

Research Markets Today

7 August 2026

Events round-up

AU: Trade balance, Jun: 1929 vs. -1080 exp.

GE: Factory orders (m/m%), Jun: 3.1 vs. 0.5 exp.

US: Nonfarm productiv. (ann'l sd q/q%), Q2: 1.4 vs. 0.6 exp.

US: Initial jobless claims (k), wk to 1 Aug: 199 vs. 205 exp.

Good morning

Oil prices rose steadily overnight on Middle East headlines, pushing US Treasury yields higher, while currency moves were mostly contained apart from further yen weakness. Equity markets show small movements.

Overnight news on the Middle East conflict was not encouraging. The Houthis said they had conducted a "large-scale" attack against forces from Yemen's Saudi-backed government, leaving at least 38 people dead and hundreds injured, a sign of the conflict widening.

While the US has been touting an imminent deal in the Middle East, it does not appear to be one that will be amenable to Washington. Iranian media reported that, under the drafted Iran-Oman deal, vessels belonging to the US, Israel and other "hostile" countries would be banned from transiting the Strait of Hormuz. This would include vessels or cargo linked to actions against Iran. Reuters reported that the US would give Iran control over ships entering the Gulf through the Strait of Hormuz, marking one of the biggest concessions yet to Iran. That report contradicts comments from a US official that temporary Hormuz routes would remain unimpeded, with no party controlling the lanes or the ability to transit the strait.

Oil prices rose steadily through the overnight session, with Brent crude trading up towards USD83 per barrel. The move placed upward pressure on global rates, with the US 10-year Treasury yield rising 6bps from the NZ close to 4.67%, alongside a modest flattening bias. The FT reported that Fed Chair Warsh would be prepared to raise interest rates at the September meeting if inflation readings released in coming weeks are hot and markets ratchet up their expectations for higher borrowing costs, according to sources.

Initial jobless claims rose by only 2k last week to 199k, leaving them at a historically low level and consistent with a low-firing labour market environment. Meanwhile,

nonfarm productivity growth was stronger than expected, running at an annualised pace of 1.4% in Q2 and leaving it up 2.2% y/y and 2.5% on an annual average basis. The corollary is that unit labour cost inflation remains well contained, with the four-quarter average edging down to 1.4%. This is consistent with the narrative that the labour market is not a source of inflation concern for the Fed. The key US employment reports are released tonight.

Currency movements overnight have been small, apart from further downward pressure on the yen as the impact of last week's official intervention continues to fade against a backdrop of higher oil prices. USD/JPY is currently trading at 158.40, well above the 155-handle seen near the start of the week. NZD/JPY is trading at 93.

The NZD is marginally weaker overnight at 0.5870, while the AUD has drifted down to 0.7035. NZD/AUD has continued to range trade around 0.8350.

Equity markets showed only modest movement, with the S&P 500 and Nasdaq indices relatively flat in late-afternoon trading, while the Euro Stoxx 600 index closed up 0.2%.

Yesterday, the domestic rates market showed little change, with early upside pressure from global forces ultimately fading. The 2-year swap rate was unchanged at 3.62%, while longer-term rates rose 1bp. The NZGB curve steepened slightly, with ultra-long rates up 2bps against no change in short-end rates. The lift in rates ahead of the weekly bond tender supported strong demand at the event, with particularly strong bidding interest in the 5-year bonds on offer and less interest in the longer-term bonds. Overnight, Australia's 10-year bond future is up 5bps in yield since the NZ close, which will drive up NZ rates on the open.

On the economic calendar, the key release is the US employment report, with consensus expecting nonfarm payrolls to pick up slightly to 80k in July, alongside a steady unemployment rate of 4.2% and stable wage inflation. Elsewhere, watch for Canada's labour market report and China trade data.

