3 August 2026

Oil sways confidence, labour lags

- **Businesses see growth ahead**
- **As inflation gauges ease a tad**
- **Indicators whipping around with oil prices**
- **Employment and unemployment seen higher in Q2**
- **El Nino strength increases spring/summer risks**

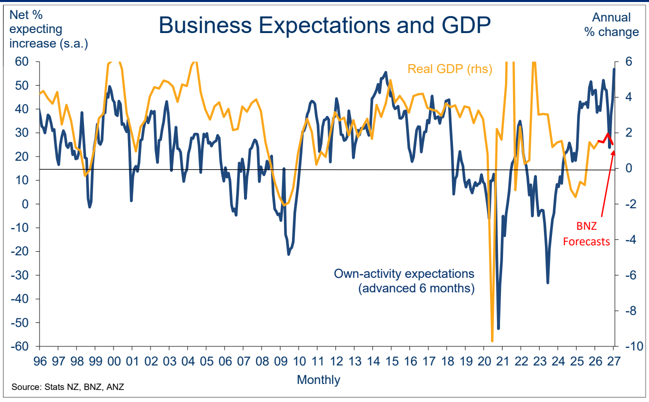
Anyone doubting the notion of economic recovery would be confronted by last week's July ANZ business survey. It was mid-winter, but business optimism blossomed. Indeed, the own activity expectations indicator rose to its highest level since 1994 on a seasonally adjusted basis.

Taken literally, its level would be consistent with annual economic growth approaching 6%, judging by historical relationships. We very much doubt growth will get to that sort of rate anytime soon. Growth didn't live up to the indicator's strength through 2025. However, we think the degree of business optimism firmly supports our view that economic growth is at least trending in the right direction after what looks like a soft Q2.

We wouldn't place too much weight on any one survey and especially so at present. Responses are whipping around violently, often on the latest and frequently sharp moves in oil prices associated with the latest headline from tensions in the Middle East.

Indeed, business survey responses were stronger when oil prices were falling early month and were less strong later in the month when oil prices were rising. Yet, even the late month outcomes are consistent with strengthening economic growth.

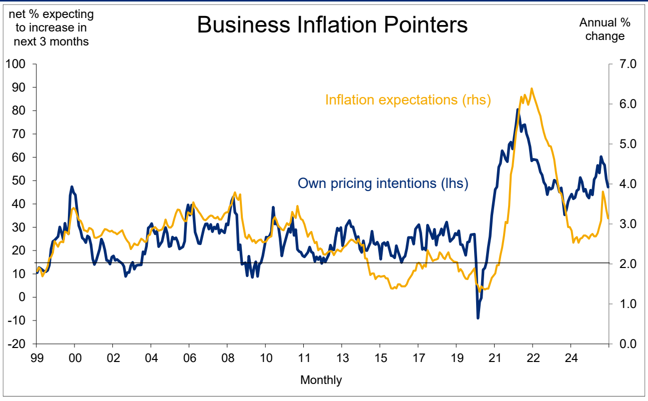
Optimism strongest in more than 30 years



The survey's inflation gauges eased on average over the month. This seems to be a driver of rising optimism and fits with our thinking that as inflation is brought to heel, it will support confidence and activity.

Inflation gauges moved in the right direction and are consistent with our forecast that annual CPI inflation peaked in Q2. Unsurprisingly there was evidence that late-month inflation expectations were higher than the early-month readings in keeping with oil price swings. It blurs the very latest direction of travel. In any case, firms' pricing intentions and inflation expectations remain elevated.

Inflation indicators easing, remain elevated



None of this alters our view on medium-term inflation and the policy outlook likely needed to achieve the RBNZ's mandate. From a medium-term inflation perspective, it still feels like any oil-driven change in headline inflation and potential influence on medium-term inflation is being broadly offset by an associated change in the activity outlook.

Consumer confidence has also lifted in July. It is far from strong at 99.3, but that is a reasonable improvement from June's 91.3. Gains were driven by the forward-looking components, with current conditions still weak. Consumer 2-year ahead inflation expectations remained elevated at 4.6% in July.

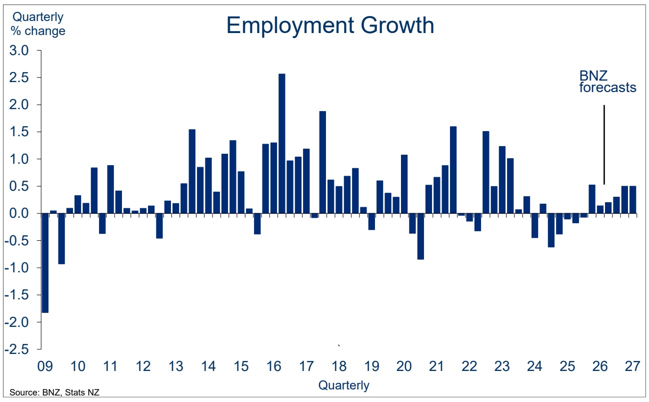
Wednesday's Q2 labour market data is the focus this week via the Household Labour Force Survey (HLFS), Quarterly Employment Survey (QES), and Labour Cost Index (LCI).

Last week's June filled jobs didn't alter our expectations for the Q2 labour market data that we outlined in our preview last week.

In short, we forecast a 0.2% q/q gain in HLFS employment. Positive but not sufficient to keep up with expected labour supply expansion. This is expected to result in the unemployment rate ticking up to 5.4% from 5.3%, assuming a marginal decline in the labour force participation rate. On wages, we forecast a 0.7% q/q lift in the private-sector LCI that would see its annual inflation steady at 2.0%.

