

# Research Markets Today

3 June 2026

## Events round-up

AU: Current Account Balance (\$bn.), Q1: -27 vs. -23 exp.

EC: CPI Estimate (y/y%), May: 3.2 vs. 3.2 exp.

EC: CPI Core (y/y%), May: 2.5 vs. 2.4 exp.

US: JOLTS job openings (m), Apr: 7.6 vs. 6.9 exp.

## Good morning

After a soft start in Asia, equity markets recovered overnight. The S&P 500 posted modest gains, trading above 7,600 and reaching fresh record intraday highs, supported by technology stocks. European equities performed strongly, with the Euro Stoxx rising more than 1%. President Trump said he remains optimistic the US can soon reach an interim peace deal with Iran, even as the Islamic Republic threatened to suspend talks following Israel's escalating attacks in Lebanon. Brent crude traded near US\$96 per barrel, while US Treasury yields rebounded from session lows after resilient labour market data.

US job openings rose to 7.6 million in April from 6.9 million, the highest level in almost two years, while layoffs declined, reinforcing signs of labour-market resilience. The increase was led by a surge in professional and business services openings to a three-year high. The data suggest labour demand is stabilising, even as firms contend with higher energy costs linked to the war.

Cleveland Fed President Beth Hammack, a voter on the FOMC and one of the central bank's most hawkish officials, said it is reasonable to keep interest rates on hold given uncertainty about the economic outlook. She said inflation, which remains above the Fed's 2% target, is a greater concern than the still-resilient labour market. Hammack added that if recent trends persist, it may soon be appropriate for policy to respond to the risk of inflation remaining elevated.

US Treasury yields moved higher after the JOLTS data, reversing an earlier modest rally. Ten-year notes had traded down to 4.42%, the lowest level in nearly two weeks, before returning to around 4.45%. By contrast, UK and most euro-zone 10-year yields fell at least 3bp, while Japan's declined more than 10bp after strong demand at a government bond auction.

An ECB report showed gold has overtaken US Treasuries as the world's largest reserve asset, reflecting sustained central bank buying and a sharp rally that has nearly doubled prices over the past two years. Bullion accounted for 27% of global central bank reserve assets at the end of 2025, up from 20% a year earlier. Over the same period, the share of US Treasuries fell to 22% from 25%, while euro-denominated reserves were unchanged at 15%.

Eurozone inflation rose to 3.2% in May from 3.0%, matching expectations but supporting the case for an ECB rate hike this month. Core inflation increased to 2.5%, slightly above forecast, while services inflation jumped to 3.5%, highlighting persistent domestic price pressures. Following the data, markets continued to fully price a 25bp ECB rate increase at the 12 June meeting, which would take the policy rate to 2.25%.

Currency markets were subdued overnight, with G10 currencies little changed against the US dollar from the NZ close. NZD/USD traded in a narrow range around 0.5930, while the NZD was broadly steady on the major crosses. The main exception was NZD/AUD, which slipped back towards 0.8250.

The NZ rates market reopened after Monday's public holiday with yields higher and the long end underperforming. However, the move was not sustained, with macro funds taking advantage of the sell-off. Two-year rates, having been marked 5bp higher intra-day, closed unchanged at 3.51%. The curve steepened, with 10-year rates ending the session 3bp higher at 4.23%. The recent run of Kauri issuance continued, with Export Development Canada launching a new 5-year deal at initial price guidance of mid-swap +32bp.

Turning to the day ahead, Q1 international trade data are released. Export and import volumes are expected to rise firmly, with net exports making a mild negative contribution to Q1 GDP. April building consents are also due. In Australia, consensus expects Q1 GDP to increase 0.5% q/q, although partial data released yesterday suggest risks are skewed to the downside. In the US, ADP payrolls will be monitored ahead of Friday night's official labour market report, while the services ISM is expected to edge up from April's 53.6 reading.

