

Research Markets Outlook

23 February 2026

Rapid recovery for retail

- Retail sales volumes increase 0.9% in Q4
- Broad-based across industries and regions
- We lift our Q4 GDP pick to 0.6% q/q
- Business and consumer confidence surveys due

Real Retail Sales, seasonally adjusted		
December quarter 2025	Qtly % chg	Ann % chg
Non-durables	0.8	1.7
Durables (ex-auto)	2.0	6.8
Services (ex-auto)	1.7	2.7
Ex-auto	1.5	4.2
Vehicles	-1.7	8.5
Fuel	0.2	-2.8
Total	0.9	4.4

Source: Stats NZ, BNZ

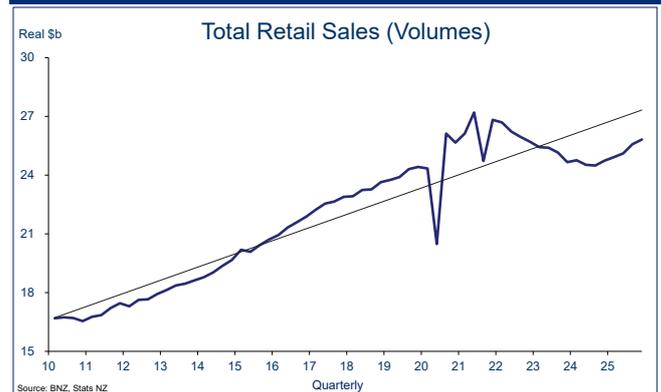
We were looking for today's Q4 retail trade data to show a modest gain and add evidence of the economic recovery. The 0.9% q/q lift in retail sales volumes did this and more. The solid bounce back over 2025 continued to surprise on the topside especially when considering that sales volumes rose a very strong 1.9% in Q3.

It may feel strange to some to talk of retail sales volumes tracking 4.4% above year earlier levels. It is strong growth. But this is where context matters. The strength in retail is coming off a very weak base. The sector has been one of the hardest hit the last few years. Indeed, retail sales volumes are still 5.1% below their peak in mid-2021. And merchants continue to report profitability challenges. But today's figures are compelling evidence that genuine improvement is occurring.

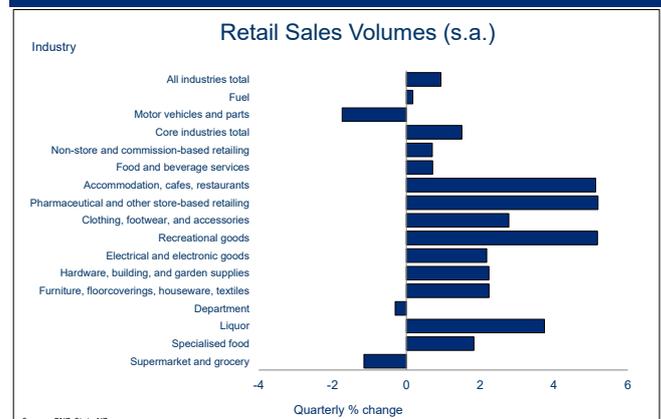
Retail is the first major partial to feed into Q4 GDP estimates. On the back of the strength in today's data, we have nudged up our Q4 GDP pick one tenth to 0.6% q/q. This is a touch above the RBNZ's forecast for 0.5% published in the February MPS.

Looking through the retail trade release details, the strength was broad-based across nearly all regions and industries. Core ex-auto retail sales volumes lifted 1.5% q/q. The difference between the headline and core measures explained by a 1.7% fall in motor vehicles and parts retailing.

Upwards, off a low base



Across the board



The strength in spending on durables suggests a decent chunk of the strength in retail was domestically generated. In the February MPS, the Reserve Bank noted household caution as one of the major risks to the New Zealand economy. Today's data will help alleviate some of these concerns.

But it's not only domestic spending that is coming to the party. Stats NZ noted "spending on discretionary items helped drive an overall increase in retail activity". We believe this, in part, reflects the reasonable improvement in inbound tourism to end 2025. We expect this trend to continue as air capacity increases. Pharmaceutical and other store-based retailing was the strongest industry at +5.2% q/q. It captures retailers that don't fit under any other classifications such as souvenir and antique shops.

We treat the regional split with plenty of caution but were not surprised to see Otago outperforming with retail sales values 8.8% above year earlier levels. It is consistent with the strength in Queenstown short-term visitor arrivals.

Looking ahead, business surveys show a solid lift in expected activity by merchants. If the degree of these eventuates, it would suggest some upside risk to our already firm near-term spending forecasts.

