Markets Today

16 November 2026

Events round-up

NZ: Manufacturing PMI, Oct: 54.9 vs. 56.5 prev.

US: PPI ex food, energy (m/m%), Oct: 0.3 vs. 0.3 exp.

US: PPI ex food, energy (y/y%), Oct: 5.0 vs. 5 exp.

Good morning

US equities were soft into the weekly close, as another selloff in chipmakers weighed on the broader market. The Philadelphia Semiconductor Index fell more than 3%, with Nvidia hit by concerns about its outlook following Jensen Huang's departure, and the S&P 500 lost close to 0.5%. US producer prices were in line with expectations, and front-end Treasury yields are modestly lower. Net moves across major currencies were small, but the US dollar extended recent gains and the NZD fell to a fresh low for the year. Brent crude was little changed, with few notable developments in the Middle East conflict.

Oil markets have moved into surplus for the first time since the US-Iran war began. International Energy Agency data show production exceeded consumption by almost 2 million barrels a day in October, reversing a deficit that peaked at 6.3 million barrels a day early in the conflict. The swing reflected a surge in Gulf shipments, despite more Iranian attacks on shipping, along with higher output elsewhere and weaker demand. However, the flow-through to refined products has been more limited, with refining capacity constraints meaning the extra crude has done little to ease shortages of finished fuels.

US core producer prices rose 0.3% in October, lifting the annual rate to 5.0%, in line with consensus. Freight costs remained elevated and core goods prices firmed, led by commodity-intensive rather than consumer goods. Core services saw less pass-through to output prices. The PPI components that feed into the PCE deflator, the Fed's preferred inflation gauge, were softer than economists expected. This was mainly due to a large drop in airfares, with weakness elsewhere adding to it. Economists have since revised down their estimates for the October core PCE deflator to around 0.3% m/m. That would still imply annual core PCE inflation rose to 3.3% in October, from 3.1% in September.

US rates markets stabilised into the weekly close after the sharp selloff in preceding sessions. 2-year yields edged lower ahead of the PPI release and, after some volatility following the data, ended the session at 4.84%. Pricing for the December FOMC was little changed, with the market still attaching a small probability to a 50bp hike and the PPI data giving little reason to add to it. The 10-year yield briefly rose to 5.17% before settling near 5.13%, little changed from our NZ close.

The US dollar remained well supported with the DXY edging up to a fresh 18-month high. USD/JPY was little changed near 160, although Japan's top currency official, Atsushi Mimura, said he had a strong impression the recent move had been "too fast" and reminded investors of the intervention a few months ago, when USD/JPY hit a 40-year high of 164. The NZD and AUD underperformed within the G10 as soft risk sentiment weighed, with the NZD falling to a fresh 2026 low near 0.5525.

The latest CFTC report showed speculative accounts adding modestly to short positions in both the NZD and AUD, consistent with recent price action. The net NZD short is the largest since June, while the AUD short is a record in notional terms, though adjusted for open interest it is the largest only since the end of last year.

NZ rates rose across the curve on Friday, largely tracking the earlier selloff in US fixed income, with few domestic catalysts. NZ continued to outperform, with spreads to the US narrowing further. The swap curve shifted broadly parallel, about 9bp higher, with 2-year and 10-year rates closing at 3.83% and 4.39% respectively. NZGBs matched the move in swaps. The 10-year closed at 4.68%, a –40bp spread to US Treasuries and near the tightest level since 2019.

NZ's services PMI is released today. Its manufacturing counterpart, the PMI, dipped to 54.9 but remains well above its long-term average, pointing to positive momentum in the sector. Offshore, Japan releases Q3 GDP and China's monthly activity data will be closely watched. Fixed-asset investment likely fell at a faster pace, and retail sales may have weakened again after September's pickup, keeping pressure on policymakers to support growth. Industrial production should stay resilient, supported by AI-related export demand. Canadian CPI is the only data of note from North America.

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Coming up

		Period	Cons.	Prev.	NZT
NZ	Performance Services Index	Oct		50.9	10:30
JN	GDP (q/q%)	3Q P	0.1	0.4	12:50
CH	Retail Sales (y/y%)	Oct	0.8	1.1	15:00
CH	Industrial Production(y/y%)	Oct	5.3	5.5	15:00
CH	Fixed Assets Ex Rural (YTD y/y%)	Oct	-7	-7.2	15:00
EC	Industrial Production (m/m%)	Sep	0.9	-0.5	23:00
US	Empire Manufacturing	Nov	19	25.5	02:30
CA	CPI (y/y%)	Oct	3.2	3.1	02:30
CA	CPI Core- Median (y/y%)	Oct		1.9	02:30
CA	CPI Core- Trim (y/y%)	Oct		1.8	02:30
US	Fed's Williams Gives Opening Remarks				03:05
US	Fed's Warsh Gives Opening Remarks				06:00

