

Research Markets Today

21 April 2026

Events Round-Up

NZ: Trade balance (ann \$b), Mar: 3.2 vs. 3.1 prev.

CA: CPI (y/y%), Mar: 2.4 vs. 2.6 exp.

CA: CPI core (avg trim/med, yoy%), Mar: 2.25 vs. 2.3 exp.

Good Morning

Market reaction has been well contained to the negative weekend developments around the Iran conflict and the US seizure of an Iranian cargo ship in the Gulf of Oman. The market remains hopeful for a speedy resolution to a peace deal and a reopening of the Strait of Hormuz. US equities show a modest fall, and relative to the last week's close, US Treasuries are little changed and currencies show small net movements. Brent crude has been hovering around USD95-96 per barrel.

Shortly after we went to print yesterday, US Central Command reported that the US Navy had fired upon, boarded, and seized an Iranian-flagged cargo ship in the Gulf of Oman. This action came after repeated warnings were ignored, and the vessel was ultimately disabled by several rounds fired into its engine room. These events prompted the market to adopt a more risk-averse stance, continuing the shift that began with the 7am open, following weekend developments that did little to reassure investors of an imminent peace deal.

Market reaction overall has been well-contained and there has been no follow-through overnight, with eyes on the next round of negotiations, ahead of the expiration of the ceasefire this week.

Overnight, President Trump said he will not open the Strait of Hormuz until a deal is signed and "I'm not going to be rushed into making a bad deal...we've got all the time in the world". He clarified that the two-week ceasefire expires Wednesday evening Washington time (Thursday NZ time) and that it's highly unlikely that he'd extend it if no deal is reached by then.

VP Vance will be heading to Pakistan to resume negotiations set to be held either Tuesday night or Wednesday morning, said Trump, and will be joined by Kushner and Witkoff. Iranian media says Iran has no plans to send negotiators, but sourced reports suggest Iran will do so.

State media reported Iran's President saying, "war is not in anyone's interest...every rational and diplomatic path must be used to reduce tensions". Separately he voiced doubt about the cease fire, saying "distrust of the enemy and vigilance in interactions are an undeniable necessity".

So this week looks to be pivotal, and the market is likely to be in a wait-and-see mode until we hear more in coming days. While Trump's nonchalance over timing to resolve the conflict might well be a strategy to achieve a quick deal, further significant delay in the reopening of the Strait of Hormuz would have grave consequences for the economic outlook and it is difficult to see market optimism sustaining under that scenario.

Brent crude opened Asian trading at USD97.50, but that proved to be the high for the day, and it has since settled into a USD95-96 per barrel range, up nearly 6% from Friday's close.

US equities show a modest fall, with the S&P500 currently down 0.3%, a smaller fall than implied by the future market during NZ afternoon trading. The Nasdaq looks set to break a 13-day winning streak as it is currently down 0.3%. The Euro Stoxx 600 index closed down 0.8%.

US Treasury yields show little net movement from Friday's close. The 10-year rate is currently 4.25%, down a touch from the NZ close. Kevin Warsh, Trump's nominee to be the next Fed Chair, released his testimony ahead of fronting up for his confirmation hearing this week. He espoused the importance of monetary policy independence and not straying into fiscal and social policies, where the Fed has neither authority nor expertise.

Comments by ECB President Lagarde supported the market's view that next week's policy meeting was likely too soon for an interest rate hike. She noted the "double uncertainty about the duration of the shock and the breadth of pass-through" regarding the Iran conflict, which "argues for gathering more information before drawing firm conclusions for our monetary policy".

In economic data, Canada CPI inflation jumped in March, taking the annual figure from 1.8% to 2.4%, albeit this was less than the consensus estimate of 2.6%. The average of the two core figures slipped half a percent to 2.25%. Market reaction was muted and the market sees little chance of any BoC policy moves over coming meetings.

Weaker risk sentiment drove down the NZD in early trading yesterday. After reaching a low of 0.5850 mid-morning, the currency has trended higher and it has recovered to 0.5890, leaving it up a touch from last week's close. The AUD followed a similar path and has recovered to 0.7175, while NZD/AUD has showed little net change at just over 0.82. There has been little movement in other NZD crosses as well.

Lower NZ rates yesterday mostly reflected global forces from the price action seen during the Friday night trading session. Curves steepened a little with short end NZGBs down 6-7bps and long end rates down 8-9bps, with the 10-year rate closing at 4.60%. Swaps showed a similar move, with the 2-year rate down 6bps to 3.36% and the 10-year rate down 9bps to 4.23%.

