

Research Markets Today

19 February 2026

Events Round-Up

NZ: PPI output (q/q%), Q4: 0.1 vs. 0.6 prev.
 AU: Wage price index (q/q%), Q4: 0.8 vs. 0.8 exp.
 AU: Wage price index (y/y%), Q4: 3.4 vs. 3.4 exp.
 NZ: RBNZ official cash rate (%), Feb: 2.25 vs. 2.25 exp.
 UK: CPI (y/y%), Jan: 3.0 vs. 3.0 exp.
 UK: CPI core (y/y%), Jan: 3.1 vs. 3.0 exp.
 UK: CPI services (y/y%), Jan: 4.4 vs. 4.3 exp.
 US: Durable goods orders (m/m%), Dec: -1.4 vs. -2.0 exp.
 US: Durables ex transport. (m/m%), Dec: 0.9 vs. 0.3 exp.
 US: Housing starts (k), Dec: 1404 vs. 1304 exp.
 US: Building permits (k), Dec: 1448 vs. 1400 exp.
 US: Industrial production (m/m%), Jan: 0.7 vs. 0.4 exp.

Good Morning

US equities, rates and the USD are all higher overnight, supported by stronger than expected second-tier US economic data, with markets, other than oil, showing little concern that war between US and Iran might be closer than realised, despite some progress earlier this week on nuclear talks. The NZD has sustained the fall seen in the wake of yesterday's RBNZ's policy update and is trading just below 0.60.

Oil prices have shot higher, with Brent crude up nearly 4% to USD70, more than reversing the fall that followed a general agreement on a set of guiding principles for a potential nuclear deal between US and Iran we noted yesterday. Doubts are already cast on this so-called agreement. Axios reported that the Trump Administration is closer to a major war in the Middle East than most Americans realise and it could begin very soon. The article noted that any military action in Iran would likely involve a joint US-Israeli operation. Furthermore, while talks between the US and Iran earlier this week made progress, the gaps between the two sides are said to be wide. The WSJ reported that Iran is preparing for war with the US.

Second tier US data releases overnight were all stronger than expected. US housing starts rose 6.2% in December to a five-month high while building permits rose 4.3% to a nine-month high. Industrial production rose for a third consecutive month, up 0.7% m/m in January, the strongest gain in a year. Durable goods orders fell 1.4% m/m in

December, dragged down by aircraft, but excluding transportation, orders rose 0.9% m/m, consistent with solid business investment at the end of last year. Data due at the end of the week is expected to show GDP growth running around 3% annualised, following the strong 4.4% gain in Q4. The lagged impact of easier monetary policy and some added fiscal stimulus through 2026 all point to US economic growth remaining resilient.

The data supported stronger US equities – with investors seemingly unperturbed by the possibility of a new war – and a nudge up in US rates and the USD. The S&P500 is up 0.8% in early afternoon trading, led by the IT sector, driving a larger 1.2% gain for the Nasdaq index. US Treasury yields are up 2bps across the curve for the day. The 10-year rate is at 4.075%.

While the USD is broadly stronger overnight, gains have been small apart from against the yen. USD/JPY has risen up through 154.50, as the yen continues to reverse last week's strong gain. There was no significant movement in European rates or euro after the FT reported that ECB President Lagarde will step down before her term ends in October 2027, allowing President Macron to help find a replacement ahead of French elections. Most of the fall in EUR towards 1.18 came after the stronger US data. Data showing lower annual headline and core UK CPI inflation to 3.0% and 3.1% respectively supported market expectations for a likely rate cut by the BoE next month and didn't have any lasting impact on GBP.

The NZD showed broadly based falls following the RBNZ's policy update yesterday (see below). The slightly stronger USD overnight has seen a further nudge down but the kiwi has found some support around 0.5980. NZD/AUD has fallen to levels close to last week's 13-year low around 0.8470. There has been no further slippage overnight against EUR and GBP, while NZD/JPY has recovered the bulk of yesterday's fall, trading this morning around 92.5.

The RBNZ left the OCR on hold at 2.25% and raised its interest rate projections, with the rate track gradually lifting from the second half of the year through to the end of the forecast period. The Statement noted "as the recovery strengthens and inflation falls sustainably towards the target midpoint, monetary policy settings will gradually normalise.

No one expected the Bank to embrace market pricing for a more protracted tightening cycle beginning later this year

and the Statement and tone was broadly as expected by local economists, resulting in no changes in views on the outlook for monetary policy. Forthcoming data on the economy will determine the timing and scale of the forthcoming tightening cycle and the RBNZ's views are highly conditional on a set of assumptions that are subject to change.

The dovish market reaction reflected some relief that there was no hawkish surprise. The 2-year swap rate closed the day down 9bps to 2.94%, with most of the fall coming after the announcement. The 5-year swap rate fell 10bps to 3.51% and the 10-year rate fell 6bps to 4.01%. NZGBs showed similar moves. The OIS market pared back expected tightening, but still with a full hike priced by December.

On the calendar, Australian labour market data will help shape RBA policy expectations ahead. The market expects the unemployment rate to tick higher to 4.2%, following

the recent fall. There are only second tier US data releases tonight, following the minutes of the January FOMC meeting released soon after we go to print this morning.

