

Research Markets Today

14 May 2026

Events round-up

AU: Wage price index (q/q%), Q1: 0.8 vs. 0.8 exp.
 AU: Wage price index (y/y%), Q1: 3.3 vs. 3.3 exp.
 NZ: RBNZ 2yr inflation expectations, Q2: 2.53 vs. 2.37 prev.
 EC: Industrial production (m/m%), Mar: 0.2 vs. 0.3 exp.
 US: PPI ex food, energy (m/m%), Apr: 1.0 vs. 0.3 exp.
 US: PPI ex food, energy (y/y%), Apr: 5.2 vs. 4.3 exp.

Good morning

US equities rebounded after an early dip, with the S&P reaching another intra-day record high. Gains were led by technology stocks as markets looked through a larger-than-expected rise in producer prices. European equities also advanced, with the Euro Stoxx up almost 1%. Treasury yields were little changed and the US dollar was firmer against most G10 currencies. Brent slipped toward US\$106 barrel. The International Energy Agency warned global oil inventories are falling at a record pace and that the market would remain severely undersupplied even if the conflict is resolved in the near term.

US wholesale inflation accelerated in April at the fastest pace since 2022, reflecting the surge in energy prices. PPI excluding food and energy rose 1.0% m/m, well above all estimates in the Bloomberg survey of economists, lifting the annual rate to 5.2%. The monthly increase was driven by a 0.7% rise in core goods prices and a 1.2% gain in services prices, with transportation and warehousing services up 5.0%. Economists estimate the core PCE deflator rose 0.28% in April, nudging the annual inflation rate up to 3.3% from 3.2% in March.

Market pricing for the Fed was little changed despite the PPI surprise, with around 10bp of tightening priced by December. Treasury yields initially moved higher - pushing the 10-year to 4.50% and to the highest level since last June - before retracing. The long end modestly underperformed ahead of the 30-year refunding auction. Investor demand was subdued despite the yield being above 5% and at the highest award level since 2007.

UK gilts stabilised after consecutive days of losses following the political uncertainty unleashed by the labour party's poor results in last week's local government elections. Long-dated UK gilt yields have increased to

multi-decade highs and are above bonds of all Group-of-10 peers, as political uncertainty intensifies around Prime Minister Keir Starmer and the risk of a more left-leaning Labour successor loosening fiscal rules.

The US dollar was broadly firmer against G10 currencies overnight, although net moves were modest, with most of the strength concentrated against European currencies. The NZD was little changed near 0.5930, while the AUD outperformed. The NZD was largely steady on the crosses, except versus the AUD. NZD/AUD fell almost 0.5% from yesterday's local close to a fresh multi-year low near 0.8170.

Short-term inflation expectations rose in the latest RBNZ Survey of Expectations, while medium- to longer-term measures edged lower. Two-year-ahead expectations lifted to 2.53% from 2.37%. With no Bloomberg consensus estimate, the swap-market reaction (see below) suggested there was some concern about a potential higher reading. Five- and 10-year-ahead expectations dipped marginally to 2.22% and 2.19%, respectively.

The local rates sell-off extended yesterday, with offshore moves setting the early tone. Two-year swaps pushed through the March peak to a fresh cycle high of 3.71% before retracing after the inflation expectations release. The 2-year rate ended at 3.66%, up 2bp on the day but well below the intraday high.

NZ government bonds largely matched swaps. Today's weekly tender offers the standard NZ\$450m of nominals across May-30 (NZ\$225m), May-36 (NZ\$175m) and May-51 (NZ\$50m). There will also be a small parcel of Sep-30 inflation-indexed bonds, the first linker tender since late March.

