Markets Today

26 November 2026

Events round-up

AU: CPI (y/y%), Oct: 4.9 vs. 4.7 exp.

AU: CPI trimmed mean (y/y%), Oct: 3.8 vs. 3.6 exp.

US: Personal income (m/m%), Oct: 0.7 vs. 0.4 exp.

US: Real personal spending (m/m%), Oct: 0.0 vs. 0.1 exp.

US: Core PCE deflator (m/m%), Oct: 0.3 vs. 0.3 exp.

US: Core PCE deflator (y/y%), Oct: 3.3 vs. 3.2 exp.

US: GDP (2nd est. ann'lsd q/q%), Q3: 4.3 vs. 3.5 exp.

US: Initial jobless claims (k), wk to 21-Nov: 189 vs. 200 exp.

US: Durable goods orders (m/m%), Oct: 0.2 vs. 0.7 exp.

US: Durables ex transport (m/m%), Oct: 0.5 vs. 0.5 exp.

US: New home sales (k), Oct: 701 vs. 650 exp.

Good morning

The tech-led rout in US equities continues at pace, with sizeable falls overnight. Newly proposed US tariffs have added to weaker risk appetite. US Treasuries have attracted a safe-haven bid, with the 10-year rate trading below 4.8% overnight. Strength in the USD yesterday reversed abruptly in the last couple of hours, seeing the NZD recover to 0.5485.

As flagged yesterday, the US has unveiled proposed new tariffs on China, the EU and a dozen other countries, following a months-long investigation into industrial subsidies. The new tariffs would apply from January at the earliest, subject to public comment. China faces a 20% tariff on most products. This is added to Trump's first-term tariffs but is not stacked on top of the more recent tariffs targeting forced labour. There is an overhanging threat that the rate will be lifted to 40% if negotiations between the two countries collapse.

The tariff will be 10% for Singapore and 15% for the EU, Korea, Taiwan, Japan and Switzerland. A number of other Asian countries will face 18%, apart from Vietnam, where a 20% tariff will apply. In all cases, these rates could rise to 20-35%.

Capital Economics notes that the latest tariff announcement is not as alarming as it looks, given that the tariffs mostly won't stack on top of current tariffs. The average effective tariff rate will rise from about 11% back towards the 14% that applied prior to the Supreme Court ruling, which struck down the tariffs applied under emergency powers. Nevertheless, higher US tariffs add to concerns about US inflation and to the associated negative economic impacts of import taxes.

The slump in US equities has deepened. While higher tariffs are clearly unwelcome, the underlying issue remains nervousness about the AI trade, and spillover effects on other sectors as the circular financing supporting AI-related stocks unravels. Trading has been whippy in thin pre-Thanksgiving holiday conditions. As we go to print, the S&P500 is down "only" about 1%, after being down as much as 3.2% early in the session. The Nasdaq composite is down "only" 2%, paring an earlier fall of 4.6%.

US Treasuries have been supported by asset allocation into safer assets, with the 10-year rate heading lower since late yesterday afternoon. The rate took a peek below 4.8% and currently sits at 4.83%, down about 7bps from the NZ close and 10bps since the previous US close. Downward pressure on European 10-year rates has been more moderate, with German bunds down 4bps and UK gilts down 6bps.

In US economic data releases, Q3 GDP was revised up to an annualised 4.3% from 3.5%, driven by upgrades to personal consumption (to 4.2%) and private fixed investment (to 12.0%). The current quarter isn't looking as strong, with real personal spending flat in October. The core PCE deflator rose 0.3% m/m, as expected, but the annual figure was slightly higher than expected at 3.3%, moving further away from the Fed's target.

Initial jobless claims remained historically low, falling 13k last week to 189k. New home sales surged 14.2% in October, after a sharp downward revision to September. Core durable goods orders rose 0.5% m/m in October, suggesting continuing strong momentum in business investment into Q4. Overall, the data cemented expectations that the Fed will hike by 25bps next month. However, against the backdrop of collapsing equity markets, the market has pared the extent of further expected rate hikes through 2027.

Yesterday, Australian CPI data for October were stronger than expected. Annual headline inflation rose to 4.9% from 4.3%, and the trimmed mean measure rose to 3.8% from 3.6%, extending its gap above the top of the inflation target. The net market reaction was contained, as inflation is likely at its peak rate and it remains unlikely that the RBA

will tighten policy further, with the cash rate already well into restrictive territory. The data did raise a question, though, about the timing of the first likely rate cut next year.

A lift in the AUD on the data release proved very short-lived, and significant selling pressure emerged through the afternoon, with a stronger USD backdrop adding to AUD weakness. The currency bottomed just under 0.6560 before recovering to 0.6620. In the last couple of hours, the USD has faced some selling pressure, attributed to possible profit taking ahead of the US holiday. The NZD traded below 0.5450 overnight but has since recovered to 0.5485. NZD/AUD traded to a high around 0.8315 overnight before retreating to 0.8290. Other NZD cross movements have been modest. The turnaround in the USD overnight has been the dominant force, limiting cross-rate movements.

