Research

# Markets Today

18 November 2026

## Events round-up

NZ: Food prices (m/m%), Oct: -0.4 vs. 0.0 prev.

NZ: RBNZ 2yr inflation expect. (%), Q4: 2.36 vs. 2.34 prev.

UK: Pvt earnings ex bonus (3m/y/y%), Sep: 3.1 vs. 3.1 exp.

UK: Unemployment rate (%), Sep: 4.6 vs. 4.7 exp.

US: Retail sales advance (m/m%), Oct: 0.2 vs. 0.1 exp.

US: Retail sales ex auto, gas (m/m%), Oct: 0.5 vs. 0.3 exp.

US: Retail sales control grp (m/m%), Oct: 0.6 vs. 0.3 exp.

US: Industrial production (m/m%), Oct: -0.4 vs. 0.1 exp.

US: NAHB housing market index, Nov: 25 vs. 29 exp.

## Good morning

US technology stocks extended their recent slide overnight as the market continued to assess the latest US restrictions on companies using remote access to Nvidia's and other advanced AI chips to serve Chinese customers. The S&P 500 fell more than 1% to a fresh low for the month ahead of Nvidia's earnings, with the focus on the company's outlook following the recent departure of its chief executive. Treasury yields were lower reflecting the soft risk backdrop, while net moves across G10 currencies were modest.

US retail sales growth slowed in October but beat expectations on the key measures, suggesting consumers remain resilient. The 0.2% headline rise, against 0.1% expected, was held back by a sharp drop in auto sales that higher gas station sales only partly offset. Excluding autos and gas, sales rose 0.5%, while control-group sales, which feed directly into GDP, increased 0.6%, double the 0.3% consensus. The data point to solid momentum in consumer spending heading into the rest of Q4.

Treasury yields rose to session highs after the retail sales report before reversing lower as equities fell sharply. The 2-year yield traded as high as 4.86% before falling to session lows near 4.78%. The 10-year followed a similar path and is currently near 5.10%, about 3bp below our NZ close. Moves across most European bond markets were limited, although French 10-year yields fell 8bp after National Rally leader Marine Le Pen discussed pension reforms in a speech.

UK labour market data were broadly in line with expectations. Regular private sector pay growth held at 3.1% in the three months to September, while the unemployment rate fell to 4.6%, below the 4.7% expected and the lowest since April last year. Payrolls, however, declined in October. Pricing for the Bank of England's December meeting was little changed, implying about an 80% chance of a 25bp hike, with tonight's CPI data likely to refine expectations further.

The US dollar tracked Treasury yields, initially firming before reversing to leave G10 currencies little changed overall. Defensive currencies failed to benefit from the weakness in risk assets. The NZD fell to its lowest level since the pandemic, near 0.5485, during the local session yesterday, and that level held overnight.

NZ October Selected Prices data reinforced expectations Q4 annual CPI inflation will remain above 4%, with our forecast unchanged at 4.3%. Large petrol and diesel price increases were broadly expected, although firmer airfares and accommodation costs point to some upside risk. More importantly, the data provided little evidence that underlying inflation pressures are easing, supporting the case for an RBNZ OCR increase in December. Separately, RBNZ 2-year inflation expectations edged higher to 2.36% but remain contained.

The inflation expectations print sparked a modest relief rally at the front end of the NZ swap curve yesterday. 2-year swap fell 3bp to 3.84%, with the entire move coming after the data, while the 10-year was unchanged at 4.49%, steepening the curve. NZGB yields were little changed.

Q3 business price indexes, including the PPI, are due today but should have limited market impact, given the quarter's CPI has already been released. Australia's Q3 wages data precedes tomorrow's October labour market report, while UK CPI is released this evening. Fuel costs are expected to lift headline inflation, but core inflation should remain at 2.8%, consistent with limited broader pass-through from higher energy costs. RBNZ Governor Breman speaks tomorrow morning on the October Monetary Policy Review and economic conditions, followed by Q&A.

