Research

Markets Today

4 August 2026

Events round-up

NZ: Dwelling consents (m/m%), Jun: -3.6 vs. -4.9 prev.

CH: RatingDog PMI manufacturing, Jul: 50.9 vs. 51.7 prev.

US: ISM Manufacturing, Jul: 55.6 vs. 53.9 exp.

Good morning

The new week began with oil prices plunging on hopes of some form of resolution in the Middle East, while yen volatility continued in the wake of official joint US-Japan intervention late last week. Lower oil prices have eased pressure on the bond market and contributed to positive equity market gains. The USD is broadly stronger overnight.

Fresh from winning the Bedminster Senior Men's golf club championship for at least the fourth year in a row (with a little help from his caddie, no doubt) President Trump told reporters that new talks with Iran would begin on Monday. This followed weekend reports that he had agreed to cancel a major attack on Iran. Meanwhile, Iran's foreign minister said Iran was not currently negotiating with the US, although talks with Oman about a temporary route through the Strait of Hormuz were in their final stages.

Overnight, Trump reacted with an outburst on social media. While his message contained no new threats, he noted US control of the Strait through its blockade and said nothing would get through to Iran unless a deal, or total surrender, was achieved. In the past hour, Trump has spoken to reporters in the Oval Office and claimed that talks with Iran were ongoing and that they were discussing reopening the Strait of Hormuz tomorrow.

Oil prices opened the new week significantly lower, with Brent crude falling to USD81.55 per barrel before settling into an approximate USD82.50–84.50 range, where it has since remained.

The plunge in oil prices drove US Treasury yields lower when Asia opened, and they have since traded within a tight range of 4.67–4.70% for the 10-year rate. The reaction to the strong ISM manufacturing survey was muted, with the curve slightly flattening.

The headline ISM index rose to a stronger-than-expected 55.6, its highest level in more than four years. Gains were broadly based, with the production index rising to 58.5, new orders increasing to 56.7, and the employment index moving back above 50 for the first time since 2023, up to 52.8. The data point to strong positive growth momentum in the sector. While the prices paid index dipped somewhat to 71.1, the supplier delivery times and order backlog components — more reliable indicators of core goods inflation — suggest rising inflationary pressure.

Lower oil prices and Treasury yields have supported the US equity market, which has also been boosted by strong gains across the Magnificent 7 stocks, with an index of those names up 4% on the day. In late-afternoon trading, the S&P500 is up 1.5%, while the Nasdaq is up 2.2%.

In the currency market, the yen has remained in focus. Following official intervention late last week to support the yen, Japan's Finance Minister Katayama confirmed the first joint US intervention with Japan in currency markets in 15 years. US Treasury Secretary Bessent said the US would not hesitate to step into the market again, while Trump described the intervention as a signal of friendship. Japan's currency chief Mimura said Japan would respond to FX moves in coordination with monetary policy, hinting that the BoJ might be more inclined to raise interest rates in the future.

These headlines flushed out more speculators who had been holding short-yen positions, driving USD/JPY sharply lower after the Japanese market open to a low of 155.23. However, the yen subsequently weakened and has continued to do so overnight, with USD/JPY currently near 157. NZD/JPY has settled around 92. A widely held view is that, without considerable BoJ policy tightening, yen intervention will have only a temporary impact. The BoJ's ultra-easy policy stance remains the key reason behind the yen's steady depreciation over recent years. The aim of joint US-Japan intervention, or the threat of it, will be to encourage speculators to think twice before loading up on short-yen positions.

The USD has been broadly stronger overnight, unwinding some of last week's losses, with additional support following the ISM survey. After reaching a fresh two-month high above 0.59 in early Asian trading yesterday, the NZD has steadily fallen and traded as low as 0.5860. The AUD is back below 0.70, while NZD/AUD has pushed up to 0.8385. The NZD shows little net movement against the EUR and GBP from the NZ close.

In the domestic rates market, offshore forces were the predominant driver of higher NZ rates across the curve, as the market played catch-up to Friday night's selloff in Treasuries. Curves steepened, with the 2-year swap rate up 3bps to 3.71%, the 5-year rate up 5bps to 4.07%, and the 10-year rate up 7bps to 4.45%. NZGBs showed similar moves. Australian rates have rallied a few basis points overnight, which should exert slight downward pressure on NZ rates at the open today.

On the economic calendar ahead, Australian household spending for June and the US JOLTS labour market survey are due for release.

