

Research

Markets Outlook

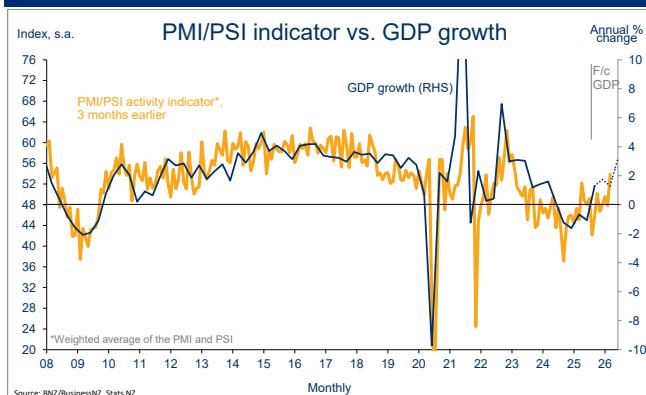
26 January 2026

Forging ahead

- **Growth indicators predominantly positive**
- **Labour market still lagging**
- **Consumers still guarded**
- **Inflation far from buried**
- **Stimulus reduction warranted**

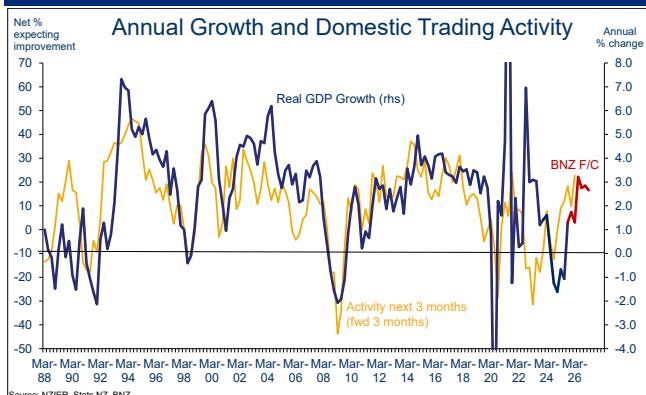
Most current indicators of activity provide a relatively optimistic view of the way the economy is evolving. Our recently released Performance of Manufacturing and Services indexes are cases in point with the combination of both indicating we are well on track for annual GDP growth to push above 2.0% in the first half of this year.

Better days ahead



Leading indicators such as those contained in NZIER's Quarterly Survey of Business Opinion also indicate that the growth momentum can be maintained.

Better days ahead

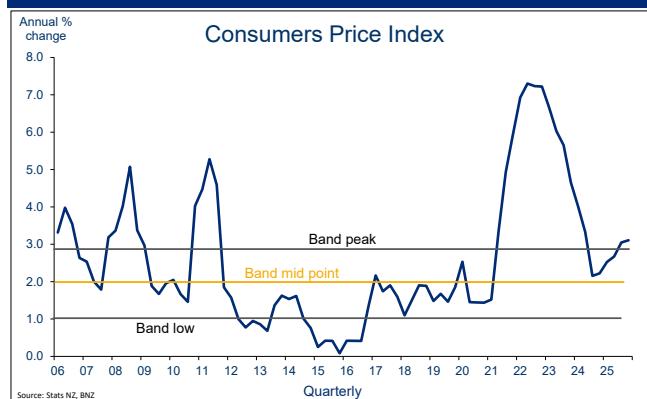


Our view of the world can be summed up in three sentences:

- Growth is picking up toward potential
- This will eventually result in an improvement in labour market conditions
- Which, in turn, will see upward pressure on inflation and the cash rate move back toward neutral with reasonable haste once the need is confirmed.

We are increasingly of the view that the first leg in the treble is banked and our focus is turning from "can the economy recover?" to "how quickly will this create inflation?" remembering all the while that the RBNZ's target is not growth but price stability. With that in mind, Friday's CPI data were a reminder that inflation never fell below the mid point of the target band during the current recession so the risks to the upside as the economy picks up should not be underestimated.

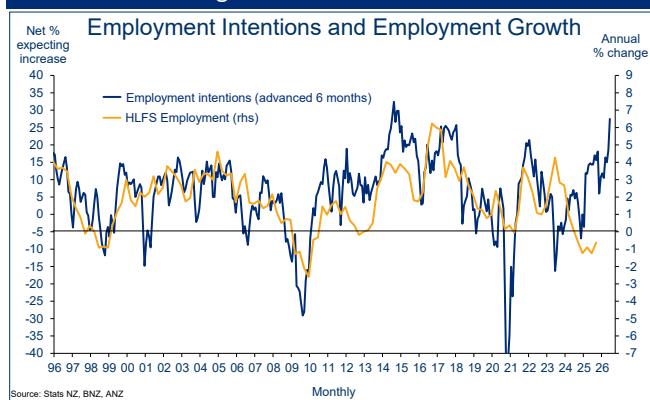
Inflation far from dead



Data in the week ahead will give us further insight into the likely progress of growth, the labour market and inflation pressures.

