Research

Markets Outlook

10 August 2026

More service sector jobs needed

- **Housing market moribund**
- **Weighing on wealth**
- **Inflation expectations contained**
- **Is PMI strength sustainable?**
- **Services struggling to gain momentum**

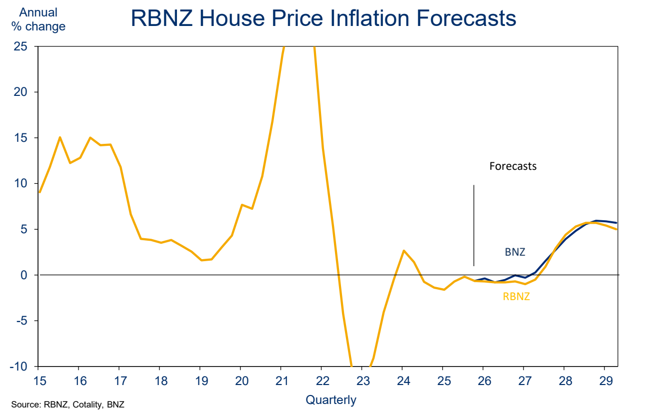
The New Zealand housing market remains in the doldrums. And there appears little respite ahead thanks to a combination of: inflationary pressure on real disposable incomes; rising unemployment; supply increases; poor rental returns; General Election uncertainty; and the gradual removal of monetary stimulus. That's why we are forecasting next-to-no increase in prices over the remainder of this year.

There are many who believe there is no chance of an economic recovery in New Zealand without house price gains. We are not of that view and point to a plethora of indicators that show the economy is already gaining some momentum thanks largely to strong commodity prices, solid export volumes, accelerating infrastructure growth and the lagged impacts of monetary policy. We say this knowing that Q2 GDP will possibly print with a negative sign in front of it and acknowledging that for many the tangible benefits of any such growth will still be some time away.

What we can say, however, is that consumer spending will not lead this growth phase and that one of the reasons for such will be the lack of a positive wealth effect from the housing market.

We are comfortable with the housing market going sideways as its correction to more affordable levels becomes more concrete. And, it would appear that the Reserve Bank is similarly relaxed in predicting annual house price inflation to remain negative right through to the third quarter of 2027. This is important because it means the RBNZ's forecast intent to progressively raise its OCR back towards neutral will not be dissuaded by a modicum of ongoing softness in the housing market.

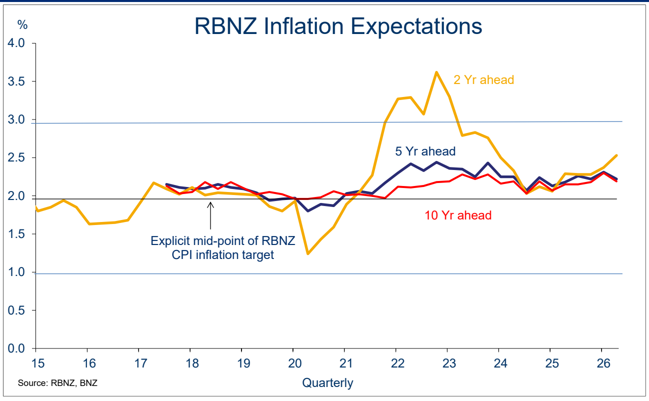
Going nowhere fast



Nonetheless, was house price inflation to turn more negative than expected this would weigh on future decisions. With this in mind, we were interested to learn this morning that Cotality's house price index fell 1.5% in the three months ended July to be 1.2% down on year earlier levels. This does not raise alarm but, mindful of the possible impact of election uncertainty on the housing market, we think house prices may deserve a bit more attention by market watchers than has been the case of late. Typically, September quarter house price movements are more robust than the seasonally weak June quarter. For this to be so in 2026 some upward movement in prices might be needed in August and September to be consistent with the RBNZ's expectation that prices fell 0.8% in the year to September. Similarly for our own views on the market which are very close to the central bank's.

