

Research Markets Today

19 August 2026

Events round-up

AU: Westpac consumer confid., Aug: 88.9 vs. 83.9 prev.
 UK: Pvt earnings ex bonus (3m/ y/y%), Jun: 2.8 vs. 2.8 exp.
 UK: Unemployment rate (%), Jun: 4.9 vs. 4.8 exp.
 US: Housing starts (k), Jul: 1239 vs. 1345 exp.
 US: Building permits (k), Jul: 1443 vs. 1374 exp.
 US: Industrial production (m/m%), Jul: 0.2 vs. 0.3 exp.
 US: Pending home sales (m/m%), Jul: -2.3 vs. 0.0 exp.

Good morning

Newsflow has been light, but with global bond yields hovering around multi-decade highs, global equity markets are weaker. Brent crude is steady near USD91 per barrel. Currency moves have been negligible overnight, with the NZD sustaining yesterday's pullback to 0.5875.

With many investors still on holiday and enjoying a hot Northern Hemisphere summer, market volatility remains suppressed. Most media outlets are reporting that long-term global bond yields have extended their rise to fresh multi-decade highs. NZ is an exception, with its longest bond, the 2054, not yet breaching the yield high seen earlier this year.

Overnight, the US 30-year rate reached 5.34%, its highest level since 2007, before retracing to 5.28%. Yields are now slightly lower across the Treasury curve on the day. The 10-year rate reached a cycle high of just under 4.75% before retracing to 4.70%, down 3bps from the NZ close.

US equities are on track to fall for a third consecutive day, weighed by the backdrop of multi-decade highs in long-term rates. The S&P 500 is down 0.6% in late-afternoon trading, led lower by the IT sector. The Nasdaq is down more than 1%. The Euro Stoxx 600 fell 0.7%, marking its fifth consecutive daily decline.

The stalemate in the Middle East continues, with no resolution likely or expected any time soon. Trump appears to have accepted that there is no imminent deal, confirming what has been obvious for some time by saying, "there are no talks or conversations going on, or scheduled, with the Islamic Republic of Iran". And despite Trump's claim that the Strait of Hormuz is open and operating, few ships are making the journey, and those

spotted by the IRGC are being fired at. Oil prices have remained well contained, with Brent crude steady near USD91 per barrel.

Second-tier US economic releases were mixed. Industrial production rose 0.2% m/m in July, with manufacturing output up by the same amount. Both series have been trending higher, consistent with a revival in the sector, supported by the AI boom. Housing starts plunged 12.4% in July, while building permits surged 5.0%. The latter is the less volatile series, but the trend in both has been flat to weaker over the past year, consistent with a soft housing market. Pending home sales fell 2.3% m/m in July to their second-lowest level since the series began in 2001, driven by rising mortgage rates.

UK labour market data were consistent with a softer market. Payrolled employees fell by 13k in July, following a similar decline in June, while job vacancies continued to trend lower. The unemployment rate was steady at 4.9%, while private sector wage inflation continued to ease, rising 2.8% y/y in the June quarter. The low-firing, low-hiring market is similar to that seen in the US.

Currency movements have been modest. The NZD has been one of the larger movers since this time yesterday, falling 0.4% after failing to sustain its break to a new 2½-month high. It is currently around 0.5875, little changed from the NZ close. NZD crosses are softer. NZD/AUD has sustained a move below 0.83, while NZD/JPY is back below 94.

In the domestic rates market, rates were slightly higher and curves slightly steeper, driven by global forces. The 2-year swap rate rose 1bp to 3.64%, while the 10-year rate rose 3bps to 4.45%. NZGBs showed similar moves.

The key releases in the day ahead are Australian wages data and UK CPI data. The consensus expects headline UK CPI inflation to lift to 2.9%, while core measures are expected to moderate.