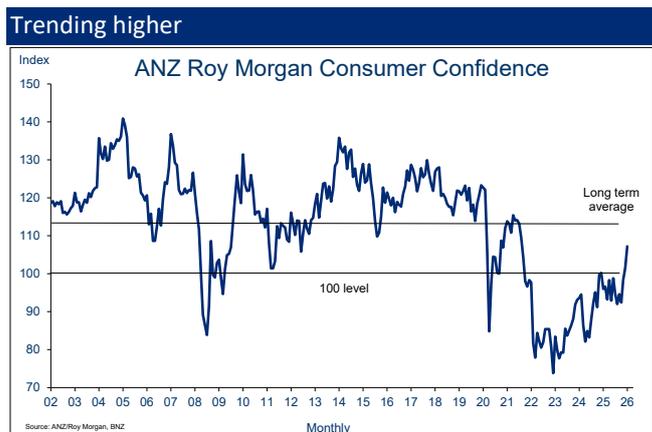
Over the weekend, the Supreme Court ruled that President Trump’s tariffs, imposed using the International Emergency Economic Powers Act were illegal. This decision could more than halve the US average effective tariff rate. In response, Trump has used alternative legal avenues to reinstate levies, which may face procedural limits and prove less expansive. The White House put a temporary 10% levy on imports into the US for up to 150 days. The rate was subsequently increased to 15% but details are still not clear. This is all a reminder of the uncertain trading environment prevailing.

Also offshore, we will be keeping a close eye on the latest geopolitical tensions between the US and Iran. Any escalation could see a further jump in global oil prices, with Brent Crude already trading above USD70 per barrel. This poses some upside risk to the declines we have pencilled in for domestic fuel prices in the CPI.

Turning to this week’s domestic data, the ANZ business and consumer confidence surveys are due Thursday and Friday respectively. The inflation expectations and pricing intentions are probably the most interesting components

of the business survey at present. Both measures nudged higher in January raising concern that inflation may prove a bit stickier than folk expect. Especially given most of the responses last month were likely prior to the 3.1% print for Q1 CPI. Business confidence (64.1) and own-activity expectations (51.6) remained firmly optimistic last month and support our forecasts for further economic recovery ahead.

Consumer confidence lifted from 101.5 to 107.2 in January. The index has been trending higher for the last five months and supports our view that economic recovery is underway. We will be looking for further improvement ahead to be consistent with our expectations for spending growth.



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Global Watch

- **US Supreme Court rules IEEPA tariffs illegal**
- **President Trump lines up 15% tariff under Trade Act**
- **Trump to give State of the Union address**
- **US data second tier this week**
- **AU CPI and first GDP partials due**

The US Supreme Court ruled that President Trump's tariffs, imposed using the International Emergency Economic Powers Act (IEEPA), were illegal. The decision has prompted the White House to use alternative legal avenues to reinstate levies, though these may face procedural limits and prove less expansive. President Trump signed a proclamation putting a temporary 10% levy on imports into the US under the Trade Act of 1974, for up to 150 days. This was subsequently increased to 15% but additional details are not clear. The IEEPA ruling left unresolved the issue of refunds on the levies paid under the illegal tariffs. These latest developments reinforce the highly uncertain trade environment that currently prevails.

Looking to the data week ahead in the US, factory orders and durable goods on Monday, **wholesale inventories** (Tuesday) and **construction** spending (Friday) for December, will provide updates on source data used in last week's Q4 GDP outturn (1.4% annualised). Conference Board **consumer sentiment** is out Tuesday and January **PPI** Friday which will firm up tracking estimates for January PCE inflation.

Beyond what is mostly second tier data, President Trump's State of the Union address on Tuesday will be watched for any further tariff announcements and the administration's priorities in the run up to mid-term elections. Nvidia reports Wednesday.

In Australia, attention turns to the **January CPI** release on Wednesday, alongside the **investment partials for Q4 GDP** (released 4 March), with construction work done due Wednesday and private capex on Thursday. NAB expects headline CPI and trimmed mean inflation to be unchanged at 3.8% yoy and 3.3% yoy, respectively. **RBA communication** includes a speech by Head of Economic Analysis Michael Plumb at the ABE Annual Forecasting Conference on Tuesday (with Q&A), followed by a fireside chat with Governor Michele Bullock on Wednesday.

In **Canada, Q4 GDP data** on Friday - monthly GDP data point to a soft outcome; NAB expects it to be flat or show a small decline.

