

Research

Markets Today

14 January 2026

Events Round-Up

AU: Westpac Consumer Conf, Jan: 92.9 vs. 94.5 prev.
US: NFIB Small Business Optimism, Dec: 99.2 vs. 99.5 exp.
US: CPI (m/m%), Dec: 0.3 vs. 0.3 exp.
US: CPI (y/y%), Dec: 2.7 vs. 2.7 exp.
US: Core CPI (m/m%), Dec: 0.2 vs. 0.3 exp.
US: Core CPI (y/y%), Dec: 2.6 vs. 2.7 exp.
US: New Home Sales (m/m%), Oct: -0.1 vs. -10.6 exp.

Good morning

Global asset markets are broadly stable overnight. US core CPI undershot expectations but had limited lasting impact on US rates. Investor concerns about the investigation into Federal Reserve Chair Powell appeared to abate. Central bank governors from 11 institutions, issued a statement of support for Powell and the Fed's independence, which contributed to a reversal of the US dollar's decline from the previous session. The S&P lurched to a fresh intraday record high after the CPI data but has since retraced. The potential for a snap election in Japan saw the Nikkei gain 3% and reach a record high while the yen and government bonds were under pressure.

Oil prices gained 3% and climbed to a two-month high after President Trump encouraged Iranians to keep protesting and said 'help is on its way' suggesting scope for potential US intervention. The President said a 25% tariff would be imposed on countries doing business with Iran. Brent crude prices increased toward US\$66 per barrel. Gold was steady after recent gains while silver extended its recent rally with prices approaching US\$90 an ounce.

US core CPI surprised to the downside for the second consecutive month. Core prices increased 0.2% in December, which was below the 0.3% consensus estimate and saw the annual rate remain steady at 2.6%. The softer than expected reading in November had been distorted by the US government shutdown. The December data will increase confidence about slowing price growth. The release of PPI data this evening will enable fine tuning of estimates for the core PCE deflator, the Fed's preferred measure of inflation.

US treasury yields fell in the immediately following the CPI release. 2-year yields declined 5bp to 3.49% but rebounded equally quickly and are little changed. Price

action further out the curve was muted with 10-year yields stable near 4.18% and remain contained by the narrow 2026 trading range. Treasury supply remained in focus with the US\$22 billion 30-year auction.

After a public holiday on Monday, Japanese government bonds opened under pressure. 30-year yields spiked 12bp initially, and reached a multi-decade high above 3.50%, before retracing. JGBs are under pressure on fiscal concerns as speculation grows that Prime Minister Sanae Takaichi might dissolve the parliament and call an election as soon as next month.

In currency markets, the US dollar broadly reversed the decline from the previous session. USD/JPY traded above 159 to the highest level since July-2024 despite comments from the Finance Minister cautioning against one-sided moves. NZD/USD fell towards 0.5740 overnight. The NZD is weaker on the key crosses since the local close yesterday except for NZD/AUD where changes were modest.

The Quarterly Survey of Business Opinion (QSBO) suggests the NZ economic recovery is gaining momentum. Activity indicators improved while measures of investment and employment also showed signs of strength. Notably, a net 25% of businesses intend to raise selling prices. There was also evidence of a tightening in the labour market. In aggregate, the report likely extinguishes the RBNZ's mild easing bias at the November Monetary Policy Statement.

NZ swap rates moved higher following the QSBO in the local session yesterday led by the front end of the curve. 2-year rates were 5bp higher intraday but ultimately closed up 3bp at 2.93%. The curve flattened initially but the 10-year rates eventually matched the yield adjustment in the front end and closed at 4.08%. The government curve moved in line with swaps with a 3bp parallel shift higher.

NZ filled jobs data for November is released today. Job growth was flat in October, and this series tends to be revised lower, which could be a risk to our forecast 0.3% growth in employment for Q4. Building permits for November are also scheduled. China's December trade data is expected to show slower growth in both imports and exports. PPI and retail sales data for November are released in the US.

