Market Alert

Wednesday 18 November 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5500	0.0035
NZD/AUD	0.8163	0.0072
NZD/JPY	87.625	-0.78
NZD/EUR	0.4995	-0.0009
NZD/GBP	0.4161	0.0026
NZD/CNH	3.6664	-0.0316
AUD/USD	0.6737	-0.0017
AUD/EUR	0.6118	-0.0065
EUR/USD	1.1010	0.0089
USD/CNH	6.6659	-0.0996
GBP/USD	1.3215	0.0000
EUR/GBP	0.8327	0.0066

INT RATES	NZ	Australia
OCR/Cash	2.75%	4.85%
90 day bills	3.21%	4.99%
2 year swap	3.86%	4.81%
10 year Govt	4.85%	5.23%

US spending up

US retail sales rose by 0.2% in October, slightly higher than expectations of a 0.1% increase, but below September's reading of 0.8%. American households are cutting spending on motor vehicles and furniture, although spending elsewhere, including non-store retailers and miscellaneous stores, was up. Core retail rales were up 0.6% on the month, above expectations of 0.4% but also below September's reading of 1.1%. The retail prints have reinforced expectations of a rate hike by the Fed in December, with a 25bps increase fully priced in.

US import roses rose 1.1% in October, matching September's gain and beating forecasts of 0.7% in the latest sign that inflation pressures are broadening beyond energy goods as the war with Iran continues. Export prices were up by 1.1% against forecasts of 0.3%.

US business inventories rose by 0.5% in September, meeting market expectations and were up slightly from August's 0.4% gain as companies stocked up to meet robust domestic demand driven by resilient consumer spending and AI-related business investment.

In Australasia

The RBA's minutes for the meeting held 2-3 November were released yesterday, with six members voting in favour of the 25bps hike to 4.85% and three voting to hold. The majority cited persistently high inflation, forecast to stay above 3% until late 2027, and upside risks to the outlook. The dissenters preferred to wait and see the effects of the 100 basis points of tightening already delivered this year.

The latest monetary conditions survey from the RBNZ had long-term inflation expectations ease, with 5-year-ahead inflation expectations at 2.17% and 10-year-ahead expectations at 2.13%. The two-year-ahead measure, which the RBNZ watches closely, was slightly up at 2.36%. Markets are pricing an 84% chance of a hike at the RBNZ's next meeting in December.

Looking ...

- Eurozone ZEW economic sentiment for November rose to 26.5 from 18.5 in October, beating consensus by a wide margin. Germany also jumped to 35.6 from 28.1; its highest level since February.
- UK ILO unemployment rate fell to 4.6% in the 3 months to September. It had been expected to stay at 4.7%. Employment rose by 156k in the quarter to September, up from 102k previously. Although the ONS has stated that part of the improvement is due to rotation of the Labour Force Survey sample as the group leaving the survey had lower employment and higher unemployment compared to the group joining the survey.

The GDT index was flat overnight, with whole milk powder the biggest winner, up 2.7%, followed by skim milk powder up 2.2% and then lactose at 0.8%. The rest of the products saw falls, with mozzarella down 1.6%, butter milk powder down 1.7%, cheddar down 4.1%, butter down 6.5%, and finally anhydrous milk fat falling 8.2%.

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Daily Rates

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FX	Spot Mid	FECs (mid) 1mth	3mths	6mths	12mths
NZ TWI	63.20				
NZD/USD	0.5500	0.0006	0.0019	0.0035	0.0068
NZD/AUD	0.8163	0.0014	0.0040	0.0072	0.0126
NZD/JPY	87.625	-0.13	-0.38	-0.7837	-1.65
NZD/EUR	0.4995	-0.0001	-0.0003	-0.0009	-0.0021
NZD/GBP	0.4161	0.0004	0.0013	0.0026	0.0053
AU TWI	62.80				
AUD/USD	0.6737	-0.0005	-0.0011	-0.0017	-0.0022
AUD/NZD	1.2248	-0.0022	-0.0062	-0.0112	-0.0193
AUD/JPY	107.10	-0.35	-1.00	-1.90	-3.62
AUD/EUR	0.6118	-0.0013	-0.0034	-0.0065	-0.0120
AUD/GBP	0.5095	-0.0004	-0.0009	-0.0014	-0.0014
USD Index	103.46				
EUR/USD	1.1010	0.0015	0.0045	0.0089	0.0180
USD/JPY	159.31	-0.41	-1.23	-2.44	-4.91
GBP/USD	1.3215	0.0000	0.0001	0.0000	-0.0010
EUR/GBP	0.8327	0.0011	0.0032	0.0066	0.0141
USD/CNY	6.6659	-0.0166	-0.0494	-0.0993	-0.2058

	Spot Mid NZD/...	AUD/...
CAD	0.7858	0.9626
CHF	0.4615	0.5655
CNY	3.6642	4.4915
DKK	3.7328	4.5731
FJD	1.2388	1.5177
HKD	4.3148	5.2862
KRW	733.97	899.21
MYR	2.2491	2.7554
NOK	5.2849	6.4747
SEK	5.5570	6.8080
SGD	0.7081	0.8675
TWD	18.09	22.17
ZAR	9.31	11.40

INTEREST RATES	New Zealand Mid	Australia Mid
30 day bank bills	2.98%	4.86%
90 day bank bills	3.21%	4.99%
1 year swap	3.59%	4.94%
2 year swap	3.86%	4.81%
3 year swap	3.97%	4.77%
5 year swap	4.14%	4.78%
10 year swap	4.48%	5.01%
3 year Govt bond	4.08%	4.86%
5 year Govt bond	4.36%	4.90%
10 year Govt bond	4.85%	5.23%

EQUITIES	Index
NZX50	14,307
ASX200	8,883
Dow Jones	50,816
S&P 500	7,333
FTSE100	10,690
DAX 40	26,045
Nikkei	58,860

COMMODITIES	USD
Brent Crude	93.42
Gold	3,852.73
Silver	47.37
Iron Ore	90.91
CRB Index	492.14

	NZD
NZ Carbon	50.20

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