

Research Markets Today

6 October 2026

Events round-up

US: ISM services index, Sep: 54.9 vs. 55.0 exp.

Good morning

Light newsflow to start the week, but US equities are near record highs despite US Treasury yields pushing higher, led by the long end. NZ TWI falls to a fresh 15-year low, with NZD/USD finding support near 0.5580. EUR fell to its lowest level since May 2025 before recovering.

Oil prices are modestly weaker, with Brent crude trading below USD101 per barrel. There were reports that the Yemeni government, backed by Saudi forces, had retaken control of the Bab el-Mandeb Strait following the weekend offensive against the Houthis. The CEO of Saudi Aramco said the world's oil stockpiles are now "scarcely thin" and that, even once the conflict ends, replenishing inventories while meeting demand could take up to two years. Last week, Kpler data suggested that Gulf shipments were more than 80% above pre-conflict levels, but they came at a higher price, reflecting not only crude oil costs but also much higher shipping costs.

Despite lower oil prices, US Treasury yields have pushed higher, led by the long end of the curve, with rates slightly above their recent multi-decade highs. While the 2-year rate is up only 2bps from last week's close, the 10-year rate is up 7bps to 5.35% and the 30-year rate is up 8bps to 5.70%. There is no obvious news driving rates higher, although the market will have to absorb new 10-year and 30-year supply later this week.

The US ISM services index slipped half a point to 54.9, in line with market expectations, defying the sharp rise in the PMI release a couple of weeks ago that had triggered a notable market reaction. The services PMI was revised slightly higher to 58.8, taking the composite index to 58.4. The ISM survey has much broader coverage, a much larger sample, and a longer history. Notable figures in the ISM survey included a lift in the employment index, albeit to only just above break-even at 50.1, and another rise in the prices paid index to 74.0, taking it to its highest level in four years. The data added to the upward pressure on US rates overnight.

The US equity market has taken higher rates in its stride, with the Nasdaq Composite on track to close at a fresh record high and currently up 0.9%. The S&P 500 is

currently up 0.6%, within spitting distance of its record high. The Euro Stoxx 600 index closed 0.4% higher.

Spanish PM Sánchez called an early election for 29 November after Parliament last week rejected an emergency package of housing measures that his government had hoped would quell mounting protests. The move added to the political risks overhanging the euro area, including France's precarious fiscal position ahead of its presidential election next year. However, this was more evident in the currency market than in bonds, where the French-German 10-year spread narrowed 4bps to 136bps, while Spain's spread to Germany rose by only 1bp.

The euro was already weak ahead of the Spanish news, having broken below key technical support during NZ afternoon trading. It fell to just above 1.1160, its lowest level since May 2025, before buyers stepped in, and is trading close to 1.12 this morning.

The risk-off mood at the time was also responsible for the NZD's decline. Overnight, it almost reached the technical support level of 0.5580, around the November 2025 low, before ending its descent. It currently sits below 0.56. The recovery in NZD/EUR to above 0.50 did not last long, and the cross is back below that level.

The NZD is weaker on all the other key crosses relative to last week's close, continuing its poor run. NZD/AUD has weakened to 0.8025, while the AUD is slightly stronger at 0.6965. The NZ TWI has fallen to a fresh 15-year low of 63.7. A low-yielding, high-risk currency is the worst combination in the current environment. The RBNZ has no control over the latter, but it is fully responsible for the NZD's yield, and its policy settings are contributing significantly to NZD debasement and higher inflationary pressure.

The NZ rates market was deadly quiet yesterday, not helped by the NSW public holiday in Australia. NZGB and swap rates were marked down by 1bp across the curve.

In the day ahead, the key domestic release will be the Quarterly Survey of Business Opinion, which will provide further insight into the extent of capacity constraints and inflation pressures in the economy. Only second-tier data will be released elsewhere. The BoJ Governor is giving a speech today, with interest focused on his tone regarding the intention and pace of further rate hikes.