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Coming up

		Period	Cons.	Prev.	NZT
AU	Household spending (m/m%)	Jun	0.2	1.3	13:30
US	JOLTS job openings (k)	Jun	7504	7594	02:00

Source: Bloomberg

Currencies

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

	Last	% Day	Low	High
NZD	0.5868	-0.2	0.5860	0.5880
AUD	0.6998	-0.3	0.6984	0.7028
EUR	1.1512	-0.1	1.1500	1.1535
GBP	1.3429	-0.4	1.3418	1.3471
JPY	156.86	-0.4	156.26	157.14
CAD	1.4045	+0.2		
NZD/AUD	0.8385	+0.3		
NZD/EUR	0.5097	-0.1		
NZD/GBP	0.4370	+0.2		
NZD/JPY	92.05	-0.5		
NZD/CAD	0.8242	+0.0		
NZ TWI	66.89	-0.2		

Other FX

	Last	% Day
CHF	0.8102	+0.3
SEK	9.561	+0.3
NOK	9.540	+0.7
HKD	7.842	-0.0
CNY	6.755	+0.0
SGD	1.283	-0.0
IDR	17,997	-0.1
THB	33.42	-0.1
KRW	1,429	-0.7
TWD	32.47	+0.5
PHP	60.93	-0.5

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,600	+1.5	21.8
Dow	53,137	+1.3	21.9
Nasdaq	25,940	+2.3	25.6
Stoxx 50	6,427	+1.1	24.4
FTSE	10,858	-0.1	19.7
DAX	26,001	+1.5	11.0
CAC 40	8,614	+1.2	14.1
Nikkei	63,755	-0.9	58.2
Shanghai	3,810	-0.6	7.0
ASX 200	9,019	+0.5	4.1
NZX 50	13,775	+0.6	8.6
VIX Index	15.76	-1.4	-22.7

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	83.73	-4.8
Oil (WTI)	80.33	-5.1
Gold	4029.6	-0.5
HRC steel	1190.0	-0.1
CRB	385.1	+0.2
Wheat Chic.	669.5	+1.8
Sugar	15.01	+2.4
Cotton	81.35	+0.8
Coffee	304.7	-2.9
WM powder	3535	+0.0

Australian Futures

	Last	Net Day
3 year bond	95.49	-0.03
10 year bond	95.02	0.05

Interest Rates

Rates / **Swap Yields**

	Cash	3Mth	2 Yr	10 Yr
USD	3.75	4.85	4.11	4.28
AUD	4.35	4.50	4.53	5.03
NZD	2.50	2.95	3.71	4.45
EUR	2.25	2.48	2.98	3.18
GBP	3.75	3.87	4.20	4.55
JPY	0.99	-0.03	1.61	2.70
CAD	2.25	4.97	2.85	3.42

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.68	-0.05
AUD	4.93	0.00
NZD	4.74	0.07
GER	3.15	-0.05
GBP	4.95	-0.10
JPY	2.84	0.03
CAD	3.66	0.07

NZ Government Bonds

	Last	Chg
15-May-28	3.64	0.04
20-Apr-29	3.85	0.04
15-May-30	4.03	0.04
15-May-31	4.21	0.05
15-May-32	4.35	0.05
14-Apr-33	4.44	0.06
15-May-34	4.55	0.07
15-May-35	4.65	0.07
15-May-36	4.74	0.07
15-May-37	4.83	0.07
15-May-38	4.89	0.06
15-May-41	5.11	0.07
15-May-51	5.33	0.07
15-May-54	5.33	0.07

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.71	0.01
BKBM 3-mth	2.95	0.01
1 year	3.43	0.01
2 year	3.71	0.03
3 year	3.86	0.04
5 year	4.07	0.05
7 year	4.25	0.06
10 year	4.45	0.07
15 year	4.69	0.07

NZ Inflation-Indexed Bonds

	Last	Chg
Sept-30	1.72	0.03
Sept-35	2.53	0.03
Sept-40	3.00	0.04

Carbon Price

	Level	% Day	% Year
NZU	55.85	+0.0	-3.1

Policy Meeting Run

	NZD	AUD	USD
1st	2.74	4.37	3.80
2nd	2.90	4.39	3.88
3rd	3.09	4.47	3.99
4th	3.26	4.51	4.04
5th	3.39	4.52	4.11

