

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%.

stuart_ritson@bnz.co.nz

Coming up

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

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	0.5881	-0.0	0.5857	0.5895	CHF	0.8099	+0.3	S&P 500	7,719	-0.4	18.8	Oil (Brent)	96.28	+0.8
AUD	0.7205	+0.0	0.7175	0.7213	SEK	9.574	+0.3	Dow	53,414	-0.5	17.4	Oil (WTI)	91.48	+0.2
EUR	1.1614	-0.1	1.1585	1.1630	NOK	9.308	+0.1	Nasdaq	26,507	-0.3	21.6	Gold	4441.9	-1.4
GBP	1.3516	-0.0	1.3483	1.3549	HKD	7.841	+0.0	Stoxx 50	6,393	+0.2	20.2	HRC steel	1226.0	+0.2
JPY	156.25	+0.3	155.36	156.75	CNY	6.710	-0.1	FTSE	10,831	-0.0	17.6	CRB	416.4	-0.1
CAD	1.3838	+0.3			SGD	1.267	-0.1	DAX	26,046	+0.2	10.4	SGX Iron Ore	100.50	+1.0
NZD/AUD	0.8162	-0.0			IDR	17,642	-0.2	CAC 40	8,279	-0.1	7.9	NZ Milk '26	9.75	+0.0
NZD/EUR	0.5064	+0.1			THB	32.92	-0.0	Nikkei	65,021	+1.3	51.1	NZ Milk '27	9.84	+0.1
NZD/GBP	0.4351	+0.0			KRW	1,346	-0.8	Shanghai	3,930	-0.3	3.1	NZ Milk '28	9.80	+0.0
NZD/JPY	91.89	+0.3			TWD	31.64	-0.4	ASX 200	9,006	-0.2	1.5	WM powder	3710	+0.4
NZD/CAD	0.8138	+0.3			PHP	62.66	+0.2	NZX 50	13,974	+0.9	5.7	Australian Futures		
NZ TWI	66.16	-0.0						VIX Index	14.53	+1.5	-3.8	3 year bond	95.26	0.01
												10 year bond	94.81	-0.01
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	4.23	4.40	USD	4.78	0.00	15-May-28	3.62	0.02	BKBM 1-mth	2.95	0.00	
AUD	4.35	4.59	4.77	5.25	AUD	5.17	-0.00	20-Apr-29	3.84	0.02	BKBM 3-mth	3.06	0.00	
NZD	2.75	3.06	3.73	4.49	NZD	4.79	0.01	15-May-30	4.04	0.02	1 year	3.45	0.02	
EUR	2.25	2.66	3.16	3.36	GER	3.34	-0.00	15-May-31	4.22	0.02	2 year	3.73	0.02	
GBP	3.75	3.87	4.35	4.67	GBP	5.13	-0.00	15-May-32	4.37	0.01	3 year	3.88	0.02	
JPY	0.98	-0.03	1.85	2.77	JPY	2.92	-0.04	14-Apr-33	4.48	0.01	5 year	4.10	0.02	
CAD	2.25	4.97	3.02	3.55	CAD	3.78	-0.02	15-May-34	4.59	0.01	7 year	4.28	0.02	
								15-May-35	4.69	0.01	10 year	4.49	0.01	
								15-May-36	4.79	0.01	15 year	4.75	0.01	
								15-May-37	4.89	0.01				
								15-May-38	4.95	0.01	NZ Inflation-Indexed Bonds			
								15-May-41	5.19	0.01	Sept-30	1.65	-0.01	
								15-May-51	5.43	0.01	Sept-35	2.48	0.00	
								15-May-54	5.45	0.01	Sept-40	2.95	0.00	
Carbon Price				Policy Meeting Run										
	Level	% Day	% Year		NZD	AUD	USD							
NZU	50.23	+0.0	-13.6	1st	2.82	4.52	3.78							
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer				2nd	3.02	4.64	3.85							
Rates at NY close				3rd	3.14	4.67	3.98							
Source: Bloomberg				4th	3.26	4.73	4.03							
				5th	3.35	4.75	4.13							

