

# Research Markets Today

3 July 2026

## Events round-up

- NZ: Building Permits (m/m%), May: -4.0 vs. 10.9 prev.
- AU: Trade Balance (\$bn.), May: -3.0 vs. +2.2 exp.
- EC: Unemployment Rate, May: XX vs. 6.3 exp.
- US: Change in Nonfarm Payrolls, Jun: 57 vs. 115 exp.
- US: Unemployment Rate, Jun: 4.2 vs. 4.3 exp.
- US: Average Hourly Earnings (m/m%), Jun: 0.3 vs. 0.3 exp.
- US: Average Hourly Earnings (y/y%), Jun: 3.5 vs. 3.5 exp.
- US: Initial Jobless Claims, 27 June: 215 vs. 218 exp.

## Good morning

A weaker-than-expected US nonfarm payrolls print set the tone for markets, pushing front-end Treasury yields lower as markets pared expectations for Fed tightening. The dollar also weakened, with the yen outperforming after Japanese authorities signalled a possible shift in intervention strategy. US equities initially traded higher before reversing. The S&P 500 is 0.5% lower, while a key gauge of semiconductor stocks declined nearly 6% as investors became increasingly anxious about the tech outlook. Oil was little changed near US\$71 per barrel.

US hiring slowed sharply in June, with payrolls rising by just 57k, well below the 113k consensus. The prior two months were revised down by a net 74k. June's job gain was the weakest this year, aside from February's weather-driven decline, marking a clear loss of labour-market momentum after three months of robust hiring. The unemployment rate fell to 4.2%, from 4.3% in May, but this partly reflected a marked drop in participation. Average hourly earnings rose 0.3%, in line with consensus.

Treasuries rallied after the weaker-than-expected jobs report as markets pared expectations for Fed tightening. There is around 30bp of tightening now priced by year-end, down from 37bp ahead of the data. The front end of the Treasury curve outperformed, with the 2-year yield falling 5bp to 4.13%, while the 10-year yield was little changed at 4.48%. The 2y/10y curve has now rebounded to 35bp, 10bp above the cycle low reached in late June.

The US dollar was already weaker ahead of the report and extended its decline afterwards, with the dollar index

falling nearly 0.5%. The yen was the strongest G10 currency, having already gained in Asian trading after a media report suggested Japanese officials may be moving away from their usual calibrated jawboning ahead of intervention. After spending record amounts to support the yen in late April - without preventing a fall to fresh multi-decade lows - policymakers may now favour less predictable action, aimed at keeping traders uncertain and deterring speculative positioning against the currency.

US dollar weakness lifted NZD/USD, which briefly spiked to 0.5710 before retracing below 0.5700. The NZD's performance was broadly in line with most major currencies, leaving the crosses little changed from the local close. The main exception was NZD/JPY, which fell back towards 91.70.

NZ rates closed 3 to 4bp higher in yield in the local session yesterday, broadly matching the move in Australia. There appeared to be some position-squaring at the front end as the market looks ahead to next week's RBNZ meeting. The 2-year rate closed 3bp higher at 3.39%, while the 10-year ended 4bp higher at 4.09%.

Investor demand was solid at the weekly government bond tender as yields increased through the afternoon. The three lines attracted close to NZ\$2.0 billion of bids for the NZ\$450 million offered, with all lines more than four times covered. The government curve matched the move in swaps with the 10-year closing at 4.45%.

It's a quiet day ahead on the economic calendar. The only domestic release of note is ANZ consumer confidence, which recovered in May but remained subdued. In China, the RatingDog services PMI is scheduled, while the US public holiday will likely dampen market activity.

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## Coming up

		Period	Cons.	Prev.	NZT
NZ	ANZ Consumer Confidence	Jun	86.5	10:00	
CH	RatingDog China PMI Services	Jun	53	54.4	13:45

