

# Market Alert

Monday 16 February 2026

CURRENCIES	Spot	6mths
NZD/USD	0.6037	0.0036
NZD/AUD	0.8543	0.0068
NZD/JPY	92.140	-0.78
NZD/EUR	0.5085	-0.0011
NZD/GBP	0.4423	0.0025
NZD/CNH	4.1677	-0.0194
AUD/USD	0.7066	-0.0016
AUD/EUR	0.5949	-0.0062
EUR/USD	1.1867	0.0096
USD/CNH	6.8987	-0.0724
GBP/USD	1.3648	0.0002
EUR/GBP	0.8691	0.0068
INT RATES	NZ	Australia
OCR/Cash	2.25%	3.85%
90 day bills	2.51%	4.01%
2 year swap	3.08%	4.18%
10 year Govt	4.51%	4.84%

## A week ago ....

financial markets were very excited with the delayed US non-farm and inflation releases due ... and they didn't disappoint with the net result seeing the 10-year US Treasury yield fall a further 5bp to 4.05%, a 12-week low, mainly driven off Friday's CPI release. The 2-year also fell, 4bp to 3.42%, which will see NZ and AU rates open lower this morning.

The USD-index continues to trade just below the 97.00 level, with the NZD and AUD losing a bit of ground, although the NZD out-performed with NZD/AUD firming to 0.8540. Equities were weaker in the Eurozone, but flat in the US, while commodities were broadly unchanged.

Looking at the actual releases ....

- US annual inflation rate eased to 2.4% in January, its lowest reading since May last year and below forecasts at

2.5%. On a monthly basis, inflation rose 0.2%, down from December and below forecasts of 0.3%. Looking at the core, annual inflation eased from 2.7% to 2.5%, its lowest level since March 2021, after printing at 0.3% on the month.

- China's current account surplus widened to an unprecedented USD242.1bn in Q4, sharply higher than the USD163.8bn recorded a year earlier. Exports climbed 6.4% year-on-year to USD996.3bn, while imports rose at a modest 1.8% to USD699.0bn.
- US Secretary of State Marco Rubio's 'the US has no intention of abandoning its deep alliance with Europe' speech at the Munich Security Conference appears to have failed to woo Europe.
- The Russian central cut its benchmark interest rate by 50bps to 15.5% against expectations for a hold.

## If you want to know what's going to happen ...

I have it all here for you, because US Fed Chair-in-waiting, Kevin Warsh, gave a speech announcing, *"For the first time since the pandemic, labour demand and supply are in perfect balance. The Fed will run the US economy hot - because, with labour demand and supply now in balance, both demand and supply must expand to keep output expanding. Short-term US real rates will come down further because the Fed will continue to cut even with inflation in the 2.5%-3.5% range. The US dollar will continue to weaken, given the currency's dependence on real interest rate differentials. The US yield curve will*

*undergo a 'bear steepening' as US inflation expectations ratchet higher. Meaning, T-bonds will underperform cash, as well as other major sovereign bonds. Stocks will continue to outperform bonds."*

## The week ahead

will be a slow burner with today being a US holiday, but momentum will build throughout the week with a highlight being the release of the Feds January minutes when the FOMC voted to pause its cutting cycle after 3 consecutive reductions. The US will also unveil Q4 GDP, PCE inflation, industrial product, personal income, retail sales, consumer sentiment and PMIs.

In Europe the flash PMI, consumer confidence and industrial production releases will shed light on leading indicators for the region's largest economies, while the UK will also update its latest labour market, inflation and retail sales numbers. In China, markets will be closed for the week-long Lunar New Year holiday, although January foreign direct investment data could still be released, which will leave the spotlight on Japan with Q4 GDP, inflation, trade, machinery orders, industrial production, the Reuters Tankan index, and flash PMIs. From Australia, the RBA will release its February meeting minutes, while we also have the latest employment wage and PMIs.

Finally, it's a busy week in NZ with the RBNZ on Wednesday while we also have the inflation inputs with card spending and food prices, while we also have PMIs, PPIs, and the trade balance.



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# Daily Rates

Monday 16 February 2026

FX	Spot	FECs (mid)				Spot Mid	
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	68.10					CAD	0.8219
NZD/USD	0.6037	0.0006	0.0019	0.0036	0.0053	CHF	0.4630
NZD/AUD	0.8543	0.0009	0.0032	0.0068	0.0140	CNY	4.1704
NZD/JPY	92.1400	-0.13	-0.41	-0.7821	-1.59	DKK	3.7982
NZD/EUR	0.5085	-0.0002	-0.0005	-0.0011	-0.0032	FJD	1.3082
NZD/GBP	0.4423	0.0005	0.0014	0.0025	0.0040	HKD	4.7175
						KRW	869.49
AU TWI	65.10					MYR	2.3571
AUD/USD	0.7066	-0.0001	-0.0004	-0.0016	-0.0056	NOK	5.7082
AUD/NZD	1.1704	-0.0014	-0.0045	-0.0097	-0.0197	SEK	5.3633
AUD/JPY	108.61	-0.27	-0.88	-1.78	-3.58	SGD	0.7613
AUD/EUR	0.5949	-0.0009	-0.0029	-0.0062	-0.0134	TWD	18.96
AUD/GBP	0.5176	0.0000	-0.0004	-0.0013	-0.0039	ZAR	9.62
USD Index	96.88					EQUITIES	
EUR/USD	1.1867	0.0016	0.0050	0.0096	0.0175		Index
USD/JPY	152.64	-0.37	-1.16	-2.19	-3.89	NZX50	13,198
GBP/USD	1.3648	-0.0001	0.0001	0.0002	-0.0009	ASX200	8,918
EUR/GBP	0.8691	0.0012	0.0035	0.0068	0.0132	Dow Jones	49,501
USD/CNY	6.908	-0.0122	-0.0368	-0.0705	-0.1295	S&P 500	6,837
						FTSE100	10,446
INTEREST		New Zealand		Australia		DAX 40	24,915
RATES		Mid		Mid		Nikkei	56,942
30 day bank bills		2.41%		3.84%		COMMODITIES	
90 day bank bills		2.51%		4.01%			USD
1 year swap		2.66%		4.16%		Brent Crude	67.75
2 year swap		3.08%		4.18%		Gold	5,042.11
3 year swap		3.33%		4.21%		Silver	77.40
5 year swap		3.64%		4.26%		Iron Ore	99.66
10 year swap		4.12%		4.52%		CRB Index	385.93
3 year Govt bond		3.48%		4.30%			NZD
5 year Govt bond		3.93%		4.44%		NZ Carbon	39.75
10 year Govt bond		4.51%		4.84%			

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