NZD exchange rates

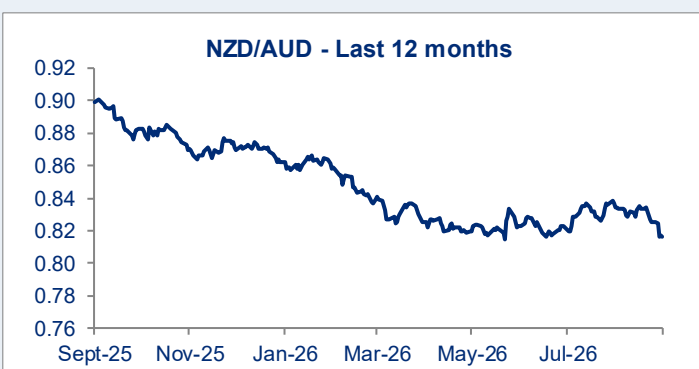
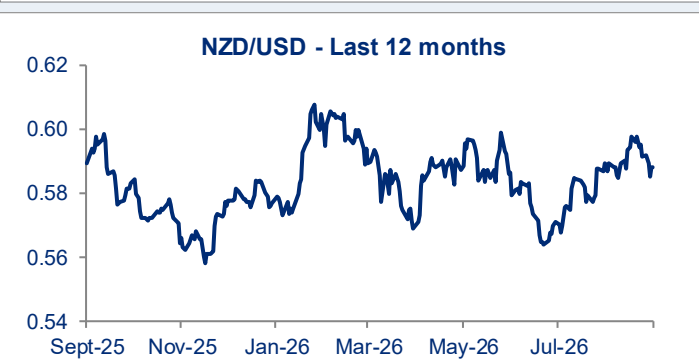
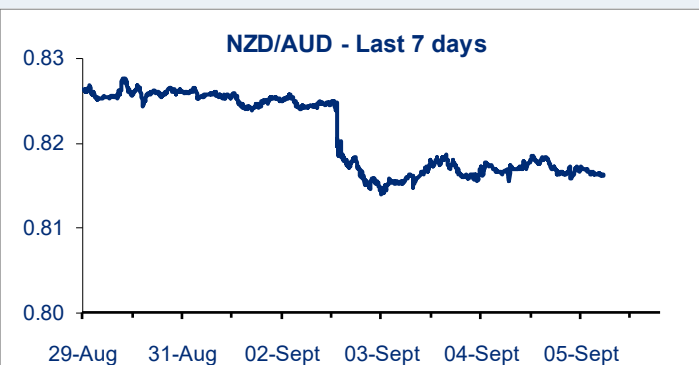
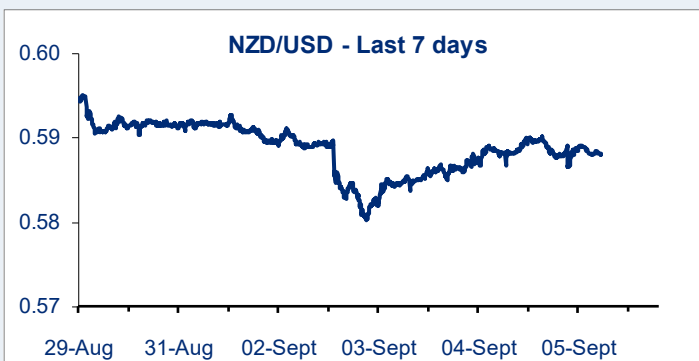
5/09/2026	NY close	Prev. NY close
USD	0.5881	0.5881
GBP	0.4351	0.4348
AUD	0.8162	0.8167
EUR	0.5064	0.5058
JPY	91.89	91.63
CAD	0.8138	0.8112
CHF	0.4764	0.4749
DKK	3.7858	3.7810
FJD	1.2987	1.2971
HKD	4.6118	4.6106
INR	55.58	55.57
NOK	5.4748	5.4660
PKR	163.23	163.21
PHP	36.82	36.77
PGK	2.6484	2.6057
SEK	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



Contact Details

BNZ Research

Stephen Toplis
Head of Research

Doug Steel
Senior Economist

India Power
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

This document has been produced by Bank of New Zealand (BNZ). BNZ is a registered bank in New Zealand and is only authorised to offer products and services to customers in New Zealand.

Analyst Disclaimer: The Information accurately reflects the personal views of the author(s) about the securities, issuers and other subject matters discussed, and is based upon sources reasonably believed to be reliable and accurate. The views of the author(s) do not necessarily reflect the views of the NAB Group. No part of the compensation of the author(s) was, is, or will be, directly or indirectly, related to any specific recommendations or views expressed.

BNZ maintains an effective information barrier between the research analysts and its private side operations. Private side functions are physically segregated from the research analysts and have no control over their remuneration or budget. The research functions do not report directly or indirectly to any private side function. The Research analyst might have received help from the issuer subject in the research report.

New Zealand: The information in this publication is provided for general information purposes only, and is a summary based on selective information which may not be complete for your purposes. This publication does not constitute any advice or recommendation with respect to any matter discussed in it, and its contents should not be relied on or used as a basis for entering into any products described in it. Bank of New Zealand recommends recipients seek independent advice prior to acting in relation to any of the matters discussed in this publication.

Any statements as to past performance do not represent future performance, and no statements as to future matters are guaranteed to be accurate or reliable.

Neither Bank of New Zealand nor any person involved in this publication accepts any liability for any loss or damage whatsoever which may directly or indirectly result from any advice, opinion, information, representation or omission, whether negligent or otherwise, contained in this publication.

USA: If this document is distributed in the United States, such distribution is by nabSecurities, LLC. This document is not intended as an offer or solicitation for the purchase or sale of any securities, financial instrument or product or to provide financial services. It is not the intention of nabSecurities to create legal relations on the basis of information provided herein.