

Research Markets Today

8 May 2026

Events round-up

AU: Trade Balance (A\$ bn.), Mar: -1.8 vs. 4.4 exp.

GE: Factory Orders (m/m%), Mar: 5.0 vs. 1 exp.

US: Nonfarm Productivity, 1Q P: 0.8 vs. 0.6 exp.

US: Initial Jobless Claims, 46144: 200 vs. 205 exp.

Good morning

Global markets paused after recent gains, with equities easing from record highs while Brent crude rebounded as investors looked for signs the Middle East conflict is de-escalating. Attention is on whether the US and Iran can restart talks aimed at ending the war. CNN said Iran has outlined new rules for vessels transiting the Strait, a move seen as an attempt to formalise control despite US warnings, contributing to a softer risk tone. The S&P fell to session lows after the Wall Street Journal reported the US is looking to restart Project Freedom as early as this week.

Geopolitics remained in focus, with a light data calendar offering little fresh direction for markets. Ahead of payrolls, US initial jobless claims rose modestly, reinforcing that last week's drop to a multi-year low looked like noise rather than a change in labour-market momentum. The broader message remains one of resilience with claims levels remaining low. Continuing claims have also edged lower recently, suggesting limited near-term upside pressure on the unemployment rate.

Boston Fed President Susan Collins said she agreed with colleagues who dissented over last week's post-meeting statement wording that implied the Fed would eventually resume rate cuts. Though she is not a voting FOMC member this year, she prefers more "agnostic" language that does not presume the next move is a cut. Collins expects rates to stay on hold for longer, with easing pushed further out, but said hikes could still be considered under certain circumstances.

Market pricing continues to indicate the Fed will remain on hold for this year. There is a trivial amount of tightening price by the December FOMC. US Treasury yields dipped earlier before reversing higher alongside a rebound in oil. Two-year yields initially fell to 3.82% as Brent hit session lows, but then retraced steadily, rising by nearly 10bp. Ten-year yields also rebounded towards 4.39%.

Japan's top currency official, Atsushi Mimura, said authorities stand ready to respond "on all fronts" to speculative FX moves, after suspected intervention over the holiday period. He added that officials are monitoring markets with urgency, and that IMF guidelines do not limit how frequently Japan can enter the market. Bloomberg analysis of Bank of Japan accounts suggests Japanese authorities conducted a further US\$30bn of intervention, underscoring officials' resolve to prevent the yen weakening beyond 160 per US dollar.

Currency markets were subdued overall. The yen continued to oscillate in a narrow range with limited impact from Mimura's comments. The US dollar index was little changed overall after rebounding in line with the moves in oil and treasuries. NZD/USD traded above 0.5980 initially before retracing in line with the stronger US dollar. Net moves on the major NZD cross rates were small.

The OECD noted in a report that New Zealand should reconsider how frequently it changes the Reserve Bank's remit, warning that repeated mandate shifts raise the risk of monetary policy mistakes. It argues the RBNZ should look through the energy-price shock provided that medium-term inflation expectations remain well anchored. However, it cautioned that the extent and persistence of price pressures are uncertain.

NZ fixed income rallied in the local session yesterday, tracking offshore moves. Swap rates closed 3- 4bp lower across the curve after a partial rebound from the lows. Government bonds outperformed, with the 10-year yield down 5bp to 4.61%. There was decent demand at the weekly bond tender: the May-31 and May-36 lines cleared through prevailing market levels, while the May-54s saw a small tail and a wide range of successful bids.

There is no domestic data of note today. The focus will be the US labour market report for April, which should give a read on how the energy shock is affecting hiring. The consensus is for payrolls to rise 65k, close to the average pace so far this year. March payrolls rebounded to 178k after February's weather- and strike-affected fall of 92k. The unemployment rate is seen holding steady at 4.3%. University of Michigan consumer sentiment is forecast to remain at multi-year lows. In Canada, the unemployment rate is seen unchanged from March at 6.7%.

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Coming up

| | | Period | Cons. | Prev. | NZT |
|----|--------------------------------|--------|-------|-------|-------|
| JN | Scheduled Full-Time Pay (y/y%) | Mar | 3 | 3.1 | 11:30 |
| CH | Exports (y/y%) | Apr | 8.3 | 2.5 | |
| CH | Imports (y/y%) | Apr | 18.7 | 27.8 | |
| GE | Industrial Production (m/m%) | Mar | 0.4 | -0.3 | 18:00 |
| CA | Unemployment Rate | Apr | 6.7 | 6.7 | 00:30 |
| US | Change in Nonfarm Payrolls | Apr | 65 | 178 | 00:30 |
| US | Average Hourly Earnings (m/m%) | Apr | 0.3 | 0.2 | 00:30 |
| US | Average Hourly Earnings (y/y%) | Apr | 3.8 | 3.5 | 00:30 |
| US | Unemployment Rate | Apr | 4.3 | 4.3 | 00:30 |
| US | U. of Mich. Sentiment | May P | 49.5 | 49.8 | 02:00 |
| US | U. of Mich. 5-10 Yr Inflation | May P | 3.5 | 3.5 | 02:00 |