In theory, an update on all of these should be provided in ANZ's Business Opinion survey, released on Thursday, but for some time now the relationship between employment intentions and actual employment seems to have gone astray as has that between own activity expectations and GDP. That said, the series are still probably giving us a directional steer so we will give the data a quick once over.

Broken or a warning?



For us the inflation expectations and pricing intentions data are probably the most interesting. Inflation expectations have stayed in a tight range of 2.63% to 2.75% for the last ten months. Any break out of this range, particularly on the upside would be concerning. The last reading was 2.69%.

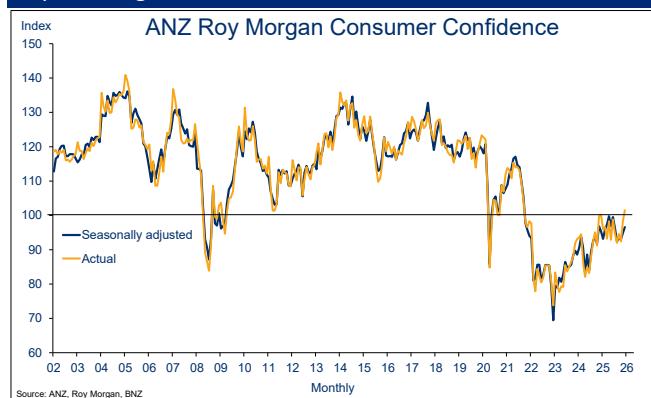
Inflation expectations steady



Pricing intentions have been strangely high in this survey for some time. The last reading showed a net 51.7% of respondents intending to raise prices. They clearly are not following through otherwise inflation would be rising relatively rapidly already. Nonetheless, we will look for continued evidence of the intent to push prices higher.

ANZ's consumer confidence survey, which will be released on Friday, has much less detail but, actually, might be more interesting. If this recovery is to be sustained then consumers must come to the party. On a seasonally adjusted basis, consumer confidence has been trending higher over the last four months. We will be looking for further improvement to be consistent with our expectations for spending growth.

Hopes lifting



Wednesday's employment indicators for the month of December will be watched keenly. There is not much that will raise consumer confidence and household spending more than an improvement in labour market conditions.

We are assuming a small increase in hiring for the month to be consistent with our view that the employment figures in the December Household Labour Force Survey will reveal a 0.3% increase for the quarter. But there is plenty of opportunity for surprise in the monthly data. On the one hand there is much anecdote that retailers did not increase staff numbers as much as usual in the Christmas run up but, on the other, growth indicators imply the broader economy performed quite well over the period.

Rounding out the week is Thursday's merchandise trade data for December. On an annual basis, we think exports grew stronger than imports extending the annual reduction in the trade deficit.

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Global Watch

- **Australia Q4 CPI in focus**
- **FOMC expected to keep rates unchanged**
- **BoC also likely to hold**
- **Euro area Q4 GDP seen at 0.2% q/q**

This week's key Australian release is Wednesday's Q4 CPI. Our colleagues at NAB see Q4 trimmed mean inflation at 0.9% q/q (3.3% y/y), which is above the RBA's November SoMP forecast. Monday is a public holiday and the data flow picks up with Tuesday's NAB Business Survey. Q4 international trade prices and PPI are also released.

In the US, the FOMC is widely expected to leave policy unchanged at Wednesday's meeting. After 75bp of cuts late last year, Powell in December said policy is 'well positioned'. There are no new projections at this meeting. Further north, the BoC also meets Wednesday and is expected to hold at 2.25%.

The US data flow is mostly second tier. Durable goods are on Monday, Conference Board consumer confidence on Tuesday, trade balance and factory orders on Thursday, and PPI on Friday. Corporate earnings will also be in focus, with major technology and energy names reporting, including Meta, Microsoft, Tesla, Apple and Exxon Mobil.

In Asia, Japan's Tokyo CPI, jobless rate, industrial production, and retail sales are all due Friday, and the BOJ December minutes are Wednesday. In China, manufacturing and non-manufacturing PMIs arrive Saturday (31 Jan).

Preliminary January inflation data in Germany and Spain is released on Friday, ahead of Eurozone HICP on the following Monday. German inflation will be soft via one-off energy price declines. While January EZ inflation will be complicated by re-indexation/re-classification the picture for EZ inflation in Q1 is benign on a variety of factors and risks coming in below ECB forecasts. The advanced reading of Q4 GDP on Friday is expected to result in a decent 0.2% q/q, 1.3% y/y outturn.

There are no major UK data releases. The BoE and ECB enter their respective pre-rate meeting quiet periods.

Key Event Previews

Wednesday

AU CPI (Q4)

NAB see Q4 trimmed mean inflation at 0.9% q/q (3.3% y/y), and above the RBA's November SoMP forecast. Housing pressures remain, market services inflation is a little cooler than Q3 but remains elevated, and durable goods prices strengthened compared to Q3. NAB's forecast

anticipates strong December increases in travel and new car prices, with risks skewed to a 0.8% outcome if these don't materialise. Quarterly headline inflation is seen at 0.6% q/q (3.6% y/y).