The calendar is quiet across **Europe**, with final January Eurozone **CPI** on Wednesday (expected 1.7% y/y), but Germany and France preliminary CPI for February on Friday will give a guide to next month's outcome. Eurozone **confidence indicators** are due Thursday, and the ECB's Lagarde is speaking (twice).

Elsewhere, the **NABE Economic Policy Conference** started on Sunday, 22 February, and runs through 24 February in Washington, with a focus on the economic implications of AI. The speaker lineup includes Fed Governor Christopher Waller, ECB President Christine Lagarde, Chicago Fed President Austan

Goolsbee, Fed Governor Lisa Cook, and Atlanta Fed President Raphael Bostic.

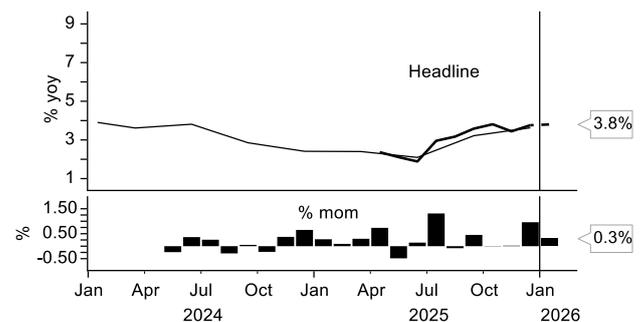
Wednesday

AU CPI (Jan)

NAB expects headline CPI and trimmed-mean inflation to be unchanged at 3.8% and 3.3% yoy, respectively. Headline inflation will be boosted by the unwinding of most remaining electricity subsidies, though this is expected to be offset by softer fuel and travel prices and some policy changes that are expected to weigh on health and childcare inflation.

The release will help NAB firm its Q1 trimmed-mean inflation forecast of 0.8% qoq, which is below the RBA's February SoMP forecast of 0.9% qoq.

Consumer Price Index



Source: National Australia Bank, Australian Bureau of Statistics

AU Construction Work Done (Q4)

This is the first of the investment partials ahead of Q4 GDP 4 March. NAB have pencilled in a 1.0% qoq gain for private construction work done. Q3's very strong growth in both residential and non-residential building could slow, but it is expected to remain positive in Q4. Engineering work done has been very volatile over the last two quarters due to the import and installation of LNG equipment in the Northern Territory.

Thursday

AU Capex (Q4)

NAB has pencilled in a 0.7% qoq rise in new capital expenditure in Q4. In the capex data NAB will be looking for further strong investment growth from Information Media & Telecommunications (IM&T) and Transport, Postal & Warehousing (TPW) sectors. The capex data also includes a forward-looking element, which in Q3 implied growth will remain strong over FY25/26 driven supported by strong contributions from IM&T and TPW.

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Fixed Interest Market

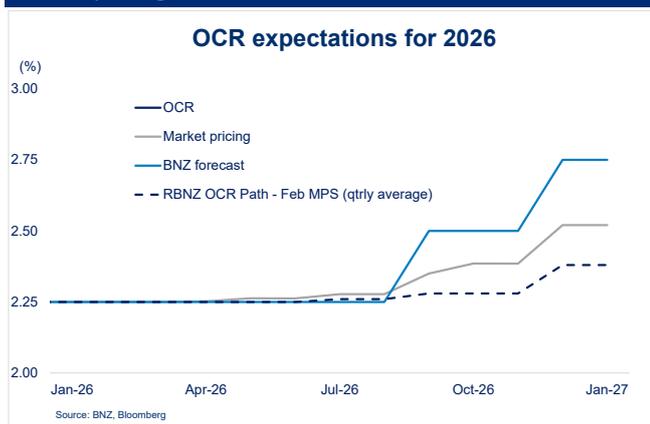
Reuters: BNZL, BNZM Bloomberg: BNZ

The Reserve Bank of New Zealand left the Official Cash Rate (OCR) unchanged at 2.25% at last week’s Monetary Policy Statement (MPS), in line with expectations and fully priced by markets. The decision was unanimous. The updated modelled OCR track now shows a trough of 2.25%, removing the residual easing bias evident in November. The December-quarter average OCR projection was lifted by 10bp to 2.38%, increasing the implied probability of rate hikes later this year.

hikes, and the prospect of policy normalisation should limit further downside in short-dated rates.

Two-year swap rates are likely to remain rangebound in the near term while markets await clearer evidence that the recovery is becoming more firmly entrenched. However, upward pressure should re-emerge as the tightening cycle approaches later in the year. The flows that drove short-end rates sharply higher late last year appear more balanced, with speculative positioning cleaner and mortgage-related hedging flows easing as households have shifted towards longer fixed-rate terms.

