

Research Markets Today

23 January 2026

Events Round-Up

NZ: Card spending total (m/m%), Dec: -1.0 vs. 1.8 prev.
 AU: Employment change (k), Dec: 65 vs. 27 exp.
 AU: Unemployment rate (%), Dec: 4.1 vs. 4.3 exp.
 US: Initial jobless claims (k), wk to 17-Jan: 200 vs. 209 exp.
 US: Personal income (m/m%), Nov: 0.3 vs. 0.4 exp.
 US: Real personal spending (%), Nov: 0.3 vs. 0.3 exp.
 US: Core PCE deflator (m/m%), Nov: 0.2 vs. 0.2 exp.
 US: Core PCE deflator (y/y%), Nov: 2.8 vs. 2.8 exp.
 EC: Consumer confidence, Jan: -12.4 vs. -13.0 exp.

Good Morning

Risk appetite improved after Trump announced a framework for a future deal on Greenland, resulting in stronger global equity markets, and the NZD and AUD outperforming. Gains have been extended overnight in the face of a broadly weaker USD, seeing the NZD pierce up through 0.59.

Soon after we went to print yesterday, President Trump announced that following a productive meeting with NATO Secretary General Mark Rutte, a framework of a future deal on Greenland had been agreed. Details of the framework will be released "shortly". Trump said it's a long-term deal and that the US would be "involved" in Greenland's mineral rights. Rutte said "there's a lot of work to be done".

Nearly 24 hours later, details of the deal remain sketchy. Bloomberg reports a European official briefed on the talks suggested the framework entails the stationing of US missiles, mining rights aimed at keeping China interests out and a bolstered NATO presence. Not on the table was the issue of sovereignty although some media report that American base areas in the region will be deemed US sovereign territory, mimicking Britain's agreement with Cyprus. Overnight, Trump told Fox Business "We will have everything we want, we're getting everything we want at no cost". The WSJ reports European officials said there was no written document and that no real details on Greenland's future had been negotiated between Rutte and Trump.

The market has focused on the fact that the move has de-escalated US-EU tensions on Greenland, rather than the lack of details. Following a strong rebound of US equities

into the close yesterday, gains have been extended and the S&P500 index is up 0.8% in early afternoon trading. The Euro Stoxx 600 index closed up 1%.

US economic data released were robust, including solid gains of 0.3% m/m for real consumer spending over October and November. This suggests a resilient consumer following the strength in spending in the previous quarter. The third revision for Q3 GDP was revised up marginally to an annualised gain of 4.4% and private consumption was unrevised at a strong 3.5%. Initial jobless claims showed another below-consensus weekly gain of 200k, indicative of a low-firing job market.

Meanwhile inflation figures were in line, with the core PCE deflator showing gains of 0.2% m/m in October and November, and annual inflation 2.8% y/y.

Bond market volatility remains suppressed, with the US 10-year rate trading a range of 4bps overnight of 4.23-4.27%. The current rate of 4.25% is little changed from the NZ close. Against the backdrop of robust US data, there has been some modest upside pressure on 2-year yields, taking them up to the top of their range over recent months. For a second session, Japanese bond yields fell, indicative of calmer conditions following the meltdown earlier in the week and buyers returning to the market.

In the currency market, the initial market reaction to Trump's Greenland announcement was a stronger USD yesterday, but overnight the USD has shown a broadly based fall. The NZD has been a notable beneficiary of higher risk appetite and it has pushed up just over 0.59, taking its year-to date gain to 2.6%, the best of the majors. The AUD was supported after stronger than expected labour market data yesterday (see below), making a sustained break up through 0.68. While NZD/AUD initially fell after the release, it found support just over 0.86 and has recovered back to 0.8640.

Other key NZD crosses are all higher, with NZD/JPY extending gains to reach a fresh 18-month high near 93.5. NZD/EUR and NZD/GBP traded at four-month highs of 0.5030 and just under 0.4390 respectively.

Australian employment rose 65k in December, driving a two-tenths fall in the unemployment rate to a seven-month low of 4.1%. The data added to the case for the RBA to hike rates sooner rather than later. Australian rates and the AUD rose. The market now prices a February rate hike as more likely than not, with 15bps priced.

Breaking the run of strong data, NZ electronic card spending data were weak in December and REINZ housing market data were soft. Total card spending fell 1.0% m/m in December, albeit following a strong 1.8% gain in November and this could simply reflect changing spending patterns with more focus on Black Friday sales in November compared to Boxing Day sales. House prices remain flat and sales activity tepid, with little sign of positivity from the significant fall in mortgage rates since the easing cycle began.

NZ rates were pushed around by global forces yesterday, lower and higher, but the net result was little change in rates for the day, with swaps marked unchanged and NZGB yields up 1-2bps.

In the day ahead the domestic focus will be on the Q4 CPI print, where the consensus sees annual inflation steady at 3.0%, well above the RBNZ's November estimate of 2.7%. The breakdown matters a great deal for the policy outlook, and the data will appear less alarming if core inflation measures are better behaved.

