Research

Markets Today

17 November 2026

Events round-up

NZ: Performance of services index, Oct: 51.7 vs. 50.9 prev.

JN: GDP (q/q%), Q3: 0.0 vs. 0.1 exp.

CH: Retail sales (y/y%), Oct: 0.4 vs. 0.8 exp.

CH: Industrial production (y/y%), Oct: 4.8 vs. 5.3 exp.

CH: Fixed investment (YTD, y/y%), Oct: -8.1 vs. -7.0 exp.

EA: Industrial production (m/m%), Sep: 0.2 vs. 0.3 exp.

US: Empire manufacturing, Nov: 7.8 vs. 17.9 exp.

CA: CPI (y/y%), Oct: 3.1 vs. 3.2 exp.

CA: CPI Core (avg median/trim y/y%), Oct: 1.9 vs. 1.95 exp.

Good morning

The new week has begun with weaker risk sentiment, driving down US equities and supporting US Treasuries and the USD. The NZD has held above the key 0.55 support level, but only just.

US equities are weaker, with lower tech stocks and the Magnificent Seven dragging the key indices down. In the wake of the Nvidia Chinese-spy affair, the US Commerce Department has drafted a rule requiring data centre operators in Singapore, Malaysia, Thailand, Indonesia and Brazil to obtain a government licence before purchasing advanced AI chips from Nvidia and other American manufacturers. There is also much anticipation ahead of Nvidia's earnings report after the close tomorrow, and of how the company will answer the likely barrage of questions on the earnings call.

Traders also report that fund managers are selling down big tech stocks to make room in their portfolios for new shares in Anthropic's IPO, due later this week. In early afternoon trading, the S&P500 is down about 1½%, while the Nasdaq is down 2%.

Oil prices are lower despite weekend reports of a significant Iranian attack on a military base in Bahrain and multiple attacks on ships attempting to cross the Strait of Hormuz. Iran claimed that six tankers had been struck since Sunday. Last week, the IEA reported that global oil supply is now higher than demand, with a surplus of 2m barrels per day predicted this quarter. The excess supply has helped reduce the risk premium built into oil prices. Brent crude is nearly 3% to a USD93 handle.

The combination of lower oil prices and equity market fear has been supportive for the bond market. US Treasuries have traded in a relatively tight range, with the 10-year rate between 5.11% and 5.15%. The same is true of short rates, which have seen no further repricing of US monetary policy expectations following last week's big move to bring forward and extend projected Fed rate hikes. Chair Warsh spoke this morning about AI. His key message was that "super intelligence" could lift productivity and growth, but its size, timing and beneficiaries are unclear, so the Fed will plan for several scenarios rather than make predictions. In European bond markets, the risk-off tone has left Germany's 10-year rate barely higher, while peripheral spreads to Germany are a little wider.

Canadian bond yields are lower following a softer-than-expected CPI report. The headline rate was steady at 3.1%, the ex-food and energy measure fell three tenths to 1.8%, and the average of the trim and median measures was 1.9%. The market pared expectations for a December rate hike from 16bps to 10bps. The Bank of Canada is one of the few central banks meeting its inflation target on a core basis. Governor Macklem said he would step down as Governor when his seven-year term ends in June.

The first of the Fed's regional manufacturing surveys for November, the Empire survey for NY, showed the headline index falling to 7.8 from October's 5-year high of 25.5, while the prices paid index fell to +45.9 from +59.5.

China's key monthly activity indicators for October all missed consensus expectations. Retail sales were barely positive at 0.4% y/y, while fixed asset investment contracted further, falling 8.1% y/y over the ten months to October as the property market slump continued to weigh on growth.

Japan's GDP contracted marginally in Q3, with zero growth on a rounded q/q basis. Negative contributions from private consumption and net exports offset strong business spending. Market reaction was limited because the figures were not seen as preventing further BoJ tightening, and a rate hike at the December meeting remains well priced.