Market pricing and the RBNZ’s OCR track



The Monetary Policy Committee assessed the economy as being in the early stages of recovery and remains confident inflation will return to the 2% midpoint of the target range over the coming year. This view reflects ongoing spare capacity and modest wage growth. Risks to the inflation outlook were characterised as balanced, allowing the RBNZ to maintain an accommodative policy stance for now. However, the Bank reiterated that policy settings will be gradually normalised as confidence in the recovery builds, with the timing dependent on incoming data.

NZ-AU rate spreads at multi-year lows



The RBNZ’s updated projections provide the benchmark against which upcoming data will be assessed ahead of the Monetary Policy Review (MPR) on 8 April. Q4 GDP, due mid-March, will be an important input, although higher-frequency indicators such as the monthly PMIs will provide earlier signals on activity. Monthly inflation partials, covering around half of the CPI basket, will also be closely monitored. Key releases including the next QSBO and Q1 CPI fall after the April MPR.

NZ-AU cross-market spreads fell to fresh multi-year lows across the curve following the MPS. Australian labour market conditions remained resilient in January, with the unemployment rate holding at 4.1% and employment growth driven by gains in full-time positions. This has reinforced expectations of a further interest rate hike by the Reserve Bank of Australia in May. In our view, current cross-market spreads largely discount the respective policy paths of the RBNZ and RBA, leaving scope for New Zealand rates to underperform from current levels.

Short-end interest rates have traded sideways so far in 2026, with markets consolidating after the sharp sell-off late last year. Two-year swap rates fell immediately following the MPS and are now near the lower end of this year’s range. While the RBNZ continues to signal an extended period of accommodation, it has also lifted the probability of tightening later in the year. With the OCR still below estimates of neutral, accommodation does not rule out rate

Current rates and 1-month range

	Current	Last 4-weeks range*
NZ 90d bank bills (%)	2.49	2.49 - 2.55
NZ 2yr swap (%)	2.91	2.90 - 3.17
NZ 5yr swap (%)	3.48	3.47 - 3.82
NZ 10yr swap (%)	3.98	3.97 - 4.31
2s10s swap curve (bps)	107	104 - 113
NZ 10yr swap-govt (bps)	-37	-39 - -33
NZ 10yr govt (%)	4.34	4.39 - 4.60
US 10yr govt (%)	4.08	4.02 - 4.30
NZ-US 10yr (bps)	26	26 - 39
NZ-AU 2yr swap (bps)	-134	-134 - -100
NZ-AU 10yr govt (bps)	-39	-40 - -18

*Indicative range over last 4 weeks

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Foreign Exchange Market

Reuters pg BNZFWDS Bloomberg pg BNZ9

Last week, the NZD declined following the RBNZ’s policy update. NZD/USD dropped just over 1% to 0.5975, while NZD/AUD also fell more than 1% to fresh lows not seen since 2013. The NZD showed modest declines against the CAD and EUR but strengthened against the JPY and GBP crosses.

Domestic factors were a key driver of NZD weakness, as the RBNZ left the OCR unchanged at 2.25% and only modestly increased its interest rate projections, now indicating a high chance of a rate hike by December. No one expected the Bank to fully adopt market pricing for a more aggressive tightening cycle starting later this year, and both the Statement and tone were broadly in line with local economists’ expectations, resulting in no changes to the outlook for monetary policy.

The decline in rates and the NZD after the announcement likely reflected the absence of any hawkish surprise, which had always been a tail risk, and the RBNZ’s strong confidence that inflation will fall back toward 2%. This is despite expectations of stronger growth ahead, and assumes NZ’s output gap remains negative and substantial. The Bank’s high confidence looks out of place. Upcoming economic data will determine the timing and magnitude of the next tightening cycle, and the RBNZ’s views are highly conditional on a set of assumptions that are subject to change.

It’s fair to say that the RBNZ’s “confidence” acts as a near-term dampening force on the NZD. However, this does not alter our near-term view that the NZD will consolidate in the short term—our end-Q1 target has remained unchanged at 0.60 since October—and it does not change our outlook that the NZD can recover further this year, supported by a range of factors.

Another near-term headwind is the risk of joint US-Israel military action against Iran. Although there is general agreement on a “set of guiding principles for a potential nuclear deal between the US and Iran” the market remains justifiably sceptical of such a deal. Any headlines about military action against Iran would likely bias the NZD to the downside. We view any further downside pressure on the NZD as a buying opportunity, as geopolitical impacts on the currency typically fade quickly.