Firms' employment intentions have strengthened, but it tends to take time for better economic indicators to show up in actual jobs growth.

Employment seen nudging higher



Our labour market forecasts are very close to the RBNZ's and market expectations. In the May MPS, the RBNZ projected Q2 employment growth of 0.1% q/q, an unemployment rate at 5.4%, a participation rate at 70.3%, and private sector LCI annual wage inflation of 1.9% y/y.

Market consensus sees Q2 employment growth of 0.1% q/q, the unemployment rate at 5.4%, the participation rate steady at 70.4%, and a 0.6% lift in the LCI.

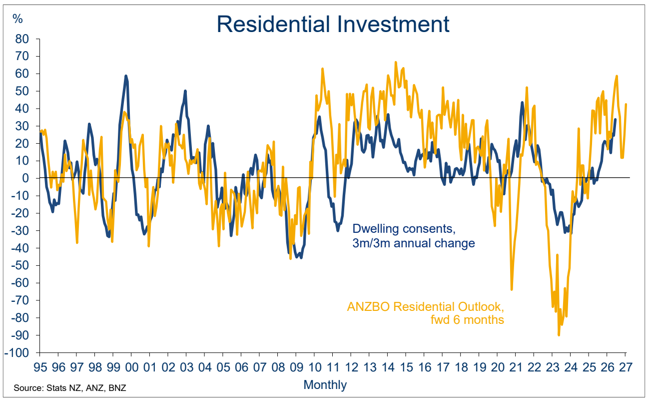
We read nothing into the decimal point differences here and there across our, the RBNZ's, or market expectations. Outcomes broadly in line with these expectations would have minimal influence on our expectations for economic and policy outlooks.

In the detail, it will be worth keeping an eye on hours worked from the HLFS and paid hours from the QES as high-level guides to overall economic activity in the quarter.

The data week has already kicked off with this morning's June building consents. Residential consents fell 3.6% m/m. Along with a decline in May, this unwinds about two-thirds of a very strong 12.2% m/m gain in April. On a smoothed three-month annual basis, consents are up 33.8%.

Annual growth in residential building consents fits with general optimism expressed by construction sector firms. It all promises growth ahead. But the annual lift in building consents is yet to meaningfully show up in actual building work put in place data. It remains to be seen if it will start to show up in Q2's building work put in place data, due 4 September.

Residential building consents and confidence

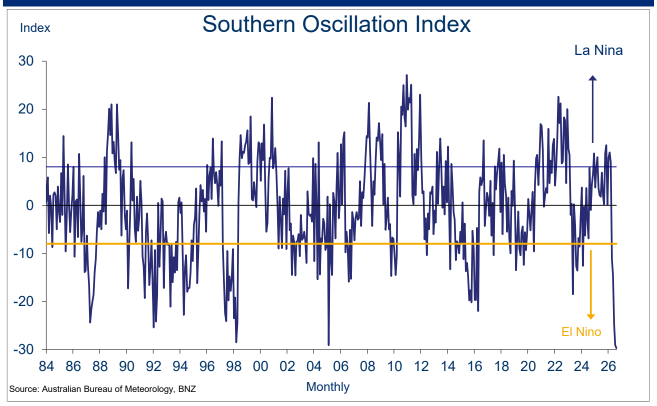


Early Wednesday morning brings the latest GDT dairy auction. Indicators are mixed but, on balance, look a touch more positive than negative for this event. It would add to signs of consolidation at the previous event, following declines before that, and support good milk price forecasts for NZ farmers.

Previous dairy price declines along with lower aluminium prices are the drivers of an expected near 3% m/m decline in July's ANZ world commodity price index, which is due for release on Wednesday afternoon. This will see the index's annual inflation at around 2% maintaining its recent run of low single digit outcomes over recent months.

Weather risks remain in focus for the primary sector. The current El Nino pattern remains forecast to extend into spring and summer. El Nino weather patterns have clobbered NZ's primary production in the past, although not all of them have. With indicators pointing to a very strong event this time around the weather ahead warrants close attention.

Strong El Nino risk



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Global Watch

- **AU consumer spending expected to remain resilient**
- **US unemployment rate to tick upwards**
- **A week of PMI data**

Last week, the Bank of England (BoE), Bank of Japan and Federal Reserve (Fed) all kept their policy rates on hold, as expected. The BoE and Fed decisions were made with 6-3, and 9-3 votes in favour of a hold, respectively, with dissenting members of each committee favouring a hike to curb inflationary pressures.

Looking ahead, household spending is the key data release for Australia this week. The main focus will be June quarter spending volumes which should provide a clearer read on how consumption held up through Q2. Other releases include the Melbourne Institute inflation gauge and final S&P Global manufacturing PMI (Monday), ANZ-Indeed job ads (Tuesday), and the trade balance (Thursday).

In the US, July non-farm payrolls data are released on Friday. A key question is whether the recent rebound in job gains is sustained. Alongside the unemployment rate, the average hourly earnings will also be closely watched for signs of cost pass-through into broader price setting. Other indicators through the week are ISM manufacturing, construction spending (Monday), trade, JOLTs (Tuesday), ADP employment and ISM services (Wednesday).

Across Asia, the main releases are RatingDog's China manufacturing (Monday) and services (Wednesday) PMIs and Japan wage data (Wednesday) followed by household spending (Friday).

