Research

Markets Today

8 September 2026

Events round-up

GE: Industrial Production (m/m%), Jul: -1.1 vs. 0.2 exp.

Good morning

It has been a quiet start to the week, with US markets closed for a holiday. Oil prices are modestly higher, with attention focused on further tit-for-tat strikes between the US and Iran. Global rates are higher, while US Treasury futures are lower, consistent with a small lift in the US 10-year rate from Friday's close. S&P 500 futures are down 0.2%, while Nasdaq futures are up 0.1%. The yen has continued to strengthen, while the NZD has drifted lower and is slightly weaker on most key crosses, with a larger fall against the yen.

Oil prices opened the new week modestly higher after reports of further tit-for-tat strikes between the US and Iran in the Middle East over the weekend. The IRGC targeted two US Navy warships with ballistic missiles, and the US retaliated by striking three Iranian crude tankers. Iran claimed it had attacked multiple ships taking an authorised route through the Strait of Hormuz, as well as US-linked vessels elsewhere.

Iran said a deal with Oman on managing shipping through the Strait is in its final stages, with a temporary safe route to be documented with the International Maritime Organisation within days. The US is not party to any agreement, and Trump has previously threatened to bomb Oman, so let's see how that plays out. Brent crude has traded between USD96 and USD98 per barrel.

Copper prices continued their strong run, reaching a fresh record high on the LME above USD14,530 per tonne. In addition to strong demand from the buildout of new data centres, traders anticipate that Trump will expand US tariffs to include imports of refined copper.

In currency markets, the key move has been a further surge in the yen, with USD/JPY down 1.2% from last week's close to 154.30, following last week's 2.4% fall. Traders noted no fresh news, but pointed to less liquid conditions, with the US on holiday, and a break below the key 155 technical level as possible factors. Last week's move was supported by expectations that the BoJ could accelerate its rate-hike path. NZD/JPY has fallen further, to 90.7, with the end-March low just below that level nearly breached. The cross has now fallen more than 4½% over the past couple of weeks.

While other currency moves have been small, the NZD is a touch weaker on all the key crosses. Relative to last week's close, NZD/USD is down slightly to just below 0.5880, while the AUD is a little higher at 0.7220, taking NZD/AUD down to 0.8140. The overnight low of 0.8134 breached the May low, meaning the cross traded at a fresh 13-year low. This follows last week's dovish hike by the RBNZ. With some chance that the RBA hikes twice more before the RBNZ's next expected hike in December, downside risk is likely to overhang the cross over coming months, and we see a real chance of it testing 0.80.

There has been little impact on the EUR or German assets following the weekend election result, where the far-right Alternative for Germany party recorded its best-ever result in a German state election. It secured 44% in the eastern state of Saxony-Anhalt, although it fell three seats short of a majority. Its vote was well ahead of the CDU, whose support collapsed to 17%. Chancellor Merz, the CDU party leader, said he was deeply shocked by the result and that "of course, there will be consequences." There is rising speculation that his leadership has become untenable, but any attempt to oust him as leader will likely wait until the results of two more state elections this month.

The EUR is up slightly from last week's close at 1.1625, while NZD/EUR is slightly weaker at 0.5055. The DAX index closed down just over 0.1%, against a flat Euro Stoxx 600 index. German bund yields are up 5bps across the curve, with the move broadly in line with other European countries and the UK. German industrial production fell 1.1% m/m in July, against expectations for a 0.2% gain, although the drop was mainly due to the auto sector, which faced a multi-week shutdown, according to the statistics office.

Trading activity in the domestic rates market was quiet, with little direction from offshore markets ahead of the US holiday. NZGBs were marked down 1bp across the curve, while the swaps market was unchanged. Higher global rates overnight, including a 3bps selloff in Australian 10-year bond futures, will set the tone for the market open.

On the calendar today, NZ business financial data will help us firm up our Q2 GDP estimate. Japan wage data, Australian business and consumer surveys, and China trade data are also due. There are also two RBA speakers, who may attract attention given the next meeting is considered very much live for another rate hike. Overnight, the calendar is light, with only the NFIB US small business survey of interest.