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Coming up

	Period	Cons.	Prev.	NZT
NZ NZIER Qtrly survey of business opinion				10:00
AU Westpac consumer confidence	Oct		84.4	12:30
GE Factory orders (m/m%)	Aug	-1.0	2.5	19:00
JN BOJ Governor Ueda speech				
US Trade balance (\$b)	Aug	-102	-88.6	01:30

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	0.5589	-0.5	0.5580	0.5602	CHF	0.8317	+0.4	S&P 500	7,772	+0.6	15.7	Oil (Brent)	100.64	-1.6
AUD	0.6965	+0.1	0.6939	0.6974	SEK	10.054	+0.1	Dow	51,282	+0.2	9.7	Oil (WTI)	89.89	-1.4
EUR	1.1206	-0.4	1.1169	1.1221	NOK	9.599	-0.2	Nasdaq	27,471	+1.0	20.6	Gold	4128.4	+0.0
GBP	1.3213	-0.2	1.3191	1.3239	HKD	7.847	-0.0	Stoxx 50	6,242	+0.1	10.4	HRC steel	1276.0	+0.1
JPY	158.10	+0.2	157.57	158.30	CNY	6.706	-0.0	FTSE	10,498	+0.3	10.6	CRB	410.1	-0.5
CAD	1.4262	+0.1			SGD	1.280	+0.2	DAX	25,254	+0.1	3.6	SGX Iron Ore	91.75	-0.0
NZD/AUD	0.8024	-0.6			IDR	17,917	+0.2	CAC 40	7,834	-0.8	-3.1	NZ Milk '27	10.03	+0.0
NZD/EUR	0.4988	-0.0			THB	33.69	+0.4	Nikkei	69,947	+2.4	45.9	NZ Milk '28	10.02	+0.0
NZD/GBP	0.4230	-0.3			KRW	1,342	+0.1	Shanghai	3,842	+0.3	-1.0	NZ Milk '29	10.00	+0.0
NZD/JPY	88.36	-0.3			TWD	31.77	-0.3	ASX 200	8,686	+0.0	-3.3	WM powder	3715	+0.1
NZD/CAD	0.7971	-0.4			PHP	62.64	+0.1	NZX 50	13,699	+0.1	1.6	Australian Futures		
NZ TWI	63.70	-0.4						VIX Index	15.54	+1.5	-6.7	3 year bond	95.09	0.00
											10 year bond	94.56	-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	4.00	4.85	4.70	4.95	USD	5.35	0.07	15-May-28	3.83	-0.01	BKBM 1-mth	3.02	0.02	
AUD	4.60	4.76	4.96	5.53	AUD	5.34	0.00	20-Apr-29	4.12	-0.01	BKBM 3-mth	3.22	-0.00	
NZD	2.75	3.22	4.01	4.76	NZD	5.04	-0.01	15-May-30	4.32	-0.01	1 year	3.70	-0.01	
EUR	2.50	2.60	3.39	3.59	GER	3.49	0.03	15-May-31	4.49	-0.01	2 year	4.01	-0.01	
GBP	3.75	3.87	4.64	4.96	GBP	5.42	0.05	15-May-32	4.64	-0.01	3 year	4.18	-0.01	
JPY	1.25	1.29	1.93	2.97	JPY	3.10	0.01	14-Apr-33	4.74	-0.01	5 year	4.40	-0.01	
CAD	2.25	2.41	3.21	3.78	CAD	3.99	0.04	15-May-34	4.85	-0.01	7 year	4.56	-0.01	
								15-May-35	4.95	-0.01	10 year	4.76	-0.01	
								15-May-36	5.04	-0.01	15 year	4.98	-0.01	
								15-May-37	5.14	-0.01				
								15-May-38	5.18	-0.01				
								15-May-41	5.39	-0.01				
								15-May-51	5.59	-0.01				
								15-May-54	5.60	-0.01				

