Research

Markets Today

11 August 2026

Events round-up

Nothing of note

Good morning

The main news is that there is no news. The market has been anticipating a deal to reopen the Strait of Hormuz but, about a week after the "within the next day or two" timeframe, there is still no agreement and there may never be one. The demands Iran outlined over the weekend as conditions for allowing the safe passage of shipping through the strait — including the withdrawal of US military forces, the end of all sanctions, and payment of war reparations — are a non-starter for any US agreement.

President Trump's latest strategy appears to be "low-keying it", buying time without further military strikes and thereby increasing economic pressure on Iran to capitulate, given the successful US Navy blockade currently in place. Satellite images show that during the first nine days of August, no supertankers were visible at Kharg Island, Iran's main oil export facility. Trump posted on social media with a counterargument to Iran's plea for compensation, demanding compensation from Iran for all the bombings and killings it has carried out over the past five months and, indeed, over the past 50 years.

In the absence of any positive headlines on negotiations to reopen the strait, pressure on oil prices has been upward. Brent crude is up for a fourth consecutive trading day, reaching USD87.80 per barrel, 5% above the weekend close. European natural gas prices are up 11%.

Upward pressure on energy prices has spilled over into global bond markets. US Treasury yields are up 4–5bps across the curve, with the 10-year rate reaching 4.70%. European rates show a similar move.

In currency markets, the low-volatility backdrop has continued, with insignificant net movements from last week's close apart from further yen weakness, as the effect of official intervention at the end of July continues to fade. USD/JPY has broken above 159, erasing about half of the yen's gains from the latest round of intervention.

In the overnight trading session, the yen temporarily strengthened after Kyodo News reported that the unprecedented joint US-Japan intervention was prompted by Governor Ueda's "strong indication" at his press conference that the policy rate would be raised soon after September. The US side reportedly welcomed that signal, with one senior official quoted as saying the BoJ now has no choice but to raise interest rates at its next meeting in September. The market reaction to the story quickly faded. Markets already price a full BoJ hike by October, with more than a 60% chance that the hike occurs in September.

The NZD has traded in a range of less than 25 pips since the new week began and currently sits toward the bottom end, just above 0.5880. The only notable move on the crosses is a stronger NZD/JPY rate, which has risen to 93.6. The AUD is at 0.7055 and the NZD/AUD cross is steady at 0.8335.

Equity markets show modest movements. The S&P 500 is close to flat, while underperformance in the tech sector has resulted in a modest fall in the Nasdaq index. European markets were flat.

In the domestic rates market, global forces from Friday night's offshore trading session supported a move lower in rates. Swap rates fell 2–3bps on the day, while NZGB yields were marked down 2–4bps across the curve. The move should reverse today, with Australia's 10-year bond future up 4bps in yield terms since the NZ close.

The key event on today's economic calendar is the RBA's policy update. The market ascribes little chance to a rate hike and Bloomberg's survey shows no economist picking a rate change, although one market economist writing in the AFR yesterday saw the prospect of a surprise rate hike in a 4-3 vote. Most expect no change and a tightening bias to remain.

There are only second-tier data releases, including NAB's business survey and, in the US, the NFIB small business survey and existing home sales.

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Coming up

		Period	Cons.	Prev.	NZT
AU	NAB business conditions	Jul		3	13:30
AU	RBA cash rate target (%)	Aug	4.35	4.35	16:30
US	NFIB small business optimism	Jul	97.4	97.4	22:00
US	Existing home sales (m/m%)	Jul	-1.0	-2.4	02:00

Source: Bloomberg

Currencies

FX Majors / **Indicative overnight ranges (*)**

	Last	% Day	Low	High
NZD	0.5883	-0.2	0.5879	0.5900
AUD	0.7057	-0.1	0.7053	0.7074
EUR	1.1543	-0.1	1.1541	1.1566
GBP	1.3508	+0.1	1.3490	1.3530
JPY	159.16	+0.9	158.38	159.19
CAD	1.3941	+0.0		
NZD/AUD	0.8336	-0.0		
NZD/EUR	0.5097	-0.1		
NZD/GBP	0.4355	-0.3		
NZD/JPY	93.63	+0.9		
NZD/CAD	0.8201	-0.1		
NZ TWI	66.87	-0.1		