For the December Monthly, NAB forecast headline at 3.7% and trimmed mean at 3.3%.

US FOMC Decision (8am Thursday NZT)

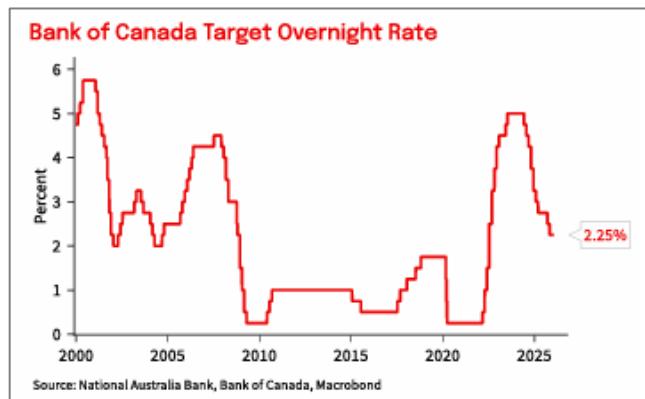
The FOMC is widely expected on hold after three consecutive cuts. In December, Powell described policy as "within a range of plausible estimates of neutral" and a number of FOMC officials have said policy is 'well positioned.' Inflation data looks to be tracking a little below the FOMC's December median projection, but unemployment is low and activity growth strong. Fiscal settings are likely more supportive through H1 2026. The Fed is likely to be on the sidelines for the next couple of meetings.

With no new forecasts and policy well positioned, independence questions may dominate the press conference.

CA BoC Decision

The Bank of Canada is widely seen on hold at 2.25% and NAB expect they will remain there all year.

The BoC in December said that "...policy rate is at about the right level." Q3 GDP data confirmed that the Canadian economy has passed the trough in activity. The adjustment to the changed trade relationship is a supply-side challenge, but a retrace higher in the unemployment rate in January confirms there is still some spare capacity in the labour market. That should leave the BoC comfortable inflation will be near enough to target to leave policy at the bottom end of its estimated neutral range.



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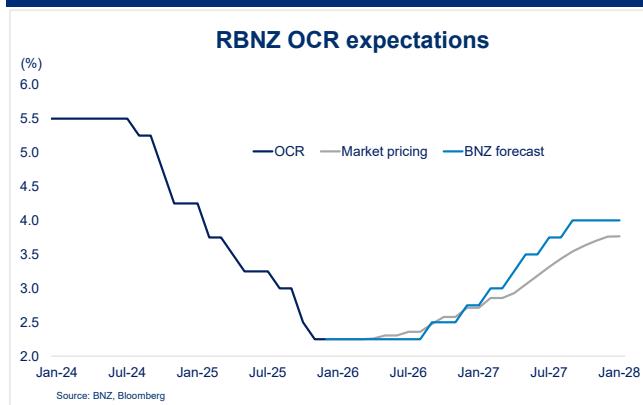
Fixed Interest Market

The combination of firm domestic activity data, concerns about a strong Q4 CPI print and higher yields in Australia contributed to a decent selloff across NZ fixed income over the course of last week. Swap rates across the curve have returned to levels near the mid-December peak, before Governor Breman's statement pushed back against the premature tightening of financial conditions. After reaching a base near 2.90% earlier this month, 2-year swap rates are close to 20bp higher, with the bulk of the move playing out in recent days.

In an apparent shift of tone during a Bloomberg interview on Friday, Governor Breman declined to push back against market pricing for a rate hike this year. She noted recent data suggests a stronger economic recovery but also highlighted the amount of spare capacity and subdued wage growth, which will help to suppress inflation. The central bank will have key labour Q4 market data, another set of monthly PMIs and selected price indicators for January ahead of the 18 February Monetary Policy Statement (MPS).

There was limited market reaction to the above consensus December quarter CPI print on Friday. Although the 3.1% annual headline reading was 0.4% higher than the RBNZ's projection from the November MPS, monthly inflation partials had suggested upside risks and contributed to upward revisions to economists' estimates. Pricing in the overnight index swap market, which already implied almost 50bp of tightening for this year, helped to limit the impact from the data.

Market pricing for OCR with updated BNZ forecasts

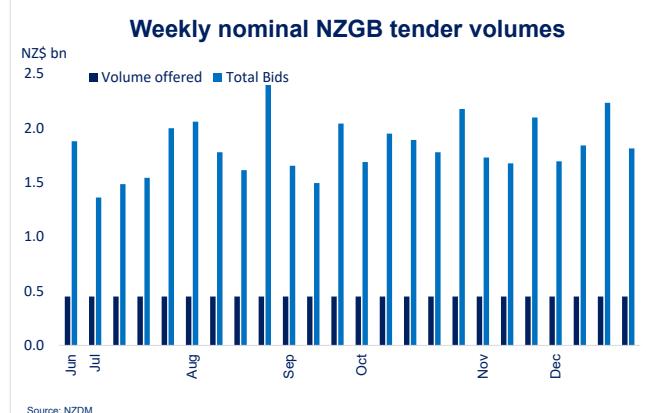


We have brought forward our forecast start to the RBNZ tightening cycle to September following the CPI data. The updated forecast profile largely aligns with market pricing in terms of the first increase in the Official Cash Rate (OCR) and cadence early in the tightening cycle. We have a higher terminal policy rate but acknowledge the uncertainty that far ahead in the forecast window. The updated OCR profile has contributed to a faster increase in shorter dated swap rates and earlier curve flattening relative to our previous forecasts.

