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.

jason.k.wong@bnz.co.nz

Coming up

		Period	Cons.	Prev.	NZT
NZ	PPI output (qoq%)	Q2		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

FX Majors / **Indicative overnight ranges (*)**

	Last	% Day	Low	High
NZD	0.5872	-0.5	0.5871	0.5893
AUD	0.7083	-0.3	0.7083	0.7120
EUR	1.1575	-0.0	1.1569	1.1588
GBP	1.3534	-0.1	1.3520	1.3551
JPY	159.63	+0.1	159.43	159.76
CAD	1.3910	+0.3		
NZD/AUD	0.8290	-0.2		
NZD/EUR	0.5073	-0.5		
NZD/GBP	0.4339	-0.5		
NZD/JPY	93.73	-0.4		
NZD/CAD	0.8168	-0.3		
NZ TWI	66.67	-0.4		

Other FX

	Last	% Day
CHF	0.8125	+0.2
SEK	9.541	+0.3
NOK	9.421	-0.0
HKD	7.844	-0.0
CNY	6.744	+0.1
SGD	1.279	+0.1
IDR	17,862	+0.4
THB	33.11	+0.2
KRW	1,413	-0.3
TWD	31.96	+0.4
PHP	61.79	+0.5

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,703	-0.5	19.4
Dow	53,415	-0.1	18.9
Nasdaq	26,313	-1.2	21.6
Stoxx 50	6,468	-1.0	19.0
FTSE	10,728	+0.1	17.1
DAX	26,128	-0.8	7.5
CAC 40	8,509	-0.8	7.9
Nikkei	67,461	-2.5	54.9
Shanghai	3,990	+0.2	7.0
ASX 200	9,070	-0.0	2.0
NZX 50	13,866	+1.1	7.3
VIX Index	15.66	+3.1	+4.5

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	90.90	+0.1
Oil (WTI)	84.79	+0.4
Gold	4366.0	-0.7
HRC steel	1196.0	+0.0
CRB	397.1	+1.4
SGX Iron Ore	96.55	+0.4
NZ Milk '26	9.75	+0.0
NZ Milk '27	9.79	+1.1
NZ Milk '28	9.77	+0.7
WM powder	3660	+1.9

Australian Futures

	Last	Net Day
3 year bond	95.41	-0.05
10 year bond	94.93	-0.01

Interest Rates

Rates / **Swap Yields**

	Cash	3Mth	2 Yr	10 Yr
USD	3.75	4.85	4.03	4.29
AUD	4.35	4.50	4.58	5.12
NZD	2.50	2.98	3.64	4.45
EUR	2.25	2.50	3.04	3.28
GBP	3.75	3.87	4.29	4.67
JPY	0.99	-0.03	1.73	2.79
CAD	2.25	4.97	2.85	3.46

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.70	-0.02
AUD	5.10	0.05
NZD	4.74	0.03
GER	3.26	0.04
GBP	5.08	0.02
JPY	2.96	0.04
CAD	3.70	-0.02

NZ Government Bonds

	Last	Chg
15-May-28	3.56	0.01
20-Apr-29	3.78	0.01
15-May-30	3.97	0.01
15-May-31	4.15	0.01
15-May-32	4.31	0.02
14-Apr-33	4.43	0.02
15-May-34	4.54	0.02
15-May-35	4.64	0.03
15-May-36	4.74	0.02
15-May-37	4.85	0.02
15-May-38	4.91	0.03
15-May-41	5.16	0.03
15-May-51	5.39	0.03
15-May-54	5.40	0.03

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.81	0.01
BKBM 3-mth	2.98	0.01
1 year	3.37	0.00
2 year	3.64	0.01
3 year	3.79	0.02
5 year	4.02	0.02
7 year	4.22	0.03
10 year	4.45	0.03
15 year	4.72	0.03

Carbon Price

	Level	% Day	% Year
NZU	54.00	-0.9	-2.7

Policy Meeting Run

	NZD	AUD	USD
1st	2.74	4.40	3.72
2nd	2.85	4.48	3.78
3rd	3.01	4.53	3.87
4th	3.13	4.55	3.92
5th	3.25	4.55	3.98

