bnz MARKETS

Research

Markets Today

7 September 2026

Events round-up

NZ: Volume of All Buildings (q/q%), 2Q: 4.8 vs. 1 exp.

GE: Factory Orders (m/m%), Jul: 2.5 vs. 0.3 exp.

CA: Unemployment Rate, Aug: 6.4 vs. 6.4 exp.

US: Change in Nonfarm Payrolls, Aug: 162 vs. 55 exp.

US: Unemployment Rate, Aug: 4.1 vs. 4.1 exp.

US: Average Hourly Earnings (m/m%), Aug: 0.3 vs. 0.3 exp.

US: Average Hourly Earnings (y/y%), Aug: 3.1 vs. 3.1 exp.

Good morning

A better-than-expected US jobs report contributed to higher front end Treasury yields while equities made modest losses as markets priced a higher chance the Federal Reserve will raise rates this month. The S&P closed around 0.4% lower while major equity indices in Europe were little changed. An initial move higher for the US dollar quickly faded and net moves across currencies were not large.

Oil prices were steady but remained sharply higher over last week as renewed US-Iran hostilities - including Iranian retaliation against US bases in the region - raised concerns about prolonged disruption to energy flows through the Gulf. Brent crude held near US$96 a barrel, leaving it up more than 7% over the week. The impact was also evident in refined fuel markets, with US diesel prices rising to a record US$5.85 a gallon.

Nonfarm payrolls rose 162k in August, well above the 55k consensus and topping all the estimates on the Bloomberg survey. Gains were broad-based across sectors. The unemployment rate stayed at 4.1% despite a rise in participation, while average hourly earnings rose 0.3%, both in line with expectations. The rebound looks more like payback after two weak months and the reversal of seasonal distortions than a sustained acceleration, with the three-month average still modest at 71k. Wage growth also remains consistent with muted labour-market inflation pressure.

Market pricing indicates about a 60% chance of a Fed hike in next week, only marginally above pre-payrolls levels, leaving the meeting finely balanced. Officials have stressed that inflation data will be the key input, but the strong employment report removes a potential argument against tightening. Had August payrolls been weak, following an initially soft July print, caution would have been easier to justify. Instead, hiring momentum has improved, labour-market weakness is less evident, and President Trump’s renewed call for lower rates is unlikely to sway a Fed focused on above-target inflation.

Front-end Treasury yields spiked after the data, with 2-year yields jumping 8bp to a fresh cycle high of 4.42% before paring the move but still ending higher on the session. The response further along the curve was more limited, with 10-year yields little changed near 4.77%.

The US dollar quickly retraced its initial gains, a surprisingly muted response to such a positive economic surprise. G10 currencies were generally firmer against the USD relative to the NZ close, though moves were modest. The yen consolidated after last week’s strong performance, while the CAD underperformed slightly after weaker employment growth. The NZD briefly dipped towards 0.5860 before reversing to end the week near 0.5880, with contained moves on the key cross rates.

NZ fixed income had a subdued local session on Friday. Swap rates closed flat to 2bp higher across the curve, with a flattening bias. Two-year swaps ended at 3.72% and 10-year swaps at 4.48%. Pricing for the October RBNZ meeting was stable near +8bp after Assistant Governor Silk said in a Bloomberg interview that a December hike was more likely than October, noting the Bank’s modelled OCR track.

There is little on the data calendar to start the week, with no domestic or regional releases and a US public holiday likely to dampen market activity. The domestic focus turns to partial GDP indicators ahead of Q2 GDP on 17 September. Building work put in place, released Friday, rebounded strongly in Q2, with manufacturing, wholesale trade and services indicators still to come. Offshore, US August CPI is the key release and will help shape expectations for the September FOMC, while the ECB is expected to raise rates 25bp to 2.50%.

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Coming up

		Period	Cons.	Prev.	NZT
GE	Industrial Production (m/m%)	Jul		0.2	18:00

Source: Bloomberg

Currencies

FX Majors	Last	% Day	Low	High
NZD	0.5881	-0.0	0.5857	0.5895
AUD	0.7205	+0.0	0.7175	0.7213
EUR	1.1614	-0.1	1.1585	1.1630
GBP	1.3516	-0.0	1.3483	1.3549
JPY	156.25	+0.3	155.36	156.75
CAD	1.3838	+0.3		
NZD/AUD	0.8162	-0.0		
NZD/EUR	0.5064	+0.1		
NZD/GBP	0.4351	+0.0		
NZD/JPY	91.89	+0.3		
NZD/CAD	0.8138	+0.3		
NZ TWI	66.16	-0.0		