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Coming up

		Period	Cons.	Prev.	NZT
NZ	Terms of Trade Index (q/q%)	1Q	-1	3.7	10:45
NZ	Building Permits (m/m%)	Apr		-1.3	10:45
AU	GDP SA (q/q%)	1Q	0.5	0.8	13:30
AU	GDP (y/y%)	1Q	2.6	2.6	13:30
CH	RatingDog China PMI Services	May	52.3	52.6	13:45
JN	BOJ Governor Ueda Speech				
US	ADP Employment Change	May	120	109	00:15
US	ISM Services Index	May	53.8	53.6	02:00

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	Last	% Day	% Year	Last	Net Day			
NZD	0.5921	-0.2	0.5920	0.5942	CHF	0.7879	+0.2	S&P 500	7,609	+0.1	28.2	Oil (Brent)	96.20	+1.1
AUD	0.7173	+0.2	0.7170	0.7188	SEK	9.326	+0.2	Dow	51,234	+0.3	21.1	Oil (WTI)	93.89	+1.6
EUR	1.1620	-0.1	1.1620	1.1655	NOK	9.294	+0.2	Nasdaq	27,085	+0.0	40.8	Gold	4489.1	+0.3
GBP	1.3458	+0.0	1.3458	1.3481	HKD	7.837	-0.0	Stoxx 50	6,108	+1.2	14.0	HRC steel	1126.0	+0.2
JPY	159.97	+0.2	159.66	159.97	CNY	6.764	-0.0	FTSE	10,374	+0.3	18.2	CRB	385.9	+1.4
CAD	1.3840	+0.0			SGD	1.280	+0.1	DAX	25,124	+0.5	5.0	Wheat Chic.	615.5	-0.9
NZD/AUD	0.8255	-0.4			IDR	17,839	+0.2	CAC 40	8,209	+0.8	6.1	Sugar	14.38	-0.5
NZD/EUR	0.5096	-0.1			THB	32.69	+0.2	Nikkei	66,734	-0.3	78.2	Cotton	77.00	+0.3
NZD/GBP	0.4400	-0.2			KRW	1,518	+0.3	Shanghai	4,075	+0.4	21.7	Coffee	259.2	-0.6
NZD/JPY	94.72	+0.0			TWD	31.46	+0.3	ASX 200	8,724	-0.1	3.0	WM powder	3715	+1.1
NZD/CAD	0.8195	-0.2			PHP	61.68	-0.1	NZX 50	13,171	-0.6	6.8	<b>Australian Futures</b>		
NZ TWI	67.26	-0.2						VIX Index	15.96	-0.6	-13.1	3 year bond	95.47	-0.01
												10 year bond	95.06	-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	3.91	4.06	USD	4.45	0.00	15-May-28	3.52	0.00	BKBM 1-mth	2.43	0.00
AUD	4.35	4.46	4.60	5.02	AUD	4.88	-0.00	20-Apr-29	3.72	0.01	BKBM 3-mth	2.65	0.03
NZD	2.25	2.65	3.51	4.23	NZD	4.55	0.03	15-May-30	3.90	0.02	1 year	3.17	0.01
EUR	2.00	2.25	2.80	3.02	GER	2.98	-0.03	15-May-31	4.06	0.01	2 year	3.51	0.00
GBP	3.75	3.87	4.21	4.45	GBP	4.86	-0.04	15-May-32	4.20	0.02	3 year	3.66	-0.00
JPY	0.73	-0.03	1.37	2.40	JPY	2.58	-0.11	14-Apr-33	4.29	0.03	5 year	3.86	0.01
CAD	2.25	4.97	2.71	3.20	CAD	3.42	-0.01	15-May-34	4.38	0.03	7 year	4.03	0.02
								15-May-35	4.46	0.03	10 year	4.23	0.03
								15-May-36	4.55	0.03	15 year	4.47	0.04
								15-May-37	4.65	0.03			
								15-May-41	4.92	0.03	<b>NZ Inflation-Indexed Bonds</b>		
								15-May-51	5.14	0.03	Sept-30	1.55	0.03
								15-May-54	5.15	0.03	Sept-35	2.34	0.03
											Sept-40	2.81	0.03

Carbon Price			Policy Meeting Run				
	Level	% Day	% Year	NZD	AUD	USD	
NZU	51.55	-1.4	-7.2	1st	2.48	4.37	3.63
				2nd	2.69	4.49	3.65
				3rd	2.84	4.53	3.70
				4th	3.03	4.60	3.73
				5th	3.18	4.61	3.80