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 | 0.5954 | +0.0 | 0.5948 | 0.5983 | CHF | 0.7789 | +0.0 | S&P 500 | 7,340 | -0.3 | 30.3 | Oil (Brent) | 100.52 | -0.8 |
| AUD | 0.7233 | -0.0 | 0.7225 | 0.7264 | SEK | 9.243 | +0.1 | Dow | 49,662 | -0.5 | 20.8 | Oil (WTI) | 95.06 | -0.1 |
| EUR | 1.1750 | +0.0 | 1.1736 | 1.1778 | NOK | 9.294 | -0.1 | Nasdaq | 25,824 | -0.0 | 45.6 | Gold | 4717.5 | +0.5 |
| GBP | 1.3582 | -0.1 | 1.3569 | 1.3632 | HKD | 7.832 | -0.0 | Stoxx 50 | 5,973 | -0.9 | 14.2 | HRC steel | 1076.0 | -0.4 |
| JPY | 156.67 | +0.2 | 156.02 | 156.86 | CNY | 6.803 | -0.1 | FTSE | 10,277 | -1.5 | 20.1 | CRB | 388.0 | -2.6 |
| CAD | 1.3636 | +0.0 | | | SGD | 1.268 | -0.0 | DAX | 24,664 | -1.0 | 6.7 | Wheat Chic. | 613.0 | -0.8 |
| NZD/AUD | 0.8232 | +0.0 | | | IDR | 17,333 | -0.3 | CAC 40 | 8,202 | -1.2 | 7.5 | Sugar | 14.54 | -1.8 |
| NZD/EUR | 0.5067 | -0.0 | | | THB | 32.25 | +0.1 | Nikkei | 62,834 | +5.6 | 70.1 | Cotton | 82.98 | -0.9 |
| NZD/GBP | 0.4384 | +0.1 | | | KRW | 1,456 | +0.5 | Shanghai | 4,180 | +0.5 | 25.1 | Coffee | 273.3 | -4.0 |
| NZD/JPY | 93.28 | +0.2 | | | TWD | 31.40 | -0.2 | ASX 200 | 8,878 | +1.0 | 8.4 | WM powder | 3835 | +0.7 |
| NZD/CAD | 0.8119 | +0.0 | | | PHP | 60.41 | -1.5 | NZX 50 | 13,271 | +1.0 | 6.4 | Australian Futures | | |
| NZ TWI | 67.17 | -0.0 | | | | | | VIX Index | 17.23 | -0.9 | -26.8 | 3 year bond | 95.39 | 0.03 |
| | | | | | | | | | | | | 10 year bond | 95.01 | -0.07 |

| 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 | 3.75 | 3.97 | USD | 4.39 | 0.04 | 15-May-28 | 3.59 | -0.03 | BKBM 1-mth | 2.45 | 0.00 |
| AUD | 4.35 | 4.44 | 4.68 | 5.08 | AUD | 4.92 | -0.03 | 20-Apr-29 | 3.78 | -0.04 | BKBM 3-mth | 2.61 | -0.01 |
| NZD | 2.25 | 2.61 | 3.52 | 4.27 | NZD | 4.62 | -0.04 | 15-May-30 | 3.95 | -0.04 | 1 year | 3.14 | -0.04 |
| EUR | 2.00 | 2.24 | 2.79 | 3.04 | GER | 3.00 | 0.00 | 15-May-31 | 4.13 | -0.04 | 2 year | 3.52 | -0.02 |
| GBP | 3.75 | 3.86 | 4.27 | 4.51 | GBP | 4.95 | 0.01 | 15-May-32 | 4.27 | -0.04 | 3 year | 3.69 | -0.03 |
| JPY | 0.74 | -0.03 | 1.38 | 2.29 | JPY | 2.48 | -0.04 | 14-Apr-33 | 4.36 | -0.04 | 5 year | 3.91 | -0.03 |
| CAD | 2.25 | 4.97 | 2.82 | 3.30 | CAD | 3.54 | 0.03 | 15-May-34 | 4.45 | -0.04 | 7 year | 4.08 | -0.03 |
| | | | | | | | | 15-May-35 | 4.53 | -0.04 | 10 year | 4.27 | -0.03 |
| | | | | | | | | 15-May-36 | 4.62 | -0.04 | 15 year | 4.51 | -0.03 |
| | | | | | | | | 15-May-37 | 4.72 | -0.04 | | | |
| | | | | | | | | 15-May-41 | 4.97 | -0.02 | NZ Inflation-Indexed Bonds | | |
| | | | | | | | | 15-May-51 | 5.17 | -0.03 | Sept-30 | 1.47 | -0.06 |
| | | | | | | | | 15-May-54 | 5.18 | -0.03 | Sept-35 | 2.26 | -0.05 |
| | | | | | | | | | | | Sept-40 | 2.72 | -0.05 |

