

# Research Markets Today

7 May 2026

## Events round-up

NZ: Unemployment Rate, 1Q: 5.3vs. 5.4 exp.  
 NZ: Employment Change (q/q%), 1Q: 0.2 vs. 0.3 exp.  
 NZ: Employment Change (y/y%), 1Q: 0.4 vs. 0.5 exp.  
 NZ: Pvt Wages Inc Overtime (q/q%), 1Q: 0.4 vs. 0.4 exp.  
 CH: RatingDog China PMI Services, Apr: 52.6 vs. 52.0 exp.  
 US: ADP Employment Change (k), Apr: 109 vs. 120 exp.

## Good morning

Global equities rallied after a report suggested the White House believes the US and Iran are close to agreeing a one-page memorandum to end the Middle East conflict. The S&P rose 1% in afternoon trade, extending the rally to a fresh record high. European stocks also gained, with the Euro Stoxx up 2.7%. Sovereign yields declined alongside a fall in crude prices, while the US dollar was mixed against G10 currencies after dropping in Asian trading yesterday.

The US has offered Iran a one-page memorandum of understanding to end the war, reopen the Strait of Hormuz and lift the US blockade on Iranian ports, with nuclear talks to follow. The proposal surfaced hours after President Trump said he had paused the military mission escorting commercial ships through Hormuz. Oil prices fell sharply: Brent crude fell below US\$100 per barrel before recovering towards US\$102.

ADP reported a 109k increase in private US payrolls in April, only slightly below the consensus estimate, although forecast errors versus the official payrolls data have been large. The median estimate for Friday night's official release is a 75k increase in private payrolls. US rates made only limited moves on the data, with the focus remaining on geopolitical developments.

US Treasuries rallied as oil prices fell further, with yields 5-8bp lower across the curve. The market also gained support as quarterly refunding concerns faded. The US Treasury reiterated prior guidance and said it anticipates keeping nominal note and bond auction sizes unchanged "for at least the next several quarters", implying it will likely be early 2027 before any increase in issuance. The Treasury also signalled it remains comfortable issuing short-dated debt to meet escalating government borrowing needs. Ten-year yields fell 7bp to 4.35%.

UK gilts rebounded from the large selloff the previous day with 10-year yields declining 12bp to 4.94%.

After falling in the local session, the US dollar index extended its decline into early Europe on hopes of an imminent end to the war, before recovering partially. The yen gapped higher in the Tokyo afternoon with no obvious catalyst, raising suspicion of renewed Ministry of Finance support. USD/JPY fell toward 155 before rebounding. NZD/USD finally broke above 0.5930 resistance after more than two weeks of repeated tests, rising toward 0.5990 overnight before retracing. The NZD is broadly firmer on the key crosses.

Q1 NZ labour market data was close to expectations, though it largely pre-dated the conflict, which is likely to make the outlook more challenging. The unemployment rate edged down to 5.3% (from 5.4%), largely reflecting a dip in participation to 70.4%. Wage indicators were close to consensus: the private-sector LCI rose 0.4% q/q, holding the annual rate steady at 2.0%.

NZ fixed income markets showed limited reaction to the labour market data. Pricing continues to imply around to 90bp of RBNZ hikes by December. NZ swap rates edged 1-2bp higher across the curve with a mild flattening bias. Government bonds largely matched swaps, with yields also closing 1-3bp higher across the curve. Australian 10-year futures are 7bp lower in yield terms since the local close suggesting a decline for NZ rates on the open.

In primary markets, the Asian Development Bank launched a 7-year Kauri issue with initial price guidance of swaps +39bp representing a ~12bp pickup over the Apr-2033 government bond. NZ Debt Management will run the weekly government bond tender today, with three lines on offer: May-31 (\$225m), May-36 (\$175m) and May-54 (\$50m).

It's a quiet day ahead for economic data, with nothing scheduled domestically and only second-tier international releases. US initial jobless claims likely remained low, suggesting layoffs are still limited.

