

Research Markets Today

15 October 2026

Events round-up

CH: PPI (y/y%), Sep: 5.0 vs. 4.4 exp.

CH: CPI (y/y%), Sep: 0.9 vs. 1.0 exp.

CH: Exports (USD, y/y%), Sep: 36.3 vs. 25.7 exp.

CH: Imports (USD, y/y%), Sep: 31.0 vs. 25.0 exp.

US: CPI (m/m%), Sep: 0.6 vs. 0.6 exp.

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

US: CPI (y/y%), Sep: 3.7 vs. 3.6 exp.

US: Core CPI (y/y%), Sep: 2.6 vs. 2.5 exp.

Good morning

A hotter-than-expected US core CPI print sent US rates and the USD higher and US equities lower, as the market priced in more Fed tightening over the coming year. Although US rates retraced much of the move, currencies and equities did not. The NZD underperformed, falling to fresh lows.

Higher gasoline prices fuelled a 0.6% m/m rise in the US CPI, lifting annual inflation from 3.4% to 3.7%. Excluding food and energy, however, the core rate rose 0.3% m/m and 2.6% y/y, one-tenth stronger than consensus. Furthermore, the upside surprise appeared to reflect broad-based gains rather than special factors, with the breadth of inflation—measured by the share of components running at annualised rates above 3%—rising to 49%. PPI data due tonight will help firm up estimates of the core PCE deflator, the Fed's preferred inflation gauge. However, it appears to have increased by about 0.32%, which would see inflation move in the wrong direction for the Fed, with the three-month annualised rate rebounding from 2.0% to 2.8%.

The upside inflation surprise prompted an immediate reaction across asset classes as the market priced in the prospect of further Fed tightening. In the rates market, the initial move gradually faded, leaving Treasury yields well below their highs. The 2-year yield jumped 18bps to 4.95% before retreating to 4.81%. The 10-year yield rose 14bps to 5.33%, just below recent highs, before easing to 5.21%. Net changes for the day are small.

Pricing for the next Fed meeting later in October moved from +5bps to +15bps, but has since retreated to +9bps. Traders may have recalled Fed Chair Warsh's comment at the previous meeting that policy would not react to any

single print, but rather to a range of data in determining the appropriate response. The market is pricing a series of hikes over the coming year, totalling around 86bps. We will hear from Warsh at the end of the week, when he speaks at the IMF–World Bank Annual Meetings.

European rates retraced much, if not all, of the spillover from higher Treasury yields. Germany's 10-year yield therefore closed unchanged at 3.47%, while the UK 10-year yield fell 2bps to 5.42%. The French–German 10-year spread widened again, rising 5bps to 141bps.

US equities fell steadily following the CPI print and continue to track lower as we go to print, seeing no relief from the reversal in Treasury yields. The S&P 500 is currently down 1.2%, while the Nasdaq is down 2%, with technology stocks underperforming. The Euro Stoxx 600 rose 0.4%.

The USD posted broad-based gains after the CPI print, with most of the move sustained. The DXY index has risen to an 18-month high near 103, reflecting a notable fall in the euro to as low as 1.1115. The NZD broke below 0.5580, a support level that had held throughout October, and traded at a fresh low for the year of 0.5565. After trading above 0.70 yesterday, the AUD fell to 0.6960, making it one of the better performers overnight. NZD/AUD fell to a fresh 13-year low of 0.8004 before finding some support.

The NZD is weaker on most other key crosses, but is flat against the GBP, which has also underperformed. GBP is trading around 1.3160, while NZD/GBP is steady near 0.4240.

Yesterday, China's PPI inflation rose sharply from 3.8% to 5.0% y/y in September, its highest rate since 2022. The increase reflected higher oil and commodity prices rather than stronger domestic demand. Even so, it suggests China could become a source of global inflation now that its disinflationary impulse has largely faded. Combined with the fall in NZD/CNY to a 17-year low, this adds to tradable inflation pressure in New Zealand.

China's trade data continued their strong run, with exports and imports growing at annual rates above 30% in USD terms and the annual trade surplus well on track to reach a record high by year-end. Trade imbalances with the EU and US continue to widen. China has benefited from the AI boom through its exports of technology goods, although much of the gain has reflected higher prices rather than

volumes. Strong demand for green-technology products has also contributed.

