

Research Markets Today

26 March 2026

Events round-up

AU: CPI (y/y%), Feb: 3.7 vs. 3.8 exp.

AU: CPI trimmed mean (y/y%), Feb: 3.3 vs. 3.4 exp.

UK: CPI (y/y%), Feb: 3.0 vs. 3 exp.

UK: CPI core (y/y%), Feb: 3.2 vs. 3.1 exp.

UK: CPI services (y/y%), Feb: 4.3 vs. 4.2 exp.

GE: IFO expectations, Mar: 86.0 vs. 86 exp.

Good morning

Financial markets have maintained the cautiously positive tone on hopes that the conflict in the Middle East may be getting closer to a resolution. Investors are largely looking through the lack of a clear response from Tehran for now, betting instead that President Trump is searching for a diplomatic off-ramp. The gains seen in US equity futures in Asia yesterday have been maintained with the S&P currently 0.6% higher in a largely directionless US session. European and Asia indices closed higher. Brent crude prices oscillated near US\$100 per barrel, global sovereign bond yields are lower, and the US dollar is broadly firmer against G10 currencies.

Diplomatic efforts continue, with mediators pushing for a potential US–Iran meeting, though the two sides remain far apart. A senior Iranian official indicated Tehran has rejected a US proposal to end the conflict, which would require dismantling key nuclear facilities and fully reopening the Strait of Hormuz. Iran has instead outlined its own conditions, including demands for reparations. Meanwhile, Gulf states are lobbying President Trump to maintain a firm military stance.

Global bond markets continued to recover from the recent sell-off, supported by an improvement in risk sentiment as oil prices eased. The US diplomatic push to de-escalate the conflict has trimmed some of the geopolitical risk premium embedded in crude prices, although the broader backdrop remains fluid. Treasury yields held at lower levels, with 10-year notes at 4.32%, only marginally below the local close but a meaningful retracement from the 4.44% peak earlier in the week. Yields across European sovereign markets also declined.

The US dollar is modestly firmer in offshore trade, though moves across G10 currencies have been contained.

NZD/USD has traded in a narrow range around 0.5820, with only limited movement across the NZD crosses.

UK CPI came in as expected at 3.0% y/y in February, but services inflation (a better gauge of domestic price pressure) was a touch firmer than forecast. Either way, the release predates the onset of the war, leaving the prospective energy-driven inflation shock as the key focus for the Bank of England. Markets continue to price around a 60% chance of a rate hike at next month's meeting. Gilts yields declined, tracking the improved tone across global fixed income.

Australia's February CPI printed a touch softer than expected but remained uncomfortably firm, with trimmed-mean inflation at 3.3% y/y. The data suggest that underlying inflation was on track to come in marginally cooler than the RBA feared in their February SoMP before the Iran shock. Short end yields extended lower immediately after the release before retracing but still closed sharply lower on the day. OIS contracts were little changed - pricing a slightly better than 50% chance for another RBA hike in May.

NZ rates rallied sharply in the local session yesterday, led by the belly of the curve. Swap rates beyond 1-year fell around 11–12bp, with the 2–5y sector outperforming at the margin. The moves were driven by the improved tone across global fixed income markets with limited domestic catalysts. NZ government bonds closely tracked swaps, delivering a largely parallel rally of ~11bp with some underperformance at the long end.

NZ Debt Management will auction May-31 (\$200m), Apr-33 (\$200m) and May-51 (\$50m) lines in the weekly tender alongside a small parcel of Sep-35 linkers. It is the first time the May-51s have been auctioned since late January.

Economic data is light today, leaving geopolitics firmly in the driver's seat. There are no domestic releases and only second-tier prints offshore; US initial jobless claims are expected to be little changed, consistent with limited layoff signals. Still, other high-frequency indicators (including job postings) have continued to soften, suggesting the Iran conflict is adding to hiring caution.

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Coming up

		Period	Cons.	Prev.	NZT
GE	GfK Consumer Confidence	Apr	-27.3	-24.7	20:00
US	Initial Jobless Claims	21-Mar	210	205	01:30