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Coming up

		Period	Cons.	Prev.	NZT
AU	Trade Balance (A\$ bn.)	Mar	4.4	5.9	13:30
GE	Factory Orders (m/m%)	Mar	1	0.9	18:00
US	Nonfarm Productivity	1Q P	0.6	1.8	00:30
US	Initial Jobless Claims	2-May	205	189	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	0.5954	+1.1	0.5942	0.5991	CHF	0.7791	-0.5	S&P 500	7,349	+1.2	31.1	Oil (Brent)	100.98	-8.3
AUD	0.7233	+0.7	0.7224	0.7278	SEK	9.236	-0.3	Dow	49,925	+1.3	22.3	Oil (WTI)	94.66	-7.6
EUR	1.1745	+0.4	1.1725	1.1797	NOK	9.304	+0.5	Nasdaq	25,767	+1.7	45.7	Gold	4697.9	+2.8
GBP	1.3591	+0.4	1.3579	1.3643	HKD	7.835	-0.0	Stoxx 50	6,027	+2.7	14.5	HRC steel	1075.0	-0.5
JPY	156.46	-0.9	155.62	156.57	CNY	6.813	-0.2	FTSE	10,439	+2.1	21.4	CRB	398.5	-0.7
CAD	1.3640	+0.1			SGD	1.268	-0.5	DAX	24,919	+2.1	7.2	Wheat Chic.	617.3	-1.8
NZD/AUD	0.8232	+0.5			IDR	17,387	-0.2	CAC 40	8,299	+2.9	7.8	Sugar	14.81	-3.5
NZD/EUR	0.5069	+0.7			THB	32.23	-1.0	Nikkei	59,513	+0.4	61.8	Cotton	82.46	+2.3
NZD/GBP	0.4381	+0.8			KRW	1,449	-1.3	Shanghai	4,160	+1.2	25.5	Coffee	283.9	-2.1
NZD/JPY	93.16	+0.3			TWD	31.48	-0.4	ASX 200	8,794	+1.3	7.5	WM powder	3810	+0.5
NZD/CAD	0.8121	+1.3			PHP	61.34	-0.4	NZX 50	13,145	+0.8	5.2	<b>Australian Futures</b>		
NZ TWI	67.19	+0.7						VIX Index	16.99	-2.2	-31.4	3 year bond	95.36	0.00
												10 year bond	95.07	0.06
<b>Interest Rates</b>														
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	3.71	3.94	USD	4.35	-0.07	15-May-28	3.63	0.03	BKBM 1-mth	2.45	0.01	
AUD	4.35	4.44	4.63	5.00	AUD	4.95	-0.02	20-Apr-29	3.82	0.03	BKBM 3-mth	2.62	0.01	
NZD	2.25	2.62	3.55	4.30	NZD	4.66	0.01	15-May-30	3.99	0.03	1 year	3.18	0.03	
EUR	2.00	2.22	2.78	3.03	GER	3.00	-0.06	15-May-31	4.17	0.03	2 year	3.55	0.02	
GBP	3.75	3.86	4.25	4.48	GBP	4.94	-0.12	15-May-32	4.31	0.02	3 year	3.72	0.02	
JPY	0.73	-0.03	1.37	2.31	JPY	2.52	0.00	14-Apr-33	4.39	0.02	5 year	3.94	0.02	
CAD	2.25	4.97	2.80	3.28	CAD	3.52	-0.09	15-May-34	4.49	0.02	7 year	4.11	0.02	
								15-May-35	4.57	0.01	10 year	4.30	0.01	
								15-May-36	4.66	0.01	15 year	4.54	0.01	
								15-May-37	4.75	0.01				
								15-May-41	5.00	0.01	<b>NZ Inflation-Indexed Bonds</b>			
								15-May-51	5.20	0.00	Sept-30	1.53	-0.00	
								15-May-54	5.21	0.00	Sept-35	2.31	-0.01	
											Sept-40	2.78	-0.01	

Carbon Price

	Level	% Day	% Year
NZU	53.00	-2.2	+1.9

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

Rates are as of: NZT 06:26

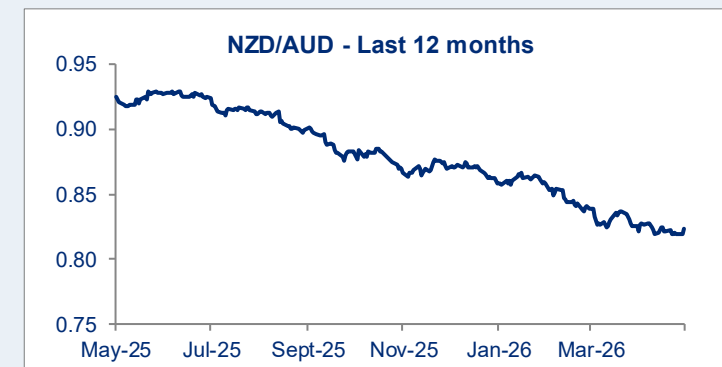
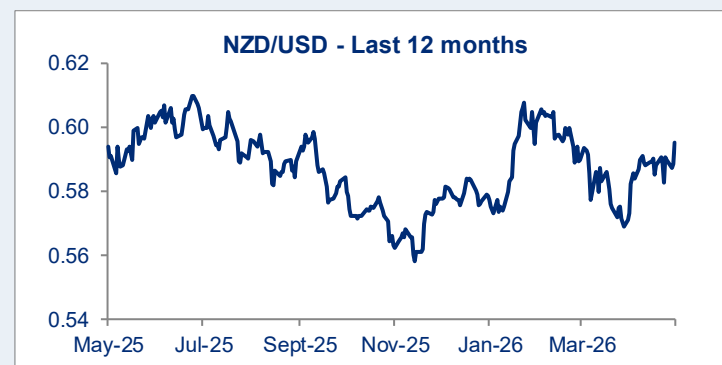
Source: Bloomberg

Policy Meeting Run

	NZD	AUD	USD
1st	2.35	4.40	3.63
2nd	2.53	4.53	3.61
3rd	2.75	4.58	3.60
4th	2.92	4.65	3.63
5th	3.14	4.66	3.66

**NZD exchange rates**

7/05/2026	6:27 am	Prev. NY close
USD	0.5954	0.5887
GBP	0.4381	0.4348
AUD	0.8232	0.8196
EUR	0.5069	0.5035
JPY	93.16	92.94
CAD	0.8121	0.8018
CHF	0.4639	0.4610
DKK	3.7881	3.7624
FJD	1.3063	1.2924
HKD	4.6652	4.6131
INR	56.33	56.10
NOK	5.5394	5.4488
PKR	165.98	164.43
PHP	36.53	36.24
PGK	2.5887	2.5496
SEK	5.4990	5.4562
SGD	0.7552	0.7508
CNY	4.0562	4.0197
THB	19.19	19.26
TOP	1.3628	1.3780
VUV	70.32	69.55
WST	1.5882	1.5785
XPF	60.63	60.08
ZAR	9.7647	9.8144



**NZD/USD Forward Points**

	BNZ buys NZD	BNZ sells NZD
1 Month	5.69	6.06
3 Months	16.36	16.96
6 Months	27.48	29.18
9 Months	34.09	37.41
1 Year	36.60	40.60

**NZD/AUD Forward Points**

	BNZ buys NZD	BNZ sells NZD
1 Month	13.32	14.03
3 Months	38.67	39.93
6 Months	73.09	76.58
9 Months	103.23	109.54
1 Year	126.23	134.11

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