In the currency market, weaker risk appetite has added further support to an already strong USD. While its broadly based gains have been modest, some key technical levels are in play. The key support level of 0.55 for the NZD has held, but only just, with an overnight low of 0.5501. There

is a sense of inevitability that the level will be broken; the question is for how long. Will it be a one-day wonder, as on previous occasions since 2020, or will the NZD plunge to further depths? Unless the RBNZ steps up with some hawkish rhetoric and shows some intent to bring inflation under control, the latter looks increasingly likely. On the USD side, we saw two conflicting views on the Fed in our newsfeed, with one bank predicting three consecutive Fed hikes and another suggesting that market pricing for Fed hikes was too aggressive.

The AUD has probed fresh lows below 0.6750, while the EUR broke below 1.10 and the CAD traded above 1.43. NZD crosses show only small movements. The yen has been the only major currency to keep pace with the USD, so NZD/JPY shows the largest fall, slipping below 88.

In the domestic rates market, NZGB and swap rates were 3-4bps higher across most of the curve, trading heavy compared with US and Australian markets following recent outperformance. The 2-year swap rate was up 4bps to 3.87%, while the 10-year rate also rose 4bps to 4.49%. NZ's Performance of Services Index rose 0.8pt to 51.7 in October, its highest level in more than three and a half years. This is a particularly good result given the uncertainty and reduced confidence typical in the lead-up to a general election.

In the day ahead, the RBNZ releases its six-monthly Financial Stability Report, followed in the early afternoon by a press conference. Of more interest will be the monthly CPI indicators for October, which will provide the first official inflation data for the beginning of Q4, and the RBNZ survey of inflation expectations. RBA Governor Bullock will speak in a panel discussion. Tonight sees the release of UK labour market data and US retail sales.

jason.k.wong@bnz.co.nz

Coming up

		Period	Cons.	Prev.	NZT
NZ	RBNZ Publishes Financial Stability Report				09:00
NZ	Monthly CPI indicators	Oct			10:45
AU	RBA's Bullock - panel discussion				12:00
NZ	RBNZ 2yr inflation expectat. (%)	Q4		2.34	15:00
UK	Pvt earnings ex bonus (3m/y/y%)	Sep	3.1	3.0	20:00
UK	Unemployment rate (%)	Sep	4.7	4.7	20:00
US	Retail sales advance (m/m%)	Oct	0.2	0.8	02:30
US	Retail sales ex auto, gas (m/m%)	Oct	0.3	0.2	02:30
US	Retail sales control grp (m/m%)	Oct	0.4	0.1	02:30
US	Industrial production (m/m%)	Oct	0.1	0.7	03:15
US	NAHB housing market index	Nov	29	29	04:00

Source: Bloomberg

Currencies

FX Majors — Indicative overnight ranges (*)

	Last	% Day	Low	High
NZD	0.5508	-0.3	0.5501	0.5524
AUD	0.6747	-0.4	0.6742	0.6764
EUR	1.1006	-0.1	1.0998	1.1031
GBP	1.3191	-0.2	1.3179	1.3225
JPY	159.56	-0.1	159.35	159.69
CAD	1.4296	+0.2		
NZD/AUD	0.8164	+0.1		
NZD/EUR	0.5005	-0.2		
NZD/GBP	0.4176	-0.1		
NZD/JPY	87.89	-0.4		
NZD/CAD	0.7874	-0.1		
NZ TWI	63.25	-0.2		

Other FX

	Last	% Day
CHF	0.8395	+0.1
SEK	10.093	+0.1
NOK	9.641	+0.7
HKD	7.846	+0.0
CNY	6.665	-0.1
SGD	1.289	+0.1
IDR	18,268	+0.3
THB	33.88	-0.0
KRW	1,336	-0.1
TWD	32.99	+0.3
PHP	63.95	+0.3

