

Research

Markets Today

28 January 2026

Events round-up

AU: NAB business conditions, Dec: 9 vs. 7 prev.
 US: Conf. Board cons. confidence, Jan: 84.5 vs. 90.6 exp.

Good morning

US equities managed to look past a decline in consumer confidence and gained alongside global indices. The S&P is close to 0.5% higher in afternoon trading, with the index only marginally below the record high, set earlier in the month. The US dollar remained under pressure, and made broad based losses against G10 currencies, with the dollar index falling to a four-year low. US treasuries were little changed overall. Brent crude prices traded above US\$67 on geopolitical concerns with a growing US military presence near Iran.

Gold prices held above US\$5,000 per ounce for a second consecutive session. The weaker USD backdrop has supported the move which has been underpinned by the elevated geopolitical risks. The precious metal has gained 18% this year driven largely by the 'debasement trade' with investors less certain about the performance of sovereign debt markets in a risk off event. Positioning data highlights growing speculative interest in recent weeks.

US Conference Board consumer confidence dropped to 84.5 in January which was well below the consensus estimate of 91.0. The index is at the lowest level in more than 10-years. The expectations index, which typically has a stronger relationship with consumption, was weak along with the labour market indicators. The widely watched differential between jobs being plentiful compared with hard to get fell to the lowest level since February 2021.

Yields at the front end of the treasury curve dipped after the confidence data but moves were small overall. There was a modest curve steepening with an underperformance in the 30-year sector. 10-year yields were stable at 4.22%. Treasuries have remained in a narrow range as the market looks ahead to the FOMC tomorrow morning. The Federal Reserve is expected to hold rates steady following three straight cuts at the end of last year. However, the decision is unlikely to be unanimous with some members expected to vote to reduce the policy rate.

The US dollar remained under pressure. The widely watched dollar index (DXY) is on track for the sharpest 4-

day decline since the tariff volatility last April and has fallen to the lowest level since early 2022. Concerns about US economic policy and potential for FX intervention to support the yen have weighed on the dollar. The euro and pound made fresh multi-year highs, while NZD/USD pushed above 0.6000, to the highest level since the middle of last year. The NZD is broadly stable on the key cross rates overnight though did lag the Swiss franc which was the best performing major currency. The premium to buy short term options, which protect against the downside for the US dollar, surged to the highest level since at least 2011.

It was a quiet session for NZ fixed income in the local session yesterday in the absence of economic data or other catalysts to provide the market with direction. An initial dip in yields retraced, and both the swap and government curve were largely unchanged by the close, as the market consolidated the recent selloff. Australian 10-year bond futures have increased 3bp in yield terms since the local close suggesting a modest upside bias for NZ rates on the open.

NZ filled jobs for December are released today. A small gain is expected, which would be consistent with a 0.3% increase in employment in the Q4 Household Labour Survey, when it is released next week. December quarter CPI in Australia will be closely monitored. The consensus expects an increase in the trimmed mean measure to 3.3% which is above the Reserve Bank of Australia's projection from November. The market is pricing close to a 60% chance of a 25bp hike next week. The Bank of Canada is expected to leave rates on hold along with the US Federal early tomorrow morning.

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Coming up

| | | Period | Cons. | Prev. | NZT |
|----|------------------------------|--------|-------|-------|-------|
| NZ | Filled Jobs (m/m%) | Dec | | 0.3 | 10:45 |
| AU | CPI (y/y%) | 4Q | | 3.6 | 13:30 |
| AU | CPI Trimmed Mean (y/y%) | 4Q | 3.3 | 3 | 13:30 |
| GE | GfK Consumer Confidence | Feb | -25.5 | -26.9 | 20:00 |
| CA | Bank of Canada Rate Decision | 28-Jan | 2.25 | 2.25 | 03:45 |
| US | FOMC Rate (Upper Bound) | 28-Jan | 3.75 | 3.75 | 08:00 |

