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'lsd 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

**FX Majors** — **Indicative overnight ranges (*)**

| | Last | % Day | Low | High |
|---|---|---|---|---|
| NZD | 0.5872 | -0.3 | 0.5861 | 0.5885 |
| AUD | 0.7033 | -0.4 | 0.7023 | 0.7045 |
| EUR | 1.1524 | -0.3 | 1.1515 | 1.1547 |
| GBP | 1.3455 | -0.1 | 1.3450 | 1.3479 |
| JPY | 158.36 | +0.4 | 157.75 | 158.55 |
| CAD | 1.4015 | +0.0 | | |
| NZD/AUD | 0.8349 | +0.1 | | |
| NZD/EUR | 0.5095 | -0.0 | | |
| NZD/GBP | 0.4364 | -0.2 | | |
| NZD/JPY | 92.99 | +0.1 | | |
| NZD/CAD | 0.8230 | -0.2 | | |
| NZ TWI | 66.85 | -0.2 | | |

**Other FX**

| | Last | % Day |
|---|---|---|
| CHF | 0.8122 | +0.6 |
| SEK | 9.506 | +0.2 |
| NOK | 9.545 | +0.1 |
| HKD | 7.845 | +0.0 |
| CNY | 6.750 | +0.0 |
| SGD | 1.283 | +0.2 |
| IDR | 17,923 | -0.1 |
| THB | 33.10 | -0.1 |
| KRW | 1,423 | +0.1 |
| TWD | 32.25 | -0.2 |
| PHP | 60.82 | +0.1 |

### Equities

**Major Indices**

| | Last | % Day | % Year |
|---|---|---|---|
| S&P 500 | 7,716 | -0.1 | 21.6 |
| Dow | 53,947 | -0.7 | 22.1 |
| Nasdaq | 26,348 | -0.1 | 24.5 |
| Stoxx 50 | 6,503 | +0.4 | 23.5 |
| FTSE | 10,868 | -0.2 | 18.6 |
| DAX | 26,140 | +0.1 | 9.3 |
| CAC 40 | 8,700 | +0.4 | 13.9 |
| Nikkei | 65,683 | -0.9 | 60.0 |
| Shanghai | 3,900 | +0.6 | 7.3 |
| ASX 200 | 9,272 | +0.5 | 5.0 |
| NZX 50 | 13,958 | -0.3 | 8.3 |
| VIX Index | 15.28 | -3.4 | -8.9 |

### Commodities

**Price** (Near futures, except CRB)

| | Last | Net Day |
|---|---|---|
| Oil (Brent) | 82.44 | +3.8 |
| Oil (WTI) | 77.32 | +2.8 |
| Gold | 4242.0 | -0.1 |
| HRC steel | 1195.0 | +0.2 |
| CRB | 374.5 | +0.3 |
| SGX Iron Ore | 95.65 | -0.5 |
| NZ Milk '26 | 9.76 | +0.0 |
| NZ Milk '27 | 9.60 | +0.5 |
| NZ Milk '28 | 9.63 | +0.3 |
| WM powder | 3570 | +0.7 |

**Australian Futures**

| | Last | Net Day |
|---|---|---|
| 3 year bond | 95.52 | -0.02 |
| 10 year bond | 95.00 | -0.05 |

### Interest Rates

| | Rates: Cash | Rates: 3Mth | Swap Yields: 2 Yr | Swap Yields: 10 Yr |
|---|---|---|---|---|
| USD | 3.75 | 4.85 | 4.10 | 4.26 |
| AUD | 4.35 | 4.50 | 4.55 | 5.05 |
| NZD | 2.50 | 2.93 | 3.62 | 4.37 |
| EUR | 2.25 | 2.49 | 2.97 | 3.18 |
| GBP | 3.75 | 3.87 | 4.20 | 4.55 |
| JPY | 0.98 | -0.03 | 1.61 | 2.67 |
| CAD | 2.25 | 4.97 | 2.82 | 3.38 |

**Benchmark 10 Yr Bonds**

| | Last | Net Day |
|---|---|---|
| USD | 4.67 | 0.06 |
| AUD | 4.92 | 0.02 |
| NZD | 4.68 | 0.01 |
| GER | 3.14 | 0.03 |
| GBP | 4.94 | 0.05 |
| JPY | 2.79 | -0.04 |
| CAD | 3.62 | 0.06 |

**NZ Government Bonds**

| | Last | Chg |
|---|---|---|
| 15-May-28 | 3.54 | -0.00 |
| 20-Apr-29 | 3.75 | 0.00 |
| 15-May-30 | 3.94 | 0.01 |
| 15-May-31 | 4.12 | 0.00 |
| 15-May-32 | 4.27 | 0.00 |
| 14-Apr-33 | 4.37 | 0.01 |
| 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 |

**NZ BKBM and Swap Yields**

| | Last | Chg |
|---|---|---|
| BKBM 1-mth | 2.74 | 0.00 |
| BKBM 3-mth | 2.93 | -0.01 |
| 1 year | 3.36 | 0.00 |
| 2 year | 3.62 | 0.00 |
| 3 year | 3.77 | 0.01 |
| 5 year | 3.98 | 0.01 |
| 7 year | 4.16 | 0.01 |
| 10 year | 4.37 | 0.01 |
| 15 year | 4.62 | 0.01 |