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,452	-1.4	10.7
Dow	51,873	-0.9	10.0
Nasdaq	24,619	-2.1	7.5
Stoxx 50	6,348	-0.6	11.5
FTSE	10,882	-0.2	12.2
DAX	26,599	-0.6	11.4
CAC 40	8,352	-0.2	2.2
Nikkei	59,662	-2.4	18.6
Shanghai	3,603	-0.9	-9.7
ASX 200	9,045	-0.4	4.7
NZX 50	14,304	+0.9	6.0
VIX Index	21.63	+12.1	+9.1

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	93.15	-2.8
Oil (WTI)	86.19	-2.7
Gold	3871.1	-0.4
HRC steel	1354.0	+0.1
CRB	386.5	-0.5
SGX Iron Ore	88.15	+0.2
NZ Milk '27	10.48	-0.4
NZ Milk '28	10.16	-0.3
NZ Milk '29	9.80	+0.0
WM powder	4165	-0.7

Australian Futures

3 year bond	95.22	0.00
10 year bond	94.88	0.03

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	5.25
NZD	2.75	3.21	3.87	4.49
EUR	2.50	2.78	3.40	3.44
GBP	4.00	3.90	4.84	4.92
JPY	1.25	1.38	1.85	2.78
CAD	2.50	2.63	3.20	3.58

Benchmark 10 Yr Bonds

	Last	Net Day
USD	5.14	0.00
AUD	5.13	0.01
NZD	4.77	0.03
GER	3.39	0.01
GBP	5.37	0.03
JPY	2.89	0.02
CAD	3.82	-0.04

NZ Government Bonds

	Last	Chg
15-May-28	3.71	0.01
20-Apr-29	3.94	0.03
15-May-30	4.09	0.03
15-May-31	4.24	0.03
15-May-32	4.37	0.03
14-Apr-33	4.47	0.03
15-May-34	4.58	0.03
15-May-35	4.67	0.03
15-May-36	4.77	0.03
15-May-37	4.85	0.03
15-May-38	4.91	0.03
15-May-41	5.13	0.04
15-May-51	5.37	0.04
15-May-54	5.39	0.04

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.98	0.02
BKBM 3-mth	3.21	0.02
1 year	3.62	0.02
2 year	3.87	0.04
3 year	3.98	0.04
5 year	4.15	0.03
7 year	4.30	0.04
10 year	4.49	0.04
15 year	4.71	0.04

NZ Inflation-Indexed Bonds

Sept-30	1.66	0.02
Sept-35	2.43	0.02
Sept-40	2.87	0.02

Carbon Price

	Level	% Day	% Year
NZU	50.20	+0.2	+21.0

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

Rates are as of: NZT 06:46

Source: Bloomberg

Policy Meeting Run

	NZD	AUD	USD
1st	2.98	4.88	4.16
2nd	3.13	4.93	4.35
3rd	3.27	4.93	4.52
4th	3.39	4.92	4.60
5th	3.49	4.88	4.70

NZD exchange rates

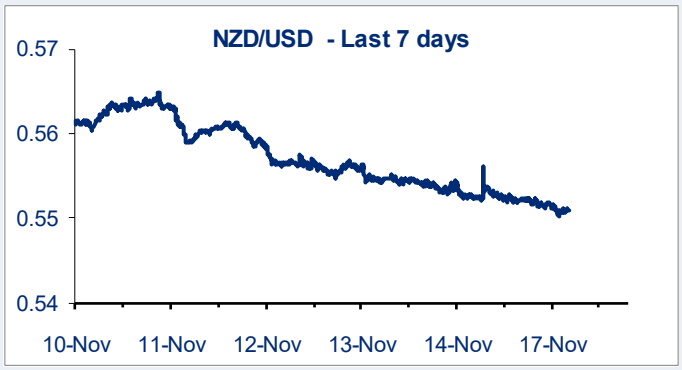
17/11/2026	6:46 am	Prev. NY close
USD	0.5508	0.5525
GBP	0.4176	0.4181
AUD	0.8164	0.8159
EUR	0.5005	0.5012
JPY	87.89	88.24
CAD	0.7874	0.7884
CHF	0.4625	0.4634
DKK	3.7412	3.7466
FJD	1.2578	1.2528
HKD	4.3221	4.3347
INR	51.75	52.07
NOK	5.3102	5.2893
PKR	152.39	152.86
PHP	35.23	35.20
PGK	2.4871	2.4831
SEK	5.5613	5.5674
SGD	0.7101	0.7113
CNY	3.6715	3.6862
THB	18.68	18.71
TOP	1.3086	1.3218
VUV	66.65	66.43
WST	1.5377	1.5436
XPF	59.41	59.74
ZAR	9.3579	9.3545

