BNZ MARKETS
Research

Markets Today

3 August 2026

Events round-up

NZ: ANZ consumer confidence, Jul: 99.3 vs. 91.3 prev.

JN: Tokyo CPI (y/y%), Jul: 2.0 vs. 1.8 exp.

JN: Tokyo CPI x-fr. food, energy (y/y%), Jul: 2.0 vs. 2 exp.

CH: Manufacturing PMI, Jul: 49.2 vs. 50.1 exp.

CH: Non-manufacturing PMI, Jul: 49.0 vs. 50 exp.

JN: BoJ target rate (%), Jul: 1.0 vs. 1.0 exp.

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

EC: CPI (y/y%), Jul: 2.9 vs. 2.9 exp.

EC: CPI core (y/y%), Jul: 2.5 vs. 2.4 exp.

CA: GDP (m/m%), May: 0.3 vs. 0.2 exp.

US: Employment cost index (q/q%), Q2: 0.9 vs. 0.8 exp.

US: Chicago PMI, Jul: 57.6 vs. 56.0 exp.

US: U. of Mich. consumer sentiment, Jul: 55.2 vs. 54 exp.

US: U. of Mich. 5-10y inflation exp., Jul: 3.3 vs. 3.3 exp.

Good morning

US equities ended July on a positive but volatile note, with the S&P closing 0.7% higher after large intraday swings. Global bond yields rose, led by further weakness at the long end of the US Treasury curve extending the move from after the FOMC. The yen remained in focus amid increased coordination between Japanese and US authorities to provide support, while the NZD reached its highest level in several weeks. Brent crude rebounded above US$90 per barrel. Over the weekend President Trump said he held off delivering new strikes against Iran while discussions are underway about reopening the Strait of Hormuz.

Three Fed officials who dissented in favour of a hike at last week’s FOMC warned that waiting too long to act against inflation could risk the need for even more aggressive moves later. Cleveland Fed President Beth Hammack, Minneapolis Fed President Neel Kashkari and Dallas Fed President Lorie Logan argued that, even if recent price pressures stemmed from temporary shocks such as tariffs and the Iran war, inflation is unlikely to return sustainably to the Fed’s 2% target without higher rates.

US Treasuries remained under pressure, with intermediate and longer maturities continuing to underperform and the curve steepening further. The 10-year yield reached 4.74%, its highest level this year, while the long bond extended to 5.27%, its highest since 2007. There was no clear single catalyst, though a firmer-than-expected Q2 employment cost index, hawkish Fed commentary and higher oil prices all weighed on sentiment.

European government bond yields also moved higher after inflation data reinforced the case for another ECB rate hike. Headline inflation rose to 2.9%, in line with expectations, reflecting higher energy prices in the second half of July. Core inflation edged up to 2.5%. Markets are close to fully pricing a 25bp September hike and around 40bp of tightening by year-end.

The Bank of Japan left rates unchanged at 1%, in line with analysts’ expectations, with one dissenting vote on the nine-member board in favour of a hike. The central bank retained a tightening bias, noting that CPI risks remain skewed to the upside and continuing to flag the risk that underlying inflation overshoots its 2% target. It revised its inflation forecast lower to 2.5% from 2.8%, reflecting the impact of government subsidies, while projecting the economy to grow 0.6% this fiscal year.

The yen initially found little support from the expected BoJ decision, having already retraced around half of its intervention-driven gains against the USD. It strengthened into the weekly close, however, with markets alert to further intervention after a series of New York Fed rate checks and reports that US authorities had told banks they may transact to support the yen. USD/JPY ended the week below 157.50. However, a sustained yen appreciation is likely to require tighter BoJ policy, with FX intervention alone only able to provide temporary support.

Outside of the yen, net moves across G10 currencies were modest. Initial gains for the US dollar faded. The NZD dipped towards 0.5850 before rebounding sharply to an intra-day peak near 0.5890, the highest level in almost two months. NZD/JPY fell below 93.00.

NZ fixed income rallied on Friday with a flattening bias. The market looked through another strong lift in consumer confidence, despite the OCR increase during the month and higher fuel prices. Two-year rates closed 3bp lower at 3.68%, while 10-year rates fell 4bp to 4.38%. Government bonds outperformed on month-end demand as the new May-2038 line entered major benchmarks. Ten-year NZGB yields fell 6bp to 4.76%, with swap spreads dipping back towards the base of the recent range at +30bp.

Building permits for June are the only domestic release of note today. China's RatingDog PMI will be watched after the official manufacturing and services PMIs both dipped below 50, pointing to softer momentum in July. In the US, the manufacturing ISM is expected to remain consistent with solid activity.