Indicative overnight ranges (*)

Other FX	Last	% Day
CHF	0.8099	+0.3
SEK	9.574	+0.3
NOK	9.308	+0.1
HKD	7.841	+0.0
CNY	6.710	-0.1
SGD	1.267	-0.1
IDR	17,642	-0.2
THB	32.92	-0.0
KRW	1,346	-0.8
TWD	31.64	-0.4
PHP	62.66	+0.2

Equities

Major Indices	Last	% Day	% Year
S&P 500	7,719	-0.4	18.8
Dow	53,414	-0.5	17.4
Nasdaq	26,507	-0.3	21.6
Stoxx 50	6,393	+0.2	20.2
FTSE	10,831	-0.0	17.6
DAX	26,046	+0.2	10.4
CAC 40	8,279	-0.1	7.9
Nikkei	65,021	+1.3	51.1
Shanghai	3,930	-0.3	3.1
ASX 200	9,006	-0.2	1.5
NZX 50	13,974	+0.9	5.7
VIX Index	14.53	+1.5	-3.8

Commodities

Price (Near futures, except CRB)	Last	Net Day
Oil (Brent)	96.28	+0.8
Oil (WTI)	91.48	+0.2
Gold	4441.9	-1.4
HRC steel	1226.0	+0.2
CRB	416.4	-0.1
SGX Iron Ore	100.50	+1.0
NZ Milk '26	9.75	+0.0
NZ Milk '27	9.84	+0.1
NZ Milk '28	9.80	+0.0
WM powder	3710	+0.4
Australian Futures		
3 year bond	95.26	0.01
10 year bond	94.81	-0.01

Interest Rates

	Rates Cash	Rates 3Mth	Swap Yields 2 Yr	Swap Yields 10 Yr
USD	3.75	4.85	4.23	4.40
AUD	4.35	4.59	4.77	5.25
NZD	2.75	3.06	3.73	4.49
EUR	2.25	2.66	3.16	3.36
GBP	3.75	3.87	4.35	4.67
JPY	0.98	-0.03	1.85	2.77
CAD	2.25	4.97	3.02	3.55

Benchmark 10 Yr Bonds	Last	Net Day
USD	4.78	0.00
AUD	5.17	-0.00
NZD	4.79	0.01
GER	3.34	-0.00
GBP	5.13	-0.00
JPY	2.92	-0.04
CAD	3.78	-0.02

NZ Government Bonds	Last	Chg
15-May-28	3.62	0.02
20-Apr-29	3.84	0.02
15-May-30	4.04	0.02
15-May-31	4.22	0.02
15-May-32	4.37	0.01
14-Apr-33	4.48	0.01
15-May-34	4.59	0.01
15-May-35	4.69	0.01
15-May-36	4.79	0.01
15-May-37	4.89	0.01
15-May-38	4.95	0.01
15-May-41	5.19	0.01
15-May-51	5.43	0.01
15-May-54	5.45	0.01

NZ BKBM and Swap Yields	Last	Chg
BKBM 1-mth	2.95	0.00
BKBM 3-mth	3.06	0.00
1 year	3.45	0.02
2 year	3.73	0.02
3 year	3.88	0.02
5 year	4.10	0.02
7 year	4.28	0.02
10 year	4.49	0.01
15 year	4.75	0.01

NZ Inflation-Indexed Bonds	Last	Chg
Sept-30	1.65	-0.01
Sept-35	2.48	0.00
Sept-40	2.95	0.00

Carbon Price	Level	% Day	% Year
NZU	50.23	+0.0	-13.6

Policy Meeting Run	NZD	AUD	USD
1st	2.82	4.52	3.78
2nd	3.02	4.64	3.85
3rd	3.14	4.67	3.98
4th	3.26	4.73	4.03
5th	3.35	4.75	4.13