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	0.5697	+0.5	0.5668	0.5717	CHF	0.8036	-0.8	S&P 500	7,447	-0.5	19.6	Oil (Brent)	71.74	+0.2
AUD	0.6921	+0.4	0.6887	0.6943	SEK	9.669	-0.6	Dow	52,649	+0.7	18.4	Oil (WTI)	68.68	+0.1
EUR	1.1433	+0.5	1.1391	1.1473	NOK	9.843	-0.7	Nasdaq	25,765	-1.1	26.3	Gold	4129.4	+1.2
GBP	1.3347	+0.6	1.3297	1.3385	HKD	7.843	-0.0	Stoxx 50	6,360	+1.2	19.6	HRC steel	1153.0	-0.5
JPY	161.09	-0.9	160.64	161.95	CNY	6.786	-0.1	FTSE	10,653	+1.7	21.4	CRB	353.9	+0.1
CAD	1.4179	-0.3			SGD	1.292	-0.3	DAX	25,581	+2.2	7.5	Wheat Chic.	600.3	+0.0
NZD/AUD	0.8231	+0.0			IDR	17,995	+0.2	CAC 40	8,475	+1.7	9.5	Sugar	14.85	-1.2
NZD/EUR	0.4983	-0.1			THB	33.21	-0.5	Nikkei	68,733	-2.5	72.8	Cotton	73.28	+1.5
NZD/GBP	0.4268	-0.1			KRW	1,537	-0.8	Shanghai	4,029	-2.0	16.6	Coffee	301.2	-2.5
NZD/JPY	91.77	-0.5			TWD	31.93	+0.1	ASX 200	8,724	+0.0	1.5	WM powder	3495	-0.4
NZD/CAD	0.8078	+0.2			PHP	61.56	-0.1	NZX 50	13,582	-0.2	6.9	<b>Australian Futures</b>		
NZ TWI	65.50	+0.2						VIX Index	16.85	+1.6	+1.3	3 year bond	95.58	-0.02
												10 year bond	95.15	-0.03

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		Last	Chg
USD	3.75	4.85	3.99	4.06	USD	4.48	0.00	15-May-28	3.38	0.03	BKBM 1-mth	2.60	0.01
AUD	4.35	4.46	4.45	4.91	AUD	4.82	0.03	20-Apr-29	3.57	0.03	BKBM 3-mth	2.73	0.00
NZD	2.25	2.73	3.39	4.09	NZD	4.45	0.04	15-May-30	3.75	0.03	1 year	3.13	0.02
EUR	2.25	2.31	2.70	2.96	GER	2.90	0.03	15-May-31	3.92	0.03	2 year	3.39	0.03
GBP	3.75	3.87	3.99	4.37	GBP	4.78	0.02	15-May-32	4.06	0.03	3 year	3.52	0.03
JPY	0.99	-0.03	1.43	2.64	JPY	2.79	0.07	14-Apr-33	4.17	0.04	5 year	3.73	0.03
CAD	2.25	4.97	2.69	3.22	CAD	3.47	0.09	15-May-34	4.27	0.04	7 year	3.90	0.04
								15-May-35	4.36	0.04	10 year	4.09	0.04
								15-May-36	4.45	0.04	15 year	4.33	0.04
								15-May-37	4.55	0.04			
								15-May-41	4.83	0.04	<b>NZ Inflation-Indexed Bonds</b>		
								15-May-51	5.08	0.04	Sept-30	1.55	0.01
								15-May-54	5.10	0.04	Sept-35	2.35	0.02
											Sept-40	2.82	0.01

Carbon Price				Policy Meeting Run			
	Level	% Day	% Year		NZD	AUD	USD
NZU	54.15	-0.6	-5.4	1st	2.44	4.40	3.68
				2nd	2.62	4.43	3.79
				3rd	2.69	4.48	3.85
				4th	2.86	4.49	3.94
				5th	2.99	4.48	3.98

