

# Research Markets Today

16 March 2026

## Events round-up

NZ: Manufacturing PMI, Feb: 55 vs. 55.2 prev.  
 UK: Monthly GDP (m/m%), Jan: 0.0 vs. 0.2 exp.  
 EC: Industrial Production (m/m%), Jan: -1.5 vs. 0.6 exp.  
 US: Personal Income, Jan: 0.4 vs. 0.5 exp.  
 US: Real Personal Spending, Jan: 0.1 vs. 0 exp.  
 US: Core PCE Price Index (m/m%), Jan: 0.4 vs. 0.4 exp.  
 US: Core PCE Price Index (y/y%), Jan: 3.1 vs. 3.1 exp.  
 US: Durable Goods Orders, Jan P: 0.0 vs. 1.1 exp.  
 US: Durables Ex Transportation, Jan P: 0.4 vs. 0.5 exp.  
 US: GDP Annualized (q/q%), 4Q S: 0.7 vs. 1.4 exp.  
 CA: Unemployment Rate, Feb: 6.7 vs. 6.6 exp.  
 US: U. of Mich. Sentiment, Mar P: 55.5 vs. 55 exp.  
 US: U. of Mich. 5-10 Yr Inflation, Mar P: 3.2 vs. 3.4 exp.  
 US: JOLTS Job Openings, Jan: 6946 vs. 6750 exp.

## Good morning

Elevated oil prices remain in focus as geopolitical tensions escalated, with Iran stepping up attacks in the Strait of Hormuz and the US moving to bolster its military presence in the region. Risk sentiment remained fragile, with global equities closing lower and credit spreads continuing to widen. The S&P erased an earlier near-1% gain as the US intensified strikes on Iran, raising the risk of further escalation. After initially rallying on soft economic data, treasuries lost momentum, with long-dated yields underperforming. The US dollar made broad based gains with the soft risk tone contributing to weakness in the NZD and AUD.

Brent crude prices held above US\$100 after one of the most volatile weeks on record, with supply concerns intensifying as Iran pledged to keep the Strait of Hormuz effectively shut. The near-halt to shipping through the key chokepoint has disrupted flows of crude, gas and refined products, pushing prices higher and stoking inflation fears. The US issued a narrowly tailored waiver allowing the sale of Russian oil already in transit, but this has a limited lasting impact on prices.

US data painted a mixed picture, with consumer momentum remaining soft while inflation pressures stayed

firm. Inflation-adjusted consumer spending rose just 0.1% in January, while the Fed's preferred core PCE measure increased a solid 0.4% which saw the annual rate edge higher to 3.1%. The release of PPI data this week will help firm up expectations for the February core PCE deflator. Fourth-quarter growth was revised materially lower, and consumer sentiment slipped to a three-month low amid higher energy prices. Medium term inflation expectations counterintuitively declined but the survey period began before the war had started.

US Treasury yields ended the session on Friday modestly higher across the curve, with the 10-year note up 2bp to 4.28%, the highest since early February. Yields rebounded from a dip after the economic data. Rates markets have pushed out the timing of the first cut, with around 23bp of easing priced for this year and a full quarter-point reduction now fully priced march-2027, as several economists at major US banks have further delayed their rate-cut forecasts.

The US dollar made broad based gains against G10 currencies pushing the dollar index to the top end of its multi-month trading range. The greenback has been underpinned by a paring back of Fed easing expectations, as rising energy prices fuel concerns that inflation pressures may persist. USD/JPY traded up towards 160 but the yen outperformed against the stronger dollar backdrop. The Canadian dollar declined in line with other G10 currencies despite weaker-than-expected labour market data. NZD/USD fell below 0.5800 and the NZD is softer against the yen and euro.

Curve flattening was the dominant theme for NZ fixed income in the local session on Friday. The front end was weak following offshore markets with 2-year swap rates closing at 3.33%, 6bp higher on the day and notably at fresh multi-month highs. Meanwhile the longer end of the curve closed unchanged with the 2y/10y swaps curve flattening to +97bp. The market is pricing close to 60bp of tightening by the end of the year. There was a similar flattening theme for the government curve. 10-year bonds closed unchanged at 4.66%. The ultras outperformed with the May-54 closing 4bp lower.

The domestic focus today will centre on the services PMI. This index dipped to 50.9 last month and although the manufacturing PMI was robust in February, the services reading will need to advance to be consistent with our growth forecasts. NZ electronic card transaction data for February is also scheduled. In China monthly activity data will be released including retail sales and industrial production.

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### Coming up

		Period	Cons.	Prev.	NZT
NZ	Performance Services Index	Feb	50.9		10:30
NZ	Card Spending Total (m/m%)	Feb	-0.7		10:45
CH	Fixed Assets Ex Rural YTD (y/y%)	Feb	-4.2	-3.8	15:00
CH	Retail sales (YTD, y/y%)		2.1	3.7	15:00
CH	Industrial production (YTD, y/y%)		5	5.9	15:00
US	Empire Manufacturing	Mar	3.9	7.1	01:30
CA	CPI (y/y%)	Feb	1.9	2.3	01:30
CA	CPI Core- Median (y/y%)	Feb		2.5	01:30
CA	CPI Core- Trim (y/y%)	Feb		2.4	01:30
US	Industrial Production (m/m%)	Feb	0.1	0.7	02:15
US	NAHB Housing Market Index	Mar	37	36	03:00