On the economic calendar, the domestic focus will be on the QSBO and Q1 releases this morning, although both will only capture the early stages of the US-Iran conflict, limiting their usefulness as a guide to policy. Business confidence likely plunged, as evidenced in the recent ANZ business outlook survey, while pricing indicators likely

increased. The consensus sees the CPI up 0.8% in Q1, resulting in the annual increase moderating a little to 2.9%. On the global calendar, UK labour market data and US retail sales are released tonight.

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Coming Up

	Period	Cons.	Prev.	NZT
NZ QSBO	Q1			10:00
NZ CPI (q/q%)	Q1	0.8	0.6	10:45
NZ CPI (y/y%)	Q1	2.9	3.1	10:45
NZ CPI Non Tradeables (q/q%)	Q1	0.9	0.6	10:45
UK Private earnings x bonus (3m/yo y%)	Feb	3.2	3.3	18:00
UK Unemployment rate (%)	Feb	5.2	5.2	18:00
US Retail sales advance (m/m%)	Mar	1.4	0.6	00:30
US Retail sales ex auto, gas (m/m%)	Mar	0.2	0.4	00:30
US Retail sales control group (m/m%)	Mar	0.2	0.5	00:30
US Pending home sales (m/m%)	Mar	0.0	1.8	02:00

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	0.5889	+0.1	0.5864	0.5895	CHF	0.7785	-0.4	S&P 500	7,105	-0.3	34.5	Oil (Brent)	95.80	+6.0
AUD	0.7175	+0.0	0.7143	0.7179	SEK	9.127	-0.4	Dow	49,386	-0.1	26.2	Oil (WTI)	89.29	+6.5
EUR	1.1782	+0.1	1.1754	1.1790	NOK	9.317	-0.6	Nasdaq	24,382	-0.3	49.7	Gold	4806.6	-1.0
GBP	1.3537	+0.2	1.3493	1.3545	HKD	7.831	-0.0	Stoxx 50	5,983	-1.2	21.2	HRC steel	1046.0	+0.0
JPY	158.82	+0.1	158.55	159.07	CNY	6.817	-0.0	FTSE	10,609	-0.5	28.2	CRB	362.8	-3.2
CAD	1.3641	-0.4			SGD	1.270	+0.1	DAX	24,418	-1.2	15.1	Wheat Chic.	605.0	+1.0
NZD/AUD	0.8208	+0.1			IDR	17,168	-0.1	CAC 40	8,331	-1.1	14.3	Sugar	13.47	+1.2
NZD/EUR	0.4998	-0.0			THB	32.01	+0.2	Nikkei	58,825	+0.6	71.6	Cotton	77.60	+0.2
NZD/GBP	0.4350	-0.0			KRW	1,472	+0.8	Shanghai	4,082	+0.8	24.6	Coffee	287.8	+1.3
NZD/JPY	93.53	+0.2			TWD	31.54	-0.2	ASX 200	8,953	+0.1	14.5	WM powder	3820	+0.7
NZD/CAD	0.8033	-0.3			PHP	59.99	-0.1	NZX 50	12,915	+0.1	6.6	Australian Futures		
NZ TWI	66.60	+0.1						VIX Index	19.06	+9.0	-35.7	3 year bond	95.40	0.07
												10 year bond	95.05	-0.01
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	Last	Chg		
USD	3.75	4.85	3.54	3.82	USD	4.25	0.00	15-May-28	3.43	-0.06	BKBM 1-mth	2.39	0.00	
AUD	4.10	4.33	4.58	5.01	AUD	4.94	-0.06	20-Apr-29	3.68	-0.07	BKBM 3-mth	2.54	0.00	
NZD	2.25	2.54	3.36	4.23	NZD	4.60	-0.09	15-May-30	3.89	-0.07	1 year	2.97	-0.03	
EUR	2.00	2.20	2.65	3.01	GER	2.98	0.02	15-May-31	4.09	-0.08	2 year	3.36	-0.06	
GBP	3.75	3.86	4.03	4.37	GBP	4.83	0.07	15-May-32	4.24	-0.08	3 year	3.56	-0.07	
JPY	0.73	-0.03	1.34	2.19	JPY	2.39	-0.03	14-Apr-33	4.33	-0.08	5 year	3.83	-0.08	
CAD	2.25	4.97	2.64	3.21	CAD	3.44	-0.00	15-May-34	4.42	-0.09	7 year	4.02	-0.09	
								15-May-35	4.51	-0.09	10 year	4.23	-0.09	
								15-May-36	4.60	-0.09	15 year	4.46	-0.09	
								15-May-37	4.69	-0.09				
								15-May-41	4.95	-0.08	NZ Inflation-Indexed Bonds			
								15-May-51	5.18	-0.08	Sept-30	1.58	-0.06	
								15-May-54	5.19	-0.08	Sept-35	2.35	-0.06	
											Sept-40	2.82	-0.06	

