100	10,261
DAX 40	23,447
Nikkei	53,820

COMMODITIES	USD
Brent Crude	103.14
Gold	5,018.43
Silver	80.55
Iron Ore	105.14
CRB Index	461.82

	NZD
NZ Carbon	41.50