Research

Markets Today

21 August 2026

Events round-up

AU: Employment Change (k), Jul: -16 vs. 12 exp.

AU: Unemployment Rate, Jul: 4.5 vs. 4.4 exp.

US: Philadelphia Fed Survey, Aug: 47.4 vs. 24.75 exp.

US: Initial Jobless Claims, 15 Aug: 206 vs. 210 exp.

Good morning

US long-end Treasury yields rebounded after investors judged the Treasury's plan to curb borrowing costs as a short-term fix that did little to address underlying structural issues. The move weighed on equities, though net moves were modest. The S&P 500 is slightly lower in afternoon trading, while the Nasdaq is down close to 1%. Oil prices continued to rise after President Trump vowed to apply maximum economic pressure on Iran. An initial dip in the US dollar index was retraced, leaving it little changed.

Treasury Secretary Scott Bessent said in an interview with CNBC that the administration will unveil a new fiscal initiative aimed at easing elevated borrowing costs. His comments followed a day after the Treasury Department's announcement that it would at least double buybacks of longer-dated securities to support market functioning. Bessent said the Treasury had a "big toolkit" to lower bond yields, arguing current levels did not reflect underlying fundamentals.

The market looked past Bessent's comments about further measures, with long-end Treasuries reversing the previous day's rally. The proposed buybacks are small relative to long-end issuance and the broader stock of debt. After trading as low as 5.18% following the initial buyback announcement, 30-year yields rebounded to 5.24%. Ten-year yields are around 6bp higher at 4.70%, while the curve has steepened as front-end yields remain little changed.

Oil rose to its highest level in almost a month after Donald Trump threatened further economic pressure on Iran. US officials said they would soon unveil plans to further isolate Iran and its trading partners, an escalation that supported prices. Brent futures traded up to US$94.50 before easing towards US$93.

Australia's labour market data were marginally weaker than expected. The unemployment rate rose to 4.5% in July, above the 4.4% consensus estimate and in line with the RBA's Q4 forecast in the August SoMP. Employment fell 16k, driven entirely by part-time roles, against expectations for a 12k increase. The AUD dipped after the release, while RBA pricing was little changed and continues to imply around a 50% chance of a 25bp hike by December.

The US dollar index fell to a fresh multi-month low in European trading before reversing to be little changed, though it has retained its decline since the Treasury announced increased buybacks. Net moves across G10 currencies were small. NZD/USD consolidated recent gains, oscillating in a narrow range around 0.5950. NZD/AUD traded above 0.8360 after the Australian labour market data and has largely held those gains offshore. Moves across the other main NZD crosses were modest.

A flattening bias in NZ rates extended through the local session yesterday, led by the long end after the US Treasury announced plans to increase longer-end buybacks. The 2-year NZ swap rate rose 2bp to 3.64%, remaining within its recent range, while 10-year rates fell 3bp to 4.38%. The weekly government bond tender was well supported, drawing close to NZ$2.1b in bids for the NZ$450m on offer. Both lines cleared below prevailing pre-tender market levels.

The July trade balance is the only domestic data release today. Japan CPI is also due, with consensus expecting a pickup in both headline and core inflation. Flash PMIs are released across Europe and the US. The euro-area August survey will provide an early read on whether Q2 GDP momentum has carried into Q3, after the headline PMI rose to 52.0 in July. US PMIs are expected to show still-solid activity, with consensus looking for the composite reading to dip to 53.9 from 54.5.

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Coming up

		Period	Cons.	Prev.	NZT
NZ	Trade Balance 12 Mth YTD NZD	Jul		-3746	10:45
UK	GfK Consumer Confidence	Aug	-18	-17	11:01
JN	CPI (y/y%)	Jul	1.9	1.7	11:30
JN	CPI Ex Fresh Food, Energy (y/y%)	Jul	1.9	1.7	11:30
UK	Retail Sales Ex Auto Fue (m/m%)	Jul	-0.5	1.1	18:00
GE	Manufacturing PMI	Aug P	52.1	52.2	19:30
GE	Services PMI	Aug P	50.1	49.8	19:30
EC	Manufacturing PMI	Aug P	51.8	51.9	20:00
EC	Services PMI	Aug P	51.5	51.7	20:00
UK	Manufacturing PMI	Aug P	51.5	51.9	20:30
UK	Services PMI	Aug P	51.8	52.1	20:30
CA	Retail Sales Ex Auto (m/m%)	Jun	0.3	1.2	00:30
US	Manufacturing PMI	Aug P	53.9	53.9	01:45
US	Services PMI	Aug P	54	54.6	01:45
EC	Consumer Confidence	Aug P	-16	-15.9	02:00

