Markets Today

12 November 2026

Events round-up

Nothing of note

Good morning

Following yesterday's US CPI and hawkish comments from Fed speakers, the market is pricing in more aggressive rate hikes over the coming year, and the USD extended its broad-based gains overnight. The NZD has fallen to just above 0.5560. The US cash Treasuries market is closed for the Veterans Day holiday, but the futures market implies a nudge up in yields. US equities continue to recover.

US equities are stronger, supported by positive sentiment towards IT stocks. Anthropic PBC's initial public offering has met very strong demand, with sources noting that the issue is multiple times over-subscribed. Coreweave, a neocloud company that was at the epicentre of the recent plunge in AI-related stocks, reported a strong result, triggering a 25% surge in its share price. In early afternoon trading, the S&P500 is up 1½% and the Nasdaq index is up over 2%.

Oil prices have recovered from the 2½-month low recorded yesterday. Iran's Secretary of the Supreme National Security Council said that Iran will not remove "a single atom" of enriched nuclear material from the country, as the material is required to design nuclear-powered ships and submarines. Lingering jitters over the US-Iran conflict have been the dominant force for oil prices, offsetting news that Saudi Arabia's crude production surged 26% in October to 10.56m barrels per day, one of the highest monthly levels in years, while Iraq's oil output rose to 4.9m barrels per day. Both figures are well above OPEC-agreed limits. Brent crude is currently trading around USD93 per barrel.

Hot on the heels of hawkish FOMC comments from Governor Waller and Dallas Fed President Logan, other FOMC speakers were out in force after we went to print yesterday. Kansas City Fed President Schmid said the policy rate was "fairly accommodative", not restrictive, and that inflation is top of mind for policy decisions. Chicago Fed President Goolsbee called the October CPI report "another distressing report, borderline disturbing", adding, "we've got a real inflation issue on our hands that has been developing and we're going to have to deal with that".

Others were less hawkish but still pointed to the need for higher rates. Governor Bowman noted that she is shifting her focus to inflation. Minneapolis Fed President Paulson argued that elevated inflation is not just about temporary factors and that policy should be somewhat restrictive to tame it.

The market is pricing in 29bps of hikes for the next meeting in December, which implies a small chance of a jumbo 50bps hike at that meeting. It is pricing in 45bps cumulatively through to the January meeting and over 80bps through to Q3 next year. The focus on the need for tighter US monetary policy kept the pressure on US Treasury futures during the NZ trading session, and there has been further slippage overnight, consistent with both 2-year and 10-year rates being a little higher, the latter rising to at least 5.01%.

The reassessment of how high the Fed Funds rate might need to rise has driven another day of broad-based USD gains, with Bloomberg's dollar index rising to its highest level since May 2025. EUR has fallen to fresh lows below 1.11, and GBP has fallen below 1.3275. USD/JPY has risen towards 160, close to a threshold at which we would expect Japanese authorities to conduct "open mouth operations" to reduce speculative behaviour.

The NZD has underperformed a little overnight, retracing the gains seen early this week, and sits just above 0.5560, with last week's low holding for now. The AUD is currently at 0.6850, while NZD/AUD has slipped to 0.8120.

Global forces sent NZ rates higher, although not by as much as US rates, resulting in further NZ-US rate compression. The NZ-US 10-year bond spread has moved through minus 30bps, a new low for the cycle. NZGBs rose 4-8bps across the curve, with a flattening bias. The 10-year NZGB closed up 6bps at 4.68%, well below the comparable US Treasury rate of around 5%. Swap rates closed 7-8bps higher. Overnight, the Australian 10-year bond future is up only about 1bp in yield terms.

In the day ahead, the key global economic release will be UK Q3 GDP, where the consensus expects a solid 0.7% q/q gain, taking annual growth to 1.9% y/y. There are only second-tier releases elsewhere, including NZ card spending data for October.

