Research

Markets Today

21 September 2026

Events round-up

NZ: Food Prices (m/m%), Aug: 0.3 vs. 0.1 prev.

NZ: Trade Balance (NZ$bn), Aug: -5.4 vs. 5.2 prev.

JN: BOJ Target Rate, Sep: 1.25 vs. 1.25 exp.

JN: CPI (y/y%), Aug: 1.9 vs. 2 exp.

JN: CPI Ex Fresh Food, Energy (y/y%), Aug: 1.9 vs. 2 exp.

UK: Retail Sales Ex Auto Fuel (m/m%), Aug: 0.6 vs. -0.2 exp.

US: Industrial Production (m/m%), Aug: 0.0 vs. 0.3 exp.

Good morning

US equities were little changed into the end of last week, despite a weak session for major European indices and a move higher in global bond yields. The US 10-year Treasury yield rebounded towards 5.0%, while French yields reached their highest level since 2008. The yen experienced large swings after the Bank of Japan meeting, although broader currency market moves were contained. Brent crude held steady near US$104 per barrel as energy markets assessed the potential for renewed diplomacy and the expected partial restoration of Saudi Arabia's East-West pipeline.

The Bank of Japan raised rates by 25bp to 1.25%, as widely expected, though the decision was not unanimous, with board members Toichiro Asada and Ayano Sato dissenting in a 7–2 vote. The BOJ reiterated that it would continue raising rates if its outlook for economic activity and prices is realised. Governor Kazuo Ueda offered mixed guidance on the path ahead, saying the stage for policy setting had shifted while also noting it was difficult to determine the terminal rate for the current tightening cycle.

The yen initially weakened after the meeting, with USD/JPY rising above 158 from around 156, as traders were disappointed by the lack of clearer guidance on further rate hikes. USD/JPY reversed sharply lower overnight Friday after the Nikkei reported that the Bank of Japan had conducted rate checks, often viewed as a precursor to intervention. Outside the yen, G10 currencies were little changed from the NZ close after an initial move higher in the US dollar reversed.

The NZD traded in a narrow range around 0.5715, with only small net moves on the main cross rates. NZD/AUD had fallen to fresh cycle lows during Friday's local session and dipped below 0.8020 offshore, after earlier comments from RBA Governor Bullock during parliamentary testimony were interpreted as hawkish. She noted that upside inflation risks appeared to be materialising and said the RBA would need to consider whether previous rate increases had been sufficient. Separately, NZD/CNH slipped to a fresh multi-year low as the PBOC continued to guide the yuan stronger against the US dollar ahead of a meeting between Presidents Xi and Trump.

Global bond yields rose despite limited data and no obvious catalyst. Treasury yields moved steadily higher through the session, with the 2-year yield rising 7bp to 4.74%, its highest level since July 2024, and the 10-year yield touching 5.00% driven by an increase in real yields. The move was mirrored in bunds and gilts. The French 10-year spread to bunds widened to 105bp, a 14-year high, as investors demanded more compensation for France's large budget deficit and ongoing political uncertainty.

August NZ inflation partials were slightly stronger than we expected, nudging our Q3 annual CPI estimate up to 3.8%. Our quarterly forecast remains 0.7% q/q due to rounding. This is still below the RBNZ's September MPS forecast of 0.8% q/q and 3.9% y/y, so Q3 is unlikely to deliver an upside surprise. Q4 looks more challenging, with higher fuel prices and a weaker NZD adding to inflation pressure. Our current annual inflation forecast is 4.2%, above the RBNZ's 3.9% projection.

The NZ curve ended lower and flatter in Friday's local session, tracking offshore moves. The 2-year rate fell 4bp to 3.98%, while the 10-year rate declined 6bp to 4.64%. The 2s10s curve flattened to +66bp, returning to its July cycle low. Australian 10-year bond futures are around 5bp higher in yield terms relative to the local close, suggesting an upward bias for yields on the open.

There is no domestic or international economic data scheduled today. The week ahead is also relatively light, with the NZ calendar clear. Offshore, flash PMIs are due in the US, UK and euro-zone. In Australia, August labour force data will be the final key release before the RBA's 29 September decision. In the US, attention turns to a busy schedule of Fed speakers.

stuart_ritson@bnz.co.nz

Coming up

		Period	Cons.	Prev.	NZT
US	Fed's Goolsbee Speaks About Monetary Policy				22:30
CA	Bank of Canada Governor Tiff Macklem Speaks				03:20

Source: Bloomberg

Currencies

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

	Last	% Day	Low	High
NZD	0.5723	-0.2	0.5706	0.5726
AUD	0.7125	+0.1	0.7104	0.7129
EUR	1.1486	+0.1	1.1455	1.1491
GBP	1.3394	+0.3	1.3336	1.3398
JPY	156.88	+0.6	156.60	158.05
CAD	1.3984	-0.0		
NZD/AUD	0.8033	-0.4		
NZD/EUR	0.4983	-0.3		
NZD/GBP	0.4273	-0.4		
NZD/JPY	89.79	+0.4		
NZD/CAD	0.8004	-0.2		
NZ TWI	64.77	-0.2		