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Coming up

		Period	Cons.	Prev.	NZT
NZ	PPI output (qoq%)	Q2	0.8	0.8	10:45
AU	Wage price index (q/q%)	Q2	0.8	0.8	13:30
AU	Wage price index (y/y%)	Q2	3.2	3.3	13:30
AU	RBA's Hauser-Fireside Chat				14:45
UK	CPI (y/y%0	Jul	2.9	2.6	18:00
UK	CPI core (y/y%)	Jul	2.5	2.6	18:00
UK	CPI services (y/y%)	Jul	3.4	3.6	18:00
US	FOMC meeting minutes	Jul			06:00

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		Last	% Day	% Year		Last	Net Day
NZD	0.5872	-0.5	0.5871	0.5893	CHF	0.8125 +0.2	S&P 500	7,703	-0.5	19.4	Oil (Brent)	90.90	+0.1
AUD	0.7083	-0.3	0.7083	0.7120	SEK	9.541 +0.3	Dow	53,415	-0.1	18.9	Oil (WTI)	84.79	+0.4
EUR	1.1575	-0.0	1.1569	1.1588	NOK	9.421 -0.0	Nasdaq	26,313	-1.2	21.6	Gold	4366.0	-0.7
GBP	1.3534	-0.1	1.3520	1.3551	HKD	7.844 -0.0	Stoxx 50	6,468	-1.0	19.0	HRC steel	1196.0	+0.0
JPY	159.63	+0.1	159.43	159.76	CNY	6.744 +0.1	FTSE	10,728	+0.1	17.1	CRB	397.1	+1.4
CAD	1.3910	+0.3			SGD	1.279 +0.1	DAX	26,128	-0.8	7.5	SGX Iron Ore	96.55	+0.4
NZD/AUD	0.8290	-0.2			IDR	17,862 +0.4	CAC 40	8,509	-0.8	7.9	NZ Milk '26	9.75	+0.0
NZD/EUR	0.5073	-0.5			THB	33.11 +0.2	Nikkei	67,461	-2.5	54.9	NZ Milk '27	9.79	+1.1
NZD/GBP	0.4339	-0.5			KRW	1,413 -0.3	Shanghai	3,990	+0.2	7.0	NZ Milk '28	9.77	+0.7
NZD/JPY	93.73	-0.4			TWD	31.96 +0.4	ASX 200	9,070	-0.0	2.0	WM powder	3660	+1.9
NZD/CAD	0.8168	-0.3			PHP	61.79 +0.5	NZX 50	13,866	+1.1	7.3	Australian Futures		
NZ TWI	66.67	-0.4					VIX Index	15.66	+3.1	+4.5	3 year bond	95.41	-0.05
											10 year bond	94.93	-0.01
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	4.03	4.29	USD	4.70	-0.02	15-May-28	3.56	0.01	BKBM 1-mth	2.81	0.01
AUD	4.35	4.50	4.58	5.12	AUD	5.10	0.05	20-Apr-29	3.78	0.01	BKBM 3-mth	2.98	0.01
NZD	2.50	2.98	3.64	4.45	NZD	4.74	0.03	15-May-30	3.97	0.01	1 year	3.37	0.00
EUR	2.25	2.50	3.04	3.28	GER	3.26	0.04	15-May-31	4.15	0.01	2 year	3.64	0.01
GBP	3.75	3.87	4.29	4.67	GBP	5.08	0.02	15-May-32	4.31	0.02	3 year	3.79	0.02
JPY	0.99	-0.03	1.73	2.79	JPY	2.96	0.04	14-Apr-33	4.43	0.02	5 year	4.02	0.02
CAD	2.25	4.97	2.85	3.46	CAD	3.70	-0.02	15-May-34	4.54	0.02	7 year	4.22	0.03
Carbon Price					Policy Meeting Run			15-May-35	4.64	0.03	10 year	4.45	0.03
	Level	% Day	% Year		NZD	AUD	USD	15-May-36	4.74	0.02	15 year	4.72	0.03
NZU	54.00	-0.9	-2.7		1st	2.74	4.40	15-May-37	4.85	0.02	NZ Inflation-Indexed Bonds		
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer					2nd	2.85	4.48	15-May-38	4.91	0.03	Sept-30	1.69	0.01
Rates are as of: NZT 06:43					3rd	3.01	4.53	15-May-41	5.16	0.03	Sept-35	2.51	0.02
Source: Bloomberg					4th	3.13	4.55	15-May-51	5.39	0.03	Sept-40	2.99	0.02
					5th	3.25	4.55		5.40	0.03			