Coming up

		Period	Cons.	Prev.	NZT
NZ	Card spending total (m/m%)	Oct		-0.5	10:45
UK	GDP (q/q%)	Q3	0.7	0.5	20:00
UK	Industrial production (m/m%)	Sep	-0.4	0.8	20:00
US	Initial jobless claims (k)	7-Nov	195	189	02:30
US	Existing home sales (m/m%)	Oct	-3.5	1.5	04:00

Source: Bloomberg

Currencies

FX Majors — Indicative overnight ranges (*)

	Last	% Day	Low	High
NZD	0.5564	-0.7	0.5561	0.5610
AUD	0.6850	-0.2	0.6844	0.6878
EUR	1.1092	-0.6	1.1083	1.1160
GBP	1.3275	-0.5	1.3267	1.3346
JPY	159.85	+0.7	158.76	159.94
CAD	1.4248	+0.4		
NZD/AUD	0.8123	-0.5		
NZD/EUR	0.5016	-0.1		
NZD/GBP	0.4191	-0.2		
NZD/JPY	88.94	-0.0		
NZD/CAD	0.7928	-0.3		
NZ TWI	63.65	-0.5		

Other FX

	Last	% Day
CHF	0.8336	+1.0
SEK	9.981	+1.1
NOK	9.555	+0.5
HKD	7.845	-0.0
CNY	6.674	-0.1
SGD	1.285	+0.3
IDR	18,149	+0.5
THB	33.77	+0.4
KRW	1,336	-0.6
TWD	32.86	-0.0
PHP	63.26	+0.5

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,629	+1.4	11.4
Dow	52,401	+0.3	9.3
Nasdaq	25,621	+2.2	9.2
Stoxx 50	6,393	+1.0	11.7
FTSE	10,835	+0.8	9.5
DAX	26,663	+1.2	10.7
CAC 40	8,333	+0.7	2.2
Nikkei	61,249	+1.3	19.9
Shanghai	3,681	+0.5	-8.0
ASX 200	9,153	+0.3	4.0
NZX 50	14,180	+0.1	3.7
VIX Index	17.72	-8.9	+2.5

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	92.90	+1.5
Oil (WTI)	86.87	+1.0
Gold	4010.3	-0.5
HRC steel	1351.0	-0.4
CRB	383.8	-0.6
SGX Iron Ore	91.25	-1.0
NZ Milk '27	10.48	+0.7
NZ Milk '28	10.15	+0.1
NZ Milk '29	9.80	+0.0
WM powder	4170	+0.8

Australian Futures

3 year bond	95.28	-0.07
10 year bond	94.94	-0.02

Interest Rates

Rates / Swap Yields

	Cash	3Mth	2 Yr	10 Yr
USD	4.00	4.85	4.60	4.59
AUD	4.85	4.94	4.82	5.18
NZD	2.75	3.18	3.78	4.39
EUR	2.50	2.74	3.38	3.37
GBP	4.00	3.89	4.77	4.78
JPY	1.25	1.36	1.83	2.69
CAD	2.50	2.63	3.15	3.49

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.99	0.00
AUD	5.04	0.06
NZD	4.68	0.07
GER	3.32	-0.00
GBP	5.22	-0.00
JPY	2.80	0.11
CAD	3.72	0.06

NZ Government Bonds

	Last	Chg
15-May-28	3.64	0.08
20-Apr-29	3.85	0.08
15-May-30	4.00	0.08
15-May-31	4.15	0.08
15-May-32	4.29	0.07
14-Apr-33	4.39	0.07
15-May-34	4.49	0.07
15-May-35	4.59	0.07
15-May-36	4.68	0.06
15-May-37	4.77	0.06
15-May-38	4.82	0.06
15-May-41	5.05	0.05
15-May-51	5.29	0.04
15-May-54	5.30	0.04

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.93	0.01
BKBM 3-mth	3.18	0.03
1 year	3.56	0.06
2 year	3.78	0.08
3 year	3.89	0.08
5 year	4.05	0.08
7 year	4.21	0.08
10 year	4.39	0.07
15 year	4.61	0.07

