

Research

Markets Today

5 February 2026

Events round-up

NZ: Unemployment rate (%), Q4: 5.4 vs. 5.3 exp.
NZ: Employment (q/q%), Q4: 0.5 vs. 0.3 exp.
NZ: LCI pvt wages ex overtime (q/q), Q4: 0.4 vs. 0.5 exp.
CH: RatingDog PMI services, Jan: 52.3 vs. 52 exp.
EC: CPI (y/y%), Jan: 1.7 vs. 1.7 exp.
EC: CPI core (y/y%), Jan: 2.2 vs. 2.3 exp.
US: ADP employment change (k), Jan: 22 vs. 45 exp.
US: ISM services index, Jan: 53.8 vs. 53.5 exp.

Good morning

US equity markets were mixed, with a continued rotation out of technology stocks. The S&P500 was little changed, while the Nasdaq extended its decline amid ongoing concerns about AI-related disruption across software and data-centric sectors. Sovereign bond markets were broadly stable, with US Treasury yields steady and yields declining modestly in Europe. The US dollar index edged higher. In commodities, metals prices remained volatile; gold briefly traded near USD 5,100 per ounce before retracing sharply.

The ISM services index held steady at 53.8 in January, marginally above the consensus estimate. While the headline sits at its joint-highest level since October 2024, its reliability as a gauge of services demand has not been strong. The underlying detail was softer: employment fell sharply to 50.3 (vs. 51.8 expected) and new orders eased to 53.1. Price pressures firmed, with the index rising to 66.6 from a revised 65.1.

US private-sector job growth slowed in January, according to ADP, as investors wait for the delayed release of the official government labour-market report. The January payrolls data, originally scheduled for Friday evening, was postponed due to a brief partial government shutdown. Although funding has been restored, the Bureau of Labor Statistics was unable to complete the report in time for its planned publication.

US Treasuries were little changed in response to the data. 10-year yields remained stable near 4.28%. The US Treasury released its quarterly refunding announcement, detailing upcoming auction sizes and financing plans. It anticipates keeping auction sizes of two- to 30-year debt

unchanged "for at least the next several quarters". While there is broad agreement that the US will eventually have to increase auction sizes, the timing of any such move is uncertain.

The US dollar is generally firmer against G10 currencies, although absolute moves were not large. NZD/USD declined below 0.6000 and was marginally softer on the key crosses. The NZD retraced from levels above 0.6060 in the local session yesterday after the release of Q4 labour-market data. The People's Bank of China set the daily yuan fix on a 6.95 handle for the first time since 2023, signalling comfort with further CNY gains.

Euro-area inflation eased in January, with headline CPI slipping to 1.7% y/y from a revised 2.0% in December, in line with expectations and the weakest pace since September 2024. Core inflation moderated to 2.2%, the lowest since October 2021, while services inflation slowed to 3.2%. The data was released ahead of the ECB's first policy meeting of 2026, where the Bank is widely expected to keep rates unchanged at 2% for a fifth consecutive decision.

The NZ unemployment rate unexpectedly increased to 5.4% in Q4, a ten-year high, but largely reflected rising participation rather than underlying weakness. Employment expanded for the first time in 18 months, supported by positive business hiring intentions and strong growth in hours worked. Wage inflation was in line with expectations and dipped to a 2.0% annual rate.

The labour-market data broadly aligned with the RBNZ's projections from November, but the uptick in the unemployment rate contributed to a relief rally for NZ fixed income in the local session yesterday. Two-year swap rates declined 6bp to 3.09%. The short end outperformed at the margin, with 10-year rates closing 4bp lower at 4.22%. There was a notable compression in cross-market spreads against Australia after the hawkish hike by the RBA on Tuesday.

The government curve matched the move lower in swaps. Market focus will turn to today's weekly tender. As usual there is NZD 450 million of bonds offered, split across the May-30 (NZD 225m), May-34 (NZD 175m), and May-54 (NZD 50m). This is the second consecutive week of issuance in near-30-year lines. Demand in the ultras has

pushed the 10y/30y NZGB curve toward +60bp, corresponding with the December low.

There is no significant domestic economic data scheduled today. The Bank of England is unanimously expected to leave rates unchanged at 3.75%, reflecting persistent uncertainty about underlying inflation. The Bank will release updated forecasts. The market is almost fully discounting a 25bp cut by the June meeting and a cumulative 37bp by year-end. Similarly, the European Central Bank is likely to keep policy unchanged at 2.0%, and market pricing implies the policy rate is likely to remain stable through 2026.