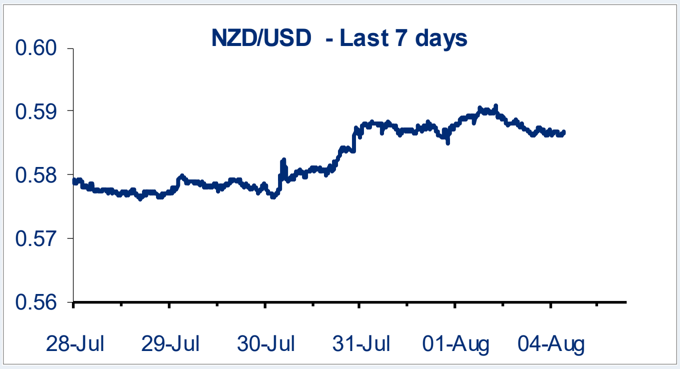
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer

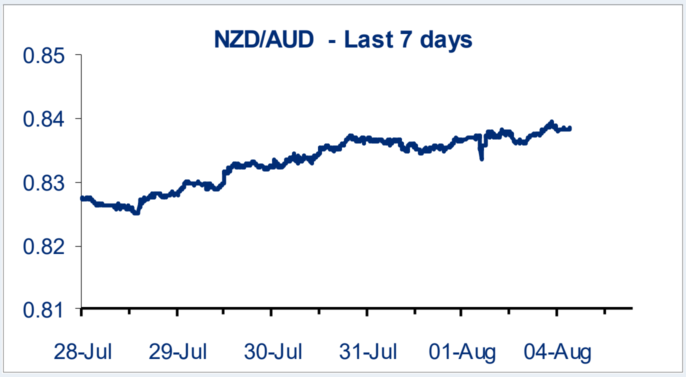
Rates are as of: NZT 06:49

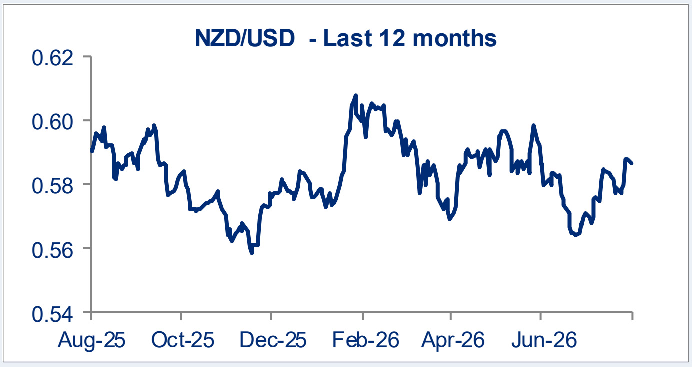
Source: Bloomberg

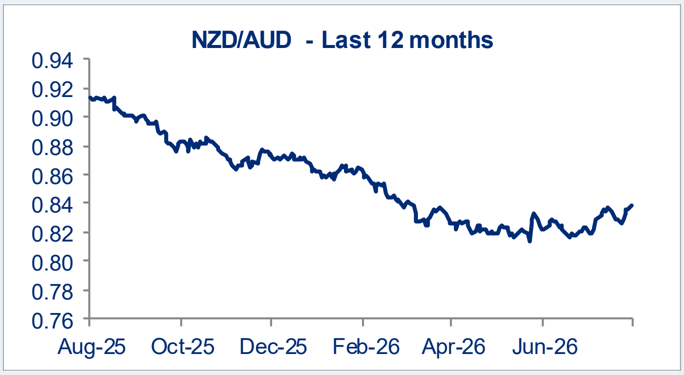
NZD exchange rates

4/08/2026	6:49 am	Prev. NY close
USD	0.5868	0.5879
GBP	0.4370	0.4360
AUD	0.8385	0.8376
EUR	0.5097	0.5100
JPY	92.05	92.54
CAD	0.8242	0.8243
CHF	0.4756	0.4747
DKK	3.8092	3.8132
FJD	1.3032	1.3137
HKD	4.5970	4.6104
INR	55.89	56.08
NOK	5.5990	5.5707
PKR	162.88	163.36
PHP	35.72	36.01
PGK	2.5881	2.5956
SEK	5.6071	5.6042
SGD	0.7522	0.7542
CNY	3.9598	3.9701
THB	19.55	19.63
TOP	1.3825	1.3804
VUV	69.78	69.99
WST	1.5961	1.6027
XPF	60.61	60.92
ZAR	9.6999	9.7177









NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	6.09	6.31
3 Months	15.33	15.79
6 Months	28.52	29.68
9 Months	38.12	40.29
1 Year	46.26	49.61

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	13.88	14.38
3 Months	34.50	35.64
6 Months	63.58	66.44
9 Months	86.14	90.87
1 Year	105.75	112.98

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