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Coming up

		Period	Cons.	Prev.	NZT
GE	Industrial production (m/m%)	Jun	0.2	0.9	18:00
CH	Exports (USD, y/y%)	Jul	23.0	27.0	
CH	Imports (USD, y/y%)	Jul	29.5	36.0	
CA	Unemployment rate (%)	Jul	6.5	6.5	00:30
US	Change in nonfarm payrolls (k)	Jul	80	57	00:30
US	Average hourly earnings (m/m%)	Jul	0.3	0.3	00:30
US	Average hourly earnings (y/y%)	Jul	3.5	3.5	00:30
US	Unemployment rate (%)	Jul	4.2	4.2	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	0.5872	-0.3	0.5861	0.5885	CHF	0.8122	+0.6	S&P 500	7,716	-0.1	21.6	Oil (Brent)	82.44	+3.8
AUD	0.7033	-0.4	0.7023	0.7045	SEK	9.506	+0.2	Dow	53,947	-0.7	22.1	Oil (WTI)	77.32	+2.8
EUR	1.1524	-0.3	1.1515	1.1547	NOK	9.545	+0.1	Nasdaq	26,348	-0.1	24.5	Gold	4242.0	-0.1
GBP	1.3455	-0.1	1.3450	1.3479	HKD	7.845	+0.0	Stoxx 50	6,503	+0.4	23.5	HRC steel	1195.0	+0.2
JPY	158.36	+0.4	157.75	158.55	CNY	6.750	+0.0	FTSE	10,868	-0.2	18.6	CRB	374.5	+0.3
CAD	1.4015	+0.0			SGD	1.283	+0.2	DAX	26,140	+0.1	9.3	SGX Iron Ore	95.65	-0.5
NZD/AUD	0.8349	+0.1			IDR	17,923	-0.1	CAC 40	8,700	+0.4	13.9	NZ Milk '26	9.76	+0.0
NZD/EUR	0.5095	-0.0			THB	33.10	-0.1	Nikkei	65,683	-0.9	60.0	NZ Milk '27	9.60	+0.5
NZD/GBP	0.4364	-0.2			KRW	1,423	+0.1	Shanghai	3,900	+0.6	7.3	NZ Milk '28	9.63	+0.3
NZD/JPY	92.99	+0.1			TWD	32.25	-0.2	ASX 200	9,272	+0.5	5.0	WM powder	3570	+0.7
NZD/CAD	0.8230	-0.2			PHP	60.82	+0.1	NZX 50	13,958	-0.3	8.3	Australian Futures		
NZ TWI	66.85	-0.2					VIX Index	15.28	-3.4	-8.9	3 year bond	95.52	-0.02	
											10 year bond	95.00	-0.05	

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
USD	3.75	4.85	4.10	4.26	USD	4.67	0.06	15-May-28	3.54	-0.00
AUD	4.35	4.50	4.55	5.05	AUD	4.92	0.02	20-Apr-29	3.75	0.00
NZD	2.50	2.93	3.62	4.37	NZD	4.68	0.01	15-May-30	3.94	0.01
EUR	2.25	2.49	2.97	3.18	GER	3.14	0.03	15-May-31	4.12	0.00
GBP	3.75	3.87	4.20	4.55	GBP	4.94	0.05	15-May-32	4.27	0.00
JPY	0.98	-0.03	1.61	2.67	JPY	2.79	-0.04	14-Apr-33	4.37	0.01
CAD	2.25	4.97	2.82	3.38	CAD	3.62	0.06	15-May-34	4.48	0.01
								15-May-35	4.58	0.01
								15-May-36	4.68	0.01
								15-May-37	4.77	0.01
								15-May-38	4.84	0.02
								15-May-41	5.06	0.02
								15-May-51	5.28	0.02
								15-May-54	5.29	0.02

Carbon Price				Policy Meeting Run				NZ Inflation-Indexed Bonds			
	Level	% Day	% Year		NZD	AUD	USD				
NZU	55.50	-0.4	-2.6	1st	2.73	4.37	3.78	Sept-30	1.66	0.02	
				2nd	2.86	4.39	3.86	Sept-35	2.48	0.02	
				3rd	3.03	4.47	3.98	Sept-40	2.95	0.02	
				4th	3.17	4.49	4.02				
				5th	3.29	4.51	4.09				