Carbon Price

	Level	% Day	% Year
NZU	48.65	+1.4	-4.5

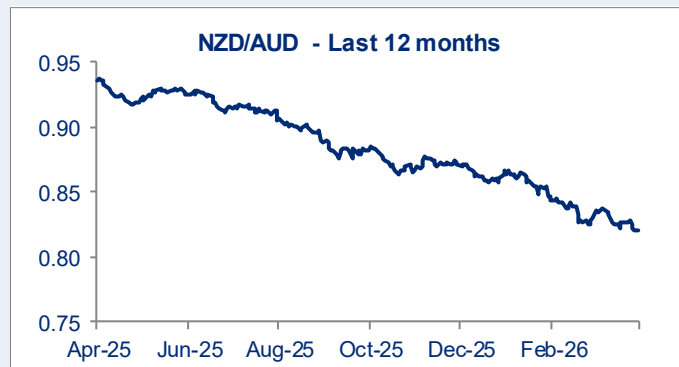
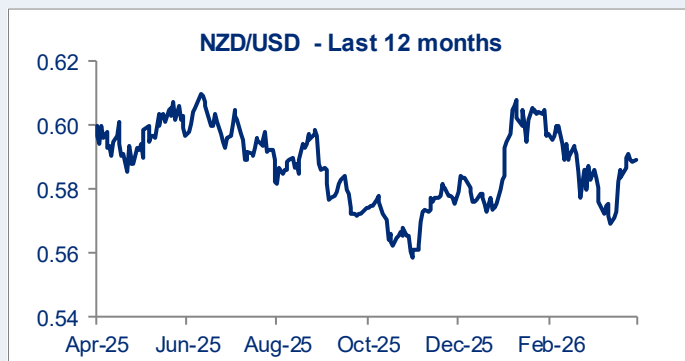
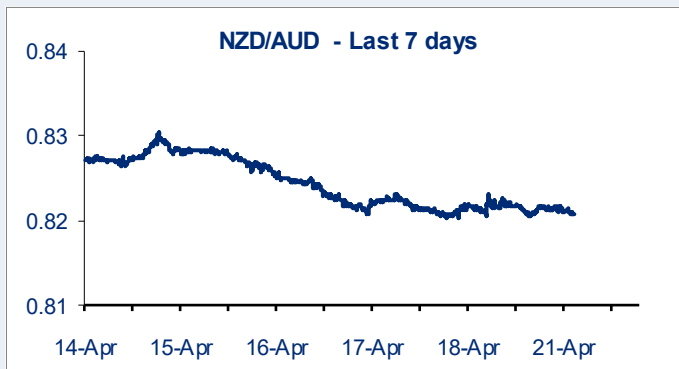
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer

Rates are as of: NZT 06:47

Source: Bloomberg

NZD exchange rates

21/04/2026	6:48 am	Prev. NY close
USD	0.5889	0.5883
GBP	0.4350	0.4353
AUD	0.8208	0.8200
EUR	0.4998	0.5000
JPY	93.53	93.33
CAD	0.8033	0.8054
CHF	0.4585	0.4599
DKK	3.7351	3.7369
FJD	1.2988	1.3013
HKD	4.6124	4.6076
INR	54.85	54.67
NOK	5.4869	5.5165
PKR	164.52	#VALUE!
PHP	35.33	35.34
PGK	2.5476	2.5512
SEK	5.3741	5.3902
SGD	0.7481	0.7468
CNY	4.0154	4.0111
THB	18.90	18.87
TOP	1.3765	1.3704
VUV	69.55	69.33
WST	1.5804	1.5962
XPF	59.90	59.81
ZAR	9.6429	9.5928



NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	6.10	6.30
3 Months	17.99	18.46
6 Months	32.45	33.55
9 Months	41.41	43.99
1 Year	45.34	48.61

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	12.31	12.74
3 Months	38.09	39.20
6 Months	76.16	78.79
9 Months	110.24	115.56
1 Year	138.84	145.46

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