Research

Markets Today

4 November 2026

Events round-up

NZ: Dwelling consents (m/m%), Sep: -7.9 vs. 5.3 prev.

AU: RBA cash rate target (%), Nov: 4.85 vs. 4.85 exp.

US: JOLTS job openings (k), Sep: 7523 vs. 7162 exp.

Good morning

Net market movements have been modest over the past 24 hours. Oil is down modestly, but trading has been volatile given both positive and negative headlines regarding the US-Iran conflict. Lower Australian rates and a lower AUD have been sustained overnight following the RBA's well-anticipated rate hike. NZD/AUD is stronger, while NZD/USD has traded in a tight range just above 0.56. Global rates are modestly higher.

There have been plenty of news headlines regarding the Middle East conflict. Yesterday, the WSJ reported that the US conducted strikes on Iran's Qeshm Island on Monday, at the northern entrance to the Strait of Hormuz. They are the latest in a series of more discrete "defensive" operations that have apparently been going on unannounced.

Overnight, there have been reports of Qatari-brokered mediation, with a diplomat describing it as "positive". However, there have also been negative reports. Iran has rejected reports that it is close to a deal with the US, and a spokesman for Iran's negotiating team said no new development has been reached. Reuters reported an Iranian official saying that Iran and the US are far from a deal and that Tehran will not accept the US's "excessive demands".

It all sounds like déjà vu, as we have been reporting on these sorts of exchanges for months. Surprisingly, the oil market is still reacting to each headline. From a high of USD107 per barrel, oil has traded as low as USD101 and currently sits at USD103.50, down modestly for the day.

On economic data, the US JOLTS report was positive, suggesting improving conditions in the labour market. Job openings surged 333k in September to a four-month high of 7523k. Layoffs fell to their lowest level in a year, and the quits rate rose to 2.1%, its highest level in over a year, signalling that workers have more confidence to leave their jobs to seek new positions.

US Treasury yields jumped higher on the data, but most of the move wasn't sustained. The 10-year rate reached an overnight high of 4.97% and currently sits at 4.95%, up modestly from the NZ close. The data has had little impact on Fed rate hike expectations, with +19bps priced for the December meeting. European long-term rates are also up modestly for the day.

After trading on a much weaker note following our report yesterday, US equities have recovered some of that loss. The S&P500 is currently up 0.5% and the Nasdaq index is up 1%, with some rotation back into IT stocks. The Euro Stoxx 600 index closed down 0.6%. It is fair to say that the overall mood in equity markets remains cautious, continuing the sentiment from October.

Currency market movements have been modest. Yesterday, the PBoC said it would raise the foreign-exchange reserve requirement by 2 percentage points (from 4% to 6%) from 15 November. The move is a measure to halt or slow the rate of appreciation in the Chinese yuan and follows the recent decline in USD/CNY to a four-year low of 6.645. The yuan weakened modestly after the announcement, with USD/CNY rising to 6.67. NZD/CNY is slightly stronger at 3.745 but is still trading close to a 17-year low.

For AUD, it was a case of buy the rumour, sell the fact. As widely anticipated, the RBA raised its cash rate for the fifth time this year, by 25bps to 4.85%, its highest level in 18 years, showing off its inflation-fighting credentials, unlike some other central banks we monitor (the BoJ, Fed and RBNZ, to name a few). The press statement omitted the previous reference to a willingness to hike further if needed, and Governor Bullock noted that the impact of recent rate increases has yet to be felt. Australian yields and the AUD weakened after the announcement, and the move has been sustained. A consensus is forming that the RBA is probably done tightening for the cycle.

The AUD is trading around 0.6970 this morning, from around 0.6995 pre-RBA. The NZD has been trading in a fairly tight range a little over 0.56 and is at 0.5615 this morning. NZD/AUD strengthened following the RBA announcement, sustaining a move over 0.8050. With a massive 210bps gap between the NZ and Australian cash rates, or about 180bps for the 90-day rate, we remain cautious on the cross rate. Having been burnt on previous occasions, we aren't ready to declare that the low has been reached this cycle.

There isn't much to say about the other currency majors, with tight ranges against the USD and unremarkable movements on NZD crosses.

Trading activity was quiet in the domestic rates market, but yields continued to push lower in the aftermath of the RBNZ's deliberate "easing" of monetary conditions last week. Both NZGB and swap rates were marked down 2-3bps across the curve, with yields closing at their lowest levels in about eight weeks. Since the NZ close, which came just ahead of the RBA announcement, the Australian 3-year yield has fallen about 10bps and the 10-year rate about 5bps, which will impart a downside bias to NZ rates on the open.

In the day ahead, the domestic focus will be the labour market reports. The consensus sees employment growth strong enough to outweigh any lift in labour force participation, helping nudge the unemployment rate down to 5.5%, which would be the first fall in five years. Euro area CPI data tonight is expected to show annual headline inflation rising to 4.0%, with the core rate steady at 2.5%. In the US, the ISM services survey is expected to show a relatively steady headline index.

