

Research

Markets Today

22 January 2026

Events Round-Up

UK: CPI (y/y%), Dec: 3.4 vs. 3.3 exp.

UK: CPI core (y/y%), Dec: 3.2 vs. 3.3 exp.

UK: CPI services (y/y%), Dec: 4.5 vs. 4.6 exp.

US: Pending home sales (m/m%), Dec: -9.3 vs. -0.3 exp.

Good Morning

President Trump is again at the centre of market attention and his ruling out of force to acquire Greenland drove a bounce-back in global equity markets. There has been less impact on bonds and currency markets, with modest reactions. The US 10-year rate is little changed. The NZD weakened a little after making fresh highs overnight.

At the World Economic Forum at Davos, President Trump ruled out using military force to acquire Greenland but said he was seeking “immediate negotiations” saying “You can say yes and we will be very appreciative, or you can say no and we will remember.” Trump will weigh Europe’s response to his demand when considering the US commitment to NATO going forward. There is some uncertainty about whether Trump will carry out his threat of raising tariffs on eight European countries from 1 February. In the meantime, the European Parliament’s trade committee postponed indefinitely a ratification vote on the negotiated US-EU trade deal following Trump’s escalation of threats.

The S&P500 rebounded just over 1% following yesterday’s 2.1% tumble, but those gains have faded over the past hour or so and the index shows only a modest gain as we go to print. The Euro Stoxx 600 index was headed for another fall but a recovery of 0.8% after Trump’s speech saw the index close little changed.

The US 10-year rate has traded an overnight range of 4.26-4.30% and is currently little changed from the NZ close at 4.28%. Yesterday, some order was restored to Japan’s bond market after the recent meltdown, seeing the 10-year JGB falling 7bps to 2.28% and larger reversals for ultra-long bonds.

Hearing arguments put forward, US Supreme Court justices appeared wary of Trump’s bid to fire Fed Governor Cook, with some sharp questioning for the US Solicitor General who presented Trump’s case. The WSJ reported that not a

single justice voiced clear sympathy the Solicitor General’s arguments. Yet, several conservative justices also signalled they wanted to leave open the possibility that a Fed governor’s pre-office conduct could be valid for removal.

In economic news, US pending home sales plunged an unusually large 9.3% m/m in December, wiping out recent monthly gains. Wintry conditions in some regions might have been a factor, but falls were broadly based. There will be interest in next month’s report to see if this is just noise or a more meaningful signal.

UK CPI inflation rose two-tenths to 3.4%, breaking a run of declines, although the move is seen to be temporary and is expected to gap lower within a few months as base effects kick in. While the headline rate was slightly higher than expected, the core and services measures were slightly lower than expected and the data had little market impact.

In the currency market, the USD was slightly stronger after Trump’s speech. Ahead of the speech, the NZD had traded up to four-month high of 0.5866 and it currently trades near 0.5840. EUR and GBP have been on the soft side of the ledger, seeing NZD/GBP and NZD/EUR crosses gain overnight. NZD/GBP traded as high as 0.4370 while NZD/EUR met some resistance a tad over 0.50. NZD/JPY has traded at fresh highs above 92.6 while NZD/AUD is down slightly at 0.8645.

The domestic rates market underperformed yesterday, with ongoing upside pressure in yields even as global rates consolidated. NZGB yields rose 3-5bps across the curve, with the 10-year rate up 4bps to 4.56%. Over the past week, swap rates have been edging up towards their December highs. There was some modest curve steepening, with the 2-year rate up 1bps to 3.07% and the 10-year rate up 3bps to 4.20%.

On the economic calendar today, NZ card spending data will be released, ahead of the key Australian labour market report, which could play a key role in the outcome of the RBA’s February policy meeting. The market sees the unemployment rate steady at 4.3%. Tonight, the core PCE deflator is expected to be steady at 2.8% y/y for November. EU leaders are set to gather in Brussels to discuss their response to Trump’s weekend threat to lift tariffs.

