

Research Markets Today

19 June 2026

Events round-up

NZ: GDP (q/q%), Q1: 0.8 vs. 0.8 exp.

NZ: GDP (y/y%), Q1: 1.5 vs. 1.0 exp.

UK: Pvt earnings x bonus (3m/y/y%), Apr: 2.9 vs. 2.9 exp.

UK: Unemployment rate (%), Apr: 4.9 vs. 5.0 exp.

UK: Bank of England Bank Rate (%), Jun: 3.75 vs. 3.75 exp.

US: Initial jobless claims, wk to 13-Jun: 226 vs. 225 exp.

US: Philly Fed business outlook, Jun: 10.3 vs. 10.0 exp.

Good morning

There has been some reversal in moves in US equities and Treasuries that followed the Fed's hawkish hold yesterday, with US equities rebounding and yields pushing lower. In currency markets, during NZ trading hours there was a small reversal of the USD strength, but overnight the USD has bounced back. The NZD has fallen towards 0.5750 and is mixed on the crosses. Oil is flowing freely through the Strait of Hormuz, with prices probing fresh three-month lows following the early signing of the MoU between the US and Iran.

Yesterday, both President Trump and President Pezeshkian of Iran added their signature to the US-Iran MoU, bringing it into effect a couple of days sooner than expected. The MoU triggered the immediate and permanent termination of military operations on all fronts including Lebanon. It also kicked off the process for the US to remove its naval blockade and, regarding the Strait of Hormuz, for Iran to make "arrangements using its best efforts for the safe passage of commercial vessels with no charge, for 60 days only". This qualifier creates some lingering uncertainty whether some sort of fee arrangement to use the Strait will ultimately prevail.

Previously stranded ships carrying nearly 10m barrels of oil were either sailing through the Strait or had emerged outside the Strait. The US lifted its blockade. Kuwait said it will start boosting oil production, with the CEO of Kuwait Petroleum Corp saying that output could increase quickly and even reach pre-war levels earlier than previously thought. Oil prices fell on the prospect of increased supply. Brent crude fell to a three-month low near 76.50 per barrel before recovering towards USD80.

The MoU also kicks off a 60-day period (extendable with mutual consent) of negotiations around Iran's nuclear

programme and other potential issues of contention like funds for reconstruction.

The BoE left its policy rate unchanged at 3.75%, with Greene joining Pil in voting for a 25bps rate hike, taking the vote to 7-2. The statement noted "The labour market continues to loosen, and signs of a weakening economy could contain inflationary pressures. Interest rates faced by households and businesses remain higher than prior to the conflict, which will act to reduce inflation over time". Committee members noted the uncertainty around energy prices. Governor Bailey said the recent fall in oil prices was encouraging but the situation remains unpredictable.

UK labour market data released ahead of the policy meeting showed the key wage inflation measure, private sector earnings excluding bonuses, falling to 2.9% y/y as expected, continuing its steady downward trend to its lowest level since late-2020.

Market reaction to the policy update was modest, with global forces being a bigger influence on the day. The market still prices a full hike by the end of the year. GBP is modestly weaker relative to the euro, but this is in the context of a weaker GBP all week, ahead of the result of the Makerfield by-election, where Andy Burham is expected to win, setting up a challenge to topple PM Starmer as PM.

In currency markets, gyrations in the USD have been a dominant force. Initial USD strength in the wake of yesterday's hawkish hold by the Fed, reversed somewhat during the NZ trading session, before a stronger USD took hold again. This has seen the USD DXY index break up through the March high, taking the index to its highest level in over a year.

While the NZD recovered to nearly 0.58 ahead of the NZ close yesterday, it has fallen overnight back towards 0.5750. The AUD hasn't fallen as much to 0.7015, seeing NZD/AUD down to 0.82. Other NZD cross movements have been mixed but insignificant. Of note, USD strength sees USD/JPY above 161.60, a fresh multi-decade high and the market will be wondering at what level Japan's MoF might intervene again.

US equities have bounced back from their post-Fed weakness yesterday, with the S&P500 up 1% and the Nasdaq index up 1.6% in late afternoon trading.

US Treasuries are also reversing course, with yields modestly lower, led by the belly of the curve. The 10-year rate is at 4.44%, down a touch from the NZ close after trading an overnight low of 4.42%. The market still prices a full Fed rate hike by October. US initial jobless claims fell 4k last week to 226k, close to consensus and consistent with labour market resilience.

Domestic rates were higher and curves were flatter yesterday, dominated by global forces, namely the reaction to the Fed's policy update. The 2-year NZGB rose 11bps against a 5bps lift in the 10-year rate to 4.44%. The 2-year swap rate rose 9bps to 3.37% while the 10-year swap rate rose 4bps to 4.07%. Stronger NZ GDP data had a small impact at the margin at the short end of the curve. Q1 GDP rose 0.8% q/q, as the market expected, but upward revisions to historical data suggested the economy had stronger economic momentum than widely assumed ahead of the US-Iran conflict, with annual growth of 1.5% y/y, notably above the 1.0% consensus. It is widely assumed that growth for Q2 will come in weak, with some chance of a negative print.

