

# Research Markets Today

20 April 2026

## Events Round-Up

NZ: Monthly CPI indicator (m/m%), Mar: 1.6 vs. -0.1 prev.

NZ: Card spending total (m/m%), Mar: 1.3 vs. 1.3 prev.

## Good Morning

Risk sentiment improved Friday night on a view that the US-Iran conflict was nearing an end, with talk of reopening the Strait of Hormuz. Oil prices plunged, with Brent crude futures closing near USD90 per barrel. European and US equities showed solid gains and global rates fell, with the US 10-year rate down 6bps to 4.25%. Currencies swung but most showed little net change, with the NZD closing the week near 0.5885. Developments have soured since Friday's close, with tensions in the Middle East ratcheting up a notch.

During the Friday night trading session there were a number of headlines to digest regarding the Iran conflict. While the maxim "the first casualty of war is truth" remained apt, the market took the messages positively, reaffirming preconceived views earlier in the week that the US-Iran conflict was drawing to a close.

Iran's Foreign Minister Araghchi tweeted that the Strait of Hormuz is declared "completely open" for the remaining period of the ceasefire in Lebanon, on the coordinated route through Iranian waters.

President Trump followed on social media, saying the "Strait of Hormuz is completely open and ready for business and full passage, but the naval blockade will remain in full force and effect as it pertains to Iran, only, until such time as our transaction with Iran is 100% complete". He added that Iran, with the help of the US is removing all sea mines, that the US would acquire Iran's highly enriched uranium and no money will exchange hands, and Israel can no longer bomb Lebanon. Trump expressed confidence that most of the main points on an agreement with Iran are finalised.

All this came as a surprise to the Islamic Revolutionary Guard Corps, which responded via Iranian media that "passage is only possible with the permission of the IRGC Navy". It was reported that Iran told mediators it will continue to limit the number of ships allowed to cross the Strait of Hormuz and charge tolls for the remaining period of the cease-fire.

The world's largest international shipping association said shipping companies should consider avoiding the area and Bloomberg reported most ship owners and traders intended to take a wait-and-see approach for now.

The market took the news positively, even if there was still an element of uncertainty hanging over negotiations and the Strait of Hormuz being seen to remain a chokepoint for oil and gas shipping for a while longer.

In developments since the market close, the IRGC reasserted its authority over the Strait and fired at a couple of Indian-flagged ships attempting a crossing. Iran's Parliament speaker clarified that some issues in negotiations have been resolved, but "we are far from a final agreement", adding that Iran stands ready to resume the fight should the current ceasefire end. Overnight, President Trump posted on social media that his representatives will be heading to Islamabad tomorrow evening for negotiations, with another threat of blowing up infrastructure if Iran doesn't accept a peace deal. Iran media reported Iran would not attend the talks as long as the US navy blockade was in place.

Thus, the new week begins with the fog of war continuing and a likely hit to risk assets in early trading, until we hear more. As for Friday's price action, oil prices plunged, with Brent crude futures closing down 9% to just over USD90 per barrel after falling as low as USD86. Brent dated crude – which reflects the physical spot market for immediate or near-term delivery – fell 15% to USD99. That the spread between dated and futures Brent crude fell to just USD9, from a high of USD35 just over a week ago, highlighted the significant easing of pressure in the oil market.

US equities showed strong gains, with the S&P500 up 1.2% to a fresh record high, taking its weekly gain to 4.5%. The Nasdaq extended its winning streak to 13 consecutive days, rising 1.5% and taking its weekly gain to 6.8%. With the fog of war seen to be clearing, it was a case of investors re-focusing on the impact of AI.

Global rates were lower across Europe and the US. US Treasury yields fell 6-7bps across the curve out to 10-years maturity, with the 10-year rate closing at 4.25%, taking the weekly fall to 18bps. European curves showed a more definitive steepening bias, with falls led by the short end as the market reduced pricing for rate hikes this year.

Germany's 2-year rate fell 11bps against a 7bps fall for the 10-year rate.

Fed Governor Waller, a previous cheerleader for rate cuts compared to most of his FOMC colleagues, said he is cautious about the need to lower interest rates in the near term. However, under his scenario of a reopening of the Strait of Hormuz and a return of trade flows to normal, he would be more inclined toward cuts to support the labour market later this year when the outlook is steadier.

Net currency moves were mostly small during the active Friday night session, with early euphoria on the reopening of the Strait of Hormuz quickly fading after the realisation that we weren't quite there yet. Broad USD weakness reversed course, resulting in the small net moves. The NZD climbed up to just shy of 0.5930 before giving up all its gain, to close the week around 0.5885. The AUD climbed to a fresh multi-year high of 0.7222, before closing at 0.7170. NZD/AUD was slightly weaker at just over 0.82, with the previous week's low just below 0.82 not breached.

JPY was the strongest performer, with the tailwind of lower global rates supporting the currency, seeing NZD/JPY closing down 0.5% to 93.3. Other NZD cross movements were insignificant.