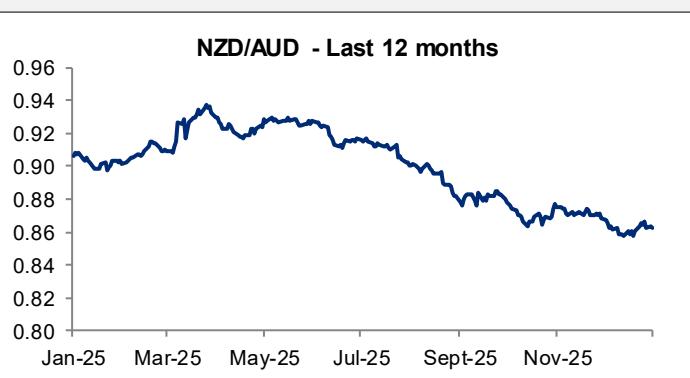
Source: Bloomberg

| 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 | 0.6012 | +0.6 | 0.5955 | 0.6022 | CHF | 0.7677 | -1.2 | S&P 500 | 6,982 | +0.4 | 16.1 | | | | | | | |
| AUD | 0.6973 | +0.8 | 0.6902 | 0.6982 | SEK | 8.823 | -1.2 | Dow | 48,982 | -0.9 | 9.5 | Oil (Brent) | 67.01 | +2.2 | | | | |
| EUR | 1.1963 | +0.7 | 1.1850 | 1.1990 | NOK | 9.632 | -1.4 | Nasdaq | 23,829 | +1.0 | 23.2 | Oil (WTI) | 61.99 | +2.2 | | | | |
| GBP | 1.3766 | +0.6 | 1.3664 | 1.3791 | HKD | 7.800 | +0.0 | Stoxx 50 | 5,995 | +0.6 | 15.5 | Gold | 5079.3 | -0.0 | | | | |
| JPY | 153.05 | -0.7 | 152.88 | 154.88 | CNY | 6.955 | +0.0 | FTSE | 10,208 | +0.6 | 20.0 | HRC steel | 940.0 | -0.2 | | | | |
| CAD | 1.3605 | -0.7 | | | SGD | 1.263 | -0.5 | DAX | 24,894 | -0.2 | 17.0 | CRB | 315.1 | +0.9 | | | | |
| NZD/AUD | 0.8622 | -0.2 | | | IDR | 16,768 | -0.1 | CAC 40 | 8,153 | +0.3 | 3.1 | Wheat Chic. | 532.5 | -0.1 | | | | |
| NZD/EUR | 0.5025 | -0.1 | | | THB | 31.02 | -0.3 | Nikkei | 53,334 | +0.8 | 36.7 | Sugar | 14.89 | +0.5 | | | | |
| NZD/GBP | 0.4367 | +0.0 | | | KRW | 1,438 | -0.3 | Shanghai | 4,140 | +0.2 | 27.4 | Cotton | 63.72 | +1.3 | | | | |
| NZD/JPY | 92.01 | -0.1 | | | TWD | 31.47 | -0.1 | ASX 200 | 8,942 | +0.9 | 6.5 | Coffee | 366.9 | +3.1 | | | | |
| NZD/CAD | 0.8179 | -0.1 | | | PHP | 59.09 | +0.2 | NZX 50 | 13,511 | +0.4 | 4.3 | WM powder | 3515 | +0.0 | | | | |
| NZ TWI | 68.13 | +0.3 | | | | | | VIX Index | 16.03 | -0.7 | -10.4 | | | | | | | |
| Interest Rates | | | | | | | | NZ Government Bonds | | | | NZ BKBM and Swap Yields | | | | | | |
| Rates | | Swap Yields | | Benchmark 10 Yr Bonds | | | | | | | | NZ BKBM and Swap Yields | | | | | | |
| | Cash | 3Mth | 2 Yr | 10 Yr | | Last | Net Day | | | Last | Chg | | Last | Chg | | | | |
| USD | 3.75 | 4.85 | 3.41 | 3.87 | USD | 4.22 | 0.01 | 15-May-28 | | 3.32 | -0.01 | BKBM 1-mth | 2.41 | 0.00 | | | | |
| AUD | 3.60 | 3.81 | 4.23 | 4.94 | AUD | 4.84 | 0.03 | 20-Apr-29 | | 3.58 | -0.00 | BKBM 3-mth | 2.50 | 0.00 | | | | |
| NZD | 2.25 | 2.50 | 3.11 | 4.21 | NZD | 4.60 | 0.00 | 15-May-30 | | 3.83 | 0.01 | 1 year | 2.71 | -0.00 | | | | |
| EUR | 2.00 | 2.04 | 2.26 | 2.90 | GER | 2.88 | 0.01 | 15-May-31 | | 4.04 | 0.01 | 2 year | 3.11 | -0.00 | | | | |
| GBP | 3.75 | 4.00 | 3.56 | 4.13 | GBP | 4.53 | 0.03 | 15-May-32 | | 4.19 | 0.01 | 3 year | 3.39 | -0.00 | | | | |
| JPY | 0.74 | -0.03 | 1.27 | 2.05 | JPY | 2.29 | 0.05 | 14-Apr-33 | | 4.30 | 0.01 | 5 year | 3.74 | -0.00 | | | | |
| CAD | 2.25 | 4.97 | 2.47 | 3.19 | CAD | 3.42 | 0.05 | 15-May-34 | | 4.41 | 0.00 | 7 year | 3.97 | -0.01 | | | | |
| Carbon Price | | | | | | | | 15-May-35 | | 4.51 | 0.00 | 10 year | 4.21 | -0.00 | | | | |
| | | Policy Meeting Run | | | | 15-May-36 | | 15-May-37 | | 4.60 | 0.01 | 15 year | 4.48 | -0.01 | | | | |
| | | NZD | | AUD | | 15-May-37 | | 15-May-41 | | 4.70 | 0.00 | | | | | | | |
| | | Level | | % Day | | 15-May-41 | | 15-May-51 | | 4.97 | 0.01 | | | | | | | |
| | | % Year | | | | 15-May-51 | | 15-May-54 | | 5.22 | 0.01 | | | | | | | |
| | | 33.70 | | +0.6 | | 15-May-54 | | | | 5.23 | 0.00 | | | | | | | |
| * These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer | | | | | | | | NZ Inflation-Indexed Bonds | | | | NZ Inflation-Indexed Bonds | | | | | | |
| Rates are as of: NZT 06:29 | | | | | | | | Sept-30 | | 1.70 | -0.02 | | | | | | | |
| Source: Bloomberg | | | | | | | | Sept-35 | | 2.51 | -0.02 | | | | | | | |
| | | | | | | | | Sept-40 | | 2.92 | -0.02 | | | | | | | |