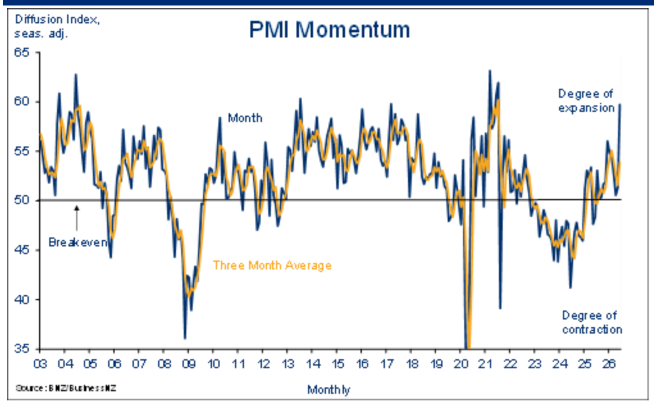
More immediately, though, market attention will be drawn to Thursday's RBNZ inflation expectations release. There was a time when any deviation from 2.0% used to give the Reserve Bankers conniptions. The current lot seem to be a little more pragmatic. They'd probably like to see a drop in two-year expectations from the 2.53% reported for last quarter but should be comfortable if the 2.22% and 2.19% for the five-year and ten-year, respectively, are repeated.

Broadly contained



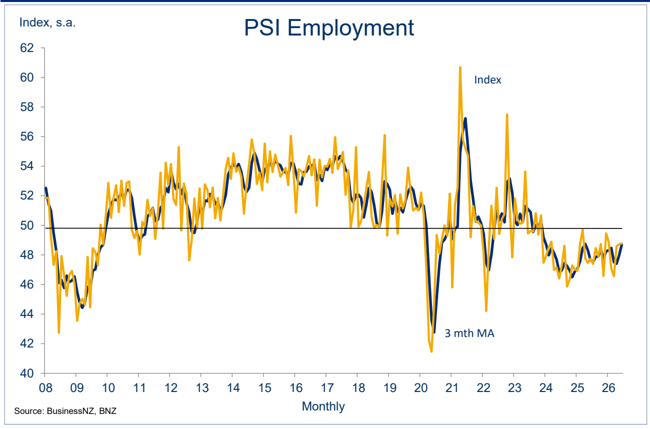
For us, most interest will be on Friday's Performance of Manufacturing Index (PMI) and its Services (PSI) sibling Monday 17th. We'd be surprised if the PMI was to replicate June's strength, which had a headline reading of 59.7, but anything in the mid-50s would be a sign that there is genuine momentum in the sector. Of greatest interest to us will be to see if employment can remain solid. We'll also be having a close look to see how the non-metallic mineral product industry is faring. This indicator should, in theory, be a good check on the status of the broader building sector. Last month it was the only industry to report a sub-50 reading. Indeed at 41.1 it suggested an industry that remains under significant stress. Incidentally, Wednesday's Q2 concrete production data will provide further, albeit lagged, insight.

Repeat a big ask



The PSI poked its head above 50 for the first time in five months in June. We are hoping for a further leg up in July albeit that any advance is likely to be only modest. Of most importance here is employment which has been sub-50 for 31 consecutive months! Given the size of New Zealand's services sector, there is little chance of the unemployment rate falling until meaningful services' job growth returns.

More jobs needed



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Global Watch

- **US core CPI annual inflation seen ticking lower**
- **PPI data will firm up estimates for core PCE**
- **RBA seen on hold at 4.35% tomorrow**
- **EZ and UK GDP data due**

Attention turns to inflation in the US, after last week's job's report saw falls in non-farm payrolls and a lower unemployment rate. For July's inflation figures, consensus looks for a 0.2% m/m for core CPI on Wednesday. Good news would keep the Fed on hold, but any upside surprise would fuel pricing that the committee will tilt to a hike in September. There is currently 11bp priced. July's PPI on Thursday rounds out the inflation picture. Retail Sales are due on Friday.

The RBA's August decision is due tomorrow afternoon. NAB expects a hold, as does the wide consensus. Markets see some chance of a hike over the coming six months. NAB expects the next move from the RBA will ultimately be down, but it doesn't expect the RBA to push back against market pricing tomorrow. New SoMP forecasts are also published alongside the decision. Also in Australia, the NAB Business Survey is released on Tuesday. Governor Bullock appears before the House of Representatives Standing Committee on Economics Friday and Assistant Governor Kent appears Thursday. Q2 lending commitments are expected to show another decline Friday.

