

# Research Markets Today

7 April 2026

## Events round-up

US: ISM Services Index, Mar: 54.0 vs. 54.9 exp.

## Good morning

Markets have been largely range-bound to start the week as investors await clearer signals on whether the Middle East conflict would de-escalate or broaden. Iran rejected a US cease-fire proposal and submitted an alternative 10-point response, according to IRNA. Media reports have also suggested the administration explored a potential 45-day cease-fire, despite more escalatory public messaging. President Trump has said the US would target Iranian civilian infrastructure absent an agreement to reopen the Strait of Hormuz by Tuesday. The S&P is near flat currently and the US dollar and treasuries are little changed.

There have been larger swings in oil. Brent crude traded below US\$107 a barrel before recovering towards US\$111 after Iran rejects a proposed ceasefire. OPEC+ has warned that the Iran war could cause lasting damage to Middle East energy infrastructure, even after hostilities end. It also agreed—largely symbolically—to lift May production quotas by 206,000 barrels a day, marking a second consecutive monthly increase. Any near-term supply impact is likely to be limited while the Strait of Hormuz remains blockaded.

ISM services cooled a touch in March, with the headline index easing to 54.0. New orders firmed to 60.6, but the series has been a poor guide to actual services spending in recent years despite sitting above its 12-month average of 52.0. The employment subindex slipped back into contraction and fell to 45.2, the lowest level in more than two years. Price pressures picked up, with prices paid rising to 70.7 and 45.7% of firms reporting higher prices.

The US labour market report released at the end of last week was stronger than expected, with March payrolls up 178k and the unemployment rate falling, pointing to a stabilising labour market even as the Iran conflict began. Average hourly earnings increased at a 3.5% annual rate, down from 3.7%. Hiring was broad-based, helped by a rebound in health-care jobs after the resolution of a strike. The labour market is likely to see greater conflict-related impacts in coming months if hostilities persist.

US rates were largely unmoved by the ISM release. Treasury yields were little changed on the day, holding onto the post-payrolls back-up seen late last week. Market pricing indicates the Federal Reserve will keep rates on hold this year after Friday's stronger labour market print trimmed easing expectations. The 10-year yield was steady around 4.34%.

The US dollar eased modestly against G10 as markets tracked developments in US–Iran ceasefire negotiations. Liquidity was thin, with reported FX derivatives volumes ~60% below recent levels amid a European public holiday. Moves across G10 were small overall, with the yen the marginal underperformer. NZD/USD briefly dipped below 0.5690 yesterday (a new low since the conflict began) before rebounding toward 0.5710, leaving it little changed versus Thursday's local close.

NZ rates markets closed sharply higher in yield in the local session on Thursday. This reflected moves in offshore markets which partially reversed the rally through the middle of last week. Swaps beyond 1y finished 9–11bp higher with a steeper curve (2y 3.43%, 10y 4.34%) while OIS markets price ~60bp of RBNZ tightening by December. The government curve underperformed at the margin with 10-year matched maturity swap spreads widening to 38bp, toward the top end of the well-established range from recent months.

There's no domestic data of note in the day ahead. Household spending in Australia is expected to have increased 0.3% mom in February which will help assess growth momentum ahead of the Iran shock. In the US, durable goods orders ex-transport are expected to remain firm, consistent with ongoing AI-led capex and continued strength in core order backlogs.

[stuart\\_ritson@bnz.co.nz](mailto:stuart_ritson@bnz.co.nz)

## Coming up

		Period	Cons. Prev.	NZT
AU	Household Spending (m/m%)	Feb	0.3	13:30
US	Durable Goods Orders	Feb P	0	00:30
US	Durables Ex Transportation	Feb P	0.4	00:30