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Coming up

		Period	Cons.	Prev.	NZT
AU	Trade Balance	Dec	3500	2936	13:30
GE	Factory Orders (m/m%)	Dec	-2.2	5.6	20:00
UK	Bank of England Bank Rate	Feb	3.75	3.75	1:00
EC	ECB Deposit Facility Rate	Feb	2	2	2:15
US	Initial Jobless Claims	31-Jan	212	209	2:30

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	Net Day	
NZD	0.6007	-0.6	0.5992	0.6047	CHF	0.7760	+0.1	S&P 500	6,886	-0.5	14.0	
AUD	0.6999	-0.3	0.6981	0.7043	SEK	8.989	+0.9	Dow	49,539	+0.6	11.2	
EUR	1.1810	-0.1	1.1791	1.1838	NOK	9.680	+0.6	Nasdaq	22,926	-1.4	16.6	
GBP	1.3662	-0.2	1.3643	1.3733	HKD	7.812	-0.0	Stoxx 50	5,970	-0.4	13.4	
JPY	156.56	+0.5	156.24	156.86	CNY	6.944	+0.1	FTSE	10,402	+0.9	21.4	
CAD	1.3665	+0.2			SGD	1.272	+0.2	DAX	24,603	-0.7	14.4	
NZD/AUD	0.8583	-0.3			IDR	16,777	+0.1	CAC 40	8,262	+1.0	4.5	
NZD/EUR	0.5086	-0.6			THB	31.71	+0.2	Nikkei	54,293	-0.8	39.8	
NZD/GBP	0.4397	-0.4			KRW	1,459	+0.8	Shanghai	4,102	+0.8	26.2	
NZD/JPY	94.05	-0.1			TWD	31.56	+0.1	ASX 200	8,928	+0.8	6.1	
NZD/CAD	0.8209	-0.5			PHP	58.97	+0.1	NZX 50	13,467	+0.3	4.8	
NZ TWI	68.29	-0.5						VIX Index	19.14	+6.3	+11.2	
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			
USD	3.75	4.85	3.40	3.87	USD	4.27	0.00	15-May-28	3.28	-0.05		
AUD	3.85	3.93	4.28	4.90	AUD	4.87	0.03	20-Apr-29	3.55	-0.04		
NZD	2.25	2.50	3.08	4.20	NZD	4.56	-0.04	15-May-30	3.79	-0.04		
EUR	2.00	2.03	2.24	2.87	GER	2.86	-0.03	15-May-31	4.00	-0.05		
GBP	3.75	3.98	3.54	4.12	GBP	4.55	0.03	15-May-32	4.16	-0.04		
JPY	0.73	-0.03	1.27	2.01	JPY	2.26	-0.01	14-Apr-33	4.27	-0.04		
CAD	2.25	4.97	2.45	3.18	CAD	3.43	-0.01	15-May-34	4.38	-0.04		
Carbon Price												
Level	% Day	% Year		Policy Meeting Run				Last	Chg			
NZU	37.40	+1.8	-41.7	NZD	AUD	USD		15-May-36	4.56	-0.04		
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer												
Rates are as of: NZT 06:14												
Source: Bloomberg												

NZD exchange rates

5/02/2026	6:14 am	Prev. NY close
USD	0.6007	0.6046
GBP	0.4397	0.4414
AUD	0.8583	0.8611
EUR	0.5086	0.5115
JPY	94.05	94.17
CAD	0.8209	0.8247
CHF	0.4661	0.4687
DKK	3.7976	3.8203
FJD	1.3269	1.3373
HKD	4.6927	4.7238
INR	54.32	54.58
NOK	5.8147	5.8196
PKR	168.02	169.11
PHP	35.42	35.61
PGK	2.5649	2.5805
SEK	5.3994	5.3838
SGD	0.7642	0.7678
CNY	4.1713	4.1950
THB	19.01	19.07
TOP	1.3941	1.4093
VUV	71.88	72.35
WST	1.6120	1.6354
XPF	60.29	60.66
ZAR	9.6417	9.6468

**NZD/USD Forward Points**

	BNZ buys NZD	BNZ sells NZD
1 Month	6.35	6.54
3 Months	20.29	20.71
6 Months	37.76	38.76
9 Months	49.65	51.65
1 Year	56.65	59.16

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	10.17	10.52
3 Months	33.86	34.81
6 Months	71.00	73.37
9 Months	107.17	111.84
1 Year	140.96	147.01



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