

Research Markets Today

6 March 2026

Events Round-Up

NZ: Vol of building work (q/q%), Q4: -3.1 vs. 1.9 exp.
 AU: Trade balance (\$b), Jan: 2.6 vs. 3.8 exp.
 AU: Household spending (m/m%), Jan: 0.3 vs. 0.4 exp.
 US: Nonfarm productivity, Q4: 2.8 vs. 1.9 exp.
 US: Initial Jobless Claims (k), wk to 28 Feb: 213 vs. 215 exp.

Good Morning

The conflict with Iran has entered a sixth day and risk sentiment has soured a little further as the attacks around the gulf region continue and extend further afield. Brent crude continues to hover near recent highs, US and European equity markets are weaker, global rates have pushed higher and the USD is broadly stronger. The NZD has slipped back below 0.59 and the AUD is sub-0.70.

There is no sign of an end to the conflict in the Middle East with Iranian officials warning attacks will intensify. Arab states across the Persian Gulf reported interceptions of Iran's missiles and drones and the conflict continues to widen, with Azerbaijan reporting being hit by an Iranian drone, following Turkey being struck yesterday. Israel is carrying out waves of airstrikes on Tehran, targeting IRGC sites and weapons storage and production facilities. An oil tanker was bombed by Iran off the coast of Iraq, far away from the Strait of Hormuz, signaling wider risks to shipping in the Gulf.

Polymarket betting odds put the chances of a US-Iran ceasefire by the end of this month at 28% and by the end of April at 47%. Brent crude is up about 4% for the day, having traded with a USD85 handle overnight, near the recent highs.

Asian equity markets had a better day yesterday, with Japan's Nikkei rebounding 1.9% and Korea's Kospi up nearly 10%, after its savage 12% plunge the previous day. But a souring of risk sentiment overnight sees the Euro Stoxx 600 index down 1.3% and the US S&P500 is down 1.3% in early afternoon trading.

Fed President Barkin said it's too soon to say how policymakers will respond to the war, but they're tracking the impact on oil now. Markets continue to be more fearful of the impact of the war on inflation rather than growth for now, reflected in US Treasury yields pushing

higher for a fourth consecutive day. The 10-year rate is currently at 4.14%, up a few basis points from the NZ close, with the curve showing a broadly parallel shift out to 10-years. The chances of the Fed easing this year continue to slip by the day, with 38bps of cuts priced this year, well down from 61bps priced at the end of last week.

Heading into the Iranian conflict, the US economy remained resilient, with steady initial jobless claims last week at 213k. Challenger and Co. reported only 48k job layoffs for February, the lowest February figure in four years, while the year-to-date total is down 2% on last year. Productivity growth was stronger than expected for Q4, at an annualised 2.8%. The data are volatile, but productivity growth averaging 2.3% through 2025 is a very healthy clip.

Rates have increased by even more across Europe. Reflecting market sentiment, the ECB's Nagel, the Bundesbank's President, said inflation is the bigger concern than economic growth and that the central bank would be monitoring the impact of surging energy costs due to the Iran war extremely carefully and will consult projections to decide whether action is needed, adding "we have to wait" to pass judgment. The market prices 17bps of hikes this year, a significant reversal compared to the 14bps of cuts priced at the end of last week. Germany's 2-year bond yield is up 11bps for the day while the 10-year rate is up 9bps.

In currency markets, the USD is broadly stronger overnight. Risk-sensitive NZD and AUD currencies have underperformed. The NZD slipped below 0.59 and is currently near its low for the day around 0.5875. The AUD has fallen below 0.6985. NZD/AUD trades just over 0.84. The NZD is modestly weaker on all the other key crosses.

Yesterday, there was only a muted market reaction to China setting a lower growth target of 4.5% to 5%, a move which was well anticipated. The move will reduce pressure on the government to aggressively stimulate the economy. The targeted budget deficit was unrevised at "around 4%" of GDP.

Global forces pushed up NZ rates yesterday and that helped the weekly bond tender find solid support. NZGB yields closed the session up 4-5bps across the curve, with a similar move seen in the swaps market, with the 2-year rate closing at 3.05% and the 10-year rate at 4.07%, up 11bps and 13bps respectively for the week so far.

NZ building volume work fell 3.1% q/q in Q4, well below consensus, which was difficult to reconcile with the strength in dwelling consents, concrete production and business surveys. The construction sector will impart a negative contribution to GDP for the quarter. More partial indicators that feed into GDP will be released next week.

