

Research Markets Today

5 June 2026

Events round-up

NZ: Volume of building work (q/q%), 1Q: -3.5 vs. 1.5 exp.

AU: Trade balance (\$b), Apr: 1.8 vs. 1.6 exp.

US: Initial jobless claims (k), May 30: 225 vs. 215 exp.

Good morning

US equities recovered from earlier weakness indicated by futures markets, although performance diverged across the major indices. The Dow rose more than 1.5% toward a record high, while disappointing Broadcom guidance weighed on technology stocks. The S&P 500 was about 0.5% higher in afternoon trading and European equities also posted solid gains. Brent crude fell towards US\$95 per barrel as a conditional ceasefire between Israel and Lebanon eased a sticking point in US-Iran peace talks. Moves in G10 currencies were small and Treasury yields edged lower.

There was limited first-tier economic data to provide the market with direction. Initial jobless claims rose to 225k, slightly above the 215k consensus. The increase looks like normal week-to-week noise rather than a material deterioration in labour market conditions. More broadly, both initial and continuing claims remain subdued. To date, AI-related automation concerns and geopolitical uncertainty don't appear to be having a meaningful effect on claims.

US treasuries traded modestly lower in yield led by the front end as lower oil prices and weaker tech sentiment supported demand. Yields are 2-4bp lower across the curve since the NZ close. 10-year notes dipped 2bp to 4.46% in a continuation of the narrow trading range from recent sessions. The 2/10y curve steepened marginally to 42bp from the flattest level in the past 12 months. European yields edged lower with few catalysts.

Bloomberg reported that Bank of Japan officials are considering a 25bp policy rate increase this month and see scope for a further hike later this year. The BOJ is expected to discuss raising the policy rate to 1% at its meeting ending 16 June, with additional increases also under consideration. A 25bp move this month is already largely priced, with around 43bp of tightening discounted by December. The Bank will also unveil updated bond-buying

plans, with officials seeing little need to maintain the current pace of reductions into the new fiscal year.

The report had limited impact on the yen. USD/JPY remains near 160, close to levels where the Ministry of Finance has previously intervened. Still-wide US-Japan rate differentials continue to weigh on the currency. The yen underperformed within the G10 in May despite authorities spending more than US\$70 billion. This is part of a broader theme across Asia with South Korea and Indonesia stepping up support for their currencies via a range of measures.

There was subdued price action in G10 currencies overnight. The US dollar index declined as oil prices fell though the move was not large. The NZD was confined to a narrow range against the dollar and is little changed on the other key crosses.

NZ fixed income yields edged lower in the local session yesterday, supported by an improved tone in global bond markets as oil prices retraced. The sharp fall in Q1 building work points to downside risk for our Q1 GDP forecast. Two-year rates closed 1bp lower at 3.48%, after rebounding from the 3.46% May low reached ahead of the RBNZ Monetary Policy Statement.

The Crown Financial Statements for the 10-months to April showed a positive variance to Budget projections, with the core Crown residual cash deficit \$0.7bn smaller than forecast. The weekly government bond tender attracted strong demand, with NZ Debt Management receiving \$2.3bn in bids for \$450m on offer. Demand was particularly strong for the May-2031 line. Ten-year NZGB yields closed 1bp lower at 4.55%.

There is no domestic data today. Focus this evening turns to the US May labour market report, where consensus expects a solid 85k rise in nonfarm payrolls. That would suggest the strong March and April outcomes reflected underlying momentum rather than merely a rebound from February's weakness. The unemployment rate is expected to hold at 4.3%. Canada also releases labour market data.