Other FX

	Last	% Day
CHF	0.8224	-0.3
SEK	9.830	+0.1
NOK	9.409	-0.2
HKD	7.845	-0.0
CNY	6.696	-0.1
SGD	1.276	+0.1
IDR	17,758	+0.0
THB	33.32	+0.1
KRW	1,389	+0.6
TWD	31.82	-0.2
PHP	62.77	+0.0

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,651	+0.2	15.4
Dow	51,683	-0.2	12.0
Nasdaq	26,523	+0.4	18.0
Stoxx 50	6,236	-1.4	14.3
FTSE	10,659	-1.5	15.5
DAX	25,304	-1.6	6.9
CAC 40	8,065	-1.5	2.7
Nikkei	65,019	+1.4	42.5
Shanghai	3,912	+0.9	2.1
ASX 200	8,731	-0.0	-0.5
NZX 50	13,739	-0.1	3.8
VIX Index	14.81	-4.1	-5.7

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	103.37	-1.4
Oil (WTI)	100.30	-2.3
Gold	4390.7	+0.4
HRC steel	1237.0	+0.0
CRB	422.6	-0.7
SGX Iron Ore	97.10	-0.1
NZ Milk '26	9.75	+0.0
NZ Milk '27	9.83	-0.3
NZ Milk '28	9.82	-0.3
WM powder	3635	-1.0

Australian Futures

	Last	Net Day
3 year bond	95.05	0.03
10 year bond	94.66	-0.06

Interest Rates

	Rates: Cash	Rates: 3Mth	Swap Yields: 2 Yr	Swap Yields: 10 Yr
USD	4.00	4.85	4.63	4.61
AUD	4.35	4.69	5.00	5.41
NZD	2.75	3.16	3.98	4.64
EUR	2.50	2.63	3.53	3.55
GBP	3.75	3.87	4.66	4.84
JPY	0.99	-0.03	1.90	2.87
CAD	2.25	4.97	3.26	3.67

Benchmark 10 Yr Bonds

	Last	Net Day
USD	5.00	0.07
AUD	5.27	-0.04
NZD	4.95	-0.05
GER	3.52	0.04
GBP	5.30	0.07
JPY	2.99	-0.01
CAD	3.88	0.06

NZ Government Bonds

	Last	Chg
15-May-28	3.83	-0.05
20-Apr-29	4.09	-0.05
15-May-30	4.28	-0.05
15-May-31	4.44	-0.05
15-May-32	4.58	-0.06
14-Apr-33	4.68	-0.05
15-May-34	4.78	-0.05
15-May-35	4.86	-0.05
15-May-36	4.95	-0.05
15-May-37	5.03	-0.06
15-May-38	5.08	-0.06
15-May-41	5.28	-0.06
15-May-51	5.49	-0.06
15-May-54	5.50	-0.05

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.95	0.00
BKBM 3-mth	3.16	0.01
1 year	3.66	-0.02
2 year	3.98	-0.04
3 year	4.13	-0.06
5 year	4.33	-0.07
7 year	4.47	-0.06
10 year	4.64	-0.06
15 year	4.85	-0.06

NZ Inflation-Indexed Bonds

	Last	Chg
Sept-30	1.80	-0.03
Sept-35	2.57	-0.04
Sept-40	3.01	-0.04

Carbon Price

	Level	% Day	% Year
NZU	52.80	+0.0	-8.9

Policy Meeting Run

	NZD	AUD	USD
1st	2.90	4.59	4.03
2nd	3.10	4.72	4.22
3rd	3.28	4.78	4.32
4th	3.45	4.89	4.49
5th	3.60	4.94	4.57