Fluctuating Australian rates resulted in some spillover into the domestic rates market, but the net impact by the close was small. The 2-year swap rate was marked flat at 3.71% at the close, while the 10-year rate was down 1bp at 4.31%. NZGBs were flat to 2bps lower.

The economic calendar is light today, and the upcoming US Thanksgiving holiday should mean a quiet end to the week.

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Coming up

		Period	Cons.	Prev.	NZT
GE	GfK Consumer Confidence	Dec	-30	-30.8	20:00

Source: Bloomberg

Currencies

FX Majors — Indicative overnight ranges (*)

	Last	% Day	Low	High
NZD	0.5487	+0.1	0.5449	0.5489
AUD	0.6618	-0.3	0.6559	0.6622
EUR	1.0985	+0.2	1.0931	1.0989
GBP	1.3115	+0.0	1.3046	1.3122
JPY	158.93	-0.2	158.66	159.49
CAD	1.4202	-0.5		
NZD/AUD	0.8291	+0.4		
NZD/EUR	0.4995	-0.1		
NZD/GBP	0.4184	+0.1		
NZD/JPY	87.20	-0.1		
NZD/CAD	0.7793	-0.4		
NZ TWI	63.23	+0.2		

Other FX

	Last	% Day
CHF	0.8295	-0.7
SEK	10.228	-0.1
NOK	9.803	+0.1
HKD	7.838	-0.0
CNY	6.670	+0.1
SGD	1.290	+0.0
IDR	18,332	+0.6
THB	34.06	+0.4
KRW	1,345	+0.3
TWD	33.15	+0.7
PHP	63.67	-0.2

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,105	-1.3	5.0
Dow	49,980	-0.0	6.1
Nasdaq	23,269	-1.9	1.1
Stoxx 50	5,894	-1.8	5.8
FTSE	10,427	-0.4	8.5
DAX	24,702	-1.3	5.3
CAC 40	7,981	-0.7	-0.6
Nikkei	57,012	-2.8	15.0
Shanghai	3,476	-2.0	-10.2
ASX 200	8,692	-0.4	1.0
NZX 50	14,048	+0.6	3.6
VIX Index	30.43	+15.4	+64.0

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	93.72	+2.5
Oil (WTI)	83.47	+1.7
Gold	3511.2	-1.5
HRC steel	1403.0	+0.3
CRB	366.5	+0.0
SGX Iron Ore	88.25	-0.1
NZ Milk '27	10.30	-0.3
NZ Milk '28	9.99	+0.0
NZ Milk '29	9.80	+0.0
WM powder	4090	-0.5

Australian Futures

3 year bond	95.54	0.01
10 year bond	95.21	0.04

Interest Rates

Rates / Swap Yields

	Cash	3Mth	2 Yr	10 Yr
USD	4.00	4.85	4.46	4.43
AUD	4.85	4.92	4.54	4.91
NZD	2.75	3.23	3.71	4.31
EUR	2.50	2.79	3.29	3.31
GBP	4.00	3.92	4.68	4.73
JPY	1.25	1.37	1.68	2.50
CAD	2.50	2.75	3.13	3.42

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.83	-0.10
AUD	4.82	-0.02
NZD	4.62	-0.01
GER	3.23	-0.04
GBP	5.13	-0.06
JPY	2.64	-0.10
CAD	3.65	-0.04

NZ Government Bonds

	Last	Chg
15-May-28	3.62	0.00
20-Apr-29	3.80	-0.00
15-May-30	3.93	-0.01
15-May-31	4.07	-0.01
15-May-32	4.21	-0.01
14-Apr-33	4.32	-0.01
15-May-34	4.43	-0.01
15-May-35	4.53	-0.01
15-May-36	4.62	-0.02
15-May-37	4.70	-0.02
15-May-38	4.77	-0.01
15-May-41	5.00	-0.02
15-May-51	5.24	-0.02
15-May-54	5.26	-0.01

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	3.04	0.02
BKBM 3-mth	3.23	0.00
1 year	3.54	0.01
2 year	3.71	-0.00
3 year	3.80	-0.01
5 year	3.97	-0.01
7 year	4.12	-0.01
10 year	4.31	-0.01
15 year	4.54	-0.01

NZ Inflation-Indexed Bonds

Sept-30	1.68	0.00
Sept-35	2.46	0.00
Sept-40	2.90	0.00

Carbon Price

	Level	% Day	% Year
NZU	49.05	+1.0	+15.6

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

Rates are as of: NZT 06:54

Source: Bloomberg

Policy Meeting Run

	NZD	AUD	USD
1st	2.96	4.86	4.12
2nd	3.07	4.85	4.28
3rd	3.18	4.81	4.42
4th	3.28	4.73	4.47
5th	3.36	4.64	4.53