In Japan, there is June's BoP data and July's PPI, but the yen will remain in focus for whether it holds on to its gains following the Japan and US intervention late last week. In China, July's credit growth data is expected at some point during the week.

The Eurozone calendar sees the second estimate of Q2 GDP, June IP data, Q2 employment, and final country level CPIs feature. Nearby, Norges Bank is seen on hold Thursday. In the UK, Q2 GDP data Thursday will be flattered by strong momentum leaving Q1. The BoE forecast a 0.3% qoq gain, as do NAB, but the risk sits with an outcome marginally stronger.

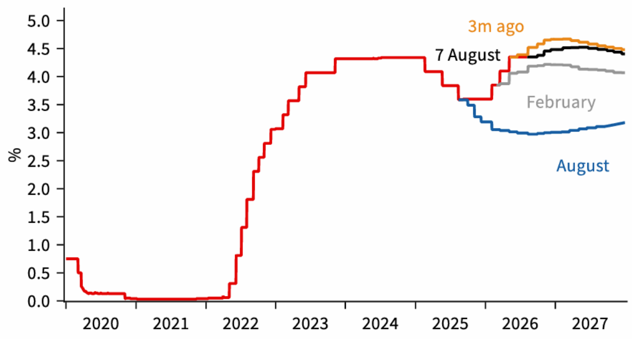
Key Event Previews

Tuesday

AU RBA August Meeting & SoMP

NAB expects the RBA to hold rates at 4.35%, in line with consensus and market pricing. NAB's view has been that the RBA would need a push to deliver further tightening, and the net of the data flow since May has not given them that push. Unemployment is a little above the Bank's forecast and underlying inflation marginally lower than feared. Activity data has evolved broadly in line with the RBA's forecasts. Consumption has shown some recent resilience, fuel prices are higher again and a more material housing cycle than the RBA pencilled in in May should leave the Bank's forecast for below trend growth intact despite a cash rate assumption that will build in one less hike than the May profile assumed. NAB expects the next move will ultimately be down, but inflation risks do remain elevated. Governor Bullock provided a reasonably balanced assessment of the risks in a recent speech, but at least one hawkish dissent would support market pricing that the risk sits with another hike by the end of the year.

RBA Market Expectations



Source: National Australia Bank, Bloomberg

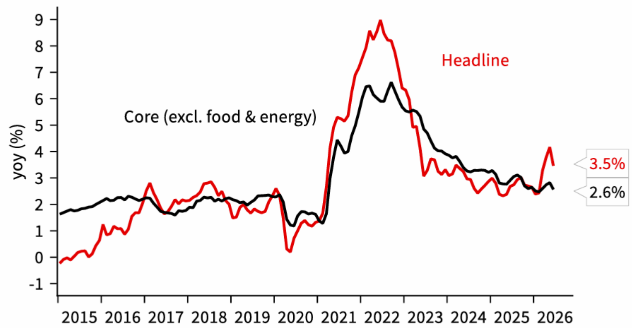
Wednesday

US CPI

The FOMC needs to see progress on inflation data to remain on hold. The June CPI was benign enough for the majority to prefer a hold last meeting. July and August inflation data will influence September's decision.

Lower gas prices will help this week's July headline, while the early consensus looks for another tick lower in the year-ended core measure, to 2.5% from 2.6%, on a 0.2% m/m gain. Importantly, PPI data Thursday will firm up estimates for core PCE, which continues to run hot relative to CPI.

