

Research Markets Today

4 February 2026

Events Round-Up

NZ: Dwelling consents (m/m%), Dec: -4.6 vs. 2.7 prev.

AU: Building approvals (m/m%), Dec: -14.9 vs. -6.4 exp.

AU: RBA cash rate target (%), Feb: 3.85 vs. 3.85 exp.

Good Morning

There has been little news to digest overnight. A slump in tech stocks has dragged down the S&P500 while US Treasury yields have traded a tight range. Gold and silver prices have bounced strongly, while the USD is modestly weaker. The AUD has held onto its gain post the RBA rate hike yesterday while the NZD has pushed higher and trades this morning around 0.6040.

The S&P500 is down 1% in early afternoon trading, dragged down by a nearly 3% fall in the IT sector. There has been a clear rotation out of IT into value stocks, with five of the eleven sectors showing gains. Walmart became the latest listed US company to hit the \$1 trillion market cap threshold. The Euro Stoxx 600 index closed up 0.1%.

After their massive falls recently, gold and silver prices have recovered strongly, suggesting that the big fall was exacerbated by forced selling and lower prices have attracted fresh buying. Gold is currently up 6% for the day to USD4940. Oil prices are up over 1%, following yesterday's 6% fall – showing a modest reaction to the US-India trade deal, in which lower tariffs for India were agreed if India stopped buying Russian crude oil. India hasn't confirmed that deal and in any case it has already been buying a lot less Russian crude, with its imports down to a three-year low.

In the rates market, US Treasuries have traded a tight range overnight, with the 10-year rate a touch higher from the NZ close. European rates are modestly higher across the board, with the market ignoring weaker French CPI data, with France being seen as an outlier with annual inflation of just 0.4%. Germany's 30-year rate rose 3bps to 3.55%, its highest level since 2011.

As widely expected, the RBA became the first major developed central bank to tighten policy this cycle, raising its cash rate by 25bps to 3.85%. The statement came across hawkish, with the Bank noting the material pick-up in inflation in the second half of 2025, stronger domestic demand, greater capacity pressures and tight labour

market conditions. The Board considered that inflation is likely to remain above target for some time. Based on market pricing, its forecasts didn't show inflation returning to the mid-point of the target range for well over two years.

But Governor Bullock tempered market reaction by showing an unwillingness to suggest that further tightening was possible "it's not clear one way or the other". That said, other economists joined our colleagues at NAB in predicting that another rate hike would likely follow in May and market pricing moved in that direction. Since the announcement, the 3-year bond yield is up 7bps while the 10-year rate is up 4bps, as implied by the futures market.

The AUD rose after the announcement and since this time yesterday, the AUD is the strongest major currency, up about 0.9% to 0.7010, after meeting some resistance at 0.7050. There was positive spillover into the NZD. Australia entering a tightening cycle increases the odds of the RBNZ following. The NZD is trading around 0.6040 after meeting some resistance just under 0.6060 overnight. NZD/AUD fell to as low as 0.8585 following the RBA announcement, before recovering, supported by the more neutral tone taken by Governor Bullock in the following press conference. The cross is 0.8620, only 10pips lower from the pre-RBA level.

The USD is modestly weaker overnight and dollar indices are down about 0.3% for the day. JPY is the weakest of the majors. USD/JPY rose above 156 overnight before reversing course. NZD/JPY has returned to a 94 handle and the NZD shows modest gains against EUR, GBP and CAD, trading at multi-month highs.

NZGB and swap rates were down about 2-3bps across the curve yesterday, reversing the previous day's move as there was better receiving than paying interest in the swap market. These moves pre-dated the RBA announcement and, given the noted upward move in Australian rates since, the bias will be towards higher rates on the open today.

In the day ahead, key NZ labour market data are released, projected to show the first quarterly employment growth in 18 months and a halting in the drift higher in the unemployment rate. Annual wage disinflation is seen nearing an end, as improving labour demand meets some difficulty in being satisfied. Data along these lines would

reinforce market expectations that the RBNZ may need to hike rates sooner than previously indicated when viewed against the string of other positive releases over the past couple of months.

