

Research Markets Today

19 October 2026

Events round-up

NZ: Manufacturing PMI, Sep: 56.5 vs. 53.5 prev.
 NZ: Food Prices (m/m%), Sep: 0.0 vs. 0.3 prev.
 NZ: Card Spending Total (m/m%), Sep: -0.5 vs. -0.5 prev.
 US: Industrial Production (m/m%), Sep: 0.7 vs. 0.4 exp.

Good morning

US equities ended last week on a soft note, with the S&P falling 1.1% on Friday as renewed concerns over the sustainability of AI-related investment weighed on technology stocks. The Nasdaq underperformed, while chipmakers extended their decline to an eighth consecutive session as investors questioned prospective returns from the AI infrastructure buildout. The weakness in technology stocks contributed to a broader deterioration in risk sentiment, with the VIX ending the week near 20, its highest level since late July.

Oil prices added to the cautious market tone, with front-month Brent briefly reaching \$110 despite the IEA accelerating the remaining 100 million barrels of its emergency release. Physical markets remain tight amid doubts over additional Russian diesel supply, disruptions in the Gulf and renewed Ukrainian attacks on Russian refining capacity. Meanwhile, US lawmakers introduced legislation aimed at blocking the Trump administration's deal with Moscow to release Russian diesel, adding further uncertainty around the supply outlook.

There was choppy price action in US Treasuries, with the 10-year yield trading in a wide range before ending at 5.07%. Rates were caught between rising risk aversion as equities declined and upward pressure from higher oil prices. A Treasury Department survey of market participants disappointed investors. Some had expected it to seek views on reducing longer-term debt issuance, potentially including ending 20-year bond sales. Instead, the survey asked more generally about potential future changes to auction sizes, given structural shifts in investor demand.

Market pricing for the October FOMC has fallen below a 20% chance of a 25bp hike. Fed Chair Kevin Warsh offered no fresh policy signals on Friday, saying he would not prejudge the October or December meetings. He reiterated the Fed's commitment to price stability and

noted that it had removed some policy accommodation at its previous meeting.

There was limited net movement across G10 currencies, with the US dollar index closing marginally lower from the NZ close. The NZD and AUD were little changed, looking through weaker risk sentiment. After gaining during Asian trading, NZD/USD peaked near 0.5675, its highest level this month, before retracing. The key NZD crosses also saw limited net movement. The latest CFTC futures positioning data showed further US dollar buying by speculative accounts, with the aggregate dollar long rising by US\$9.5bn and the euro short reaching its largest in a decade.

NZ fixed income yields rose in Friday's local session, largely reflecting weaker offshore bond markets. Domestic data also supported the move, with September's inflation partials nudging our Q3 CPI estimate up to 3.9% and pointing to upside risk around our Q4 forecast. Two-year rates closed 9bp higher at 4.07%, while the 10-year rate rose 5bp to 4.69%, flattening the 2s10s curve to +62bp. The curve reached a low in late-September near +60bp.

The September services PMI is released today, after edging up to 51.2 last month but remaining below its long-run average. Friday's manufacturing PMI was notably stronger, rising sharply to 56.5. China's Q3 GDP and monthly activity data will provide a read on momentum heading into year-end, with stronger policy support likely to have stabilised growth and kept the full-year target within reach. Canada also releases CPI data.

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Coming up

	Period	Cons.	Prev.	NZT
NZ Performance Services Index	Sep		51.2	10:30
NZ Trade Balance 12 Mth YTD (\$bn)	Sep		-5.4	10:45
AU RBA's Kent-Fireside Chat				12:05
CH GDP (y/y%)	3Q	4.4	4.3	15:00
CH GDP (q/q%)	3Q	0.95	0.9	15:00
CH Retail Sales (y/y%)	Sep	0.5	0.4	15:00
CH Industrial Production (y/y%)	Sep	5.4	5.2	15:00
CH Fixed Assets Ex Rural YTD (y/y%)	Sep	-7.3	-7.2	15:00
CA CPI (y/y%)	Sep	3.2	3	01:30
CA CPI Core- Median (y/y%)	Sep	1.9	2	01:30
CA CPI Core- Trim (y/y%)	Sep	1.9	1.9	01:30
US NAHB Housing Market Index	Oct	31	32	03:00