Reuters: BNZL, BNZM Bloomberg: BNZ

After the sharp rise in front end rates, a period of consolidation is due. The adjustment in market pricing for the OCR path, adequately discounts the recent fundamental developments, with the economic recovery still in the early stages. There are limited domestic catalysts for NZ rates markets in the week ahead. Q4 CPI in Australia will be a key input for the RBA ahead of the early February rates decision. Market pricing implies a ~60% chance of a 25bp hike.

Solid NZGB demand in weekly tenders



There has been continued solid demand in the NZ government bond tenders to start 2026. The two auctions in January have attracted bids in the region of NZ\$2 billion for the NZ\$450 million of bonds being offered. The rebound in yields towards the December highs, is likely attracting demand, along with supportive supply dynamics for the remainder of the fiscal year. NZ Debt Management is well ahead of the required pro rata issuance for the reduced NZ\$35 billion 2025/26 programme. NZGBs offer relatively high carry within the developed market sovereign universe, which is likely contributing to demand. 10-year matched maturity swaps have widened marginally, and we think rangebound price action is likely near term with a narrowing bias over longer time frames.

Current rates and 1-month range

	Current	Last 4-weeks range*
NZ 90d bank bills (%)	2.50	2.49 - 2.52
NZ 2yr swap (%)	3.10	2.89 - 3.11
NZ 5yr swap (%)	3.73	3.50 - 3.73
NZ 10yr swap (%)	4.21	4.02 - 4.22
2s10s swap curve (bps)	111	111 - 120
NZ 10yr swap-govt (bps)	-38	-40 - -27
NZ 10yr govt (%)	4.59	4.40 - 4.56
US 10yr govt (%)	4.23	4.10 - 4.31
NZ-US 10yr (bps)	36	23 - 36
NZ-AU 2yr swap (bps)	-110	-116 - -96
NZ-AU 10yr govt (bps)	-23	-44 - -22

*Indicative range over last 4 weeks

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Foreign Exchange Market

Last week, the NZD delivered a strong performance, buoyed by both global and domestic factors. NZD/USD surged 3.4% to reach a four-month high near 0.5950, with the NZD posting solid gains across most currency pairs. While NZD/AUD saw only a small increase, the NZD strengthened by 1½-2% against EUR, GBP, JPY, and CAD.

Market attention last week was largely focused on President Trump's dramatic statements regarding Greenland's future. Trump ultimately stepped back from threats of using military force to acquire the country and from imposing additional tariffs on European nations to further his agenda. After a productive meeting with the NATO Secretary General, he announced a framework for a potential future agreement.

Although this particular risk event was short-lived, there were moments during the week when the "sell America" trade re-emerged. With three more years remaining in Trump's presidency, such episodes could become a recurring theme. Despite the resolution of the Greenland issue, the USD weakened broadly. The USD DXY index dropped 1.8% over the week.

This decline occurred even as US economic data remained solid, with continued evidence of robust consumer spending through the first two months of Q4, following strong Q3 performance. Jobless claims also indicated a resilient labour market, maintaining a low-unemployment environment. It is fair to say that the "sell America" narrative exerted a greater influence on the USD than the usual macroeconomic factors.

Domestic conditions were supportive for the NZD. The market had expected a strong Q4 CPI result, which materialised, with headline inflation remaining sticky at around 3% and little sign of disinflation in recent quarters. Not only is inflation proving more persistent than the RBNZ anticipated, but the economic recovery is also exceeding expectations. These data increase the likelihood that the RBNZ will adopt a more hawkish stance and potentially signal tighter monetary policy later in the year.

Stronger-than-expected Australian labour market data, highlighted by the unemployment rate dropping two tenths to a seven-month low of 4.1%, further supported expectations that the RBA could raise rates sooner rather than later. Both NZ and Australian interest rates recorded significant increases for the week.

Meanwhile, Japanese authorities grew impatient with market action, and the Bank of Japan's inaction led to further yen selling. Joint price checks on the yen with the NY Fed have made the market wary of official intervention, which should limit further gains in NZD/JPY in the short term.

In last week's report, we expressed comfort in our NZD forecasts of 0.60 for the end of Q1 and 0.63 by year-end. With the first resistance zone of 0.5850/60 now broken,

Reuters pg BNZWFWDs Bloomberg pg BNZ9

we identify the next resistance around 0.60. Technically, the NZD has entered overbought territory, as indicated by the RSI closing above 70 last week—a signal that a short-term pullback or period of consolidation may be likely.

