

Research Markets Today

2 October 2026

Events round-up

NZ: Building Permits (m/m%), Aug: 5.6 vs. -4.5 prev.

JN: Tankan Large Mfg Index, 3Q: 25 vs. 25 exp.

AU: Trade Balance (\$b), Aug: 0.5 vs. 2 exp.

EC: Unemployment Rate, Aug: 6.4 vs. 6.4 exp.

US: Initial Jobless Claims, 26 Sep: 197 vs. 200 exp.

US: ISM Manufacturing, Sep: 54.5 vs. 54.9 exp.

Good morning

Global bond markets remained volatile. The 10-year US Treasury yield reached a fresh 24-year high near 5.34% before retracing, while the most actively traded Brent crude contract gained almost 4% to above US\$100 per barrel. Rates volatility and higher energy prices weighed on risk-sensitive assets. US equities are little changed but there were large falls across the major European indices with the Euro Stoxx closing 1.5% lower. The US dollar strengthened, pushing the NZD to a fresh low for the year near 0.5600.

European markets came under pressure as concerns over France's fiscal outlook triggered a broader sovereign bond sell-off. France's 10-year spread to Germany widened above 140bp, from around 100bp two weeks earlier, while spreads also widened in Italy, Belgium and Greece. The move weighed on the euro, European bank shares and broader equity markets, underscoring investors' sensitivity to fiscal risks across the region.

The US manufacturing ISM edged down in September but remained consistent with solid expansion in the sector, with the underlying details generally firmer than the overall result. The index slipped 0.1 point to 54.5, slightly below the 55.0 consensus. New orders rose to 55.3 from 53.7, while the employment index increased to 52.7 from 51.2, pointing to further near-term gains in manufacturing payrolls. Prices paid climbed to 77.9 from 71.1, reflecting the recent rebound in commodity prices.

Price action was choppy across the intermediate and long end of the Treasury curve, while front-end yields declined steadily. The 2-year yield is 10bp lower as the market continues to pare expectations of near-term Fed tightening. The implied probability of an October hike has fallen to around 30%, with about 25bp of tightening priced

across the two remaining FOMC meetings this year. The rally appeared to reflect the softer risk tone, despite the relative resilience of US equities. The 10-year yield traded in a wide range, reaching a fresh cycle high of 5.34% before falling sharply to 5.22%, driven predominantly by a fall in real yields.

The US dollar gained against most G10 currencies, with the DXY reaching a 2026 high as the sell-off in European bonds boosted demand for safe-haven assets. The yen and Swiss franc strengthened against the dollar, reflecting their defensive characteristics. The euro was the weakest G10 currency amid concerns about the impact of France's fiscal and political uncertainty. EUR/CHF fell close to 1.5% in overnight trading.

The NZD broke below its previous 2026 low near 0.5625 during the local session and extended its decline towards 0.5600 overnight. The move broadly matched the fall in the AUD and reflected the softer risk tone. NZD/EUR firmed, while NZD/JPY fell towards 88.20, also a fresh 2026 low.

Offshore developments continued to drive NZ rates price action in yesterday's local session. With few domestic catalysts, the swap curve shifted higher and steeper. The 2-year rate partially reversed the previous day's rally, rising 3bp to 4.08%, while the 10-year rate increased 6bp to 4.08%, returning towards its recent peak. The government bond tender attracted solid demand, with NZ\$2.1bn of bids across the two nominal lines. Both maturities recorded cover ratios of close to five and cleared through prevailing market levels.

September ANZ consumer confidence is released today. Euro area flash CPI is expected to rise to 3.7% y/y from 3.3%, consistent with the upside surprises in the national releases and maintaining pressure on the ECB. The key US risk event is the September payrolls report, with consensus looking for a 90k increase following August's 162k gain. The unemployment rate is expected to remain at 4.1%, with wage growth steady.

