

# Research Markets Today

10 February 2026

## Events Round-Up

JN: Schd FT pay, same base (y/y%), Dec: 2.1 vs. 2.2 prev.

AU: Household spending (m/m%), Dec: -0.4 vs. 0.1 exp.

## Good Morning

Newsflow overnight has been light. US equities have recovered further, driven by IT stocks. The US 10-year rate is little changed after a couple of unsuccessful attempts to sustain a push higher. The USD is broadly weaker, resulting in NZD pushing up to 0.6050.

As Asian markets opened yesterday there was keen interest in the reaction to Japan's snap election held on Sunday. PM Takaichi received a strong mandate to proceed with her expansionary policy agenda which includes a step up in fiscal stimulus and defence spending. Her party secured a two-thirds super majority in the lower house, making it easier to pass legislation.

The Nikkei index surged ahead to close up 3.9% for the day. Trading in JGBs and the yen was choppy, with lingering uncertainty over how Takaichi's pledge to cut the sales tax on food for two years, costing 5 trillion yen per year, might be funded. JGB yields from 2 to 10 years maturity closed up between 3-6bps while ultra long bonds showed a small fall in yield. USD/JPY traded as high as 157.75 in early trading before reversing course, and broad USD weakness overnight has seen it trade down towards 155.50, before recovering to 156.

Bloomberg reported Chinese regulators have advised financial institutions to rein in their holdings of US Treasuries, citing concerns over concentration risks and market volatility. Sources cited that the move was framed around diversifying market risk rather than anything to do with geopolitical manoeuvring or a fundamental loss of confidence in US creditworthiness.

The report has had more impact on sentiment for the USD than Treasuries, given Chinese holdings of Treasuries are much smaller than they used to be. It is a bit of a non-story as investors around the world are implementing strategies to reduce exposure to the US and USD and China is likely no different.

The US 10-year rate jumped 3 bps to just under 4.25% following the report but the move hasn't been sustained

and it trades this morning at 4.21%, a touch lower than the NZ close.

The USD DXY index is down 0.7% for the day. The AUD has been one of the better performers, rising up through 0.7080, up 1% from last week's close. The NZD has lagged the move, rising to 0.6050 and seeing NZD/AUD push down to fresh cycle lows towards 0.8530. There is scope for further near-term weakness, with the RBNZ's likely start to a tightening cycle coming well after the RBA's move last week. The RBA hike last week took NZ-Australian short-end rate spreads to their lowest level in about 14-years, providing decent carry for running short NZD-AUD positions.

Political instability in the UK has seen UK equities, bonds and GBP underperform slightly. PM Starmer's grip on power remains tenuous. Adding to his already unpopular status, the revelations that he knew Mandelson's links to Jeffrey Epstein when he appointed him as Ambassador to the US haven't helped. Contenders to replace Starmer are probably thinking it best to wait until a poor showing by Labour in May local/regional elections before attempting a bid.

NZD/GBP has pushed up to fresh six-month highs and currently trades around 0.4425. NZD/JPY reached a fresh 18-month high just below 95 yesterday and has since settled below 94.4.

US equities have recovered further following their swoon last week, with the S&P500 up 0.6% in early afternoon trading. There has been further dip-buying in IT stocks, with that sector being the best performing, with a rebound in software stocks leading the charge. The Nasdaq index is up around 1%.

Yesterday, the domestic rates market showed little net change, having nicely avoided some of the volatility seen while NZ was on holiday Friday.

On the economic calendar, tonight sees the release of the US employment cost index for Q4 and December retail sales. The consensus expects the ECI to rise 0.8% q/q, the same as the prior quarter, while core retail sales are expected to rise 0.4% m/m, the same as November.