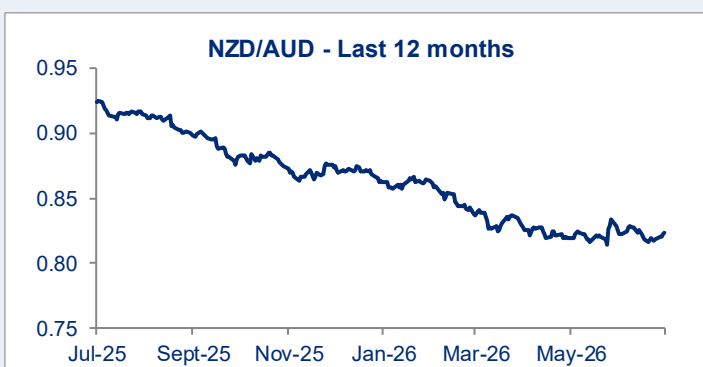
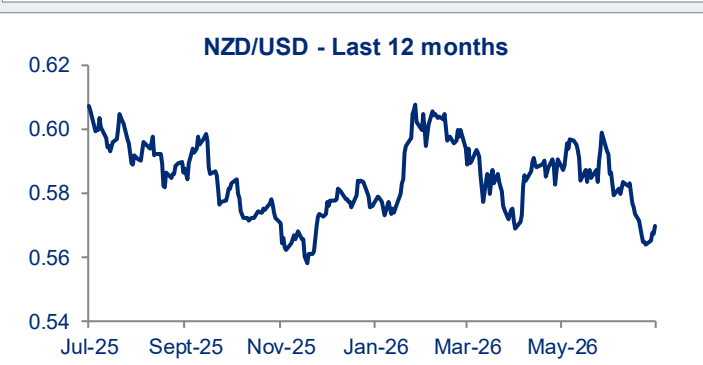
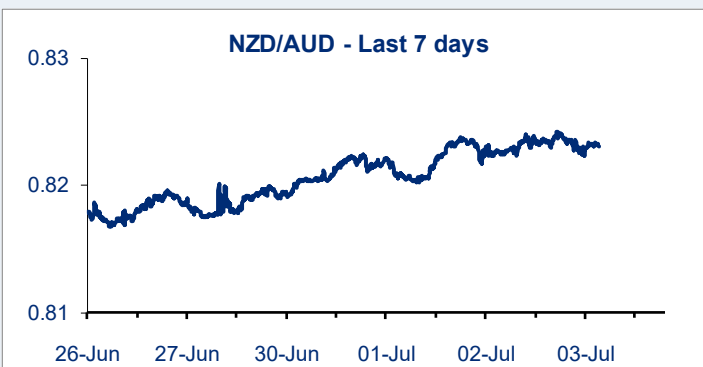
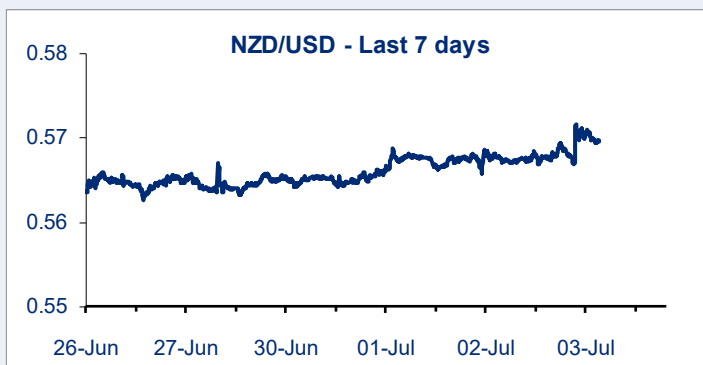
\* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer

Rates are as of: NZT 06:32

Source: Bloomberg

**NZD exchange rates**

3/07/2026	6:33 am	Prev. NY close
USD	0.5697	0.5672
GBP	0.4268	0.4273
AUD	0.8231	0.8229
EUR	0.4983	0.4985
JPY	91.77	92.22
CAD	0.8078	0.8063
CHF	0.4578	0.4592
DKK	3.7245	3.7264
FJD	1.2745	1.2752
HKD	4.4680	4.4490
INR	54.35	54.02
NOK	5.6076	5.6238
PKR	158.47	157.79
PHP	35.07	34.95
PGK	2.5031	2.4965
SEK	5.5085	5.5183
SGD	0.7359	0.7349
CNY	3.8654	3.8518
THB	18.97	18.94
TOP	1.3439	1.3188
VUV	68.53	68.03
WST	1.5529	1.5462
XPF	59.48	59.36
ZAR	9.2657	9.3091



**NZD/USD Forward Points**

	BNZ buys NZD	BNZ sells NZD
1 Month	5.75	6.05
3 Months	16.51	17.09
6 Months	31.77	32.96
9 Months	44.67	46.65
1 Year	54.86	57.84

**NZD/AUD Forward Points**

	BNZ buys NZD	BNZ sells NZD
1 Month	12.79	13.46
3 Months	37.39	38.66
6 Months	71.23	74.08
9 Months	100.02	104.68
1 Year	123.59	130.45

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