Other FX

	Last	% Day
CHF	0.8102	+0.3
SEK	9.501	+0.0
NOK	9.497	-0.2
HKD	7.846	+0.0
CNY	6.746	+0.0
SGD	1.281	+0.2
IDR	17,755	-0.8
THB	33.00	-0.2
KRW	1,418	+0.7
TWD	32.22	-0.3
PHP	60.75	-0.3

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,750	-0.1	21.3
Dow	53,851	-0.3	21.9
Nasdaq	26,576	-0.4	23.9
Stoxx 50	6,536	+0.2	22.2
FTSE	10,863	-0.4	19.4
DAX	26,324	+0.0	8.9
CAC 40	8,726	+0.1	12.7
Nikkei	66,970	+2.1	56.8
Shanghai	3,967	+0.7	9.1
ASX 200	9,233	-0.3	4.4
NZX 50	13,888	+0.5	7.6
VIX Index	15.39	+3.3	+1.6

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	87.69	+4.9
Oil (WTI)	82.08	+5.0
Gold	4361.8	+0.5
HRC steel	1195.0	+0.0
CRB	380.8	+1.0
SGX Iron Ore	95.25	+0.2
NZ Milk '26	9.76	+0.0
NZ Milk '27	9.60	+0.0
NZ Milk '28	9.61	-0.2
WM powder	3550	-0.6

Australian Futures

	Last	Net Day
3 year bond	95.46	-0.01
10 year bond	94.97	-0.05

Interest Rates

Rates / **Swap Yields**

	Cash	3Mth	2 Yr	10 Yr
USD	3.75	4.85	4.09	4.29
AUD	4.35	4.50	4.58	5.08
NZD	2.50	2.95	3.65	4.39
EUR	2.25	2.47	3.00	3.21
GBP	3.75	3.87	4.25	4.59
JPY	0.99	-0.03	1.65	2.69
CAD	2.25	4.97	2.91	3.47

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.70	0.05
AUD	5.00	-0.02
NZD	4.67	-0.04
GER	3.18	0.05
GBP	4.99	0.07
JPY	2.83	0.02
CAD	3.71	0.07

NZ Government Bonds

	Last	Chg
15-May-28	3.57	-0.02
20-Apr-29	3.77	-0.02
15-May-30	3.96	-0.02
15-May-31	4.13	-0.03
15-May-32	4.27	-0.03
14-Apr-33	4.37	-0.04
15-May-34	4.48	-0.03
15-May-35	4.58	-0.04
15-May-36	4.67	-0.04
15-May-37	4.77	-0.04
15-May-38	4.83	-0.04
15-May-41	5.06	-0.04
15-May-51	5.28	-0.04
15-May-54	5.29	-0.04

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.75	0.02
BKBM 3-mth	2.95	0.01
1 year	3.38	-0.01
2 year	3.65	-0.02
3 year	3.79	-0.02
5 year	4.00	-0.03
7 year	4.18	-0.02
10 year	4.39	-0.03
15 year	4.64	-0.03

NZ Inflation-Indexed Bonds

	Last	Chg
Sept-30	1.69	0.00
Sept-35	2.51	0.00
Sept-40	2.98	0.00

Carbon Price

	Level	% Day	% Year
NZU	54.80	-0.8	-2.1

Policy Meeting Run

	NZD	AUD	USD
1st	2.74	4.37	3.77
2nd	2.86	4.40	3.84
3rd	3.03	4.48	3.95
4th	3.18	4.52	4.00
5th	3.30	4.55	4.06

