Research

Markets Today

18 September 2026

Events round-up

NZ: GDP (q/q%), Q2: 0.2 vs. 0.1 exp.

NZ: GDP (y/y%), Q2: 2.6 vs. 2.2 exp.

UK: Bank of England Bank Rate (%), Sep: 3.75 vs. 3.75 exp.

US: Philly Fed business outlook, Sep: 37.8 vs. 32.5 exp.

US: Initial jobless claims (k), 12 Sep: 196 vs. 207 exp.

US: Housing starts (k), Aug: 1275 vs. 1319 exp.

US: Building permits (k), Aug: 1394 vs. 1410 exp.

US: Pending home sales (m/m%), Aug: 0.3 vs. -0.1 exp.

Good morning

The dip in risk-sensitive assets after Fed Chair Warsh's post-FOMC press conference unwound through Asian trading yesterday and extended overnight. The S&P 500 gained about 1%, while the Nasdaq outperformed and chipmakers rose around 3%. Treasury yields fell from recent highs, with the 10-year yield back below 5%, while the US dollar was broadly stable. Brent crude briefly fell toward $102 on signs Saudi Arabia was restoring capacity on its East-West pipeline, before rebounding after President Trump said he was approaching a major crossroads on the Iran conflict.

There was little data to give the market fresh direction. US initial jobless claims were steady at a low level, with few signs of a change in trend. A decline in continuing claims suggests the unemployment rate is more likely to remain at 4.1% than drift higher in the near term. Market pricing implies around a 50% chance of a follow-up hike at the October FOMC, with about 32bp of tightening priced by year-end.

The Bank of England held rates steady at 3.75%, in line with expectations. The voting split remained 6–3, with three MPC members favouring a 25bp hike. The Bank sounded more concerned about inflation and maintained guidance that it stands ready to act as necessary to ensure inflation returns sustainably to the 2% target over the medium term. It also overhauled its quantitative tightening programme, pausing all bond sales until April and ending sales of long-dated bonds. The measures supported a rally across the gilt curve, led by the long end, while the pound fell after the decision.

US Treasury yields declined and the curve flattened, as lower oil prices and gains in UK government bonds reinforced the recovery in risk sentiment after the Federal Reserve's rate hike and renewed commitment to returning inflation to target. The 10-year yield fell to 4.95%, around 5bp below the NZ afternoon level, while the 2s10s curve flattened to 26bp, matching its June low. Elevated real yields did little to support demand at the US 10-year TIPS auction, which tailed by 2bp.

Currency markets were broadly stable, with the US dollar index confined to a narrow range. The pound fell after the BoE decision and was the weakest G10 currency since the NZ close. NZD/USD recovered toward 0.5750 offshore, partially reversing its sharp post-FOMC decline. Net moves across the NZD crosses were modest, with the only notable move in NZD/GBP, which rose toward 0.4295.

NZ Q2 GDP rose 0.2%, broadly in line with expectations, but upward revisions to earlier data meant annual growth lifted to 2.6%, comfortably above the RBNZ's September MPS forecast. Export activity remained the key driver of growth, while construction also made a stronger-than-expected contribution. Offsetting this, discretionary consumer spending remained subdued, reflecting ongoing pressure on household budgets. We have reinstated a 25bp October OCR hike and now expect 25bp increases at sequential meetings to a 3.75% peak.

NZ fixed income markets showed limited reaction to the GDP data. The domestic curve flattened in the local session yesterday, with 2-year rates closing 2bp higher at 4.02%, near cycle highs, while 10-year rates fell 2bp to 4.70%, reflecting the firmer tone in offshore markets. The weekly government bond tender attracted decent demand with NZ$1.9 billion in bids for the NZ$450 million offered across three nominal maturities. All lines cleared below prevailing market mids.

August Selected Prices are released today and will offer the latest read on Q3 inflation, with resurgent fuel prices expected to show through and add upside risk to CPI forecasts. RBA officials, including Governor Bullock, appear before the House of Representatives. Japan's CPI is also due ahead of the BoJ decision, where a 25bp hike is widely expected, taking the policy rate to 1.25%. Governor Ueda's guidance on the pace of further normalisation will be the key focus.

