Research

Markets Today

14 September 2026

Events round-up

NZ: BusinessNZ Manufacturing PMI, Aug: 53.1 vs. 54.3.

UK: Monthly GDP (m/m%), Jul: 0.4 vs. 0 exp.

UK: Industrial Production (m/m%), Jul: 0.2 vs. -0.2 exp.

US: CPI (m/m%), Aug: 0.4 vs. 0.4 exp.

US: Core CPI (m/m%), Aug: 0.3 vs. 0.2 exp.

US: CPI (y/y%), Aug: 3.4 vs. 3.4 exp.

US: Core CPI (y/y%), Aug: 2.4 vs. 2.4 exp.

US: U. of Mich. Sentiment, Sep P: 47.8 vs. 51 exp.

US: U. of Mich. 5-10 Yr Inflation, Sep P: 3.4 vs. 3.3 exp.

Good morning

The sell-off across global bond markets paused at the end of last week, despite the key details of the widely anticipated US CPI report coming in stronger than expected. Sentiment was helped by a retreat in oil prices towards US$105, after Brent crude had traded near US$110 during the Asian session. Risk-sensitive markets performed strongly - the S&P 500 snapped a four-session losing streak, advancing nearly 1%, led by communication services and technology. Major European indices also posted solid gains, with the Euro Stoxx closing almost 1% higher.

US headline CPI was in line with expectations at 3.4% y/y, with the 0.4% monthly rise driven by an increase in energy prices. The focus centred on the core measure which rose 0.3% m/m, above the 0.2% consensus, supporting the case for a Fed hike this week even as the annual core rate eased to 2.4%. Goods prices remained subdued, suggesting limited pass-through from higher producer prices so far, but services inflation stayed sticky. Together, the CPI and PPI data point to a roughly 0.28% rise in core PCE, or 3.4% annualised, slightly above July's pace.

US consumer sentiment fell sharply in early September, with the University of Michigan index dropping to 47.8, below all economists' forecasts, as higher gasoline prices and renewed concern about interest rates weighed on households. Expectations also deteriorated, with the index falling to 45.8, close to May's multi-decade low. Inflation expectations edged higher, with one-year expectations at 4.6% and five-to-ten-year expectations at 3.4%, though the latter should remain a minor concern for the Fed while broader long-term measures stay relatively well anchored. For the first time since 2023, a majority of consumers expect interest rates to rise over the year ahead.

Fed pricing firmed after the CPI report, with money markets implying around a 90% chance of a 25bp hike at this week's FOMC meeting. The Treasury curve flattened as front-end yields pushed higher, with the 2-year reaching a new cycle high before closing near 4.63%, around 5bp above the NZ close. Moves further out the curve were more contained, with an earlier dip in 10-year yields unwinding to leave the benchmark little changed at 4.97%.

The US dollar briefly spiked after the CPI release before reversing, leaving little net impact on FX markets. Most G10 currencies were little changed from the NZ close after the initial volatility. The yen outperformed, continuing its recent run as markets look ahead to a likely Bank of Japan rate hike this week. The NZD outperformed during the Asian session as domestic yields rose, with NZD/USD briefly reaching 0.5835 in early European trade before easing to around 0.5815 by the global close. NZD/JPY slipped to 0.8940, a fresh low for the year.

The sharp move higher in NZ rates continued during Friday's local session, with yields rising materially across the curve in response to the energy-led sell-off in global markets. NZ rates priced additional RBNZ tightening, with October meeting reverting to +16bp from a post-MPS low of +7bp, while cumulative tightening across the final two meetings of the year rose to around 37bp. Two-year rates closed 25bp higher at 4.06%, comfortably above previous cycle highs, while the curve flattened as 10-year rates rose a more modest 10bp to 4.74%.

Price action in Australian 3- and 10-year bond futures was subdued overnight Friday. After the sell-off that pushed 10-year yields to 15-year highs during the Asian session, the subsequent stability in futures points to limited directional bias for NZ rates on the local open.

The services PMI for August is released today, after easing to 50.6 last month. In data released Friday, the manufacturing PMI was marginally softer at 53.6 but remained slightly above its long-term average. Canadian CPI is the only major offshore release this evening.