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Coming Up

	Period	Cons.	Prev.	NZT
US FOMC Meeting Minutes	Jan			08:00
AU Employment change (k)	Jan	20	65	13:30
AU Unemployment rate (%)	Jan	4.2	4.1	13:30
US Philly Fed business outlook	Feb	7.3	12.6	02:30
US Initial jobless claims (k)	Feb-26	225	227	02:30
US Trade Balance	Dec	-55.5	-56.8	02:30
EC Consumer confidence	Feb	-12.0	-12.4	04:00
US Pending home sales (m/m%)	Jan	2.0	-9.3	04:00

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	0.5984	-1.1	0.5977	0.6014	CHF	0.7729	+0.4	S&P 500	6,898	+0.8	12.5	Oil (Brent)	70.05	+3.9
AUD	0.7061	-0.4	0.7051	0.7081	SEK	9.010	+0.5	Dow	49,815	+0.6	11.8	Oil (WTI)	64.92	+4.1
EUR	1.1804	-0.4	1.1802	1.1849	NOK	9.516	-0.2	Nasdaq	22,858	+1.2	14.1	Gold	4956.3	+1.5
GBP	1.3515	-0.4	1.3516	1.3582	HKD	7.815	-0.0	Stoxx 50	6,103	+1.4	10.3	HRC steel	982.0	+0.3
JPY	154.57	+0.8	153.40	154.60	CNY	6.905	+0.1	FTSE	10,686	+1.2	21.9	CRB	302.1	-1.4
CAD	1.3685	+0.4			SGD	1.266	+0.3	DAX	25,278	+1.1	10.7	Wheat Chic.	548.8	+1.2
NZD/AUD	0.8475	-0.7			IDR	16,884	+0.3	CAC 40	8,429	+0.8	2.7	Sugar	14.13	+2.0
NZD/EUR	0.5069	-0.7			THB	31.22	-0.2	Nikkei	57,144	+1.0	45.9	Cotton	61.64	+0.2
NZD/GBP	0.4428	-0.7			KRW	1,448	+0.2	Shanghai	4,082	-1.3	21.0	Coffee	285.4	+0.8
NZD/JPY	92.49	-0.3			TWD	31.43	+0.1	ASX 200	9,007	+0.5	7.0	WM powder	3805	+1.5
NZD/CAD	0.8189	-0.7			PHP	57.86	-0.2	NZX 50	13,247	+1.7	1.6	Australian Futures		
NZ TWI	67.75	-0.8						VIX Index	18.75	-7.6	+22.1	3 year bond	95.74	-0.04
												10 year bond	95.26	-0.03

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	Last	Chg	
USD	3.75	4.85	3.28	3.67	USD	4.08	0.02	15-May-28	3.09	-0.10	BKBM 1-mth	2.41	0.00
AUD	3.85	3.97	4.22	4.81	AUD	4.72	0.04	20-Apr-29	3.35	-0.10	BKBM 3-mth	2.50	-0.00
NZD	2.25	2.50	2.94	4.01	NZD	4.36	-0.07	15-May-30	3.59	-0.10	1 year	2.62	-0.04
EUR	2.00	2.01	2.19	2.76	GER	2.74	0.00	15-May-31	3.80	-0.09	2 year	2.94	-0.09
GBP	3.75	3.94	3.40	3.97	GBP	4.37	-0.00	15-May-32	3.96	-0.08	3 year	3.19	-0.10
JPY	0.73	-0.03	1.24	1.94	JPY	2.15	0.01	14-Apr-33	4.06	-0.07	5 year	3.51	-0.10
CAD	2.25	4.97	2.32	2.97	CAD	3.22	-0.01	15-May-34	4.17	-0.07	7 year	3.75	-0.08
								15-May-35	4.27	-0.07	10 year	4.01	-0.06
								15-May-36	4.36	-0.06	15 year	4.27	-0.06
								15-May-37	4.48	-0.05			
								15-May-41	4.76	-0.05			
								15-May-51	4.99	-0.04	NZ Inflation-Indexed Bonds		
								15-May-54	4.99	-0.04	Sept-30	1.59	-0.05
											Sept-35	2.38	-0.04
											Sept-40	2.78	-0.04

Carbon Price				Policy Meeting Run			
	Level	% Day	% Year	NZD	AUD	USD	
NZU	43.05	+0.0	-31.6	1st	2.25	3.88	3.63
				2nd	2.26	4.05	3.59
				3rd	2.27	4.07	3.46
				4th	2.29	4.16	3.36
				5th	2.35	4.17	3.23

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

Rates are as of: NZT 06:49

Source: Bloomberg

NZD exchange rates

19/02/2026	6:49 am	Prev. NY close
USD	0.5984	0.6049
GBP	0.4428	0.4458
AUD	0.8475	0.8537
EUR	0.5069	0.5102
JPY	92.49	92.74
CAD	0.8189	0.8248
CHF	0.4623	0.4658
DKK	3.7883	3.8122
FJD	1.3192	1.3333
HKD	4.6824	4.7275
INR	54.33	54.86
NOK	5.6890	5.7661
PKR	167.51	169.15
PHP	34.67	35.08
PGK	2.5684	2.5939
SEK	5.3888	5.4250
SGD	0.7582	0.7640
CNY	4.1374	4.1748
THB	18.75	18.89
TOP	1.3974	1.4061
VUV	71.03	71.72
WST	1.6104	1.6228
XPF	60.33	60.80
ZAR	9.6039	9.6907

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	6.18	6.38
3 Months	19.46	19.93
6 Months	37.12	38.11
9 Months	49.56	51.56
1 Year	57.07	59.33

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	9.46	9.86
3 Months	31.81	32.80
6 Months	68.86	71.20
9 Months	105.96	110.19
1 Year	141.37	146.41



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