Research

Markets Today

4 September 2026

Events round-up

NZ: Terms of trade (q/q%), Q2: -9.0 vs. -1.9 exp.

AU: Trade balance ($bn), Jul: 1.9 vs. 1.5 exp.

CH: RatingDog PMI services, Aug: 51.4 vs. 50.6 exp.

US: Trade balance ($b), Jul: -88.6 vs. -90.3 exp.

US: Initial jobless claims (k), 29 Aug: 206 vs. 205 exp.

US: ISM services index, Aug: 55.4 vs. 54.1 exp.

Good morning

US equity markets gained while US treasury yields declined after Fed Governor Waller struck a balanced tone on the monetary policy outlook ahead of next week's August inflation data. The S&P 500 rose more than 1% in a broad-based rally, with almost all sectors higher on the day. The US dollar weakened against G10 currencies, with the yen the largest mover, extending recent gains after the hawkish comments from a Bank of Japan board member. Brent crude was steady near US$95 per barrel.

Governor Waller said his next decision on interest rates will be "heavily influenced" by August inflation data due next week. He said would consider a rate hike if inflation comes in hot but is willing to support holding the policy rate at its current level if there is continued progress toward the 2% goal. Waller expects the August inflation data to come in at a "reasonable" level and said recent data suggest some signs of disinflation, with price pressures showing signs of improvement.

The ISM services index rose to 55.4 in August, its highest level since February and above the consensus estimate. The survey points to resilient services activity, although its relationship with consumer spending on services has been less reliable in recent years. New orders increased to 60.9, the strongest reading in more than three years, while the prices paid index rose to 72.6, also a multi-year high. Employment remains subdued at 47.8. Separately, initial jobless claims were little changed at 206k.

The market pared expectations for Fed tightening after Waller's comments and was little moved by the subsequent economic data. Around 13bp of tightening is priced for the September FOMC, down from 16bp ahead of Waller's speech. The shift supported a modest rally in US Treasuries, led by shorter maturities, contributing to a steeper curve. The 10-year yield is 2bp lower at 4.75%. European bonds also gained with 10-year gilt yields falling 10bp to 5.13%, having traded to a multi-decade high earlier this this week.

The US dollar moved steadily lower in offshore trading, while the yen extended its sharp rally. USD/JPY fell below 155.50 as markets priced a greater chance of tightening at the next Bank of Japan meeting and investors remained cautious about the risk of further official action. The yen had started strengthening early Thursday after a BoJ board member raised the possibility of larger or back-to-back rate hikes. Overnight index swaps now fully price a 25bp hike at the 18 September meeting.

Outside the yen's large gain, moves across G10 currencies were relatively modest, though consistently firmer against the US dollar. NZD/USD traded up towards 0.5890, extending its recovery from the post-RBNZ slump. The NZD was little changed on most key crosses. NZD/JPY was the clear exception, falling below 91.50 after opening the week above 94.50.

NZ rates consolidated in the local session yesterday after the previous day's post-MPS rally. Two-year rates rose 2bp to 3.71%, while the curve flattened marginally, with 10-year rates edging 1bp lower to 4.48%. The weekly NZGB tender drew solid demand, with NZ$1.9b of bids for the NZ$450m offered. Both lines were more than four times covered, with the cross-market underperformance perhaps supporting demand. Ten-year NZGB yields ended unchanged at 4.79%.

US labour market data this evening should clarify whether July's conflicting payrolls and unemployment signals were noise or genuine weakening. A soft August 55k payrolls print is expected, with unemployment stable at 4.1%, but Fed Chair Warsh's Jackson Hole view that the labour market is close to full employment means weak payrolls growth could limit the dovish read-through for rates markets. CPI data week will likely be more decisive for September pricing. Labour market data is also scheduled in Canada.