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Coming up

		Period	Cons.	Prev.	NZT
NZ	Performance Services Index	Aug		50.6	10:30
AU	RBA's Hunter-Fireside Chat				14:30
CA	CPI (y/y%)	Aug	3.1	3	00:30
CA	CPI Core- Median (y/y%)	Aug		2	00:30
CA	CPI Core- Trim (y/y%)	Aug		1.9	00:30

Source: Bloomberg

Currencies

FX Majors — Indicative overnight ranges (*)

	Last	% Day	Low	High
NZD	0.5814	+0.3	0.5803	0.5833
AUD	0.7171	+0.2	0.7150	0.7188
EUR	1.1598	-0.1	1.1570	1.1615
GBP	1.3527	+0.1	1.3482	1.3535
JPY	153.52	-0.5	153.24	154.48
CAD	1.3872	+0.3		
NZD/AUD	0.8107	+0.1		
NZD/EUR	0.5012	+0.4		
NZD/GBP	0.4298	+0.2		
NZD/JPY	89.25	-0.2		
NZD/CAD	0.8065	+0.6		
NZ TWI	65.43	+0.2		

Other FX

	Last	% Day
CHF	0.8165	+0.5
SEK	9.700	+0.2
NOK	9.288	+0.1
HKD	7.842	+0.0
CNY	6.708	-0.1
SGD	1.267	-0.1
IDR	17,611	+0.4
THB	33.05	-0.1
KRW	1,342	-0.6
TWD	31.64	+0.3
PHP	62.71	+0.3

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,657	+0.9	16.3
Dow	52,573	+1.0	14.7
Nasdaq	26,333	+1.0	18.9
Stoxx 50	6,325	+0.9	17.3
FTSE	10,650	+0.4	14.7
DAX	25,569	+0.8	7.9
CAC 40	8,180	+0.8	4.5
Nikkei	64,011	-1.9	43.0
Shanghai	3,888	-1.2	0.5
ASX 200	8,741	-0.9	-1.4
NZX 50	13,580	-1.0	2.7
VIX Index	15.84	-11.2	+7.3

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	104.61	-2.8
Oil (WTI)	100.05	-2.4
Gold	4374.8	+0.0
HRC steel	1234.0	+0.1
CRB	423.1	+0.0
SGX Iron Ore	96.25	-0.3
NZ Milk '26	9.75	+0.0
NZ Milk '27	9.90	+0.0
NZ Milk '28	9.80	+0.1
WM powder	3670	-0.7
Australian Futures		
3 year bond	95.00	-0.16
10 year bond	94.65	0.02

Interest Rates

	Rates: Cash	Rates: 3Mth	Swap Yields: 2 Yr	Swap Yields: 10 Yr
USD	3.75	4.85	4.51	4.58
AUD	4.35	4.67	4.99	5.44
NZD	2.75	3.09	4.05	4.74
EUR	2.25	2.65	3.40	3.54
GBP	3.75	3.87	4.65	4.89
JPY	0.99	-0.03	1.84	2.84
CAD	2.25	4.97	3.29	3.71

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.97	0.00
AUD	5.37	0.12
NZD	5.03	0.17
GER	3.50	0.00
GBP	5.34	-0.03
JPY	2.99	0.07
CAD	3.94	-0.01

NZ Government Bonds

	Last	Chg
15-May-28	3.93	0.25
20-Apr-29	4.18	0.25
15-May-30	4.37	0.24
15-May-31	4.53	0.23
15-May-32	4.67	0.21
14-Apr-33	4.77	0.20
15-May-34	4.86	0.19
15-May-35	4.95	0.17
15-May-36	5.03	0.16
15-May-37	5.12	0.15
15-May-38	5.17	0.14
15-May-41	5.39	0.13
15-May-51	5.61	0.12
15-May-54	5.62	0.11

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.95	0.00
BKBM 3-mth	3.09	0.03
1 year	3.67	0.16
2 year	4.05	0.24
3 year	4.22	0.25
5 year	4.42	0.24
7 year	4.57	0.21
10 year	4.74	0.17
15 year	4.96	0.14

NZ Inflation-Indexed Bonds

	Last	Chg
Sept-30	1.84	0.14
Sept-35	2.62	0.09
Sept-40	3.06	0.06

Carbon Price

	Level	% Day	% Year
NZU	49.05	+0.0	-15.8

Policy Meeting Run

	NZD	AUD	USD
1st	2.91	4.56	3.85
2nd	3.13	4.70	3.97
3rd	3.32	4.75	4.14
4th	3.49	4.85	4.24
5th	3.63	4.93	4.37

