

# Research Markets Today

22 April 2026

## Events Round-Up

- NZ: CPI (q/q%), Q1: 0.9 vs. 0.8 exp.
- NZ: CPI (y/y%), Q1: 3.1 vs. 2.9 exp.
- NZ: CPI Non Tradeables (q/q%), Q1: 1.1 vs. 0.9 exp.
- UK: Pvte earnings x bonus (3m/yoy%), Feb: 3.2 vs. 3.2 exp.
- UK: Unemployment rate (%), Feb: 4.9 vs. 5.2 exp.
- US: Retail sales advance (m/m%), Mar: 1.7 vs. 1.4 exp.
- US: Retail sales ex auto, gas (m/m%), Mar: 0.6 vs. 0.3 exp.
- US: Retail sales control group (m/m%), Mar: 0.7 vs. 0.2 exp.
- US: Pending home sales (m/m%), Mar: 1.5 vs. 0.5 exp.

## Good Morning

Risk sentiment has weakened overnight with some doubt hanging over whether US-Iran peace talks are imminent. Crude oil is higher, US and European equities are weaker, global rates are higher and the USD is broadly stronger. The NZD is flat from this time yesterday, and is stronger on the key crosses, following higher than expected Q1 CPI data that drove NZ-global rate spreads higher.

Peace talks with Iran this week are under a cloud as the country has yet to agree to take part. Parliament speaker Ghalibaf said his country would not accept negotiations under the shadow of threats. Trump said Iran had “no choice”, the US is in a strong negotiating position and is “ready to go” with a resumption of bombing if a breakthrough isn’t reached. The NYT reported VP Vance’s trip to Pakistan has been put on hold after Iran failed to respond to American negotiating positions, although the trip could be back on at a moment’s notice. CNN reported that Vance will depart Wednesday morning. There has been no official confirmation as we go to print.

In other overnight developments, the ceasefire between Israel and Lebanon looks fragile, with Israel saying Hizbollah fired rockets at its forces in southern Lebanon and it intercepted a missile fired towards Israel. US forces boarded a crude oil tanker linked to Iran in the Indo-Pacific region.

Time is ticking as every week the Strait of Hormuz remains effectively closed, the global economic impact deepens. A speedy resolution needs to occur otherwise we’re in for a significant market correction, as investors are assuming a quick turnaround.

Oil prices are higher, with Brent crude up 3% towards USD100 per barrel and European gas futures are up 8%. US equities are weaker for a second day, with the S&P500 currently down 0.5%, paring gains early in the session. The Euro Stoxx 600 index closed down 0.9%.

Global rates are higher, with the market believing that higher sustained oil prices add to the chance of tighter monetary policy. US Treasuries are up 4-6bps, with slightly flatter curves as the gains have been led by the short end. The US 10-year rate is currently 4.30%.

US retail sales were stronger than expected and added to the upside pressure for US Treasury yields. Headline sales surged 1.7% m/m in March, led by a 15.5% jump in gasoline station sales. But even excluding those, sales were strong, with the ex-autos and gas figures up 0.6% and the control group series, which feeds into GDP, up 0.7%. Sales were likely boosted by unusually warm weather and unusually large tax refunds. This raises a question mark over the sustainability of spending growth.

Kevin Warsh fronted up to a Senate committee to make his case for becoming the next Fed Chair and repeatedly pledged to act independently if confirmed, rejecting concerns that he would be a “sock puppet” for President Trump. He called for a number of changes the way the Fed makes its decisions, including a new framework for dealing with persistent inflation and a new way of communicating with the public, without providing specifics.

UK labour market data were mixed, with payrolled employees falling 11k in March while the unemployment rate for the three months to February surprisingly fell three-tenths to 4.9%. The key wages figures, based on the private sector excluding bonuses, rose 3.2% yoy for the three months to February, as expected, consistent with the recent trend of moderating wage inflation. Market reaction was muted, with global forces dominating. The BoE is seen on hold next week, is given a slightly than better even chance of a hike in June, with a full hike priced by July.

In currency markets, the USD is broadly stronger overnight but gains have been modest. The NZD was supported yesterday in the wake of higher-than-expected CPI data (see below) but met some resistance at 0.5920. Weaker risk sentiment has sent it just below 0.59 overnight.

Modestly higher NZD crosses post the CPI have been sustained. NZD/AUD was trading below 0.82 yesterday morning and now trades at 0.8240. NZD/EUR has been hovering around 0.5020, NZD/GBP is at 0.4365 and NZD/JPY is just below 94.

In domestic news, the QSBO didn't surprise, with its message of lower business confidence – slipping consistently during the long survey period as the Iran conflict bubbled away – and higher pricing intentions.