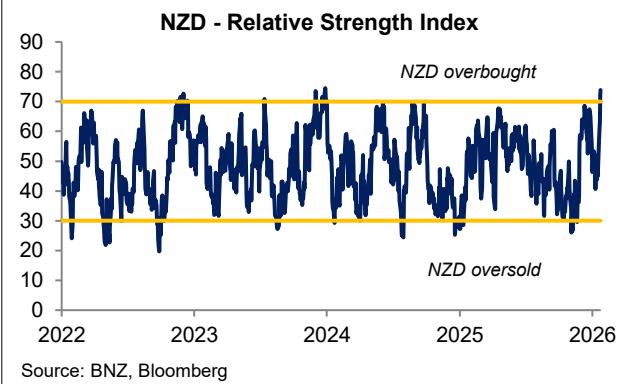
Several conditions must align before a sustained break above 0.60 can be expected. Uncertainty surrounding US policy is contributing to a risk premium being priced into the USD, which seems reasonable given the government's unpredictable decision-making.

There are clear upside and downside risks to our NZD/USD projections. Our forecasts may prove too conservative if the "sell America" theme becomes more widespread, leading to increased USD selling pressure. Conversely, any developments that significantly dampen risk appetite would pose downside risk to the NZD. Our risk appetite index currently stands at a risk-loving level above 80%.

Looking ahead, only second-tier NZ economic data is scheduled for release, including the ANZ business and consumer surveys. Both the Bank of Canada and US Fed are expected to keep policy unchanged at their upcoming meetings, resulting in minimal market impact.

The main global focus will be on the Australian Q4 CPI report. A strong result would likely reinforce market expectations of an RBA rate hike in February, with 15bps currently priced in. Other notable data releases this week include euro area Q4 GDP, Germany's CPI, and US PPI figures.

Strong gains drive NZD/USD into over-bought zone on RSI



Cross Rates and Recent Ranges

	Last wk		
	Current	% chg	Last 3-wks range*
NZD/USD	0.5962	3.4%	0.5710 - 0.5960
NZD/AUD	0.8611	0.2%	0.8550 - 0.8680
NZD/CAD	0.8165	1.8%	0.7940 - 0.8160
NZD/GBP	0.4369	1.4%	0.4260 - 0.4390
NZD/EUR	0.5025	1.4%	0.4910 - 0.5040
NZD/JPY	92.33	1.9%	90.00 - 94.00

*Indicative range over last 3 weeks, rounded

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Technicals

NZD/USD

Outlook: Trading range
 ST Resistance: 0.60 (ahead of 0.6120)
 ST Support: 0.57 (ahead of 0.56)

A sharp, rapid lift in the NZD has taken the RSI up through 70, indicative of an overbought signal. The next line of resistance is 0.60.

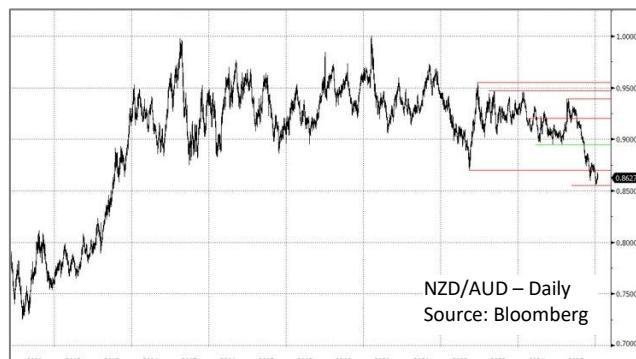


NZD/AUD

Outlook: Downside risk
 ST Resistance: 0.87 (ahead of 0.8950)
 ST Support: 0.8550

No change. Risk remains to the downside with the recent low just over 0.8550 the first line of support.

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NZ 5-year Swap Rate

Outlook: Neutral
 ST Resistance: 3.74
 ST Support: 2.92

5-year swap sits just below our resistance and previous high from December. We shall watch closely to see if it holds before reconsidering our directional outlook.



NZ 2-year - 5-year Swap Spread (yield curve)

Outlook: Higher
 ST Resistance: 0.76
 ST Support: 0.26

2s5s spread steepened back slightly last week. We continue to favour steeper curves.