Market reaction was muted to the US Supreme Court’s ruling that Trump’s tariffs imposed under emergency laws were illegal. From the outset, we noted that the tariffs were imposed on questionable legal grounds, so the ruling was unsurprising. While this may have increased trade policy uncertainty slightly—with new temporary tariffs replacing the so-called reciprocal tariffs for now—we do not see this development as a significant factor for currency markets. Trump’s influence as President is waning

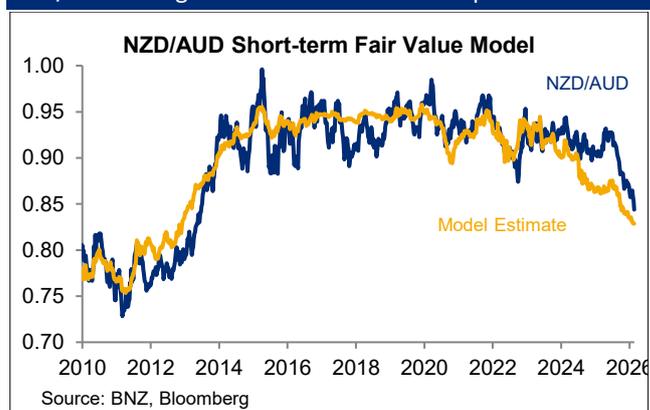
as his popularity declines, and the Supreme Court’s decision is another example of this trend.

Meanwhile, NZD/AUD continues to grind lower. The NZ-Australian 2-year swap rate has fallen to a deeply negative level not seen since 2012, and consequently, NZD/AUD is trading at lows not seen since 2013. Both of our NZD/AUD fair value models place the rate between 0.82 and 0.83, yet the actual cross rate has been above fair value for the past couple of years. We may be in the final innings of the downturn, but for now, the path of least resistance remains to the downside.

Ongoing tightness in the Australian labour market, highlighted by the unemployment rate remaining steady at 4.1% in January, should prompt another RBA rate hike in the coming months, most likely in May, which would further widen the gap between New Zealand and Australian rates. A turnaround in the cross rate is unlikely until we approach a probable hawkish pivot by the RBNZ, which could still be several months away.

The data calendar for the week ahead is very light. After the release of Q4 retail sales data today, the ANZ surveys on business and consumer confidence will be published later this week. Globally, the only notable data releases are Australian monthly CPI, German CPI, US PPI, and Canadian GDP.

NZD/AUD falling as fair value continues to push lower



Cross Rates and Recent Ranges

	Last wk		
	Current	% chg	Last 3-wks range*
NZD/USD	0.5974	-1.1%	0.5930 - 0.6080
NZD/AUD	0.8441	-1.2%	0.8430 - 0.8650
NZD/CAD	0.8172	-0.6%	0.8140 - 0.8270
NZD/GBP	0.4430	0.2%	0.4390 - 0.4460
NZD/EUR	0.5067	-0.3%	0.5040 - 0.5130
NZD/JPY	92.55	0.5%	91.80 - 95.00

*Indicative range over last 3 weeks, rounded

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Technicals

NZD/USD

Outlook: Trading range
 ST Resistance: 0.6100/20
 ST Support: 0.5850/75

We continue to see short-term support between 0.5850 and the 200-day moving average, which has been gradually ticking higher and is now 0.5875. Short-term resistance is at around 0.6120.



NZD/AUD

Outlook: Downside risk
 ST Resistance: 0.87 (ahead of 0.8950)
 ST Support: 0.80

The cross rate continues to trend down to fresh lows not seen since 2013, there is no obvious near-term support level ahead.

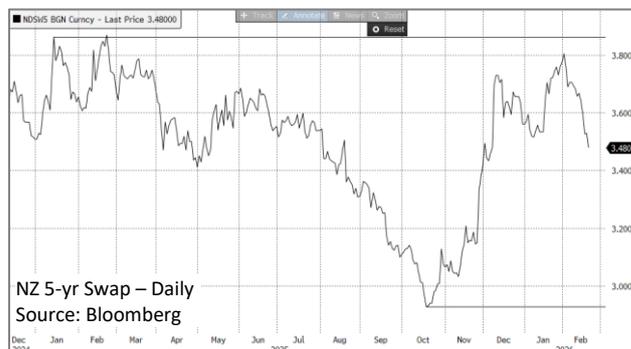


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NZ 5-year Swap Rate

Outlook: Neutral
 ST Resistance: 3.87
 ST Support: 2.92

5 year swap saw a significant move lower in yield last week on the back of a dovish RBNZ relative to market expectations. We see the possibility that support comes in towards 3.43%, but will wait to see if that is the case.