**NZ Inflation-Indexed Bonds**

| | Last | Chg |
|---|---|---|
| Sept-30 | 1.66 | 0.02 |
| Sept-35 | 2.48 | 0.02 |
| Sept-40 | 2.95 | 0.02 |

**Carbon Price**

| | Level | % Day | % Year |
|---|---|---|---|
| NZU | 55.50 | -0.4 | -2.6 |

**Policy Meeting Run**

| | NZD | AUD | USD |
|---|---|---|---|
| 1st | 2.73 | 4.37 | 3.78 |
| 2nd | 2.86 | 4.39 | 3.86 |
| 3rd | 3.03 | 4.47 | 3.98 |
| 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**

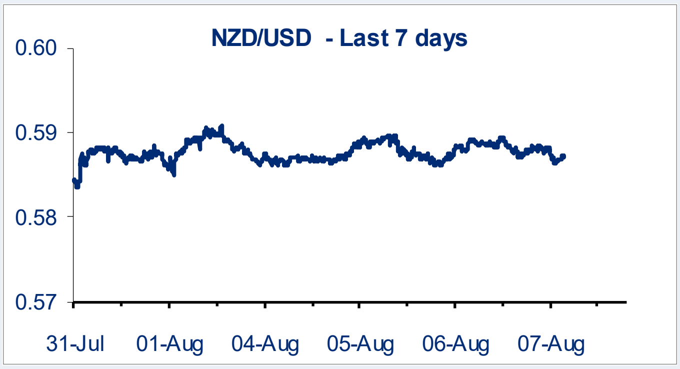
| 7/08/2026 | 6:48 am | Prev. NY close |
|---|---|---|
| USD | 0.5872 | 0.5888 |
| GBP | 0.4364 | 0.4372 |
| AUD | 0.8349 | 0.8342 |
| EUR | 0.5095 | 0.5097 |
| JPY | 92.99 | 92.88 |
| CAD | 0.8230 | 0.8250 |
| CHF | 0.4769 | 0.4752 |
| DKK | 3.8086 | 3.8100 |
| FJD | 1.3064 | 1.3076 |
| HKD | 4.6057 | 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 |

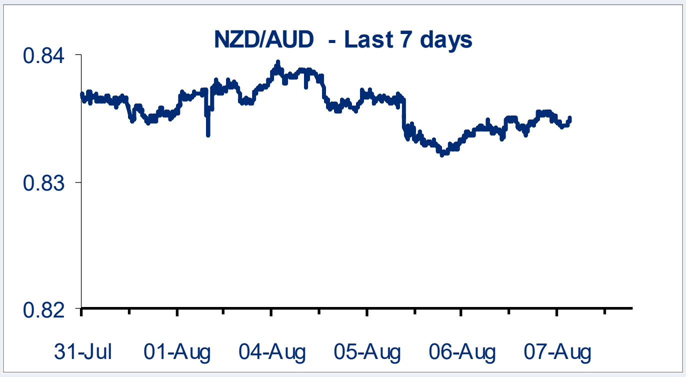
**NZD/USD Forward Points**

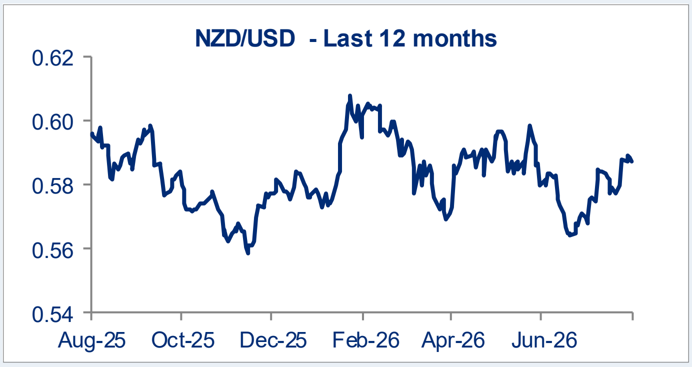
| | BNZ buys NZD | BNZ sells NZD |
|---|---|---|
| 1 Month | 5.36 | 5.64 |
| 3 Months | 15.08 | 15.81 |
| 6 Months | 28.91 | 30.39 |
| 9 Months | 39.24 | 42.17 |
| 1 Year | 48.38 | 52.41 |

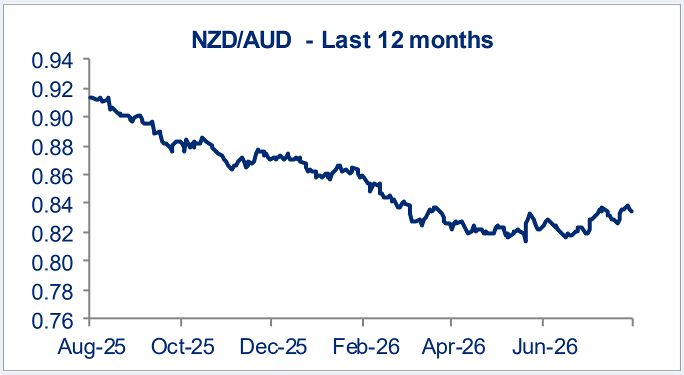
**NZD/AUD Forward Points**

| | 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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