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Quarterly Forecasts

Forecasts as at 26 January 2026

Key Economic Forecasts

Quarterly % change unless otherwise specified

	Jun-25	Sept-25	Dec-25	Mar-26	Jun-26	Sept-26	Dec-26	Mar-27	Jun-27	Sept-27	Forecasts
GDP (production s.a.)	-1.0	1.1	0.5	0.7	0.9	0.6	0.6	0.5	0.5	0.5	0.5
Retail trade (real s.a.)	0.7	1.9	0.4	1.0	0.9	0.8	0.7	0.7	0.7	0.7	0.7
Current account (ann, % GDP)	-3.7	-3.5	-3.3	-3.4	-3.5	-3.7	-3.7	-3.7	-3.7	-3.7	-3.7
CPI (q/q)	0.5	1.0	0.6	0.5	0.5	0.7	0.3	0.6	0.5	0.7	0.7
Employment	-0.2	0.0	0.3	0.5	0.7	0.8	0.7	0.6	0.5	0.5	0.5
Unemployment rate %	5.2	5.3	5.3	5.3	5.1	4.9	4.8	4.7	4.7	4.7	4.7
Pr. avg hourly earnings (ann %)	4.6	4.1	3.4	4.1	3.2	3.2	3.4	3.3	3.2	3.2	3.2
Trading partner GDP (ann %)	3.3	3.2	2.5	2.7	2.7	2.8	3.0	2.9	2.8	2.8	2.8
CPI (y/y)	2.7	3.0	3.1	2.7	2.7	2.4	2.0	2.1	2.1	2.1	2.1
GDP (production s.a., y/y)	-1.1	1.3	1.7	1.3	3.2	2.8	2.8	2.7	2.3	2.2	2.2

Interest Rates

Historical data - qtr average

Forecast data - end quarter

	Cash	Government Stock				Swaps			US Rates		Spread
		90 Day	5 Year	10 Year	2 Year	5 Year	10 Year	SOFR	US 10 yr	NZ-US	Ten year
		Bank Bills						3 month			
2025 Mar	3.92	3.84	3.99	4.58	3.47	3.71	4.15	4.30	4.45	0.13	
Jun	3.33	3.38	3.85	4.55	3.19	3.57	4.10	4.30	4.35	0.19	
Sep	3.08	3.09	3.67	4.42	2.99	3.40	3.95	4.20	4.25	0.17	
Dec	2.33	2.51	3.51	4.26	2.71	3.26	3.85	3.80	4.10	0.17	
Forecasts											
2026 Mar	2.25	2.40	3.85	4.60	2.90	3.60	4.20	3.60	4.25	0.35	
Jun	2.25	2.50	3.90	4.75	3.30	3.65	4.35	3.35	4.35	0.40	
Sep	2.50	2.75	4.15	4.90	3.60	3.90	4.50	3.10	4.50	0.40	
Dec	2.75	3.05	4.35	4.90	3.90	4.15	4.55	3.10	4.50	0.40	
2027 Mar	3.00	3.55	4.40	4.90	4.05	4.25	4.60	3.10	4.50	0.40	
Jun	3.50	4.00	4.40	4.90	4.10	4.30	4.65	3.10	4.50	0.40	
Sep	4.00	4.15	4.35	4.90	4.10	4.30	4.70	3.10	4.50	0.40	
Dec	4.00	4.15	4.35	4.90	4.10	4.35	4.75	3.10	4.50	0.40	

Exchange Rates (End Period)

USD Forecasts

	NZD/USD	AUD/USD	EUR/USD	GBP/USD	USD/JPY
Current	0.60	0.69	1.19	1.37	155
Forecasts					
Mar-26	0.60	0.69	1.20	1.35	144
Jun-26	0.62	0.71	1.21	1.36	140
Sept-26	0.63	0.72	1.23	1.38	135
Dec-26	0.63	0.71	1.22	1.37	135
Mar-27	0.63	0.70	1.21	1.36	135
Jun-27	0.62	0.69	1.20	1.35	135
Sept-27	0.62	0.69	1.20	1.34	133
Dec-27	0.62	0.69	1.20	1.32	133

NZD Forecasts

	NZD/USD	NZD/AUD	NZD/EUR	NZD/GBP	NZD/JPY	TWI-17
Current	0.60	0.86	0.50	0.44	92.1	67.8
Forecasts						
Mar-26	0.60	0.87	0.50	0.44	86.4	68.1
Jun-26	0.62	0.87	0.51	0.46	86.4	69.3
Sept-26	0.63	0.88	0.51	0.46	85.1	69.9
Dec-26	0.63	0.89	0.52	0.46	85.1	69.9
Mar-27	0.63	0.90	0.52	0.46	85.1	70.1
Jun-27	0.62	0.90	0.52	0.46	83.7	69.2
Sept-27	0.62	0.90	0.52	0.46	82.5	69.2
Dec-27	0.62	0.90	0.52	0.47	82.5	69.3