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## Coming up

| | | Period | Cons. | Prev. | NZT |
|---|---|---|---|---|---|
| NZ | PPI Output (q/q%) | 3Q | | 1.6 | 10:45 |
| AU | Wage Price Index (q/q%) | 3Q | 1 | 0.8 | 13:30 |
| AU | Wage Price Index (y/y%) | 3Q | 3.4 | 3.2 | 13:30 |
| UK | CPI YoY | Oct | 3.6 | 3.5 | 20:00 |
| UK | CPI Core (y/y%) | Oct | 2.8 | 2.8 | 20:00 |
| UK | CPI Services (y/y%) | Oct | 3.8 | 3.7 | 20:00 |
| UK | BOE's Bailey Speaks in Fireside Chat in Seoul | | | | 20:30 |
| US | Housing Starts | Oct | 1250 | 1221 | 02:30 |
| US | Building Permits | Oct P | 1375 | 1398 | 02:30 |
| UK | BOE's Bailey Delivers Speech in London | | | | 04:00 |
| US | Pending Home Sales (m/m%) | Oct | -2.05 | -7.3 | 04:00 |
| NZ | RBNZ Governor Breman Speaks on Economy | | | | 07:00 |

Source: Bloomberg

## Currencies

### FX Majors — Indicative overnight ranges (*)

| | Last | % Day | Low | High |
|---|---|---|---|---|
| NZD | 0.5502 | +0.1 | 0.5482 | 0.5507 |
| AUD | 0.6741 | +0.1 | 0.6720 | 0.6748 |
| EUR | 1.1015 | +0.2 | 1.0968 | 1.1019 |
| GBP | 1.3217 | +0.3 | 1.3173 | 1.3222 |
| JPY | 159.28 | -0.1 | 158.87 | 159.47 |
| CAD | 1.4287 | -0.1 | | |
| NZD/AUD | 0.8162 | +0.0 | | |
| NZD/EUR | 0.4995 | -0.1 | | |
| NZD/GBP | 0.4163 | -0.2 | | |
| NZD/JPY | 87.64 | -0.0 | | |
| NZD/CAD | 0.7861 | +0.0 | | |
| NZ TWI | 63.15 | +0.0 | | |

### Other FX

| | Last | % Day |
|---|---|---|
| CHF | 0.8388 | -0.1 |
| SEK | 10.107 | +0.1 |
| NOK | 9.614 | -0.4 |
| HKD | 7.846 | -0.0 |
| CNY | 6.667 | +0.0 |
| SGD | 1.288 | -0.1 |
| IDR | 18,256 | -0.1 |
| THB | 33.78 | -0.3 |
| KRW | 1,336 | -0.0 |
| TWD | 32.95 | -0.1 |
| PHP | 63.69 | -0.4 |

## Equities

### Major Indices

| | Last | % Day | % Year |
|---|---|---|---|
| S&P 500 | 7,313 | -1.2 | 9.6 |
| Dow | 50,922 | -1.3 | 9.3 |
| Nasdaq | 24,248 | -1.1 | 6.8 |
| Stoxx 50 | 6,212 | -2.1 | 10.1 |
| FTSE | 10,690 | -1.8 | 10.5 |
| DAX | 26,045 | -2.1 | 10.4 |
| CAC 40 | 8,217 | -1.6 | 1.2 |
| Nikkei | 58,860 | -1.3 | 20.9 |
| Shanghai | 3,585 | -0.5 | -9.8 |
| ASX 200 | 8,883 | -1.8 | 4.9 |
| NZX 50 | 14,307 | +0.0 | 7.2 |
| VIX Index | 27.34 | +19.3 | +22.2 |

## Commodities

### Price (Near futures, except CRB)

| | Last | Net Day |
|---|---|---|
| Oil (Brent) | 93.24 | +0.8 |
| Oil (WTI) | 86.50 | +0.9 |
| Gold | 3867.0 | +0.5 |
| HRC steel | 1354.0 | +0.1 |
| CRB | 379.8 | -1.7 |
| SGX Iron Ore | 87.15 | +0.1 |
| NZ Milk '27 | 10.50 | +0.2 |
| NZ Milk '28 | 10.16 | +0.0 |
| NZ Milk '29 | 9.80 | +0.0 |
| WM powder | 4205 | +1.0 |

### Australian Futures

| | | |
|---|---|---|
| 3 year bond | 95.22 | 0.00 |
| 10 year bond | 94.88 | -0.01 |