Domestic rate movements were minimal yesterday, with little direction from offshore markets. NZGB and swap yields were marked 1–2bps higher across the curve, with the 2-year swap rate up 2bps to 4.00% and the 10-year rate up 1bp to 4.69%. Although yields traded across a wide range overnight, the net move in the Australian 10-year bond future since the NZ close has been minimal.

On the economic calendar, Australian labour market data are released today and will help shape RBA policy expectations. Tonight brings the release of US retail sales and PPI data for September. The risk is skewed towards much weaker retail sales following the surge in August.

Coming up

		Period	Cons.	Prev.	NZT
AU	Employment change (k)	Sep	20	39.5	13:30
AU	Unemployment rate (%)	Sep	4.6	4.6	13:30
UK	Monthly GDP (m/m%)	Aug	-0.1	0.4	19:00
UK	Industrial production (m/m%)	Aug	-0.1	0.2	19:00
EA	Industrial production (m/m%)	Aug	0.0	-0.1	22:00
US	Retail sales advance (m/m%)	Sep	0.3	1.2	01:30
US	Retail sales ex auto, gas (m/m%)	Sep	0.2	1.2	01:30
US	Retail sales control grp (m/m%)	Sep	0.3	1.4	01:30
US	Philly Fed business outlook	Oct	28.0	37.8	01:30
US	Initial jobless claims (k)	10-Oct	200	197	01:30
US	PPI x food, energy (m/m%)	Sep	0.3	0.2	01:30
US	PPI x food, energy (y/y%)	Sep	4.4	4.6	01:30

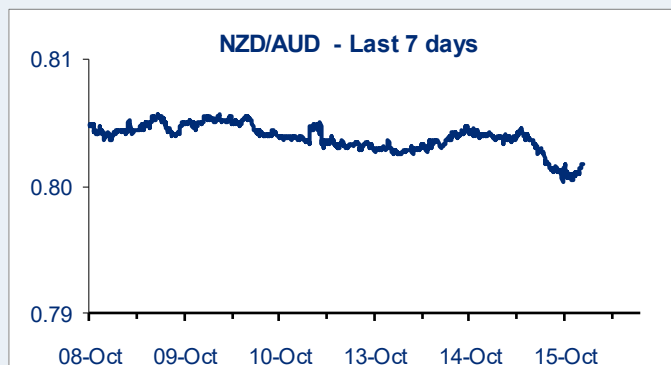
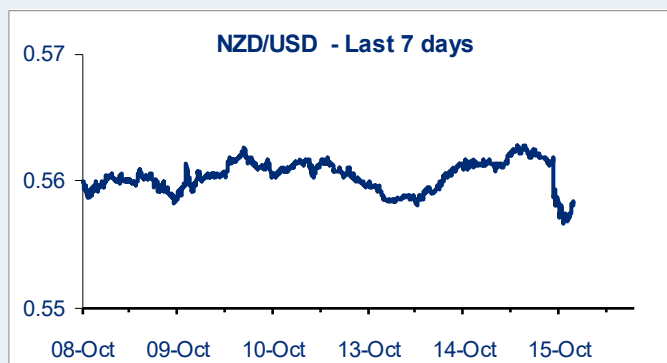
Source: Bloomberg