Source: Bloomberg

Currencies

FX Majors — Indicative overnight ranges (*)

	Last	% Day	Low	High
NZD	0.5938	+0.1	0.5938	0.5964
AUD	0.7108	-0.2	0.7103	0.7133
EUR	1.1672	-0.0	1.1669	1.1711
GBP	1.3622	+0.1	1.3609	1.3659
JPY	159.15	+0.6	158.20	159.14
CAD	1.3792	-0.1		
NZD/AUD	0.8354	+0.3		
NZD/EUR	0.5087	+0.1		
NZD/GBP	0.4359	-0.1		
NZD/JPY	94.50	+0.7		
NZD/CAD	0.8190	-0.1		
NZ TWI	67.17	+0.1		

Other FX

	Last	% Day
CHF	0.8008	+0.4
SEK	9.496	+0.6
NOK	9.358	+0.3
HKD	7.843	+0.0
CNY	6.725	-0.1
SGD	1.273	+0.1
IDR	17,748	-0.5
THB	32.87	-0.1
KRW	1,396	+0.5
TWD	31.94	-0.1
PHP	61.66	-0.3

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,666	-0.6	19.9
Dow	52,853	-1.2	17.6
Nasdaq	26,037	-1.1	23.0
Stoxx 50	6,422	-0.3	17.4
FTSE	10,748	+0.0	15.7
DAX	25,983	-0.4	7.0
CAC 40	8,453	-0.6	6.0
Nikkei	66,217	+1.4	55.4
Shanghai	3,904	+0.2	3.7
ASX 200	9,084	+0.3	0.7
NZX 50	13,920	-0.1	5.5
VIX Index	15.79	+6.0	+0.6

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	93.40	+2.0
Oil (WTI)	87.92	+2.4
Gold	4516.3	+0.6
HRC steel	1194.0	+0.0
CRB	400.2	+0.9
SGX Iron Ore	95.85	+0.3
NZ Milk '26	9.75	+0.0
NZ Milk '27	9.82	-1.0
NZ Milk '28	9.76	-0.4
WM powder	3710	-0.8

Australian Futures

	Last	Net Day
3 year bond	95.48	0.04
10 year bond	94.95	-0.01

Interest Rates

	Rates: Cash	Rates: 3Mth	Swap Yields: 2 Yr	Swap Yields: 10 Yr
USD	3.75	4.85	4.04	4.30
AUD	4.35	4.50	4.56	5.10
NZD	2.50	2.99	3.64	4.38
EUR	2.25	2.49	3.05	3.28
GBP	3.75	3.87	4.28	4.65
JPY	0.99	-0.03	1.72	2.74
CAD	2.25	4.97	2.92	3.51

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.70	0.05
AUD	5.01	-0.05
NZD	4.69	-0.02
GER	3.26	-0.00
GBP	5.07	0.02
JPY	2.86	-0.04
CAD	3.75	0.06

NZ Government Bonds

	Last	Chg
15-May-28	3.53	0.01
20-Apr-29	3.75	0.00
15-May-30	3.94	0.00
15-May-31	4.11	-0.00
15-May-32	4.27	-0.01
14-Apr-33	4.38	-0.01
15-May-34	4.49	-0.02
15-May-35	4.59	-0.02
15-May-36	4.69	-0.02
15-May-37	4.79	-0.02
15-May-38	4.85	-0.03
15-May-41	5.08	-0.04
15-May-51	5.31	-0.04
15-May-54	5.32	-0.04

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.83	0.00
BKBM 3-mth	2.99	0.00
1 year	3.38	0.02
2 year	3.64	0.02
3 year	3.78	0.01
5 year	3.99	-0.01
7 year	4.17	-0.02
10 year	4.38	-0.03
15 year	4.65	-0.04