Tonight sees the release of euro area CPI data and, in the US, ADP private payrolls and the ISM services survey. Later today, the US government shutdown should end after Republicans were united in passing a key procedural vote, ahead of a later vote on the spending bill.

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Coming Up

		Period	Cons.	Prev.	NZT
NZ	Unemployment rate (%)	Q4	5.3	5.3	10:45
NZ	Employment (q/q%)	Q4	0.3	0.0	10:45
NZ	LCI pvt wages ex overtime (q/q)	Q4	0.5	0.5	10:45
CH	RatingDog PMI services	Jan	52.0	52.0	14:45
EC	CPI (y/y%)	Jan	1.7	2.0	23:00
EC	CPI core (y/y%)	Jan	2.3	2.3	23:00
US	ADP employment change (k)	Jan	45	41	02:15
US	ISM services index	Jan	53.5	54.4	04:00

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	0.6044	+0.8	0.6020	0.6058	CHF	0.7751	-0.6	S&P 500	6,896	-1.1	15.0	Oil (Brent)	67.11	+1.2
AUD	0.7012	+0.9	0.6981	0.7050	SEK	8.910	-0.7	Dow	49,037	-0.7	10.4	Oil (WTI)	63.02	+1.4
EUR	1.1816	+0.2	1.1780	1.1829	NOK	9.639	-0.7	Nasdaq	23,183	-1.7	19.5	Gold	4950.5	+7.1
GBP	1.3696	+0.2	1.3651	1.3707	HKD	7.812	+0.0	Stoxx 50	5,995	-0.2	14.9	HRC steel	971.0	-0.1
JPY	155.71	+0.0	155.31	156.09	CNY	6.938	-0.1	FTSE	10,315	-0.3	20.2	CRB	305.1	-4.7
CAD	1.3647	-0.2			SGD	1.270	-0.2	DAX	24,781	-0.1	15.6	Wheat Chic.	537.3	+0.1
NZD/AUD	0.8620	-0.2			IDR	16,754	-0.3	CAC 40	8,180	-0.0	4.1	Sugar	14.62	+2.5
NZD/EUR	0.5115	+0.6			THB	31.66	+0.3	Nikkei	54,721	+3.9	41.0	Cotton	62.54	-0.2
NZD/GBP	0.4413	+0.5			KRW	1,448	-0.3	Shanghai	4,068	+1.3	25.1	Coffee	316.7	-5.0
NZD/JPY	94.11	+0.8			TWD	31.53	-0.3	ASX 200	8,857	+0.9	5.8	WM powder	3540	+0.7
NZD/CAD	0.8248	+0.5			PHP	58.92	+0.0	NZX 50	13,422	+0.1	4.0	Australian Futures		
NZ TWI	68.59	+0.5						VIX Index	18.94	+15.9	+1.7	3 year bond	95.68	-0.06
												10 year bond	95.10	-0.04
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	3.42	3.89	USD	4.29	0.01	15-May-28	3.33	-0.02	BKBM 1-mth	2.41	0.00	
AUD	3.60	3.87	4.27	4.93	AUD	4.83	0.04	20-Apr-29	3.59	-0.02	BKBM 3-mth	2.50	-0.00	
NZD	2.25	2.50	3.14	4.26	NZD	4.60	-0.02	15-May-30	3.84	-0.02	1 year	2.72	-0.01	
EUR	2.00	2.02	2.26	2.90	GER	2.89	0.02	15-May-31	4.05	-0.02	2 year	3.14	-0.02	
GBP	3.75	3.98	3.54	4.13	GBP	4.52	0.01	15-May-32	4.21	-0.02	3 year	3.42	-0.02	
JPY	0.73	-0.03	1.27	2.03	JPY	2.27	0.02	14-Apr-33	4.31	-0.02	5 year	3.77	-0.02	
CAD	2.25	4.97	2.46	3.21	CAD	3.46	0.03	15-May-34	4.42	-0.02	7 year	4.01	-0.02	
								15-May-35	4.52	-0.02	10 year	4.26	-0.03	
								15-May-36	4.60	-0.02	15 year	4.52	-0.03	
								15-May-37	4.70	-0.03				
								15-May-41	4.96	-0.03				
								15-May-51	5.19	-0.02				
								15-May-54	5.20	-0.02				
Carbon Price				Policy Meeting Run				NZ Inflation-Indexed Bonds						
	Level	% Day	% Year		NZD	AUD	USD							
NZU	36.75	-0.7	-42.5	1st	2.25	3.86	3.62	Sept-30	1.70	-0.01				
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer				2nd	2.26	3.89	3.58	Sept-35	2.50	-0.00				
Rates are as of: NZT 06:59				3rd	2.31	4.05	3.48	Sept-40	2.90	0.00				
Source: Bloomberg				4th	2.38	4.09	3.39							
				5th	2.50	4.18	3.28							