In Europe, final July PMIs are released across the major economies, with eurozone retail sales due Thursday. UK data are light overall, aside from the final PMI readings.

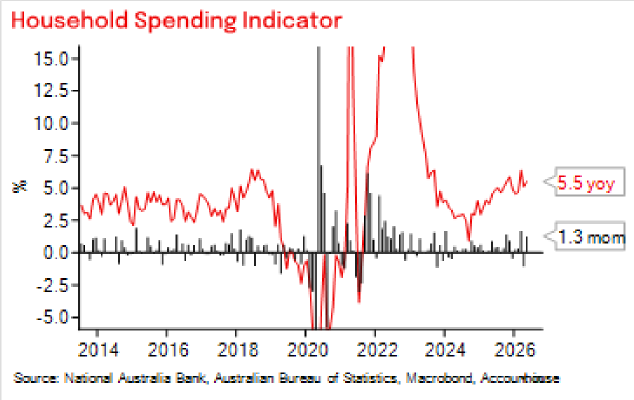
Key Event Previews

Tuesday

AU Household spending (June)

NAB expects nominal household spending to increase by 0.8% m/m in June, following a 1.3% rise in May. The NAB Spend Trend showed a 1.2% m/m increase, driven by discretionary spending. While some caution is warranted around seasonal adjustment issues associated with EOFY sales and the ongoing normalisation of holiday refund effects, the underlying picture suggests discretionary spending remained resilient in June.

The release will also provide volume estimates for the June quarter. While the relationship with the national accounts measure is imperfect, the data should still provide some signal on how resilient consumer spending was in Q2, as the drag on household incomes from higher fuel prices appears to have been less severe than previously expected. We forecast real household consumption growth of 0.4% q/q.

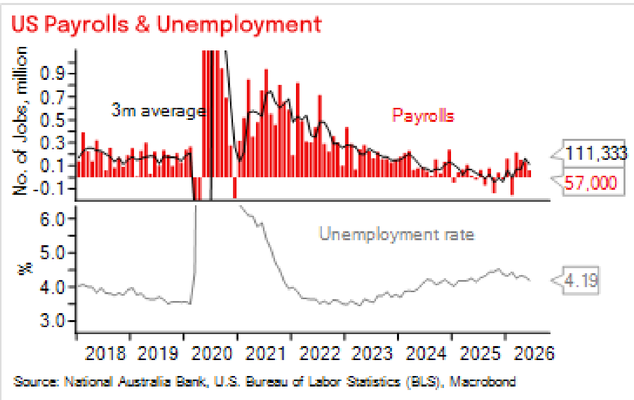


Friday

US Non-farm payrolls (July)

A focus of the July employment report will be whether the recent rebound in job gains is sustained, given business survey indicators have been less positive. While the Fed still sees the labour market as being balanced, concerns over downside labour market risks have receded.

The unemployment rate is expected to rise to 4.3% from 4.2% in June. However, if the unemployment rate were to continue its downward trend seen since late last year, concerns of labour market tightening could arise. This, and given the Fed is on watch for pass-through of higher business costs (particularly energy costs) to broader price setting, the average hourly wage indicator in the report will also get attention.



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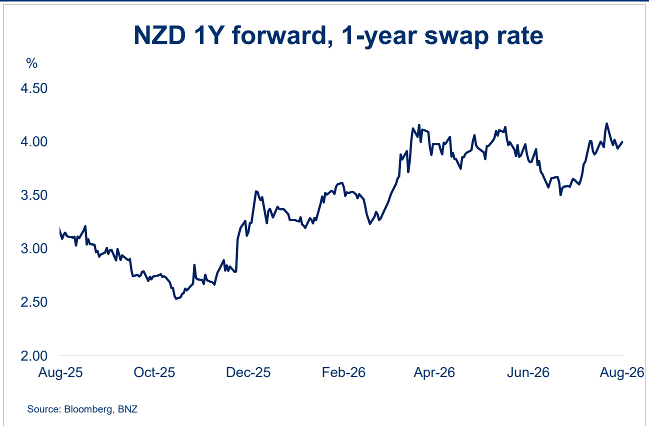
Fixed Interest Market

Reuters: BNZL, BNZM Bloomberg: BNZ

2-year NZ swap rates retraced from cycle highs above 3.80% as Brent crude pulled back from above US$100 per barrel, despite ongoing Middle East tensions and uncertainty over a durable ceasefire. A range of global macro cross currents has impacted NZ fixed income in the absence of fresh first-tier domestic drivers. Oil-price swings remain an important influence on global rates, while the post-FOMC long-end-led selloff in US Treasuries has spilled over into other markets, including NZ.

Market pricing for the implied RBNZ tightening path is little changed, with around 60bp of hikes priced across the remaining three meetings this year and a cumulative 120bp by end-2027. We see downside risk to this implied path tactically, suggesting received 1Y1Y positions remain attractive above 4.0%, particularly given repeated peaks near 4.15% in recent months. The Q2 labour market report is the key domestic release for NZ rates markets in the week ahead, with the unemployment rate expected to edge up to 5.4% while wage growth remains well-contained.

