

Research Markets Today

28 October 2026

Events round-up

US: Durable goods orders (m/m%), Sep: 1.8 vs. 1.9 exp.
 US: Durables ex transport/ (m/m%), Sep: 0.5 vs. 0.6 exp.
 US: Conf. Board consumer confid., Oct: 91.7 vs. 81.0 exp.
 US: New home sales (k), Sep: 676 vs. 651 exp.

Good morning

Most markets are in a holding pattern ahead of key policy updates and top-tier economic releases later this week. Risk sentiment has improved, with investors returning to US tech stocks, while oil prices are modestly lower on reports of intensified diplomatic efforts to end the US-Iran conflict. US Treasuries have traded in a tight range, with the 10-year rate just under 5%. Currency movements have been modest, with the NZD giving back yesterday's gain to be little changed from this time yesterday.

Diplomatic efforts to end the US-Iran conflict have intensified, with a number of meetings between mediators and senior officials from various countries since the weekend, and more scheduled this week. One aim is to head off a rumoured escalation in hostilities after the US mid-term elections. Meanwhile, ahead of planned US-brokered peace talks between Russia and Ukraine, the Finnish and Norwegian leaders spoke with President Putin – the first time Putin has spoken to any of Ukraine's European allies since July last year. Oil prices are lower, with Brent crude trading just below USD114 per barrel.

There were a number of second-tier US economic releases. The Conference Board measure of consumer confidence for October was much stronger than expected, with the headline index rising 7.5pts to 91.7 from an upwardly revised September reading. Both the present situation and expectations components contributed to the gain. The labour market indicator also improved, with the share of respondents who see jobs as plentiful rising to a six-month high.

Aircraft orders drove a strong 1.8% m/m gain in September durable goods orders. Orders excluding transportation rose 0.5% m/m, while non-defence capital goods shipments including aircraft, which feed into GDP, rose 1.7% m/m. The data were consistent with resilient business investment. New home sales fell 0.6% in

September, a much smaller retracement than expected following a 5.1% lift in August.

The data had little impact on the rates market ahead of the Fed's policy update in about 24 hours. Treasuries have been range-bound, with the 10-year rate trading between 4.96% and 5.0% since the Asian open.

US equities are stronger as optimism towards the AI and tech sectors returns. In afternoon trading, the SOX index of chipmakers is up 3½%, the Nasdaq is up 1.2% and the S&P500 is up 0.6%. Microsoft and Alphabet report after the close. In Europe, the Euro Stoxx 600 closed up 0.5%.

Currencies have traded in narrow ranges. The NZD has oscillated around 0.57, with the gain made during local trading hours partly reversing overnight. It currently sits just below the figure, little changed from this time yesterday. The AUD is steady around 0.7030, and NZD/AUD has slipped below 0.8090. The euro remains near the bottom of the leaderboard, continuing to struggle as the focus stays on France's predicament. NZD/EUR has traded at a two-month high above 0.5115 and currently sits just above 0.51.

In the domestic rates market, yields rose across the curve, catching up with the move in Australian rates since the long weekend, with some added upward pressure at the short end ahead of today's RBNZ meeting. The 2-year swap rate rose 6bps to 4.11%, while the 10-year rate rose 4bps to 4.65%. NZGB yields were up 2–5bps, with the short end leading the move higher.

The event calendar is action-packed. Australian CPI data for September and Q3 are released this afternoon, and any upside surprise to the 1.0% q/q consensus estimate for the trimmed mean would increase the chance of the RBA hiking next week. The RBNZ is expected to raise the OCR by 25bps for the third consecutive meeting, taking it to 3%. This is almost fully priced by the market, so an on-hold decision would be a shock. We'll be looking for the RBNZ to signal that further hikes will likely be required. A lack of intent to address NZ's high-inflation backdrop, as we saw in September, would see the market react with lower rates and a weaker NZD.

Chancellor Healey delivers his first UK Budget tonight, which will be of interest. The Bank of Canada also meets, and whether it hikes looks to be a close call. While the market prices a high chance that the central bank kicks off

a tightening cycle, economists are almost evenly split between expecting a hike and an on-hold decision. The Fed's policy announcement is due at 7am, so we will delay publishing Markets Today tomorrow to capture the early market reaction. The Fed is widely expected to hold policy steady, given recent guidance, but we expect at least a couple of hawkish dissents in favour of a hike. Chair Warsh isn't likely to offer much guidance at his press conference, as he looks to keep out of the spotlight ahead of next week's US mid-term elections.