TWI Weights

16.2% 17.8% 9.2% 4.0% 4.7%

Source for all tables: Stats NZ, Bloomberg, Reuters, RBNZ, BNZ

Annual Forecasts

Forecasts as at 26 January 2026	March Years				December Years				
	Actuals		Forecasts		Actuals		Forecasts		
	2024	2025	2026	2027	2023	2024	2025	2026	
GDP - annual average % change									
Private Consumption	1.1	0.0	1.7	2.3	1.1	-0.2	1.6	2.0	2.3
Government Consumption	1.1	-1.3	2.3	0.2	0.1	-0.9	1.9	0.7	-0.4
Total Investment	-1.1	-5.0	2.3	6.2	-0.3	-4.9	0.2	6.1	4.3
Stocks - ppts cont'n to growth	-1.4	0.4	0.2	0.4	-1.2	0.4	-0.2	0.6	0.0
GNE	-0.9	-1.1	2.2	3.2	-0.7	-1.1	1.1	3.4	2.3
Exports	8.6	3.4	2.9	4.9	11.5	4.7	2.7	4.9	3.8
Imports	-1.4	1.5	4.9	5.0	-0.7	1.7	3.4	5.5	3.4
Real Expenditure GDP	1.5	-0.7	1.3	3.1	2.1	-0.3	0.7	2.9	2.3
GDP (production)	1.8	-0.9	0.8	2.9	2.2	-0.3	0.3	2.5	2.3
GDP - annual % change (q/q)	1.6	-0.7	1.3	2.7	1.4	-1.6	1.7	2.8	2.2
Output Gap (ann avg, % dev)	1.2	-0.7	-1.3	-0.2	1.3	-0.2	-1.2	-0.4	0.1
Nominal Expenditure GDP - \$bn	417	431	449	472	413	427	445	466	489
Prices and Employment - annual % change									
CPI	4.0	2.5	2.7	2.1	4.7	2.2	3.1	2.0	2.1
Employment	0.9	-0.9	0.6	2.8	2.7	-1.2	-0.1	2.7	2.0
Unemployment Rate %	4.4	5.1	5.3	4.7	4.0	5.1	5.3	4.8	4.7
Wages - ave. hr. ord. time earnings (private sector)	4.8	3.8	4.1	3.3	6.6	4.0	3.4	3.4	3.2
Productivity (ann av %)	-0.6	0.1	1.2	0.5	-0.8	0.1	1.2	0.7	-0.1
Unit Labour Costs (ann av %)	6.6	4.4	2.2	2.7	7.1	4.7	2.6	2.4	3.3
House Prices (stratified, mth)	2.8	-0.6	-0.7	2.9	0.7	-0.8	-0.3	2.1	3.9
External Balance									
Current Account - \$bn	-23.8	-18.3	-15.3	-17.7	-25.8	-20.0	-14.8	-17.4	-17.2
Current Account - % of GDP	-5.7	-4.2	-3.4	-3.7	-6.3	-4.7	-3.3	-3.7	-3.5
Government Accounts - June Yr, % of GDP									
OBEGAL ex ACC (core op. balance) (Treasury forecasts)	-2.1	-2.1	-3.0	-2.2					
Net Core Crown Debt (ex NZS) (Treasury forecasts)	41.8	41.8	43.3	46.0					
Bond Programme - \$bn (Treasury forecasts)	39.3	42.6	35.0	34.0					
Bond Programme - % of GDP	9.4	9.9	7.8	7.2					
Financial Variables ⁽¹⁾									
NZD/USD	0.61	0.57	0.60	0.63	0.62	0.57	0.58	0.63	0.62
USD/JPY	150	149	144	135	144	154	156	135	133
EUR/USD	1.09	1.08	1.20	1.21	1.09	1.05	1.17	1.22	1.20
NZD/AUD	0.93	0.91	0.87	0.90	0.93	0.91	0.87	0.89	0.90
NZD/GBP	0.48	0.44	0.44	0.46	0.49	0.45	0.43	0.46	0.47
NZD/EUR	0.56	0.53	0.50	0.52	0.57	0.55	0.49	0.52	0.52
NZD/YEN	91.1	85.4	86.4	85.1	89.5	88.4	90.3	85.1	82.5
TWI	71.2	67.9	68.1	70.1	72.0	68.5	66.8	69.9	69.3
Overnight Cash Rate (end qtr)	5.50	3.75	2.25	3.00	5.50	4.25	2.25	2.75	4.00
90-day Bank Bill Rate	5.64	3.60	2.40	3.55	5.63	4.26	2.49	3.05	4.15
5-year Govt Bond	4.60	4.00	3.85	4.40	4.50	3.90	3.80	4.35	4.35
10-year Govt Bond	4.60	4.50	4.60	4.90	4.65	4.45	4.45	4.90	4.90
2-year Swap	4.91	3.35	2.90	4.05	4.93	3.53	2.98	3.90	4.10
5-year Swap	4.40	3.65	3.60	4.25	4.43	3.63	3.61	4.15	4.35
US 10-year Bonds	4.20	4.25	4.25	4.50	4.00	4.40	4.15	4.50	4.50
NZ-US 10-year Spread	0.40	0.25	0.35	0.40	0.65	0.05	0.30	0.40	0.40