However, the Q1 CPI report was stronger than consensus, with annual inflation remaining at 3.1% rather than slipping. Inflation was widespread, with 9 of the 11 CPI groups showing annual inflation above 2% and 6 of the 11 groups showing inflation above 3%. Seasonally adjusted quarterly figures convey the cleanest picture of how inflation has been tracking and they showed annualised inflation consistently running close to 3% for the past eighteen months (with quarterly figures between 0.7-0.9%), a period through which the NZ economy has been sluggish. The 10-year running average of annual inflation ticked up to 3.1%, which should be anathema for a central bank wanting inflation expectations to be anchored at its 2% mid-point target.

Needless to say, this is not a good place to be ahead of a further surge in inflation against the backdrop of the Iran conflict and the market responded accordingly, bringing

forward rate hike expectations. The market sees a 25bps hike next month May as almost an even bet (11bps priced) while a July hike is more than fully priced. More than three rate hikes are priced through to the end of the year.

With short end rates leading the charge, NZGB and swap curves were flatter. Short end NZGB Risk sentiment has weakened overnight with some doubt hanging over whether US-Iran peace talks are imminent. yields closed up 6-7bps while the 10-year rate rose 3bps to 4.62%. The 2-year swap rate rose 7bps to 3.43% while the 10-year rate rose just 1bp to 4.24%.

On the economic calendar, UK CPI inflation data are due, with annual headline CPI inflation expected to show a rise from 3.0% to 3.3%.

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## Coming Up

		Period	Cons.	Prev.	NZT
UK	CPI (y/y%)	Mar	3.3	3	18:00
UK	CPI core (y/y%)	Mar	3.2	3.2	18:00
UK	CPI services (y/y%)	Mar	4.3	4.3	18:00
EC	Consumer confidence	Apr P	-17.2	-16.3	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		% Year		Last	Net Day		
NZD	0.5887	-0.1	0.5876	0.5920	CHF	0.7813	+0.4	S&P 500	7,076	-0.4	37.2	Oil (Brent)	98.37	+3.1
AUD	0.7146	-0.4	0.7131	0.7186	SEK	9.192	+0.7	Dow	49,210	-0.5	28.9	Oil (WTI)	92.13	+2.8
EUR	1.1732	-0.5	1.1720	1.1777	NOK	9.351	+0.4	Nasdaq	24,307	-0.4	53.2	Gold	4703.4	-2.1
GBP	1.3492	-0.3	1.3476	1.3540	HKD	7.831	+0.0	Stoxx 50	5,930	-0.9	20.2	HRC steel	1047.0	+0.1
JPY	159.47	+0.4	158.80	159.62	CNY	6.826	+0.1	FTSE	10,498	-1.0	26.9	CRB	369.3	+1.8
CAD	1.3664	+0.1			SGD	1.275	+0.4	DAX	24,271	-0.6	14.5	Wheat Chic.	613.5	+1.2
NZD/AUD	0.8238	+0.4			IDR	17,143	-0.1	CAC 40	8,236	-1.1	13.0	Sugar	13.43	-0.3
NZD/EUR	0.5018	+0.4			THB	32.25	+0.6	Nikkei	59,349	+0.9	73.4	Cotton	78.26	+0.8
NZD/GBP	0.4363	+0.3			KRW	1,482	+0.7	Shanghai	4,085	+0.1	24.1	Coffee	282.7	+0.2
NZD/JPY	93.88	+0.4			TWD	31.45	-0.3	ASX 200	8,949	-0.0	14.5	WM powder	3815	-0.1
NZD/CAD	0.8044	+0.1			PHP	59.95	-0.1	NZX 50	12,932	+0.1	9.3	<b>Australian Futures</b>		
NZ TWI	66.75	+0.1						VIX Index	20.05	+6.3	-40.7	3 year bond	95.43	0.03
												10 year bond	95.03	-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	3.61	3.85	USD	4.30	0.05	15-May-28	3.51	0.07	BKBM 1-mth	2.39	0.00
AUD	4.10	4.34	4.61	5.04	AUD	4.91	-0.03	20-Apr-29	3.74	0.06	BKBM 3-mth	2.54	0.00
NZD	2.25	2.54	3.43	4.24	NZD	4.62	0.03	15-May-30	3.94	0.05	1 year	3.05	0.08
EUR	2.00	2.19	2.70	3.04	GER	3.00	0.02	15-May-31	4.12	0.04	2 year	3.43	0.07
GBP	3.75	3.86	4.14	4.42	GBP	4.88	0.05	15-May-32	4.27	0.03	3 year	3.62	0.06
JPY	0.74	-0.03	1.35	2.20	JPY	2.40	0.00	14-Apr-33	4.36	0.03	5 year	3.86	0.04
CAD	2.25	4.97	2.70	3.24	CAD	3.48	0.05	15-May-34	4.45	0.03	7 year	4.04	0.02
								15-May-35	4.54	0.03	10 year	4.24	0.01
								15-May-36	4.62	0.03	15 year	4.47	0.01
								15-May-37	4.71	0.03			
								15-May-41	4.97	0.02			
								15-May-51	5.20	0.02			
								15-May-54	5.21	0.02			

