

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.

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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	% Year		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	Oil (Brent)	65.47	+2.4		
AUD	0.6682	-0.4	0.6673	0.6727	SEK	9.214	+0.5	Dow	49,293	-0.6	16.5	Oil (WTI)	61.08	+2.6		
EUR	1.1644	-0.2	1.1634	1.1677	NOK	10.097	+0.3	Nasdaq	23,764	+0.1	24.5	Gold	4620.9	+0.0		
GBP	1.3428	-0.3	1.3425	1.3495	HKD	7.801	+0.1	Stoxx 50	6,030	+0.2	21.7	HRC steel	942.0	+0.3		
JPY	159.09	+0.6	158.60	159.19	CNY	6.978	+0.1	FTSE	10,137	-0.0	23.3	CRB	304.0	+0.9		
CAD	1.3894	+0.1			SGD	1.289	+0.3	DAX	25,421	+0.1	26.3	Wheat Chic.	523.5	+0.2		
NZD/AUD	0.8592	-0.1			IDR	16,877	+0.1	CAC 40	8,347	-0.1	12.7	Sugar	14.87	+0.1		
NZD/EUR	0.4930	-0.3			THB	31.50	+0.9	Nikkei	53,549	+3.1	39.2	Cotton	64.96	+0.1		
NZD/GBP	0.4275	-0.3			KRW	1,476	+0.6	Shanghai	4,139	-0.6	30.9	Coffee	360.7	+1.2		
NZD/JPY	91.33	+0.1			TWD	31.64	+0.0	ASX 200	8,809	+0.6	7.0	WM powder	3395	+0.3		
NZD/CAD	0.7977	-0.4			PHP	59.33	+0.1	NZX 50	13,656	-0.2	6.0	Australian Futures				
NZ TWI	66.23	-0.3						VIX Index	15.48	+2.4	-19.3	3 year bond	95.87	-0.01		
Interest Rates										10 year bond					95.25	-0.02
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	BKBM 1-mth	2.40	0.00			
AUD	3.60	3.74	4.00	4.76	AUD	4.71	0.01	15-May-28	3.10	0.04	BKBM 3-mth	2.50	0.00			
NZD	2.25	2.50	2.93	4.08	NZD	4.33	0.03	20-Apr-29	3.38	0.03	1 year	2.62	0.02			
EUR	2.00	2.02	2.24	2.86	GER	2.85	0.01	15-May-30	3.62	0.03	2 year	2.93	0.03			
GBP	3.75	4.04	3.46	3.97	GBP	4.40	0.03	15-May-31	3.84	0.02	3 year	3.18	0.03			
JPY	0.74	-0.03	1.17	1.98	JPY	2.17	0.08	15-May-32	3.99	0.02	5 year	3.54	0.03			
CAD	2.25	4.97	2.47	3.16	CAD	3.41	0.01	14-Apr-33	4.10	0.03	7 year	3.81	0.03			
										15-May-34	4.22	0.03	10 year	4.08	0.03	
										15-May-35	4.33	0.03	15 year	4.35	0.03	
										15-May-36	4.43	0.03				
										15-May-37	4.55	0.03				
										15-May-41	4.82	0.03				
										15-May-51	5.08	0.03				
										15-May-54	5.09	0.03				
Carbon Price					Policy Meeting Run					NZ Inflation-Indexed Bonds						
	Level	% Day	% Year			NZD	AUD	USD			Last	Chg				
NZU	36.15	-1.0	-43.3	1st	2.25	3.68	3.64		Sept-30	1.65	0.02					
					2nd	2.25	3.71	3.58	Sept-35	2.45	0.02					
					3rd	2.27	3.81	3.53	Sept-40	2.86	0.01					
					4th	2.32	3.83	3.41								
					5th	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																

