Research

Markets Today

1 May 2026

Events Round-Up

NZ: ANZ activity outlook (net%), Apr: 19.6 vs. 39.3 prev.

CH: Manufacturing PMI, Apr: 50.3 vs. 50.1 exp.

CH: Non-manufacturing PMI, Apr: 49.4 vs. 49.8 exp.

CH: RatingDog PMI manufacturing, Apr: 52.2 vs. 51.0 exp.

GE: Unemployment rate (%), Apr: 6.4 vs. 6.3 exp.

GE: GDP (q/q%), Q1: 0.3 vs. 0.1 exp.

EA: GDP (q/q%), Q1: 0.1 vs. 0.2 exp.

EA: CPI (y/y%), Apr: 3.0 vs. 3.0 exp.

EA: CPI core (y/y%), Apr: 2.2 vs. 2.2 exp.

EC: Unemployment rate (%), Mar: 6.2 vs. 6.2 exp.

UK: Bank of England Bank Rate (%), Apr: 3.75 vs. 3.75 exp.

EC: ECB Deposit Facility Rate, Apr: 2.0 vs. 2.0 exp.

CA: GDP (m/m%), Feb: 0.2 vs. 0.2 exp.

US: Personal income (m/m%), Mar: 0.6 vs. 0.3 exp.

US: Real personal spending (m/m%), Mar: 0.2 vs. 0.3 exp.

US: Core PCE deflator (m/m%), Mar: 0.3 vs. 0.3 exp.

US: Core PCE deflator (y/y%), Mar: 3.2 vs. 3.2 exp.

US: Initial Jobless Claims, wk to 25-Apr: 189 vs. 213 exp.

US: Employment cost index (q/q%), Q1: 0.9 vs. 0.8 exp.

US: GDP (ann'lsd q/q%), Q1: 2.0 vs. 2.3 exp.

US: Chicago PMI, Apr: 49.2 vs. 54.9 exp.

Good Morning

Risk sentiment improved overnight despite the lack of positive news coming out of the Middle East. We await President Trump's next move in the region to break the deadlock. US equities show strong gains to a fresh record high, buoyed by strong earnings from IT companies and capping off a very strong month. The ECB and BoE have joined other central banks in keeping policy steady despite upside pressure on inflation. Global rates are lower. The USD is broadly weaker, and JPY has outperformed following official intervention. The NZD has recovered strongly, breaking up through 0.59.

Yesterday afternoon, Axios reported that CENTCOM was due to brief Trump on two plans for potential military action in Iran – one involving a short and powerful wave of strikes in the hope of breaking the deadlock and one involving taking over the Strait of Hormuz to reopen for commercial shipping, which could include ground forces.

This saw the market trade with a risk-off tone and sent Brent crude up through USD126 per barrel. Prices have since plunged to USD114, albeit that reflects the expiring of the active futures contract, with little appetite for speculators holding the contract to convert into physical delivery. Brent dated, which measures the price for near-term physical delivery, isn't affected by the futures roll, and is down only slightly for the day and sits around USD123 per barrel.

In overnight news, we've heard from Iran's Supreme Leader Khamenei. In a written statement, he vowed not to give up the country's nuclear or missile technologies and to keep control of the Strait of Hormuz. And so the stalemate between the US and Iran continues.

The BoE and ECB policy updates didn't surprise, with policies on hold and both waiting to see how developments in the Middle East evolve before pulling the trigger on higher rates.

For the BoE, the MPC voted 8-1, with Chief Economist Pill arguing for a 25bps hike. Rather than set out a central forecast, the BoE offered three scenarios conditioned on different paths for oil prices and the strength of second round effects. All three scenarios led to higher rates. Each MPC member expressed views on which scenarios they saw as more likely. Governor Bailey suggested rates may need to rise and "it would be a mistake to wait to see second round effects before acting because then it would be too late". The market viewed the one dissent as a dovish surprise and rates fell, albeit this was against a backdrop of lower global rates. The market is pricing a June hike at about a 60% chance, with a July hike more than fully priced.

The ECB said that the upside risks to inflation and the downside risks to growth have intensified. President Lagarde said they debated in depth a decision to hike today and the debate must be revisited at the next policy meeting in six weeks' time. "…we are not seeing second round effects…we are receiving inconsistent information...there are no intentions to significantly raise wages…financial tightening is happening…for these reasons we want to give ourselves time". The market attributes a high probability for a June hike and prices nearly three full hikes for this year.