NZ Inflation-Indexed Bonds

Sept-30	1.61	0.03
Sept-35	2.40	0.03
Sept-40	2.84	0.03

Carbon Price

	Level	% Day	% Year
NZU	50.10	+0.4	+9.5

* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer

Rates are as of: NZT 06:43

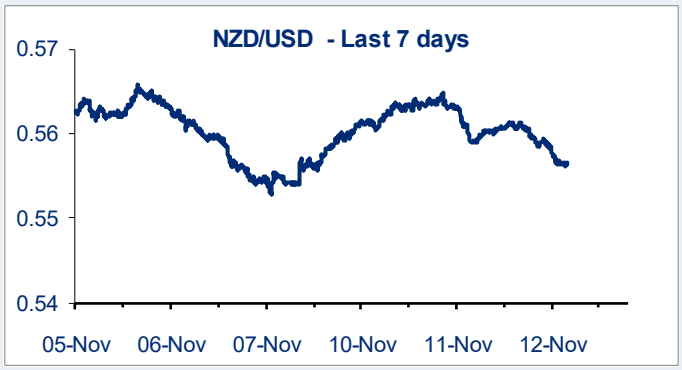
Source: Bloomberg

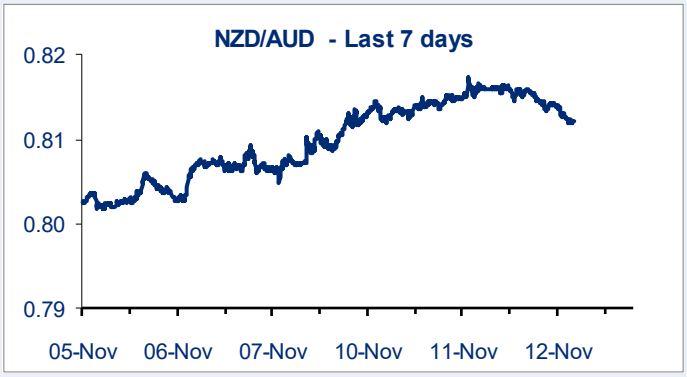
Policy Meeting Run

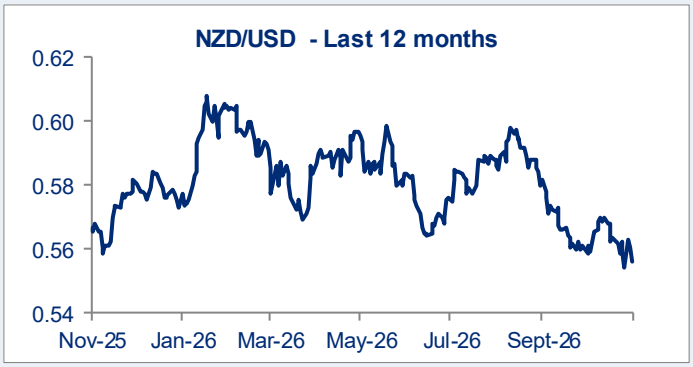
	NZD	AUD	USD
1st	2.97	4.88	4.17
2nd	3.11	4.93	4.34
3rd	3.22	4.93	4.51
4th	3.32	4.93	4.57
5th	3.41	4.86	4.66

NZD exchange rates

12/11/2026	6:44 am	Prev. NY close
USD	0.5564	0.5604
GBP	0.4191	0.4200
AUD	0.8123	0.8162
EUR	0.5016	0.5020
JPY	88.94	88.96
CAD	0.7928	0.7952
CHF	0.4632	0.4625
DKK	3.7481	3.7524
FJD	1.2575	1.2679
HKD	4.3642	4.3965
INR	52.12	52.64
NOK	5.3117	5.3291
PKR	153.88	155.04
PHP	35.19	35.27
PGK	2.4980	2.5164
SEK	5.5520	5.5325
SGD	0.7147	0.7180
CNY	3.7126	3.7431
THB	18.72	18.72
TOP	1.3105	1.3452
VUV	66.89	67.33
WST	1.5443	1.5539
XPF	59.71	59.74
ZAR	9.2357	9.2646

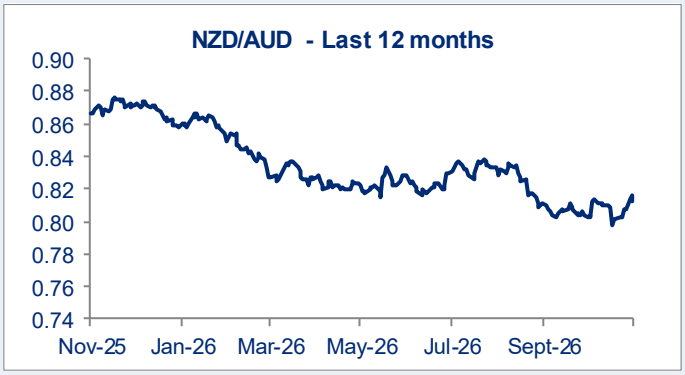






NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	6.00	6.20
3 Months	19.34	19.82
6 Months	36.66	37.75
9 Months	54.38	56.41
1 Year	70.92	73.84



NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	14.40	14.94
3 Months	41.33	42.69
6 Months	73.61	76.39
9 Months	102.61	107.39
1 Year	126.83	133.55

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