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	0.5712	+0.4	0.5704	0.5730	CHF	0.7983	-0.3	S&P 500	6,592	+0.1	29.9	Oil (Brent)	110.84	+1.9
AUD	0.6914	+0.3	0.6906	0.6938	SEK	9.439	-0.5	Dow	46,517	+0.1	21.4	Oil (WTI)	113.84	+2.4
EUR	1.1542	+0.2	1.1526	1.1572	NOK	9.708	-0.7	Nasdaq	21,910	+0.2	40.6	Gold	4656.8	+0.1
GBP	1.3226	+0.2	1.3210	1.3269	HKD	7.837	-0.0	Stoxx 50	5,693	-0.7	22.3	HRC steel	1049.0	-0.2
JPY	159.74	+0.0	159.31	159.80	CNY	6.882	-0.1	FTSE	10,436	+0.7	35.5	CRB	381.0	+0.0
CAD	1.3918	-0.2			SGD	1.285	-0.1	DAX	23,168	-0.6	17.1	Wheat Chic.	605.5	-0.6
NZD/AUD	0.8261	+0.1			IDR	17,035	+0.3	CAC 40	7,962	-0.2	14.9	Sugar	14.97	-0.1
NZD/EUR	0.4949	+0.1			THB	32.59	-0.3	Nikkei	53,414	+0.5	71.5	Cotton	71.54	+1.0
NZD/GBP	0.4319	+0.2			KRW	1,509	-0.2	Shanghai	3,880	-1.0	25.3	Coffee	298.1	+0.9
NZD/JPY	91.24	+0.4			TWD	31.96	-0.0	ASX 200	8,579	-1.1	16.8	WM powder	3615	+0.4
NZD/CAD	0.7950	+0.2			PHP	60.03	-0.3	NZX 50	12,902	+0.6	9.6	<b>Australian Futures</b>		
NZ TWI	65.59	+0.3						VIX Index	24.40	+2.2	-46.1	3 year bond	95.25	-0.14
												10 year bond	95.02	0.00

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	3.67	3.88	USD	4.33	-0.01	15-May-28	3.54	0.00	BKBM 1-mth	2.43	0.00
AUD	4.10	4.30	4.71	5.14	AUD	5.04	0.00	20-Apr-29	3.82	0.00	BKBM 3-mth	2.51	0.00
NZD	2.25	2.51	3.43	4.34	NZD	4.73	0.00	15-May-30	4.04	0.00	1 year	2.89	0.00
EUR	2.00	2.10	2.82	3.05	GER	2.99	0.00	15-May-31	4.23	0.00	2 year	3.43	0.00
GBP	3.75	3.86	4.20	4.36	GBP	4.83	0.00	15-May-32	4.37	0.00	3 year	3.70	0.00
JPY	0.73	-0.03	1.38	2.21	JPY	2.42	0.04	14-Apr-33	4.46	0.00	5 year	3.97	0.00
CAD	2.25	4.97	2.73	3.23	CAD	3.48	-0.00	15-May-34	4.55	0.00	7 year	4.15	0.00
								15-May-35	4.64	0.00	10 year	4.34	0.00
								15-May-36	4.73	0.00	15 year	4.57	0.00
								15-May-37	4.83	0.00			
								15-May-41	5.11	0.00	<b>NZ Inflation-Indexed Bonds</b>		
								15-May-51	5.34	0.00	Sept-30	1.58	0.00
								15-May-54	5.35	0.00	Sept-35	2.35	0.00
											Sept-40	2.81	0.00

Carbon Price				Policy Meeting Run			
	Level	% Day	% Year	NZD	AUD	USD	
NZU	41.67	+0.0	-26.8	1st	2.26	4.27	3.65
				2nd	2.32	4.36	3.64
				3rd	2.43	4.53	3.65
				4th	2.58	4.62	3.66
				5th	2.63	4.71	3.68