NZD exchange rates

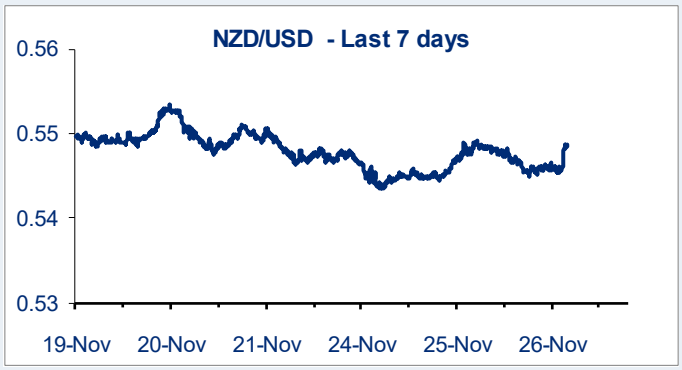
26/11/2026	6:54 am	Prev. NY close
USD	0.5487	0.5482
GBP	0.4184	0.4180
AUD	0.8291	0.8256
EUR	0.4995	0.4999
JPY	87.20	87.31
CAD	0.7793	0.7823
CHF	0.4551	0.4581
DKK	3.7333	3.7365
FJD	1.2594	1.2585
HKD	4.3006	4.2987
INR	50.61	50.93
NOK	5.3787	5.3691
PKR	151.67	151.56
PHP	34.94	34.97
PGK	2.4907	2.4550
SEK	5.6118	5.6110
SGD	0.7078	0.7069
CNY	3.6598	3.6534
THB	18.73	18.59
TOP	1.3152	1.3254
VUV	67.11	67.06
WST	1.5399	1.5354
XPF	59.66	59.59
ZAR	9.6482	9.6184

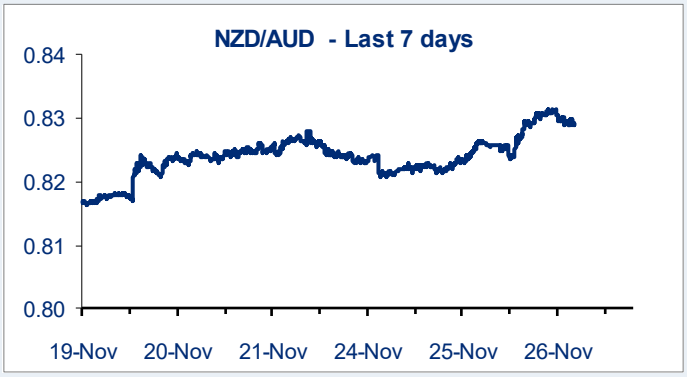
NZD/USD Forward Points

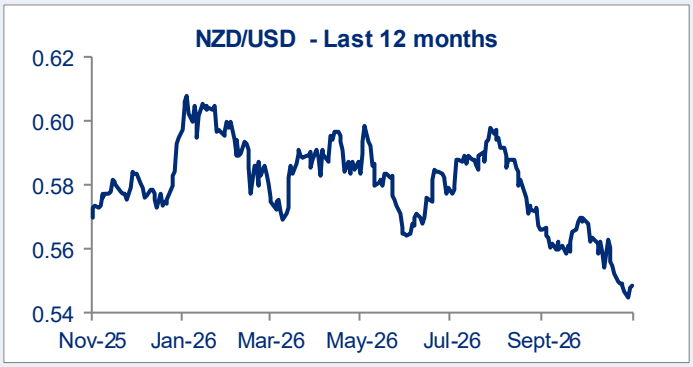
	BNZ buys NZD	BNZ sells NZD
1 Month	5.97	6.17
3 Months	17.45	17.95
6 Months	35.00	36.00
9 Months	51.75	53.74
1 Year	66.34	69.08

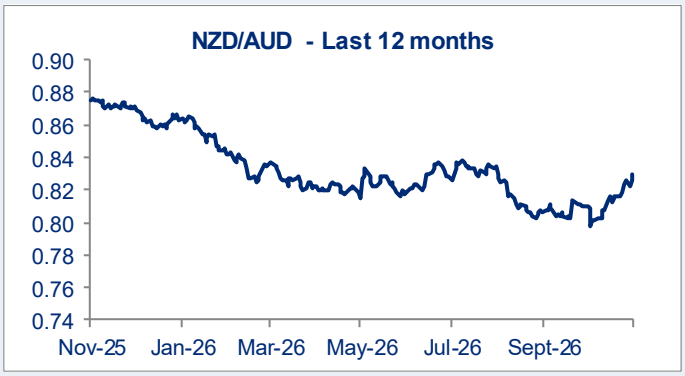
NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	13.93	14.39
3 Months	38.18	39.31
6 Months	70.94	73.50
9 Months	97.65	101.90
1 Year	116.94	123.44









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