NZ 1Y1Y swap near a series of previous peaks

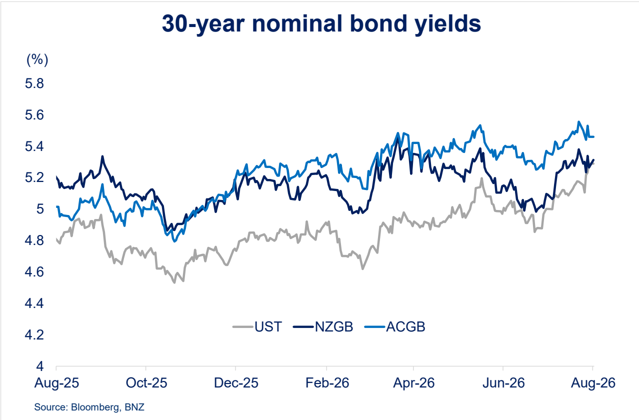


The Fed left rates unchanged last week, as expected. Recent inflation and labour-market data gave the Committee scope to remain patient, although risks are skewed towards tightening if inflation stays sticky and labour-market conditions remain firm. Three dissents in favour of a hike underscored growing discomfort with elevated inflation and showed that a meaningful minority on the FOMC are inclined to tighten. Markets are pricing around a 70% chance of a hike at the September meeting.

The post-Fed steepening in the US Treasury curve pushed the 30-year yield above 5.20%, its highest level since 1997, as investors demanded additional compensation for holding long-duration bonds amid uncertainty over the policy reaction function and limited guidance. Treasuries' central role in fixed-income portfolios means higher US yields tend to lift required term premia across longer-dated global sovereign bonds. This comes as fiscal concerns, elevated issuance and policy uncertainty continue to keep the long end of yield curves under scrutiny.

US Treasury investors are also focused on this week's announcement of government bond auction sizes for the August–October quarter. With long-dated rates at multi-decade highs, policymakers are likely to remain wary of changes that could lift term premia and borrowing costs further. Even so, the prospect that officials may signal higher issuance next year has added upward pressure to yields.

30Y NZGB trades through UST



The spread between near-30-year NZGBs and equivalent-maturity USTs has steadily tightened in recent months. The long end of the NZGB curve has traded towards flat versus the US Treasury curve, marking the tightest relative levels since NZ Debt Management introduced the 30-year maturity in 2021. The NZGB 10Y/30Y curve remains range-bound within a broad +55bp to +65bp band. Current supply-demand dynamics provide little impetus for a sustained breakout, while renewed upward pressure at the long end of global curves is likely to temper enthusiasm for initiating curve-flattening positions.

Current rates and 1-month range

	Current	Last 4-weeks range*
NZ 90d bank bills (%)	2.94	2.55 - 2.94
NZ 2yr swap (%)	3.72	3.32 - 3.81
NZ 5yr swap (%)	4.07	3.67 - 4.15
NZ 10yr swap (%)	4.43	4.03 - 4.51
2s10s swap curve (bps)	71	66 - 73
NZ 10yr swap-govt (bps)	-30	-37 - -29
NZ 10yr govt (%)	4.73	4.43 - 4.72
US 10yr govt (%)	4.73	4.45 - 4.75
NZ-US 10yr (bps)	-1	-7 - 16
NZ-AU 2yr swap (bps)	-83	-111 - -80
NZ-AU 10yr govt (bps)	-20	-40 - -20

*Indicative range over last 4 weeks

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Foreign Exchange Market

Reuters pg BNZWFWDS Bloomberg pg BNZ

The USD was broadly weaker last week following the Fed's policy update. NZD/USD rose 1.7% to fresh two-month highs around 0.5890, capping off a strong July. The JPY was the strongest performer, gaining more than 4% against the USD after official intervention. While NZD/JPY fell 2.2% over the week to 92.8, the NZD strengthened against the other key crosses. It made modest gains against the GBP and EUR, and larger gains of around 1% against the AUD and CAD.

A key driver of FX markets last week was the Fed's policy update. The Fed left policy unchanged at its late-July meeting, with the decision decided by a 9-3 vote and three regional Fed presidents dissenting in favour of a rate increase. None of that was surprising, although the market had priced an unusually notable 30% chance of a hike for the meeting, so the on-hold decision contributed to a weaker USD. However, more damage was done by Fed Chair Warsh who, for a second consecutive meeting, sounded tough on inflation but offered no forward guidance on how the Fed planned to bring it down. In fact, he argued that policy had effectively become more restrictive without a rate hike, given that nominal and real yields had risen materially since the June meeting. This messaging drove the USD lower, with an associated higher risk premium attached to long-term Treasuries.

Another notable FX event was official currency intervention, undertaken jointly by Japan's MoF and the US Treasury. The timing appeared designed to take advantage of a broadly weaker USD and to stave off another possible bout of yen selling pressure ahead of, and immediately after, another BoJ policy update in which rates were left unchanged and policy settings remained ultra-easy. The involvement of the US Treasury gives the intervention a better chance of preventing further yen weakness, but ultimately the best remedy would be for the BoJ to do its job and raise interest rates. For NZD/JPY, our projections targeted 95, which was reached before the intervention. That level should now be considered the top of the range, rather than a mid-point.

A break in military action in the Middle East lasted only a few days. Headlines on the conflict and oscillating oil prices no longer have much impact on the currency market. We think that will remain the case unless oil inventories fall so low that fears of a major global economic impact return. If the conflict subsides enough to allow at least some shipping activity to resume through the Strait of Hormuz, then we might not necessarily reach that danger point.