## Interest Rates

### Rates / Swap Yields

| | Cash | 3Mth | 2 Yr | 10 Yr |
|---|---|---|---|---|
| USD | 4.00 | 4.85 | 4.65 | 4.70 |
| AUD | 4.85 | 4.94 | 4.83 | 5.25 |
| NZD | 2.75 | 3.21 | 3.84 | 4.49 |
| EUR | 2.50 | 2.78 | 3.38 | 3.43 |
| GBP | 4.00 | 3.90 | 4.84 | 4.92 |
| JPY | 1.25 | 1.38 | 1.84 | 2.76 |
| CAD | 2.50 | 2.67 | 3.19 | 3.57 |

### Benchmark 10 Yr Bonds

| | Last | Net Day |
|---|---|---|
| USD | 5.10 | -0.03 |
| AUD | 5.13 | 0.00 |
| NZD | 4.77 | 0.00 |
| GER | 3.38 | -0.01 |
| GBP | 5.37 | 0.01 |
| JPY | 2.88 | -0.01 |
| CAD | 3.80 | -0.02 |

### NZ Government Bonds

| | Last | Chg |
|---|---|---|
| 15-May-28 | 3.72 | 0.00 |
| 20-Apr-29 | 3.94 | 0.00 |
| 15-May-30 | 4.09 | 0.00 |
| 15-May-31 | 4.24 | 0.00 |
| 15-May-32 | 4.37 | 0.00 |
| 14-Apr-33 | 4.47 | 0.00 |
| 15-May-34 | 4.58 | 0.00 |
| 15-May-35 | 4.67 | 0.00 |
| 15-May-36 | 4.77 | 0.00 |
| 15-May-37 | 4.85 | 0.00 |
| 15-May-38 | 4.91 | 0.00 |
| 15-May-41 | 5.14 | 0.00 |
| 15-May-51 | 5.38 | 0.01 |
| 15-May-54 | 5.40 | 0.01 |

### NZ BKBM and Swap Yields

| | Last | Chg |
|---|---|---|
| BKBM 1-mth | 2.98 | 0.00 |
| BKBM 3-mth | 3.21 | -0.00 |
| 1 year | 3.61 | -0.01 |
| 2 year | 3.84 | -0.03 |
| 3 year | 3.96 | -0.02 |
| 5 year | 4.14 | -0.01 |
| 7 year | 4.30 | -0.00 |
| 10 year | 4.49 | 0.00 |
| 15 year | 4.71 | 0.00 |

### NZ Inflation-Indexed Bonds

| | | |
|---|---|---|
| Sept-30 | 1.67 | 0.01 |
| Sept-35 | 2.44 | 0.00 |
| Sept-40 | 2.88 | 0.01 |

### Carbon Price

| | Level | % Day | % Year |
|---|---|---|---|
| NZU | 50.20 | +0.0 | +21.0 |

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

Rates are as of: NZT 06:14

*Source: Bloomberg*

### Policy Meeting Run

| | NZD | AUD | USD |
|---|---|---|---|
| 1st | 2.97 | 4.88 | 4.15 |
| 2nd | 3.12 | 4.93 | 4.32 |
| 3rd | 3.25 | 4.92 | 4.48 |
| 4th | 3.37 | 4.91 | 4.55 |
| 5th | 3.46 | 4.88 | 4.63 |

## NZD exchange rates

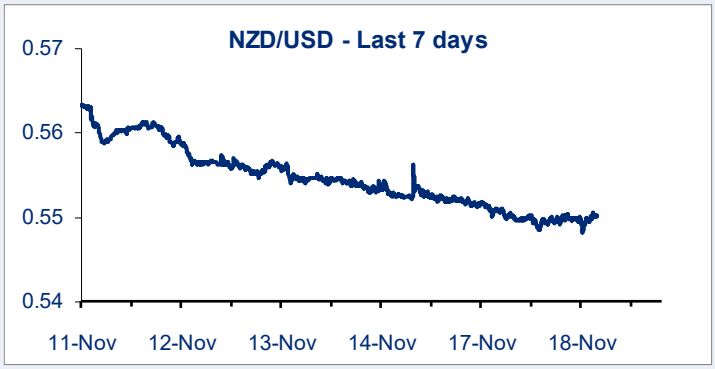
| 18/11/2026 | 6:14 am | Prev. NY close |
|---|---|---|
| USD | 0.5502 | 0.5497 |
| GBP | 0.4163 | 0.4169 |
| AUD | 0.8162 | 0.8159 |
| EUR | 0.4995 | 0.4999 |
| JPY | 87.64 | 87.66 |
| CAD | 0.7861 | 0.7860 |
| CHF | 0.4615 | 0.4616 |
| DKK | 3.7335 | 3.7364 |
| FJD | 1.2602 | 1.2556 |
| HKD | 4.3170 | 4.3132 |
| INR | 51.43 | 51.63 |
| NOK | 5.2895 | 5.3069 |
| PKR | 152.19 | 152.08 |
| PHP | 35.03 | 35.15 |
| PGK | 2.4750 | 2.4828 |
| SEK | 5.5609 | 5.5512 |
| SGD | 0.7086 | 0.7083 |
| CNY | 3.6677 | 3.6635 |
| THB | 18.60 | 18.64 |
| TOP | 1.3097 | 1.3208 |
| VUV | 66.65 | 66.56 |
| WST | 1.5455 | 1.5378 |
| XPF | 59.40 | 59.57 |
| ZAR | 9.3084 | 9.3350 |