On the economic calendar, US retail sales and the employment reports are the key releases. The market expects a modest 57k lift in non-farm payrolls for February, an unemployment rate remaining steady at 4.3% and average hourly earnings steady at 3.7% y/y

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Coming Up

		Period	Cons.	Prev.	NZT
GE	Factory orders (m/m%)	Jan	-4.1	7.8	20:00
US	Retail sales (m/m%)	Jan	-0.3	0.0	02:30
US	Retail sales ex auto, gas (m/m%)	Jan	0.2	0.0	02:30
US	Retail sales control group (m/m%)	Jan	0.3	-0.1	02:30
US	Change in nonfarm payrolls (k)	Feb	57	130	02:30
US	Unemployment rate (%)	Feb	4.3	4.3	02:30
US	Avg hourly earnings (m/m%)	Feb	0.3	0.4	02:30
US	Avg hourly earnings (y/y%)	Feb	3.7	3.7	02:30

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	% Day	% Year	Last	Net Day			
NZD	0.5879	-1.0	0.5874	0.5946	CHF	0.7825	+0.4	S&P 500	6,787	-1.2	16.2	Oil (Brent)	84.21	+3.5
AUD	0.6982	-1.3	0.6978	0.7071	SEK	9.249	+0.8	Dow	47,779	-1.9	11.1	Oil (WTI)	79.23	+6.1
EUR	1.1584	-0.4	1.1559	1.1644	NOK	9.696	+0.7	Nasdaq	22,529	-1.2	21.4	Gold	5072.0	-1.2
GBP	1.3327	-0.3	1.3298	1.3377	HKD	7.818	-0.0	Stoxx 50	5,783	-1.5	5.4	HRC steel	1016.0	+0.2
JPY	157.68	+0.4	156.90	157.78	CNY	6.911	+0.2	FTSE	10,414	-1.5	18.9	CRB	327.7	+0.4
CAD	1.3704	+0.4			SGD	1.282	+0.5	DAX	23,816	-1.6	3.2	Wheat Chic.	580.8	+2.2
NZD/AUD	0.8420	+0.3			IDR	16,905	+0.1	CAC 40	8,046	-1.5	-1.6	Sugar	13.73	+0.0
NZD/EUR	0.5075	-0.6			THB	31.77	+0.6	Nikkei	55,278	+1.9	46.6	Cotton	62.82	+1.1
NZD/GBP	0.4411	-0.7			KRW	1,483	+1.4	Shanghai	4,109	+0.6	22.9	Coffee	291.7	+1.9
NZD/JPY	92.70	-0.6			TWD	31.71	+0.0	ASX 200	8,940	+0.4	10.4	WM powder	3950	-0.4
NZD/CAD	0.8057	-0.6			PHP	58.62	+0.1	NZX 50	13,618	+0.6	9.6	Australian Futures		
NZ TWI	67.16	-0.5						VIX Index	24.44	+15.6	+11.4	3 year bond	95.64	-0.05
												10 year bond	95.16	-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	3.69	USD	4.14	0.04	15-May-28	3.18	0.04	BKBM 1-mth	2.43	0.00
AUD	3.85	4.04	4.38	4.92	AUD	4.80	0.05	20-Apr-29	3.46	0.04	BKBM 3-mth	2.48	0.00
NZD	2.25	2.48	3.05	4.07	NZD	4.45	0.05	15-May-30	3.69	0.04	1 year	2.70	0.03
EUR	2.00	2.06	2.39	2.86	GER	2.84	0.09	15-May-31	3.90	0.04	2 year	3.05	0.04
GBP	3.75	3.90	3.64	4.10	GBP	4.54	0.10	15-May-32	4.06	0.04	3 year	3.29	0.04
JPY	0.73	-0.03	1.24	1.98	JPY	2.16	0.04	14-Apr-33	4.16	0.05	5 year	3.61	0.04
CAD	2.25	4.97	2.47	3.08	CAD	3.34	0.06	15-May-34	4.27	0.05	7 year	3.82	0.04
								15-May-35	4.36	0.05	10 year	4.07	0.05
								15-May-36	4.45	0.05	15 year	4.33	0.05
								15-May-37	4.55	0.05			
								15-May-41	4.85	0.04			
								15-May-51	5.09	0.05			
								15-May-54	5.10	0.05			

Carbon Price				Policy Meeting Run			
	Level	% Day	% Year	NZD	AUD	USD	
NZU	45.44	+3.2	-27.6	1st	2.26	3.92	3.64
				2nd	2.30	4.11	3.62
				3rd	2.34	4.18	3.56
				4th	2.42	4.33	3.50
				5th	2.47	4.34	3.41

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

Rates are as of: NZT 06:51

Source: Bloomberg

NZD exchange rates

6/03/2026	6:52 am	Prev. NY close
USD	0.5879	0.5941
GBP	0.4411	0.4442
AUD	0.8420	0.8397
EUR	0.5075	0.5107
JPY	92.70	93.31
CAD	0.8057	0.8106
CHF	0.4605	0.4629
DKK	3.7988	3.8155
FJD	1.2929	1.3158
HKD	4.6043	4.6447
INR	53.94	54.75
NOK	5.7054	5.7209
PKR	164.52	166.09
PHP	34.52	34.81
PGK	2.5296	2.5498
SEK	5.4440	5.4487
SGD	0.7540	0.7576
CNY	4.0689	4.0976
THB	18.61	18.68
TOP	1.3766	1.3852
VUV	70.07	70.62
WST	1.5750	1.6018
XPF	60.09	60.48
ZAR	9.8004	9.7116



NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	6.70	6.90
3 Months	19.57	19.98
6 Months	36.53	37.57
9 Months	49.43	51.19
1 Year	57.06	60.04

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	10.97	11.49
3 Months	34.74	35.80
6 Months	72.92	75.59
9 Months	110.85	115.04
1 Year	145.19	152.11

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