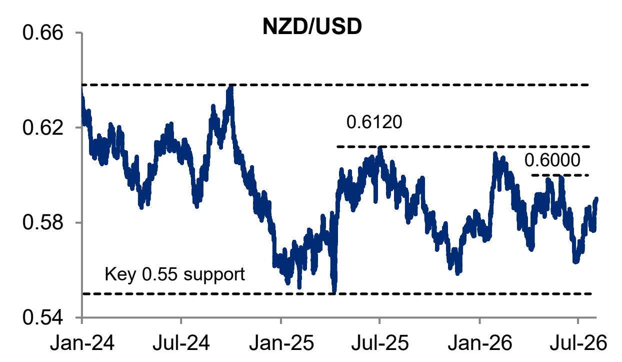
Last week's lift in the NZD took its July gain to 3.7%, recovering some of June's hefty 5% loss. This leaves the NZD around the middle of its 2026 trading range to date. It also leaves the currency still well within the 0.56-0.60 range we suggested for Q3 after our early-July forecast update. We maintain a positive medium-term bias.

Overall, we don't have a strong view on how the NZD will perform through August, with the noted range expected to hold. Seasonally, August and September can be two of the weakest months for the NZD. USD weakness after the Fed's July update simply unwound the strength it saw following the June update. Upcoming US inflation data over the next two monthly reporting cycles, and to a lesser extent labour market data, will be key drivers of Fed policy expectations and the USD outlook.

In the week ahead, the domestic focus will be on labour market data due Wednesday, where the market expects soft employment growth of only 0.1% q/q in Q2 and the unemployment rate to tick up to 5.4%.

In the US, the employment report at the end of the week will garner the most attention. Ahead of that, ISM manufacturing and services data will be released, with particular interest in the inflation indicators in those surveys. Following the Fed's update last week, Fed speakers will be out and about providing their own forward guidance, with more focus than usual given Chair Warsh's reluctance to provide guidance on the Fed's reaction function.

NZD recovers strongly in July after poor June



Source: Bloomberg, BNZ

Cross Rates and Recent Ranges

	Current	Last wk %chg	Last 3-wks range*
NZD/USD	0.5903	1.7%	0.5760 - 0.5900
NZD/AUD	0.8375	1.0%	0.8250 - 0.8390
NZD/CAD	0.8269	1.2%	0.8120 - 0.8270
NZD/GBP	0.4375	0.5%	0.4300 - 0.4380
NZD/EUR	0.5111	0.3%	0.5050 - 0.5150
NZD/JPY	92.74	-2.2%	92.40 - 95.40

*Indicative range over last 3 w eeks, rounded

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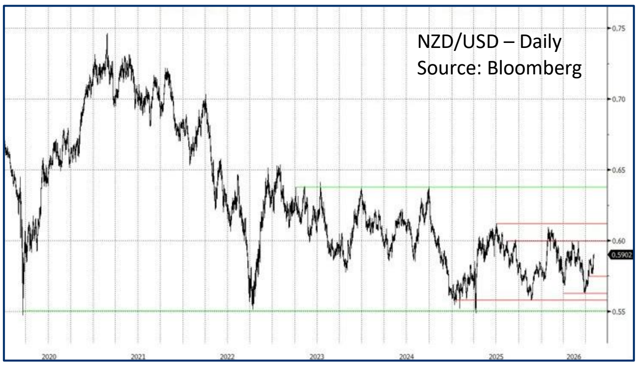
Technicals

NZD/USD

Outlook: Trading range
ST Resistance: 0.60 (ahead of 0.6120)
ST Support: 0.5750 (ahead of 0.5625)

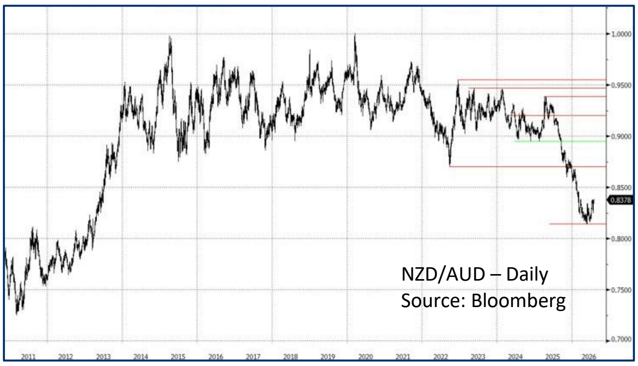
No change, even with last week's bounce. Short-term support sits at 0.5750, while the next resistance level is around 0.60.



NZD/AUD

Outlook: Trading range
ST Resistance: 0.87 (ahead of 0.8950)
ST Support: 0.8140

No change. Looking to be in a consolidation phase. Short-term support at the low near 0.8140 while resistance is still far away at 0.87.



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NZ 5-year Swap Rate

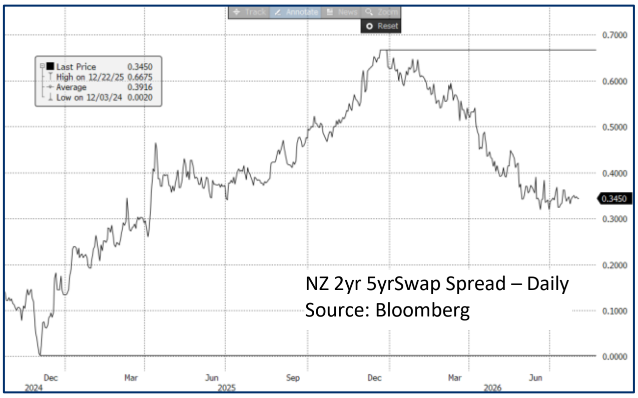
Outlook: Higher
MT Resistance: 4.48
MT Support: 3.65

5-year swap remains highly volatile as last week's new support failed to hold. We retain our higher outlook for the time being.

