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.

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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

FX Majors — **Indicative overnight ranges (*)**

	Last	% Day	Low	High
NZD	0.5934	-0.3	0.5920	0.5943
AUD	0.7260	+0.3	0.7233	0.7272
EUR	1.1706	-0.3	1.1696	1.1723
GBP	1.3515	-0.2	1.3485	1.3537
JPY	157.91	+0.2	157.68	157.93
CAD	1.3707	+0.1		
NZD/AUD	0.8174	-0.6		
NZD/EUR	0.5069	+0.0		
NZD/GBP	0.4391	-0.1		
NZD/JPY	93.70	-0.1		
NZD/CAD	0.8134	-0.2		
NZ TWI	67.07	-0.3		

Other FX

	Last	% Day
CHF	0.7822	+0.2
SEK	9.326	+0.3
NOK	9.172	-0.2
HKD	7.830	+0.0
CNY	6.791	-0.1
SGD	1.273	+0.1
IDR	17,476	-0.3
THB	32.36	-0.2
KRW	1,490	-0.3
TWD	31.52	+0.1
PHP	61.41	-0.1

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,446	+0.6	26.5
Dow	49,669	-0.1	17.9
Nasdaq	26,436	+1.4	39.1
Stoxx 50	5,861	+0.9	8.2
FTSE	10,325	+0.6	20.0
DAX	24,137	+0.8	2.1
CAC 40	8,008	+0.4	1.7
Nikkei	63,272	+0.8	65.9
Shanghai	4,243	+0.7	25.7
ASX 200	8,630	-0.5	4.2
NZX 50	13,063	-0.1	2.2
VIX Index	17.87	-0.7	-1.9

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	105.80	-1.8
Oil (WTI)	101.17	-1.0
Gold	4696.5	+0.2
HRC steel	1078.0	-0.4
CRB	404.9	+4.0
Wheat Chic.	675.3	-0.6
Sugar	15.38	+2.5
Cotton	86.84	+0.5
Coffee	280.8	+0.2
WM powder	3850	+0.5

Australian Futures

3 year bond	95.28	0.00
10 year bond	94.92	0.02

Interest Rates

	Rates		Swap Yields	
	Cash	3Mth	2 Yr	10 Yr
USD	3.75	4.85	3.83	4.05
AUD	4.35	4.45	4.74	5.14
NZD	2.25	2.70	3.66	4.41
EUR	2.00	2.25	2.88	3.11
GBP	3.75	3.87	4.36	4.61
JPY	0.74	-0.03	1.39	2.38
CAD	2.25	4.97	2.85	3.34

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.48	0.01
AUD	5.06	0.03
NZD	4.75	0.04
GER	3.10	-0.00
GBP	5.07	-0.04
JPY	2.59	0.03
CAD	3.59	-0.01

NZ Government Bonds

	Last	Chg
15-May-28	3.72	0.02
20-Apr-29	3.92	0.03
15-May-30	4.10	0.04
15-May-31	4.27	0.04
15-May-32	4.41	0.04
14-Apr-33	4.49	0.04
15-May-34	4.58	0.04
15-May-35	4.67	0.04
15-May-36	4.75	0.04
15-May-37	4.85	0.04
15-May-41	5.11	0.04
15-May-51	5.31	0.04
15-May-54	5.32	0.04

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.50	0.02
BKBM 3-mth	2.70	0.03
1 year	3.23	0.00
2 year	3.66	0.02
3 year	3.84	0.03
5 year	4.06	0.04
7 year	4.22	0.04
10 year	4.41	0.04
15 year	4.64	0.04

NZ Inflation-Indexed Bonds

Sept-30	1.61	0.07
Sept-35	2.40	0.07
Sept-40	2.86	0.07

Carbon Price

	Level	% Day	% Year
NZU	49.95	-0.5	-6.6

Policy Meeting Run

	NZD	AUD	USD
1st	2.34	4.42	3.63
2nd	2.53	4.58	3.64
3rd	2.76	4.65	3.66
4th	2.92	4.73	3.69
5th	3.14	4.76	3.74