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Coming up

	Period	Cons.	Prev.	NZT
NZ Filled jobs (m/m%)	Sep		0.2	10:45
AU CPI (y/y%)	Sep	4.2	4.0	13:30
AU CPI trimmed mean (q/q%)	Q3	1.0	0.8	13:30
AU CPI trimmed mean (y/y%)	Q3	3.6	3.6	13:30
NZ RBNZ official cash rate (%)	Oct	3.0	2.75	14:00
GE GfK consumer confidence	Nov	-30.3	-30.6	20:00
US Advance goods trade bal (\$b)	Sep	-130	-133	01:30
UK UK Chancellor Healey presents Budget				01:30
CA Bank of Canada policy rate (%)	Oct	2.25	2.25	02:45
US Fed Funds rate (upp bd%)	Oct	4.0	4.0	07:00

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	0.5684	+0.1	0.5684	0.5708	CHF	0.8286	+0.1	S&P 500	7,722	+0.6	12.3	Oil (Brent)	113.78	-1.8
AUD	0.7030	+0.2	0.7012	0.7040	SEK	9.945	-0.1	Dow	52,387	+0.0	10.2	Oil (WTI)	99.90	-1.8
EUR	1.1138	-0.3	1.1135	1.1169	NOK	9.331	+0.1	Nasdaq	26,483	+1.2	12.0	Gold	4058.8	+0.9
GBP	1.3314	-0.2	1.3305	1.3335	HKD	7.845	-0.0	Stoxx 50	6,165	+0.8	7.9	HRC steel	1292.0	+0.0
JPY	157.92	+0.3	157.59	157.93	CNY	6.667	-0.0	FTSE	10,687	-0.8	10.7	CRB	414.9	-0.9
CAD	1.4048	+0.3			SGD	1.281	+0.0	DAX	25,591	+0.7	5.3	SGX Iron Ore	89.40	-0.1
NZD/AUD	0.8085	-0.1			IDR	18,156	+0.1	CAC 40	7,887	+0.5	-4.3	NZ Milk '27	10.36	+0.1
NZD/EUR	0.5103	+0.4			THB	33.78	+0.0	Nikkei	63,268	+1.7	26.0	NZ Milk '28	10.23	+0.0
NZD/GBP	0.4269	+0.3			KRW	1,327	+0.2	Shanghai	3,648	-1.3	-8.7	NZ Milk '29	9.92	+0.0
NZD/JPY	89.76	+0.3			TWD	32.48	-0.3	ASX 200	8,850	+0.5	-1.8	WM powder	3935	-0.8
NZD/CAD	0.7985	+0.3			PHP	64.19	+0.4	NZX 50	13,680	-0.4	2.1	Australian Futures		
NZ TWI	64.61	+0.1						VIX Index	17.75	-3.5	+12.4	3 year bond	95.15	0.00
												10 year bond	94.81	0.00
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	4.00	4.85	4.59	4.60	USD	4.99	0.00	15-May-28	3.94	0.05	BKBM 1-mth	3.13	0.04	
AUD	4.60	4.85	4.91	5.33	AUD	5.15	-0.01	20-Apr-29	4.19	0.04	BKBM 3-mth	3.35	0.04	
NZD	2.75	3.35	4.11	4.65	NZD	4.97	0.03	15-May-30	4.34	0.04	1 year	3.82	0.05	
EUR	2.50	2.64	3.39	3.46	GER	3.36	-0.01	15-May-31	4.48	0.04	2 year	4.11	0.06	
GBP	3.75	3.87	4.78	4.90	GBP	5.35	0.00	15-May-32	4.60	0.04	3 year	4.23	0.06	
JPY	1.25	1.32	1.88	2.70	JPY	2.81	0.01	14-Apr-33	4.70	0.04	5 year	4.37	0.05	
CAD	2.25	2.54	3.24	3.61	CAD	3.83	-0.01	15-May-34	4.79	0.03	7 year	4.50	0.04	
								15-May-35	4.88	0.03	10 year	4.65	0.04	
								15-May-36	4.97	0.03	15 year	4.86	0.03	
								15-May-37	5.06	0.03				
								15-May-38	5.11	0.02				
								15-May-41	5.31	0.02				
								15-May-51	5.52	0.02				
								15-May-54	5.53	0.02				
Carbon Price					Policy Meeting Run			NZ Inflation-Indexed Bonds						
	Level	% Day	% Year		NZD	AUD	USD							
NZU	48.25	-1.5	-12.1		1st	3.00	4.76	3.91	15-May-38	5.11	0.02	Sept-30	1.85	0.02
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer					2nd	3.17	4.82	4.11	15-May-41	5.31	0.02	Sept-35	2.62	0.02
Rates are as of: NZT 06:52					3rd	3.36	4.89	4.21	15-May-51	5.52	0.02	Sept-40	3.06	0.02
Source: Bloomberg					4th	3.51	4.91	4.38	15-May-54	5.53	0.02			
					5th	3.65	4.93	4.48						

