

Research Markets Today

15 May 2026

Events Round-Up

UK: GDP (q/q%), Q1: 0.6 vs. 0.6 exp.

US: Initial jobless claims, wk to 9 May: 211 vs. 205 exp.

US: Retail sales (m/m%), Apr: 0.5 vs. 0.5 exp.

US: Retail sales ex auto, gas (m/m%), Apr: 0.5 vs. 0.3 exp.

US: Retail sales control grp (m/m%), Apr: 0.5 vs. 0.4 exp.

Good Morning

US equities continue their record-breaking run, supported by retail sales data showing signs of a resilient US consumer. US Treasuries have traded a tight range. There were no immediate market implications from the first day of the Trump-Xi summit. Oil prices are relatively steady. The US is broadly stronger overnight, with GBP underperforming on political developments that will ultimately see PM Starmer lose his leadership.

The first day of talks between Presidents Trump and Xi concluded with media headlines focused on their discussion of Taiwan. China's foreign ministry quoted Xi saying, "Handled well, relations between the two countries can maintain overall stability...If handled poorly, the two countries will collide or even clash, putting the entire US-China relationship in an extremely dangerous situation". On trade, Xi said the two sides "reached a generally balanced and positive outcome, which is good news for the people of both countries and for the world".

A White House official relayed a discussion on Iran, saying China agreed that the Strait of Hormuz should remain a free waterway and agreed that Iran shouldn't have a nuclear weapon. The readout from China was only that the two sides exchanged views on the Middle East.

Bloomberg reported the number of supertankers hauling unsanctioned oil through the Strait of Hormuz has shown signs of rising in recent days. There has also been an increase in crossings of all types of vessels. Iran said it is now allowing Chinese ships to pass through following discussions with the country's foreign ministry. Ship crossings remain a fraction of pre-conflict levels. Oil prices have consolidated with Brent crude flat around USD106 per barrel.

US equities continue their record-breaking run. The S&P500 is currently up 0.7%, on track for an eighth

consecutive weekly gain. In addition to the usual positive influence from the strong IT sector, macro forces are playing a supporting role, with US retail sales data painting a picture of a resilient US consumer.

Sales growth figures of 0.5% m/m in April across the key indicators – headline, ex autos and gas and the control group measure – were broadly in line with consensus but came with net positive revisions. This suggests a modest upward revision to private consumption for Q1 and a stronger base as Q2 began, without a notable impact from surging gasoline prices. Gains in sales were broadly based across storetypes and analysts note support from higher than usual tax refunds and the backdrop of the strong sharemarket. The Atlanta Fed's GDP Nowcast estimate for Q2 pushed up to a strong 4% annualised rate.

US Treasuries have traded tight ranges overnight, with the 10-year rate tracking between 4.435%-4.47%. Although Kansas Fed President Schmid is a known hawk, his comments that inflation is the most pressing risk to the US economy, added to the number of Fed Presidents indicating similar views since the last FOMC meeting.

In the UK, a path has been cleared for Andy Burnham to challenge Keir Starmer for the PM role, with a Labor MP planning to step down from his Manchester seat to make way for a by-election. The hope is that this would see the popular Burnham win the seat and enter the race to replace Starmer. Earlier in the day, Wes Streeting resigned as health secretary, paving the way for him to also challenge the PM job.

The market fears that any replacement for Starmer would result in an easing of fiscal policy, with higher deficits and debt levels. The UK 10-year rate fell 6bps to 5.00% but the market was closed before the events around Burnham and gilt futures fell after the close, signalling higher rates. GBP has been the weakest of the majors overnight, falling 0.9% to near 1.34, driving NZD/GBP back up through 0.44.

UK GDP grew 0.6% q/q in Q1, as expected, a strong figure to start the year. However, there are suspected issues around seasonal adjustment that inflate apparent growth at the start of the year, only for the figures to weaken through the rest of the year.

While GBP has been a notable underperformer, the USD has been broadly stronger overnight albeit with only modest gains against the other majors. The NZD has

weakened below 0.5920, while the AUD has fallen to 0.7225. Apart from a stronger NZD/GBP, other NZD cross movements are not significant.