| Carbon Price | | | | Policy Meeting Run | | | |
|--------------|-------|-------|--------|--------------------|------|------|------|
| | Level | % Day | % Year | NZD | AUD | USD | |
| NZU | 51.50 | -2.8 | -2.8 | 1st | 2.33 | 4.41 | 3.63 |
| | | | | 2nd | 2.50 | 4.56 | 3.62 |
| | | | | 3rd | 2.72 | 4.62 | 3.62 |
| | | | | 4th | 2.88 | 4.70 | 3.65 |
| | | | | 5th | 3.09 | 4.72 | 3.68 |

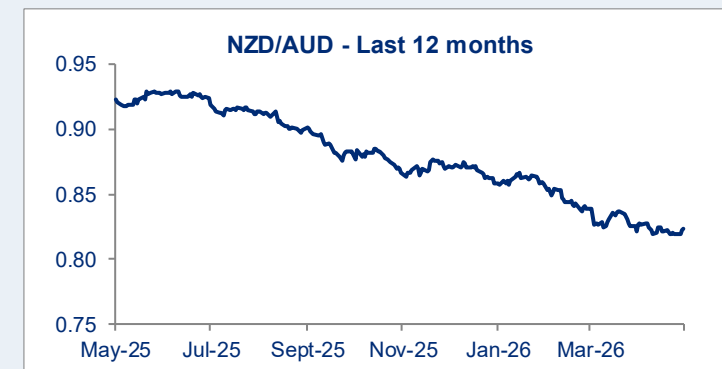
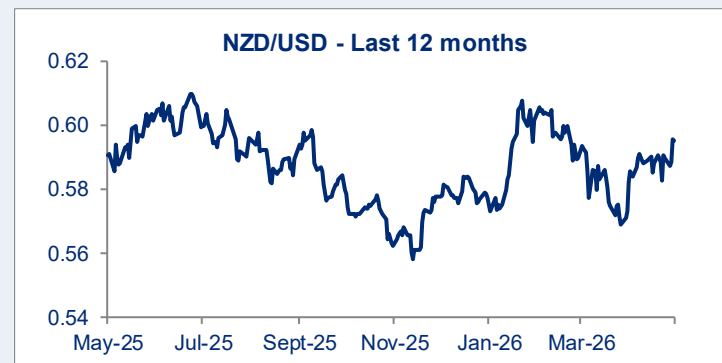
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer

Rates are as of: NZT 06:22

Source: Bloomberg

NZD exchange rates

| 8/05/2026 | 6:22 am | Prev. NY close |
|-----------|---------|----------------|
| USD | 0.5954 | 0.5955 |
| GBP | 0.4384 | 0.4381 |
| AUD | 0.8232 | 0.8229 |
| EUR | 0.5067 | 0.5069 |
| JPY | 93.28 | 93.13 |
| CAD | 0.8119 | 0.8118 |
| CHF | 0.4638 | 0.4638 |
| DKK | 3.7865 | 3.7876 |
| FJD | 1.3046 | 1.3076 |
| HKD | 4.6634 | 4.6661 |
| INR | 56.12 | 56.34 |
| NOK | 5.5338 | 5.5381 |
| PKR | 165.92 | 166.00 |
| PHP | 35.97 | 36.53 |
| PGK | 2.5887 | 2.5891 |
| SEK | 5.5035 | 5.5002 |
| SGD | 0.7550 | 0.7553 |
| CNY | 4.0512 | 4.0568 |
| THB | 19.14 | 19.19 |
| TOP | 1.3786 | 1.3778 |
| VUV | 70.04 | 70.32 |
| WST | 1.5829 | 1.5971 |
| XPF | 60.61 | 60.63 |
| ZAR | 9.7631 | 9.7639 |



NZD/USD Forward Points

| | BNZ buys NZD | BNZ sells NZD |
|----------|--------------|---------------|
| 1 Month | 5.84 | 6.07 |
| 3 Months | 16.27 | 16.95 |
| 6 Months | 28.10 | 29.30 |
| 9 Months | 35.73 | 38.07 |
| 1 Year | 39.13 | 42.47 |

NZD/AUD Forward Points

| | BNZ buys NZD | BNZ sells NZD |
|----------|--------------|---------------|
| 1 Month | 13.06 | 13.53 |
| 3 Months | 38.25 | 39.56 |
| 6 Months | 74.88 | 77.52 |
| 9 Months | 106.82 | 111.76 |
| 1 Year | 131.75 | 138.72 |

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