

Research Markets Today

12 October 2026

Events round-up

CA: Unemployment rate (%), Sep: 6.5 vs. 6.5 exp.

US: U. of Mich. consumer sentiment, Oct: 46.3 vs. 47.6 exp.

US: U. of Mich. 5-10yr inflation exp., Oct: 3.6 vs. 3.5 exp.

Good morning

Global equities ended last week on a constructive note, while moves across other markets were modest. The S&P 500 gained 0.6% in a broad-based rally, with nine of eleven sectors higher, led by consumer discretionary and financials. Major European indices also posted solid gains. Sentiment remains buoyant despite elevated yields and ongoing geopolitical risks, leaving the S&P 500 close to record highs ahead of Q3 earnings, with several major US banks reporting this week. Sovereign bond markets were relatively subdued, while Brent crude rebounded above US\$104 per barrel.

President Trump said he is working with President Putin to release Russian diesel supplies into global markets, aiming to curb soaring fuel prices ahead of the US midterm elections. Planned cargoes total around 13.5 million barrels from this month, with Russia indicating it is prepared to supply the volumes. However, doubts remain over whether the barrels will be released and materially ease market tightness. US November diesel futures fell on the news, although most of the near-4% decline occurred earlier in the session.

University of Michigan consumer sentiment fell to 46.3 in October from 48.1 in September, with higher fuel prices adding to concerns about persistent inflation and the cost of living. Price growth has recently outpaced wage gains, placing further pressure on household budgets. However, spending has remained resilient despite historically weak sentiment, and the expectations index, which is more closely associated with spending, rose to 47.3 from 46.3, its first increase since July. Year-ahead inflation expectations increased to 4.7%, while the five-year measure rose to 3.5%, its highest since May.

Market pricing for the October FOMC was little changed and continues to imply around a 20% chance of a rate hike, while a full 25bp increase is priced by December. Treasury yields edged higher, with front-end price action largely tracking the move in oil. The 10-year Treasury yield

reached an intraday high of 5.28% before retracing to 5.24% by the close, broadly in line with levels prevailing during Asian trading. European sovereign bond yields declined modestly. The France-Germany 10-year spread narrowed to 137bp but remains close to its recent peak of 141bp.

The US dollar index rose modestly, extending its advance to a fourth consecutive week, the longest winning streak since early 2025. Moves across most G10 currencies were modest, with the NZD and AUD little changed from the NZ close. The Canadian dollar underperformed after a weaker-than-expected labour market report reduced Bank of Canada tightening expectations. September employment fell by 68,300, the largest monthly decline since February, driving Canadian two-year yields to a one-month low and pushing the CAD to the lowest level in close to a year.

The CFTC futures positioning report revealed the aggregate speculative USD long increased by around US\$10bn as of last Tuesday. The most notable development was further selling of the euro, pushing speculative positioning to its largest net short since 2020 amid increasing sovereign risk highlighted by French fiscal concerns. Commodity-linked currencies also remained under pressure, with investors adding to bearish AUD and NZD positions, consistent with the broader preference for USD exposure.

NZ fixed income closed lower in yield and flatter in the local session on Friday. With few domestic catalysts, the decline in yields reflected moves in offshore markets. 2-year swap rates closed 2bp lower at 4.01%, having traded in a narrow range through last week. The longer end of the curve outperformed – 10-year rates fell 5bp to 4.76%. The government curve matched the move in swaps with the May 2036 maturity closing at 5.05%.

There are no domestic or international releases in the day ahead and US cash Treasury markets are closed for Columbus Day. It is a quiet week for NZ data, with September inflation partials and the manufacturing PMI not due until Friday. Globally, the key releases are September US CPI and Australian labour market data. IMF/World Bank Annual Meetings run throughout the week in Bangkok, with G20 finance ministers and central bank governors meeting Thursday.