* 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

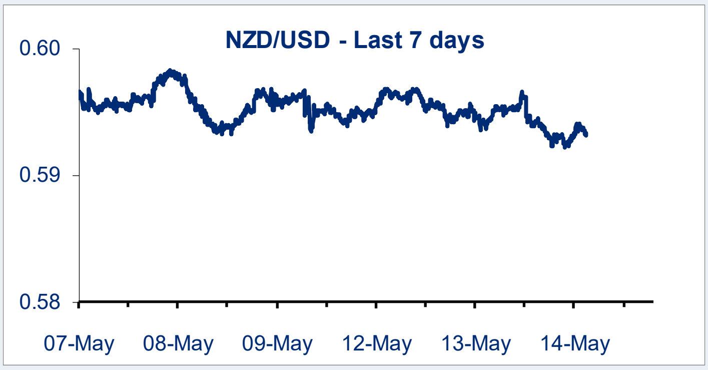
14/05/2026	6:15 am	Prev. NY close
USD	0.5934	0.5952
GBP	0.4391	0.4396
AUD	0.8174	0.8221
EUR	0.5069	0.5070
JPY	93.70	93.82
CAD	0.8134	0.8152
CHF	0.4642	0.4646
DKK	3.7877	3.7885
FJD	1.2973	1.3073
HKD	4.6466	4.6597
INR	56.80	56.92
NOK	5.4426	5.4672
PKR	165.33	165.87
PHP	36.43	36.59
PGK	2.5867	2.5935
SEK	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

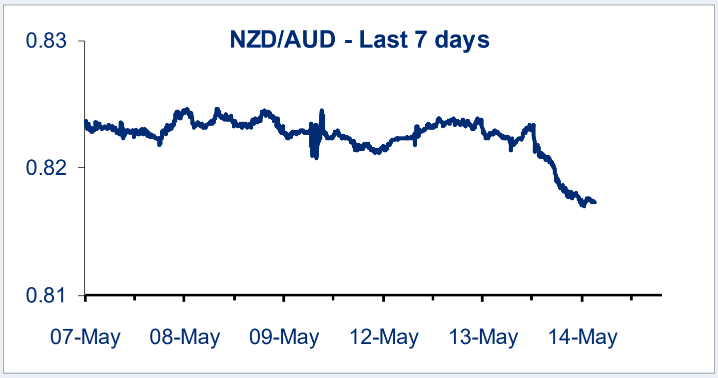
NZD/USD Forward Points

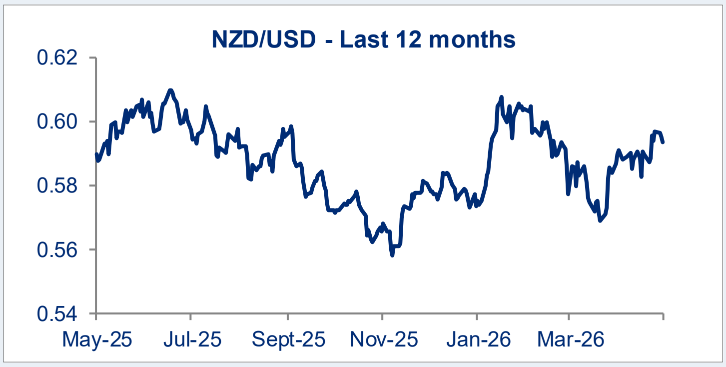
	BNZ buys NZD	BNZ sells NZD
1 Month	5.95	6.25
3 Months	16.48	17.16
6 Months	27.88	29.54
9 Months	35.27	38.38
1 Year	39.12	42.38

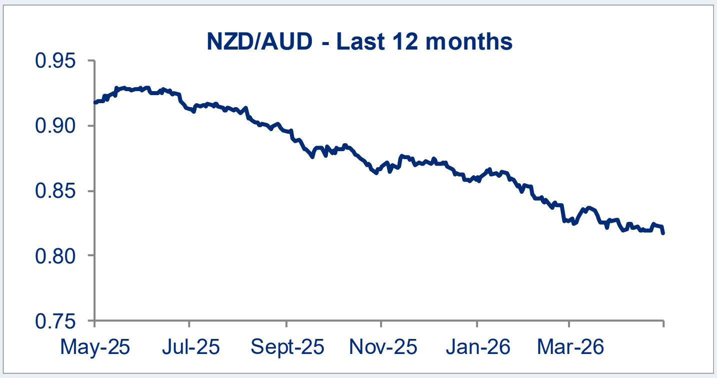
NZD/AUD Forward Points

	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









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