NZ 2-year - 5-year Swap Spread (yield curve)

Outlook: Neutral
 ST Resistance: 0.67
 ST Support: 0.26

2s5s spread has continued its move flatter and as such we have amended our outlook for the spread to neutral. We too have lowered our resistance to the recent high of 67bps.



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Quarterly Forecasts

Forecasts as at 23 February 2026

Key Economic Forecasts

Quarterly % change unless otherwise specified

Forecasts

	Jun-25	Sept-25	Dec-25	Mar-26	Jun-26	Sept-26	Dec-26	Mar-27	Jun-27	Sept-27
GDP (production s.a.)	-1.0	1.1	0.6	0.7	0.9	0.6	0.6	0.5	0.5	0.5
Retail trade (real s.a.)	0.8	1.9	0.9	1.0	0.9	0.8	0.7	0.7	0.7	0.7
Current account (ann, % GDP)	-3.7	-3.5	-3.5	-3.5	-3.5	-3.6	-3.5	-3.4	-3.3	-3.2
CPI (q/q)	0.5	1.0	0.6	0.5	0.5	0.7	0.5	0.4	0.5	0.6
Employment	-0.2	0.0	0.5	0.5	0.7	0.8	0.7	0.6	0.5	0.5
Unemployment rate %	5.2	5.3	5.4	5.3	5.2	5.0	4.8	4.6	4.7	4.7
Pr. avg hourly earnings (ann %)	4.6	4.1	3.5	4.2	3.3	3.3	3.4	3.3	3.2	3.2
Trading partner GDP (ann %)	3.3	3.2	2.5	2.7	2.7	2.8	3.0	2.9	2.8	2.8
CPI (y/y)	2.7	3.0	3.1	2.7	2.7	2.4	2.3	2.2	2.1	2.1
GDP (production s.a., y/y)	-1.1	1.3	1.8	1.4	3.3	2.9	2.9	2.7	2.3	2.2

Interest Rates

Historical data - qtr average

Forecast data - end quarter

	Cash	Government Stock			Swaps			US Rates		Spread
		90 Day Bank Bills	5 Year	10 Year	2 Year	5 Year	10 Year	SOFR 3 month	US 10 yr	NZ-US Ten year
2025 Mar	3.92	3.84	3.99	4.58	3.47	3.71	4.15	4.30	4.45	0.13
Jun	3.33	3.38	3.85	4.55	3.19	3.57	4.10	4.30	4.35	0.19
Sep	3.08	3.09	3.67	4.42	2.99	3.40	3.95	4.20	4.25	0.17
Dec	2.33	2.51	3.54	4.27	2.71	3.26	3.85	3.80	4.10	0.18
Forecasts										
2026 Mar	2.25	2.40	3.85	4.60	2.90	3.60	4.20	3.65	4.25	0.35
Jun	2.25	2.50	3.95	4.75	3.35	3.70	4.35	3.40	4.35	0.40
Sep	2.50	2.75	4.25	4.90	3.70	4.00	4.50	3.15	4.50	0.40
Dec	2.75	3.15	4.35	4.90	3.95	4.15	4.55	3.15	4.50	0.40
2027 Mar	3.25	3.65	4.45	4.90	4.10	4.30	4.60	3.15	4.50	0.40
Jun	3.75	4.05	4.40	4.90	4.10	4.30	4.65	3.15	4.50	0.40
Sep	4.00	4.15	4.35	4.90	4.10	4.30	4.70	3.15	4.50	0.40
Dec	4.00	4.15	4.35	4.90	4.10	4.35	4.75	3.15	4.50	0.40

Exchange Rates (End Period)

USD Forecasts

NZD Forecasts

	NZD/USD	AUD/USD	EUR/USD	GBP/USD	USD/JPY	NZD/USD	NZD/AUD	NZD/EUR	NZD/GBP	NZD/JPY	TWI-17
Current	0.60	0.71	1.18	1.35	155	0.60	0.84	0.51	0.44	92.5	67.6
Forecasts											
Mar-26	0.60	0.70	1.20	1.37	154	0.60	0.86	0.50	0.44	92.4	67.8
Jun-26	0.62	0.72	1.22	1.38	152	0.62	0.86	0.51	0.45	94.2	69.4
Sept-26	0.63	0.73	1.22	1.38	150	0.63	0.86	0.52	0.46	94.5	70.0
Dec-26	0.63	0.73	1.23	1.38	148	0.63	0.87	0.52	0.46	93.8	70.1
Mar-27	0.63	0.72	1.22	1.36	146	0.63	0.88	0.52	0.46	92.0	69.9
Jun-27	0.63	0.71	1.22	1.35	145	0.63	0.89	0.52	0.47	91.4	70.4
Sept-27	0.63	0.71	1.21	1.34	143	0.63	0.89	0.52	0.47	90.1	70.5
Dec-27	0.62	0.70	1.19	1.34	142	0.62	0.89	0.52	0.46	88.0	69.8