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Coming up

		Period	Cons.	Prev.	NZT
JN	Full-Time Pay - Same Base (y/y%)	Apr	3	2.6	11:30
AU	RBA's Hauser-Fireside Chat				16:35
CA	Unemployment Rate	May	6.9	6.9	00:30
US	Change in Nonfarm Payrolls	May	85	115	00:30
US	Average Hourly Earnings (m/m%)	May	0.3	0.2	00:30
US	Average Hourly Earnings (y/y%)	May	3.4	3.6	00:30
US	Unemployment Rate	May	4.3	4.3	00:30
UK	BOE Governor Andrew Bailey speaks in Scotland				06:00

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	0.5873	+0.2	0.5862	0.5887	CHF	0.7890	-0.4	S&P 500	7,591	+0.5	27.1	Oil (Brent)	94.72	-3.2
AUD	0.7139	+0.1	0.7127	0.7149	SEK	9.368	-0.5	Dow	51,479	+1.6	21.3	Oil (WTI)	92.56	-3.6
EUR	1.1620	+0.2	1.1599	1.1645	NOK	9.340	+0.2	Nasdaq	26,917	+0.3	38.3	Gold	4475.8	+0.7
GBP	1.3428	+0.1	1.3412	1.3463	HKD	7.835	-0.0	Stoxx 50	6,103	+0.8	12.9	HRC steel	1124.0	-0.1
JPY	159.98	-0.1	159.75	160.03	CNY	6.775	-0.0	FTSE	10,360	+0.3	17.7	CRB	389.0	+0.0
CAD	1.3901	+0.0			SGD	1.284	+0.1	DAX	24,945	+0.6	2.8	Wheat Chic.	595.5	-0.8
NZD/AUD	0.8227	+0.1			IDR	18,049	+0.5	CAC 40	8,244	+1.2	5.6	Sugar	14.27	+0.3
NZD/EUR	0.5054	+0.1			THB	32.66	-0.2	Nikkei	67,471	-1.4	79.7	Cotton	74.83	-2.4
NZD/GBP	0.4374	+0.2			KRW	1,533	-0.2	Shanghai	4,058	-0.6	20.2	Coffee	247.2	-2.3
NZD/JPY	93.96	+0.2			TWD	31.47	+0.1	ASX 200	8,686	-1.1	1.7	WM powder	3610	-1.0
NZD/CAD	0.8164	+0.2			PHP	61.62	-0.2	NZX 50	13,102	-0.1	4.2	Australian Futures		
NZ TWI	66.90	+0.1						VIX Index	15.38	-4.2	-12.7	3 year bond	95.44	0.00
												10 year bond	95.07	0.02

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	3.90	4.07	USD	4.47	-0.02	15-May-28	3.48	-0.01	BKBM 1-mth	2.43	0.00
AUD	4.35	4.47	4.60	5.01	AUD	4.92	0.01	20-Apr-29	3.69	-0.01	BKBM 3-mth	2.66	0.01
NZD	2.25	2.66	3.48	4.23	NZD	4.55	-0.00	15-May-30	3.87	-0.01	1 year	3.17	-0.00
EUR	2.00	2.30	2.84	3.06	GER	3.02	-0.01	15-May-31	4.05	-0.00	2 year	3.48	-0.01
GBP	3.75	3.87	4.20	4.47	GBP	4.90	-0.03	15-May-32	4.19	-0.00	3 year	3.64	-0.01
JPY	0.73	-0.03	1.41	2.47	JPY	2.67	0.04	14-Apr-33	4.28	-0.00	5 year	3.85	-0.01
CAD	2.25	4.97	2.70	3.19	CAD	3.42	-0.02	15-May-34	4.37	-0.00	7 year	4.02	-0.00
								15-May-35	4.46	-0.00	10 year	4.23	0.00
								15-May-36	4.55	-0.00	15 year	4.47	0.00
								15-May-37	4.65	-0.00			
								15-May-41	4.92	-0.00	NZ Inflation-Indexed Bonds		
								15-May-51	5.14	-0.00	Sept-30	1.58	0.00
								15-May-54	5.15	-0.00	Sept-35	2.37	0.01
											Sept-40	2.84	0.00

Carbon Price			Policy Meeting Run				
	Level	% Day	% Year	NZD	AUD	USD	
NZU	52.00	+0.7	-6.7	1st	2.47	4.37	3.63
				2nd	2.68	4.49	3.65
				3rd	2.83	4.54	3.69
				4th	3.01	4.61	3.72
				5th	3.16	4.61	3.79

