

Research Markets Today

6 May 2026

Events round-up

AU: Household spending (m/m%), Mar: 1.6 vs. 1.5 exp.

AU: RBA cash rate target (%), May: 4.35 vs. 4.35 exp.

US: Trade balance (\$b), Mar: -60.3 vs. -60.6 exp.

US: ISM services index, Apr: 53.6 vs. 53.7 exp.

US: New home sales (k), Mar: 635 vs. 660 exp.

US: JOLTS job openings (k), Mar: 6866 vs. 6850 exp.

Good morning

US equities gained and oil prices declined as indications that a US-Iran ceasefire is still in place reduced fears about a re-escalation that could impact the economic outlook. US officials have downplayed down Iran's recent actions, including Iran's targeting of American warships and attacks on other vessels in the Strait of Hormuz saying they were below the threshold for restarting the war. The recovery in equities drove the S&P back towards recent all-time highs. Treasury yields edged lower and the US dollar was generally weaker against G10 currencies.

Oil prices retreated, with Brent crude falling back below US\$110 per barrel after briefly trading towards US\$115 following fresh clashes between the US and Iran, as the US sought to clear a path through the Strait of Hormuz for stranded vessels. Prices unwound those gains after both sides have downplayed the risk of a return to active war.

US data were broadly in line with expectations. The ISM services index eased to 53.6 in April from 54.0 in March. The prices paid sub-index held at 70.7 (the highest since 2022), while new orders fell to a three-month low of 53.5. The employment index recovered to 48.0 from 45.2, although its relationship with the official payrolls data has been weak. Separately, JOLTS job openings edged down to 6,866K in March, matching consensus.

US Treasury yields are marginally lower across the curve, supported by the pullback in oil prices. The data generated little reaction. 10-year yields dipped to 4.42% after trading as high as 4.46% earlier in the week.

UK gilts underperformed the broadly firmer tone across global sovereign bond markets. Yields rose around 10bp across the curve as worries intensified over local government elections, strained public finances, and the

impact of surging energy prices on the economy. 30-year yields traded to an intraday peak of 5.78%, the highest since 1998. The UK Debt Management Office announced it will begin selling 12-month Treasury bills at its weekly auctions, shifting borrowing towards shorter maturities.

In FX, the US dollar index was little changed versus the local close. Among the majors, the yen is weaker and the euro slightly firmer. The growth-sensitive Australasian and Scandinavian currencies have outperformed overnight, likely reflecting the improved risk tone. NZD/USD rebounded from 0.5860 in the local session to above 0.5900 before retracing. The NZD is higher versus the yen and euro, and little changed against the AUD.

The Reserve Bank of Australia increased rates by 25bp, in line with economists' expectations and close to fully discounted in market pricing. This takes the Cash Rate to 4.35%, back at the peak of the post-COVID tightening cycle. The decision was made by an 8-1 majority, with the dissenter preferring to leave rates steady. The central bank assesses that inflation risks remain tilted to the upside. The market is pricing the terminal rate near 4.70% and was little changed in response.

There were modest net movements for NZ fixed income in the local session yesterday. Swap rates out to three years edged 1bp higher, while the belly and intermediate maturities were unchanged. It was a similar story for the government curve, with limited movement on the day.

The Household Labour Force Survey for Q1 is released today, and we forecast the unemployment rate to edge up to 5.5% from 5.4%. While employment is expected to rise, we think the increase in the labour force will more than offset it. A 5.5% print would mark a fresh 10-year high. The RBNZ will publish the Financial Stability Report ahead of the labour market data. It is a quiet international economic calendar. China's RatingDog services PMI is scheduled, and US ADP private payrolls will be watched ahead of Friday night's official labour market report.