Ahead of the meeting, Euro area GDP rose just 0.1% q/q in Q1, one-tenth weaker than expected even with a stronger than expected 0.3% q/q gain for Germany. CPI inflation figures were in line, with annual headline inflation rising to 3.0%, from 2.6%, and core inflation down a tick to 2.2%.

Better risk sentiment has supported bond markets with falls led by the short end. The US 10-year Treasury yield is down 4bps to 4.39% against a 7bps fall in the 2-year rate. European and UK 2-year rates are down about 10bps while 10-year rates are down 6-7bps.

US GDP rose an annualised 2.0% in Q1, two-tenths weaker than expected. The figure was buoyed by the end of the government shutdown in Q4, which saw government spending jump 4.4%, while the AI boom drove strong gains in investment. Private consumption moderated to 1.6% while net exports detracted. Yesterday, Fed Chair Powell described the US economy as “quite resilient” and that is probably a fair description. Initial jobless claims surprisingly plunged 26k last week to 189k with broad falls across States. Alongside the recent lift in weekly ADP private payrolls data, labour market conditions look to have improved.

The core PCE deflator rose 0.3% m/m and 3.2% yoy in March, as expected while the employment cost was slightly stronger at 0.9% q/q in Q1.

In currency markets, the USD is broadly weaker, reflecting the positive risk backdrop. The yen surged after repeated warnings by Japanese officials, with traders convinced that official intervention occurred. This followed USD/JPY recent break up through 160. Following intervention, the currency has settled below 156.50. However, with the BoJ’s super easy policy stance being a key force behind repeated yen weakness, the stronger yen is only likely a temporary reprieve that shakes out speculative positions. NZD/JPY has fallen to 92.3, back to where it sat a few weeks ago.

After weaker risk appetite made for a soggy NZD during local trading hours, the NZD has steadily risen overnight, driving up through 0.59 for a gain of 1.3% since this time yesterday. The AUD has followed a similar path and is near 0.72. NZD/AUD has nudged back above 0.82 and the NZD is stronger on the crosses apart from against the yen. NZD/EUR has recovered to 0.5030 and NZD/GBP has recovered to 0.4340.

Yesterday, the ANZ business outlook survey showed weaker key activity indicators in April compared to March, albeit not as weak as the late-March figures when fuel prices were rocketing ahead and there was talk of fuel rationing. Year-ahead inflation expectations jumped to 3.81% in April from 3.08% in March, and from 3.70% in late March. Pricing intentions remained high, but eased to 57.5, from 60.3 in March and 67.0 in late-March.

Swap rates fell after the data, following decent gains earlier in the session driven by global forces, but rates still closed higher on the day. The 2-year swap rate rose 6bps to 3.60% while the 10-year rate rose 5bps to 4.38%. The NZGB curve showed more of a flattening bias, with short rates up 5-6bps, the 10-year rate up 3bps to 4.76%, while rates rose by just 1bp for the longest maturity bonds. The Australian 10-year bond future is down 7bps in yield terms since the NZ close, setting the scene for lower NZ rates on the open.

On the calendar today, in NZ consumer confidence and building consents are released, followed by Tokyo CPI data. The key release tonight is the ISM manufacturing survey, with the consensus expecting a small lift to 53.2.

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Coming Up

		Period	Cons.	Prev.	NZT
NZ	ANZ consumer confidence	Apr		91.3	10:00
NZ	Dwelling consents (m/m%)	Mar		2.7	10:45
JN	Tokyo CPI (y/y%)	Apr	1.7	1.4	11:30
JN	Tokyo CPI x-fr. food, energy (y/y%)	Apr	2.2	2.3	11:30
US	ISM manufacturing	Apr	53.2	52.7	02:00

Source: Bloomberg

Currencies

FX Majors — Indicative overnight ranges (*)

	Last	% Day	Low	High
NZD	0.5905	+1.3	0.5830	0.5905
AUD	0.7196	+1.1	0.7118	0.7196
EUR	1.1737	+0.5	1.1670	1.1737
GBP	1.3599	+0.9	1.3473	1.3601
JPY	156.32	-2.5	155.57	160.62
CAD	1.3593	-0.7		
NZD/AUD	0.8206	+0.1		
NZD/EUR	0.5031	+0.8		
NZD/GBP	0.4342	+0.4		
NZD/JPY	92.31	-1.2		
NZD/CAD	0.8027	+0.6		
NZ TWI	66.83	+0.6		

