

Research Markets Today

16 February 2026

Events round-up

NZ: Manufacturing PMI, Jan: 55.2 vs. 56.1 prev.
NZ: RBNZ 2yr inflation expectations, Q1: 2.37 vs. 2.28 prev.
US: CPI (m/m%), Jan: 0.2 vs. 0.3 exp.
US: Core CPI (m/m%), Jan: 0.3 vs. 0.3 exp.
US: CPI (y/y), Jan: 2.4 vs. 2.5 exp.
US: Core CPI (y/y%), Jan: 2.5 vs. 2.5 exp.

Good morning

US equities were little changed into the weekly close, stabilizing after the previous session's AI-driven selloff. Stocks gained initially after softer-than-expected CPI data which saw the market price in additional easing by the Federal Reserve for this year. However earlier gains for US stocks had faded by the close. Major indices in Europe were mixed while Asian equities closed lower. Treasury yields declined and the US dollar was marginally softer against G10 currencies although absolute moves were not large.

US CPI rose 0.2% in January, the smallest increase since July, with lower energy prices providing a meaningful drag. Services inflation firmed, but this was offset by continued stability in core goods prices. Core CPI increased by 0.3%, in line with expectations, taking the annual rate down to 2.5%, the lowest since 2021. January CPI readings have been strong in recent years given annual price resets, and many economists had called for a larger lift this time, particularly amid concerns that firms would pass more tariff-related costs to consumers.

A New York Fed study has found that close to 90% of the 2025 tariff burden was borne by US firms and consumers, with pass-through running above 85% even late in the year. Foreign exporters absorbed only a modest share, with a 10% tariff cutting export prices by just 1.4% by November. While the post 'Liberation Day' tariff surge briefly pushed the average US rate into double digits, exemptions and supply-chain re-routing limited the impact and accelerated shifts away from China toward Mexico and Vietnam instead.

Treasury yields declined across the curve following the softer-than-expected CPI outcome. The market pulled forward expectations for the first Fed rate cut to June,

reversing the post-payrolls shift toward July seen last week. The front end led the move, with two-year yields falling toward their lowest level since 2022. Money markets are pricing around 63bp of easing in 2026, implying close to a 50% probability of a third cut by December. Ten-year Treasury yields closed at 4.05%, 5bp lower on the day.

The US dollar was broadly stable against most G10 currencies registering small net moves compared with the local close on Friday. NZD/USD oscillated in narrow range around 0.6030. The NZD edged higher against the AUD having traded below 0.85 and to multi-year lows last week. The latest CFTC positioning report showed that speculative accounts continue to hold a sizable short position in NZD futures contracts while AUD longs have increased.

In commodities markets, Brent crude prices were little changed near US\$68 per barrel as market participants balance oversupply concerns and with geopolitical dynamics. Extended US-Iran nuclear talks have reduced near-term supply risks, while the IEA warns of a record global crude surplus in 2026. Precious metals closed higher - gold prices traded back above US\$5,000 per ounce.

NZ swap rates declined and the curve flattened in the local session on Friday reflecting moves in offshore markets. 2-year rates dropped 2bp to 3.10% while 10-year rates closed 4bp lower at 4.13%. There was limited market reaction to the PMI or the RBNZ's inflation expectations series which edged higher. The 2y/10y swaps curve flattened to 104bp. 10-year government bonds closed 5bp lower at 4.47%. A further decline is possible on the open. Australian 10-year bond futures are 3bp lower in yield terms since the local close on Friday.

The services PMI for January is released today. The index rose to 51.5 in December, the service sector's first expansionary reading since February 2024. Electronic card transactions are also scheduled. Economists expect Japan's Q4 GDP to rebound after contracting in the previous quarter. There is limited data overnight and a public holiday in the US is likely to weigh on market activity.

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Coming up

		Period	Cons.	Prev.	NZT
NZ	Performance Services Index	Jan		51.5	10:30
NZ	Card Spending Total (m/m%)	Jan		-1	10:45
JN	GDP SA (q/q%)	4Q P	0.4	-0.6	12:50
EC	Industrial Production (m/m%)	Dec		0.7	23:00

