

Research Markets Today

17 March 2026

Events Round-Up

NZ: Performance of services index, Feb: 48.0 vs. 50.7 prev.
 NZ: Card spending total (m/m%), Feb: 1.1 vs. -0.7 prev.
 CH: Fixed assets invest. (YTD, y/y%), Feb: 1.8 vs. -5.1 exp.
 CH: Retail sales (YTD, y/y%): 2.8 vs. 2.5 exp.
 CH Industrial production (YTD, y/y%): 6.3 vs. 5.3 exp.
 CA: CPI (y/y%), Feb: 1.8 vs. 1.9 exp.
 CA: CPI core (avg. med./trim y/y%), Feb: 2.3 vs. 2.35 exp.
 US: Empire Manufacturing, Mar: -0.2 vs. 3.9 exp.
 US: Industrial production (m/m%), Feb: 0.2 vs. 0.1 exp.
 US: NAHB housing market index, Mar: 38 vs. 37 exp.

Good Morning

Risk appetite is higher on optimism that the worst is over regarding the Iran conflict, while the reality is that nothing much has really changed on the battleground. Brent crude is lower at just over USD100 per barrel. US and European equity markets have gained, and global rates are modestly lower. Against a backdrop of a broadly weaker USD the NZD and AUD have outperformed.

Oil opened trading for the new week on a high note, following the weekend strikes by the US of military targets on Iran's Kharg Island, an oil-export hub, which represented an escalation of the conflict. Brent crude opened around USD106.50, before falling back. It currently trades just over USD100, down over 2% from last week's close.

The IEA said it has more emergency oil stocks available after the current release of 400mn barrels reduces reserves by only 20%. The head of the IEA said, "while our stocks release can provide a buffer for now, it is not a lasting solution", adding that the single most important step would be a reopening of the Strait of Hormuz.

President Trump's call for other countries to help reopen the Strait of Hormuz has been met with caution or outright rejection, with many countries not wanting to be drawn into the conflict.

Despite more optimism in markets overnight, the reality is that the conflict continues unabated, with Iran striking a key UAE oil-export hub and Saudi Arabi and Kuwait intercepting a number of drones targeted at them. Iraq

reported that one of its major Southern oil fields was targeted. Israel has been targeting infrastructure in Tehran. The Strait of Hormuz remains effectively closed, although Iranian ships are still crossing the passage and a Pakistan-flagged vessel got through.

Sources suggest that oil production cuts by UAE and Kuwait have increased to a combined 2.8mn barrels per day. Saudi Arabia's oil production has been cut by 2-2.5mn barrels per day and Iraq is down 2.9mn.

Bloomberg notes that shipping fuel oil in Singapore, the world's most important refuelling shipping port, is in short supply and its cost has already surpassed the peaks of 2008 and 2022. As well as the higher cost, there is a good chance that ports in Singapore will run dry of the fuel, with a negative cascading effect on all shipping from the region.

The oil and gas price shock is no longer confined to energy markets. It is propagating through manufacturing supply chains, transportation, food systems, and consumer goods, with particularly acute effects in Asia but increasingly with global reach.

All that said, the market is still treating the global shock as a minor hiccup than a long-lasting disruption. US equities are stronger, with the S&P500 up 1% in early afternoon trading, albeit fading a gain that saw it up as much as 1.4% earlier in the session. The Euro Stoxx 600 index closed up 0.4%.

Global rates are lower across the board. US Treasury yields are down 4-5bps across the curve from last week's close after pushing a little higher through the Asian trading session. After peaking at 4.27% overnight, the 10-year rate is currently 4.23%, down a couple of basis points from the NZ close.

Optimism about the conflict is also evident in the currency market, with a broadly weaker USD. The NZD has outperformed, bouncing back from the hit it has taken over the past two weeks. It is 1.3% stronger from last week's close at around 0.5850. The AUD is also more than 1% stronger at 0.7060, and NZD/AUD is slightly higher at 0.8285. NZD crosses are all stronger, with the largest gains against the CAD and JPY.

In economic data, Canadian CPI data were slightly softer than expected in February, while US industrial production

continues to show gains consistent with a recovery in the sector.

China economic activity data for the first two months of the year were stronger than expected across the various indicators. This was an encouraging start to 2026 after a weak end to last year, although it remains to be seen what the impact of the Iran conflict will be.

In the domestic rates market there was further underperformance, with a one-sided swaps market resulting in higher rates across the curve, with offshore investors bailing out of their received positions. The 2-year rate closed up 6bps to 3.39%, its highest level in nearly a year, while the 10-year rate closed up 8bps to 4.38%, its highest level since mid-2024. NZGBs followed for the ride, with the 10-year rate up 7bps to 4.73%.

On the calendar today, NZ monthly CPI indicators for February are released. There is less interest than usual, as the data pre-dates the Iran conflict and we are in the early stages of inflation shooting a lot higher. The RBA is widely expected to increase its cash rate for a second consecutive meeting, taking its cash rate to 4.1%, but with the market pricing only about a 65% chance of this, there is some lingering uncertainty about whether it follows through.