Yesterday, the domestic rates market was influenced by lower rates in Australia, seeing NZGB yields down 2-4bps across the curve. Lower rates heading into the weekly tender didn't seem to hinder demand and bid-cover ratios were strong at around 4 for the three lines on offer. In the swaps market, the 2-year rate fell 3bps to 3.62% while the 10-year rate fell 1bp to 4.39%.

On the economic calendar, NZ's manufacturing PMI and monthly CPI indicators for April are released this morning. They are expected to be influenced by the conflict in the Middle East, with signs of weaker activity and higher

inflation. Only second tier global data are released tonight, including the first of the Fed's regional manufacturing surveys for May and industrial production for April.

jason.k.wong@bnz.co.nz

Coming Up

		Period	Cons.	Prev.	NZT
NZ	Manufacturing PMI	Apr	53.2		10:30
NZ	Monthly CPI indicators	Apr			10:45
US	Empire manufacturing	May	7	11	00:30
US	Industrial production (m/m%)	Apr	0.3	-0.5	01:15

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	% Year		Last	Net Day				
NZD	0.5918	-0.3	0.5914	0.5941	CHF	0.7834	+0.2		S&P 500	7,501	+0.7	27.3	Oil (Brent)	106.02	+0.4
AUD	0.7224	-0.5	0.7216	0.7262	SEK	9.349	+0.2		Dow	50,088	+0.8	19.1	Oil (WTI)	101.47	+0.4
EUR	1.1676	-0.3	1.1671	1.1719	NOK	9.227	+0.6		Nasdaq	26,633	+0.9	39.1	Gold	4676.6	-0.7
GBP	1.3405	-0.9	1.3395	1.3527	HKD	7.833	+0.0		Stoxx 50	5,935	+1.3	9.8	HRC steel	1079.0	+0.1
JPY	158.19	+0.2	157.32	158.20	CNY	6.787	-0.1		FTSE	10,373	+0.5	20.8	CRB	404.4	-0.1
CAD	1.3725	+0.1			SGD	1.275	+0.2		DAX	24,456	+1.3	3.9	Wheat Chic.	658.3	-2.6
NZD/AUD	0.8192	+0.1			IDR	17,529	+0.3		CAC 40	8,082	+0.9	3.1	Sugar	14.99	-2.5
NZD/EUR	0.5069	+0.0			THB	32.38	+0.2		Nikkei	62,654	-1.0	65.9	Cotton	83.94	-3.3
NZD/GBP	0.4415	+0.6			KRW	1,492	+0.2		Shanghai	4,178	-1.5	22.7	Coffee	275.7	-1.8
NZD/JPY	93.62	-0.1			TWD	31.51	-0.0		ASX 200	8,641	+0.1	4.1	WM powder	3860	+0.3
NZD/CAD	0.8122	-0.2			PHP	61.64	+0.4		NZX 50	13,025	-0.3	1.1	Australian Futures		
NZ TWI	67.01	-0.1						VIX Index	17.51	-2.0	-6.0	3 year bond	95.32	0.04	
												10 year bond	94.99	0.06	

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	4.04	USD	4.46	-0.01	15-May-28	3.68	-0.04	BKBM 1-mth	2.48	-0.02
AUD	4.35	4.44	4.69	5.09	AUD	5.02	-0.04	20-Apr-29	3.88	-0.04	BKBM 3-mth	2.67	-0.03
NZD	2.25	2.67	3.62	4.39	NZD	4.73	-0.02	15-May-30	4.06	-0.04	1 year	3.20	-0.04
EUR	2.00	2.28	2.85	3.07	GER	3.04	-0.06	15-May-31	4.24	-0.03	2 year	3.62	-0.03
GBP	3.75	3.87	4.33	4.59	GBP	4.99	-0.07	15-May-32	4.38	-0.03	3 year	3.81	-0.03
JPY	0.74	-0.03	1.40	2.42	JPY	2.63	0.04	14-Apr-33	4.47	-0.03	5 year	4.04	-0.02
CAD	2.25	4.97	2.82	3.29	CAD	3.54	-0.04	15-May-34	4.56	-0.02	7 year	4.20	-0.02
								15-May-35	4.65	-0.02	10 year	4.39	-0.01
								15-May-36	4.73	-0.02	15 year	4.63	-0.01
								15-May-37	4.82	-0.03			
								15-May-41	5.09	-0.03	NZ Inflation-Indexed Bonds		
								15-May-51	5.29	-0.02	Sept-30	1.60	-0.01
								15-May-54	5.30	-0.02	Sept-35	2.40	0.00
											Sept-40	2.86	0.00

