

# Research Markets Today

20 February 2026

## Events round-up

AU: Employment change (k), Jan: 18 vs. 20 exp.  
 AU: Unemployment rate (%), Jan: 4.1 vs. 4.2 exp.  
 US: Philly Fed business outlook, Feb: 16.3 vs. 7.3 exp.  
 US: Initial jobless claims (k), 46067: 206 vs. 225 exp.  
 US: Trade Balance, Dec: -70.3 vs. -55.5 exp.  
 EC: Consumer confidence, Feb: -12.2 vs. -12 exp.  
 US: Pending home sales (m/m%), Jan: -0.8 vs. 2 exp.

## Good morning

Rising geopolitical risk linked to US–Iran tensions weighed on global equities. The S&P slipped into negative territory in afternoon trade and is currently down close to 0.5%. Major European indices also retraced, with the Euro Stoxx closing around 1% lower. In contrast, sovereign bond and currency markets were little changed.

Crude prices moved higher amid the rising geopolitical tensions in the Middle East, with Brent futures gaining around 2% to trade near US\$72 a barrel. The advance reflects growing concern over the U.S. military buildup in the region and the risk of a potential escalation involving Iran. President Trump has said he will decide the next 10 days if the US strikes Iran or does a deal. While oil markets began the year weighed down by excess supply, the prospect of disruption to key shipping routes, including the Strait of Hormuz, has seen risk premiums rebuild, lending near-term support to prices.

US economic data had little impact on markets. Initial jobless claims fell to 206K which was below the consensus estimate of 225K. The pullback indicated the higher readings in the past two weeks were weather related and disruptions from heavy snowfall. Pending home sales declined more than expected in January but was also likely impacted by bad weather in the final week of January.

The minutes from the January FOMC were released yesterday morning and struck a distinctly hawkish tone. Several participants emphasised ongoing inflation pressures despite signs of stabilisation in the labour market. Policymakers noted that further increases in the federal funds rate could be appropriate if inflation fails to move back toward target, highlighting increasingly two-sided risks around the policy outlook. Market pricing

implies around 57bp of easing by the Federal Reserve by the end of the year.

US treasuries are little changed. 10-year notes are yielding 4.08% having rebounded modestly from three-month lows just above 4.0% earlier in the week.

The US dollar was marginally firmer against most G10 currencies in offshore trade. The AUD and NZD were flat. The AUD gains after stronger-than-expected labour market, which had pushed NZD/AUD to fresh multi-year lows near 0.8450 in the local session yesterday, faded. NZD/USD dipped towards 0.5950 overnight but has since recovered and the NZD is marginally firmer on the key crosses.

Australian labour market conditions remained resilient in January, with the unemployment rate holding at 4.1% and employment rising driven entirely by gains in full-time positions. The outcome is consistent with the Reserve Bank's (RBA) assessment that the economy can absorb tighter monetary policy settings without triggering a material increase in job losses. The data contributed to a selloff in Australian rates markets. Although the RBA is expected to keep rates unchanged in March, the market is pricing around a high chance of a 25bp hike in May.

Despite the moves in Australia, NZ rates were little changed in the local session yesterday extending the cross-market performance from the post-MPS price action. Swap rates were 1-2bp higher across the curve with a similar move for government bonds. There was decent demand from investors the weekly tender. Investors bids totalled NZ\$1.8 billion for the NZ\$450 million of bonds offered. The longer May-35 maturity saw marginally less demand by was still 3.5 times covered by investor bids.

The January trade balance is the only piece of domestic data of note today, although RBNZ Governor Breman is speaking as the post-MPS round of engagement continues. The international data calendar is busier. Key releases include US Q4 GDP, expected to confirm the economy maintained solid momentum late last year, alongside preliminary PMIs for the US, UK and euro zone.