NZ 2-year - 5-year Swap Spread (yield curve)

Outlook: Neutral
MT Resistance: 0.67
MT Support: 0

2s5s curve remains unchanged on the week as we retain our neutral view.



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Quarterly Forecasts

Forecasts as at 3 August 2026

Key Economic Forecasts

Quarterly % change unless otherwise specified — Forecasts

	Jun-25	Sept-25	Dec-25	Mar-26	Jun-26	Sept-26	Dec-26	Mar-27	Jun-27	Sept-27
GDP (production s.a.)	-0.7	0.9	0.5	0.8	-0.2	0.3	0.6	0.6	0.7	0.7
Retail trade (real s.a.)	0.7	2.0	0.9	0.9	0.4	0.6	0.5	0.6	0.7	0.8
Current account (ann, % GDP)	-3.7	-3.5	-3.6	-3.6	-3.6	-4.2	-4.6	-4.6	-4.4	-4.1
CPI (q/q)	0.5	1.0	0.6	0.9	1.5	0.7	0.7	0.4	0.3	0.6
Employment	-0.2	-0.1	0.5	0.1	0.2	0.3	0.5	0.5	0.6	0.7
Unemployment rate %	5.2	5.3	5.4	5.3	5.4	5.5	5.4	5.4	5.3	5.3
Pr. avg hourly earnings (ann %)	4.6	4.1	3.5	3.5	2.6	2.6	2.7	3.3	3.2	3.2
Trading partner GDP (ann %)	3.4	3.2	3.3	3.6	3.1	2.8	2.6	2.7	2.8	2.8
CPI (y/y)	2.7	3.0	3.1	3.1	4.1	3.7	3.8	3.3	2.1	2.0
GDP (production s.a., y/y)	-0.9	1.1	1.5	1.5	1.9	1.4	1.5	1.2	2.1	2.5

Interest Rates

Historical data - qtr average			Government Stock			Swaps			US Rates		Spread
Forecast data - end quarter		**Cash**	**90 Day Bank Bills**	**5 Year**	**10 Year**	**2 Year**	**5 Year**	**10 Year**	**SOFR 3 month**	**US 10 yr**	**NZ-US Ten year**
2025	**Jun**	3.33	3.38	3.85	4.55	3.19	3.57	4.10	4.30	4.35	0.19
	Sep	3.08	3.09	3.67	4.42	2.99	3.40	3.95	4.20	4.25	0.17
	Dec	2.33	2.51	3.54	4.27	2.71	3.26	3.85	3.80	4.10	0.18
2026	**Mar**	2.25	2.50	3.96	4.52	3.12	3.71	4.15	3.65	4.20	0.33
	Jun	2.25	2.68	3.96	4.47	3.40	3.75	4.15	3.70	4.45	0.00
Forecasts											
	Sep	2.75	3.25	4.10	4.66	3.70	3.90	4.30	3.65	4.50	0.16
	Dec	3.25	3.65	4.35	4.81	4.00	4.15	4.45	3.40	4.50	0.31
2027	**Mar**	3.75	4.05	4.35	4.91	4.00	4.20	4.60	3.15	4.50	0.41
	Jun	4.00	4.15	4.35	4.91	4.00	4.25	4.65	3.15	4.50	0.41
	Sep	4.00	4.15	4.30	4.91	3.95	4.20	4.65	3.15	4.50	0.41
	Dec	4.00	4.15	4.25	4.91	3.85	4.15	4.65	3.15	4.50	0.41
2028	**Mar**	4.00	4.15	4.15	4.91	3.75	4.05	4.65	3.15	4.50	0.41

Exchange Rates (End Period)

	USD Forecasts					NZD Forecasts					
	NZD/USD	**AUD/USD**	**EUR/USD**	**GBP/USD**	**USD/JPY**	**NZD/USD**	**NZD/AUD**	**NZD/EUR**	**NZD/GBP**	**NZD/JPY**	**TWI-17**
Current	0.59	0.70	1.15	1.35	158	0.59	0.84	0.51	0.44	93.0	67.1
Forecasts											
Sept-26	0.57	0.69	1.14	1.32	163	0.57	0.83	0.50	0.43	92.6	65.4
Dec-26	0.59	0.70	1.15	1.32	161	0.59	0.84	0.51	0.45	94.7	67.1
Mar-27	0.60	0.70	1.16	1.33	158	0.60	0.86	0.52	0.45	94.5	67.9
Jun-27	0.61	0.69	1.15	1.32	155	0.61	0.88	0.53	0.46	94.6	69.0
Sept-27	0.61	0.68	1.15	1.31	153	0.61	0.90	0.53	0.46	93.0	69.2
Dec-27	0.61	0.67	1.15	1.32	151	0.61	0.90	0.53	0.46	91.4	68.9
Mar-28	0.61	0.67	1.15	1.32	151	0.61	0.90	0.53	0.46	91.4	68.9
						TWI Weights					
						16.2%	17.8%	9.2%	4.0%	4.7%	