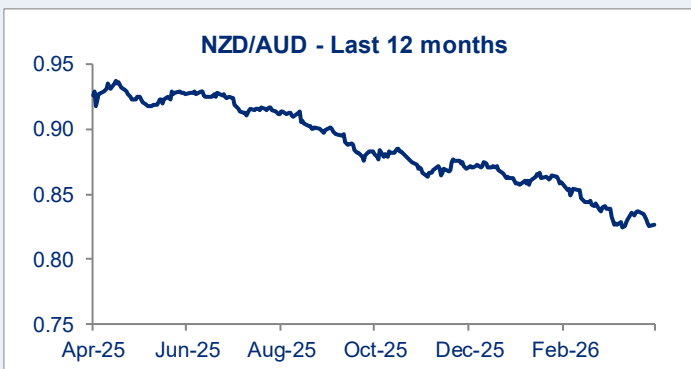
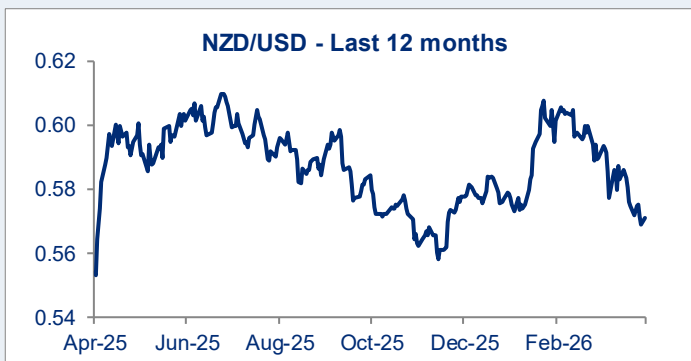
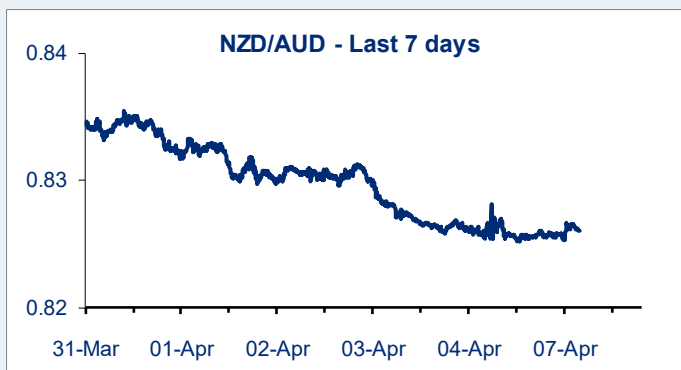
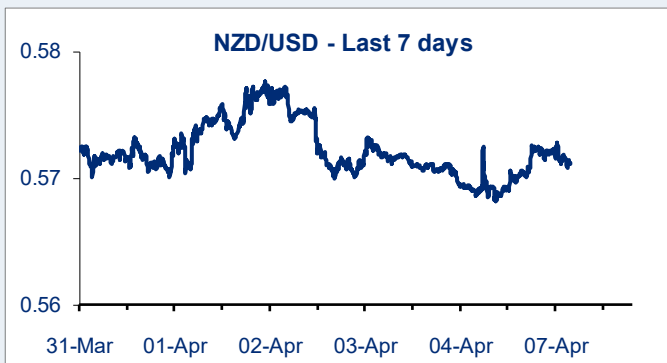
\* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer

Rates are as of: NZT 06:10

Source: Bloomberg

**NZD exchange rates**

7/04/2026	6:09 am	Prev. NY close
USD	0.5712	0.5690
GBP	0.4319	0.4310
AUD	0.8261	0.8252
EUR	0.4949	0.4940
JPY	91.24	90.85
CAD	0.7950	0.7935
CHF	0.4560	0.4554
DKK	3.6981	3.6915
FJD	1.2750	1.2707
HKD	4.4764	4.4602
INR	53.16	52.98
NOK	5.5450	5.5592
PKR	159.54	158.96
PHP	34.32	34.25
PGK	2.4653	2.4547
SEK	5.3917	5.3954
SGD	0.7339	0.7321
CNY	3.9309	3.9176
THB	18.62	18.64
TOP	1.3219	1.3190
VUV	68.36	68.35
WST	1.5496	1.5516
XPF	59.27	59.11
ZAR	9.6363	9.6626



**NZD/USD Forward Points**

	BNZ buys NZD	BNZ sells NZD
1 Month	5.95	6.46
3 Months	17.98	19.02
6 Months	33.39	35.65
9 Months	45.76	50.35
1 Year	52.41	59.39

**NZD/AUD Forward Points**

	BNZ buys NZD	BNZ sells NZD
1 Month	11.36	12.76
3 Months	36.60	40.38
6 Months	75.92	81.59
9 Months	115.23	125.56
1 Year	147.19	163.31

# Contact Details

## BNZ Research

**Stephen Toplis**  
Head of Research

**Doug Steel**  
Senior Economist

**Matt Brunt**  
Economist

**Jason Wong**  
Senior Markets Strategist

**Stuart Ritson**  
Senior Interest Rate Strategist

**Mike Jones**  
BNZ Chief Economist

## Main Offices

### Wellington

Level 2, BNZ Place  
1 Whitmore St  
Private Bag 39806  
Wellington Mail Centre  
Lower Hutt 5045  
New Zealand  
Toll Free: 0800 283 269

### Auckland

80 Queen Street  
Private Bag 92208  
Auckland 1142  
New Zealand  
Toll Free: 0800 283 269

### Christchurch

111 Cashel Street  
Christchurch 8011  
New Zealand  
Toll Free: 0800 854 854

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