Carbon Price				Policy Meeting Run			
	Level	% Day	% Year		NZD	AUD	USD
NZU	49.50	+1.7	-2.8	1st	2.36	4.30	3.65
				2nd	2.53	4.37	3.65
				3rd	2.74	4.49	3.63
				4th	2.87	4.56	3.61
				5th	3.06	4.61	3.60

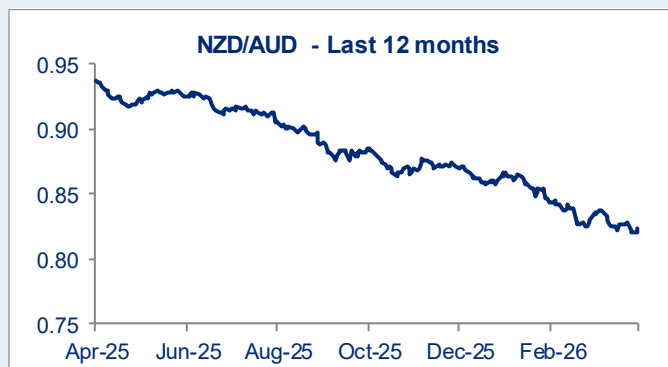
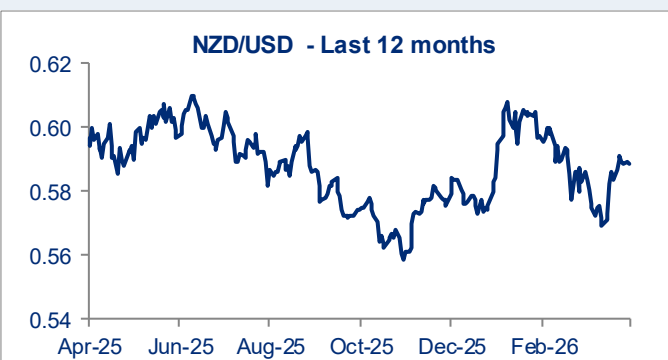
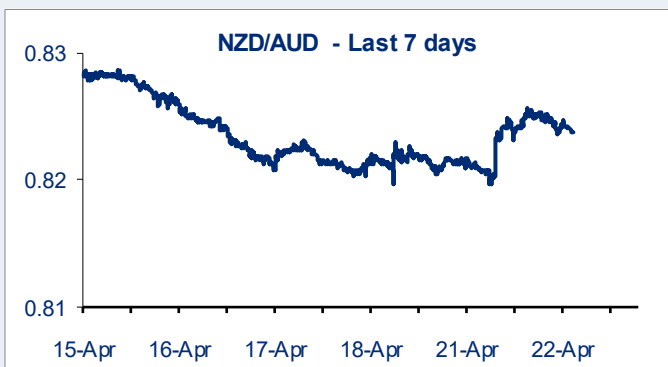
\* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer

Rates are as of: NZT 06:53

Source: Bloomberg

**NZD exchange rates**

22/04/2026	6:54 am	Prev. NY close
USD	0.5887	0.5891
GBP	0.4363	0.4352
AUD	0.8238	0.8207
EUR	0.5018	0.4997
JPY	93.88	93.55
CAD	0.8044	0.8038
CHF	0.4599	0.4586
DKK	3.7474	3.7345
FJD	1.2971	1.3013
HKD	4.6053	4.6128
INR	54.99	54.86
NOK	5.5024	5.4884
PKR	164.26	#VALUE!
PHP	35.25	35.33
PGK	2.5536	2.5480
SEK	5.4118	5.3770
SGD	0.7501	0.7481
CNY	4.0151	4.0161
THB	18.88	18.90
TOP	1.3551	1.3767
VUV	69.45	69.56
WST	1.6005	1.5810
XPF	59.88	59.91
ZAR	9.7275	9.6415



**NZD/USD Forward Points**

	BNZ buys NZD	BNZ sells NZD
1 Month	6.77	6.97
3 Months	17.50	17.94
6 Months	30.57	31.67
9 Months	38.47	41.13
1 Year	41.20	45.20

**NZD/AUD Forward Points**

	BNZ buys NZD	BNZ sells NZD
1 Month	13.64	14.11
3 Months	37.70	38.66
6 Months	73.71	76.26
9 Months	106.42	111.89
1 Year	132.02	139.85

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