stuart.ritson@bnz.co.nz

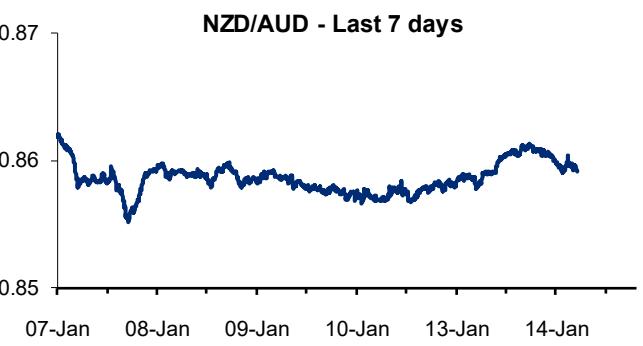
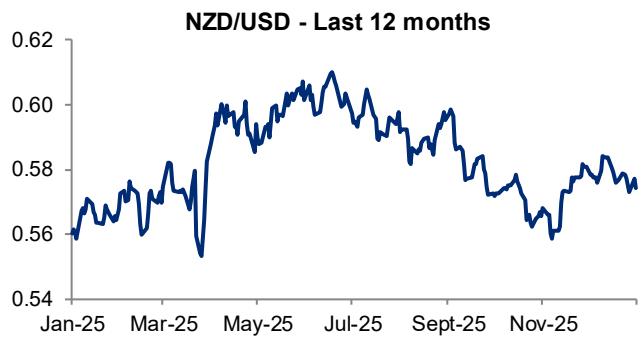
Coming Up

	Period	Cons.	Prev.	NZT
NZ Filled Jobs (m/m%)	Nov	0	10:45	
NZ Building Permits (m/m%)	Nov	-0.9	10:45	
CH Exports (USD y/y%)	Dec	3.1	5.9	
CH Imports (USD y/y%)	Dec	0.9	1.9	
US PPI Ex Food and Energy (m/m%)	Nov	0.2	0.1	02:30
US PPI Ex Food and Energy (y/y%)	Nov	2.7	2.6	02:30
US Retail Sales Advance (m/m%)	Nov	0.4	0	02:30
US Retail Sales Ex Auto, Gas (m/m%)	Nov	0.3	0.5	02:30
US Retail Sales Control (m/m%)	Nov	0.4	0.8	02:30
US Existing Home Sales (m/m%)	Dec	2	0.5	04:00

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	Last	Net Day	
NZD 0.5741	-0.5	0.5735	0.5782	CHF 0.8010	+0.5	S&P 500 6,967	-0.1	19.4		
AUD 0.6682	-0.4	0.6673	0.6727	SEK 9.214	+0.5	Dow 49,293	-0.6	16.5		
EUR 1.1644	-0.2	1.1634	1.1677	NOK 10.097	+0.3	Nasdaq 23,764	+0.1	24.5		
GBP 1.3428	-0.3	1.3425	1.3495	HKD 7.801	+0.1	Stoxx 50 6,030	+0.2	21.7		
JPY 159.09	+0.6	158.60	159.19	CNY 6.978	+0.1	FTSE 10,137	-0.0	23.3		
CAD 1.3894	+0.1			SGD 1.289	+0.3	DAX 25,421	+0.1	26.3		
NZD/AUD 0.8592	-0.1			IDR 16,877	+0.1	CAC 40 8,347	-0.1	12.7		
NZD/EUR 0.4930	-0.3			THB 31.50	+0.9	Nikkei 53,549	+3.1	39.2		
NZD/GBP 0.4275	-0.3			KRW 1.476	+0.6	Shanghai 4,139	-0.6	30.9		
NZD/JPY 91.33	+0.1			TWD 31.64	+0.0	ASX 200 8,809	+0.6	7.0		
NZD/CAD 0.7977	-0.4			PHP 59.33	+0.1	NZX 50 13,656	-0.2	6.0		
NZ TWI 66.23	-0.3					VIX Index 15.48	+2.4	-19.3		
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	3.37	3.82	USD 4.17	-0.00	15-Apr-27	2.71	0.01		
AUD 3.60	3.74	4.00	4.76	AUD 4.71	0.01	15-May-28	3.10	0.04	BKBM 1-mth	2.40
NZD 2.25	2.50	2.93	4.08	NZD 4.33	0.03	20-Apr-29	3.38	0.03	BKBM 3-mth	2.50
EUR 2.00	2.02	2.24	2.86	GER 2.85	0.01	15-May-30	3.62	0.03	1 year	2.62
GBP 3.75	4.04	3.46	3.97	GBP 4.40	0.03	15-May-31	3.84	0.02	2 year	2.93
JPY 0.74	-0.03	1.17	1.98	JPY 2.17	0.08	15-May-32	3.99	0.02	3 year	3.18
CAD 2.25	4.97	2.47	3.16	CAD 3.41	0.01	14-Apr-33	4.10	0.03	5 year	3.54
						15-May-34	4.22	0.03	7 year	3.81
						15-May-35	4.33	0.03	10 year	4.08
						15-May-36	4.43	0.03	15 year	4.35
Carbon Price										
Level		% Day		% Year		Policy Meeting Run		NZ Inflation-Indexed Bonds		
NZU 36.15		-1.0	-43.3			1st NZD 2.25	3.68	3.64	Sept-30	1.65
						2nd NZD 2.25	3.71	3.58	Sept-35	2.45
						3rd NZD 2.27	3.81	3.53	Sept-40	2.86
						4th NZD 2.32	3.83	3.41		
						5th NZD 2.39	3.90	3.33		
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer										
Rates are as of: NZT 06:36										
Source: Bloomberg										

