

# Research

# Markets Today

19 January 2026

## Events round-up

NZ: Manufacturing PMI, Dec: 56.1 vs. 51.4 prev.  
NZ: Food Prices (m/m%), Dec: -0.3 vs. -0.4 prev.  
US: Industrial Production (m/m%), Dec: 0.4 vs. 0.1 exp.  
US: NAHB Housing Market Index, Jan: 37 vs. 40 exp.

## Good morning

Risk sensitive assets were little changed into the weekly close. US equities ended the session with flat returns and global indices also registered small moves. Investor sentiment has remained upbeat with global equities consolidating near record highs and strong demand for credit amid record issuance in the first half of January. Treasury yields increased and the US dollar recovered off the session lows, after comments from President Trump appeared to decrease the chances of Kevin Hassett becoming the next Federal Reserve Chair, when Powell's term expires in May.

Buoyant risk sentiment will get tested to start the week after President Trump said he will impose 10% tariffs on European countries from next month until they support his ambition to acquire Greenland. The new tariffs would represent an escalation in global tensions though it is not clear if they will be implemented and what legal authority Trump would use.

The Bank of Japan will begin to sell its holdings of exchange-traded funds which had been signalled last September. The unwind of the US\$525 billion portfolio is designed to limit any market impact. The glacial pace would take more than 100 years to fully unwind its holdings based on the initial indicated annual sales. The Nikkei reached a record high last week amid expectations of more expansionary fiscal policy.

US treasury yields closed modestly higher across the curve. The economic data had limited impact on price action. Treasury yields climbed after President Trump suggested reluctance to nominate Kevin Hassett, the National Economic Council Director, as Federal Reserve Chair. The comments saw the polymarket odds for former Fed governor Kevin Warsh increase, and he is viewed as being less aggressive than Hassett would be in pushing for interest-rate cuts. 10-year yields increased 5bp to 4.22% notably moving above the top of the recent trading range and reaching fresh highs for the year.

FX markets were subdued overall with limited net moves across the G10 currencies compared with the local close. The yen maintained its gains from the Asian session after further verbal intervention from Japanese policymakers to support the yen. Finance Minister Katayama said she is concerned about the currency's recent weakness and the government is ready to take bold action. NZD/USD was little changed in offshore trade. An initial move higher faded alongside the recovery in the US dollar. The NZD was broadly stable on the key cross rates.

The recent run of positive domestic activity data continued which has contributed to an increase in the RBNZ's KiwiGDP nowcast to 0.9% for Q4. The manufacturing PMI increased 4.4 points in December and reached the highest level in four years. Inflation partials for December were also released. Food prices and rents were soft but were more than offset by very strong increases in airfares and domestic accommodation prices. We have finalised our Q4 CPI forecast at 0.4% q/q and 2.9% y/y which is released on Friday.

NZ swap rates moved higher in the local session on Friday reflecting both the tone in offshore markets and continued firm activity data alongside the inflation partials. Swap rates increased 3-4bp across the curve. Government bonds matched the moves in the swap market. 10-year yields ended the session 4bp higher at 4.43%. Australian 10-year bond futures increased 2bp in yield terms since the local close on Friday suggesting a modest upside bias for NZ rates on the open.

There is no domestic data today and public holiday in the Wellington region is likely to weigh on local market activity. Q4 GDP is released in China alongside monthly activity indicators for December. The consensus looks for quarterly growth of 1.1%, which would see the annual rate slow to 4.5%. Canadian CPI data is scheduled later this evening. Economists expect the annual headline rate will remain unchanged from November at 2.2%. Core measures have been edging lower with the weighted median measure last printing 2.8%. Cash equity and bond markets in the US are closed for a public holiday though futures remain open.

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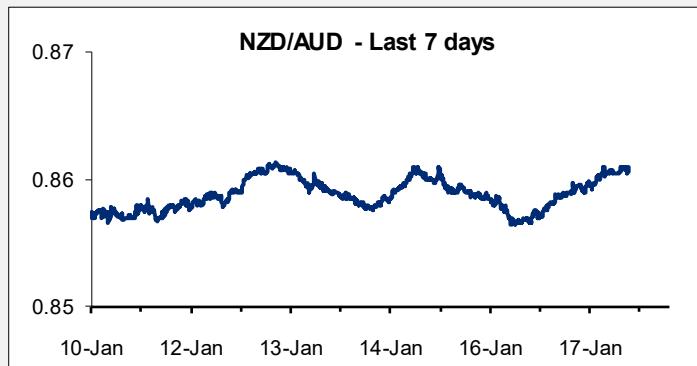
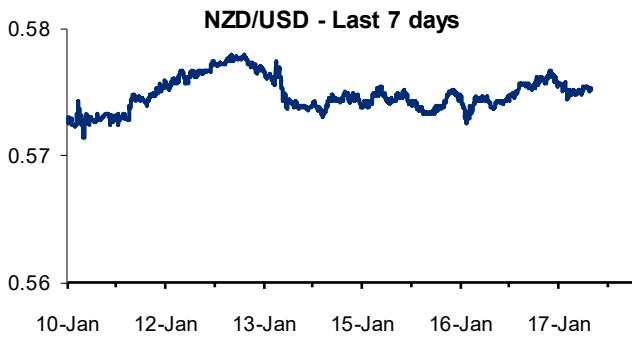
## Coming up

