

Research Markets Today

18 February 2026

Events Round-Up

UK: Pvt earnings ex bonus (3m/y%), Dec: 3.4 vs. 3.4 exp.

UK: Unemployment rate (%), Dec: 5.2 vs. 5.1 exp.

US: Empire manufacturing, Feb: 7.1 vs. 6.2 exp.

CA: CPI (y/y%), Jan: 2.3 vs. 2.4 exp.

CA: CPI core (avg trim/med y/y%), Jan: 2.45 vs. 2.55 exp.

US: NAHB housing market index, Feb: 36 vs. 38 exp.

Good Morning

Market conditions have been somewhat choppy overnight. US equities are flat in early afternoon trading, recovering from earlier falls. The US 10-year rate is slightly higher after taking a peek below 4.02 overnight. Oil prices are lower after earlier gains, following tentative agreement on principles towards a US-Iran nuclear deal. The NZD is net flat, while GBP is the weakest of the majors following softer labour market data.

Early in the US trading session, IT stocks got whacked, but they have since recovered. The S&P500 was down as much as 0.9% before the move faded and it is currently flat. Choppy trading conditions have become the norm as the sentiment ebbs and flow on AI-related stocks and investors trying to determine which ones will end up the winners and losers. The Euro Stoxx 600 index closed up about ½%.

The US 10-year Treasury yield extended the fall seen during NZ trading hours to a low of 4.015% before staging a decisive turnaround and it currently trades at 4.05%, up slightly from the NZ close. Some of that move can be attributed to better risk sentiment following de-escalation of tensions in the Middle East.

Following talks between Iran and the US, Iran's foreign minister said they were able to reach a general agreement on a set of guiding principles for a potential nuclear deal. A third round of talks has been scheduled which will be "more difficult and detailed", but with a view towards drafting a potential agreement that would lead to a lift in sanctions on Iran in exchange for major restrictions on its nuclear programme.

Brent crude is currently down over 2% to USD67 per barrel. A muted market reaction reflects market caution regarding the prospect of any so-called agreement. Earlier

in the session Brent crude had risen above USD69 ahead of the "agreement" and after Supreme Leader Khamenei threatened retaliation against the US if it strikes the country.

In economic news, UK labour market data showed the unemployment rate ticking up to a fresh five-year high of 5.2% in December, while there were further signs of moderating wage inflation, with the key private sector figure excluding bonuses falling to a five-year low of 3.4% y/y. Tax data showed the number of payrolled employees fell 134k in the year to January.

The data slightly added to the chance that the BoE would cut rates by March, rather than wait until April. After last month's 5-4 vote to keep policy changed, only one MPC member has to flip. UK Gilt yields didn't fall any more than the rest of Europe, but GBP reacted and it is the weakest of the majors overnight, falling below 1.35 at its low while NZD/GBP pushed up to a fresh six-month high just under 0.4460.

Canadian CPI data were at the weaker end of expectations, with annual headline inflation nudging down to 2.3% in January, and the average of the trimmed mean and median core measures falling to 2.45%. Market reaction was limited to the extent that there is strong consensus that the Bank of Canada has finished cutting rates for the cycle with the policy rate already down at 2.25%.

There were only second tier US economic data, with homebuilder sentiment measured by the NAHB housing market index falling to a five-month low of 36. The Empire manufacturing survey showed little change in business conditions for NY manufacturers while future business conditions, capex and employment indicators all continued to trend higher, consistent with other regional indicators for the sector.

In currency markets, in addition to the weaker GBP noted, JPY is on the softer side of the ledger. Commodity currencies and EUR show little net move against the USD overnight. After rising towards 0.6050 and then falling towards 0.60, the NZD is flat around 0.6030.

In the overnight GDT dairy auction, the price index rose strongly for a fourth consecutive event, up 3.6%, building on the strong recovery seen in 2026 to date, following the lurch down during the second half of last year.

The domestic rates market was quiet yesterday, with rates marked lower on the back of offshore moves. NZGBs were marked down 2bps across the curve while swap rates were marked down 2-3bps. Monthly CPI indicators for January didn't alter our Q1 CPI estimate of 0.5% q/q and 2.7% y/y.