Japan CPI data will be released ahead of the BoJ's policy announcement. The BoJ is seen as highly unlikely to hike again so soon after the December hike but the market will be interested in any revisions to its CPI forecasts. Flash US and European PMI data for January are released tonight.

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Coming Up

		Period	Cons.	Prev.	NZT
NZ	CPI (q/q%)	Q4	0.5	1.0	10:45
NZ	CPI (y/y%)	Q4	3.0	3.0	10:45
NZ	CPI non tradeable (q/q%)	Q4	0.5	1.1	10:45
JN	CPI (y/y%)	Dec	2.2	2.9	12:30
JN	CPI x fr. food, energy (y/y%)	Dec	2.8	3.0	12:30
JN	BOJ target rate (%)	Jan	0.75	0.75	
UK	Retail sales ex auto fuel (m/m%)	Dec	0.0	-0.2	20:00
GE	Services PMI	Jan	52.5	52.7	21:30
GE	Manufacturing PMI	Jan	47.8	47	21:30
EC	Manufacturing PMI	Jan	49.2	48.8	22:00
EC	Services PMI	Jan	52.6	52.4	22:00
UK	Services PMI	Jan	51.7	51.4	22:30
UK	Manufacturing PMI	Jan	50.6	50.6	22:30
CA	Retail sales ex auto (m/m%)	Nov	1.0	-0.6	02:30
US	Manufacturing PMI	Jan	52.0	51.8	03:45
US	Services PMI	Jan	52.9	52.5	03:45

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	0.5907	+1.1	0.5854	0.5908	CHF	0.7898	-0.7		S&P 500	6,931	+0.8	13.9	Oil (Brent)	63.83	-2.2		
AUD	0.6840	+1.2	0.6796	0.6841	SEK	9.010	-1.1		Dow	49,597	+1.1	12.3	Oil (WTI)	59.23	-2.3		
EUR	1.1746	+0.5	1.1684	1.1751	NOK	9.865	-1.0		Nasdaq	23,490	+1.1	17.4	Gold	4896.6	+1.3		
GBP	1.3492	+0.5	1.3402	1.3499	HKD	7.797	+0.0		Stoxx 50	5,956	+1.2	14.4	HRC steel	943.0	+0.3		
JPY	158.31	+0.0	158.24	158.89	CNY	6.970	+0.1		FTSE	10,150	+0.1	18.8	CRB	309.2	+0.9		
CAD	1.3786	-0.4			SGD	1.281	-0.3		DAX	24,856	+1.2	16.9	Wheat Chic.	526.5	+1.5		
NZD/AUD	0.8636	-0.1			IDR	16,896	-0.2		CAC 40	8,149	+1.0	4.0	Sugar	14.97	+1.6		
NZD/EUR	0.5029	+0.6			THB	31.06	-0.5		Nikkei	53,689	+1.7	34.4	Cotton	64.16	-0.2		
NZD/GBP	0.4378	+0.6			KRW	1,465	-0.1		Shanghai	4,123	+0.1	28.3	Coffee	348.0	+0.1		
NZD/JPY	93.51	+1.1			TWD	31.62	-0.1		ASX 200	8,849	+0.7	5.6	WM powder	3500	+0.0		
NZD/CAD	0.8143	+0.7			PHP	59.17	-0.2		NZX 50	13,557	+1.0	3.8	Australian Futures				
NZ TWI	67.66	+0.7							VIX Index	15.40	-8.9	+2.0	3 year bond	95.74	-0.07		
													10 year bond	95.13	-0.08		
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	3.45	3.89	USD	4.24	0.00	15-May-28	3.27	0.02		BKBM 1-mth	2.41	0.00			
AUD	3.60	3.73	4.17	4.88	AUD	4.80	0.02	20-Apr-29	3.53	0.02		BKBM 3-mth	2.50	-0.00			
NZD	2.25	2.50	3.07	4.20	NZD	4.57	0.01	15-May-30	3.76	0.02		1 year	2.68	-0.02			
EUR	2.00	2.03	2.27	2.90	GER	2.89	0.01	15-May-31	3.99	0.01		2 year	3.07	-0.00			
GBP	3.75	4.02	3.50	4.05	GBP	4.47	0.02	15-May-32	4.15	0.01		3 year	3.34	0.00			
JPY	0.73	-0.03	1.21	2.01	JPY	2.25	-0.04	14-Apr-33	4.26	0.01		5 year	3.70	0.00			
CAD	2.25	4.97	2.46	3.16	CAD	3.40	-0.02	15-May-34	4.38	0.01		7 year	3.94	0.00			
								15-May-35	4.48	0.01		10 year	4.20	0.00			
								15-May-36	4.57	0.01		15 year	4.47	0.00			
								15-May-37	4.68	0.01							
								15-May-41	4.95	0.01		NZ Inflation-Indexed Bonds					
								15-May-51	5.20	0.01		Sept-30	1.70	-0.01			
								15-May-54	5.21	0.01		Sept-35	2.50	-0.02			
												Sept-40	2.92	-0.02			
Carbon Price					Policy Meeting Run												
	Level	% Day	% Year		NZD	AUD	USD										
NZU	35.60	-6.3	-44.3		1st	2.25	3.75	3.64									
* These are indicative ranges from 5pm NZT;					2nd	2.26	3.79	3.61									
please confirm rates with your BNZ dealer					3rd	2.30	3.94	3.57									
Rates are as of: NZT 06:53					4th	2.35	3.97	3.46									
Source: Bloomberg					5th	2.46	4.04	3.40									