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Coming Up

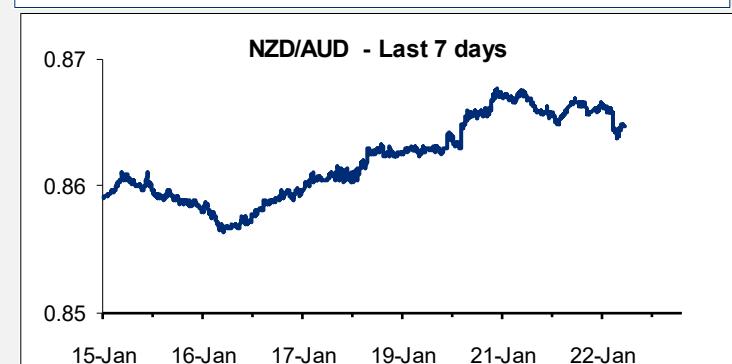
		Period	Cons.	Prev.	NZT
NZ	Card spending total (m/m%)	Dec	1.9	10:45	
AU	Employment change (k)	Dec	27	-21	13:30
AU	Unemployment rate (%)	Dec	4.3	4.3	13:30
US	Initial jobless claims (k)	17-Jan	209	198	02:30
US	Personal income (m/m%)	Nov	0.4	0.4	02:30
US	Real personal spending (%)	Nov	0.3	0.0	02:30
US	Core PCE deflator (m/m%)	Nov	0.2	0.2	02:30
US	Core PCE deflator (y/y%)	Nov	2.8	2.8	02:30
EC	Consumer confidence	Jan	-13	-13.1	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	0.5840	+0.2	0.5836	0.5866	CHF	0.7938	+0.5	S&P 500	6,817	+0.3	12.7		
AUD	0.6754	+0.3	0.6735	0.6778	SEK	9.111	-0.2	Dow	48,685	+0.4	10.6		
EUR	1.1698	-0.2	1.1695	1.1743	NOK	9.963	-0.3	Nasdaq	22,966	+0.1	16.2		
GBP	1.3418	-0.2	1.3402	1.3459	HKD	7.797	-0.0	Stoxx 50	5,883	-0.2	13.9		
JPY	158.18	+0.0	157.75	158.31	CNY	6.965	+0.1	FTSE	10,138	+0.1	18.6		
CAD	1.3828	-0.1			SGD	1.284	+0.0	DAX	24,561	-0.6	16.7		
NZD/AUD	0.8647	-0.1			IDR	16,936	-0.1	CAC 40	8,069	+0.1	3.8		
NZD/EUR	0.4992	+0.4			THB	31.21	+0.5	Nikkei	52,775	-0.4	33.1		
NZD/GBP	0.4352	+0.3			KRW	1,466	-0.9	Shanghai	4,117	+0.1	27.0		
NZD/JPY	92.38	+0.2			TWD	31.64	+0.1	ASX 200	8,783	-0.4	4.2		
NZD/CAD	0.8076	+0.1			PHP	59.28	-0.3	NZX 50	13,417	-1.2	2.9		
NZ TWI	67.13	+0.2						VIX Index	19.14	-4.7	+27.1		
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	3.43	3.90	USD	4.27	-0.02						
AUD	3.60	3.73	4.04	4.81	AUD	4.78	-0.00	15-May-28	3.26	0.03	BKBM 1-mth	2.41	0.00
NZD	2.25	2.50	3.07	4.20	NZD	4.56	0.04	20-Apr-29	3.51	0.03	BKBM 3-mth	2.50	-0.00
EUR	2.00	2.03	2.25	2.91	GER	2.88	0.02	15-May-30	3.75	0.03	1 year	2.70	-0.00
GBP	3.75	4.02	3.48	4.04	GBP	4.46	0.00	15-May-31	3.98	0.04	2 year	3.07	0.01
JPY	0.73	-0.03	1.22	2.06	JPY	2.29	-0.07	15-May-32	4.13	0.04	3 year	3.34	0.02
CAD	2.25	4.97	2.47	3.18	CAD	3.43	0.01	14-Apr-33	4.25	0.04	5 year	3.69	0.03
Carbon Price													
Level		% Day	% Year	Policy Meeting Run		NZD		AUD		USD			
NZU	38.00	+1.3	-40.2	1st	2.26	3.68	3.64	15-May-36	4.56	0.04	15-May-36	4.56	0.04
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer													
Rates are as of: NZT 06:49													
Source: Bloomberg													
5th													
1st													
2nd													
3rd													
4th													
5th													
15-May-37													
15-May-41													
15-May-51													
15-May-54													
NZ Inflation-Indexed Bonds													
Sept-30													
Sept-35													
Sept-40													

NZD exchange rates

22/01/2026	6:49 am	Prev. NY close
USD	0.5840	0.5832
GBP	0.4352	0.4340
AUD	0.8647	0.8657
EUR	0.4992	0.4974
JPY	92.38	92.23
CAD	0.8076	0.8070
CHF	0.4639	0.4606
DKK	3.7326	3.7162
FJD	1.3237	1.3224
HKD	4.5599	4.5483
INR	53.63	53.06
NOK	5.8246	5.8286
PKR	163.71	163.27
PHP	34.66	34.68
PGK	2.4938	2.4881
SEK	5.3270	5.3222
SGD	0.7506	0.7488
CNY	4.0728	4.0595
THB	18.18	18.12
TOP	1.3789	1.3755
VUV	70.62	70.67
WST	1.6011	1.6052
XPF	59.76	59.54
ZAR	9.4984	9.5789

**NZD/USD Forward Points**

	BNZ buys NZD	BNZ sells NZD
1 Month	7.03	7.24
3 Months	19.80	20.28
6 Months	37.21	38.21
9 Months	50.15	52.15
1 Year	58.19	60.54

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	9.87	10.32
3 Months	29.20	30.40
6 Months	60.66	63.37
9 Months	91.45	96.56
1 Year	120.51	126.65



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