In the day ahead the domestic focus will be on the RBNZ's Monetary Policy Statement this afternoon. There is strong consensus that the Bank will hold policy steady and revise higher its interest rate projections, but there is lingering uncertainty over the tone and language that Governor Breman will convey at her first policy meeting.

On the global economic calendar, Australian wages data are released today, with UK CPI and second-tier US data released tonight. Annual UK headline and core inflation is expected to show a drop of 3.0% for January.

jason.k.wong@bnz.co.nz

Coming Up

		Period	Cons.	Prev.	NZT
NZ	PPI output (q/q%)	Q4	0.6	10:45	
AU	Wage price index (q/q%)	Q4	0.8	0.8	13:30
AU	Wage price index (y/y%)	Q4	3.4	3.4	13:30
NZ	RBNZ official cash rate (%)	Feb	2.25	2.25	14:00
UK	CPI (y/y%)	Jan	3.0	3.4	20:00
UK	CPI core (y/y%)	Jan	3.0	3.2	20:00
UK	CPI services (y/y%)	Jan	4.3	4.5	20:00
US	Durable goods orders (m/m%)	Dec	-2.0	5.3	02:30
US	Durables extransport. (m/m%)	Dec	0.3	0.4	02:30
US	Housing starts (m/m%)	Dec	4.9	-4.6	02:30
US	Building permits (m/m%)	Dec	-0.3	-0.3	02:30
US	Industrial production (m/m%)	Jan	0.4	0.4	03:15

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	0.6027	-0.1	0.6004	0.6050	CHF	0.7713	+0.2	S&P 500	6,836	-0.0	11.8	Oil (Brent)	67.02	-2.4
AUD	0.7057	-0.2	0.7028	0.7077	SEK	8.999	+0.6	Dow	49,384	-0.2	10.9	Oil (WTI)	62.06	-1.3
EUR	1.1835	-0.1	1.1805	1.1850	NOK	9.571	+0.7	Nasdaq	22,436	-0.5	12.0	Gold	4881.1	-2.8
GBP	1.3543	-0.6	1.3496	1.3615	HKD	7.815	-0.0	Stoxx 50	6,022	+0.7	9.1	HRC steel	980.0	+0.1
JPY	153.48	+0.0	152.70	153.92	CNY	6.905	+0.1	FTSE	10,556	+0.8	20.4	CRB	306.5	+0.1
CAD	1.3657	+0.2			SGD	1.264	+0.1	DAX	24,998	+0.8	9.7	Wheat Chic.	542.3	-1.1
NZD/AUD	0.8540	+0.1			IDR	16,837	+0.1	CAC 40	8,361	+0.5	2.1	Sugar	13.89	+0.8
NZD/EUR	0.5093	+0.0			THB	31.33	+0.7	Nikkei	56,566	-0.4	44.0	Cotton	61.53	-0.9
NZD/GBP	0.4450	+0.6			KRW	1,445	+0.1	Shanghai	4,082	-1.3	21.0	Coffee	283.6	-5.0
NZD/JPY	92.50	-0.1			TWD	31.39	+0.1	ASX 200	8,959	+0.2	5.6	WM powder	3750	+0.1
NZD/CAD	0.8231	+0.1			PHP	57.96	-0.0	NZX 50	13,032	-0.7	-0.1	Australian Futures		
NZ TWI	68.15	+0.0						VIX Index	20.71	-2.3	+34.7	3 year bond	95.78	0.04
												10 year bond	95.28	0.02
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	3.26	3.65	USD	4.05	0.00	15-May-28	3.19	-0.02	BKBM 1-mth	2.41	0.00	
AUD	3.85	3.96	4.20	4.78	AUD	4.68	-0.02	20-Apr-29	3.45	-0.02	BKBM 3-mth	2.50	-0.00	
NZD	2.25	2.50	3.04	4.07	NZD	4.42	-0.02	15-May-30	3.69	-0.02	1 year	2.67	0.00	
EUR	2.00	2.00	2.19	2.75	GER	2.74	-0.02	15-May-31	3.89	-0.02	2 year	3.04	-0.02	
GBP	3.75	3.95	3.41	3.98	GBP	4.38	-0.02	15-May-32	4.04	-0.02	3 year	3.29	-0.02	
JPY	0.73	-0.03	1.23	1.92	JPY	2.14	-0.08	14-Apr-33	4.14	-0.02	5 year	3.61	-0.03	
CAD	2.25	4.97	2.32	2.97	CAD	3.22	-0.03	15-May-34	4.24	-0.02	7 year	3.83	-0.03	
								15-May-35	4.34	-0.02	10 year	4.07	-0.02	
								15-May-36	4.42	-0.02	15 year	4.33	-0.02	
								15-May-37	4.53	-0.02				
								15-May-41	4.80	-0.02				
								15-May-51	5.03	-0.02	NZ Inflation-Indexed Bonds			
								15-May-54	5.03	-0.02	Sept-30	1.63	0.00	
											Sept-35	2.42	-0.00	
											Sept-40	2.82	-0.00	
Carbon Price		Policy Meeting Run												
	Level	% Day	% Year	NZD	AUD	USD								
NZU	43.05	+7.6	-31.7	1st	2.25	3.88	3.63							
				2nd	2.26	4.04	3.58							
				3rd	2.29	4.06	3.45							
				4th	2.33	4.15	3.35							
				5th	2.42	4.16	3.22							
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer														
Rates are as of: NZT 06:46														
Source: Bloomberg														