NZD exchange rates

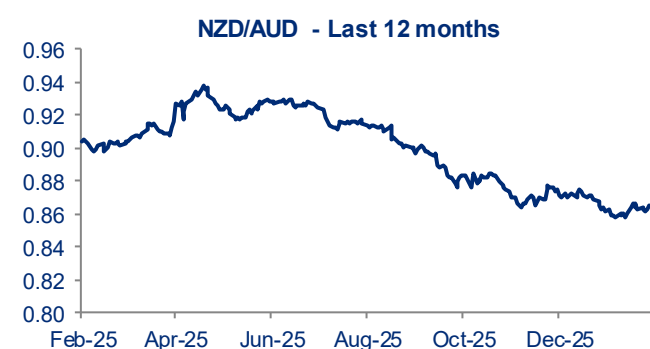
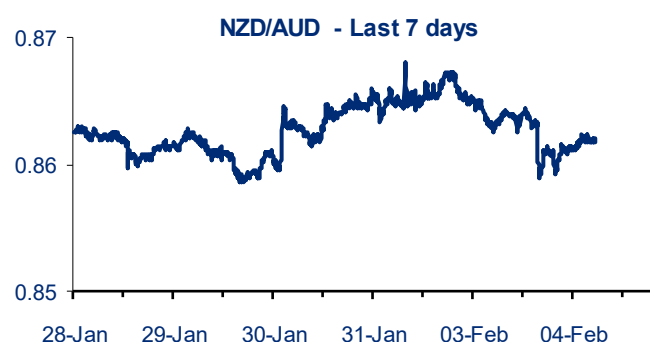
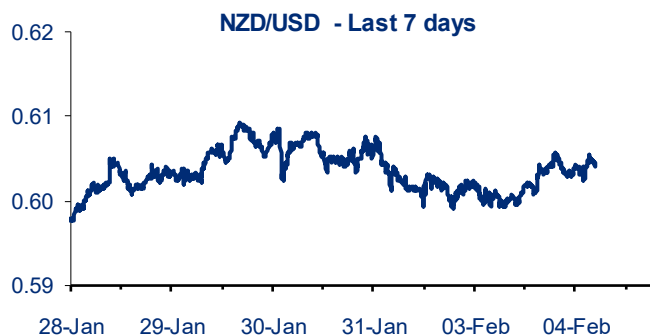
4/02/2026	6:59 am	Prev. NY close
USD	0.6044	0.5999
GBP	0.4413	0.4390
AUD	0.8620	0.8634
EUR	0.5115	0.5088
JPY	94.11	93.36
CAD	0.8248	0.8207
CHF	0.4688	0.4677
DKK	3.8244	3.7996
FJD	1.3395	1.3337
HKD	4.7257	4.6855
INR	54.61	54.90
NOK	5.8292	5.8204
PKR	169.20	167.88
PHP	35.63	35.33
PGK	2.5817	2.5637
SEK	5.3873	5.3786
SGD	0.7679	0.7632
CNY	4.1965	4.1665
THB	19.08	18.94
TOP	1.3970	1.4089
VUV	72.39	71.84
WST	1.6358	1.6321
XPF	60.70	60.26
ZAR	9.6436	9.6511

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	6.18	6.38
3 Months	19.45	19.94
6 Months	37.03	38.03
9 Months	49.32	51.32
1 Year	55.96	58.74

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	9.80	10.24
3 Months	31.95	33.06
6 Months	68.55	70.99
9 Months	104.50	109.21
1 Year	137.25	143.65



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