Source: Bloomberg

Currencies

FX Majors — Indicative overnight ranges (*)

	Last	% Day	Low	High
NZD	0.5524	-0.4	0.5523	0.5546
AUD	0.6774	-0.5	0.6772	0.6804
EUR	1.1023	-0.3	1.1022	1.1073
GBP	1.3213	-0.2	1.3205	1.3251
JPY	159.70	-0.1	159.52	160.19
CAD	1.4270	+0.1		
NZD/AUD	0.8154	+0.1		
NZD/EUR	0.5011	-0.1		
NZD/GBP	0.4181	-0.2		
NZD/JPY	88.21	-0.4		
NZD/CAD	0.7882	-0.3		
NZ TWI	63.40	-0.2		

Other FX

	Last	% Day
CHF	0.8388	+0.4
SEK	10.077	+0.5
NOK	9.573	+0.2
HKD	7.846	+0.0
CNY	6.673	+0.0
SGD	1.288	+0.1
IDR	18,206	-0.2
THB	33.88	-0.0
KRW	1,337	+0.1
TWD	32.88	-0.2
PHP	63.73	+0.1

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,562	-0.4	12.2
Dow	52,348	+0.1	10.3
Nasdaq	25,136	-0.9	9.9
Stoxx 50	6,387	-0.2	11.2
FTSE	10,903	+0.4	12.4
DAX	26,750	-0.1	12.0
CAC 40	8,369	+0.1	1.7
Nikkei	61,142	+0.5	21.4
Shanghai	3,634	-0.6	-9.8
ASX 200	9,082	-0.7	5.2
NZX 50	14,174	-0.6	5.3
VIX Index	19.30	+3.2	-3.5

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	95.84	+0.0
Oil (WTI)	88.56	-0.2
Gold	3886.3	+0.0
HRC steel	1353.0	+0.1
CRB	386.5	-0.5
SGX Iron Ore	90.00	-0.5
NZ Milk '27	10.52	+0.4
NZ Milk '28	10.19	+0.4
NZ Milk '29	9.80	+0.0
WM powder	4195	+0.4

Australian Futures

3 year bond	95.22	-0.07
10 year bond	94.85	-0.05

Interest Rates

Rates / Swap Yields

	Cash	3Mth	2 Yr	10 Yr
USD	4.00	4.85	4.71	4.75
AUD	4.85	4.94	4.84	5.24
NZD	2.75	3.20	3.83	4.46
EUR	2.50	2.77	3.40	3.44
GBP	4.00	3.89	4.82	4.90
JPY	1.25	1.37	1.87	2.77
CAD	2.50	2.67	3.25	3.62

Benchmark 10 Yr Bonds

	Last	Net Day
USD	5.14	0.01
AUD	5.12	0.08
NZD	4.73	0.09
GER	3.38	0.03
GBP	5.34	0.04
JPY	2.87	0.06
CAD	3.85	0.05

NZ Government Bonds

	Last	Chg
15-May-28	3.70	0.09
20-Apr-29	3.91	0.09
15-May-30	4.06	0.09
15-May-31	4.21	0.09
15-May-32	4.34	0.09
14-Apr-33	4.44	0.09
15-May-34	4.54	0.09
15-May-35	4.64	0.09
15-May-36	4.73	0.09
15-May-37	4.82	0.09
15-May-38	4.88	0.09
15-May-41	5.10	0.09
15-May-51	5.33	0.09
15-May-54	5.35	0.09

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.97	0.01
BKBM 3-mth	3.20	0.01
1 year	3.60	0.05
2 year	3.83	0.09
3 year	3.94	0.09
5 year	4.11	0.10
7 year	4.27	0.09
10 year	4.46	0.09
15 year	4.68	0.09

NZ Inflation-Indexed Bonds

Sept-30	1.64	0.01
Sept-35	2.41	0.01
Sept-40	2.86	0.02

Carbon Price

	Level	% Day	% Year
NZU	50.10	+0.0	+20.7

Policy Meeting Run

	NZD	AUD	USD
1st	2.98	4.88	4.15
2nd	3.13	4.93	4.33
3rd	3.27	4.92	4.49
4th	3.38	4.91	4.58
5th	3.47	4.87	4.68

