

# Research

# Markets Today

27 January 2026

## Events Round-Up

GE: IFO expectations, Jan: 89.5 vs. 90.3 exp.

US: Durable goods orders (m/m%), Nov: 5.3 vs. 4.0 exp.

US: Durables ex transport. (m/m%), Nov: 0.5 vs. 0.3 exp.

## Good Morning

The new week kicked off with a stronger yen as the chance of official intervention overhung the market. The USD remained under pressure and the DXY index fell to a four-month low. The NZD recovered further towards 0.60. Global equity markets are stronger, while the US 10-year rate remain tightly range-bound.

The US dollar has fallen for a third consecutive session, not helped by speculation that a coordinated effort is involved to reduce the dollar. This follows the BoJ coordinating with the NY Fed on Friday regarding “price checks” on the yen. Late last week we saw Japanese authorities losing patience with speculators who were driving a weaker yen. We will soon find out whether any official MoF intervention occurred, but the rate checks have been enough to stem speculative pressure for now. USD/JPY is down over 1% from last week’s close to 154, after falling to as low as 153.30 overnight. Recall USD/JPY traded above 159 in the wake of the BoJ’s policy meeting on Friday and Governor Ueda’s lack of commitment to express timing for the next rate hike.

Policy coordination between Japan and the New York Fed has got the market speculating whether this not only reflects a desire to put a halt to speculative pressure on the yen but also to support a weaker USD. The Trump administration has been long supportive of a weaker US dollar. If this narrative gets legs, then the USD has a lot more downside risk. The options market has become one-sided, as reflected in risk reversals, with increased demand for options that benefit from forthcoming declines in the USD.

This backdrop has been a key driver of the NZD making further gains, trading just under 0.60. It has outperformed on the crosses overnight. This could reflect a number of factors – its illiquidity compared to other majors making it more prone to a larger swings on any increased demand, the ongoing closing of short positions that were built up during the second half of last year, and the recent positive turnaround in domestic forces, namely more convincing

signs of an economy recovery and sticky inflation that will likely see the RBNZ pivot in a more hawkish direction.

NZD/JPY fell towards 91.5 overnight but has since recovered to 92.3 and the NZD is modestly higher on the other key crosses. The AUD stretched up to a 16-month high of 0.6940, while NZD/AUD nudged up to 0.8640. EUR and GBP have traded above 1.19 and 1.37 respectively. The CAD has lagged other moves, which we would put down to its close association with the USD compared to other majors, rather than Trump’s weekend threat to lift tariffs to 100% if Canada signed a trade deal with China. NZD/CAD is at a four-month high above 0.82.

In economic news, US durable goods orders were stronger than expected, continuing the positive US dataflow of late. The headline gain of 5.3% m/m in November was inflated by aircraft, but even excluding transport equipment, orders were up for a seventh straight month and up 4.4% y/y, its strongest gain in more than three years. Tax changes in the Big Beautiful Bill come into effect this year which will help support the positive momentum in business investment.

Germany’s IFO survey for January showed an unchanged business climate index, with slightly lower confidence in the outlook offset by a tick up in the current assessment index. The data don’t provide much encouragement that Germany’s economy is on a higher sustainable growth path.

This second-tier data had little impact on the market. US Treasuries remain tightly range bound and the 10-year rate currently sits at 4.21%, little changed from the NZ close. US equities show moderate gains, with the S&P500 up 0.6% in early afternoon trading.

Spot gold blasted up through the USD5000 mark on the Asian open and has traded above USD5100 overnight, reflecting the modern adage in gold investing that the price of gold is 1 divided by trust, and that trust in government is being eroded. Silver is up another 10% or so above USD114.

With Australia and Auckland on holiday, domestic rates trading was quiet. There was little change in NZGB yields and the 2-year swap rate was marked up 2bps to 3.12%, matching the December high. The economic calendar is light, with only second-tier data in the day ahead.

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## Coming Up

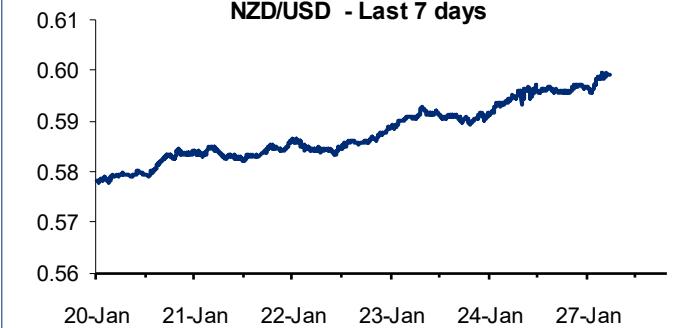
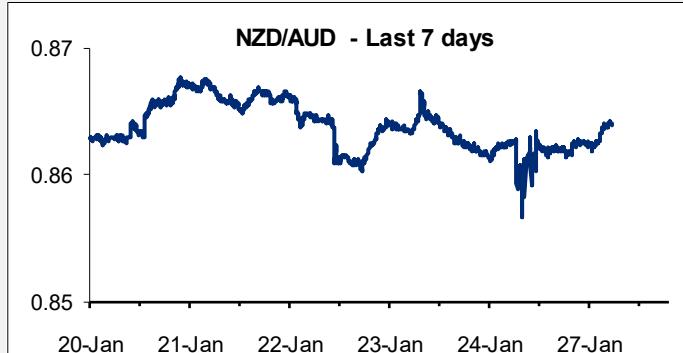
		Period	Cons.	Prev.	NZT
AU	NAB business conditions	Dec	7	13:30	
US	Conf. Board consumer confid.	Jan	90.6	89.1	04:00