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Source: Bloomberg

NZD exchange rates

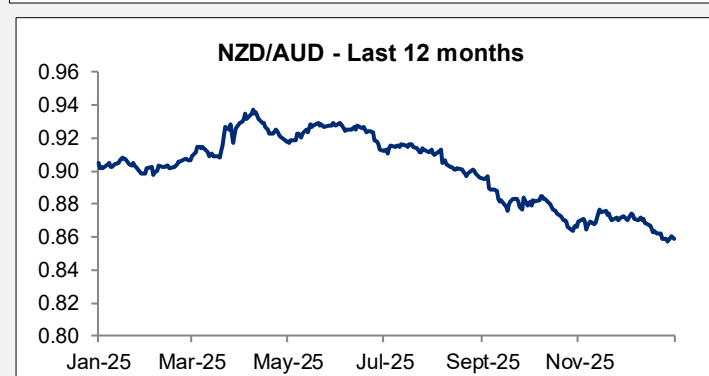
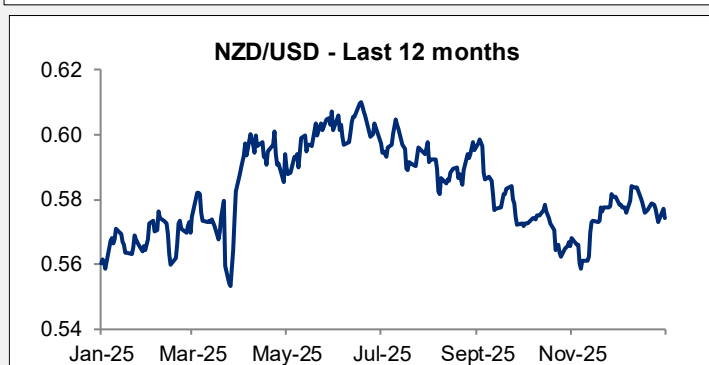
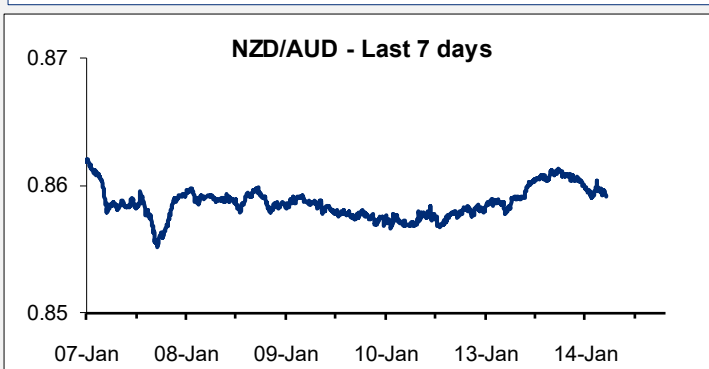
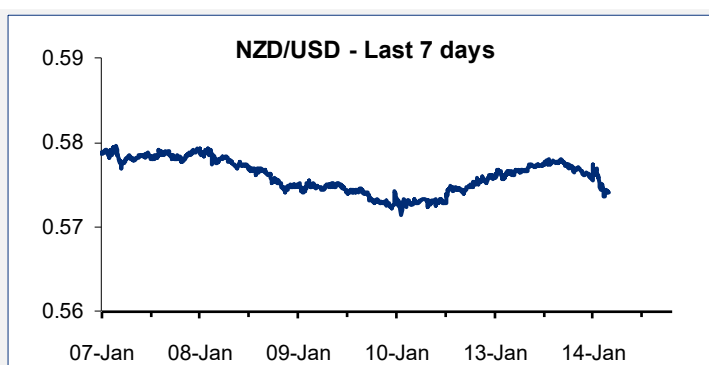
14/01/2026	6:35 am	Prev. NY close
USD	0.5741	0.5772
GBP	0.4275	0.4287
AUD	0.8592	0.8601
EUR	0.4930	0.4947
JPY	91.33	91.28
CAD	0.7977	0.8011
CHF	0.4599	0.4603
DKK	3.6842	3.6968
FJD	1.3015	1.3115
HKD	4.4787	4.5001
INR	51.78	52.04
NOK	5.7965	5.8097
PKR	160.75	161.62
PHP	34.07	34.21
PGK	2.4482	2.4572
SEK	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 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



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