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Coming up

	Period	Cons.	Prev.	NZT
NZ ANZ Consumer Confidence	Sep	98		10:00
JN Tokyo CPI ex. food, energy (y/y%)	Sep	2.5	2	12:30
EC CPI Estimate (y/y%)	Sep P	3.7	3.3	22:00
US Change in Nonfarm Payrolls	Sep	90	162	01:30
US Average Hourly Earnings (m/m%)	Sep	0.3	0.3	01:30
US Average Hourly Earnings (y/y%)	Sep	3.1	3.1	01:30
US Unemployment Rate	Sep	4.1	4.1	01:30

Source: Bloomberg

Currencies						Equities				Commodities		
FX Majors		Indicative overnight ranges (*)			Other FX		Major Indices			Price (Near futures, except CRB)		
	Last	% Day	Low	High		Last	% Day	% Year		Last	Net Day	
NZD	0.5601	-0.6	0.5594	0.5623	CHF	0.8322	-0.5		S&P 500	7,644	-0.1	13.9
AUD	0.6918	-0.4	0.6904	0.6956	SEK	10.065	+0.5		Dow	50,880	-0.0	9.6
EUR	1.1216	-1.0	1.1215	1.1319	NOK	9.640	+0.2		Nasdaq	26,855	-0.0	18.0
GBP	1.3186	-0.6	1.3182	1.3266	HKD	7.845	-0.0		Stoxx 50	6,175	-1.5	10.6
JPY	157.72	+0.2	157.24	158.45	CNY	6.706	-0.0		FTSE	10,428	-1.7	10.4
CAD	1.4247	+0.1			SGD	1.281	+0.3		DAX	24,939	-1.0	3.4
NZD/AUD	0.8096	-0.2			IDR	17,966	+0.4		CAC 40	7,835	-1.6	-1.7
NZD/EUR	0.4994	+0.4			THB	33.69	+0.3		Nikkei	68,957	+3.3	53.5
NZD/GBP	0.4248	+0.0			KRW	1,362	+0.4		Shanghai	3,842	+0.3	-1.0
NZD/JPY	88.34	-0.4			TWD	32.01	+0.5		ASX 200	8,614	-2.0	-3.7
NZD/CAD	0.7980	-0.5			PHP	62.80	+0.2		NZX 50	13,811	-0.2	2.7
NZ TWI	64.00	-0.3							VIX Index	16.90	+3.4	+3.7
Commodities												
Australian Futures												
3 year bond												
10 year bond												
Interest Rates												
Rates		Swap Yields		Benchmark 10 Yr Bonds		NZ Government Bonds		NZ BKBM and Swap Yields				
	Cash	3Mth	2 Yr	10 Yr		Last	Net Day		Last	Chg		
USD	4.00	4.85	4.61	4.80	USD	5.22	-0.07	15-May-28	3.89	0.04	BKBM 1-mth	3.00
AUD	4.60	4.76	4.92	5.45	AUD	5.40	0.05	20-Apr-29	4.18	0.04	BKBM 3-mth	3.22
NZD	2.75	3.22	4.08	4.82	NZD	5.10	0.05	15-May-30	4.38	0.05	1 year	3.74
EUR	2.50	2.62	3.42	3.61	GER	3.51	-0.08	15-May-31	4.55	0.05	2 year	4.08
GBP	3.75	3.87	4.57	4.91	GBP	5.40	-0.03	15-May-32	4.70	0.05	3 year	4.26
JPY	1.23	-0.03	1.94	2.94	JPY	3.13	0.06	14-Apr-33	4.80	0.05	5 year	4.47
CAD	2.25	4.97	3.19	3.73	CAD	3.93	-0.06	15-May-34	4.91	0.05	7 year	4.63
Carbon Price						Policy Meeting Run		15-May-35	5.01	0.05	10 year	4.82
	Level	% Day	% Year			NZD	AUD	15-May-36	5.10	0.06	15 year	5.03
NZU	52.89	+0.6	-7.4		1st	2.91	4.68	15-May-37	5.19	0.06	NZ Inflation-Indexed Bonds	
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer						2nd	3.11	15-May-38	5.24	0.06	Sept-30	1.95
Rates are as of: NZT 06:20						3rd	3.31	15-May-41	5.44	0.06	Sept-35	2.74
Source: Bloomberg						4th	3.50	15-May-51	5.64	0.06	Sept-40	3.19
						5th	3.66	15-May-54	5.65	0.06		