NZD exchange rates

28/01/2026 6:29 am

| | | Prev. NY close |
|-----|--------|----------------|
| USD | 0.6012 | 0.5974 |
| GBP | 0.4367 | 0.4367 |
| AUD | 0.8622 | 0.8637 |
| EUR | 0.5025 | 0.5029 |
| JPY | 92.01 | 92.11 |
| CAD | 0.8179 | 0.8189 |
| CHF | 0.4615 | 0.4641 |
| DKK | 3.7527 | 3.7556 |
| FJD | 1.3441 | 1.3362 |
| HKD | 4.6896 | 4.6583 |
| INR | 55.14 | 54.94 |
| NOK | 5.7906 | 5.8374 |
| PKR | 168.25 | 167.18 |
| PHP | 35.52 | 35.23 |
| PGK | 2.5659 | 2.5519 |
| SEK | 5.3044 | 5.3375 |
| SGD | 0.7596 | 0.7585 |
| CNY | 4.1811 | 4.1544 |
| THB | 18.67 | 18.57 |
| TOP | 1.4053 | 1.3984 |
| VUV | 72.04 | 71.61 |
| WST | 1.6341 | 1.6263 |
| XPF | 60.77 | 60.60 |
| ZAR | 9.6001 | 9.5877 |

**NZD/USD Forward Points**

| | BNZ buys NZD | BNZ sells NZD |
|----------|--------------|---------------|
| 1 Month | 6.65 | 6.86 |
| 3 Months | 20.18 | 20.68 |
| 6 Months | 37.84 | 38.86 |
| 9 Months | 50.32 | 52.32 |
| 1 Year | 56.95 | 60.05 |

NZD/AUD Forward Points

| | BNZ buys NZD | BNZ sells NZD |
|----------|--------------|---------------|
| 1 Month | 9.62 | 10.05 |
| 3 Months | 30.88 | 32.03 |
| 6 Months | 65.69 | 68.36 |
| 9 Months | 100.65 | 105.38 |
| 1 Year | 132.41 | 139.41 |

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