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	0.5653	+0.6	0.5641	0.5675	CHF	0.8240 -0.3	S&P 500	7,659 -1.1	14.9	Oil (Brent)	109.86	+3.7
AUD	0.6945	+0.4	0.6936	0.6967	SEK	9.917 -0.4	Dow	52,002 -0.3	12.6	Oil (WTI)	101.41	+3.5
EUR	1.1239	+0.2	1.1213	1.1269	NOK	9.433 -0.4	Nasdaq	26,140 -2.1	15.3	Gold	4159.5	+0.3
GBP	1.3329	+0.4	1.3293	1.3372	HKD	7.848 +0.0	Stoxx 50	6,204 +0.6	10.6	HRC steel	1285.0	+0.0
JPY	157.99	+0.0	157.70	158.34	CNY	6.687 -0.1	FTSE	10,882 +0.4	16.3	CRB	419.8	+0.6
CAD	1.4138	-0.3			SGD	1.279 -0.2	DAX	25,623 +0.9	7.5	SGX Iron Ore	91.60	+0.4
NZD/AUD	0.8139	+0.2			IDR	18,027 +0.5	CAC 40	7,957 +0.3	-2.7	NZ Milk '27	10.26	+0.2
NZD/EUR	0.5029	+0.4			THB	33.42 -0.3	Nikkei	65,324 +1.4	37.3	NZ Milk '28	10.16	+0.1
NZD/GBP	0.4241	+0.2			KRW	1,334 -0.6	Shanghai	3,716 +0.2	-3.2	NZ Milk '29	9.99	+0.0
NZD/JPY	89.31	+0.5			TWD	32.40 -0.0	ASX 200	8,807 +1.0	-2.1	WM powder	3805	+0.4
NZD/CAD	0.7992	+0.3			PHP	62.98 -0.1	NZX 50	13,754 -0.6	3.5	Australian Futures		
NZ TWI	64.36	+0.4					VIX Index	19.99 +21.4	-3.8	3 year bond	95.15	-0.03
										10 year bond	94.75	-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	4.00	4.85	4.57	4.69	USD	5.07	0.01	15-May-28	3.89	0.09	BKBM 1-mth	3.03 0.01
AUD	4.60	4.76	4.89	5.39	AUD	5.23	0.02	20-Apr-29	4.15	0.09	BKBM 3-mth	3.26 0.02
NZD	2.75	3.26	4.07	4.69	NZD	5.00	0.06	15-May-30	4.32	0.08	1 year	3.77 0.07
EUR	2.50	2.64	3.42	3.54	GER	3.43	0.01	15-May-31	4.47	0.07	2 year	4.07 0.09
GBP	3.75	3.87	4.70	4.94	GBP	5.37	-0.00	15-May-32	4.61	0.06	3 year	4.20 0.08
JPY	1.25	1.30	1.89	2.83	JPY	2.93	0.03	14-Apr-33	4.71	0.06	5 year	4.38 0.07
CAD	2.25	2.42	3.13	3.62	CAD	3.83	0.00	15-May-34	4.81	0.06	7 year	4.52 0.06
								15-May-35	4.91	0.06	10 year	4.69 0.05
								15-May-36	5.00	0.05	15 year	4.91 0.05
								15-May-37	5.09	0.05		
								15-May-38	5.14	0.05		
								15-May-41	5.34	0.05		
								15-May-51	5.54	0.05		
								15-May-54	5.54	0.05		
Carbon Price					Policy Meeting Run			NZ Inflation-Indexed Bonds				
	Level	% Day	% Year		NZD	AUD	USD					
NZU	51.20	+1.4	-7.3		1st	2.96	4.66	3.93	Sept-30	1.91	-0.01	
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer					2nd	3.14	4.73	4.14	Sept-35	2.69	-0.00	
Rates at NY close					3rd	3.32	4.80	4.23	Sept-40	3.13	-0.01	
Source: Bloomberg					4th	3.48	4.83	4.39				
					5th	3.63	4.88	4.47				