The domestic rates market had a quiet session on Friday. There was lingering demand for short-end exposure, which kept the short end of the curve underpinned, against a 3-4bps lift in 10-year swaps and NZGBs. NZ's monthly CPI indicators report showed a surge in inflation in March, driven by petrol and diesel prices, the first direct impact of the Iran conflict. However, the data were in line with expectations and didn't result in a change to our Q1 estimate of 0.8% q/q and 3.0% y/y. Similarly, surging fuel prices drove a strong 1.3% m/m increase in card spending for March.

The economic calendar is light to start the week, with only NZ trade and Canadian CPI data of some interest. The domestic focus will be on the QSBO and Q1 CPI, both due tomorrow.

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## Coming Up

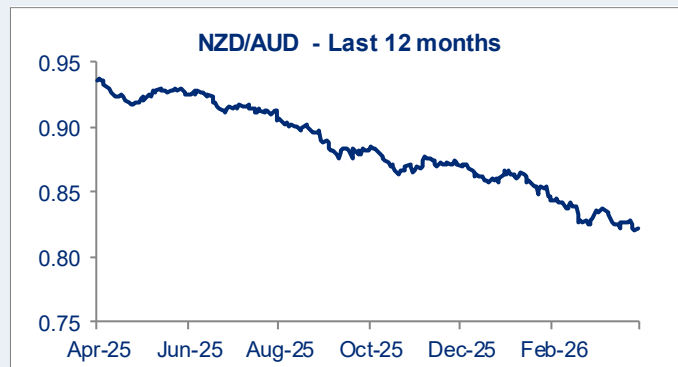
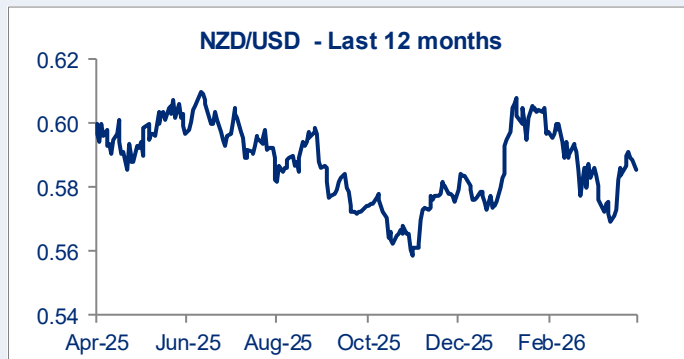
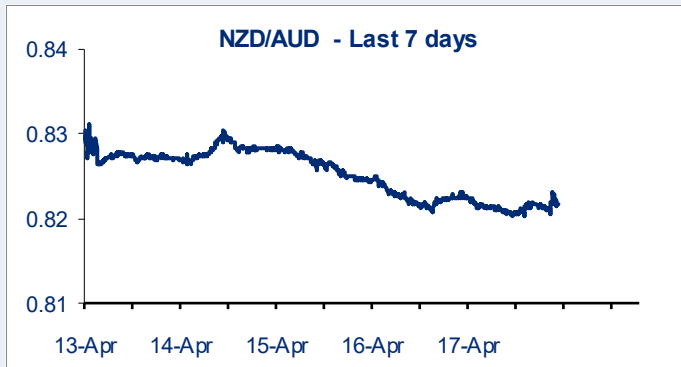
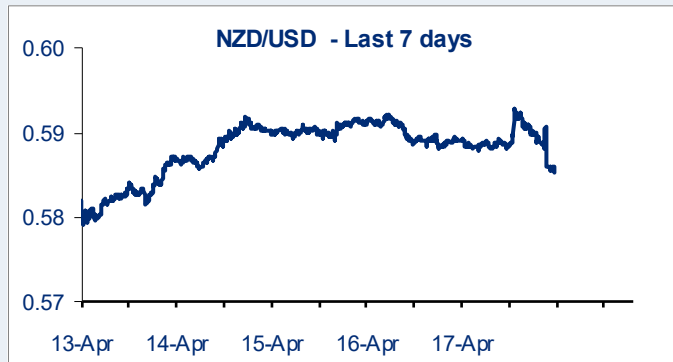
		Period	Cons.	Prev.	NZT
NZ	Trade balance (ann \$b)	Mar	-3.0	10:45	
CA	CPI (y/y%)	Mar	2.6	1.8	00:30
CA	CPI core (avg trim/med, yoy%)	Mar	2.3	2.3	00:30