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## Coming up

		Period	Cons.	Prev.	NZT
NZ	Trade Balance 12 Mth YTD NZD	Jan		-2203	10:45
NZ	RBNZ Governor Speaks				12:00
JN	Natl CPI (y/y%)	Jan	1.6	2.1	12:30
JN	Natl CPI Ex Food, Energy (y/y%)	Jan	2.7	2.9	12:30
UK	Retail Sales Ex Auto Fuel (m/m%)	Jan	0.3	0.3	20:00
GE	Germany Services PMI	Feb P	52.4	52.4	21:30
GE	Germany Manufacturing PMI	Feb P	49.5	49.1	21:30
EC	Eurozone Manufacturing PMI	Feb P	50	49.5	22:00
EC	Eurozone Services PMI	Feb P	51.9	51.6	22:00
UK	Services PMI	Feb P	53.5	54	22:30
UK	Manufacturing PMI	Feb P	51.5	51.8	22:30
US	Personal Income	Dec	0.3	0.3	02:30
US	Real Personal Spending	Dec	0.1	0.3	02:30
US	Core PCE Price Index (m/m%)	Dec	0.3	0.2	02:30
US	Core PCE Price Index (y/y%)	Dec	2.9	7911€	02:30
US	GDP Annualized (q/q%)	4Q A	3	4.4	02:30
US	US Manufacturing PMI	Feb P	52.3	52.4	03:45
US	US Services PMI	Feb P	53	52.7	03:45
US	New Home Sales (m/m%)	Dec	0	-0.1	04:00
US	U. of Mich. Sentiment	Feb F	57.2	57.3	04:00
US	U. of Mich. 5-10 Yr Inflation	Feb F	3.4	3.4	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	0.5971	+0.1	0.5946	0.5990	CHF	0.7758	+0.3	S&P 500	6,846	-0.5	11.4	Oil (Brent)	71.91	+2.1
AUD	0.7054	+0.2	0.7024	0.7080	SEK	9.072	+0.4	Dow	49,417	-0.5	10.7	Oil (WTI)	66.77	+2.4
EUR	1.1764	-0.2	1.1742	1.1808	NOK	9.577	+0.4	Nasdaq	22,701	-0.2	13.2	Gold	4984.5	-0.0
GBP	1.3450	-0.3	1.3434	1.3517	HKD	7.814	+0.0	Stoxx 50	6,060	-0.7	11.0	HRC steel	982.0	+0.0
JPY	154.94	+0.1	154.54	155.34	CNY	6.905	+0.1	FTSE	10,627	-0.6	22.0	CRB	307.9	+1.9
CAD	1.3693	-0.0			SGD	1.268	+0.1	DAX	25,044	-0.9	11.6	Wheat Chic.	563.3	+1.9
NZD/AUD	0.8465	-0.1			IDR	16,894	+0.1	CAC 40	8,399	-0.4	3.6	Sugar	14.03	-1.0
NZD/EUR	0.5076	+0.3			THB	31.17	-0.4	Nikkei	57,468	+0.6	48.6	Cotton	61.77	+0.4
NZD/GBP	0.4439	+0.4			KRW	1,450	+0.1	Shanghai	4,082	-1.3	21.0	Coffee	282.0	-1.1
NZD/JPY	92.51	+0.2			TWD	31.56	+0.4	ASX 200	9,086	+0.9	9.2	WM powder	3850	+1.2
NZD/CAD	0.8176	+0.1			PHP	58.01	+0.2	NZX 50	13,444	+1.5	4.4	<b>Australian Futures</b>		
NZ TWI	67.63	+0.1					VIX Index	20.68	+5.4	+35.4	3 year bond	95.66	-0.08	
											10 year bond	95.22	-0.04	
<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	3.29	3.67	USD	4.08	-0.00	15-May-28	3.11	0.02	BKBM 1-mth	2.42	0.01	
AUD	3.85	3.97	4.26	4.83	AUD	4.78	0.06	20-Apr-29	3.38	0.02	BKBM 3-mth	2.49	-0.00	
NZD	2.25	2.49	2.95	4.03	NZD	4.39	0.03	15-May-30	3.61	0.02	1 year	2.62	-0.01	
EUR	2.00	2.01	2.19	2.76	GER	2.74	0.00	15-May-31	3.82	0.02	2 year	2.95	0.00	
GBP	3.75	3.94	3.40	3.97	GBP	4.37	-0.01	15-May-32	3.99	0.03	3 year	3.20	0.01	
JPY	0.74	-0.03	1.25	1.93	JPY	2.15	0.00	14-Apr-33	4.09	0.03	5 year	3.53	0.02	
CAD	2.25	4.97	2.32	2.99	CAD	3.24	0.01	15-May-34	4.20	0.03	7 year	3.77	0.01	
								15-May-35	4.30	0.03	10 year	4.03	0.01	
								15-May-36	4.39	0.03	15 year	4.29	0.02	
								15-May-37	4.50	0.03				
								15-May-41	4.78	0.03	<b>NZ Inflation-Indexed Bonds</b>			
								15-May-51	5.01	0.03	Sept-30	1.58	-0.00	
								15-May-54	5.02	0.03	Sept-35	2.38	0.00	
											Sept-40	2.79	0.01	
<b>Carbon Price</b>					<b>Policy Meeting Run</b>									
	Level	% Day	% Year		NZD	AUD	USD							
NZU	44.15	+2.6	-29.6		1st	2.26	3.90	3.63						
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer														
Rates are as of: NZT 06:21														
Source: Bloomberg														

**NZD exchange rates**

20/02/2026	6:22 am	Prev. NY close
USD	0.5971	0.5965
GBP	0.4439	0.4420
AUD	0.8465	0.8471
EUR	0.5076	0.5062
JPY	92.51	92.34
CAD	0.8176	0.8170
CHF	0.4632	0.4612
DKK	3.7922	3.7823
FJD	1.3161	1.3203
HKD	4.6660	4.6611
INR	54.14	54.09
NOK	5.7183	5.6891
PKR	166.93	166.80
PHP	34.63	34.52
PGK	2.5594	2.5590
SEK	5.4171	5.3909
SGD	0.7574	0.7558
CNY	4.1229	4.1169
THB	18.61	18.67
TOP	1.3925	1.3891
VUV	70.78	70.67
WST	1.6076	1.6058
XPF	60.25	60.14
ZAR	9.6533	9.5824



**NZD/USD Forward Points**

	BNZ buys NZD	BNZ sells NZD
1 Month	6.15	6.35
3 Months	20.04	20.49
6 Months	36.90	37.90
9 Months	49.10	51.10
1 Year	56.58	59.39



**NZD/AUD Forward Points**

	BNZ buys NZD	BNZ sells NZD
1 Month	9.58	10.01
3 Months	33.65	34.64
6 Months	70.40	72.77
9 Months	107.92	112.40
1 Year	143.57	149.72



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