US CPI inflation

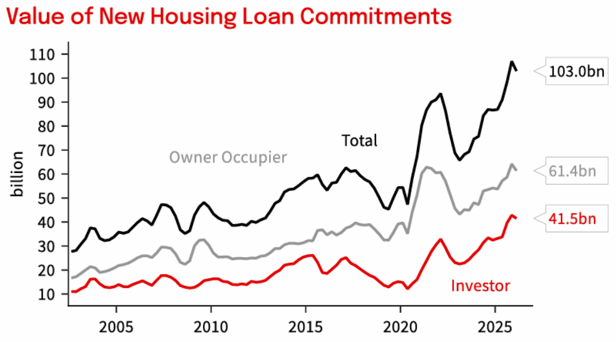


Source: National Australia Bank, U.S. Bureau of Labor Statistics (BLS), Macrobond

Friday

AU New Loan Commitments

Q2 data for new loan commitments will capture the earlier phase of the housing market slowdown. The data reflects the Q2 average, so is already somewhat dated given the broadening in the housing slowdown seen over recent months. Regardless, it is likely to show a second consecutive fall in new lending commitments, following the sharp acceleration in commitments in H2 last year.



Source: National Australia Bank, Australian Bureau of Statistics
Notes: Excludes refinancing.

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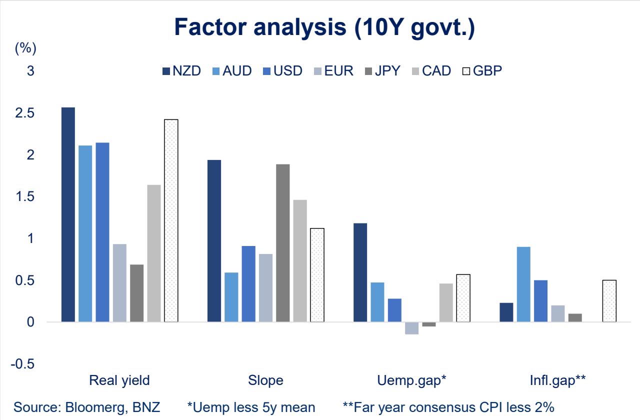
Fixed Interest Market

Reuters: BNZL, BNZM Bloomberg:BNZ

Since retracing from cycle highs in late July, NZ short-end rates have shown little directional bias, with few domestic drivers to shift expectations for the RBNZ tightening path. September OIS pricing continues to imply around a 90% chance of a 25bp hike, while the lower probability attached to the October Review than to adjacent meetings remains difficult to reconcile. Explanations based on the election timing, or the fact it is a Policy Review rather than a full MPS, are not especially convincing. Mixed Q2 labour-market data did little to challenge the recent decline in yields. We continue hold a tactical downside bias for short-end rates.

Cross market comparison for 10Y sovereign bonds

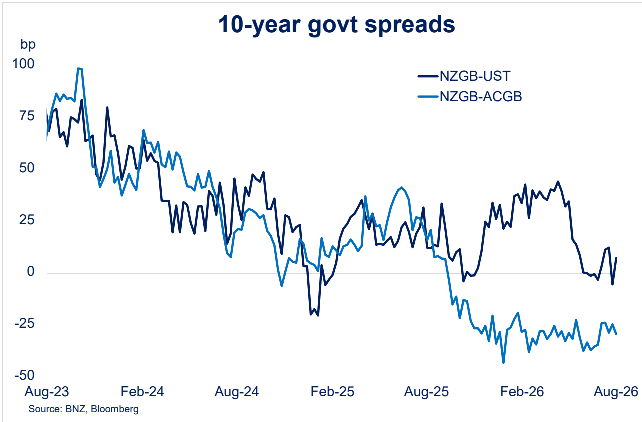


Although the unemployment rate provides only a partial read on labour-market conditions, its rise to a new 10-year high in Q2 contrasts with trends in other developed economies. It is likely to remain important for fixed income investors using relative spare capacity as an input into cross-market positioning. The NZ unemployment rate increase reflected stronger labour-force participation, even as employment growth easily exceeded expectations. Meanwhile, annual LCI wage inflation remained steady at 2.0%, consistent with the RBNZ's inflation target.

There is little remaining first-tier domestic data ahead of the 2 September RBNZ meeting, suggesting the NZ market will stay focused on global developments. Q3 inflation expectations will be closely watched this week, with the central bank alert to any signs that several quarters of headline CPI at or above the top of the target band are feeding into expectations. Other inputs ahead of the meeting include the monthly PMIs — with the manufacturing gauge released this week — and July partial inflation indicators.