Other FX

	Last	% Day
CHF	0.7814	-1.2
SEK	9.225	-1.0
NOK	9.274	-0.7
HKD	7.833	-0.1
CNY	6.829	-0.2
SGD	1.273	-0.7
IDR	17,346	+0.1
THB	32.50	-0.8
KRW	1,477	-0.8
TWD	31.66	+0.3
PHP	61.48	-0.2

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,202	+0.9	29.3
Dow	49,698	+1.7	22.2
Nasdaq	24,900	+0.9	42.7
Stoxx 50	5,882	+1.1	14.0
FTSE	10,379	+1.6	22.2
DAX	24,292	+1.4	8.0
CAC 40	8,115	+0.5	6.9
Nikkei	59,285	-1.1	62.6
Shanghai	4,112	+0.1	25.4
ASX 200	8,666	-0.2	6.4
NZX 50	12,903	+1.0	6.2
VIX Index	17.28	-8.1	-30.0

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	114.09	-3.3
Oil (WTI)	105.29	-1.4
Gold	4633.2	+1.6
HRC steel	1081.0	-0.1
CRB	394.5	+2.3
Wheat Chic.	637.8	-2.3
Sugar	14.58	-0.7
Cotton	82.38	+7.2
Coffee	285.6	-1.8
WM powder	3820	+0.5

Australian Futures

3 year bond	95.22	-0.09
10 year bond	94.97	0.06

Interest Rates

Rates / Swap Yields

	Cash	3Mth	2 Yr	10 Yr
USD	3.75	4.85	3.72	3.94
AUD	4.10	4.37	4.71	5.11
NZD	2.25	2.63	3.61	4.38
EUR	2.00	2.15	2.85	3.07
GBP	3.75	3.86	4.31	4.55
JPY	0.74	-0.03	1.38	2.30
CAD	2.25	4.97	2.85	3.31

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.39	-0.04
AUD	5.06	0.07
NZD	4.73	0.03
GER	3.04	-0.07
GBP	5.01	-0.06
JPY	2.53	0.05
CAD	3.57	-0.04

NZ Government Bonds

	Last	Chg
15-May-28	3.68	0.06
20-Apr-29	3.88	0.05
15-May-30	4.05	0.04
15-May-31	4.24	0.04
15-May-32	4.38	0.04
14-Apr-33	4.47	0.03
15-May-34	4.56	0.03
15-May-35	4.65	0.03
15-May-36	4.73	0.03
15-May-37	4.81	0.03
15-May-41	5.05	0.02
15-May-51	5.26	0.01
15-May-54	5.27	0.01

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.41	0.00
BKBM 3-mth	2.63	-0.02
1 year	3.19	0.01
2 year	3.61	0.06
3 year	3.79	0.06
5 year	4.02	0.05
7 year	4.19	0.05
10 year	4.38	0.05
15 year	4.62	0.05

NZ Inflation-Indexed Bonds

Sept-30	1.61	0.02
Sept-35	2.41	0.02
Sept-40	2.87	0.02

Carbon Price

	Level	% Day	% Year
NZU	51.00	+2.4	+3.6

Policy Meeting Run

	NZD	AUD	USD
1st	2.35	4.30	3.63
2nd	2.55	4.38	3.62
3rd	2.78	4.55	3.61
4th	2.96	4.66	3.61
5th	3.18	4.72	3.63

* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer

Rates are as of: NZT 06:44

Source: Bloomberg

NZD exchange rates

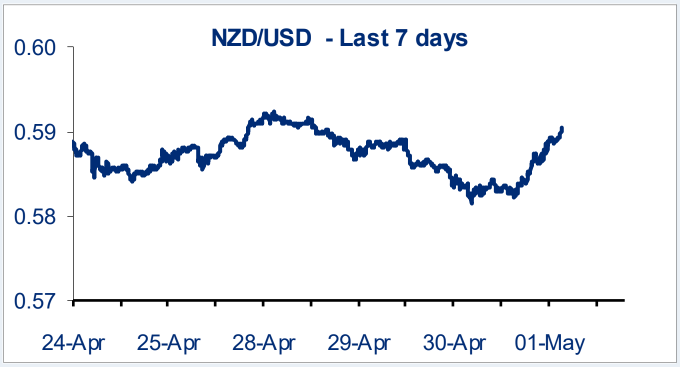
1/05/2026	6:45 am	Prev. NY close
USD	0.5905	0.5829
GBP	0.4342	0.4326
AUD	0.8206	0.8191
EUR	0.5031	0.4992
JPY	92.31	93.50
CAD	0.8027	0.7977
CHF	0.4613	0.4612
DKK	3.7579	3.7306
FJD	1.2958	1.2896
HKD	4.6195	4.5683
INR	55.97	55.29
NOK	5.4729	5.4426
PKR	164.39	162.81
PHP	36.26	35.89
PGK	2.5628	2.5223
SEK	5.4459	5.4336
SGD	0.7509	0.7469
CNY	4.0265	3.9873
THB	19.22	19.06
TOP	1.3641	1.3600
VUV	70.01	69.01
WST	1.5772	1.5739
XPF	60.11	59.48
ZAR	9.8426	9.8106

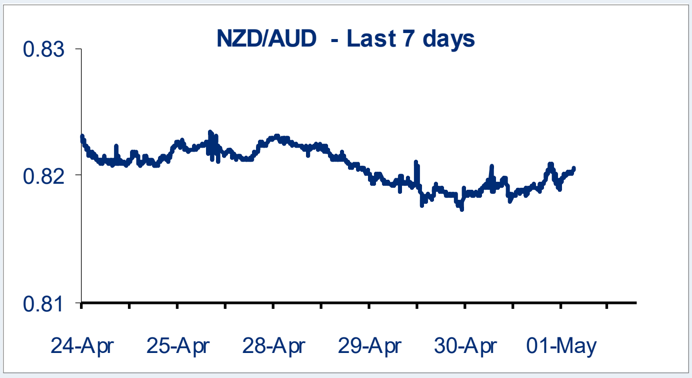
NZD/USD Forward Points

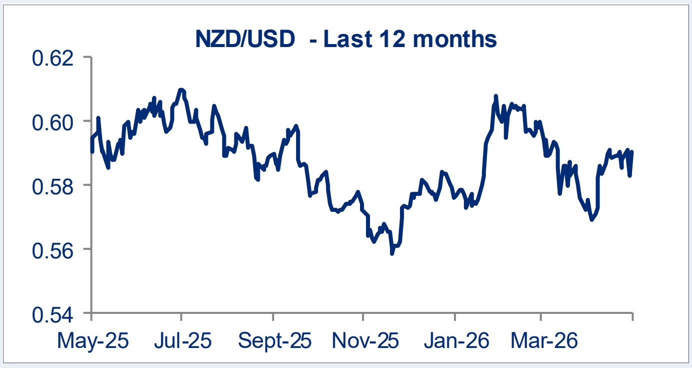
	BNZ buys NZD	BNZ sells NZD
1 Month	6.11	6.39
3 Months	16.73	17.27
6 Months	28.48	29.68
9 Months	34.91	37.39
1 Year	36.97	40.97

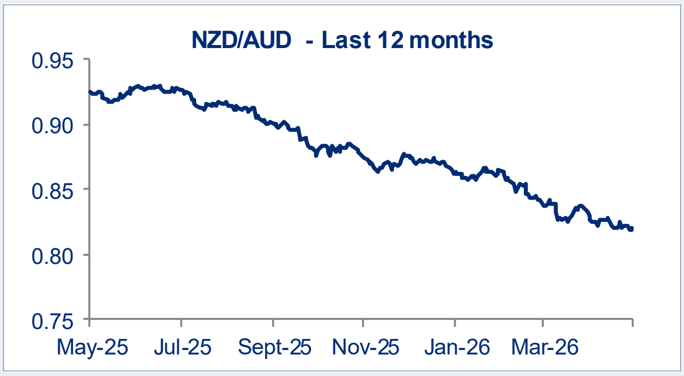
NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	12.90	13.48
3 Months	37.83	38.92
6 Months	73.87	76.54
9 Months	105.66	110.70
1 Year	130.33	137.96









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