On the economic calendar, NZ trade data and Japan CPI data are released today, with UK and Canada retail sales tonight. Japan's CPI figures with a 1-handle reflect government subsidy measures designed to shield consumers from cost-of-living pressures and therefore are not representative of the inflation pressures in the economy.

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Coming up

		Period	Cons.	Prev.	NZT
NZ	Trade balance (ann \$b)	May	-2.8	10:45	
UK	GfK consumer confidence	Jun	-23	-23	11:01
JN	CPI (y/y%)	May	1.5	1.4	11:30
JN	CPI ex fr. food, energy (y/y%)	May	1.8	1.9	11:30
UK	Retail sales ex auto fuel (m/m%)	May	0.3	-0.4	18:00
CA	Retail sales ex auto (m/m%)	Apr	0.8	1.4	00:30

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	0.5755	-0.2	0.5753	0.5791	CHF	0.8049	+0.7	S&P 500	7,492	+1.0	25.3	Oil (Brent)	79.55	+0.0
AUD	0.7016	+0.0	0.7001	0.7039	SEK	9.585	+0.8	Dow	51,656	+0.3	22.5	Oil (WTI)	76.63	-0.2
EUR	1.1461	-0.3	1.1453	1.1523	NOK	9.730	+1.2	Nasdaq	26,448	+1.6	35.3	Gold	4223.7	-3.1
GBP	1.3207	-0.6	1.3204	1.3317	HKD	7.838	+0.0	Stoxx 50	6,323	+0.4	20.1	HRC steel	1120.0	+0.0
JPY	161.58	+0.6	160.48	161.66	CNY	6.768	+0.1	FTSE	10,400	-1.0	17.6	CRB	364.5	+0.5
CAD	1.4139	+0.3			SGD	1.291	+0.2	DAX	25,027	+0.4	7.3	Wheat Chic.	613.3	-1.3
NZD/AUD	0.8203	-0.3			IDR	17,794	+0.2	CAC 40	8,468	+0.4	10.6	Sugar	13.59	-1.9
NZD/EUR	0.5021	+0.1			THB	32.79	+0.3	Nikkei	71,053	+1.6	84.6	Cotton	76.05	-0.9
NZD/GBP	0.4358	+0.4			KRW	1,540	+1.7	Shanghai	4,090	-0.4	20.7	Coffee	267.8	-2.2
NZD/JPY	92.99	+0.4			TWD	31.59	+0.0	ASX 200	8,911	-0.6	4.5	WM powder	3505	+0.4
NZD/CAD	0.8137	+0.0			PHP	60.59	+0.3	NZX 50	13,363	-0.2	6.3	Australian Futures		
NZ TWI	65.96	+0.0						VIX Index	16.79	-8.9	-16.6	3 year bond	95.60	-0.03
												10 year bond	95.18	0.02