NZ government bond cross-market spreads against key comparison markets, including US Treasuries and ACGBs, remain historically tight. However, they do not appear materially out of line with their typical relationship to the expected path of relative central bank policy rates. The 10-year NZGB-UST spread is close to flat, while our model estimates suggest current market-implied policy rates would be consistent with a spread closer to +15bp.

NZGB 10Y cross-market spreads remain tight



Expectations for Fed tightening were pared back after weaker-than-expected July labour-market data. Nonfarm payrolls fell well short of consensus, alongside sizeable downward revisions to prior months. The data should leave the Fed less inclined to raise rates as policymakers weigh still-elevated inflation against rising downside risks to employment. This week's CPI report will be an important input into the September FOMC decision, although officials will also have August data before the meeting.

Reflecting the softer payrolls data, markets now price around 11bp of Fed tightening for September, down from 14bp beforehand, and a cumulative 28bp by the December FOMC. We expect the Fed to leave rates on hold this year. If correct, that should see 10Y NZGB-UST spreads find a base near current levels.

Current rates and 1-month range

	Current	Last 4-weeks range*
NZ 90d bank bills (%)	2.94	2.55 - 2.95
NZ 2yr swap (%)	3.67	3.51 - 3.81
NZ 5yr swap (%)	4.03	3.84 - 4.15
NZ 10yr swap (%)	4.41	4.21 - 4.51
2s10s swap curve (bps)	75	69 - 75
NZ 10yr swap-govt (bps)	-28	-37 - -28
NZ 10yr govt (%)	4.70	4.59 - 4.72
US 10yr govt (%)	4.65	4.51 - 4.75
NZ-US 10yr (bps)	5	0 - 16
NZ-AU 2yr swap (bps)	-89	-98 - -80
NZ-AU 10yr govt (bps)	-32	-31 - -19

*Indicative range over last 4 weeks

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Foreign Exchange Market

Reuters pg BNZWFWDS Bloomberg pg BNZ

Currency markets showed only modest movement last week. NZD/USD was confined to a range of just half a cent and posted only a marginal gain for the week, closing just below 0.59. NZD cross-rate movements were all contained within plus or minus ½%. The NZD slightly underperformed other commodity currencies, nudging lower after NZ labour market data that the market interpreted as weaker than expected. NZD/JPY posted a marginal rise to 93.0, with no further official intervention to support the yen.

Currency volatility remains suppressed, as reflected in last week's modest moves across most major currencies, including the NZD. NZD three-month implied volatility is trading at the bottom end of its five-year range and, even over a longer timeframe, currency volatility remains unusually low (see chart). The NZD has traded within a relatively narrow 4½-cent range so far in 2026, from 0.5625 to 0.6090 on rounded figures. Suppressed implied volatility means option premiums are unusually cheap relative to recent history. For NZ corporates or fund managers, this lowers the upfront cost of buying FX protection and improves the relative appeal of option-based hedging strategies.

Key labour market data in the US and NZ were mixed. In the US, the unemployment rate surprisingly fell to 4.1%, as weaker labour force participation more than offset very soft employment growth. In NZ, the opposite occurred: the unemployment rate unexpectedly rose to 5.6%, as stronger labour force participation more than offset solid employment growth.

These data highlighted the key role being played by labour supply dynamics. Interestingly, in both cases, the market pared expectations for rate hikes this year after the data releases. In the US, the market focused more on the soft employment figures, while in NZ it focused on the rise in the unemployment rate. Some currency market reaction was evident, but not enough to be considered significant. Our views on the Fed and RBNZ are unchanged. Any Fed rate hikes this year are seen as a risk rather than our central forecast, while we still see a strong case for significant OCR hikes in NZ. An expected lift in NZ-US rate spreads over time underpins our constructive medium-term NZD/USD outlook.