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	0.6040	+0.1	0.6015	0.6051	CHF	0.7679	-0.2	S&P 500	6,836	+0.0	11.8	Oil (Brent)	67.75	+0.3
AUD	0.7073	-0.2	0.7044	0.7086	SEK	8.923	-0.1	Dow	49,501	+0.1	10.7	Oil (WTI)	62.89	+0.1
EUR	1.1869	-0.0	1.1847	1.1885	NOK	9.510	-0.3	Nasdaq	22,547	-0.2	13.0	Gold	5022.0	+2.0
GBP	1.3654	+0.2	1.3591	1.3659	HKD	7.817	+0.0	Stoxx 50	5,985	-0.4	8.8	HRC steel	979.0	-0.1
JPY	152.70	-0.0	152.60	153.67	CNY	6.905	+0.1	FTSE	10,446	+0.4	19.2	CRB	306.5	+0.1
CAD	1.3618	+0.1			SGD	1.263	+0.0	DAX	24,915	+0.3	10.2	Wheat Chic.	548.5	-1.7
NZD/AUD	0.8539	+0.3			IDR	16,836	+0.1	CAC 40	8,312	-0.3	1.8	Sugar	13.78	+0.2
NZD/EUR	0.5088	+0.1			THB	31.08	+0.1	Nikkei	56,942	-1.2	45.4	Cotton	62.11	-0.3
NZD/GBP	0.4423	-0.2			KRW	1,444	+0.3	Shanghai	4,082	-1.3	22.5	Coffee	298.3	+0.3
NZD/JPY	92.22	+0.0			TWD	31.44	+0.1	ASX 200	8,918	-1.4	4.2	WM powder	3695	+0.3
NZD/CAD	0.8224	+0.1			PHP	58.03	-0.1	NZX 50	13,198	-2.5	1.6	Australian Futures		
NZ TWI	68.26	+0.1						VIX Index	20.60	-1.1	+36.4	3 year bond	95.72	0.05
												10 year bond	95.28	0.04

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	3.24	3.64	USD	4.05	-0.05	15-May-28	3.25	-0.03	BKBM 1-mth	2.41	0.00
AUD	3.85	3.96	4.22	4.78	AUD	4.75	-0.06	20-Apr-29	3.50	-0.03	BKBM 3-mth	2.51	0.01
NZD	2.25	2.51	3.09	4.13	NZD	4.47	-0.05	15-May-30	3.74	-0.04	1 year	2.68	-0.01
EUR	2.00	1.98	2.19	2.77	GER	2.76	-0.02	15-May-31	3.94	-0.04	2 year	3.09	-0.02
GBP	3.75	3.96	3.43	4.02	GBP	4.42	-0.04	15-May-32	4.09	-0.04	3 year	3.35	-0.02
JPY	0.74	-0.03	1.28	1.98	JPY	2.23	-0.02	14-Apr-33	4.19	-0.05	5 year	3.67	-0.03
CAD	2.25	4.97	2.35	3.01	CAD	3.26	-0.03	15-May-34	4.29	-0.05	7 year	3.89	-0.04
								15-May-35	4.38	-0.05	10 year	4.13	-0.04
								15-May-36	4.47	-0.05	15 year	4.39	-0.04
								15-May-37	4.58	-0.04			
								15-May-41	4.85	-0.04	NZ Inflation-Indexed Bonds		
								15-May-51	5.08	-0.04	Sept-30	1.64	-0.03
								15-May-54	5.08	-0.04	Sept-35	2.43	-0.03
											Sept-40	2.82	-0.03

Carbon Price				Policy Meeting Run			
	Level	% Day	% Year	NZD	AUD	USD	
NZU	39.75	+0.0	-37.3	1st	2.25	3.89	3.62
				2nd	2.26	4.06	3.57
				3rd	2.29	4.08	3.43
				4th	2.33	4.17	3.33
				5th	2.44	4.19	3.18

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

Rates at NY close

Source: Bloomberg

NZD exchange rates

14/02/2026	NY close	Prev. NY close
USD	0.6040	0.6036
GBP	0.4423	0.4431
AUD	0.8539	0.8513
EUR	0.5088	0.5085
JPY	92.22	92.19
CAD	0.8224	0.8215
CHF	0.4637	0.4643
DKK	3.8009	3.7982
FJD	1.3281	1.3310
HKD	4.7204	4.7179
INR	54.74	54.69
NOK	5.7432	5.7552
PKR	168.87	168.78
PHP	35.04	35.08
PGK	2.5874	2.5806
SEK	5.3883	5.3891
SGD	0.7627	0.7621
CNY	4.1699	4.1659
THB	18.77	18.67
TOP	1.3896	1.4037
VUV	71.53	71.90
WST	1.6124	1.6157
XPF	60.67	60.42
ZAR	9.6296	9.6341



NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	6.09	6.39
3 Months	19.48	20.06
6 Months	36.21	37.23
9 Months	47.04	49.05
1 Year	52.19	55.22

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	9.39	9.95
3 Months	32.13	33.39
6 Months	68.52	70.97
9 Months	104.63	109.08
1 Year	137.00	144.18

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