Voting in the US mid-term elections will conclude, and results will start to flow through from late afternoon NZ time. Odds strongly favour the Democrats taking the House, where the Republicans hold a slim majority. The Senate is more contested, but odds also favour a Democratic majority.

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Coming up

		Period	Cons.	Prev.	NZT
NZ	Employment (q/q%)	Q3	0.4	0.5	10:45
NZ	Employment (y/y%)	Q3	1.6	1.2	10:45
NZ	Unemployment rate (%)	Q3	5.5	5.6	10:45
NZ	LCI pvt wages inc overtime (q/q%)	Q3	0.5	0.7	10:45
AU	Household spending (m/m%)	Sep	0.2	0.0	13:30
CH	RatingDog PMI services	Oct	51.7	51.6	14:45
EA	CPI (y/y%)	Oct	4.0	3.8	23:00
EA	CPI Core (y/y%)	Oct	2.5	2.5	23:00
US	ADP employment change (k)	Oct	66	90	02:15
US	Trade balance ($b)	Sep	-108	-106	02:30
US	ISM services index	Oct	54.8	54.9	04:00

Source: Bloomberg

Currencies

FX Majors — Indicative overnight ranges (*)

	Last	% Day	Low	High
NZD	0.5615	-0.0	0.5610	0.5632
AUD	0.6971	-0.4	0.6962	0.6998
EUR	1.1197	+0.1	1.1175	1.1207
GBP	1.3419	+0.1	1.3403	1.3432
JPY	158.48	+0.3	157.75	158.60
CAD	1.3995	+0.1		
NZD/AUD	0.8055	+0.4		
NZD/EUR	0.5015	-0.1		
NZD/GBP	0.4184	-0.1		
NZD/JPY	88.99	+0.3		
NZD/CAD	0.7858	+0.0		
NZ TWI	63.91	+0.1		

Other FX

	Last	% Day
CHF	0.8205	+0.2
SEK	9.790	+0.0
NOK	9.278	-0.3
HKD	7.847	+0.0
CNY	6.671	+0.4
SGD	1.281	+0.2
IDR	18,160	+0.0
THB	33.78	+0.2
KRW	1,345	+0.0
TWD	32.80	+0.7
PHP	63.48	-0.2

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,581	+0.5	10.6
Dow	51,736	-0.5	9.3
Nasdaq	25,397	+0.9	6.6
Stoxx 50	6,145	-0.5	8.2
FTSE	10,638	-1.1	9.7
DAX	25,865	-0.4	7.2
CAC 40	8,020	-0.3	-1.1
Nikkei	63,082	-0.3	22.5
Shanghai	3,608	-0.8	-9.3
ASX 200	8,887	+0.3	0.8
NZX 50	13,720	+0.2	0.8
VIX Index	20.69	-2.2	+20.5

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	103.45	-1.3
Oil (WTI)	95.91	-0.6
Gold	3938.1	-0.8
HRC steel	1360.0	+0.6
CRB	401.1	-2.4
SGX Iron Ore	91.20	+0.6
NZ Milk '27	10.41	+0.0
NZ Milk '28	10.30	+0.0
NZ Milk '29	9.92	+0.0
WM powder	3970	+0.1
Australian Futures		
3 year bond	95.25	0.08
10 year bond	94.89	0.02

Interest Rates

Rates

	Cash	3Mth
USD	4.00	4.85
AUD	4.60	4.91
NZD	2.75	3.14
EUR	2.50	2.71
GBP	3.75	3.87
JPY	1.25	1.34
CAD	2.50	2.61

Swap Yields

	2 Yr	10 Yr
USD	4.47	4.56
AUD	4.85	5.25
NZD	3.87	4.50
EUR	3.35	3.43
GBP	4.68	4.82
JPY	1.88	2.68
CAD	3.17	3.57

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.95	0.04
AUD	5.09	-0.05
NZD	4.80	-0.03
GER	3.33	0.04
GBP	5.26	0.07
JPY	2.78	0.00
CAD	3.78	0.03

NZ Government Bonds

	Last	Chg
15-May-28	3.71	-0.02
20-Apr-29	3.95	-0.03
15-May-30	4.11	-0.03
15-May-31	4.27	-0.03
15-May-32	4.40	-0.03
14-Apr-33	4.50	-0.03
15-May-34	4.60	-0.03
15-May-35	4.70	-0.03
15-May-36	4.80	-0.03
15-May-37	4.88	-0.03
15-May-38	4.94	-0.03
15-May-41	5.16	-0.03
15-May-51	5.37	-0.02
15-May-54	5.38	-0.02

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.91	-0.01
BKBM 3-mth	3.14	-0.00
1 year	3.59	-0.02
2 year	3.87	-0.02
3 year	4.00	-0.02
5 year	4.17	-0.03
7 year	4.32	-0.03
10 year	4.50	-0.02
15 year	4.70	-0.02
NZ Inflation-Indexed Bonds		
Sept-30	1.69	-0.01
Sept-35	2.47	-0.01
Sept-40	2.91	-0.01