Source for all tables: Stats NZ, Bloomberg, Reuters, RBNZ, BNZ

Annual Forecast

Forecasts as at 3 August 2026	March Years					December Years				
	Actuals			Forecasts		Actuals			Forecasts	
	2024	2025	2026	2027	2028	2023	2024	2025	2026	2027
GDP - annual average % change										
Private Consumption	1.1	0.0	1.4	1.3	2.4	1.1	-0.2	1.4	1.1	2.1
Government Consumption	1.1	-1.3	3.8	1.2	1.0	0.1	-0.9	2.5	2.9	0.4
Total Investment	-1.1	-4.9	-0.2	4.2	3.7	-0.3	-4.8	-1.3	3.2	4.1
Stocks - ppts cont'n to growth	-1.4	0.4	0.3	0.2	-0.1	-1.2	0.4	-0.1	0.5	-0.1
GNE	-0.9	-1.0	1.8	2.3	2.4	-0.7	-1.1	0.9	2.6	2.2
Exports	8.6	3.4	3.3	6.8	3.4	11.5	4.7	2.8	7.1	3.5
Imports	-1.4	1.5	5.4	7.9	2.6	-0.7	1.6	3.3	8.9	3.1
Real Expenditure GDP	1.5	-0.7	1.3	2.0	2.5	2.1	-0.3	0.7	2.2	2.2
GDP (production)	**1.8**	**-0.9**	**0.8**	**1.5**	**2.6**	**2.2**	**-0.3**	**0.3**	**1.6**	**2.2**
GDP - annual % change (q/q)	*1.5*	*-0.8*	*1.5*	*1.2*	*3.0*	*1.5*	*-1.6*	*1.5*	*1.5*	*2.8*
Output Gap (ann avg, % dev)	1.3	-0.4	-0.8	-0.8	-0.2	1.4	0.0	-0.9	-0.7	-0.4
Nominal Expenditure GDP - $bn	417	432	451	472	495	413	427	445	468	489
Prices and Employment -annual % change										
CPI	4.0	2.5	3.1	3.3	2.0	4.7	2.2	3.1	3.8	1.8
Employment	0.9	-0.9	0.4	1.5	2.8	2.6	-1.3	0.2	1.1	2.6
Unemployment Rate %	4.4	5.1	5.3	5.4	4.9	4.0	5.1	5.4	5.4	5.1
Wages - ave. hr. ord. time earnings (private sector)	4.8	3.8	3.5	3.3	3.2	6.6	4.0	3.5	2.7	3.2
Productivity (ann av %)	-0.6	0.1	1.2	0.3	0.2	-0.8	0.1	1.2	0.6	0.1
Unit Labour Costs (ann av %)	6.6	4.4	2.5	2.8	3.1	7.1	4.7	2.9	2.4	3.2
House Prices (stratified, mth)	2.7	-0.7	0.2	-0.7	4.3	0.7	-0.8	-0.3	0.0	3.0
External Balance										
Current Account - $bn	-23.8	-18.3	-16.3	-21.7	-17.6	-25.8	-20.0	-16.0	-21.7	-18.4
Current Account - % of GDP	-5.7	-4.2	-3.6	-4.6	-3.6	-6.3	-4.7	-3.6	-4.6	-3.8
Government Accounts - June Yr, % of GDP										
OBEGAL ex ACC (core op. balance) (Treasury forecasts)	-3.1	-3.2	-2.6	-2.4	-0.8					
Net Core Crown Debt (ex NZS) (Treasury forecasts)	41.7	41.9	42.4	45.6	46.1					
Bond Programme - $bn (Treasury forecasts)	39.3	42.6	35.0	34.0	32.0					
Bond Programme - % of GDP	9.4	9.9	7.8	7.2	6.5					
Financial Variables (1)										
NZD/USD	0.61	0.57	0.58	0.60	0.61	0.62	0.57	0.58	0.59	0.61
USD/JPY	150	149	159	158	150	144	154	156	161	151
EUR/USD	1.09	1.08	1.16	1.16	1.14	1.09	1.05	1.17	1.15	1.15
NZD/AUD	0.93	0.91	0.83	0.86	0.90	0.93	0.91	0.87	0.84	0.90
NZD/GBP	0.48	0.44	0.44	0.45	0.47	0.49	0.45	0.43	0.45	0.46
NZD/EUR	0.56	0.53	0.51	0.52	0.54	0.57	0.55	0.49	0.51	0.53
NZD/YEN	91.1	85.4	92.8	94.5	91.5	89.5	88.4	90.3	94.7	91.4
TWI	71.2	67.9	66.8	67.9	69.4	72.0	68.5	66.8	67.1	68.9
Overnight Cash Rate (end qtr)	5.50	3.75	2.25	3.75	4.00	5.50	4.25	2.25	3.25	4.00
90-day Bank Bill Rate	5.64	3.60	2.50	4.05	4.15	5.63	4.26	2.49	3.65	4.15
5-year Govt Bond	4.60	4.00	4.10	4.35	4.15	4.50	3.90	3.90	4.35	4.25
10-year Govt Bond	4.60	4.50	4.65	4.90	4.90	4.65	4.45	4.50	4.80	4.90
2-year Swap	4.91	3.35	3.32	4.00	3.75	4.93	3.53	2.98	4.00	3.85
5-year Swap	4.40	3.65	3.87	4.20	4.05	4.43	3.63	3.61	4.15	4.15
US 10-year Bonds	4.20	4.25	4.25	4.50	4.50	4.00	4.40	4.15	4.50	4.50
NZ-US 10-year Spread	0.40	0.25	0.40	0.40	0.40	0.65	0.05	0.35	0.30	0.40