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Coming up

		Period	Cons.	Prev.	NZT
NZ	Volume of All Buildings (q/q%)	2Q	1	-3.5	10:45
GE	Factory Orders (m/m%)	Jul	0.3	3.1	18:00
UK	BOE Governor Speaks in London				20:50
CA	Unemployment Rate	Aug	6.4	6.4	00:30
US	Change in Nonfarm Payrolls	Aug	55	-23	00:30
US	Average Hourly Earnings (m/m'	Aug	0.3	0.1	00:30
US	Average Hourly Earnings (y/y%)	Aug	3.1	3.2	00:30
US	Unemployment Rate	Aug	4.1	4.1	00:30

Source: Bloomberg

Currencies

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

	Last	% Day	Low	High
NZD	0.5887	+0.6	0.5856	0.5892
AUD	0.7207	+0.5	0.7164	0.7207
EUR	1.1635	+0.4	1.1598	1.1641
GBP	1.3543	+0.4	1.3485	1.3548
JPY	155.43	-2.1	155.30	157.37
CAD	1.3785	-0.4		
NZD/AUD	0.8168	+0.1		
NZD/EUR	0.5060	+0.2		
NZD/GBP	0.4347	+0.2		
NZD/JPY	91.50	-1.4		
NZD/CAD	0.8115	+0.2		
NZ TWI	66.21	+0.2		

Other FX

	Last	% Day
CHF	0.8065	-0.8
SEK	9.537	-1.0
NOK	9.287	-0.4
HKD	7.840	-0.0
CNY	6.719	-0.0
SGD	1.266	-0.4
IDR	17,679	-0.5
THB	32.90	-0.9
KRW	1,356	-0.2
TWD	31.77	+0.1
PHP	62.52	-0.1

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,750	+1.1	20.2
Dow	53,700	+1.2	18.6
Nasdaq	26,634	+1.6	23.9
Stoxx 50	6,383	+0.3	19.9
FTSE	10,832	+0.7	18.0
DAX	26,003	+0.6	10.2
CAC 40	8,286	+0.1	7.3
Nikkei	64,214	-0.2	50.8
Shanghai	3,942	+0.0	3.4
ASX 200	9,020	+0.5	2.2
NZX 50	13,846	-0.6	5.4
VIX Index	14.50	-4.6	-11.3

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	95.39	-0.2
Oil (WTI)	91.29	+0.3
Gold	4501.0	+2.7
HRC steel	1225.0	+0.2
CRB	416.8	-0.1
SGX Iron Ore	98.70	-0.4
NZ Milk '26	9.75	+0.0
NZ Milk '27	9.83	-0.2
NZ Milk '28	9.80	-0.5
WM powder	3695	-0.9

Australian Futures

	Last	Net Day
3 year bond	95.25	0.06
10 year bond	94.84	0.05

Interest Rates

Rates / **Swap Yields**

	Cash	3Mth	2 Yr	10 Yr
USD	3.75	4.85	4.20	4.38
AUD	4.35	4.61	4.75	5.23
NZD	2.75	3.06	3.71	4.48
EUR	2.25	2.65	3.17	3.38
GBP	3.75	3.87	4.34	4.68
JPY	0.98	-0.03	1.85	2.80
CAD	2.25	4.97	3.02	3.56

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.75	-0.02
AUD	5.18	-0.05
NZD	4.78	0.00
GER	3.34	-0.03
GBP	5.13	-0.10
JPY	2.96	-0.07
CAD	3.78	-0.01

NZ Government Bonds

	Last	Chg
15-May-28	3.59	0.01
20-Apr-29	3.82	0.02
15-May-30	4.02	0.01
15-May-31	4.20	0.01
15-May-32	4.36	0.01
14-Apr-33	4.47	0.00
15-May-34	4.58	0.00
15-May-35	4.68	0.00
15-May-36	4.78	0.00
15-May-37	4.88	-0.00
15-May-38	4.94	0.00
15-May-41	5.18	0.00
15-May-51	5.42	-0.00
15-May-54	5.43	0.00

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.95	0.01
BKBM 3-mth	3.06	-0.02
1 year	3.44	0.01
2 year	3.71	0.02
3 year	3.86	0.02
5 year	4.09	0.01
7 year	4.27	0.00
10 year	4.48	-0.01
15 year	4.74	-0.02

NZ Inflation-Indexed Bonds

	Last	Chg
Sept-30	1.65	-0.01
Sept-35	2.48	-0.02
Sept-40	2.95	-0.02

Carbon Price

	Level	% Day	% Year
NZU	50.15	+0.8	-13.2

Policy Meeting Run

	NZD	AUD	USD
1st	2.83	4.52	3.76
2nd	3.01	4.63	3.83
3rd	3.13	4.67	3.96
4th	3.25	4.72	4.02
5th	3.34	4.74	4.11