NZD exchange rates

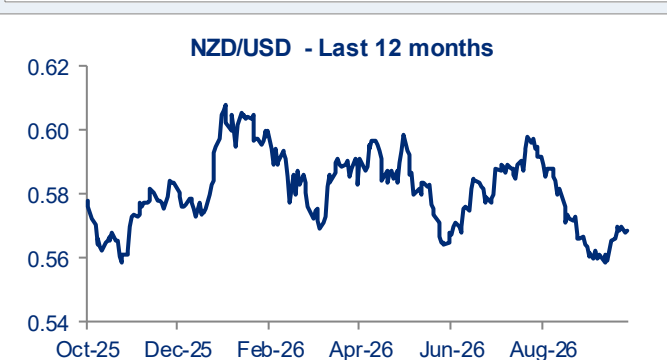
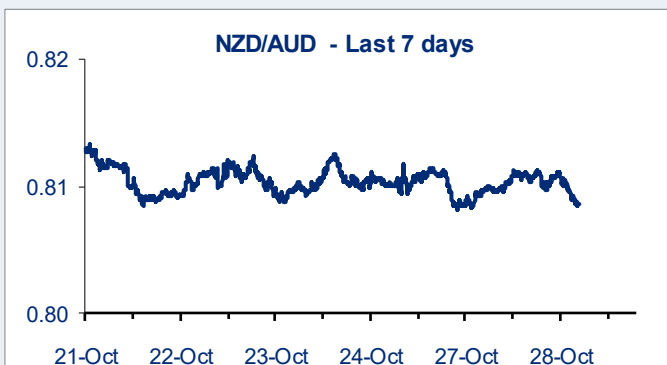
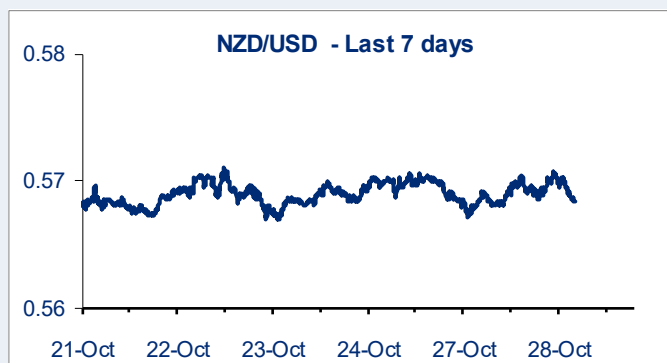
28/10/2026	6:52 am	Prev. NY close
USD	0.5684	0.5681
GBP	0.4269	0.4258
AUD	0.8085	0.8096
EUR	0.5103	0.5084
JPY	89.76	89.48
CAD	0.7985	0.7960
CHF	0.4713	0.4701
DKK	3.8157	3.8001
FJD	1.2783	1.2741
HKD	4.4613	4.4571
INR	54.09	54.08
NOK	5.3066	5.2974
PKR	157.45	157.37
PHP	36.50	36.32
PGK	2.5457	2.5430
SEK	5.6542	5.6565
SGD	0.7285	0.7276
CNY	3.7912	3.7892
THB	19.21	19.21
TOP	1.3365	1.3351
VUV	67.86	67.77
WST	1.5636	1.5617
XPF	60.64	60.42
ZAR	9.4503	9.4568

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	5.28	5.48
3 Months	14.94	15.46
6 Months	28.04	29.14
9 Months	39.86	42.10
1 Year	49.97	53.63

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	12.50	12.90
3 Months	33.88	34.99
6 Months	62.01	64.50
9 Months	84.73	89.66
1 Year	103.04	110.55



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