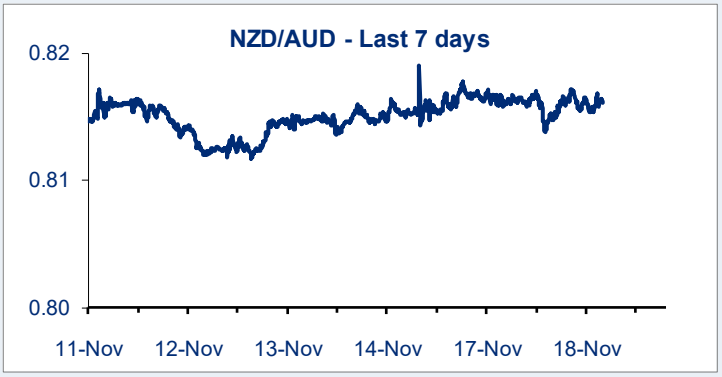
## NZD/USD Forward Points

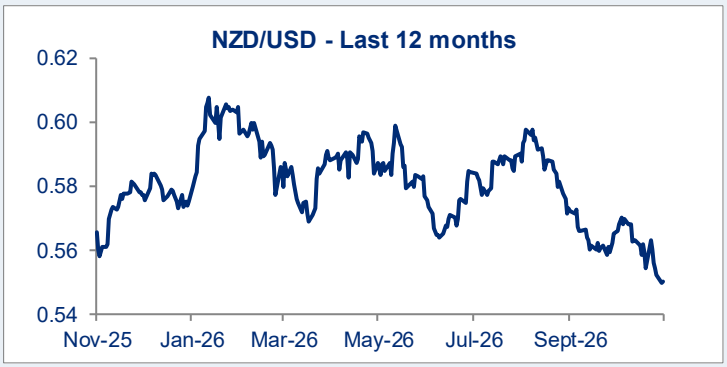
| | BNZ buys NZD | BNZ sells NZD |
|---|---|---|
| 1 Month | 6.12 | 6.32 |
| 3 Months | 18.35 | 18.77 |
| 6 Months | 35.58 | 36.63 |
| 9 Months | 52.45 | 54.37 |
| 1 Year | 67.27 | 70.24 |

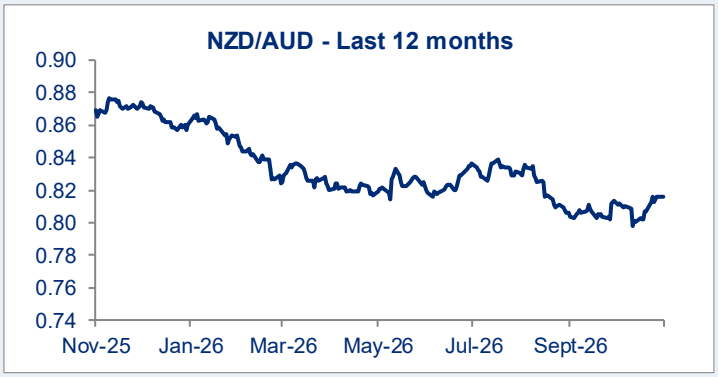
## NZD/AUD Forward Points

| | BNZ buys NZD | BNZ sells NZD |
|---|---|---|
| 1 Month | 14.52 | 14.96 |
| 3 Months | 39.67 | 40.68 |
| 6 Months | 72.38 | 75.00 |
| 9 Months | 100.97 | 105.47 |
| 1 Year | 123.89 | 130.72 |



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