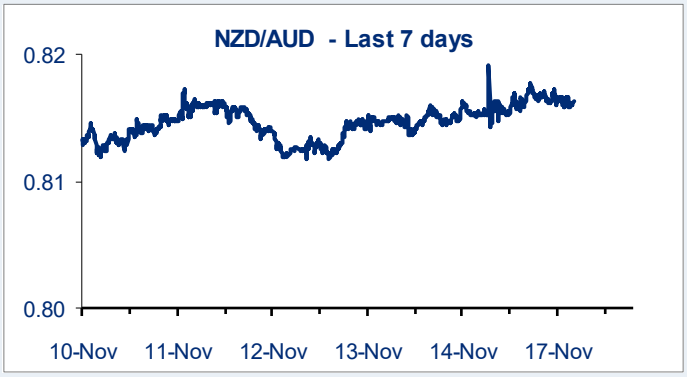
NZD/USD Forward Points

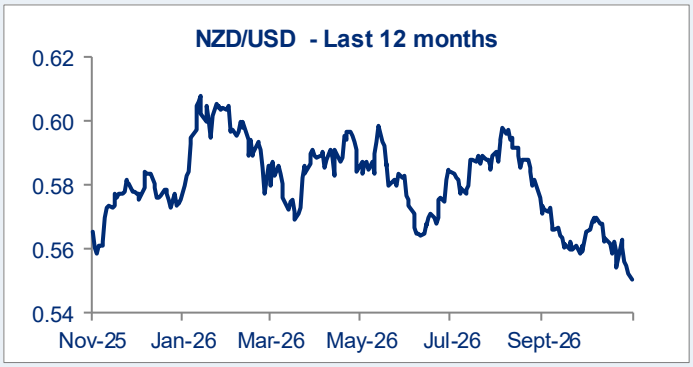
	BNZ buys NZD	BNZ sells NZD
1 Month	5.70	5.90
3 Months	18.36	18.76
6 Months	35.90	36.88
9 Months	53.17	54.93
1 Year	68.96	71.64

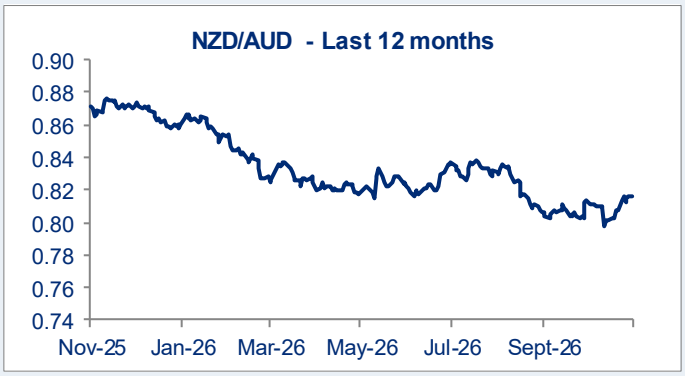
NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	13.75	14.16
3 Months	39.63	40.59
6 Months	72.03	74.46
9 Months	99.79	103.88
1 Year	122.67	128.94









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

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