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Coming up

		Period	Cons.	Prev.	NZT
NZ	Food Prices (m/m%)	Aug		0.1	10:45
NZ	Trade Balance 12 Mth (NZ$bn)	Aug		-5.2	10:45
UK	GfK Consumer Confidence	Sep	-16	-14	11:01
AU	RBA's Bullock-Testimony				11:30
JN	CPI (y/y%)	Aug	2	1.9	11:30
JN	CPI Ex Fr. Food, Energy (y/y%)	Aug	2	1.9	11:30
JN	BOJ Target Rate	18-Sept	1.25	1	
UK	Retail Sales Ex Fuel (m/m%)	Aug	-0.2	-0.9	18:00
US	Industrial Production (m/m%)	Aug	0.3	0.2	01:15

Source: Bloomberg

Currencies

FX Majors / **Indicative overnight ranges (*)**

	Last	% Day	Low	High
NZD	0.5732	+0.3	0.5726	0.5750
AUD	0.7112	+0.3	0.7106	0.7126
EUR	1.1477	+0.1	1.1467	1.1498
GBP	1.3354	-0.2	1.3336	1.3406
JPY	156.02	-0.2	155.34	156.10
CAD	1.3987	-0.0		
NZD/AUD	0.8060	-0.0		
NZD/EUR	0.4994	+0.2		
NZD/GBP	0.4292	+0.5		
NZD/JPY	89.43	+0.2		
NZD/CAD	0.8017	+0.3		
NZ TWI	64.91	+0.2		

Other FX

	Last	% Day
CHF	0.8248	-0.1
SEK	9.823	-0.4
NOK	9.424	-0.1
HKD	7.846	+0.0
CNY	6.705	-0.1
SGD	1.276	-0.1
IDR	17,753	+0.3
THB	33.29	-0.2
KRW	1,381	+0.3
TWD	31.89	+0.3
PHP	62.74	+0.0

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,637	+1.1	15.7
Dow	51,833	+0.7	12.6
Nasdaq	26,394	+1.6	18.6
Stoxx 50	6,323	+0.9	17.8
FTSE	10,816	+1.2	17.5
DAX	25,717	+0.7	10.1
CAC 40	8,187	+0.6	5.1
Nikkei	64,136	+0.3	41.6
Shanghai	3,876	-0.4	0.0
ASX 200	8,732	+0.4	-0.1
NZX 50	13,757	+1.0	4.9
VIX Index	15.56	-12.1	-1.0

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	104.69	-1.1
Oil (WTI)	101.96	-0.5
Gold	4367.0	+0.3
HRC steel	1237.0	+0.0
CRB	426.1	-0.7
SGX Iron Ore	96.65	+0.3
NZ Milk '26	9.75	+0.0
NZ Milk '27	9.86	+0.1
NZ Milk '28	9.85	+0.0
WM powder	3670	-0.1

Australian Futures

	Last	Net Day
3 year bond	95.01	0.03
10 year bond	94.71	0.10

Interest Rates

Rates / **Swap Yields**

	Cash	3Mth	2 Yr	10 Yr
USD	4.00	4.85	4.57	4.55
AUD	4.35	4.69	4.93	5.36
NZD	2.75	3.15	4.02	4.70
EUR	2.50	2.66	3.47	3.52
GBP	3.75	3.87	4.62	4.80
JPY	0.99	-0.03	1.88	2.84
CAD	2.25	4.97	3.22	3.62

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.94	-0.08
AUD	5.30	-0.05
NZD	5.00	-0.01
GER	3.48	-0.03
GBP	5.22	-0.07
JPY	3.00	-0.01
CAD	3.83	-0.11

NZ Government Bonds

	Last	Chg
15-May-28	3.88	0.00
20-Apr-29	4.15	0.00
15-May-30	4.34	0.00
15-May-31	4.50	-0.00
15-May-32	4.64	-0.00
14-Apr-33	4.73	-0.01
15-May-34	4.83	-0.01
15-May-35	4.92	-0.01
15-May-36	5.00	-0.01
15-May-37	5.09	-0.02
15-May-38	5.14	-0.02
15-May-41	5.34	-0.02
15-May-51	5.55	-0.03
15-May-54	5.56	-0.03

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.95	0.00
BKBM 3-mth	3.15	0.00
1 year	3.68	0.02
2 year	4.02	0.02
3 year	4.19	0.02
5 year	4.39	0.00
7 year	4.54	-0.00
10 year	4.70	-0.01
15 year	4.91	-0.03

NZ Inflation-Indexed Bonds

	Last	Chg
Sept-30	1.83	-0.01
Sept-35	2.61	-0.00
Sept-40	3.05	-0.02

Carbon Price

	Level	% Day	% Year
NZU	52.95	+1.2	-8.7

Policy Meeting Run

	NZD	AUD	USD
1st	2.93	4.56	4.02
2nd	3.12	4.68	4.21
3rd	3.31	4.73	4.31
4th	3.48	4.83	4.46
5th	3.63	4.88	4.53

* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer

Rates are as of: NZT 06:13

Source: Bloomberg

NZD exchange rates

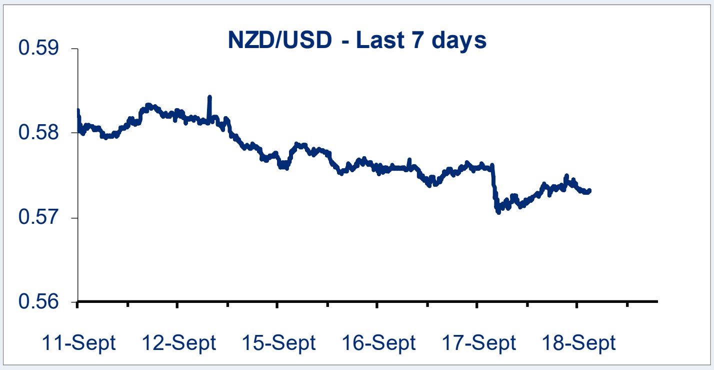
18/09/2026	6:13 am	Prev. NY close
USD	0.5732	0.5714
GBP	0.4292	0.4270
AUD	0.8060	0.8062
EUR	0.4994	0.4984
JPY	89.43	89.29
CAD	0.8017	0.7993
CHF	0.4728	0.4718
DKK	3.7338	3.7258
FJD	1.2769	1.2729
HKD	4.4974	4.4826
INR	54.99	54.83
NOK	5.4020	5.3882
PKR	158.90	158.57
PHP	35.96	35.85
PGK	2.5578	2.5520
SEK	5.6307	5.6369
SGD	0.7313	0.7300
CNY	3.8439	3.8336
THB	19.12	19.02
TOP	1.3340	1.3445
VUV	67.91	67.67
WST	1.5650	1.5587
XPF	59.29	59.30
ZAR	9.3244	9.3666

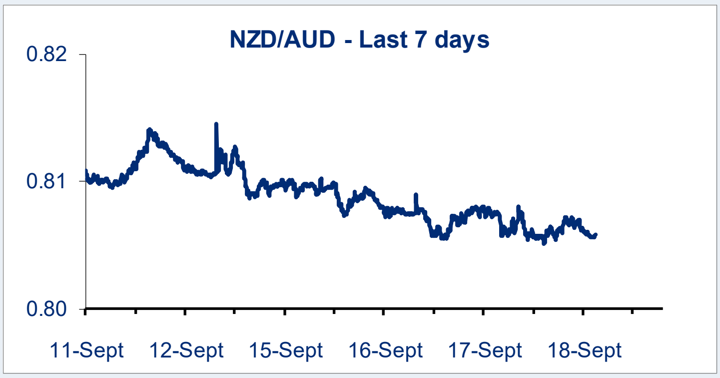
NZD/USD Forward Points

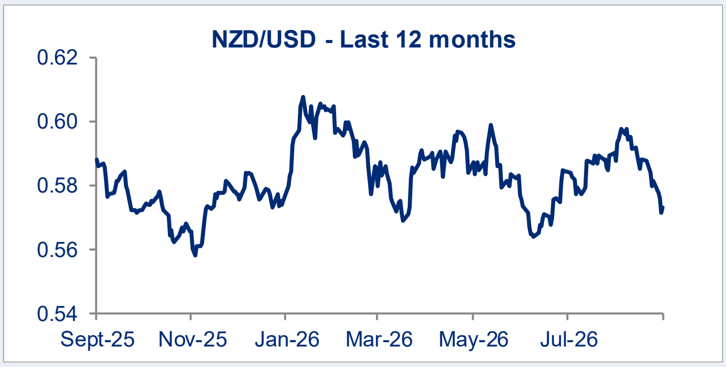
	BNZ buys NZD	BNZ sells NZD
1 Month	5.11	5.43
3 Months	15.16	15.92
6 Months	29.79	31.08
9 Months	41.99	44.76
1 Year	52.57	56.63

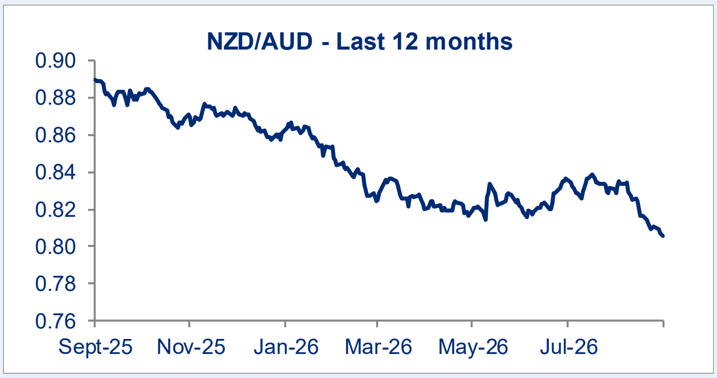
NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	10.65	11.27
3 Months	32.20	33.74
6 Months	60.94	63.78
9 Months	85.00	90.64
1 Year	106.16	114.19









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