TWI Weights

16.2% 17.8% 9.2% 4.0% 4.7%

Source for all tables: Stats NZ, Bloomberg, Reuters, RBNZ, BNZ

Annual Forecasts

Forecasts as at 23 February 2026	March Years				December Years				
	Actuals		Forecasts		Actuals		Forecasts		
	2024	2025	2026	2027	2023	2024	2025	2026	2027
GDP - annual average % change									
Private Consumption	1.1	0.0	1.7	2.3	1.1	-0.2	1.6	2.0	2.3
Government Consumption	1.1	-1.3	2.3	0.2	0.1	-0.9	1.9	0.7	-0.4
Total Investment	-1.1	-5.0	2.5	6.6	-0.3	-4.9	0.3	6.6	4.3
Stocks - ppts cont'n to growth	-1.4	0.4	0.2	0.4	-1.2	0.4	-0.2	0.6	0.0
GNE	-0.9	-1.1	2.3	3.3	-0.7	-1.1	1.2	3.5	2.3
Exports	8.6	3.4	3.2	5.1	11.5	4.7	2.9	5.3	3.8
Imports	-1.4	1.5	5.3	5.4	-0.7	1.7	3.6	6.1	3.4
Real Expenditure GDP	1.5	-0.7	1.3	3.1	2.1	-0.3	0.8	2.9	2.3
GDP (production)	1.8	-0.9	0.9	2.9	2.2	-0.3	0.4	2.6	2.3
<i>GDP - annual % change (q/q)</i>	1.6	-0.7	1.4	2.7	1.4	-1.6	1.8	2.9	2.2
Output Gap (ann avg, % dev)	1.2	-0.7	-1.3	-0.2	1.3	-0.2	-1.2	-0.4	0.1
Nominal Expenditure GDP - \$bn	417	431	449	472	413	427	445	466	489
Prices and Employment -annual % change									
CPI	4.0	2.5	2.7	2.2	4.7	2.2	3.1	2.3	2.0
Employment	0.9	-0.9	0.8	2.8	2.7	-1.3	0.2	2.7	2.0
Unemployment Rate %	4.4	5.1	5.3	4.6	4.0	5.1	5.4	4.8	4.7
Wages - ave. hr. ord. time earnings (private sector)	4.8	3.8	4.2	3.3	6.6	4.0	3.5	3.4	3.2
Productivity (ann av %)	-0.6	0.1	1.2	0.4	-0.8	0.1	1.2	0.6	-0.1
Unit Labour Costs (ann av %)	6.6	4.4	2.7	3.2	7.1	4.7	2.8	3.1	3.3
House Prices (stratified, mth)	2.8	-0.6	-1.2	2.9	0.6	-0.8	-0.3	1.7	3.9
External Balance									
Current Account - \$bn	-23.8	-18.3	-15.8	-16.0	-25.8	-20.0	-15.5	-16.3	-15.1
Current Account - % of GDP	-5.7	-4.2	-3.5	-3.4	-6.3	-4.7	-3.5	-3.5	-3.1
Government Accounts - June Yr, % of GDP									
OBEGAL ex ACC (core op. balance) (Treasury forecasts)	-2.1	-2.1	-3.0	-2.2					
Net Core Crown Debt (ex NZS) (Treasury forecasts)	41.8	41.8	43.3	46.0					
Bond Programme - \$bn (Treasury forecasts)	39.3	42.6	35.0	34.0					
Bond Programme - % of GDP	9.4	9.9	7.8	7.2					
Financial Variables ⁽¹⁾									
NZD/USD	0.61	0.57	0.60	0.63	0.62	0.57	0.58	0.63	0.62
USD/JPY	150	149	154	146	144	154	156	148	142
EUR/USD	1.09	1.08	1.20	1.22	1.09	1.05	1.17	1.23	1.19
NZD/AUD	0.93	0.91	0.86	0.88	0.93	0.91	0.87	0.87	0.89
NZD/GBP	0.48	0.44	0.44	0.46	0.49	0.45	0.43	0.46	0.46
NZD/EUR	0.56	0.53	0.50	0.52	0.57	0.55	0.49	0.52	0.52
NZD/YEN	91.1	85.4	92.4	92.0	89.5	88.4	90.3	93.8	88.0
TWI	71.2	67.9	67.8	69.9	72.0	68.5	66.8	70.1	69.8
Overnight Cash Rate (end qtr)	5.50	3.75	2.25	3.25	5.50	4.25	2.25	2.75	4.00
90-day Bank Bill Rate	5.64	3.60	2.40	3.65	5.63	4.26	2.49	3.15	4.15
5-year Govt Bond	4.60	4.00	3.85	4.45	4.50	3.90	3.90	4.35	4.35
10-year Govt Bond	4.60	4.50	4.60	4.90	4.65	4.45	4.50	4.90	4.90
2-year Swap	4.91	3.35	2.90	4.10	4.93	3.53	2.98	3.95	4.10
5-year Swap	4.40	3.65	3.60	4.30	4.43	3.63	3.61	4.15	4.35
US 10-year Bonds	4.20	4.25	4.25	4.50	4.00	4.40	4.15	4.50	4.50
NZ-US 10-year Spread	0.40	0.25	0.35	0.40	0.65	0.05	0.35	0.40	0.40