NZD exchange rates

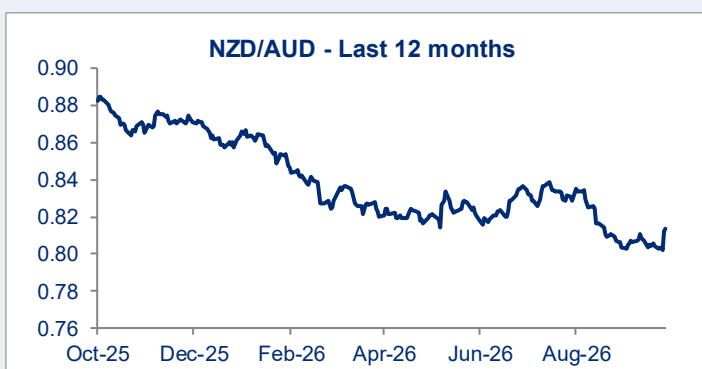
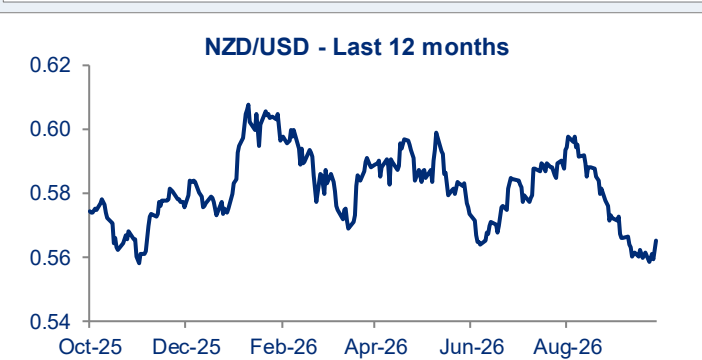
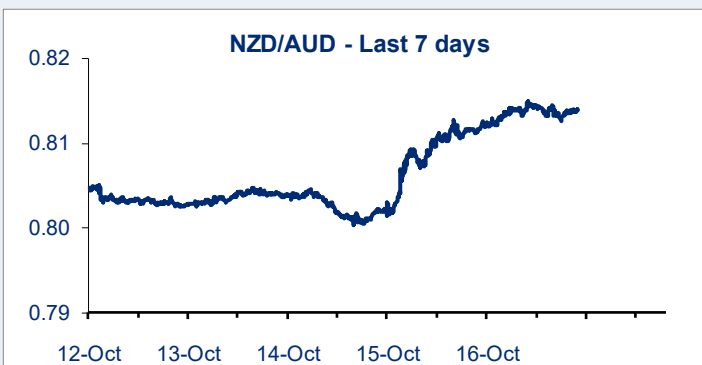
18/10/2026	NY close	Prev. NY close
USD	0.5653	0.5622
GBP	0.4241	0.4235
AUD	0.8139	0.8123
EUR	0.5029	0.5011
JPY	89.31	88.83
CAD	0.7992	0.7975
CHF	0.4657	0.4648
DKK	3.7592	3.7457
FJD	1.2701	1.2688
HKD	4.4357	4.4118
INR	53.67	53.44
NOK	5.3318	5.3249
PKR	156.48	155.74
PHP	35.60	35.45
PGK	2.5368	2.5143
SEK	5.6052	5.5965
SGD	0.7230	0.7206
CNY	3.7793	3.7617
THB	18.93	18.88
TOP	1.3352	1.3291
VUV	67.80	67.21
WST	1.5610	1.5552
XPF	60.08	59.74
ZAR	9.3127	9.2774

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	5.24	5.46
3 Months	15.03	15.58
6 Months	28.01	29.70
9 Months	39.69	42.16
1 Year	48.94	53.85

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	11.45	11.96
3 Months	31.92	33.18
6 Months	58.42	61.85
9 Months	80.03	85.18
1 Year	97.12	106.39



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