NZ Inflation-Indexed Bonds

	Last	Chg
Sept-30	1.69	0.01
Sept-35	2.51	0.02
Sept-40	2.99	0.02

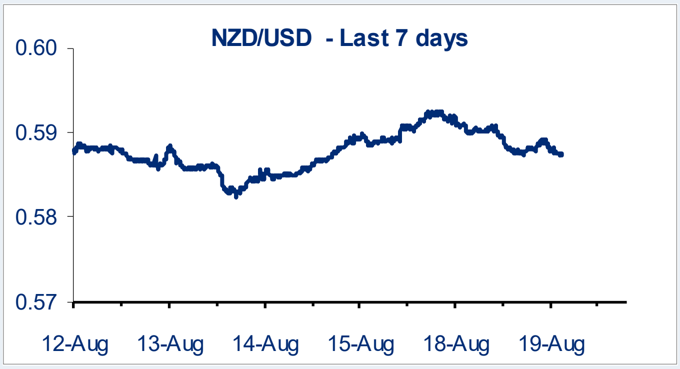
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer

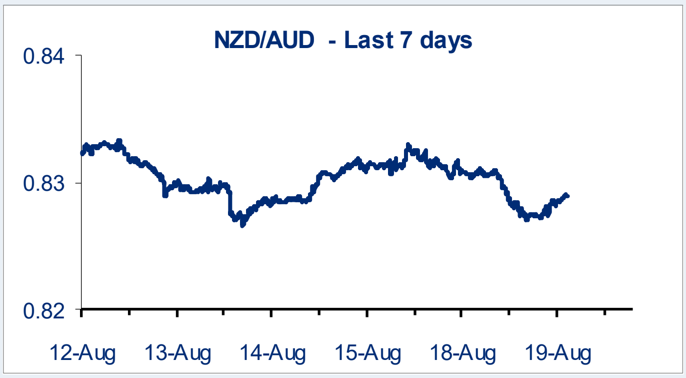
Rates are as of: NZT 06:43

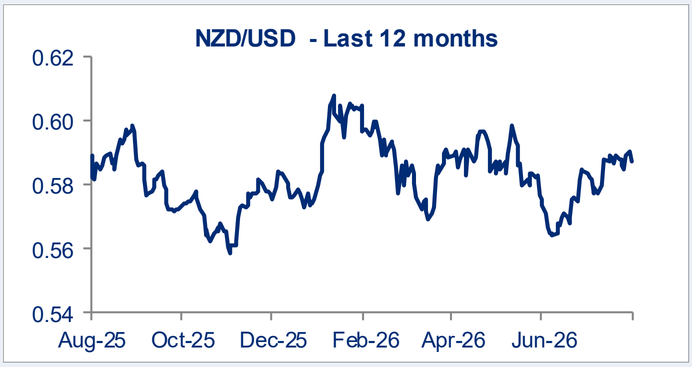
Source: Bloomberg

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





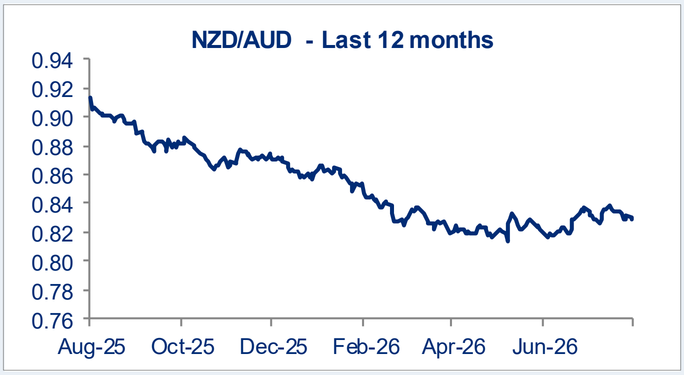


NZD/USD Forward Points

	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



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