

Market Alert

Tuesday 31 March 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5714	0.0033
NZD/AUD	0.8349	0.0077
NZD/JPY	91.235	-0.86
NZD/EUR	0.4988	-0.0009
NZD/GBP	0.4336	0.0032
NZD/CNH	3.9525	-0.0280
AUD/USD	0.6842	-0.0024
AUD/EUR	0.5972	-0.0066
EUR/USD	1.1455	0.0085
USD/CNH	6.9174	-0.0898
GBP/USD	1.3176	-0.0021
EUR/GBP	0.8692	0.0077

INT RATES	NZ	Australia
OCR/Cash	2.25%	4.10%
90 day bills	2.54%	4.37%
2 year swap	3.51%	4.75%
10 year Govt	4.83%	5.16%

The words change, but the rhetoric remains!

- President Trump renewed his threats to destroy Iran's oil wells, power plants, and Kharg Island.
- The President also confirmed the US is speaking with a "new" regime and "making progress" in talks, however an Iranian official stated there haven't been direct talks, while rejecting US demands as "excessive and illogical."
- Both sides continued to trade airstrikes.
- The WSJ is reporting that diplomats and global leaders are floating a proposal to reopen the Strait of Hormuz for fertiliser exports using a model similar to the Ukraine grain corridor established during the Russia-Ukraine war.

Oil prices continued their trajectory higher, with crude futures gaining 3.8% to USD103.35 while Brent jumped to USD116.90 before retreating to USD113.50. Metals prices also surged after two of the Gulf's largest aluminium producers came under fire from Iranian drones.

Treasury yields plummeted across the curve after JPMorgan and Pimco warned the bond market is underestimating the risk of a slowdown. 2 and 10-year yields are both trading 10bps lower at 3.83% and 4.34% respectively, which will weigh on local swap rates on the open.

While the USD-index continues to trade around the 100.00 level, the NZD was once again hit the hardest, falling 0.5%, while the JPY actually rallied after USD/JPY traded above the 160.00 level. This saw NZD/JPY plummet through the 92.00 level to 91.25, while NZD/AUD eased back to 0.8345. NZD/CNH is at a six-year low and within touching distance of its all-time low of 3.8884, currently sitting at 3.9525.

We had all better get used to this ...

German inflation climbed to 2.7% in the year to March, up from 1.9% in February! It is the highest level since January 2024, driven by a 7.2% spike in energy prices!

Eurozone economic sentiment plummeted from 98.2 to 96.6 in March, missing forecasts at 96.8.

The Dallas Fed's business activity index for Texas manufacturing fell to -0.2 in March from 0.2 in February.

The Australian Government announced it will halve the fuel excise tax on petrol and diesel for three months, and it will reduce heavy vehicle road user charge to 0.0% for three months.

Fed Chair Jerome Powell announced, "The US economy remains dynamic and productive. There is tension between our two objectives, on the labour market and inflation. Current policy is stable and can wait to assess the situation. The Fed's tools have no meaningful effect on supply shocks. Tendency is to look through supply shocks but must keep an eye on inflation expectations. We are watching private credit closely, but we do not see contagion risk out of existence. Tariff inflation is likely a one-time 0.5%-1.0% price increase."

Fed Governor Stephen Miran suggested, "Inflation expectations have not yet been affected by higher oil prices. It's irrational for Board members to change their positions due to changes in oil prices. The Fed could gradually lower rates by 100bps over the next year."

The ECB's Stournaras confirmed, "The ECB would react to a 2nd round of price effects from an oil shock. If the conflict becomes protracted, then the ECB's March baseline scenario is at risk and makes a stagflation more likely."

With USD/JPY spending time above the 160.00 level yesterday, Japan's FX chief Atsushi Mimura warned that the authorities are ready to take 'decisive' action if the 'speculative' moves persist, while BoJ Governor Kazuo Ueda highlighted FX as a key driver of inflation and economic outcomes.



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Daily Rates

Tuesday 31 March 2026

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	66.00					CAD	0.7955	0.9530
NZD/USD	0.5714	0.0006	0.0018	0.0033	0.0052	CHF	0.4570	0.5476
NZD/AUD	0.8349	0.0012	0.0038	0.0077	0.0149	CNY	3.9510	4.7410
NZD/JPY	91.235	-0.14	-0.42	-0.8586	-1.83	DKK	3.7255	4.4626
NZD/EUR	0.4988	-0.0002	-0.0005	-0.0009	-0.0021	FJD	1.2674	1.5181
NZD/GBP	0.4336	0.0004	0.0015	0.0032	0.0060	HKD	4.4758	5.3612
						KRW	866.69	1038.15
AU TWI	64.40					MYR	2.2997	2.7546
AUD/USD	0.6842	-0.0003	-0.0010	-0.0024	-0.0063	NOK	5.5740	6.6767
AUD/NZD	1.1979	-0.0019	-0.0055	-0.0113	-0.0219	SEK	5.4614	6.5418
AUD/JPY	109.40	-0.32	-0.99	-2.03	-4.14	SGD	0.7378	0.8838
AUD/EUR	0.5972	-0.0012	-0.0033	-0.0066	-0.0133	TWD	18.30	21.92
AUD/GBP	0.5192	-0.0002	-0.0006	-0.0011	-0.0025	ZAR	9.81	11.75
USD Index	100.53					EQUITIES		
EUR/USD	1.1455	0.0018	0.0047	0.0085	0.0147			Index
USD/JPY	159.66	-0.42	-1.22	-2.42	-4.61	NZX50		12,749
GBP/USD	1.3176	0.0000	-0.0004	-0.0021	-0.0065	ASX200		8,461
EUR/GBP	0.8692	0.0014	0.0038	0.0077	0.0153	Dow Jones		45,145
USD/CNY	6.9119	-0.0163	-0.0411	-0.0834	-0.1589	S&P 500		6,340
						FTSE100		10,128
INTEREST			New Zealand		Australia	DAX 40		22,563
RATES			Mid		Mid	Nikkei		51,886
30 day bank bills			2.45%		4.10%	COMMODITIES		
90 day bank bills			2.54%		4.37%		USD	
1 year swap			2.97%		4.68%	Brent Crude		114.01
2 year swap			3.51%		4.75%	Gold		4,496.57
3 year swap			3.77%		4.73%	Silver		69.73
5 year swap			4.03%		4.76%	Iron Ore		106.22
10 year swap			4.39%		4.97%	CRB Index		469.56
3 year Govt bond			3.89%		4.75%		NZD	
5 year Govt bond			4.30%		4.84%	NZ Carbon		41.00
10 year Govt bond			4.83%		5.16%			

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