⁽¹⁾ Average for the last month in the quarter

Source: Statistics NZ, BNZ, RBNZ, NZ Treasury

Key Upcoming Events

All times and dates NZT

	Median	Fcast	Last	Median	Fcast	Last	
Monday 26 January							
NZ Regional Holiday, Auckland Anniversary				US Initial Jobless Claims 24-Jan	205k	200k	
GE IFO Expectations Jan	90.3		89.7	US Continuing Claims 17-Jan	1850k	1849k	
Tuesday 27 January							
EC ECB's Nagel & Kocher Speak				US Trade Balance Nov	-\$44.2b	-\$29.4b	
US Chicago Fed Nat Activity Index Nov	-0.2		-0.21	US Exports MoM Nov		2.60%	
US Durable Goods Orders Nov P	3.80%		-2.20%	US Imports MoM Nov		-3.20%	
AU NAB Business Confidence Dec			1	EC ECB's Cipollone Speaks			
CH Industrial Profits YoY Dec			-13.10%	US Factory Orders Nov	1.60%	-1.30%	
Wednesday 28 January							
US ADP Weekly Employment Change 3-Jan			8.000k	US Wholesale Trade Sales MoM Nov		-0.40%	
US Richmond Fed Manufact. Index Jan	-5		-7	NZ ANZ Consumer Confidence Index Jan		101.5	
US Conf. Board Consumer Confidence Jan	90.6		89.1	JN Tokyo CPI Ex-Fresh Food, Energy YoY Jan	2.60%	2.60%	
US Dallas Fed Services Activity Jan			-3.3	JN Jobless Rate Dec	2.60%	2.60%	
EC ECB's Nagel & Elderson Speak				JN Retail Sales MoM Dec	-0.40%	0.70%	
NZ MoF Willis Speaks at Select Committee				JN Industrial Production MoM Dec P	-0.40%	-2.70%	
NZ Filled Jobs SA MoM Dec			0.30%	AU PPI QoQ 4Q		1.00%	
AU CPI QoQ 4Q	0.60%	0.60%	1.30%	AU Private Sector Credit MoM Dec	0.60%	0.60%	
AU CPI YoY SA 4Q	3.60%	3.60%	3.20%	EC ECB 1 Year CPI Expectations Dec	2.70%	2.80%	
AU CPI Trimmed Mean QoQ 4Q	0.90%	0.90%	1.00%	EC ECB 3 Year CPI Expectations Dec	2.40%	2.50%	
AU CPI Trimmed Mean YoY 4Q	3.30%	3.30%	3.00%	EC GDP SA QoQ 4Q A	0.20%	0.30%	
GE GfK Consumer Confidence Feb	-25.8		-26.9	EC GDP SA YoY 4Q A	1.30%	1.40%	
Thursday 29 January							
CA Bank of Canada Rate Decision 28-Jan	2.25%		2.25%	EC Unemployment Rate Dec	6.30%	6.30%	
EC ECB's Schnabel Speaks				Saturday 31 January			
US FOMC Rate Decision (Upper Bound) 28-Jan	3.75%		3.75%	EC ECB's Vujcic Speaks			
NZ Trade Balance NZD Dec			-163m	GE CPI YoY Jan P	2.00%	1.80%	
NZ ANZ Business Confidence Jan			73.6	US PPI Ex Food and Energy MoM Dec	0.30%	0.00%	
EC Economic Confidence Jan	97		96.7	US PPI Ex Food and Energy YoY Dec	2.90%	3.00%	
EC Consumer Confidence Jan F			-12.4	US MNI Chicago PMI Jan	43.5	42.7	
				US Fed's Musalem Speaks			
				CH Manufacturing PMI Jan	50.2	50.1	
				CH Non-manufacturing PMI Jan	50.8	50.2	

Historical Data

	Today	Week Ago	Month Ago	Year Ago		Today	Week Ago	Month Ago	Year Ago
CASH AND BANK BILLS									
Call	2.25	2.25	2.25	4.25	SWAP RATES				
1mth	2.41	2.40	2.41	4.24	2 years	3.10	3.01	2.98	3.50
2mth	2.45	2.45	2.46	4.08	3 years	3.37	3.26	3.26	3.55
3mth	2.50	2.51	2.51	3.96	4 years	3.58	3.46	3.47	3.62
6mth	2.56	2.56	2.56	3.77	5 years	3.73	3.61	3.65	3.71
					10 years	4.21	4.13	4.16	4.12
GOVERNMENT STOCK									
05/28	3.32	3.17	3.21	3.83	FOREIGN EXCHANGE				
05/31	4.03	3.90	3.95	4.22	NZD/USD	0.5949	0.5799	0.5804	0.5693
04/33	4.29	4.17	4.22	4.47	NZD/AUD	0.8593	0.8638	0.8670	0.9047
05/36	4.59	4.49	4.53	4.70	NZD/JPY	92.13	91.69	90.58	87.95
05/41	4.96	4.87	4.92	4.98	NZD/EUR	0.5016	0.4980	0.4930	0.5426
05/54	5.22	5.14	5.18	5.14	NZD/GBP	0.4352	0.4320	0.4295	0.4554
					NZD/CAD	0.8147	0.8043	0.7944	0.8182
GLOBAL CREDIT INDICES (ITRXX)									
Nth America 5Y	49	49	50	49	TWI	67.7	66.6	66.7	67.9
Europe 5Y	50	52	51	54					

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