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Coming up

		Period	Cons.	Prev.	NZT
NZ	Building Permits (m/m%)	Jun		-4	10:45
CH	RatingDog China PMI Mfg	Jul	52	51.7	13:45
US	ISM Manufacturing	Jul	54	53.3	02:00

Source: Bloomberg

Currencies

FX Majors — **Indicative overnight ranges (*)**

	Last	% Day	Low	High
NZD	0.5889	+0.1	0.5849	0.5896
AUD	0.7033	-0.1	0.6991	0.7045
EUR	1.1534	-0.0	1.1455	1.1547
GBP	1.3485	+0.1	1.3400	1.3495
JPY	157.54	-1.3	157.28	160.64
CAD	1.4015	+0.1		
NZD/AUD	0.8374	-0.0		
NZD/EUR	0.5106	+0.0		
NZD/GBP	0.4367	-0.1		
NZD/JPY	92.77	-1.4		
NZD/CAD	0.8253	+0.1		
NZ TWI	67.03	-0.1		

Other FX

	Last	% Day
CHF	0.8075	+0.3
SEK	9.533	-0.0
NOK	9.476	-0.6
HKD	7.842	-0.0
CNY	6.752	-0.0
SGD	1.283	+0.1
IDR	18,022	-0.5
THB	33.44	-0.0
KRW	1,439	+1.1
TWD	32.31	-0.5
PHP	61.26	-0.5

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,490	+0.7	18.1
Dow	52,485	+0.5	18.9
Nasdaq	25,374	+1.0	20.1
Stoxx 50	6,358	+0.2	19.5
FTSE	10,868	-0.3	19.0
DAX	25,629	+0.1	6.5
CAC 40	8,510	+0.3	9.5
Nikkei	64,362	+4.0	57.8
Shanghai	3,832	+0.7	7.2
ASX 200	8,977	+0.1	3.6
NZX 50	13,699	-0.5	7.6
VIX Index	15.99	-6.4	-4.4

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	90.12	+1.2
Oil (WTI)	84.67	+3.8
Gold	4049.1	-1.2
HRC steel	1191.0	-0.2
CRB	385.1	+0.2
Wheat Chic.	657.5	-3.7
Sugar	14.66	+1.6
Cotton	80.50	+1.2
Coffee	314.7	+2.3
WM powder	3535	+1.0

Australian Futures

	Last	Net Day
3 year bond	95.51	0.06
10 year bond	94.97	-0.04

Interest Rates

Rates / **Swap Yields**

	Cash	3Mth	2 Yr	10 Yr
USD	3.75	4.85	4.15	4.32
AUD	4.35	4.50	4.55	5.07
NZD	2.50	2.94	3.68	4.38
EUR	2.25	2.47	3.03	3.24
GBP	3.75	3.87	4.28	4.65
JPY	0.98	-0.03	1.58	2.71
CAD	2.25	4.97	2.85	3.42

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.73	0.06
AUD	4.93	-0.07
NZD	4.67	-0.06
GER	3.21	0.05
GBP	5.05	0.07
JPY	2.81	-0.01
CAD	3.66	0.07

NZ Government Bonds

	Last	Chg
15-May-28	3.61	-0.04
20-Apr-29	3.81	-0.05
15-May-30	3.98	-0.05
15-May-31	4.15	-0.05
15-May-32	4.29	-0.05
14-Apr-33	4.38	-0.05
15-May-34	4.48	-0.05
15-May-35	4.58	-0.06
15-May-36	4.67	-0.05
15-May-37	4.76	-0.05
15-May-38	4.82	-0.05
15-May-41	5.04	-0.05
15-May-51	5.26	-0.07
15-May-54	5.27	-0.07

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.70	0.00
BKBM 3-mth	2.94	0.00
1 year	3.43	-0.01
2 year	3.68	-0.03
3 year	3.82	-0.03
5 year	4.03	-0.03
7 year	4.19	-0.04
10 year	4.38	-0.04
15 year	4.62	-0.04

NZ Inflation-Indexed Bonds

	Last	Chg
Sept-30	1.69	-0.01
Sept-35	2.49	-0.01
Sept-40	2.96	-0.01

Carbon Price

	Level	% Day	% Year
NZU	55.85	+0.0	-3.1

Policy Meeting Run

	NZD	AUD	USD
1st	2.74	4.37	3.82
2nd	2.90	4.40	3.90
3rd	3.09	4.48	4.01
4th	3.26	4.53	4.06
5th	3.39	4.55	4.14