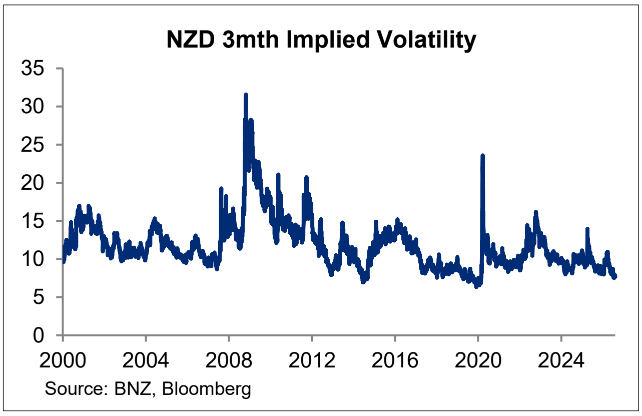
Against the backdrop of low currency volatility, we do not see any need to change our NZD outlook. We continue to see the Q3 trading range at 0.56–0.60. Technically, the NZD met resistance just below 0.5910 last week, which we would mark as the first resistance level, ahead of just below 0.60. The first support level remains at 0.5750. Looking further ahead, we still see a clear pathway for the NZD to return to 0.60 on a sustained basis, with timing the key question. This appears more likely next year than this year.

Near-term headwinds for the NZD include the typical negative seasonal forces through August and September, as well as the looming November general election. Recent political polls suggest a tight race between two opposing centre-left and centre-right coalition groupings. If the polls remain close, uncertainty around a possible change of government could lead to a hiatus in activity and temporary downside pressure on the NZD, as was the case during the last close election in 2017.

In the week ahead, the RBA meets, with the market assigning little chance to a rate hike, although a tightening bias is likely to remain. In addition to the post-meeting press conference, Governor Bullock will also appear before lawmakers the following day. In the US, CPI, PPI, and retail sales data are due, with the CPI figures having the greatest potential to trigger a market reaction if there is an upside or downside surprise. There is a strong consensus for a 0.2% m/m core CPI print and, if realised, that would not be seen as a smoking gun for a September Fed rate hike.

Domestically, the RBNZ's inflation expectations survey and the manufacturing PMI are the key releases.

NZD volatility suppressed; at a 5-year low



Cross Rates and Recent Ranges

	Current	Last wk %chg	Last 3-wks range*
NZD/USD	0.5902	0.1%	0.5760 - 0.5910
NZD/AUD	0.8347	-0.4%	0.8250 - 0.8390
NZD/CAD	0.8232	-0.4%	0.8120 - 0.8300
NZD/GBP	0.4372	0.0%	0.4330 - 0.4390
NZD/EUR	0.5104	-0.1%	0.5050 - 0.5150
NZD/JPY	93.09	0.2%	91.70 - 95.40

*Indicative range over last 3 w eeks, rounded

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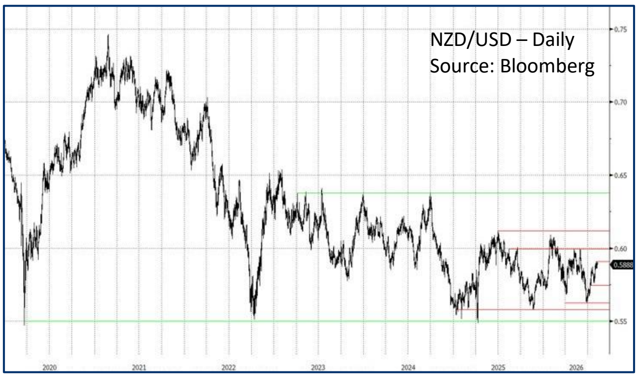
Technicals

NZD/USD

Outlook:	Trading range
ST Resistance:	0.5910 (ahead of 0.60)
ST Support:	0.5750 (ahead of 0.5625)

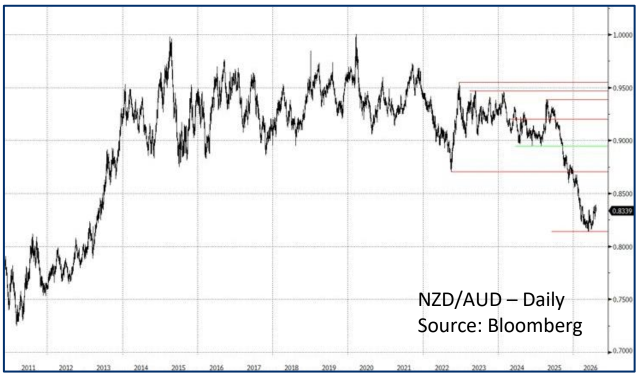
Price action through July so far suggests some resistance around 0.59-0.5910. A clear break of that level would open up 0.60 as the next resistance level. The first support level is around 0.5750.