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Coming Up

		Period	Cons.	Prev.	NZT
NZ	Monthly CPI indicators	Feb			10:45
AU	RBA cash rate target (%)	Feb	4.1	3.85	16:30
US	Pending home sales (m/m%)	Feb	-0.7	-0.8	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	% Year		Last	Net Day				
NZD	0.5849	+1.3	0.5799	0.5858	CHF	0.7879	-0.4		S&P 500	6,702	+1.0	18.9	Oil (Brent)	101.05	-2.0
AUD	0.7056	+1.1	0.7006	0.7076	SEK	9.355	-1.3		Dow	46,918	+0.7	13.1	Oil (WTI)	94.33	-4.4
EUR	1.1496	+0.7	1.1414	1.1504	NOK	9.685	-0.8		Nasdaq	22,383	+1.2	26.1	Gold	4994.3	-1.3
GBP	1.3307	+0.6	1.3230	1.3317	HKD	7.830	+0.0		Stoxx 50	5,739	+0.4	6.2	HRC steel	1016.0	+0.5
JPY	159.25	-0.3	158.85	159.41	CNY	6.893	-0.1		FTSE	10,318	+0.6	19.5	CRB	365.8	+0.2
CAD	1.3679	-0.3			SGD	1.279	-0.3		DAX	23,564	+0.5	2.5	Wheat Chic.	608.8	-2.5
NZD/AUD	0.8289	+0.2			IDR	16,997	+0.2		CAC 40	7,936	+0.3	-1.1	Sugar	14.19	-1.3
NZD/EUR	0.5088	+0.6			THB	32.40	+0.3		Nikkei	53,751	-0.1	43.7	Cotton	68.51	+4.1
NZD/GBP	0.4395	+0.6			KRW	1,492	-0.4		Shanghai	4,085	-0.3	19.5	Coffee	292.9	+2.7
NZD/JPY	93.15	+1.0			TWD	32.04	+0.1		ASX 200	8,583	-0.4	9.3	WM powder	3915	+2.1
NZD/CAD	0.8001	+1.0			PHP	59.90	+0.3		NZX 50	13,165	-0.2	8.2	Australian Futures		
NZ TWI	66.78	+0.9						VIX Index	24.05	-11.5	+10.5	3 year bond	95.37	-0.03	
												10 year bond	95.00	0.03	
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	3.50	3.77	USD	4.23	-0.05	15-May-28	3.50	0.06	BKBM 1-mth	2.43	0.00		
AUD	3.85	4.17	4.55	5.05	AUD	5.00	0.05	20-Apr-29	3.79	0.06	BKBM 3-mth	2.53	0.01		
NZD	2.25	2.53	3.39	4.38	NZD	4.73	0.08	15-May-30	4.03	0.07	1 year	2.87	0.02		
EUR	2.00	2.16	2.59	2.96	GER	2.95	-0.03	15-May-31	4.24	0.07	2 year	3.39	0.06		
GBP	3.75	3.87	3.96	4.31	GBP	4.77	-0.05	15-May-32	4.38	0.07	3 year	3.67	0.06		
JPY	0.73	-0.03	1.26	2.06	JPY	2.28	0.02	14-Apr-33	4.47	0.07	5 year	3.96	0.07		
CAD	2.25	4.97	2.62	3.20	CAD	3.46	-0.05	15-May-34	4.56	0.07	7 year	4.16	0.07		
								15-May-35	4.65	0.08	10 year	4.38	0.08		
								15-May-36	4.73	0.07	15 year	4.63	0.08		
								15-May-37	4.83	0.08					
								15-May-41	5.07	0.08	NZ Inflation-Indexed Bonds				
								15-May-51	5.31	0.08	Sept-30	1.76	0.04		
								15-May-54	5.32	0.07	Sept-35	2.54	0.04		
											Sept-40	2.96	0.04		
Carbon Price				Policy Meeting Run											
	Level	% Day	% Year		NZD	AUD	USD								
NZU	40.25	-3.0	-32.9	1st	2.27	4.02	3.65								
				2nd	2.33	4.19	3.64								
				3rd	2.41	4.25	3.59								
				4th	2.58	4.40	3.54								
				5th	2.63	4.47	3.48								
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer															
Rates are as of: NZT 06:48															
Source: Bloomberg															

NZD exchange rates

17/03/2026	6:49 am	Prev. NY close
USD	0.5849	0.5774
GBP	0.4395	0.4364
AUD	0.8289	0.8271
EUR	0.5088	0.5057
JPY	93.15	92.23
CAD	0.8001	0.7921
CHF	0.4608	0.4568
DKK	3.8016	3.7790
FJD	1.2969	1.2701
HKD	4.5799	4.5201
INR	54.06	53.38
NOK	5.6649	5.6390
PKR	163.37	161.31
PHP	35.02	34.49
PGK	2.5179	2.4856
SEK	5.4719	5.4738
SGD	0.7479	0.7407
CNY	4.0314	3.9862
THB	19.02	18.65
TOP	1.3609	1.3391
VUV	69.83	68.99
WST	1.5744	1.5486
XPF	60.61	60.16
ZAR	9.7964	9.7768



NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	7.05	7.25
3 Months	19.36	19.81
6 Months	35.27	36.31
9 Months	46.39	48.23
1 Year	51.97	54.78

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	12.37	12.89
3 Months	36.01	37.04
6 Months	73.51	76.17
9 Months	110.55	114.96
1 Year	143.18	149.86

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