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

Rates at NY close

Source: Bloomberg

NZD exchange rates

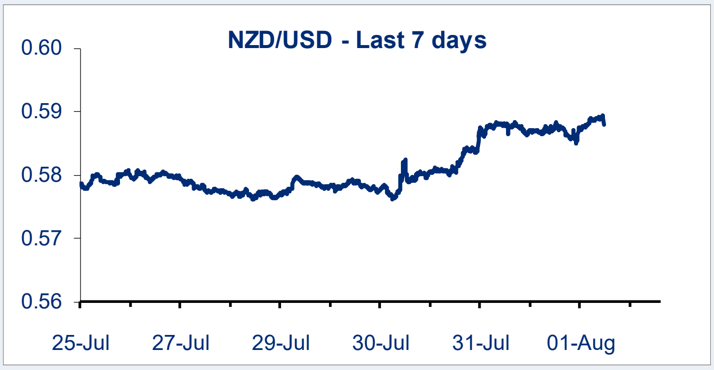
1/08/2026	NY close	Prev. NY close
USD	0.5889	0.5879
GBP	0.4367	0.4366
AUD	0.8374	0.8366
EUR	0.5106	0.5100
JPY	92.77	93.79
CAD	0.8253	0.8238
CHF	0.4747	0.4733
DKK	3.8132	3.8124
FJD	1.3137	1.3117
HKD	4.6104	4.6110
INR	56.08	56.25
NOK	5.5707	5.6050
PKR	163.36	163.36
PHP	36.01	36.19
PGK	2.5956	2.5956
SEK	5.6042	5.6055
SGD	0.7542	0.7535
CNY	3.9701	3.9698
THB	19.63	19.75
TOP	1.3804	1.3778
VUV	69.99	70.30
WST	1.6027	1.6015
XPF	60.92	61.12
ZAR	9.7177	9.6982

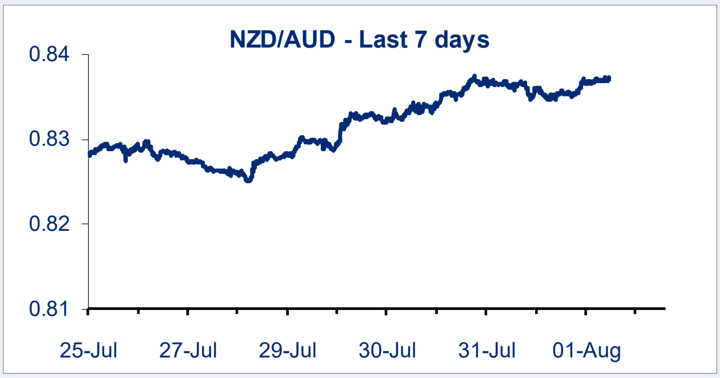
NZD/USD Forward Points

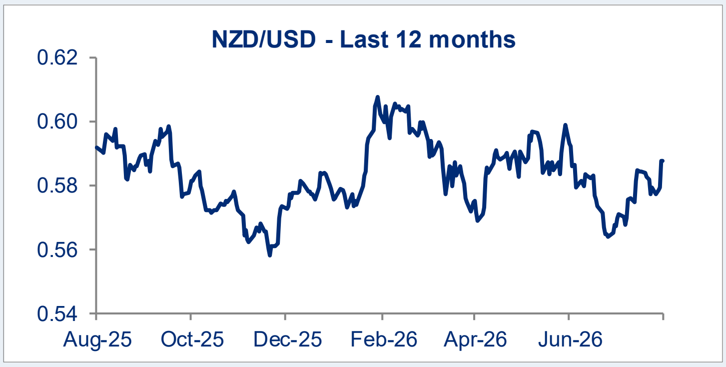
	BNZ buys NZD	BNZ sells NZD
1 Month	5.60	5.90
3 Months	15.19	15.77
6 Months	28.66	29.94
9 Months	38.64	41.16
1 Year	47.48	51.12

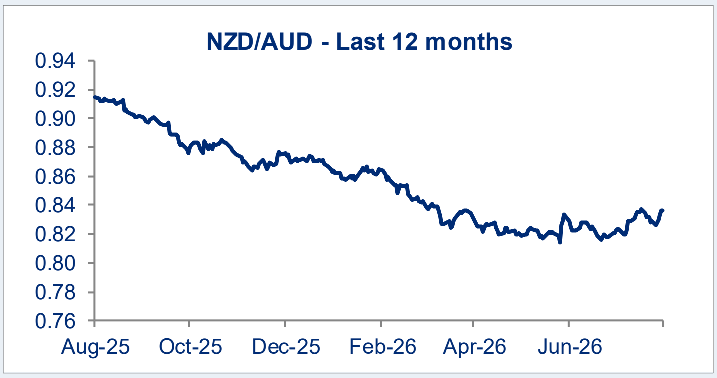
NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	13.75	14.31
3 Months	34.18	35.37
6 Months	63.75	66.39
9 Months	87.21	92.03
1 Year	107.22	114.43









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