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

Rates at NY close

Source: Bloomberg

NZD exchange rates

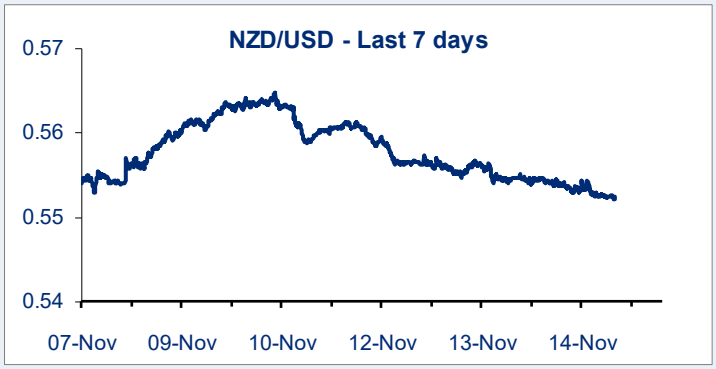
14/11/2026	NY close	Prev. NY close
USD	0.5524	0.5546
GBP	0.4181	0.4190
AUD	0.8154	0.8146
EUR	0.5011	0.5017
JPY	88.21	88.65
CAD	0.7882	0.7907
CHF	0.4634	0.4633
DKK	3.7466	3.7501
FJD	1.2528	1.2622
HKD	4.3347	4.3507
INR	52.07	52.15
NOK	5.2893	5.3012
PKR	152.83	153.44
PHP	35.20	35.32
PGK	2.4831	2.4903
SEK	5.5674	5.5596
SGD	0.7113	0.7135
CNY	3.6862	3.7004
THB	18.71	18.73
TOP	1.3218	1.3120
VUV	66.85	66.69
WST	1.5377	1.5436
XPF	59.74	59.49
ZAR	9.3545	9.2999

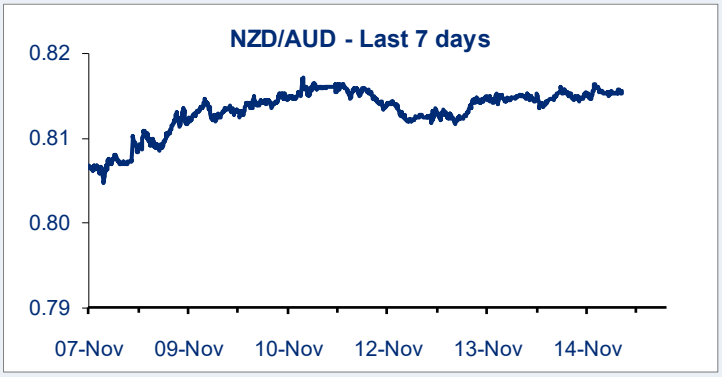
NZD/USD Forward Points

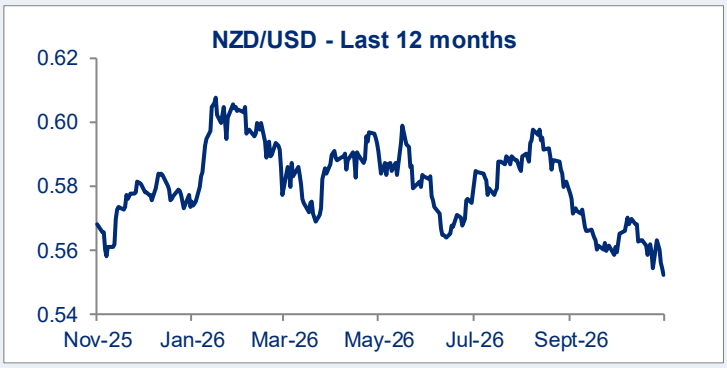
	BNZ buys NZD	BNZ sells NZD
1 Month	5.74	5.94
3 Months	18.43	18.84
6 Months	35.89	36.91
9 Months	53.24	55.17
1 Year	69.41	72.29

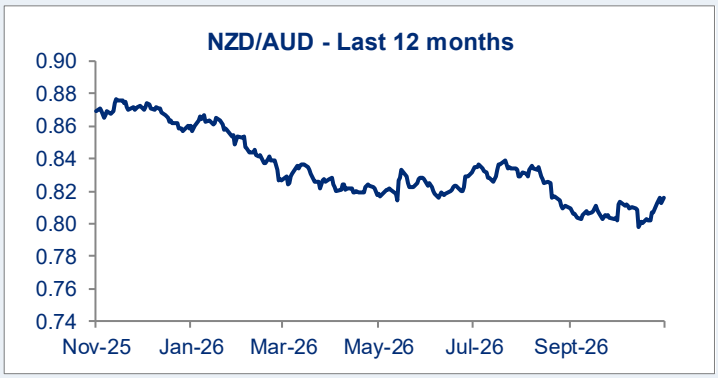
NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	13.77	14.28
3 Months	39.69	40.71
6 Months	72.28	74.73
9 Months	100.40	104.25
1 Year	123.66	129.73









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