jason.k.wong@bnz.co.nz

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	0.5581	-0.6	0.5565	0.5625	CHF	0.8364 +0.4	S&P 500	7,706	-1.3	16.0	Oil (Brent)	106.94	+1.2
AUD	0.6961	-0.3	0.6951	0.7013	SEK	10.048 +0.8	Dow	51,407	-0.5	11.1	Oil (WTI)	96.01	+2.0
EUR	1.1137	-0.6	1.1113	1.1211	NOK	9.537 +0.2	Nasdaq	26,661	-2.0	18.4	Gold	4084.8	-1.7
GBP	1.3166	-0.7	1.3137	1.3273	HKD	7.848 +0.0	Stoxx 50	6,190	+0.4	11.5	HRC steel	1285.0	+0.7
JPY	158.59	+0.2	158.21	158.95	CNY	6.697 +0.1	FTSE	10,725	+0.7	13.5	CRB	418.1	+0.2
CAD	1.4256	+0.3			SGD	1.286 +0.5	DAX	25,299	+0.2	4.4	SGX Iron Ore	90.30	-0.2
NZD/AUD	0.8018	-0.2			IDR	17,903 +0.0	CAC 40	7,873	+0.6	-0.6	NZ Milk '27	10.25	+0.7
NZD/EUR	0.5011	+0.0			THB	33.67 +0.4	Nikkei	67,744	-0.0	42.1	NZ Milk '28	10.16	+0.4
NZD/GBP	0.4239	+0.1			KRW	1,342 -0.0	Shanghai	3,767	-0.9	-2.5	NZ Milk '29	10.00	+0.0
NZD/JPY	88.51	-0.4			TWD	32.17 +0.0	ASX 200	8,728	-0.6	-2.9	WM powder	3825	+0.4
NZD/CAD	0.7956	-0.3			PHP	62.89 +0.1	NZX 50	13,760	+0.1	3.4	Australian Futures		
NZ TWI	63.70	-0.5					VIX Index	17.03	+11.5	-18.2	3 year bond	95.08	-0.03
											10 year bond	94.66	0.00
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	4.00	4.85	4.69	4.83	USD	5.21	0.00	15-May-28	3.83	0.02	BKBM 1-mth	3.02	0.01
AUD	4.60	4.77	4.93	5.43	AUD	5.32	0.03	20-Apr-29	4.10	0.02	BKBM 3-mth	3.23	0.00
NZD	2.75	3.23	4.00	4.69	NZD	4.99	0.01	15-May-30	4.28	0.01	1 year	3.71	0.01
EUR	2.50	2.63	3.40	3.55	GER	3.47	-0.00	15-May-31	4.44	0.01	2 year	4.00	0.02
GBP	3.75	3.87	4.69	4.94	GBP	5.42	-0.02	15-May-32	4.59	0.01	3 year	4.15	0.01
JPY	1.25	1.31	1.94	2.90	JPY	3.00	-0.01	14-Apr-33	4.69	0.01	5 year	4.34	0.01
CAD	2.25	2.41	3.17	3.66	CAD	3.88	0.01	15-May-34	4.80	0.01	7 year	4.50	0.01
								15-May-35	4.90	0.01	10 year	4.69	0.01
								15-May-36	4.99	0.01	15 year	4.91	0.01
								15-May-37	5.09	0.01			
								15-May-38	5.14	0.01			
								15-May-41	5.34	0.01			
								15-May-51	5.54	0.01			
								15-May-54	5.55	0.01			
Carbon Price				Policy Meeting Run				NZ Inflation-Indexed Bonds					
	Level	% Day	% Year		NZD	AUD	USD						
NZU	51.50	+1.2	-8.0	1st	2.91	4.70	3.98	Sept-30	1.94		0.01		
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer				2nd	3.09	4.77	4.19	Sept-35	2.71		0.01		
Rates are as of: NZT 06:56				3rd	3.27	4.84	4.31	Sept-40	3.16		0.01		
Source: Bloomberg				4th	3.43	4.88	4.48						
				5th	3.58	4.91	4.58						

NZD exchange rates

15/10/2026	6:57 am	Prev. NY close
USD	0.5581	0.5613
GBP	0.4239	0.4235
AUD	0.8018	0.8037
EUR	0.5011	0.5012
JPY	88.51	88.87
CAD	0.7956	0.7979
CHF	0.4672	0.4673
DKK	3.7448	3.7465
FJD	1.2520	1.2605
HKD	4.3716	4.4051
INR	53.00	53.48
NOK	5.3241	5.3424
PKR	154.30	155.52
PHP	35.02	35.25
PGK	2.5135	2.5227
SEK	5.6114	5.5925
SGD	0.7167	0.7184
CNY	3.7310	3.7564
THB	18.70	18.87
TOP	1.3313	1.3380
VUV	66.44	67.34
WST	1.5423	1.5547
XPF	59.40	59.74
ZAR	9.2656	9.2575

**NZD/USD Forward Points**

	BNZ buys NZD	BNZ sells NZD
1 Month	5.39	5.61
3 Months	16.48	16.92
6 Months	30.66	31.94
9 Months	44.12	46.50
1 Year	56.98	60.42

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	11.68	12.14
3 Months	34.12	35.22
6 Months	60.95	63.95
9 Months	84.34	89.36
1 Year	105.17	112.44

Contact Details

BNZ Research

Stephen Toplis
Head of Research

Doug Steel
Senior Economist

India Power
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.