(1) *Average for the last month in the quarter*

Source: Statistics NZ, BNZ, RBNZ, NZ Treasury

Key Upcoming Events

All times and dates NZT

		Median	Fcast	Last
	Monday 03 August			
CH	RatingDog China PMI Mfg Jul	52		51.7
EC	S&P Global Eurozone Manufacturing PMI Jul F	52		52
UK	S&P Global UK Manufacturing PMI Jul F	52.8		52.8
	Tuesday 04 August			
US	S&P Global US Manufacturing PMI Jul F	53.8		53.8
US	ISM Manufacturing Jul	53.9		53.3
US	Construction Spending MoM Jun	0.20%		0.10%
AU	Household Spending YoY Jun	5.30%		5.50%
AU	Household Spending MoM Jun	0.20%	0.80%	1.30%
	Wednesday 05 August			
NZ	GDT dairy auction			1.50%
US	Trade Balance Jun	-$73.0b		-$77.6b
US	Factory Orders Jun	0.20%		-1.30%
US	JOLTS Job Openings Jun	7501k		7594k
US	JOLTS Job Openings Rate Jun	4.40%		4.60%
US	Durable Goods Orders Jun F	0.30%		0.30%
NZ	Employment Change QoQ 2Q	0.10%	0.20%	0.20%
NZ	Unemployment Rate 2Q	5.40%	5.40%	5.30%
NZ	Pvt Wages Ex Overtime QoQ 2Q	0.60%	0.70%	0.50%
AU	S&P Global Australia PMI Services Jul F			53
JN	Scheduled Full-Time Pay - Same Base YoY Jun	2.70%		2.40%
JN	Cash Earnings - Same Sample Base YoY Jun	3.10%		2.90%
JN	BOJ Minutes of June Meeting			
US	Fed's Schmid speaks			
NZ	ANZ Commodity Price MoM Jul			-1.00%
GE	S&P Global Germany Services PMI Jul F	49.6		49.6
EC	S&P Global Eurozone Services PMI Jul F	51.6		51.6
UK	S&P Global UK Services PMI Jul F	51.8		51.8
	Thursday 06 August			
US	ADP Employment Change Jul	68k		98k
US	S&P Global US Services PMI Jul F	53.6		53.6
US	ISM Services Prices Paid Jul	65		67.7
US	Fed's Cook speaks			
US	Fed's Daly speaks			
AU	Trade Balance Jun	-A$1080m		-A$3018m
AU	Exports MoM Jun			-6.90%
AU	Imports MoM Jun			2.60%
GE	Factory Orders MoM Jun	0.50%		1.90%
EC	Retail Sales MoM Jun	0.10%		0.20%
US	Challenger Job Cuts Total Jul			45849
	Friday 07 August			
US	Initial Jobless Claims August-1	202k		197k
US	Initial Claims 4-Wk Moving Avg August-1			202.75k
US	Continuing Claims July-25	1783k		1782k
CA	S&P Global Canada Services PMI Jul			47.1
CA	S&P Global Canada Composite PMI Jul			47.9
US	Wholesale Trade Sales MoM Jun			3.40%
US	Fed's Musalem speaks			
JN	Household Spending YoY Jun	0.90%		-0.40%
GE	Trade Balance SA Jun	17.0b		19.1b
GE	Industrial Production SA MoM Jun	0.10%		0.90%
CH	Trade Balance CNY Jul			859.05b
	Saturday 08 August			
US	Change in Nonfarm Payrolls Jul	85k		57k
US	Unemployment Rate Jul	4.20%		4.20%
US	Fed's Barkin speaks			
US	NY Fed 1-Yr Inflation Expectations Jul			3.67%
	Sunday 09 August			
US	Fed's Bowman speaks			
CH	PPI YoY Jul	3.80%		4.10%
CH	CPI YoY Jul	0.80%		1.00%
CH	CPI Core YoY Jul			1.00%

Historical Data

	Today	Week Ago	Month Ago	Year Ago
CASH AND BANK BILLS				
Call	2.50	2.50	2.25	3.25
1mth	2.71	2.70	2.63	3.24
2mth	2.83	2.81	2.69	3.20
3mth	2.95	2.91	2.75	3.15
6mth	3.17	3.15	2.96	3.13
GOVERNMENT STOCK				
05/28	3.61	3.67	3.33	3.39
05/31	4.15	4.20	3.88	3.97
04/33	4.38	4.42	4.13	4.25
05/36	4.67	4.71	4.42	4.58
05/41	5.04	5.07	4.80	4.97
05/54	5.27	5.30	5.06	5.18
GLOBAL CREDIT INDICES (ITRXX)				
Nth America 5Y	53	53	50	52
Europe 5Y	54	54	50	56

	Today	Week Ago	Month Ago	Year Ago
SWAP RATES				
2 years	3.71	3.72	3.35	3.10
3 years	3.85	3.86	3.48	3.23
4 years	3.96	3.97	3.59	3.36
5 years	4.06	4.06	3.69	3.49
10 years	4.42	4.41	4.07	4.02
FOREIGN EXCHANGE				
NZD/USD	0.5900	0.5774	0.5701	0.5908
NZD/AUD	0.8371	0.8260	0.8197	0.9135
NZD/JPY	92.84	94.54	92.40	86.89
NZD/EUR	0.5109	0.5079	0.4984	0.5105
NZD/GBP	0.4371	0.4345	0.4258	0.4447
NZD/CAD	0.8267	0.8155	0.8099	0.8139
TWI	67.1	66.4	65.4	68.6

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