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

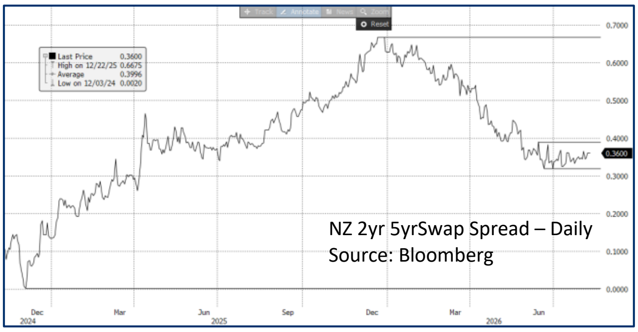
Outlook:	Neutral
MT Resistance:	4.48
MT Support:	3.65

New support was broken immediately last week as 5y swap retraced back towards 4%. We widen out our range as new support arrives at 3.65% and switch our bias to neutral.

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

Outlook:	Neutral
MT Resistance:	0.67
MT Support:	0

2s5s curve remains sticky in a very tight range of 32bp to 39bp. A break from this range may determine some directionality going forward.



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Quarterly Forecasts

Forecasts as at 10 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	-4.7	-4.7	-4.6	-4.3
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	0.0	0.5	0.2	0.5	0.4	0.5	0.5	0.6	0.7
Unemployment rate %	5.2	5.3	5.4	5.4	5.6	5.6	5.5	5.5	5.4	5.3
Pr. avg hourly earnings (ann %)	4.6	4.1	3.5	3.5	3.0	3.1	3.2	3.8	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	3.65	4.50	0.31
2027	**Mar**	3.75	4.05	4.35	4.91	4.00	4.20	4.60	3.65	4.50	0.41
	Jun	4.00	4.15	4.35	4.91	4.00	4.25	4.65	3.65	4.50	0.41
	Sep	4.00	4.15	4.30	4.91	3.95	4.20	4.65	3.65	4.50	0.41
	Dec	4.00	4.15	4.25	4.91	3.85	4.15	4.65	3.65	4.50	0.41
2028	**Mar**	4.00	4.15	4.15	4.91	3.75	4.05	4.65	3.65	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	0.71	1.16	1.35	158	0.59	0.83	0.51	0.44	93.0	66.9
Forecasts											
Sept-26	0.57	0.69	1.14	1.32	163	0.57	0.83	0.50	0.43	93.0	65.7
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	68.8
Mar-28	0.61	0.67	1.15	1.32	151	0.61	0.90	0.53	0.46	91.4	68.8
						TWI Weights					
						16.2%	17.8%	9.2%	4.0%	4.7%	

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

Annual Forecasts

Forecasts as at 10 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	1.0	-0.9	0.5	1.9	2.8	2.6	-1.3	0.2	1.6	2.6
Unemployment Rate %	4.4	5.2	5.4	5.5	5.0	4.0	5.1	5.4	5.5	5.1
Wages - ave. hr. ord. time earnings (private sector)	4.8	3.8	3.5	3.8	3.2	6.6	4.0	3.5	3.2	3.2
Productivity (ann av %)	-0.6	0.1	1.2	0.1	0.1	-0.8	0.1	1.2	0.4	0.0
Unit Labour Costs (ann av %)	6.6	4.4	2.5	3.1	3.1	7.1	4.7	2.9	2.6	3.3
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	-22.3	-18.6	-25.8	-20.0	-16.0	-22.0	-19.4
Current Account - % of GDP	-5.7	-4.2	-3.6	-4.7	-3.7	-6.3	-4.7	-3.6	-4.7	-4.0
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	68.8
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 10 August			
JN	BOJ Summary of Opinions (July MPM)			
JN	Eco Watchers Survey Outlook SA Jul	46.1		45.7
EC	Sentix Investor Confidence Aug	-0.5		-3.1
CH	New Yuan Loans CNY YTD Jul	10620.0b		10720.0b
CH	Aggregate Financing CNY YTD Jul	21925.0b		20840.0b
	Tuesday 11 August			
US	Fed's Hammack speaks			
UK	BRC Sales Like-For-Like YoY Jul	1.50%		1.70%
AU	NAB Business Confidence Jul			-5
AU	RBA Cash Rate Target August-11	4.35%	4.35%	4.35%
US	NFIB Small Business Optimism Jul	97.4		97.4
	Wednesday 12 August			
US	ADP Weekly Employment Change July-25			15.000k
US	Existing Home Sales Jul	4.05m		4.09m
US	New York Fed Credit Report			
NZ	Concrete production			
GE	CPI YoY Jul F	2.80%		2.80%
	Thursday 13 August			
US	Core CPI YoY Jul	2.50%		2.60%
AU	RBA's Kent speaks			
NZ	2Yr Inflation Expectation 3Q			2.53%
UK	GDP QoQ 2Q P	0.40%		0.60%
UK	Monthly GDP (MoM) Jun	-0.10%		0.10%
UK	Industrial Production MoM Jun	0.10%		-0.50%