NZD exchange rates

14/01/2026	6:35 am	Prev. NY close
USD	0.5741	0.5772
GBP	0.4275	0.4287
AUD	0.8592	0.8601
EUR	0.4930	0.4947
JPY	91.33	91.28
CAD	0.7977	0.8011
CHF	0.4599	0.4603
DKK	3.6842	3.6968
FJD	1.3015	1.3115
HKD	4.4787	4.5001
INR	51.78	52.04
NOK	5.7965	5.8097
PKR	160.75	161.62
PHP	34.07	34.21
PGK	2.4482	2.4572
SEK	5.2895	5.2923
SGD	0.7401	0.7422
CNY	4.0059	4.0249
THB	18.07	18.03
TOP	1.3572	1.3756
VUV	69.62	70.05
WST	1.5836	1.5996
XPF	58.53	58.79
ZAR	9.4294	9.4604

NZD/USD - Last 7 days**NZD/AUD - Last 7 days****NZD/USD - Last 12 months****NZD/USD Forward Points**

	BNZ buys NZD	BNZ sells NZD
1 Month	7.43	7.67
3 Months	19.66	20.15
6 Months	37.11	38.11
9 Months	50.37	52.36
1 Year	58.90	61.79

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	10.35	10.89
3 Months	28.96	30.09
6 Months	60.59	63.18
9 Months	92.20	97.16
1 Year	122.45	129.08

NZD/AUD - Last 12 months

Contact Details

BNZ Research

Stephen Toplis
Head of Research
+64 4 474 6905

Doug Steel
Senior Economist
+64 4 474 6923

Jason Wong
Senior Markets Strategist
+64 4 924 7652

Stuart Ritson
Senior Interest Rate Strategist
+64 9 9248601

Mike Jones
BNZ Chief Economist
+64 9-956 0795

Main Offices

Wellington
Level 4, Spark Central
42-52 Willis Street
Private Bag 39806
Wellington Mail Centre
Lower Hutt 5045
New Zealand
Toll Free: 0800 283 269

Auckland
80 Queen Street
Private Bag 92208
Auckland 1142
New Zealand
Toll Free: 0800 283 269

Christchurch
111 Cashel Street
Christchurch 8011
New Zealand
Toll Free: 0800 854 854

This document has been produced by Bank of New Zealand (BNZ). BNZ is a registered bank in New Zealand and is only authorised to offer products and services to customers in New Zealand.

Analyst Disclaimer: The Information accurately reflects the personal views of the author(s) about the securities, issuers and other subject matters discussed, and is based upon sources reasonably believed to be reliable and accurate. The views of the author(s) do not necessarily reflect the views of the NAB Group. No part of the compensation of the author(s) was, is, or will be, directly or indirectly, related to any specific recommendations or views expressed.

BNZ maintains an effective information barrier between the research analysts and its private side operations. Private side functions are physically segregated from the research analysts and have no control over their remuneration or budget. The research functions do not report directly or indirectly to any private side function. The Research analyst might have received help from the issuer subject in the research report.

New Zealand: The information in this publication is provided for general information purposes only, and is a summary based on selective information which may not be complete for your purposes. This publication does not constitute any advice or recommendation with respect to any matter discussed in it, and its contents should not be relied on or used as a basis for entering into any products described in it. Bank of New Zealand recommends recipients seek independent advice prior to acting in relation to any of the matters discussed in this publication.

Any statements as to past performance do not represent future performance, and no statements as to future matters are guaranteed to be accurate or reliable.

Neither Bank of New Zealand nor any person involved in this publication accepts any liability for any loss or damage whatsoever which may directly or indirectly result from any advice, opinion, information, representation or omission, whether negligent or otherwise, contained in this publication.

USA: If this document is distributed in the United States, such distribution is by nabSecurities, LLC. This document is not intended as an offer or solicitation for the purchase or sale of any securities, financial instrument or product or to provide financial services. It is not the intention of nabSecurities to create legal relations on the basis of information provided herein.