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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	0.5614	+0.2	0.5601	0.5621	CHF	0.8301	-0.2	S&P 500	7,812	+0.6	19.2	Oil (Brent)	104.72	+0.4
AUD	0.6985	+0.4	0.6968	0.6988	SEK	10.012	+0.4	Dow	51,655	+0.8	13.6	Oil (WTI)	91.85	+0.4
EUR	1.1202	-0.1	1.1188	1.1233	NOK	9.567	+0.0	Nasdaq	27,366	+0.6	18.9	Gold	4191.0	+1.4
GBP	1.3235	+0.0	1.3206	1.3247	HKD	7.848	-0.0	Stoxx 50	6,173	+0.8	9.7	HRC steel	1276.0	+0.2
JPY	158.30	+0.3	158.05	158.43	CNY	6.693	-0.2	FTSE	10,552	+1.1	11.9	CRB	414.7	+0.1
CAD	1.4256	+0.2			SGD	1.281	-0.0	DAX	25,087	+1.1	3.5	SGX Iron Ore	91.35	+0.8
NZD/AUD	0.8037	-0.2			IDR	17,899	-0.1	CAC 40	7,803	+1.0	-3.0	NZ Milk '27	10.13	+0.0
NZD/EUR	0.5011	+0.2			THB	33.53	-0.4	Nikkei	69,031	-0.0	43.5	NZ Milk '28	10.07	+0.0
NZD/GBP	0.4242	+0.1			KRW	1,340	-0.1	Shanghai	3,814	+0.0	-3.1	NZ Milk '29	10.00	+0.0
NZD/JPY	88.86	+0.5			TWD	31.93	-0.0	ASX 200	8,717	+0.6	-2.7	WM powder	3730	+0.9
NZD/CAD	0.8003	+0.4			PHP	62.82	-0.1	NZX 50	13,749	+0.4	2.1	Australian Futures		
NZ TWI	63.92	+0.0						VIX Index	14.84	-3.7	-9.7	3 year bond	95.09	0.01
												10 year bond	94.64	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	4.66	4.84	USD	5.24	0.00	15-May-28	3.83	-0.02	BKBM 1-mth	3.00	0.00	
AUD	4.60	4.77	4.93	5.47	AUD	5.34	-0.06	20-Apr-29	4.12	-0.03	BKBM 3-mth	3.22	0.00	
NZD	2.75	3.22	4.02	4.76	NZD	5.06	-0.05	15-May-30	4.32	-0.03	1 year	3.71	0.00	
EUR	2.50	2.64	3.40	3.57	GER	3.48	-0.01	15-May-31	4.49	-0.04	2 year	4.02	-0.02	
GBP	3.75	3.87	4.70	4.97	GBP	5.44	-0.04	15-May-32	4.65	-0.04	3 year	4.18	-0.02	
JPY	1.25	1.30	1.92	2.91	JPY	3.02	-0.08	14-Apr-33	4.75	-0.04	5 year	4.39	-0.04	
CAD	2.25	2.40	3.12	3.67	CAD	3.88	-0.06	15-May-34	4.86	-0.04	7 year	4.56	-0.04	
								15-May-35	4.97	-0.05	10 year	4.76	-0.05	
								15-May-36	5.06	-0.05	15 year	4.98	-0.06	
								15-May-37	5.15	-0.05				
								15-May-38	5.20	-0.05	NZ Inflation-Indexed Bonds			
								15-May-41	5.40	-0.05	Sept-30	1.96	-0.02	
								15-May-51	5.60	-0.05	Sept-35	2.73	-0.03	
								15-May-54	5.61	-0.05	Sept-40	3.19	-0.04	
Carbon Price					Policy Meeting Run									
	Level	% Day	% Year		NZD	AUD	USD							
NZU	50.25	+0.0	-11.1		1st	2.91	4.69	3.93						
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer								2nd	3.09	4.74	4.13			
Rates at NY close								3rd	3.27	4.83	4.23			
Source: Bloomberg								4th	3.43	4.85	4.42			
								5th	3.58	4.89	4.51			

