

# Market Alert

Tuesday 17 February 2026

CURRENCIES	Spot	6mths
NZD/USD	0.6033	0.0036
NZD/AUD	0.8529	0.0069
NZD/JPY	92.615	-0.79
NZD/EUR	0.5091	-0.0011
NZD/GBP	0.4427	0.0025
NZD/CNH	4.1530	-0.0194
AUD/USD	0.7073	-0.0015
AUD/EUR	0.5969	-0.0062
EUR/USD	1.1849	0.0096
USD/CNH	6.8834	-0.0724
GBP/USD	1.3625	0.0003
EUR/GBP	0.8692	0.0068
INT RATES	NZ	Australia
OCR/Cash	2.25%	3.85%
90 day bills	2.51%	4.01%
2 year swap	3.06%	4.17%
10 year Govt	4.48%	4.80%

## Welcome to the year of the Fire-Horse!

Occurring every 60-years, the year of the Fire-Horse represents rapid transformation, ambition, passion, and independence. Sounds like someone I know! By all accounts, it will create a 'double fire' effect, leading to a fast-paced, unpredictable year full of intense energy and volatility ... so, more of the same then!

And President Xi Jinping has been quick off the mark calling for consumption and investment to be the 'main drivers' of growth. Despite the record trade surplus, exports masked a weak domestic economy in China, so in the year of the Fire-Horse, President Xi Jinping has called for renewed focus on the domestic economy, specifically incomes and

innovation, including higher pensions and livelihood-linked investments ... along with new efforts to stabilise property and employment.

## Looking at last night's price action

to say it was a quiet session would be an understatement. To be fair, it was expected what with the US and Chinese holidays, but somewhat disappointingly, the only move of consequence was a renewed weakening of the JPY following the poor Q4 GDP print. The USD-index made a minor gain, firming towards the 97.00 level, and while the NZD and AUD remained flat against the USD, they made gains against the JPY, EUR and GBP. Interestingly, both also fell against the CNH after USD/CNH fell to below 6.9000 to 6.8835, its lowest level since April 2023.

Looking at the actual releases ...

- Japanese Q4 GDP printed at 0.1% on the quarter and 0.2% on the year. The expansion fell well short of expectations, underscoring the fragile nature of the recovery. For the BoJ, the softness in private demand and investment suggests that any further tightening will likely proceed cautiously.
- Eurozone industrial production declined by 1.4% m/m in December, reversing a downwardly revised 0.3% increase in November and broadly matching expectations for a 1.5% fall.
- The Swiss economy grew by 1.4% in 2025.

French prosecutors have opened investigations into 5 companies that make infant formula including Nestle and Danone after product was recalled from over 60 countries.

IMF suggested the Australian economy will have a soft landing with growth rebounding to around 2.0% in 2025 and 2026, although inflation, global trade uncertainty, and domestic supply constraints demand policy vigilance with support for the RBA's data-dependent stance and medium-term fiscal consolidation.

## In the New Zealand corner ...

service sector inflation eased from 51.5 to 50.9. Activity and new orders remain positive although employment and inventories were weak and in contractionary territory. Retail card spending also declined, falling 1.1% in January, reversing December's 0.1% gain. Total card spending also declined, contracting 0.7% on the month, although in annual terms spending edged up 0.4%.

The NZIER's Monetary Policy Shadow Board has recommended the RBNZ maintain the OCR at 2.25% ... so, no surprise there! They said it best, so I'll just quote from the release ... "The members agreed that the economic recovery is starting to gain traction, but there remains a considerable degree of spare capacity in the economy, while headline inflation has increased. The general view was that the central bank should be cautious at this stage and wait for further data to assess how the economy will track over the coming months."



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# Daily Rates

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FX	Spot	FECs (mid)				Spot Mid	
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	68.20					CAD	0.8222 0.9643
NZD/USD	0.6033	0.0006	0.0019	0.0036	0.0051	CHF	0.4640 0.5443
NZD/AUD	0.8529	0.0009	0.0032	0.0069	0.0142	CNY	4.1704 4.8860
NZD/JPY	92.6150	-0.13	-0.40	-0.7887	-1.57	DKK	3.8020 4.4589
NZD/EUR	0.5091	-0.0002	-0.0005	-0.0011	-0.0032	FJD	1.3071 1.5329
NZD/GBP	0.4427	0.0005	0.0013	0.0025	0.0041	HKD	4.7133 5.5276
						KRW	870.93 1021.40
AU TWI	65.10					MYR	2.3509 2.7571
AUD/USD	0.7073	-0.0001	-0.0004	-0.0015	-0.0053	NOK	5.7281 6.7178
AUD/NZD	1.1718	-0.0014	-0.0045	-0.0097	-0.0199	SEK	5.3933 6.3252
AUD/JPY	108.71	-0.27	-0.88	-1.79	-3.62	SGD	0.7612 0.8928
AUD/EUR	0.5969	-0.0009	-0.0028	-0.0062	-0.0135	TWD	18.91 22.18
AUD/GBP	0.5188	-0.0001	-0.0004	-0.0013	-0.0039	ZAR	9.64 11.30
USD Index	97.09					EQUITIES	
EUR/USD	1.1849	0.0016	0.0049	0.0096	0.0175		Index
USD/JPY	153.49	-0.37	-1.15	-2.21	-3.93	NZX50	13,118
GBP/USD	1.3625	-0.0001	0.0001	0.0003	-0.0008	ASX200	8,937
EUR/GBP	0.8692	0.0012	0.0035	0.0068	0.0129	Dow Jones	49,501
USD/CNY	6.908	-0.0122	-0.0368	-0.0705	-0.1295	S&P 500	6,836
						FTSE100	10,474
						DAX 40	24,801
						Nikkei	56,806
INTEREST		New Zealand		Australia		COMMODITIES	
RATES		Mid		Mid			USD
30 day bank bills		2.41%		3.85%		Brent Crude	68.67
90 day bank bills		2.51%		4.01%		Gold	4,994.91
1 year swap		2.67%		4.12%		Silver	76.73
2 year swap		3.06%		4.17%		Iron Ore	99.66
3 year swap		3.32%		4.19%		CRB Index	385.93
5 year swap		3.64%		4.27%			NZD
10 year swap		4.10%		4.57%		NZ Carbon	40.00
3 year Govt bond		3.45%		4.29%			
5 year Govt bond		3.90%		4.42%			
10 year Govt bond		4.48%		4.80%			

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