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Coming up

		Period	Cons.	Prev.	NZT
NZ	Business financial data	Q2		3.6	10:45
JN	Schd FT pay same base (y/y%)	Jul	2.9	2.9	11:30
AU	Westpac consumer confidence	Sep		88.9	12:30
AU	NAB business conditions	Aug		4	13:30
CH	Imports (USD, y/y%)	Aug	31.9	27.5	
CH	Exports (USD, yoy%)	Aug	26.0	23.9	
AU	RBA's Hunter-Fireside Chat				15:20
AU	RBA's Hauser-ABC Interview				21:30
US	NFIB small business optimism	Aug	99.2	99.8	22:00

Source: Bloomberg

Currencies

FX Majors — Indicative overnight ranges (*)

	Last	% Day	Low	High
NZD	0.5878	-0.1	0.5870	0.5889
AUD	0.7218	+0.2	0.7212	0.7225
EUR	1.1624	+0.1	1.1611	1.1636
GBP	1.3542	+0.2	1.3522	1.3548
JPY	154.35	-1.2	154.06	155.91
CAD	1.3816	-0.2		
NZD/AUD	0.8144	-0.3		
NZD/EUR	0.5057	-0.2		
NZD/GBP	0.4341	-0.2		
NZD/JPY	90.73	-1.3		
NZD/CAD	0.8121	-0.2		
NZ TWI	66.04	-0.2		

Other FX

	Last	% Day
CHF	0.8094	-0.1
SEK	9.593	+0.2
NOK	9.271	-0.4
HKD	7.840	-0.0
CNY	6.710	+0.0
SGD	1.266	-0.0
IDR	17,640	-0.0
THB	32.88	-0.1
KRW	1,345	-0.1
TWD	31.55	-0.3
PHP	62.61	-0.1

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	6,404	+0.2	20.4
FTSE	10,822	-0.1	17.5
DAX	26,007	-0.2	10.2
CAC 40	8,306	+0.3	8.2
Nikkei	66,400	+2.1	52.1
Shanghai	3,933	+0.1	3.2
ASX 200	9,011	+0.1	1.8
NZX 50	13,943	-0.2	5.0
VIX Index	15.30	+5.3	+1.3

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	97.00	+0.7
Oil (WTI)	92.70	+1.3
Gold	4417.8	-0.5
HRC steel	1226.0	+0.0
CRB	416.4	-0.1
SGX Iron Ore	100.95	+0.6
NZ Milk '26	9.75	+0.0
NZ Milk '27	9.78	-0.6
NZ Milk '28	9.74	-0.6
WM powder	3670	-1.1

Australian Futures

3 year bond	95.22	-0.03
10 year bond	94.79	-0.02

Interest Rates

Rates / Swap Yields

	Cash	3Mth	2 Yr	10 Yr
USD	3.75	4.85	4.23	4.40
AUD	4.35	4.61	4.79	5.28
NZD	2.75	3.06	3.73	4.49
EUR	2.25	2.68	3.21	3.42
GBP	3.75	3.87	4.39	4.72
JPY	0.99	-0.03	1.86	2.79
CAD	2.25	4.97	3.02	3.55

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.78	0.00
AUD	5.20	0.02
NZD	4.78	-0.01
GER	3.39	0.05
GBP	5.18	0.04
JPY	2.93	0.01
CAD	3.78	-0.02

NZ Government Bonds

	Last	Chg
15-May-28	3.61	-0.01
20-Apr-29	3.84	-0.01
15-May-30	4.03	-0.01
15-May-31	4.21	-0.01
15-May-32	4.37	-0.01
14-Apr-33	4.47	-0.01
15-May-34	4.58	-0.01
15-May-35	4.69	-0.01
15-May-36	4.78	-0.01
15-May-37	4.88	-0.01
15-May-38	4.94	-0.01
15-May-41	5.18	-0.01
15-May-51	5.42	-0.01
15-May-54	5.44	-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	3.46	0.01
2 year	3.73	0.00
3 year	3.88	0.00
5 year	4.10	-0.00
7 year	4.28	-0.00
10 year	4.49	-0.00
15 year	4.74	-0.00

NZ Inflation-Indexed Bonds

Sept-30	1.65	0.00
Sept-35	2.47	-0.01
Sept-40	2.94	-0.01

Carbon Price

	Level	% Day	% Year
NZU	49.00	-2.4	-15.7

Policy Meeting Run

	NZD	AUD	USD
1st	2.82	4.53	3.78
2nd	3.01	4.63	3.86
3rd	3.13	4.69	3.99
4th	3.25	4.76	4.05
5th	3.35	4.78	4.14

