

Research Markets Today

2 April 2026

Events round-up

NZ: Dwelling consents, Feb: 2.7 vs. 2.0 prev.
 JN: Tankan large manuf, Q1: 17 vs. 16 exp.
 AU: Building approvals (m/m%), Feb: 29.7 vs. 5.5 exp.
 CH: RatingDog PMI manufacturing, Mar: 50.8 vs. 51.5 exp.
 EC: Unemployment rate (%), Feb: 6.2 vs. 6.1 exp.
 US: ADP employment change (k), Mar: 62 vs. 40 exp.
 US: Retail sales (m/m%), Feb: 0.6 vs. 0.5 exp.
 US: Retail sales ex auto, gas (m/m%), Feb: 0.4 vs. 0.3 exp.
 US: Retail sales control grp (m/m%), Feb: 0.5 vs. 0.3 exp.
 US: ISM Manufacturing, Mar: 52.7 vs. 52.3 exp.

Good morning

Risk assets extended gains on hopes the Middle East conflict may be nearing an end. The S&P 500 rose 1%, adding to the near-3% surge in the prior session, while European and Asian equities also advanced. The US dollar slipped and Brent briefly fell below \$100 a barrel. Treasury yields rebounded after firm US labour-market and retail-sales data. Investor risk appetite has improved after President Donald Trump said the US could exit the Iran conflict within two to three weeks, arguing key military objectives have largely been met. He also said there could be a deal with Tehran, but that an agreement isn't required for Washington to step back.

President Donald Trump is due to address the nation this afternoon (NZT) with an "important update" on Iran. Separately, Arab officials said the UAE is preparing to back the US and allies in efforts to reopen the Strait of Hormuz, and is pushing for a UN Security Council resolution to authorise the move while weighing a direct military role in securing the waterway. Officials cautioned the shift risks a prolonged standoff with Iran and potential damage to the Emirates' infrastructure and economy.

US data surprised to the upside. ISM manufacturing rose to 52.7 in March, the strongest reading since 2022, though the lift was skewed by a jump in supplier delivery times to a four-year high which likely reflects Middle East-related disruptions rather than stronger demand. Input costs remained elevated, with prices paid climbing to 78.3. Separately, retail sales rebounded more than forecast in

February as consumers stepped up spending after a soft start to the year. Meanwhile, ADP estimates a 62K increase in private payrolls in March although this series has not been a reliable guide for official payrolls data.

The market trimmed expectations for Fed easing this year. December pricing implies about 8bp of cuts, down from roughly 13bp earlier in the session. Treasuries bounced from the week's lows after the stronger data: 10-year yields briefly dipped to 4.26% before retracing to around 4.30%.

In FX, the US dollar extended its pullback as risk sentiment improved. The dollar index has retraced about 1% from its recent peak, with broad-based losses across G10 currencies. The yen underperformed overnight without an obvious catalyst. NZD/USD traded above 0.5770, extending the rebound from conflict lows near 0.5700. The NZD is little changed on the major crosses compared with the local close, aside from NZD/JPY which traded up towards 91.50.

There was a broad-based rally across NZ fixed income yesterday, supported by an improved global tone and strong demand for new issuance. The swap curve fell around 13–14bp in a near-parallel move, with 2-year swaps closing at 3.34% and 10-year at 4.23%. Government bonds also rallied, but lagged swaps at the margin, with the 10-year NZGB yield down 11bp to 4.61%.

In primary markets, the LGFA saw strong demand for its new May-2034 sustainable line, with the NZ\$850m deal attracting NZ\$2.8bn of orders at final guidance and pricing through prevailing secondary levels. NZDM will auction NZ\$225m each of May 2030s and May 2036s in today's weekly tender. The 2036 line hasn't been tendered since October last year.

There's no domestic data of note in the day ahead, but the Treasury will publish the Crown Financial Statements for the eight months to February. Offshore, second-tier releases should be largely non-market moving. In the US, initial jobless claims have tracked below year-ago levels for six straight weeks, consistent with firms not meaningfully cutting headcount. The market looks ahead to Friday night's nonfarm payrolls report for a broader read on the labour market.

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NZD exchange rates

2/04/2026	6:17 am	Prev. NY close
USD	0.5773	0.5747
GBP	0.4329	0.4345
AUD	0.8309	0.8329
EUR	0.4970	0.4974
JPY	91.50	91.22
CAD	0.8012	0.7998
CHF	0.4574	0.4595
DKK	3.7135	3.7164
FJD	1.2886	1.2848
HKD	4.5246	4.5054
INR	54.75	54.49
NOK	5.5922	5.5703
PKR	161.25	160.56
PHP	34.75	34.91
PGK	2.4959	2.4782
SEK	5.4130	5.4418
SGD	0.7399	0.7395
CNY	3.9670	3.9622
THB	18.80	18.95
TOP	1.3401	1.3437
VUV	69.39	69.28
WST	1.5695	1.5617
XPF	59.72	59.66
ZAR	9.6887	9.7361



NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	6.10	6.31
3 Months	18.47	18.93
6 Months	34.67	35.77
9 Months	47.08	50.22
1 Year	53.86	57.84

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	11.69	12.21
3 Months	38.04	39.16
6 Months	77.96	80.76
9 Months	117.41	123.66
1 Year	150.14	159.03

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