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

Rates are as of: NZT 06:16

Source: Bloomberg

NZD exchange rates

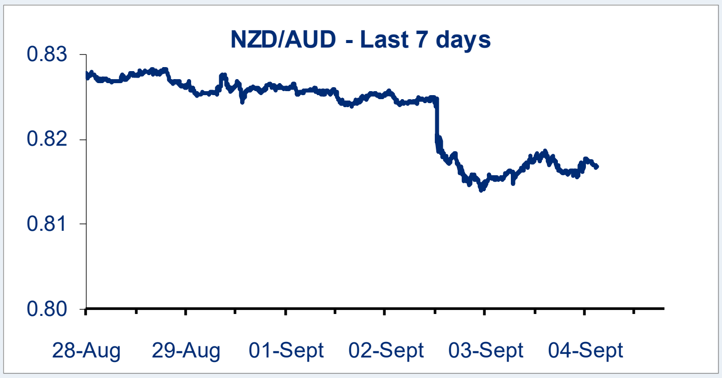
4/09/2026	6:16 am	Prev. NY close
USD	0.5887	0.5852
GBP	0.4347	0.4339
AUD	0.8168	0.8163
EUR	0.5060	0.5050
JPY	91.50	92.88
CAD	0.8115	0.8100
CHF	0.4748	0.4757
DKK	3.7820	3.7748
FJD	1.3042	1.2961
HKD	4.6155	4.5890
INR	55.63	55.58
NOK	5.4674	5.4544
PKR	163.37	162.41
PHP	36.80	36.62
PGK	2.6506	2.5928
SEK	5.6145	5.6354
SGD	0.7455	0.7438
CNY	3.9551	3.9321
THB	19.42	19.50
TOP	1.3675	1.3540
VUV	69.53	69.14
WST	1.5902	1.5819
XPF	60.32	60.30
ZAR	9.4105	9.3930

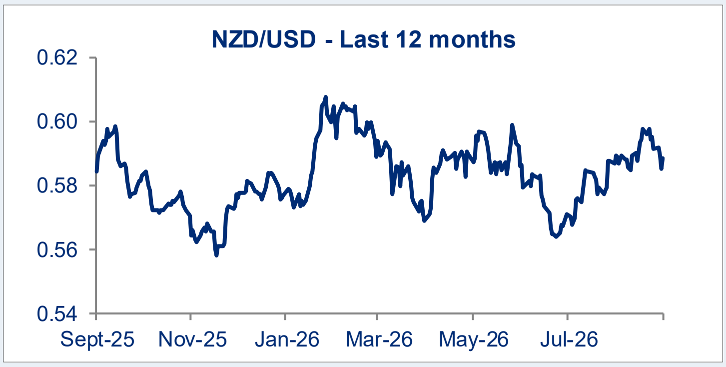
NZD/USD Forward Points

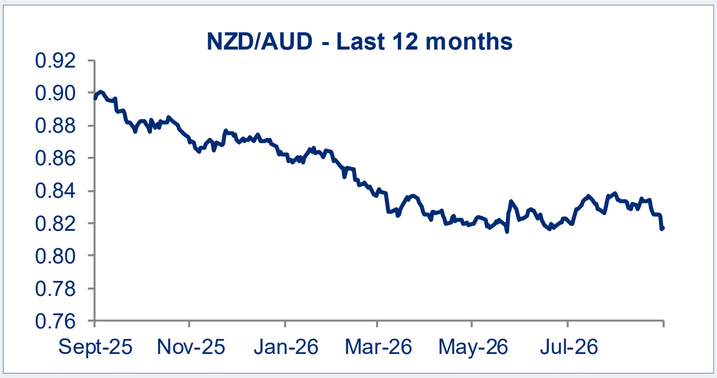
	BNZ buys NZD	BNZ sells NZD
1 Month	4.25	4.45
3 Months	13.33	13.94
6 Months	26.33	27.65
9 Months	37.07	40.20
1 Year	47.23	51.27

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	9.24	9.71
3 Months	31.27	32.69
6 Months	61.71	64.70
9 Months	88.59	94.68
1 Year	113.39	121.34







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