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## Coming Up

		Period	Cons.	Prev.	NZT
AU	Westpac consumer confidence	Feb	92.9	12:30	
AU	NAB business conditions	Jan	9	13:30	
US	NFIB small business optimism	Jan	99.8	99.5	00:00
US	Employment cost Index	Q4	0.8	0.8	02:30
US	Retail sales (m/m%)	Dec	0.4	0.6	02:30
US	Retail sales ex auto, gas (m/m%)	Dec	0.4	0.4	02:30
US	Retail sales control grp (m/m%)	Dec	0.4	0.4	02:30

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	0.6048	+0.5	0.5997	0.6057	CHF	0.7675	-1.1	S&P 500	6,975	+0.6	15.8	Oil (Brent)	69.37	+1.9
AUD	0.7087	+1.1	0.7014	0.7093	SEK	8.923	-1.1	Dow	50,097	-0.0	13.1	Oil (WTI)	64.79	+1.9
EUR	1.1909	+0.8	1.1833	1.1927	NOK	9.584	-1.0	Nasdaq	23,266	+1.0	19.2	Gold	5065.7	+2.2
GBP	1.3671	+0.4	1.3587	1.3691	HKD	7.815	+0.0	Stoxx 50	6,059	+1.0	13.8	HRC steel	977.0	-0.2
JPY	156.04	-0.8	155.53	156.78	CNY	6.921	-0.2	FTSE	10,386	+0.2	19.4	CRB	309.5	+0.0
CAD	1.3569	-0.8			SGD	1.266	-0.4	DAX	25,015	+1.2	14.8	Wheat Chic.	537.5	-0.2
NZD/AUD	0.8534	-0.5			IDR	16,805	-0.4	CAC 40	8,323	+0.6	4.4	Sugar	14.36	+1.7
NZD/EUR	0.5079	-0.3			THB	31.11	-1.3	Nikkei	56,364	+3.9	45.3	Cotton	61.61	+0.9
NZD/GBP	0.4424	+0.1			KRW	1,458	-0.3	Shanghai	4,123	+1.4	24.8	Coffee	293.9	+1.9
NZD/JPY	94.37	-0.2			TWD	31.58	-0.3	ASX 200	8,870	+1.9	4.6	WM powder	3765	-0.9
NZD/CAD	0.8207	-0.3			PHP	58.46	-0.2	NZX 50	13,446	+0.0	4.4	Australian Futures		
NZ TWI	68.40	+0.0						VIX Index	17.07	-3.9	+3.2	3 year bond	95.65	-0.03
												10 year bond	95.13	0.00
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	3.75	4.85	3.32	3.80	USD	4.21	0.00	15-May-28	3.28	0.00	BKBM 1-mth	2.41	-0.01	
AUD	3.85	3.94	4.27	4.90	AUD	4.87	0.04	20-Apr-29	3.54	0.00	BKBM 3-mth	2.49	-0.01	
NZD	2.25	2.49	3.10	4.19	NZD	4.54	0.00	15-May-30	3.78	0.00	1 year	2.69	-0.00	
EUR	2.00	2.00	2.21	2.85	GER	2.84	-0.00	15-May-31	3.99	0.00	2 year	3.10	-0.00	
GBP	3.75	3.97	3.47	4.12	GBP	4.53	0.01	15-May-32	4.15	0.00	3 year	3.36	-0.00	
JPY	0.74	-0.03	1.30	2.05	JPY	2.29	0.06	14-Apr-33	4.25	0.00	5 year	3.71	-0.00	
CAD	2.25	4.97	2.42	3.15	CAD	3.40	-0.00	15-May-34	4.36	0.00	7 year	3.94	-0.01	
								15-May-35	4.46	0.00	10 year	4.19	-0.01	
								15-May-36	4.54	0.00	15 year	4.45	-0.02	
								15-May-37	4.64	0.00				
								15-May-41	4.90	0.00				
								15-May-51	5.13	0.00				
								15-May-54	5.13	0.00				
Carbon Price				Policy Meeting Run				NZ Inflation-Indexed Bonds						
	Level	% Day	% Year		NZD	AUD	USD							
NZU	38.50	+2.0	-39.4	1st	2.25	3.89	3.60	Sept-30		1.67	0.01			
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer				2nd	2.25	4.06	3.55	Sept-35		2.47	0.01			
Rates are as of: NZT 06:52				3rd	2.29	4.09	3.40	Sept-40		2.87	0.02			
Source: Bloomberg				4th	2.33	4.20	3.31							
				5th	2.44	4.21	3.19							