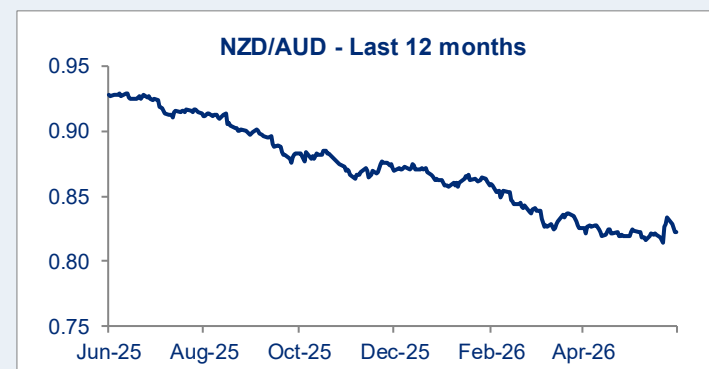
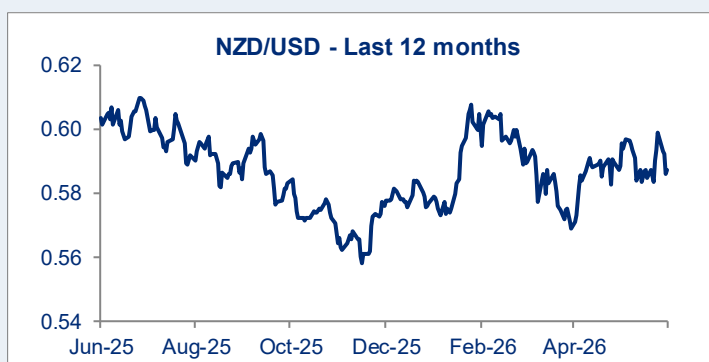
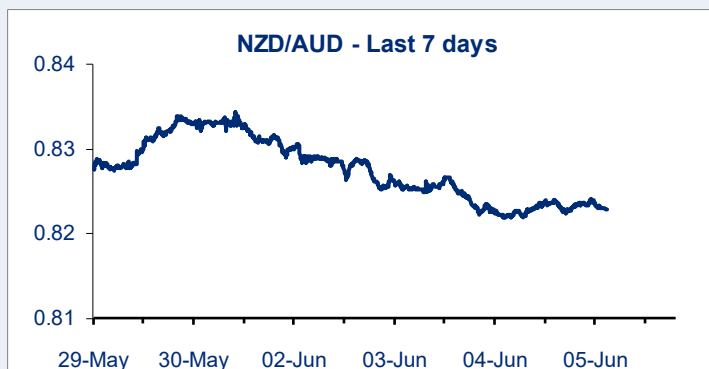
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer

Rates are as of: NZT 06:12

Source: Bloomberg

NZD exchange rates

5/06/2026	6:13 am	Prev. NY close
USD	0.5873	0.5861
GBP	0.4374	0.4368
AUD	0.8227	0.8221
EUR	0.5054	0.5054
JPY	93.96	93.82
CAD	0.8164	0.8145
CHF	0.4634	0.4642
DKK	3.7773	3.7768
FJD	1.2894	1.2881
HKD	4.6017	4.5933
INR	56.26	56.10
NOK	5.4854	5.4657
PKR	163.52	163.18
PHP	36.19	36.19
PGK	2.5702	2.5560
SEK	5.5017	5.5180
SGD	0.7542	0.7522
CNY	3.9787	3.9729
THB	19.18	19.09
TOP	1.3799	1.3700
VUV	69.42	69.24
WST	1.5752	1.5620
XPF	60.29	60.23
ZAR	9.5724	9.5863



NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	6.04	6.25
3 Months	16.11	16.67
6 Months	28.09	29.31
9 Months	36.95	39.38
1 Year	43.36	47.04

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	13.38	13.76
3 Months	38.54	39.60
6 Months	72.78	75.34
9 Months	101.31	106.33
1 Year	125.55	132.75

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