NZD exchange rates

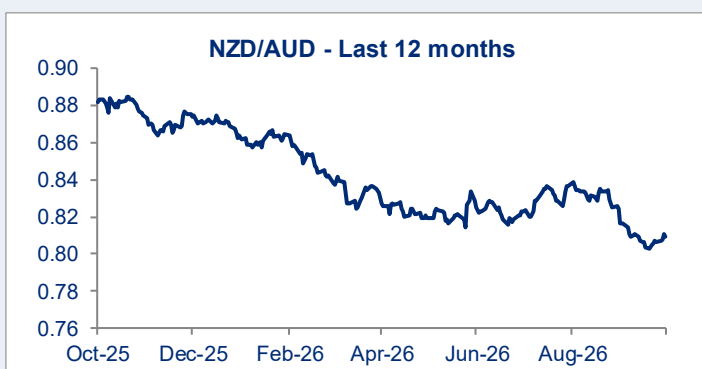
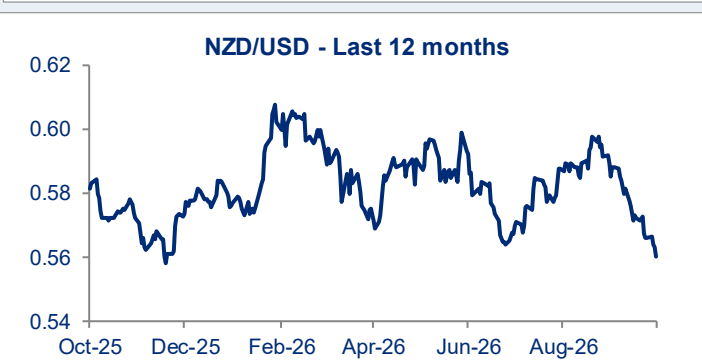
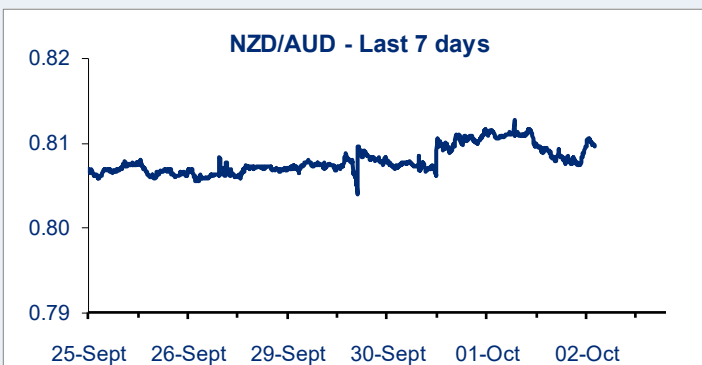
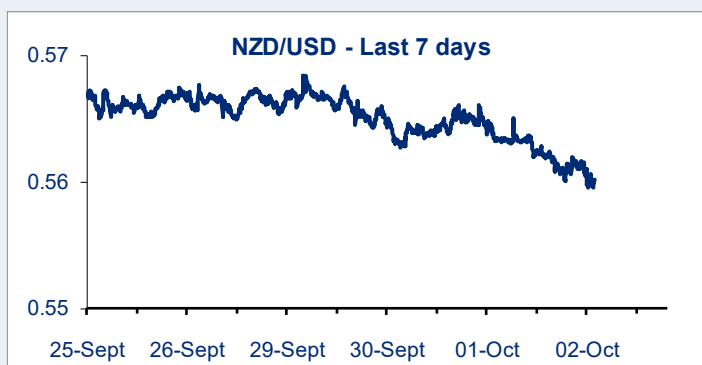
2/10/2026	6:20 am	Prev. NY close
USD	0.5601	0.5634
GBP	0.4248	0.4247
AUD	0.8096	0.8110
EUR	0.4994	0.4973
JPY	88.34	88.68
CAD	0.7980	0.8018
CHF	0.4661	0.4709
DKK	3.7327	3.7175
FJD	1.2632	1.2664
HKD	4.3940	4.4209
INR	53.95	53.99
NOK	5.3995	5.4185
PKR	155.19	156.13
PHP	35.17	35.29
PGK	2.4982	2.5073
SEK	5.6374	5.6401
SGD	0.7176	0.7196
CNY	3.7560	3.7786
THB	18.88	18.91
TOP	1.3348	1.3417
VUV	67.16	67.52
WST	1.5575	1.5550
XPF	59.03	59.27
ZAR	9.3373	9.2525

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	5.41	5.73
3 Months	15.32	15.88
6 Months	28.55	29.83
9 Months	39.69	42.22
1 Year	48.99	53.28

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	11.68	12.20
3 Months	32.80	34.08
6 Months	60.51	63.37
9 Months	82.77	88.13
1 Year	100.96	109.73



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