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	Net Day	
NZD	0.5991	+0.7	0.5952	0.5999	CHF	0.7763	-0.5	S&P 500	6,958	+0.6	14.0
AUD	0.6935	+0.6	0.6907	0.6941	SEK	8.928	-0.2	Dow	49,336	+0.5	11.1
EUR	1.1878	+0.4	1.1835	1.1907	NOK	9.760	-0.1	Nasdaq	23,658	+0.7	18.6
GBP	1.3690	+0.3	1.3643	1.3713	HKD	7.798	+0.0	Stoxx 50	5,958	+0.2	14.1
JPY	153.96	-1.1	153.31	154.42	CNY	6.954	-0.1	FTSE	10,149	+0.1	19.4
CAD	1.3705	+0.0			SGD	1.269	-0.3	DAX	24,933	+0.1	16.5
NZD/AUD	0.8639	+0.1			IDR	16,782	-0.2	CAC 40	8,131	-0.1	2.6
NZD/EUR	0.5044	+0.3			THB	31.07	+0.0	Nikkei	52,885	-1.8	33.7
NZD/GBP	0.4376	+0.4			KRW	1,442	-1.5	Shanghai	4,133	-0.1	27.1
NZD/JPY	92.24	-0.2			TWD	31.50	-0.2	ASX 200	8,860	+0.1	5.4
NZD/CAD	0.8211	+0.7			PHP	58.98	-0.2	NZX 50	13,461	+0.1	3.5
NZ TWI	68.07	+0.3						VIX Index	15.93	-1.0	+7.3
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		
USD	3.75	4.85	3.43	3.86	USD	4.21	-0.02	15-May-28	3.33	0.01	
AUD	3.60	3.81	4.17	4.87	AUD	4.82	0.00	20-Apr-29	3.58	0.01	
NZD	2.25	2.50	3.12	4.22	NZD	4.59	0.00	15-May-30	3.82	0.01	
EUR	2.00	2.04	2.26	2.89	GER	2.87	-0.04	15-May-31	4.03	0.00	
GBP	3.75	4.01	3.55	4.10	GBP	4.50	-0.02	15-May-32	4.18	0.00	
JPY	0.73	-0.03	1.26	2.01	JPY	2.24	-0.02	14-Apr-33	4.29	0.00	
CAD	2.25	4.97	2.44	3.14	CAD	3.36	-0.05	15-May-34	4.40	0.00	
Carbon Price											
Level		% Day	% Year	Policy Meeting Run		NZ Government Bonds		NZ BKBM and Swap Yields			
NZU	33.50	+0.0	-47.6	1st	2.26	3.75	3.64	15-May-37	4.70	0.00	
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer											
Rates are as of: NZT 06:58											
Source: Bloomberg											
NZ Inflation-Indexed Bonds											
Sept-30								Sept-30	1.72	0.02	
Sept-35								Sept-35	2.53	0.02	
Sept-40								Sept-40	2.94	0.01	

**NZD exchange rates**

27/01/2026	6:58 am	Prev. NY close
USD	0.5991	0.5948
GBP	0.4376	0.4360
AUD	0.8639	0.8628
EUR	0.5044	0.5029
JPY	92.24	92.61
CAD	0.8211	0.8148
CHF	0.4639	0.4639
DKK	3.7621	3.7562
FJD	1.3391	1.3396
HKD	4.6717	4.6377
INR	55.09	54.50
NOK	5.8477	5.8104
PKR	167.66	166.45
PHP	35.33	35.14
PGK	2.5603	2.5375
SEK	5.3447	5.3205
SGD	0.7602	0.7570
CNY	4.1663	4.1417
THB	18.62	18.55
TOP	1.4057	1.3845
VUV	71.81	71.66
WST	1.6318	1.6280
XPF	60.74	60.46
ZAR	9.5588	9.5926

**NZD/USD - Last 7 days****NZD/AUD - Last 7 days****NZD/USD - Last 12 months****NZD/USD Forward Points**

	BNZ buys NZD	BNZ sells NZD
1 Month	6.90	7.15
3 Months	20.24	20.66
6 Months	37.71	38.71
9 Months	50.57	52.57
1 Year	58.22	60.38

**NZD/AUD Forward Points**

	BNZ buys NZD	BNZ sells NZD
1 Month	9.98	10.47
3 Months	30.74	31.97
6 Months	64.65	67.25
9 Months	98.39	103.10
1 Year	129.34	135.00

**NZD/AUD - Last 12 months**

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