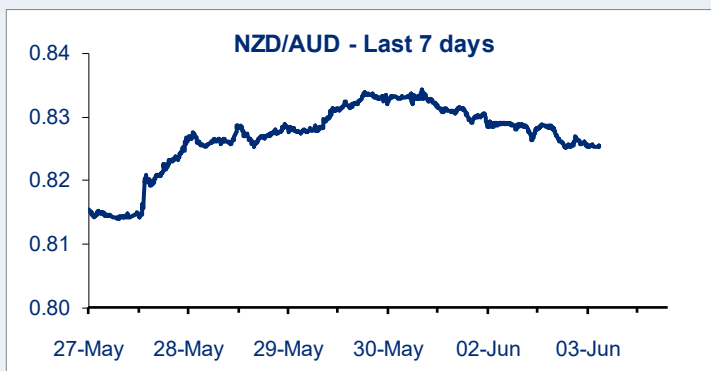
\* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer

Rates are as of: NZT 06:10

Source: Bloomberg

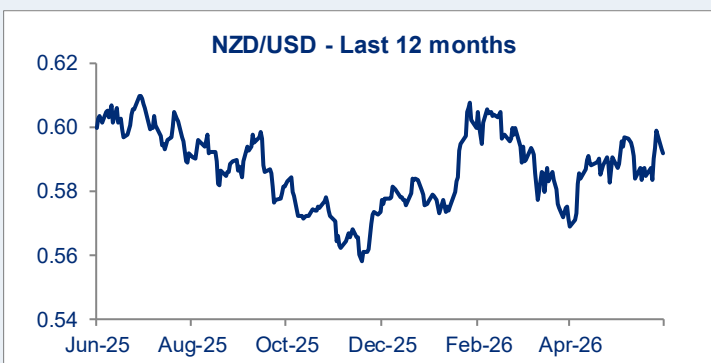
**NZD exchange rates**

3/06/2026	6:11 am	Prev. NY close
USD	0.5921	0.5933
GBP	0.4400	0.4410
AUD	0.8255	0.8287
EUR	0.5096	0.5101
JPY	94.72	94.73
CAD	0.8195	0.8211
CHF	0.4665	0.4667
DKK	3.8084	3.8120
FJD	1.2985	1.3060
HKD	4.6403	4.6500
INR	56.41	56.36
NOK	5.5029	5.5020
PKR	164.86	165.19
PHP	36.52	36.63
PGK	2.5867	2.5886
SEK	5.5219	5.5202
SGD	0.7579	0.7587
CNY	4.0050	4.0149
THB	19.28	19.31
TOP	1.3719	1.3727
VUV	69.88	69.94
WST	1.5792	1.5963
XPF	60.78	60.87
ZAR	9.6323	9.6800



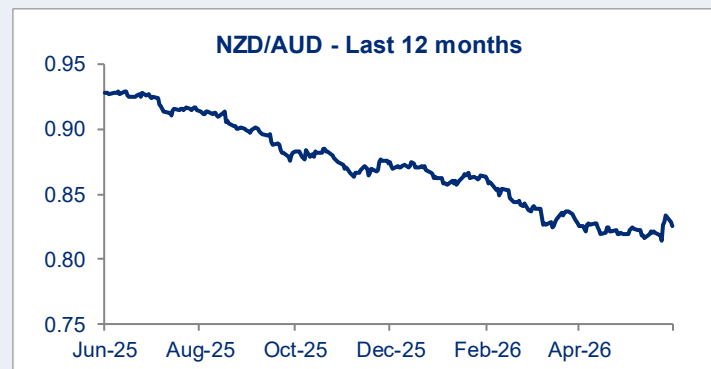
**NZD/USD Forward Points**

	BNZ buys NZD	BNZ sells NZD
1 Month	6.36	6.56
3 Months	16.32	16.91
6 Months	28.20	29.40
9 Months	37.35	39.25
1 Year	43.06	46.84



**NZD/AUD Forward Points**

	BNZ buys NZD	BNZ sells NZD
1 Month	14.05	14.49
3 Months	38.45	39.65
6 Months	72.40	75.06
9 Months	101.48	105.88
1 Year	124.90	132.31



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