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	0.5775	-1.3	0.5783	0.5841	CHF	0.7911	+0.6	S&P 500	6,632	-0.6	17.6	Oil (Brent)	103.14	+2.7
AUD	0.6981	-1.4	0.6990	0.7065	SEK	9.480	+1.3	Dow	46,558	-0.3	12.2	Oil (WTI)	98.71	+3.1
EUR	1.1416	-0.8	1.1420	1.1503	NOK	9.766	+0.6	Nasdaq	22,105	-0.9	24.5	Gold	5061.7	-1.3
GBP	1.3223	-0.8	1.3225	1.3334	HKD	7.828	+0.0	Stoxx 50	5,717	-0.6	5.8	HRC steel	1011.0	-0.6
JPY	159.74	+0.2	159.01	159.69	CNY	6.904	+0.3	FTSE	10,261	-0.4	18.9	CRB	365.8	+0.2
CAD	1.3726	+0.6			SGD	1.283	+0.3	DAX	23,447	-0.6	2.0	Wheat Chic.	624.5	+2.5
NZD/AUD	0.8272	-0.0			IDR	16,958	+0.4	CAC 40	7,912	-0.9	-1.5	Sugar	14.37	-0.1
NZD/EUR	0.5059	-0.6			THB	32.29	+0.3	Nikkei	53,820	-1.2	45.2	Cotton	65.85	+1.1
NZD/GBP	0.4367	-0.5			KRW	1,498	+0.7	Shanghai	4,095	-0.8	19.8	Coffee	285.2	-2.3
NZD/JPY	92.25	-1.1			TWD	32.02	+0.7	ASX 200	8,617	-0.1	10.6	WM powder	3835	-0.1
NZD/CAD	0.7926	-0.8			PHP	59.75	+0.6	NZX 50	13,187	-0.1	7.5	<b>Australian Futures</b>		
NZ TWI	66.38	-0.8						VIX Index	27.19	-0.4	+24.9	3 year bond	95.44	-0.02
												10 year bond	95.00	0.00
<b>Interest Rates</b>														
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	3.53	3.79	USD	4.28	0.02	15-May-28	3.44	0.06	BKBM 1-mth	2.43	0.00	
AUD	3.85	4.18	4.55	5.08	AUD	4.95	-0.00	20-Apr-29	3.72	0.06	BKBM 3-mth	2.52	0.02	
NZD	2.25	2.52	3.33	4.30	NZD	4.66	0.00	15-May-30	3.96	0.04	1 year	2.85	0.03	
EUR	2.00	2.15	2.64	3.01	GER	2.98	0.03	15-May-31	4.17	0.03	2 year	3.33	0.06	
GBP	3.75	3.88	4.03	4.38	GBP	4.82	0.05	15-May-32	4.31	0.02	3 year	3.60	0.06	
JPY	0.73	-0.03	1.28	2.06	JPY	2.26	0.07	14-Apr-33	4.40	0.01	5 year	3.89	0.03	
CAD	2.25	4.97	2.68	3.25	CAD	3.51	-0.02	15-May-34	4.49	0.01	7 year	4.09	0.01	
								15-May-35	4.58	0.00	10 year	4.30	0.00	
								15-May-36	4.66	0.00	15 year	4.55	0.00	
								15-May-37	4.76	0.00				
								15-May-41	4.99	-0.03	<b>NZ Inflation-Indexed Bonds</b>			
								15-May-51	5.24	-0.03	Sept-30	1.72	0.01	
								15-May-54	5.25	-0.03	Sept-35	2.50	0.01	
											Sept-40	2.92	0.01	
<b>Carbon Price</b>				<b>Policy Meeting Run</b>										
	Level	% Day	% Year	NZD	AUD	USD								
NZU	41.50	+0.0	-30.8	1st	2.27	4.02	3.64							
				2nd	2.33	4.19	3.63							
				3rd	2.41	4.26	3.58							
				4th	2.57	4.40	3.54							
				5th	2.62	4.47	3.49							

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

Rates at NY close

Source: Bloomberg

**NZD exchange rates**

14/03/2026	NY close	Prev. NY close
USD	0.5775	0.5855
GBP	0.4367	0.4388
AUD	0.8272	0.8273
EUR	0.5059	0.5086
JPY	92.25	93.30
CAD	0.7926	0.7987
CHF	0.4568	0.4602
DKK	3.7790	3.8004
FJD	1.2701	1.2936
HKD	4.5201	4.5825
INR	53.38	53.98
NOK	5.6390	5.6846
PKR	161.28	163.57
PHP	34.49	34.78
PGK	2.4856	2.5172
SEK	5.4738	5.4785
SGD	0.7407	0.7489
CNY	3.9862	4.0287
THB	18.65	18.64
TOP	1.3391	1.3623
VUV	68.99	69.74
WST	1.5486	1.5784
XPF	60.16	59.92
ZAR	9.7768	9.8360



**NZD/USD Forward Points**

	BNZ buys NZD	BNZ sells NZD
1 Month	6.60	6.81
3 Months	19.22	19.66
6 Months	34.98	36.18
9 Months	46.32	48.44
1 Year	51.99	55.91

**NZD/AUD Forward Points**

	BNZ buys NZD	BNZ sells NZD
1 Month	11.55	12.05
3 Months	35.93	37.02
6 Months	73.25	76.03
9 Months	110.56	114.89
1 Year	142.31	150.21

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