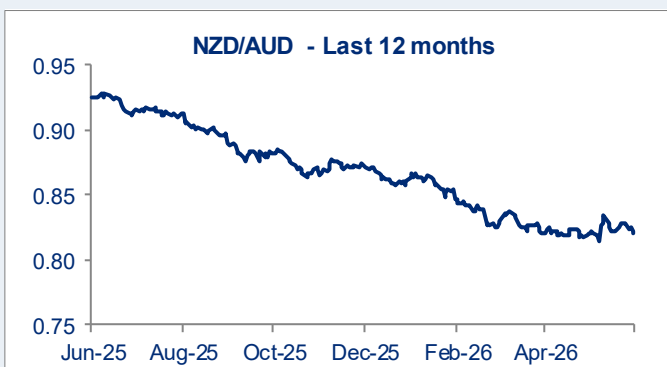
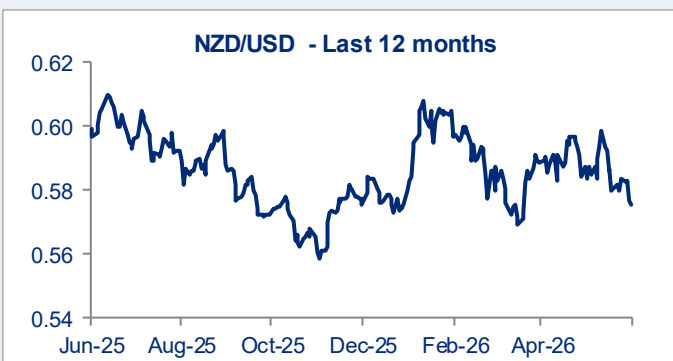
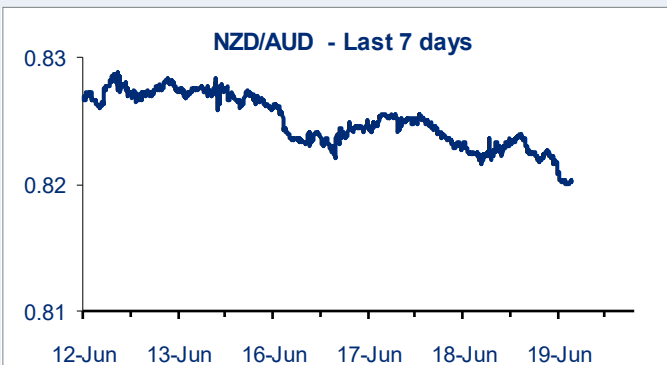
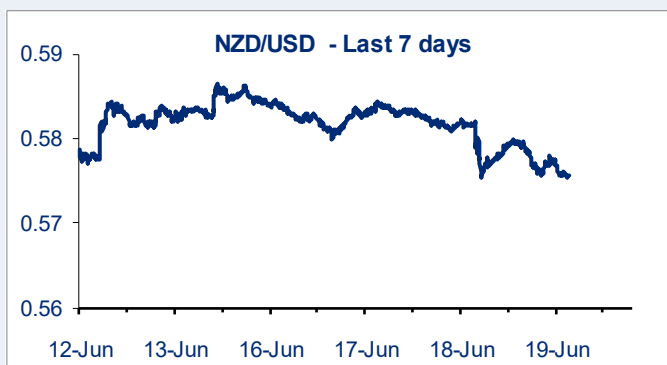
Interest Rates														
Rates		Swap Yields		Benchmark 10 Yr Bonds		NZ Government Bonds			NZ BKBM and Swap Yields					
	Cash	3Mth	2 Yr	10 Yr	Last	Net Day		Last	Chg	Last	Chg			
USD	3.75	4.85	4.04	4.04	USD	4.45	-0.04	15-May-28	3.39	0.11	BKBM 1-mth	2.51	0.02	
AUD	4.35	4.47	4.48	4.88	AUD	4.77	0.00	20-Apr-29	3.57	0.10	BKBM 3-mth	2.68	0.00	
NZD	2.25	2.68	3.37	4.07	NZD	4.44	0.06	15-May-30	3.74	0.09	1 year	3.10	0.06	
EUR	2.25	2.42	2.79	2.97	GER	2.93	0.00	15-May-31	3.90	0.08	2 year	3.37	0.09	
GBP	3.75	3.87	4.06	4.35	GBP	4.76	0.01	15-May-32	4.03	0.06	3 year	3.49	0.09	
JPY	0.98	-0.03	1.40	2.46	JPY	2.62	0.02	14-Apr-33	4.14	0.06	5 year	3.69	0.06	
CAD	2.25	4.97	2.68	3.15	CAD	3.38	-0.05	15-May-34	4.24	0.06	7 year	3.86	0.05	
								15-May-35	4.34	0.06	10 year	4.07	0.04	
								15-May-36	4.44	0.05	15 year	4.31	0.03	
								15-May-37	4.54	0.05				
								15-May-41	4.79	0.05	NZ Inflation-Indexed Bonds			
					1st	2.47	4.44	3.73	15-May-51	5.03	0.05	Sept-30	1.47	0.03
					2nd	2.66	4.46	3.85	15-May-54	5.05	0.06	Sept-35	2.27	0.03
					3rd	2.74	4.51	3.92				Sept-40	2.74	0.03
					4th	2.91	4.53	4.02						
					5th	3.02	4.52	4.06						

Carbon Price				Policy Meeting Run			
	Level	% Day	% Year		NZD	AUD	USD
NZU	54.25	-0.4	-7.5	1st	2.47	4.44	3.73
				2nd	2.66	4.46	3.85
				3rd	2.74	4.51	3.92
				4th	2.91	4.53	4.02
				5th	3.02	4.52	4.06

* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer
 Rates are as of: NZT 06:53
 Source: Bloomberg

NZD exchange rates

19/06/2026	6:53 am	Prev. NY close
USD	0.5755	0.5769
GBP	0.4358	0.4340
AUD	0.8203	0.8225
EUR	0.5021	0.5016
JPY	92.99	92.68
CAD	0.8137	0.8134
CHF	0.4633	0.4613
DKK	3.7527	3.7492
FJD	1.2755	1.2803
HKD	4.5138	4.5204
INR	54.32	54.54
NOK	5.6032	5.5479
PKR	160.25	160.56
PHP	34.89	34.84
PGK	2.5181	2.5214
SEK	5.5135	5.4872
SGD	0.7431	0.7431
CNY	3.8978	3.9002
THB	18.86	18.80
TOP	1.3313	1.3457
VUV	68.51	68.43
WST	1.5549	1.5637
XPF	59.78	59.80
ZAR	9.4616	9.4553



NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	5.72	5.92
3 Months	16.31	16.85
6 Months	31.11	32.18
9 Months	44.69	46.38
1 Year	56.11	59.09

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	12.93	13.44
3 Months	37.51	38.77
6 Months	70.43	73.12
9 Months	99.40	103.52
1 Year	124.41	131.02

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