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

Rates are as of: NZT 06:38

Source: Bloomberg

NZD exchange rates

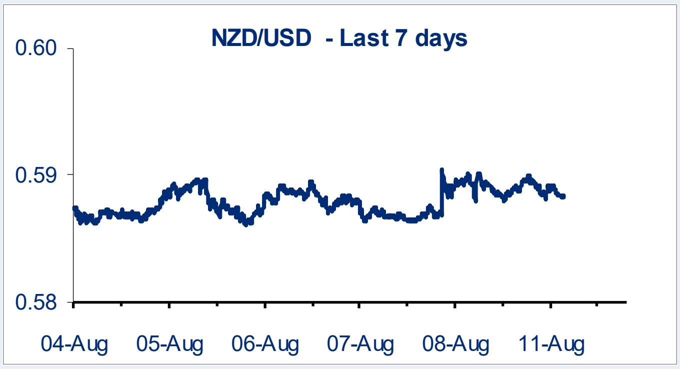
11/08/2026	6:38 am	Prev. NY close
USD	0.5883	0.5893
GBP	0.4355	0.4368
AUD	0.8336	0.8339
EUR	0.5097	0.5098
JPY	93.63	92.97
CAD	0.8201	0.8214
CHF	0.4766	0.4761
DKK	3.8097	3.8113
FJD	1.3033	1.3090
HKD	4.6156	4.6230
INR	56.06	56.11
NOK	5.5857	5.6064
PKR	163.47	163.74
PHP	35.73	35.89
PGK	2.5424	2.5915
SEK	5.5894	5.5980
SGD	0.7534	0.7532
CNY	3.9689	3.9751
THB	19.41	19.48
TOP	1.3865	1.3753
VUV	70.06	70.19
WST	1.6027	1.6045
XPF	60.68	60.80
ZAR	9.5343	9.5144

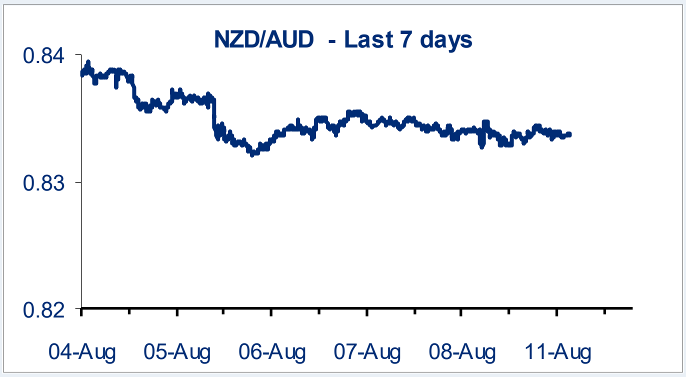
NZD/USD Forward Points

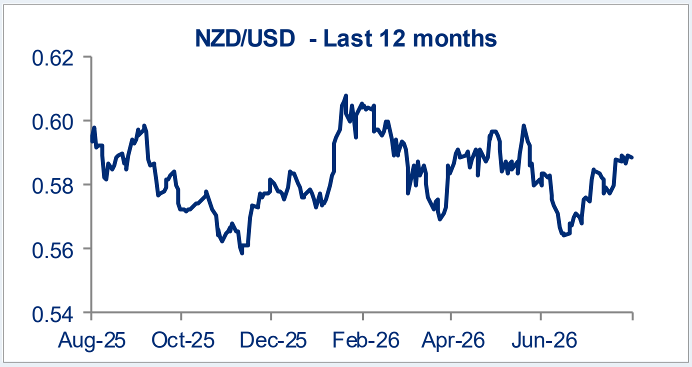
	BNZ buys NZD	BNZ sells NZD
1 Month	5.70	5.90
3 Months	15.11	15.66
6 Months	28.48	29.56
9 Months	38.16	41.12
1 Year	46.65	50.55

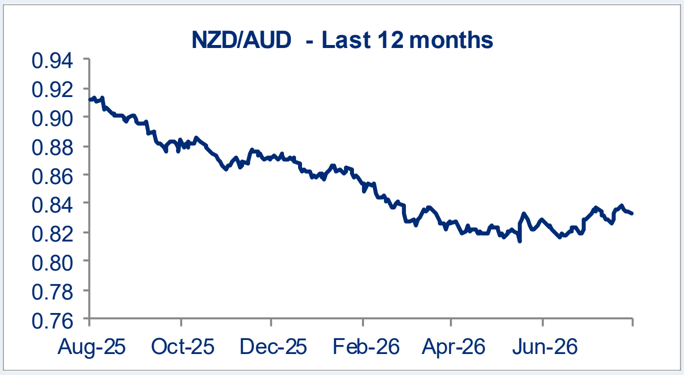
NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	12.94	13.39
3 Months	34.12	35.39
6 Months	64.11	66.72
9 Months	87.97	93.97
1 Year	109.67	117.60









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