NZD exchange rates

18/02/2026	6:46 am	Prev. NY close
USD	0.6027	0.6033
GBP	0.4450	0.4427
AUD	0.8540	0.8531
EUR	0.5093	0.5091
JPY	92.50	92.59
CAD	0.8231	0.8227
CHF	0.4657	0.4643
DKK	3.8072	3.8028
FJD	1.3254	1.3312
HKD	4.7081	4.7151
INR	54.63	54.69
NOK	5.7701	5.7361
PKR	168.41	168.70
PHP	34.93	35.01
PGK	2.5843	2.5882
SEK	5.4271	5.3980
SGD	0.7619	0.7617
CNY	4.1595	4.1638
THB	18.81	18.76
TOP	1.4003	1.4053
VUV	71.41	71.64
WST	1.6167	1.6195
XPF	60.64	60.66
ZAR	9.6788	9.6404

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	6.11	6.31
3 Months	19.16	19.66
6 Months	36.00	37.00
9 Months	47.46	49.46
1 Year	53.60	56.00

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	9.44	9.84
3 Months	31.58	32.63
6 Months	67.86	70.16
9 Months	104.32	108.64
1 Year	137.13	142.94



Contact Details

BNZ Research

Stephen Toplis
Head of Research

Doug Steel
Senior Economist

Matt Brunt
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 Street
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

This document has been produced by Bank of New Zealand (BNZ). BNZ is a registered bank in New Zealand and is only authorised to offer products and services to customers in New Zealand.

Analyst Disclaimer: The Information accurately reflects the personal views of the author(s) about the securities, issuers and other subject matters discussed, and is based upon sources reasonably believed to be reliable and accurate. The views of the author(s) do not necessarily reflect the views of the NAB Group. No part of the compensation of the author(s) was, is, or will be, directly or indirectly, related to any specific recommendations or views expressed.

BNZ maintains an effective information barrier between the research analysts and its private side operations. Private side functions are physically segregated from the research analysts and have no control over their remuneration or budget. The research functions do not report directly or indirectly to any private side function. The Research analyst might have received help from the issuer subject in the research report.

New Zealand: The information in this publication is provided for general information purposes only, and is a summary based on selective information which may not be complete for your purposes. This publication does not constitute any advice or recommendation with respect to any matter discussed in it, and its contents should not be relied on or used as a basis for entering into any products described in it. Bank of New Zealand recommends recipients seek independent advice prior to acting in relation to any of the matters discussed in this publication.

Any statements as to past performance do not represent future performance, and no statements as to future matters are guaranteed to be accurate or reliable.

Neither Bank of New Zealand nor any person involved in this publication accepts any liability for any loss or damage whatsoever which may directly or indirectly result from any advice, opinion, information, representation or omission, whether negligent or otherwise, contained in this publication.

USA: If this document is distributed in the United States, such distribution is by nabSecurities, LLC. This document is not intended as an offer or solicitation for the purchase or sale of any securities, financial instrument or product or to provide financial services. It is not the intention of nabSecurities to create legal relations on the basis of information provided herein.