There is no domestic or regional economic data of note today. UK Q1 GDP is due and is expected to increase 0.6% q/q after subdued 0.1% growth in Q4. While Q1 includes the first month of the energy shock, it is likely too soon for much of the drag to be evident in the data. The economy may still slip into a technical recession in H2 as higher costs weigh on spending and confidence. In the US, initial jobless claims should remain steady, while retail sales are expected to be firm - helped by higher petrol prices - though the core measure should also show decent gains.

stuart_ritson@bnz.co.nz

Coming up

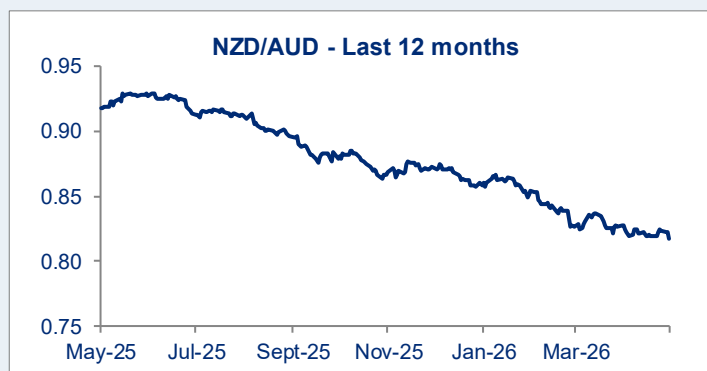
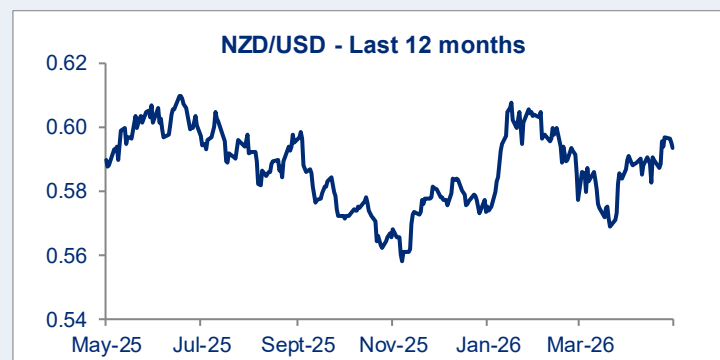
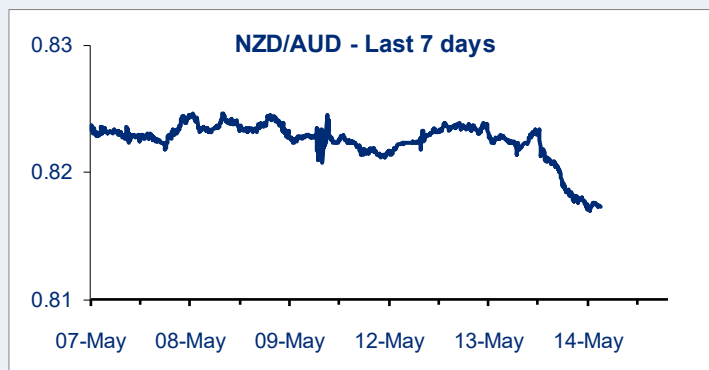
		Period	Cons.	Prev.	NZT
UK	GDP (q/q%)	1Q P	0.6	0.1	18:00
US	Initial Jobless Claims	9-May	205	200	00:30
US	Retail Sales Advance (m/m%)	Apr	0.5	1.7	00:30
US	Retail Sales Ex Auto and Gas	Apr	0.3	0.6	00:30
US	Retail Sales Control Group	Apr	0.4	0.7	00:30