⁽¹⁾ Average for the last month in the quarter

Source: Statistics NZ, BNZ, RBNZ, NZ Treasury

Key Upcoming Events

All times and dates NZT

	Median	Fcast	Last		Median	Fcast	Last
Monday 23 February				Thursday 26 February			
GE	90		89.5	US			
Tuesday 24 February				Friday 27 February			
UK				US			
CH	3.00%		3.00%	US	215k		206k
CH	3.50%		3.50%	US	1863k		1869k
US				US			
US	-0.08		-0.04	NZ			107.2
US	-0.70%		2.70%	JN	1.40%		1.50%
US	-1.40%		-1.40%	JN	1.50%		-2.00%
EC				JN	5.60%		-0.10%
AU				UK	-15		-16
Wednesday 25 February				Saturday 28 February			
US				AU	0.70%	0.70%	0.80%
US			10.250k	GE	6.30%		6.30%
US			-4.2	EC	2.70%		2.80%
UK				EC	2.50%		2.60%
US			-6	UK			
US	87		84.5	GE	2.00%		2.10%
US			1.30%	CA	-0.20%		2.60%
US			2.7	US	3.00%		3.30%
AU			1.00%	US	52.4		54
AU	3.70%	3.80%	3.80%	US	0.20%		
AU			0.20%	US			
AU	3.30%	3.30%	3.30%	US			2
AU	1.20%	0.70%	-0.70%				
AU							
EC	1.70%		1.70%				
EC	2.20%		2.20%				
EC							

Historical Data

	Today	Week Ago	Month Ago	Year Ago		Today	Week Ago	Month Ago	Year Ago
CASH AND BANK BILLS					SWAP RATES				
Call	2.25	2.25	2.25	3.75	2 years	2.93	3.05	3.12	3.56
1mth	2.41	2.41	2.41	3.87	3 years	3.17	3.31	3.39	3.66
2mth	2.45	2.46	2.45	3.81	4 years	3.36	3.50	3.59	3.74
3mth	2.49	2.50	2.50	3.75	5 years	3.50	3.64	3.75	3.82
6mth	2.60	2.62	2.58	3.60	10 years	4.00	4.09	4.22	4.21
GOVERNMENT STOCK					FOREIGN EXCHANGE				
05/28	3.06	3.22	3.33	3.88	NZD/USD	0.5982	0.6033	0.5974	0.5733
05/31	3.77	3.91	4.03	4.28	NZD/AUD	0.8446	0.8529	0.8637	0.9029
04/33	4.04	4.16	4.29	4.46	NZD/JPY	92.70	92.56	92.11	85.83
05/36	4.34	4.44	4.59	4.70	NZD/EUR	0.5071	0.5091	0.5028	0.5476
05/41	4.74	4.82	4.96	5.00	NZD/GBP	0.4435	0.4426	0.4367	0.4540
05/54	4.97	5.05	5.22	5.17	NZD/CAD	0.8181	0.8226	0.8188	0.8175
GLOBAL CREDIT INDICES (ITRXX)					TWI				
Nth America 5Y	51	52	49	49		67.6	68.2	67.9	68.2
Europe 5Y	52	53	50	53					

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