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

Rates are as of: NZT 06:45

Source: Bloomberg

NZD exchange rates

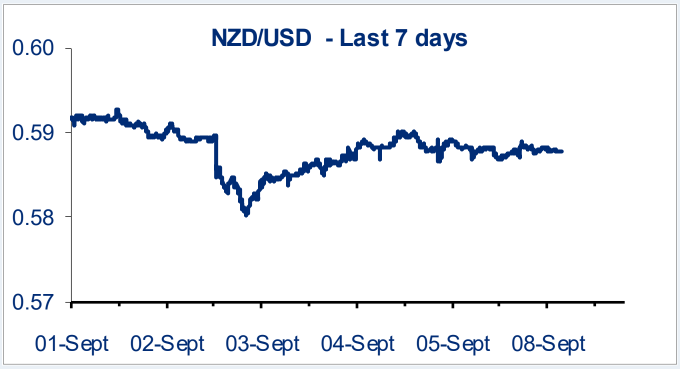
8/09/2026	6:46 am	Prev. NY close
USD	0.5878	0.5882
GBP	0.4341	0.4351
AUD	0.8144	0.8166
EUR	0.5057	0.5065
JPY	90.73	91.91
CAD	0.8121	0.8139
CHF	0.4758	0.4764
DKK	3.7797	3.7858
FJD	1.2990	1.2987
HKD	4.6083	4.6118
INR	55.54	55.58
NOK	5.4495	5.4748
PKR	163.12	163.24
PHP	36.80	36.82
PGK	2.6229	2.6484
SEK	5.6390	5.6314
SGD	0.7442	0.7450
CNY	3.9448	3.9475
THB	19.32	19.37
TOP	1.3616	1.3673
VUV	69.33	69.38
WST	1.5916	1.5985
XPF	60.18	60.21
ZAR	9.4054	9.3867

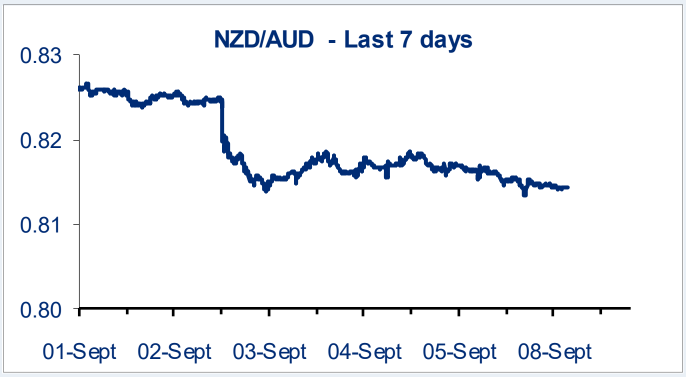
NZD/USD Forward Points

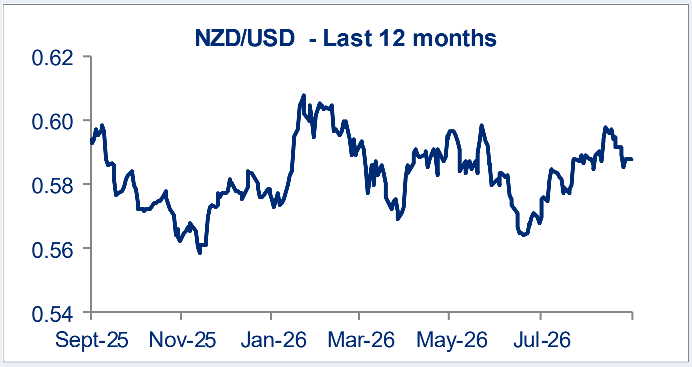
	BNZ buys NZD	BNZ sells NZD
1 Month	4.30	4.58
3 Months	13.73	14.49
6 Months	26.88	28.19
9 Months	37.73	41.36
1 Year	47.95	52.44

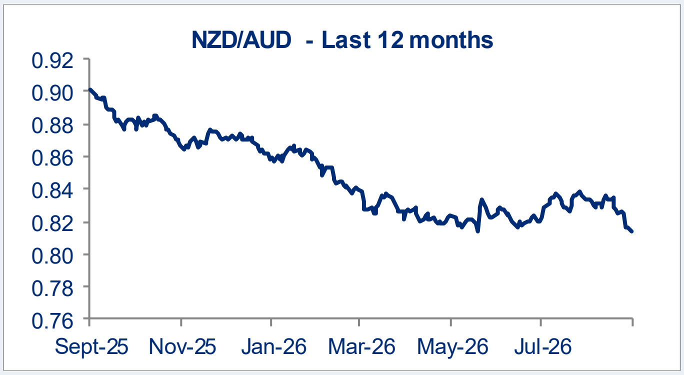
NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	9.30	9.98
3 Months	31.57	33.18
6 Months	62.21	65.16
9 Months	89.59	96.17
1 Year	114.40	123.37









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