		Period	Cons.	Prev.	NZT
CH	GDP (y/y%)	4Q	4.5	4.8	15:00
CH	GDP SA (q/q%)	4Q	1.1	1.1	15:00
CH	Retail Sales (y/y%)	Dec	1.1	1.3	15:00
CH	Industrial Production (y/y%)	Dec	5	4.8	15:00
CH	Fixed Assets Ex Rural YTD (y/y%)	Dec	-3.1	-2.6	15:00
CA	CPI (y/y%)	Dec	2.2	2.2	02:30
CA	CPI Core- Median (y/y%)	Dec	2.8	2.8	02:30

Currencies				Equities				Commodities			
FX Majors		Indicative overnight ranges (*)		Other FX		Major Indices		Price (Near futures, except CRB)		Last	
	Last	% Day	Low	High		Last	% Day		Last	Net Day	
NZD	0.5752	+0.2	0.5742	0.5767	CHF	0.8030	<b>-0.0</b>	S&P 500	6,940	<b>-0.1</b>	16.9
AUD	0.6684	<b>-0.2</b>	0.6671	0.6710	SEK	9.226	+0.0	Dow	49,359	<b>-0.2</b>	14.4
EUR	1.1599	<b>-0.1</b>	1.1585	1.1627	NOK	10.094	<b>-0.2</b>	Nasdaq	23,515	<b>-0.1</b>	21.6
GBP	1.3378	<b>-0.0</b>	1.3366	1.3413	HKD	7.797	<b>-0.0</b>	Stoxx 50	6,029	<b>-0.2</b>	18.1
JPY	158.11	<b>-0.3</b>	157.82	158.45	CNY	6.970	+0.0	FTSE	10,235	<b>-0.0</b>	22.0
CAD	1.3917	+0.2			SGD	1.289	+0.1	DAX	25,297	<b>-0.2</b>	22.5
NZD/AUD	0.8606	+0.4			IDR	16,887	<b>-0.1</b>	CAC 40	8,259	<b>-0.7</b>	8.2
NZD/EUR	0.4959	+0.2			THB	31.46	+0.2	Nikkei	53,936	<b>-0.3</b>	40.3
NZD/GBP	0.4299	+0.1			KRW	1,474	+0.3	Shanghai	4,102	<b>-0.3</b>	26.8
NZD/JPY	90.94	<b>-0.1</b>			TWD	31.56	<b>-0.1</b>	ASX 200	8,904	+0.5	7.1
NZD/CAD	0.8004	+0.3			PHP	59.35	<b>-0.2</b>	NZX 50	13,718	+0.4	4.5
NZ TWI	66.34	+0.3						VIX Index	15.86	+0.1	<b>-4.5</b>
Interest Rates											
Rates		Swap Yields		Benchmark 10 Yr Bonds		NZ Government Bonds		NZ BKBM and Swap Yields		Last	
	Cash	3Mth	2 Yr	10 Yr		Last	Net Day		Last	Chg	
USD	3.75	4.85	3.42	3.86	USD	4.22	0.05	15-Apr-27	2.72	0.00	
AUD	3.60	3.73	4.03	4.79	AUD	4.71	0.03	15-May-28	3.12	0.05	
NZD	2.25	2.50	2.95	4.07	NZD	4.34	0.04	20-Apr-29	3.38	0.04	
EUR	2.00	2.03	2.26	2.86	GER	2.84	0.02	15-May-30	3.62	0.04	
GBP	3.75	4.03	3.48	4.00	GBP	4.40	0.01	15-May-31	3.84	0.04	
JPY	0.74	-0.03	1.19	1.97	JPY	2.19	0.03	15-May-32	4.00	0.04	
CAD	2.25	4.97	2.46	3.13	CAD	3.37	0.02	14-Apr-33	4.12	0.04	
Carbon Price											
	Level	% Day	% Year	Policy Meeting Run				NZ Inflation-Indexed Bonds			
NZU	33.60	+0.0	<b>-47.4</b>	1st	2.25	3.67	3.64	15-May-35	4.34	0.04	
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer				2nd	2.25	3.70	3.59	15-May-36	4.44	0.04	
Rates at NY close				3rd	2.27	3.81	3.55	15-May-37	4.56	0.04	
Source: Bloomberg				4th	2.32	3.83	3.44	15-May-41	4.83	0.04	
				5th	2.41	3.90	3.38	15-May-51	5.09	0.04	
								15-May-54	5.10	0.04	

**NZD exchange rates**

17/01/2026	NY close	Prev. NY close
USD	0.5752	0.5742
GBP	0.4299	0.4291
AUD	0.8606	0.8571
EUR	0.4959	0.4946
JPY	90.94	91.09
CAD	0.8004	0.7976
CHF	0.4619	0.4612
DKK	3.7051	3.6956
FJD	1.3067	1.3074
HKD	4.4848	4.4772
INR	52.27	51.85
NOK	5.8058	5.8071
PKR	161.03	160.75
PHP	34.14	34.15
PGK	2.4529	2.4486
SEK	5.3069	5.2961
SGD	0.7414	0.7397
CNY	4.0093	4.0005
THB	18.06	18.03
TOP	1.3512	1.3578
VUV	69.77	69.66
WST	1.5993	1.5867
XPF	59.05	58.92
ZAR	9.4361	9.3795

**NZD/USD Forward Points**

	BNZ buys NZD	BNZ sells NZD
1 Month	6.80	7.17
3 Months	19.57	20.08
6 Months	37.23	38.23
9 Months	50.85	52.85
1 Year	59.72	62.48

**NZD/AUD Forward Points**

	BNZ buys NZD	BNZ sells NZD
1 Month	9.76	10.41
3 Months	29.19	30.32
6 Months	61.03	63.31
9 Months	93.05	97.60
1 Year	122.84	129.16

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