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

Rates at NY close

Source: Bloomberg

NZD exchange rates

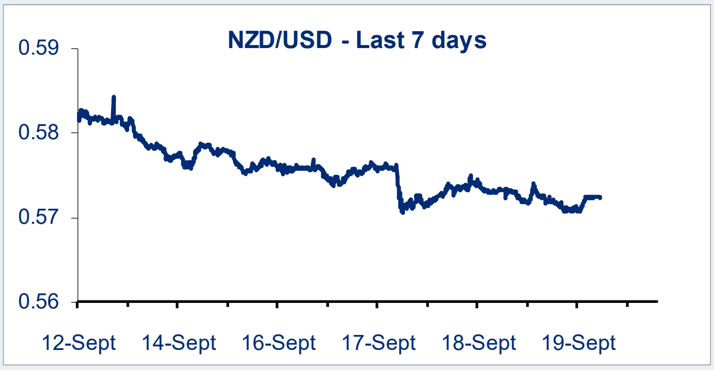
19/09/2026	NY close	Prev. NY close
USD	0.5723	0.5733
GBP	0.4273	0.4291
AUD	0.8033	0.8062
EUR	0.4983	0.4996
JPY	89.79	89.42
CAD	0.8004	0.8021
CHF	0.4706	0.4727
DKK	3.7240	3.7344
FJD	1.2682	1.2754
HKD	4.4889	4.4982
INR	54.86	55.00
NOK	5.3836	5.4025
PKR	158.62	159.10
PHP	35.91	35.97
PGK	2.5556	2.5605
SEK	5.6250	5.6297
SGD	0.7302	0.7312
CNY	3.8324	3.8446
THB	19.07	19.13
TOP	1.3524	1.3496
VUV	67.79	67.90
WST	1.5651	1.5697
XPF	59.39	59.55
ZAR	9.2996	9.3229

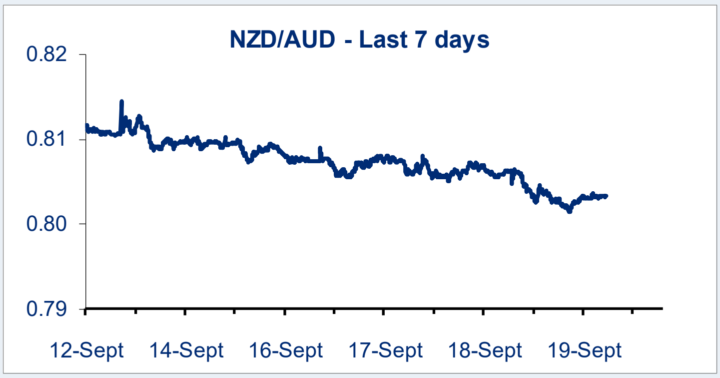
NZD/USD Forward Points

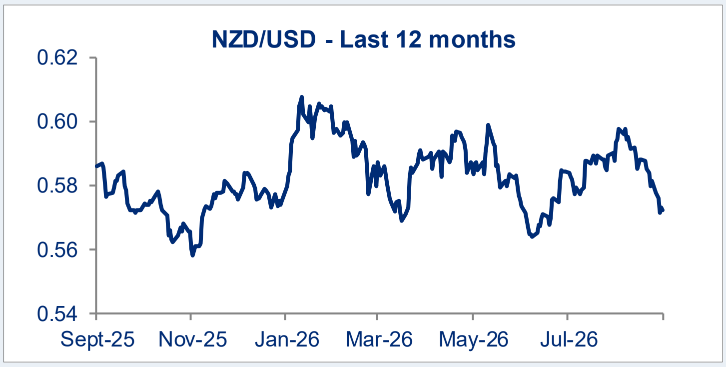
	BNZ buys NZD	BNZ sells NZD
1 Month	5.16	5.39
3 Months	15.42	16.02
6 Months	30.44	31.46
9 Months	43.99	46.01
1 Year	55.80	59.20

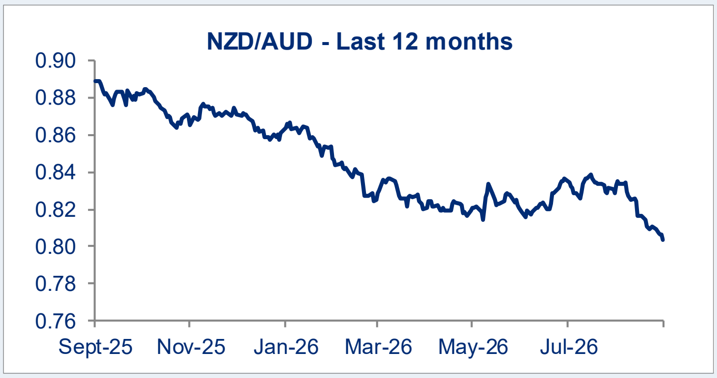
NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	10.72	11.26
3 Months	32.63	33.99
6 Months	62.53	64.83
9 Months	88.89	93.15
1 Year	111.47	118.23









Contact Details

BNZ Research

Stephen Toplis
Head of Research

Doug Steel
Senior Economist

India Power
Economist

Jason Wong
Senior Markets Strategist

Stuart Ritson
Senior Interest Rate Strategist

Mike Jones
BNZ Chief Economist

Main Offices

Wellington
Level 2, BNZ Place
1 Whitmore St
Private Bag 39806
Wellington Mail Centre
Lower Hutt 5045
New Zealand
Toll Free: 0800 283 269

Auckland
80 Queen Street
Private Bag 92208
Auckland 1142
New Zealand
Toll Free: 0800 283 269

Christchurch
111 Cashel Street
Christchurch 8011
New Zealand
Toll Free: 0800 854 854