NZD exchange rates

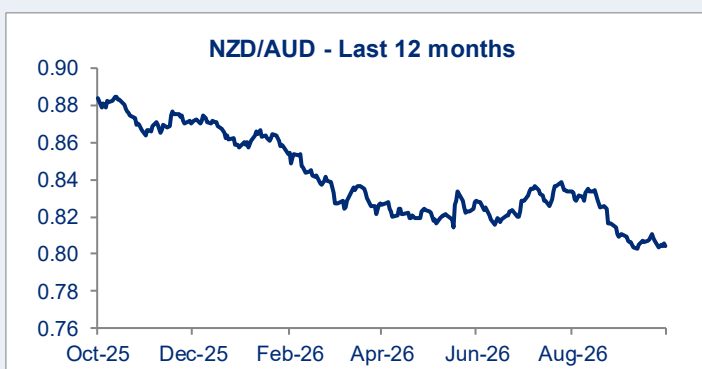
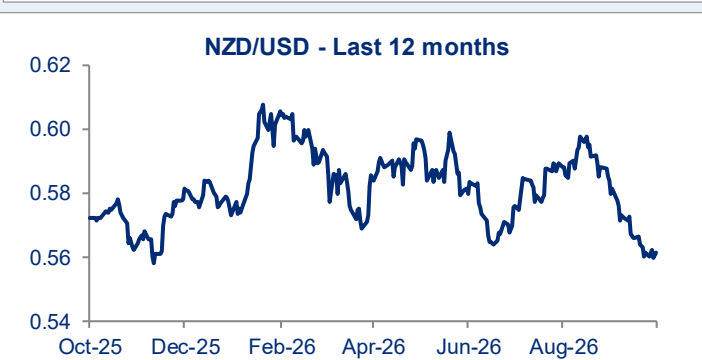
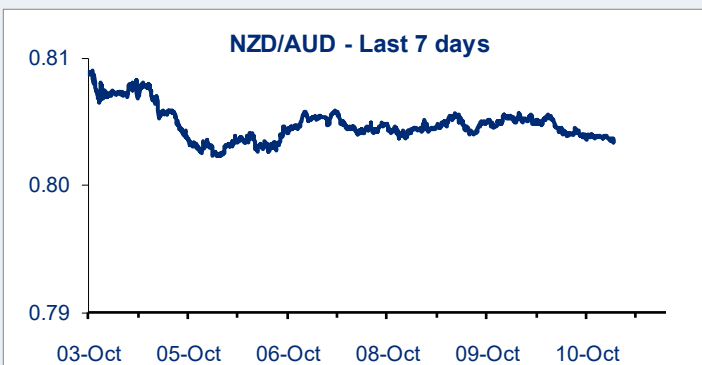
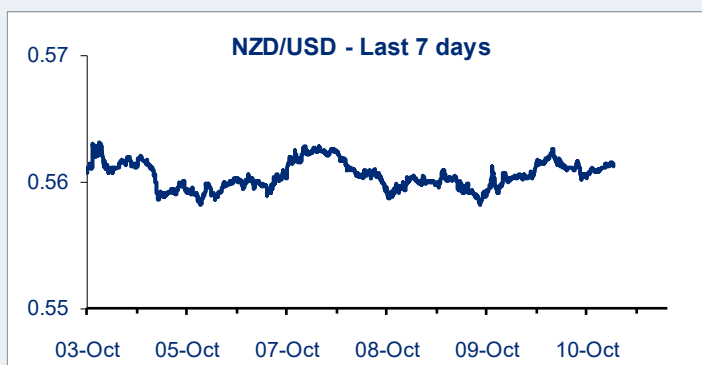
10/10/2026	NY close	Prev. NY close
USD	0.5614	0.5606
GBP	0.4242	0.4238
AUD	0.8037	0.8058
EUR	0.5011	0.5000
JPY	88.86	88.51
CAD	0.8003	0.7975
CHF	0.4660	0.4663
DKK	3.7462	3.7379
FJD	1.2633	1.2601
HKD	4.4056	4.3996
INR	54.31	54.26
NOK	5.3709	5.3630
PKR	155.51	155.33
PHP	35.27	35.26
PGK	2.5119	2.5060
SEK	5.6206	5.5907
SGD	0.7189	0.7182
CNY	3.7573	3.7580
THB	18.83	18.88
TOP	1.3434	1.3357
VUV	67.42	67.34
WST	1.5510	1.5462
XPF	59.78	59.61
ZAR	9.2662	9.2984

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	5.38	5.58
3 Months	15.40	15.90
6 Months	29.08	30.38
9 Months	41.43	44.17
1 Year	52.57	56.53

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	11.69	12.15
3 Months	32.78	33.90
6 Months	60.60	63.40
9 Months	83.70	88.73
1 Year	102.82	110.51



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