* 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

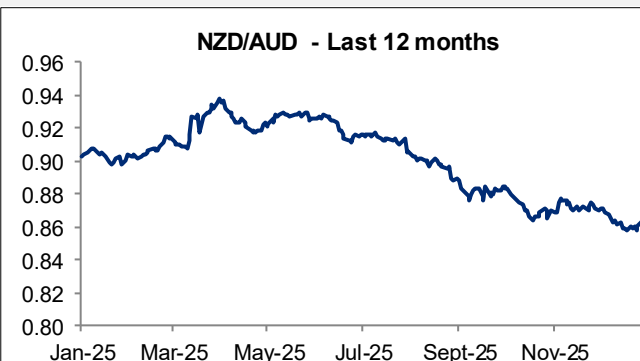
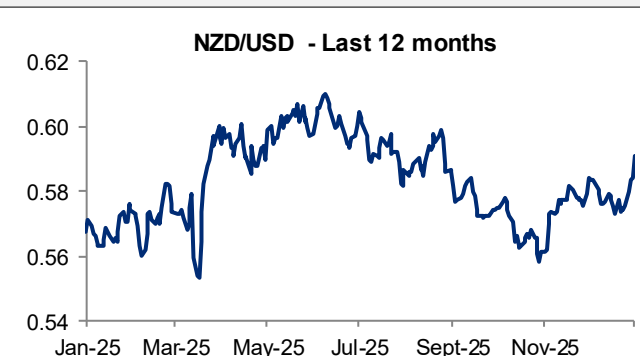
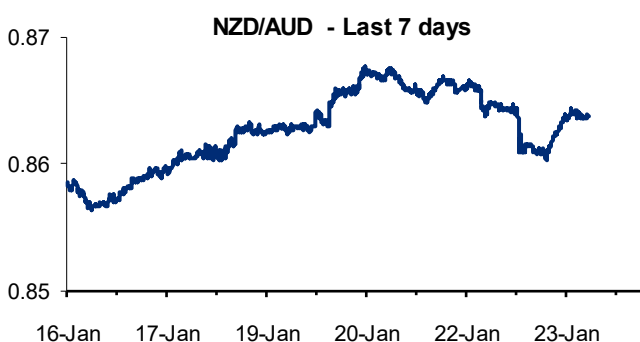
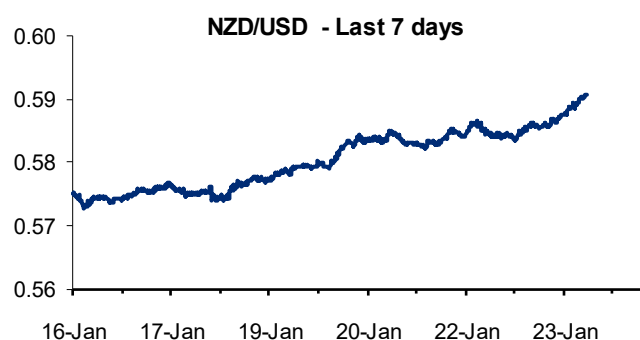
23/01/2026 6:53 am		Prev. NY close
USD	0.5907	0.5844
GBP	0.4378	0.4352
AUD	0.8636	0.8642
EUR	0.5029	0.5001
JPY	93.51	92.51
CAD	0.8143	0.8085
CHF	0.4663	0.4649
DKK	3.7522	3.7360
FJD	1.3365	1.3234
HKD	4.6022	4.5566
INR	54.08	53.59
NOK	5.8229	5.8221
PKR	165.17	163.60
PHP	34.92	34.64
PGK	2.5179	2.4921
SEK	5.3228	5.3234
SGD	0.7562	0.7507
CNY	4.1142	4.0702
THB	18.53	18.17
TOP	1.3930	1.3780
VUV	71.11	70.57
WST	1.6220	1.6077
XPF	60.20	59.77
ZAR	9.5320	9.5029

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	6.99	7.26
3 Months	20.36	20.86
6 Months	38.19	39.18
9 Months	51.85	53.85
1 Year	59.76	62.81

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	10.26	10.69
3 Months	31.08	32.13
6 Months	65.43	67.78
9 Months	99.68	104.35
1 Year	130.61	137.30



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