Carbon Price

	Level	% Day	% Year
NZU	48.80	+0.6	-7.0

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

Rates are as of: NZT 06:45

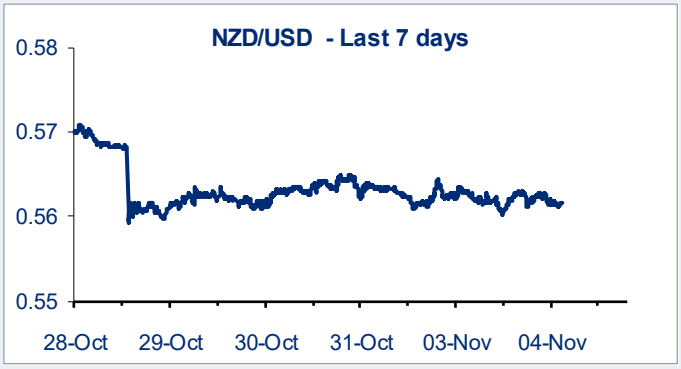
Source: Bloomberg

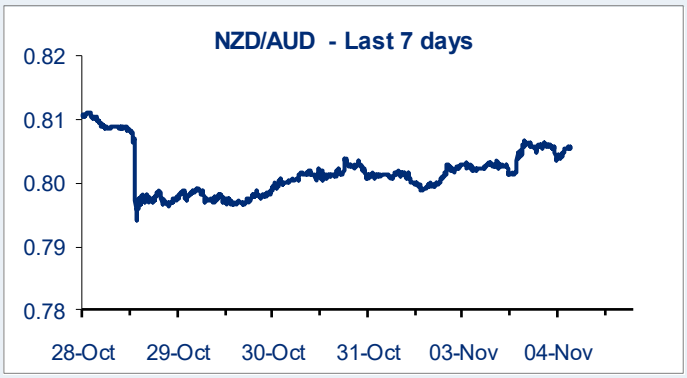
Policy Meeting Run

	NZD	AUD	USD
1st	2.95	4.86	4.08
2nd	3.12	4.89	4.15
3rd	3.26	4.94	4.29
4th	3.39	4.93	4.36
5th	3.52	4.90	4.44

NZD exchange rates

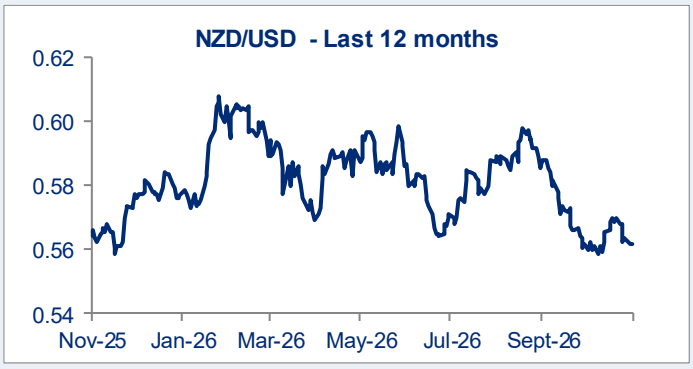
4/11/2026	6:45 am	Prev. NY close
USD	0.5615	0.5617
GBP	0.4184	0.4190
AUD	0.8055	0.8025
EUR	0.5015	0.5021
JPY	88.99	88.71
CAD	0.7858	0.7856
CHF	0.4606	0.4599
DKK	3.7473	3.7525
FJD	1.2603	1.2637
HKD	4.4035	4.4075
INR	53.17	53.31
NOK	5.2133	5.2250
PKR	155.26	155.43
PHP	35.62	35.80
PGK	2.5211	2.5200
SEK	5.5012	5.4973
SGD	0.7190	0.7182
CNY	3.7437	3.7344
THB	18.94	18.96
TOP	1.3226	1.3396
VUV	67.00	67.20
WST	1.5497	1.5511
XPF	59.76	59.89
ZAR	9.3223	9.3260





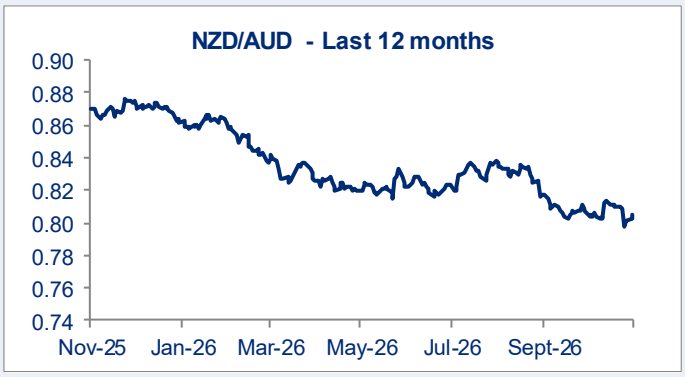
NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	6.28	6.48
3 Months	17.70	18.12
6 Months	32.78	33.73
9 Months	46.47	48.15
1 Year	58.11	60.89



NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	14.82	15.26
3 Months	39.93	40.87
6 Months	73.52	75.88
9 Months	101.54	105.72
1 Year	123.94	130.26



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