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

Rates at NY close

Source: Bloomberg

NZD exchange rates

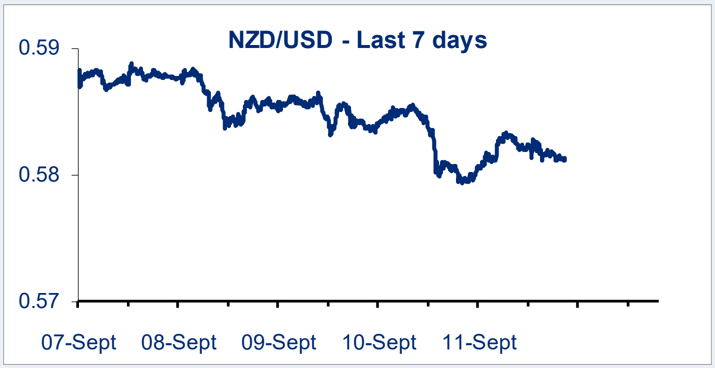
13/09/2026	NY close	Prev. NY close
USD	0.5814	0.5798
GBP	0.4298	0.4291
AUD	0.8107	0.8101
EUR	0.5012	0.4993
JPY	89.25	89.53
CAD	0.8065	0.8020
CHF	0.4748	0.4713
DKK	3.7474	3.7325
FJD	1.2868	1.2844
HKD	4.5603	4.5467
INR	55.57	55.34
NOK	5.4008	5.3773
PKR	161.37	160.91
PHP	36.46	36.26
PGK	2.5890	2.5872
SEK	5.6405	5.6140
SGD	0.7368	0.7352
CNY	3.9004	3.8917
THB	19.21	19.10
TOP	1.3686	1.3633
VUV	68.72	68.33
WST	1.5818	1.5725
XPF	59.59	59.33
ZAR	9.3838	9.3958

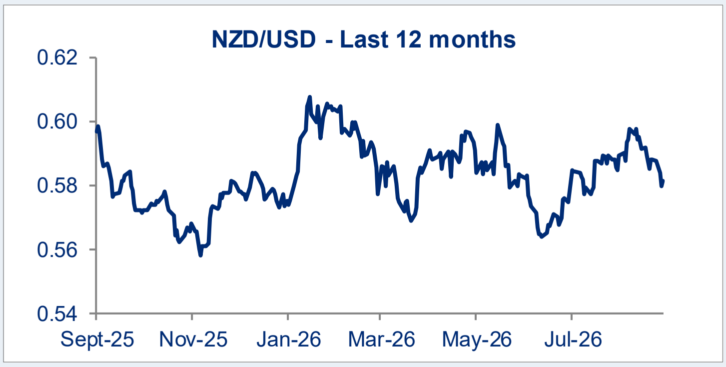
NZD/USD Forward Points

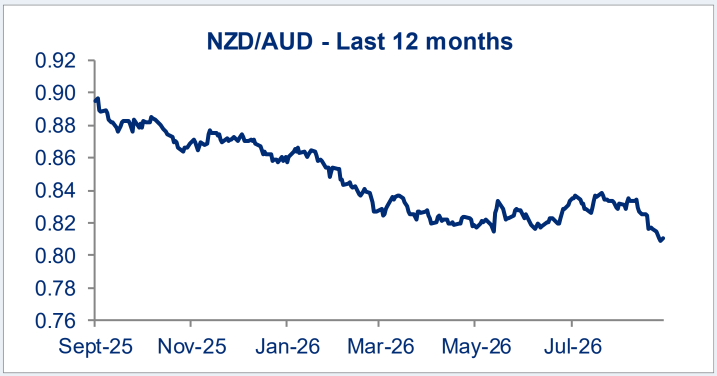
	BNZ buys NZD	BNZ sells NZD
1 Month	5.09	5.41
3 Months	15.12	15.81
6 Months	28.42	29.74
9 Months	39.58	42.20
1 Year	49.14	53.20

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	10.14	10.79
3 Months	32.01	33.53
6 Months	60.59	63.44
9 Months	86.53	91.77
1 Year	108.76	116.45







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