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

Rates at NY close

Source: Bloomberg

NZD exchange rates

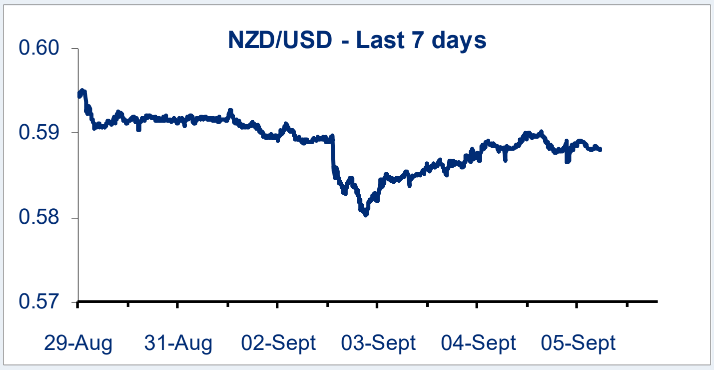
5/09/2026	NY close	Prev. NY close
USD	0.5881	0.5881
GBP	0.4351	0.4348
AUD	0.8162	0.8167
EUR	0.5064	0.5058
JPY	91.89	91.63
CAD	0.8138	0.8112
CHF	0.4764	0.4749
DKK	3.7858	3.7810
FJD	1.2987	1.2971
HKD	4.6118	4.6106
INR	55.58	55.57
NOK	5.4748	5.4660
PKR	163.23	163.21
PHP	36.82	36.77
PGK	2.6484	2.6057
SEK	5.6314	5.6109
SGD	0.7450	0.7453
CNY	3.9475	3.9510
THB	19.37	19.40
TOP	1.3673	1.3834
VUV	69.38	69.44
WST	1.5985	1.5972
XPF	60.21	60.27
ZAR	9.3867	9.4065

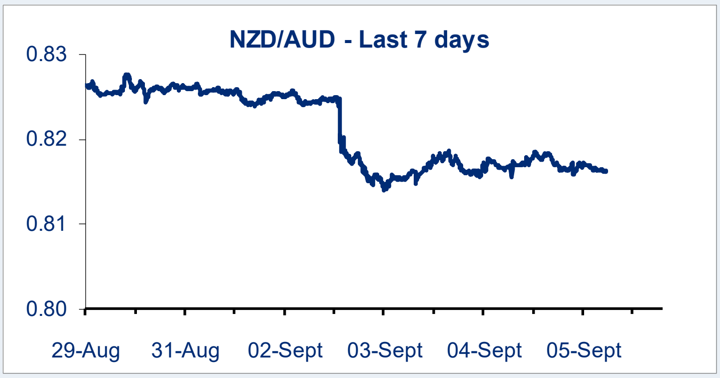
NZD/USD Forward Points

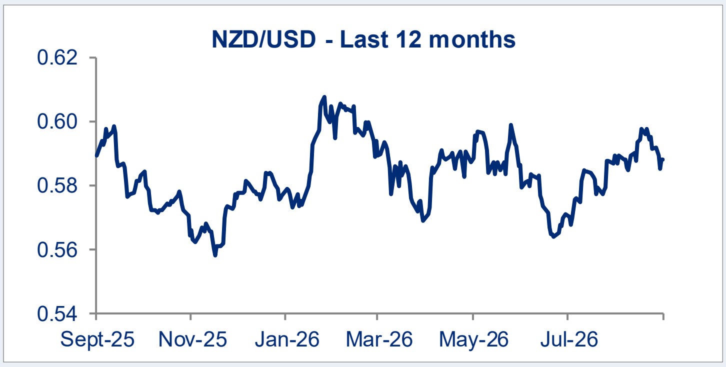
	BNZ buys NZD	BNZ sells NZD
1 Month	4.34	4.55
3 Months	13.81	14.31
6 Months	26.78	27.98
9 Months	38.01	40.52
1 Year	47.90	51.60

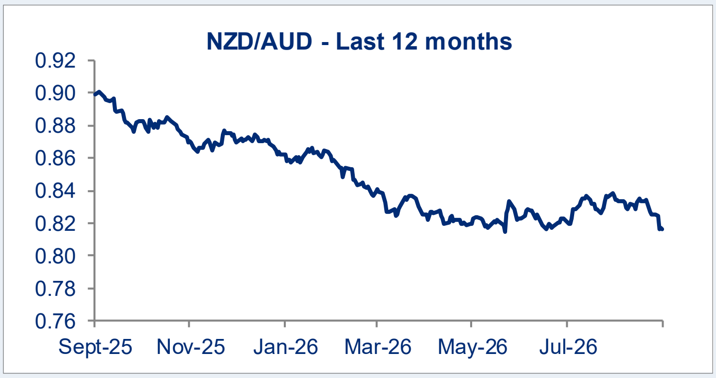
NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	9.49	9.95
3 Months	31.89	33.03
6 Months	62.03	64.65
9 Months	89.69	94.73
1 Year	114.40	121.66









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