**NZD exchange rates**

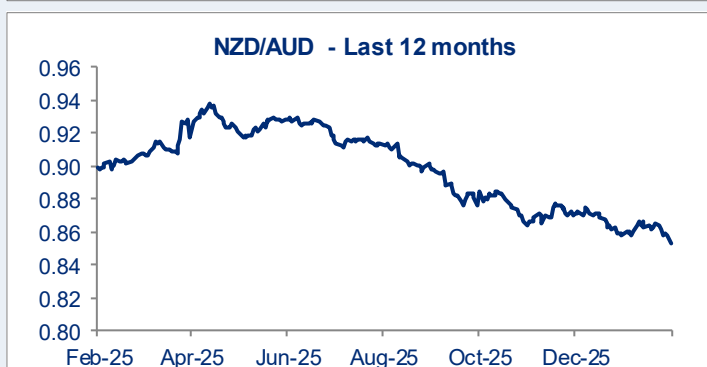
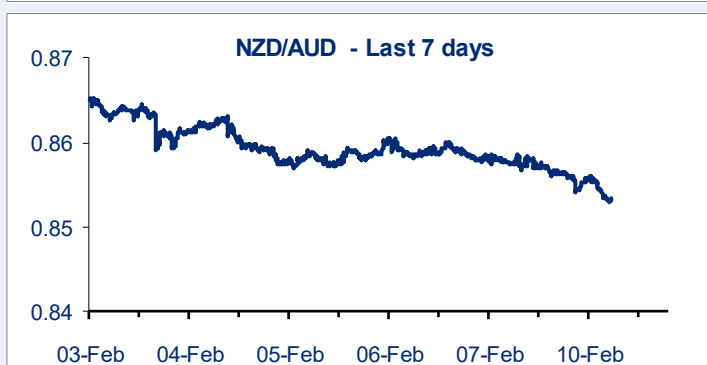
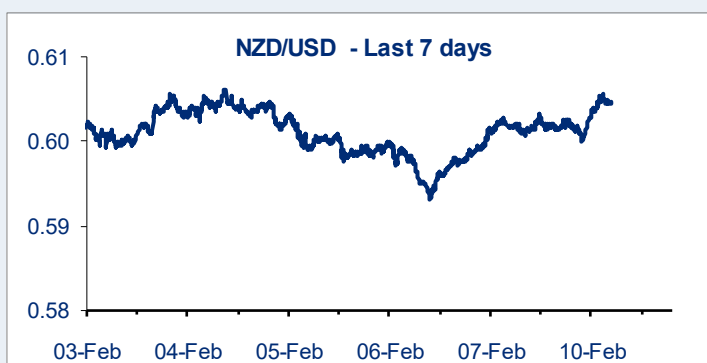
<b>10/02/2026</b>	<b>6:52 am</b>	<b>Prev. NY close</b>
USD	0.6048	0.6016
GBP	0.4424	0.4420
AUD	0.8534	0.8578
EUR	0.5079	0.5092
JPY	94.37	94.58
CAD	0.8207	0.8227
CHF	0.4642	0.4668
DKK	3.7962	3.8029
FJD	1.3314	1.3307
HKD	4.7255	4.7005
INR	54.89	54.54
NOK	5.8022	5.8240
PKR	169.13	168.28
PHP	35.36	35.25
PGK	2.5853	2.5720
SEK	5.4011	5.4308
SGD	0.7655	0.7648
CNY	4.1851	4.1726
THB	18.88	19.04
TOP	1.4129	1.3949
VUV	72.35	72.02
WST	1.6242	1.6192
XPF	60.46	60.37
ZAR	9.6110	9.6443

**NZD/USD Forward Points**

	<b>BNZ buys NZD</b>	<b>BNZ sells NZD</b>
1 Month	6.22	6.42
3 Months	19.46	19.94
6 Months	36.30	37.30
9 Months	47.40	49.40
1 Year	53.07	55.75

**NZD/AUD Forward Points**

	<b>BNZ buys NZD</b>	<b>BNZ sells NZD</b>
1 Month	9.65	10.05
3 Months	32.11	33.16
6 Months	69.32	71.69
9 Months	106.42	111.05
1 Year	139.40	145.62



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