NZD exchange rates

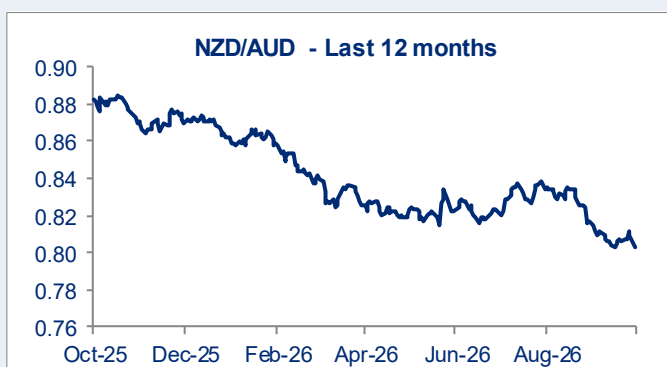
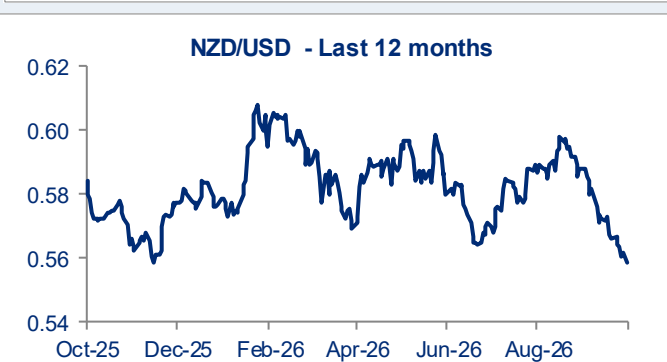
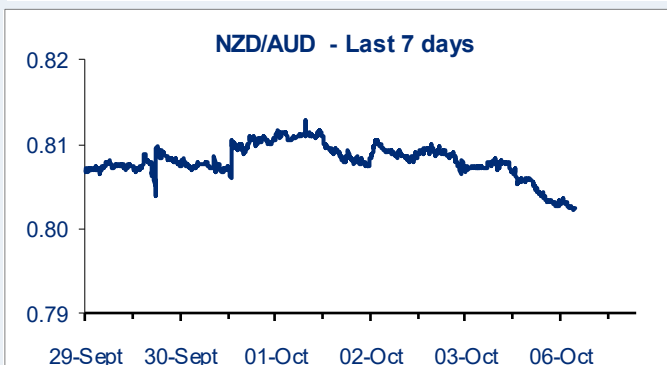
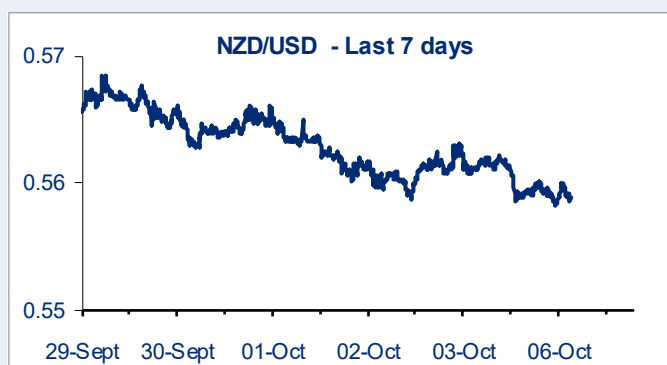
6/10/2026	6:47 am	Prev. NY close
USD	0.5589	0.5616
GBP	0.4230	0.4241
AUD	0.8024	0.8074
EUR	0.4988	0.4990
JPY	88.36	88.65
CAD	0.7971	0.8003
CHF	0.4649	0.4655
DKK	3.7283	3.7296
FJD	1.2649	1.2767
HKD	4.3841	4.4072
INR	53.80	54.09
NOK	5.3650	5.4006
PKR	154.77	155.61
PHP	35.00	35.13
PGK	2.4953	2.5071
SEK	5.6205	5.6390
SGD	0.7153	0.7178
CNY	3.7466	3.7665
THB	18.81	18.85
TOP	1.3296	1.3403
VUV	67.19	67.55
WST	1.5427	1.5575
XPF	59.47	59.48
ZAR	9.3165	9.3539

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	5.89	6.09
3 Months	15.78	16.32
6 Months	29.95	31.36
9 Months	42.51	45.64
1 Year	54.86	58.54

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	12.55	13.02
3 Months	33.18	34.45
6 Months	61.42	64.59
9 Months	84.86	91.09
1 Year	105.92	113.79



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