Carbon Price				Policy Meeting Run			
	Level	% Day	% Year	NZD	AUD	USD	
NZU	50.94	+2.0	-7.0	1st	2.33	4.41	3.63
				2nd	2.51	4.56	3.64
				3rd	2.74	4.61	3.66
				4th	2.89	4.69	3.69
				5th	3.11	4.71	3.75

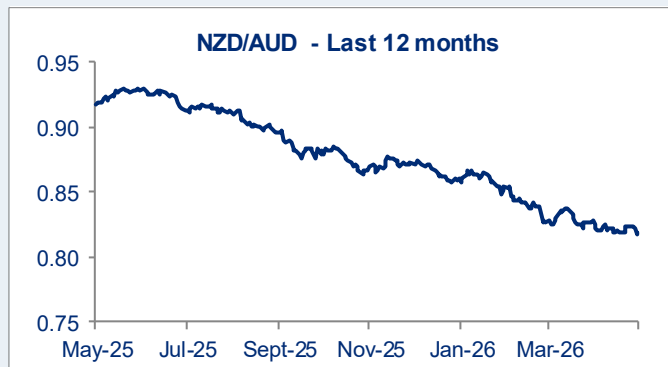
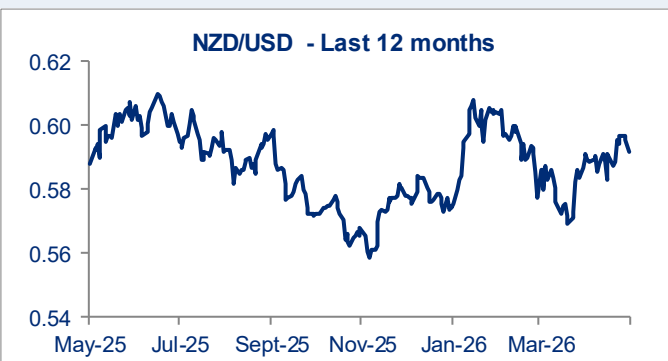
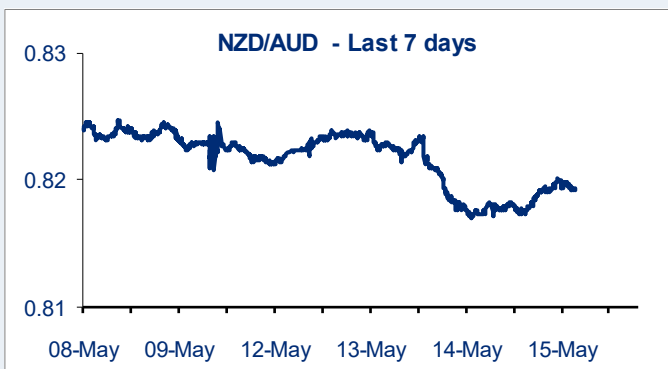
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer

Rates are as of: NZT 06:50

Source: Bloomberg

NZD exchange rates

15/05/2026	6:50 am	Prev. NY close
USD	0.5918	0.5936
GBP	0.4415	0.4390
AUD	0.8192	0.8179
EUR	0.5069	0.5069
JPY	93.62	93.71
CAD	0.8122	0.8136
CHF	0.4636	0.4642
DKK	3.7874	3.7872
FJD	1.2926	1.3046
HKD	4.6361	4.6479
INR	56.69	56.81
NOK	5.4610	5.4463
PKR	164.91	165.42
PHP	36.49	36.44
PGK	2.5813	2.5876
SEK	5.5309	5.5369
SGD	0.7547	0.7555
CNY	4.0172	4.0309
THB	19.13	19.20
TOP	1.3529	1.3879
VUV	69.71	69.90
WST	1.5720	1.6004
XPF	60.40	60.53
ZAR	9.7492	9.7383



NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	5.95	6.16
3 Months	16.44	17.03
6 Months	28.26	29.57
9 Months	35.92	38.58
1 Year	39.60	43.60

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	13.25	13.68
3 Months	38.61	39.88
6 Months	74.59	77.41
9 Months	105.64	110.78
1 Year	128.99	136.55

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 Street
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.