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

Rates are as of: NZT 06:48

Source: Bloomberg

NZD exchange rates

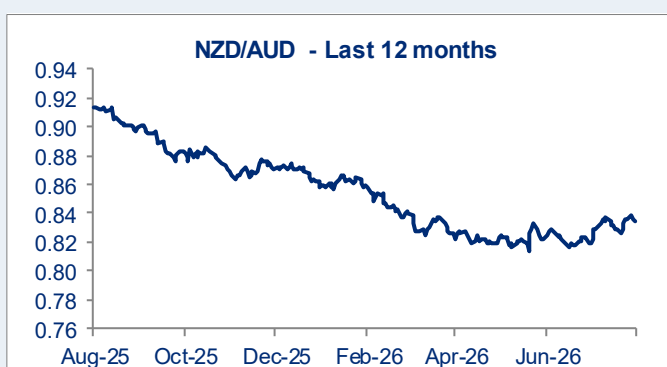
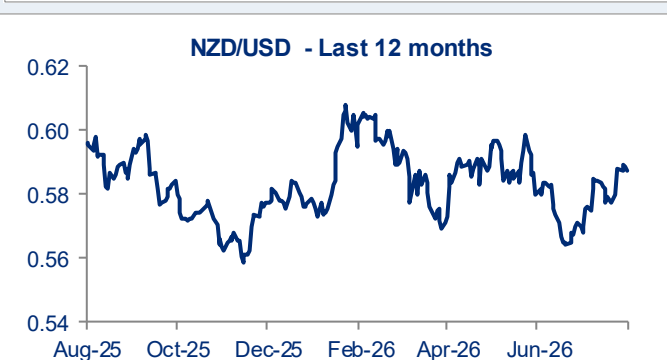
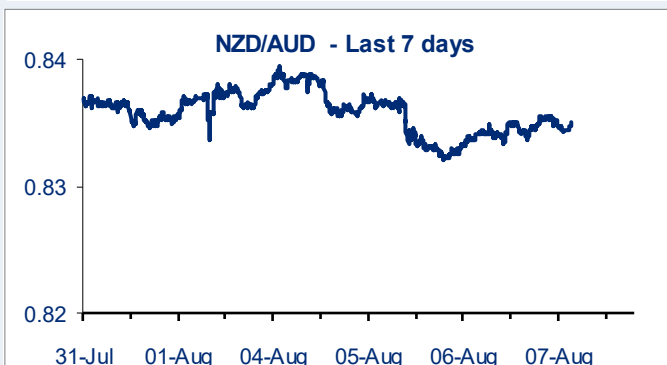
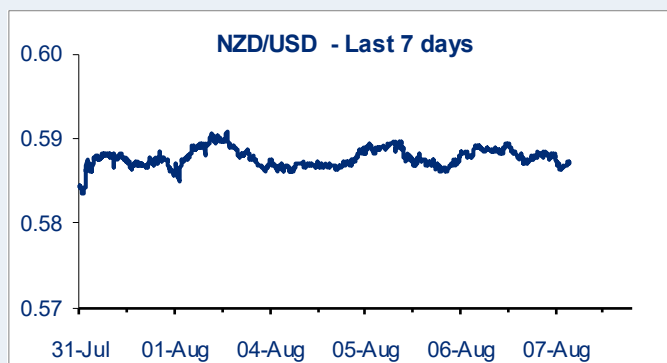
7/08/2026	6:48 am	Prev. NY close
USD	0.5872	0.5888
GBP	0.4364	0.4372
AUD	0.8349	0.8342
EUR	0.5095	0.5097
JPY	92.99	92.88
CAD	0.8230	0.8250
CHF	0.4769	0.4752
DKK	3.8086	3.8100
FJD	1.3064	1.3076
HKD	4.6057	4.6185
INR	55.91	56.01
NOK	5.6041	5.6121
PKR	163.13	163.61
PHP	35.70	35.77
PGK	2.5898	2.6007
SEK	5.5806	5.5858
SGD	0.7534	0.7543
CNY	3.9635	3.9739
THB	19.41	19.55
TOP	1.3853	1.3920
VUV	69.92	70.14
WST	1.5963	1.6011
XPF	60.60	60.77
ZAR	9.5944	9.6084

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	5.36	5.64
3 Months	15.08	15.81
6 Months	28.91	30.39
9 Months	39.24	42.17
1 Year	48.38	52.41

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	12.23	12.77
3 Months	33.88	35.27
6 Months	63.89	66.99
9 Months	87.81	93.77
1 Year	109.62	117.66



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