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Coming up

	Period	Cons.	Prev.	NZT
NZ	RBNZ Publishes Financial Stability Report			09:00
NZ	Unemployment Rate	1Q	5.4	5.4 10:45
NZ	Employment Change (q/q%)	1Q	0.3	0.5 10:45
NZ	Employment Change (y/y%)	1Q	0.5	0.2 10:45
NZ	Pvt Wages Inc Overtime (q/q%)	1Q	0.4	0.5 10:45
CH	RatingDog China PMI Services	Apr	52	52.1 13:45
US	ADP Employment Change (k)	Apr	120	62 00:15

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	0.5892	+0.3	0.5870	0.5906	CHF	0.7828	-0.2	S&P 500	7,263	+0.9	28.5	Oil (Brent)	110.20	-3.7
AUD	0.7189	+0.3	0.7143	0.7198	SEK	9.261	-0.3	Dow	49,300	+0.7	19.6	Oil (WTI)	102.22	-3.9
EUR	1.1699	+0.1	1.1681	1.1714	NOK	9.252	-0.3	Nasdaq	25,352	+1.1	42.1	Gold	4569.6	+0.8
GBP	1.3551	+0.1	1.3531	1.3578	HKD	7.837	+0.1	Stoxx 50	5,870	+1.8	11.1	HRC steel	1079.0	-0.5
JPY	157.87	+0.4	157.09	157.89	CNY	6.829	-0.2	FTSE	10,219	-1.4	18.9	CRB	401.1	+1.9
CAD	1.3619	-0.1			SGD	1.276	-0.1	DAX	24,402	+1.7	4.5	Wheat Chic.	627.3	-2.2
NZD/AUD	0.8196	+0.0			IDR	17,424	+0.2	CAC 40	8,062	+1.1	4.3	Sugar	15.37	+0.5
NZD/EUR	0.5036	+0.3			THB	32.56	-0.5	Nikkei	59,513	+0.4	61.8	Cotton	83.23	+3.3
NZD/GBP	0.4348	+0.2			KRW	1,467	-0.8	Shanghai	4,112	+0.1	24.0	Coffee	289.8	+1.3
NZD/JPY	93.02	+0.7			TWD	31.62	-0.0	ASX 200	8,680	-0.2	6.5	WM powder	3790	-0.8
NZD/CAD	0.8024	+0.3			PHP	61.58	-0.0	NZX 50	13,036	-0.5	4.9	Australian Futures		
NZ TWI	66.77	+0.2						VIX Index	17.25	-5.7	-27.0	3 year bond	95.36	0.04
												10 year bond	95.02	0.06

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	3.77	3.99	USD	4.41	-0.02	15-May-28	3.60	0.00	BKBM 1-mth	2.44	0.01
AUD	4.10	4.38	4.66	5.05	AUD	4.97	-0.01	20-Apr-29	3.79	0.00	BKBM 3-mth	2.61	0.01
NZD	2.25	2.61	3.53	4.29	NZD	4.65	-0.01	15-May-30	3.96	0.00	1 year	3.15	0.01
EUR	2.00	2.20	2.87	3.09	GER	3.06	-0.02	15-May-31	4.14	-0.00	2 year	3.53	0.01
GBP	3.75	3.86	4.39	4.59	GBP	5.06	0.10	15-May-32	4.29	-0.00	3 year	3.70	0.01
JPY	0.73	-0.03	1.36	2.31	JPY	2.52	0.00	14-Apr-33	4.38	-0.01	5 year	3.92	-0.00
CAD	2.25	4.97	2.89	3.34	CAD	3.59	-0.02	15-May-34	4.47	-0.01	7 year	4.09	-0.00
								15-May-35	4.56	-0.01	10 year	4.29	-0.01
								15-May-36	4.65	-0.01	15 year	4.53	-0.00

Carbon Price				Policy Meeting Run			
	Level	% Day	% Year	NZD	AUD	USD	
NZU	54.20	-1.0	+5.2	1st	2.34	4.36	3.63
				2nd	2.52	4.41	3.62
				3rd	2.74	4.54	3.62
				4th	2.91	4.60	3.66
				5th	3.13	4.68	3.71