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	0.5816	-0.4	0.5804	0.5833	CHF	0.7917	+0.4	S&P 500	6,606	+0.8	14.4	Oil (Brent)	101.48	-3.0
AUD	0.6958	-0.6	0.6943	0.6990	SEK	9.344	+0.4	Dow	46,445	+0.7	9.1	Oil (WTI)	90.24	-2.3
EUR	1.1567	-0.4	1.1555	1.1617	NOK	9.692	-0.0	Nasdaq	21,947	+0.8	20.1	Gold	4553.6	+3.4
GBP	1.3375	-0.3	1.3359	1.3427	HKD	7.817	-0.1	Stoxx 50	5,649	+1.2	3.2	HRC steel	1047.0	+0.2
JPY	159.28	+0.4	158.73	159.30	CNY	6.902	+0.1	FTSE	10,107	+1.4	16.7	CRB	359.3	+2.4
CAD	1.3809	+0.3			SGD	1.280	+0.2	DAX	22,957	+1.4	-0.7	Wheat Chic.	604.8	+0.5
NZD/AUD	0.8359	+0.2			IDR	16,911	+0.1	CAC 40	7,847	+1.3	-3.2	Sugar	15.52	-2.2
NZD/EUR	0.5028	+0.0			THB	32.67	+0.2	Nikkei	53,750	+2.9	41.3	Cotton	67.98	+0.5
NZD/GBP	0.4348	-0.1			KRW	1,502	+0.1	Shanghai	3,932	+1.3	16.7	Coffee	316.5	-0.4
NZD/JPY	92.64	+0.0			TWD	31.99	+0.0	ASX 200	8,534	+1.8	6.7	WM powder	3730	-1.1
NZD/CAD	0.8031	-0.0			PHP	60.10	+0.3	NZX 50	12,929	+1.8	4.8	Australian Futures		
NZ TWI	66.62	-0.1						VIX Index	25.45	-5.6	+48.4	3 year bond	95.35	0.11
												10 year bond	95.05	0.14

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	3.70	3.87	USD	4.33	-0.03	15-May-28	3.54	-0.12	BKBM 1-mth	2.43	0.00
AUD	4.10	4.29	4.63	5.04	AUD	4.96	-0.09	20-Apr-29	3.82	-0.12	BKBM 3-mth	2.54	0.00
NZD	2.25	2.54	3.46	4.36	NZD	4.72	-0.12	15-May-30	4.05	-0.12	1 year	2.93	-0.07
EUR	2.00	2.18	2.83	3.02	GER	2.96	-0.07	15-May-31	4.25	-0.12	2 year	3.46	-0.11
GBP	3.75	3.86	4.28	4.37	GBP	4.84	-0.12	15-May-32	4.38	-0.12	3 year	3.72	-0.11
JPY	0.74	-0.03	1.30	2.03	JPY	2.26	-0.00	14-Apr-33	4.46	-0.12	5 year	4.00	-0.12
CAD	2.25	4.97	2.79	3.23	CAD	3.48	-0.09	15-May-34	4.55	-0.12	7 year	4.17	-0.12
								15-May-35	4.64	-0.12	10 year	4.36	-0.11
								15-May-36	4.72	-0.12	15 year	4.59	-0.11
								15-May-37	4.82	-0.11			
								15-May-41	5.07	-0.10			
								15-May-51	5.31	-0.10			
								15-May-54	5.32	-0.10			

Carbon Price				Policy Meeting Run			
	Level	% Day	% Year	NZD	AUD	USD	
NZU	41.85	-0.4	-22.9	1st	2.26	4.26	3.67
				2nd	2.33	4.33	3.68
				3rd	2.46	4.47	3.69
				4th	2.62	4.60	3.71
				5th	2.69	4.69	3.72

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

Rates are as of: NZT 06:10

Source: Bloomberg

NZD exchange rates

26/03/2026	6:11 am	Prev. NY close
USD	0.5816	0.5836
GBP	0.4348	0.4352
AUD	0.8359	0.8342
EUR	0.5028	0.5028
JPY	92.64	92.62
CAD	0.8031	0.8032
CHF	0.4605	0.4600
DKK	3.7571	3.7567
FJD	1.2867	1.2978
HKD	4.5466	4.5678
INR	54.66	54.79
NOK	5.6368	5.6578
PKR	162.45	163.04
PHP	34.96	34.99
PGK	2.5047	2.5112
SEK	5.4344	5.4299
SGD	0.7447	0.7460
CNY	4.0141	4.0232
THB	18.99	19.00
TOP	1.3573	1.3607
VUV	69.29	69.50
WST	1.5694	1.5816
XPF	60.09	60.19
ZAR	9.8547	9.9019



NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	6.73	6.93
3 Months	19.64	20.10
6 Months	36.05	37.25
9 Months	49.57	51.96
1 Year	57.80	61.00

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	12.67	13.23
3 Months	39.20	40.38
6 Months	77.66	80.57
9 Months	116.97	122.11
1 Year	148.68	156.89



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