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	0.5934	-0.3	0.5920	0.5943	CHF	0.7822	+0.2	S&P 500	7,446	+0.6	26.5	Oil (Brent)	105.80	-1.8
AUD	0.7260	+0.3	0.7233	0.7272	SEK	9.326	+0.3	Dow	49,669	-0.1	17.9	Oil (WTI)	101.17	-1.0
EUR	1.1706	-0.3	1.1696	1.1723	NOK	9.172	-0.2	Nasdaq	26,436	+1.4	39.1	Gold	4696.5	+0.2
GBP	1.3515	-0.2	1.3485	1.3537	HKD	7.830	+0.0	Stoxx 50	5,861	+0.9	8.2	HRC steel	1078.0	-0.4
JPY	157.91	+0.2	157.68	157.93	CNY	6.791	-0.1	FTSE	10,325	+0.6	20.0	CRB	404.9	+4.0
CAD	1.3707	+0.1			SGD	1.273	+0.1	DAX	24,137	+0.8	2.1	Wheat Chic.	675.3	-0.6
NZD/AUD	0.8174	-0.6			IDR	17,476	-0.3	CAC 40	8,008	+0.4	1.7	Sugar	15.38	+2.5
NZD/EUR	0.5069	+0.0			THB	32.36	-0.2	Nikkei	63,272	+0.8	65.9	Cotton	86.84	+0.5
NZD/GBP	0.4391	-0.1			KRW	1,490	-0.3	Shanghai	4,243	+0.7	25.7	Coffee	280.8	+0.2
NZD/JPY	93.70	-0.1			TWD	31.52	+0.1	ASX 200	8,630	-0.5	4.2	WM powder	3850	+0.5
NZD/CAD	0.8134	-0.2			PHP	61.41	-0.1	NZX 50	13,063	-0.1	2.2	Australian Futures		
NZ TWI	67.07	-0.3						VIX Index	17.87	-0.7	-1.9	3 year bond	95.28	0.00
												10 year bond	94.92	0.02
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	3.83	4.05	USD	4.48	0.01	15-May-28	3.72	0.02	BKBM 1-mth	2.50	0.02	
AUD	4.35	4.45	4.74	5.14	AUD	5.06	0.03	20-Apr-29	3.92	0.03	BKBM 3-mth	2.70	0.03	
NZD	2.25	2.70	3.66	4.41	NZD	4.75	0.04	15-May-30	4.10	0.04	1 year	3.23	0.00	
EUR	2.00	2.25	2.88	3.11	GER	3.10	-0.00	15-May-31	4.27	0.04	2 year	3.66	0.02	
GBP	3.75	3.87	4.36	4.61	GBP	5.07	-0.04	15-May-32	4.41	0.04	3 year	3.84	0.03	
JPY	0.74	-0.03	1.39	2.38	JPY	2.59	0.03	14-Apr-33	4.49	0.04	5 year	4.06	0.04	
CAD	2.25	4.97	2.85	3.34	CAD	3.59	-0.01	15-May-34	4.58	0.04	7 year	4.22	0.04	
								15-May-35	4.67	0.04	10 year	4.41	0.04	
								15-May-36	4.75	0.04	15 year	4.64	0.04	
								15-May-37	4.85	0.04				
								15-May-41	5.11	0.04	NZ Inflation-Indexed Bonds			
								15-May-51	5.31	0.04	Sept-30	1.61	0.07	
								15-May-54	5.32	0.04	Sept-35	2.40	0.07	
											Sept-40	2.86	0.07	
Carbon Price					Policy Meeting Run									
	Level	% Day	% Year		NZD	AUD	USD							
NZU	49.95	-0.5	-6.6		1st	2.34	4.42	3.63						
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer														
Rates are as of: NZT 06:16														
Source: Bloomberg														

NZD exchange rates

14/05/2026	6:15 am	Prev. NY close
USD	0.5934	0.5952
GBP	0.4391	0.4396
AUD	0.8174	0.8221
EUR	0.5069	0.5070
JPY	93.70	93.82
CAD	0.8134	0.8152
CHF	0.4642	0.4646
DKK	3.7877	3.7885
FJD	1.2973	1.3073
HKD	4.6466	4.6597
INR	56.80	56.92
NOK	5.4426	5.4672
PKR	165.33	165.87
PHP	36.43	36.59
PGK	2.5867	2.5935
SEK	5.5338	5.5315
SGD	0.7553	0.7570
CNY	4.0298	4.0455
THB	19.20	19.29
TOP	1.3877	1.3749
VUV	69.87	69.97
WST	1.5922	1.5927
XPF	60.52	60.62
ZAR	9.7453	9.8303



NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	5.95	6.25
3 Months	16.48	17.16
6 Months	27.88	29.54
9 Months	35.27	38.38
1 Year	39.12	42.38

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	13.06	13.59
3 Months	38.82	40.15
6 Months	74.37	77.57
9 Months	105.82	111.63
1 Year	131.12	137.72

Contact Details

BNZ Research

Stephen Toplis

Head of Research

Doug Steel

Senior Economist

Jason Wong

Senior Markets Strategist

Stuart Ritson

Senior Interest Rate Strategist

Mike Jones

BNZ Chief Economist

Main Offices

Wellington

Level 2, BNZ Place
1 Whitmore St
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.