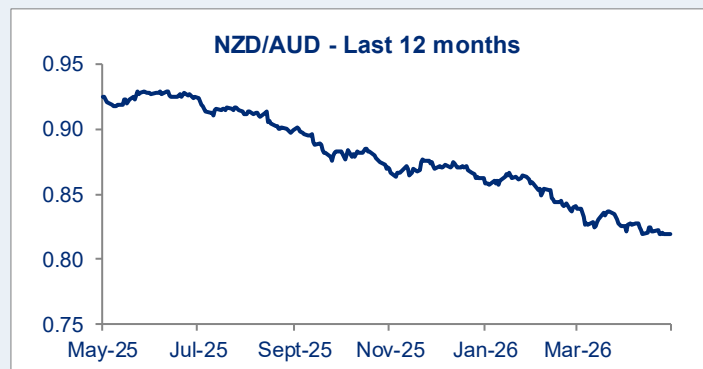
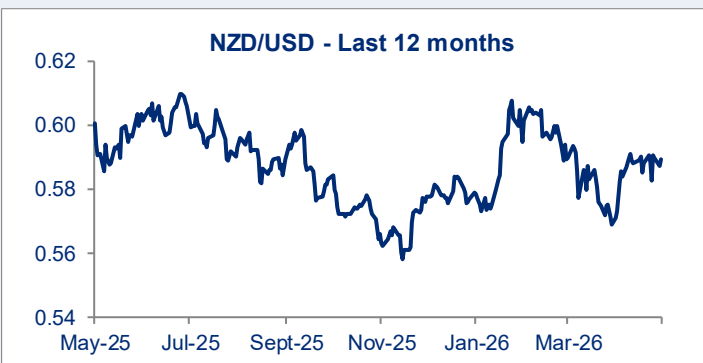
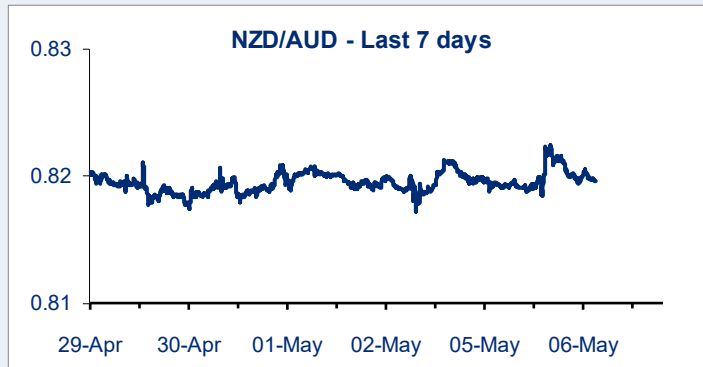
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer

Rates are as of: NZT 06:16

Source: Bloomberg

NZD exchange rates

6/05/2026	6:16 am	Prev. NY close
USD	0.5892	0.5873
GBP	0.4348	0.4340
AUD	0.8196	0.8195
EUR	0.5036	0.5024
JPY	93.02	92.35
CAD	0.8024	0.8002
CHF	0.4612	0.4604
DKK	3.7635	3.7536
FJD	1.2918	1.2925
HKD	4.6174	4.6001
INR	56.15	55.85
NOK	5.4510	5.4483
PKR	164.25	164.04
PHP	36.27	36.16
PGK	2.5562	2.5479
SEK	5.4565	5.4555
SGD	0.7515	0.7499
CNY	4.0231	4.0174
THB	19.28	19.14
TOP	1.3792	1.3748
VUV	69.61	69.32
WST	1.5794	1.5659
XPF	60.11	59.94
ZAR	9.8177	9.8662



NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	6.11	6.32
3 Months	16.58	17.02
6 Months	28.86	30.03
9 Months	36.72	39.10
1 Year	39.73	43.73

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	14.14	14.56
3 Months	38.53	39.46
6 Months	75.28	77.91
9 Months	107.03	111.68
1 Year	129.44	137.26

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