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		% Year		Last	Net Day		
NZD	0.5884	-0.1	0.5881	0.5929	CHF	0.7817	-0.3	S&P 500	7,126	+1.2	34.9	Oil (Brent)	90.38	-9.1
AUD	0.7169	+0.2	0.7161	0.7222	SEK	9.162	-0.3	Dow	49,447	+1.8	26.3	Oil (WTI)	83.85	-11.4
EUR	1.1765	-0.1	1.1761	1.1849	NOK	9.377	-0.1	Nasdaq	24,468	+1.5	50.2	Gold	4857.6	+1.5
GBP	1.3518	-0.1	1.3506	1.3599	HKD	7.832	+0.1	Stoxx 50	6,058	+2.1	22.7	HRC steel	1046.0	+0.0
JPY	158.63	-0.3	157.59	159.40	CNY	6.818	-0.1	FTSE	10,668	+0.7	28.9	CRB	362.8	-3.2
CAD	1.3692	-0.1			SGD	1.269	-0.3	DAX	24,702	+2.3	16.5	Wheat Chic.	599.3	-1.2
NZD/AUD	0.8207	-0.4			IDR	17,189	+0.3	CAC 40	8,425	+2.0	15.6	Sugar	13.31	-2.6
NZD/EUR	0.5001	+0.0			THB	31.93	-0.2	Nikkei	58,476	-1.8	68.4	Cotton	77.40	+2.2
NZD/GBP	0.4352	-0.1			KRW	1,460	-1.3	Shanghai	4,051	-0.1	23.6	Coffee	284.3	-2.1
NZD/JPY	93.33	-0.4			TWD	31.59	+0.1	ASX 200	8,947	-0.1	14.4	WM powder	3795	+0.4
NZD/CAD	0.8056	-0.2			PHP	60.06	+0.1	NZX 50	12,906	-1.2	6.5	<b>Australian Futures</b>		
NZ TWI	66.73	-0.3						VIX Index	17.48	-2.6	-41.0	3 year bond	95.33	-0.03
												10 year bond	95.06	0.10
<b>Interest Rates</b>														
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	3.54	3.82	USD	4.25	-0.06	15-May-28	3.49	-0.00	BKBM 1-mth	2.39	-0.01	
AUD	4.10	4.33	4.57	5.01	AUD	4.99	0.04	20-Apr-29	3.75	-0.00	BKBM 3-mth	2.54	-0.01	
NZD	2.25	2.54	3.42	4.32	NZD	4.68	0.03	15-May-30	3.96	0.01	1 year	3.01	-0.01	
EUR	2.00	2.20	2.58	2.99	GER	2.96	-0.07	15-May-31	4.16	0.02	2 year	3.42	-0.00	
GBP	3.75	3.86	3.96	4.30	GBP	4.76	-0.09	15-May-32	4.31	0.02	3 year	3.63	0.00	
JPY	0.73	-0.03	1.35	2.20	JPY	2.42	0.01	14-Apr-33	4.41	0.02	5 year	3.91	0.02	
CAD	2.25	4.97	2.65	3.21	CAD	3.45	-0.06	15-May-34	4.50	0.03	7 year	4.10	0.02	
								15-May-35	4.60	0.03	10 year	4.32	0.03	
								15-May-36	4.68	0.04	15 year	4.55	0.04	
								15-May-37	4.77	0.04				
								15-May-41	5.03	0.03	<b>NZ Inflation-Indexed Bonds</b>			
								15-May-51	5.26	0.03	Sept-30	1.64	0.05	
								15-May-54	5.27	0.03	Sept-35	2.41	0.05	
											Sept-40	2.87	0.05	
<b>Carbon Price</b>					<b>Policy Meeting Run</b>									
	Level	% Day	% Year		NZD	AUD	USD							
NZU	48.00	+0.0	-5.8		1st	2.32	4.29	3.65						
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer														
Rates at NY close														
Source: Bloomberg														

**NZD exchange rates**

20/04/2026	9:36 am	Prev. NY close
USD	0.5855	0.5883
GBP	0.4341	0.4353
AUD	0.8216	0.8200
EUR	0.4987	0.5000
JPY	92.98	93.33
CAD	0.8017	0.8054
CHF	0.4576	0.4599
DKK	3.7272	3.7369
FJD	1.3026	1.3013
HKD	4.5843	4.6076
INR	54.40	54.83
NOK	5.4934	5.5165
PKR	163.51	#VALUE!
PHP	35.17	35.30
PGK	2.5386	2.5501
SEK	5.3837	5.3902
SGD	0.7453	0.7468
CNY	3.9914	4.0137
THB	18.78	18.83
TOP	1.3636	1.3555
VUV	68.99	69.64
WST	1.5962	1.5869
XPF	59.51	59.77
ZAR	9.6347	9.5928



**NZD/USD Forward Points**

	BNZ buys NZD	BNZ sells NZD
1 Month	6.09	6.37
3 Months	17.96	18.44
6 Months	31.80	33.00
9 Months	40.11	42.67
1 Year	42.76	47.04

**NZD/AUD Forward Points**

	BNZ buys NZD	BNZ sells NZD
1 Month	12.37	12.97
3 Months	38.31	39.40
6 Months	75.59	78.25
9 Months	109.52	114.39
1 Year	136.40	144.36

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