		Median	Fcast	Last
UK	Manufacturing Production MoM Jun	-0.10%		0.10%
UK	Trade Balance GBP/Mn Jun	-£2700m		-£1044m
EC	Industrial Production SA MoM Jun	0.00%		-0.20%
	Friday 14 August			
US	Fed's Hammack speaks			
US	Initial Jobless Claims August-8	202k		199k
US	Initial Claims 4-Wk Moving Avg August-8			198.75k
US	Continuing Claims August-1	1795k		1801k
US	PPI Ex Food and Energy YoY Jul	4.10%		4.70%
US	Barkin speaks			
NZ	BusinessNZ Manufacturing PMI Jul			59.7
NZ	Net Migration, sa Jun			1860
AU	RBA's Bullock testimony			
AU	Home Loans Value QoQ 2Q	-5.30%		-3.80%
NZ	Household inflation expectations 3Q			
EC	GDP SA QoQ 2Q S	0.40%		0.40%
EC	Trade Balance SA Jun			-5.0b
EC	Employment YoY 2Q P			0.50%
	Saturday 15 August			
US	Retail Sales Advance MoM Jul	0.10%		0.20%
US	Retail Sales Ex Auto MoM Jul	0.20%		-0.20%
US	Retail Sales Control Group Jul	0.30%		0.50%
US	U. of Mich. Sentiment Aug P	54.7		55.2
US	Business Inventories Jun	0.10%		0.30%

Historical Data

	Today	Week Ago	Month Ago	Year Ago
CASH AND BANK BILLS				
Call	2.50	2.50	2.50	3.25
1mth	2.73	2.71	2.70	3.19
2mth	2.83	2.83	2.77	3.17
3mth	2.94	2.95	2.85	3.14
6mth	3.15	3.17	3.04	3.13
GOVERNMENT STOCK				
05/28	3.59	3.64	3.56	3.36
05/31	4.16	4.21	4.08	3.93
04/33	4.41	4.44	4.33	4.20
05/36	4.71	4.74	4.61	4.51
05/41	5.10	5.11	5.00	4.92
05/54	5.33	5.33	5.26	5.14
GLOBAL CREDIT INDICES (ITRXX)				
Nth America 5Y	51	51	52	51
Europe 5Y	51	52	53	53

	Today	Week Ago	Month Ago	Year Ago
SWAP RATES				
2 years	3.67	3.71	3.61	3.05
3 years	3.81	3.86	3.73	3.17
4 years	3.93	3.97	3.83	3.30
5 years	4.03	4.07	3.93	3.43
10 years	4.41	4.45	4.27	3.95
FOREIGN EXCHANGE				
NZD/USD	0.5889	0.5871	0.5750	0.5938
NZD/AUD	0.8334	0.8387	0.8312	0.9117
NZD/JPY	92.88	92.27	93.39	87.97
NZD/EUR	0.5094	0.5101	0.5052	0.5113
NZD/GBP	0.4366	0.4371	0.4308	0.4421
NZD/CAD	0.8214	0.8246	0.8138	0.8182
TWI	66.9	66.9	66.4	68.7

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