NZD exchange rates

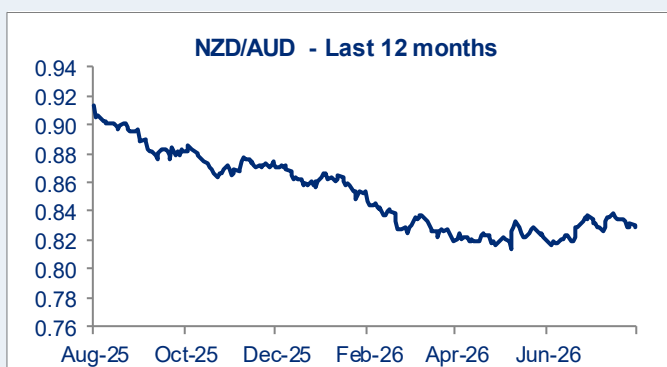
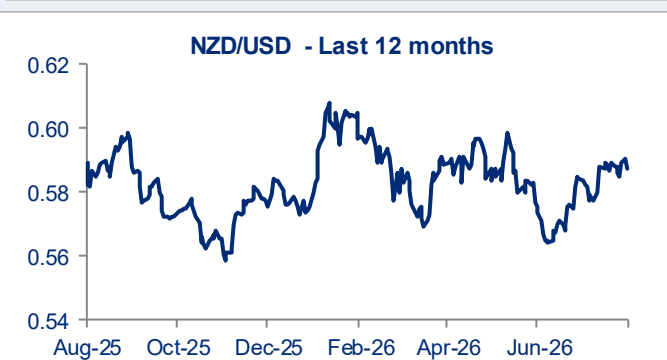
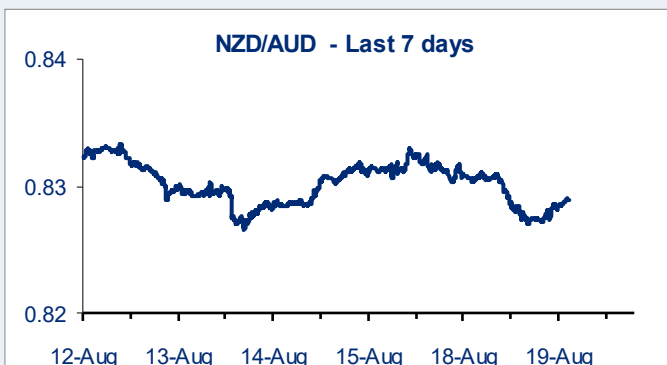
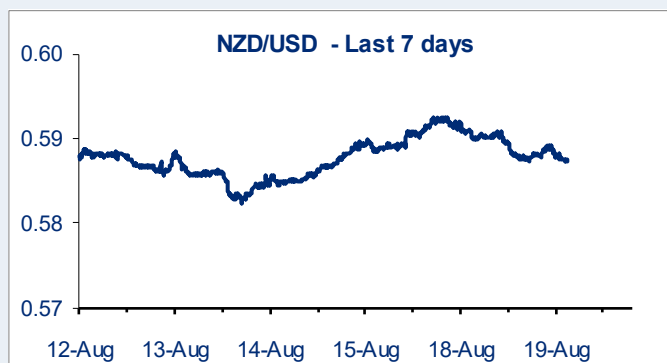
19/08/2026	6:43 am	Prev. NY close
USD	0.5872	0.5902
GBP	0.4339	0.4358
AUD	0.8290	0.8307
EUR	0.5073	0.5097
JPY	93.73	94.11
CAD	0.8168	0.8188
CHF	0.4771	0.4785
DKK	3.7936	3.8102
FJD	1.3039	1.3075
HKD	4.6075	4.6296
INR	56.20	56.43
NOK	5.5325	5.5618
PKR	163.05	163.85
PHP	36.29	36.29
PGK	2.5473	2.6127
SEK	5.6035	5.6154
SGD	0.7510	0.7540
CNY	3.9615	3.9784
THB	19.43	19.47
TOP	1.3766	1.3835
VUV	69.57	69.94
WST	1.5918	1.6028
XPF	60.45	60.72
ZAR	9.5547	9.5772

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	5.36	5.56
3 Months	14.64	15.24
6 Months	27.29	28.65
9 Months	36.07	38.99
1 Year	44.07	47.93

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	11.79	12.23
3 Months	33.22	34.57
6 Months	63.98	66.97
9 Months	87.60	93.45
1 Year	110.20	117.89



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