NZ Inflation-Indexed Bonds

	Last	Chg
Sept-30	1.66	-0.02
Sept-35	2.49	-0.02
Sept-40	2.96	-0.02

Carbon Price

	Level	% Day	% Year
NZU	52.75	-1.4	-7.3

Policy Meeting Run

	NZD	AUD	USD
1st	2.74	4.39	3.72
2nd	2.86	4.47	3.77
3rd	3.02	4.50	3.86
4th	3.14	4.52	3.91
5th	3.25	4.53	3.97

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

Rates are as of: NZT 06:14

Source: Bloomberg

NZD exchange rates

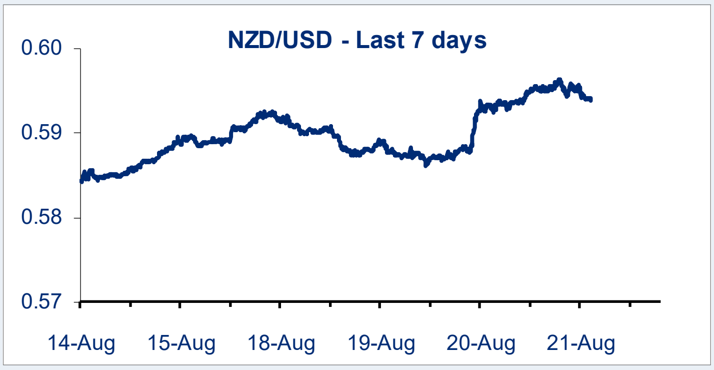
21/08/2026	6:15 am	Prev. NY close
USD	0.5938	0.5935
GBP	0.4359	0.4362
AUD	0.8354	0.8330
EUR	0.5087	0.5083
JPY	94.50	93.87
CAD	0.8190	0.8196
CHF	0.4755	0.4733
DKK	3.8032	3.7996
FJD	1.3146	1.3113
HKD	4.6574	4.6538
INR	56.83	56.84
NOK	5.5568	5.5370
PKR	164.79	164.74
PHP	36.61	36.69
PGK	2.5750	2.6273
SEK	5.6389	5.6013
SGD	0.7557	0.7545
CNY	3.9933	3.9940
THB	19.51	19.62
TOP	1.3787	1.3975
VUV	70.21	70.31
WST	1.6092	1.6137
XPF	60.73	60.93
ZAR	9.5856	9.5543

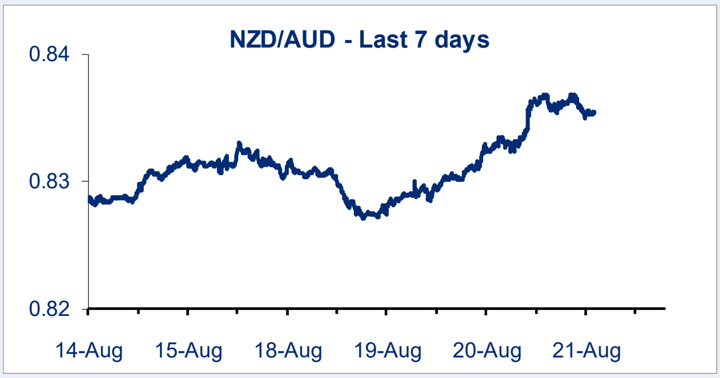
NZD/USD Forward Points

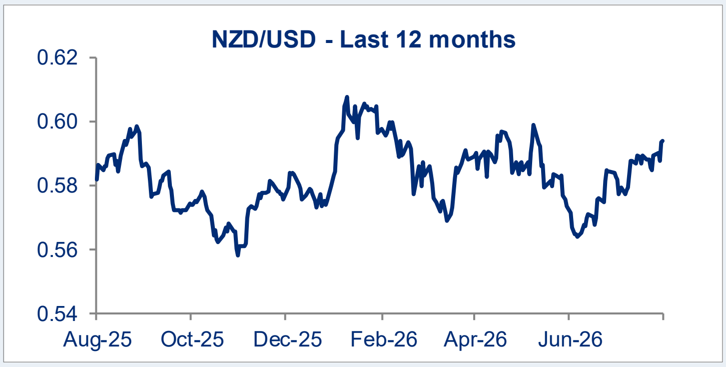
	BNZ buys NZD	BNZ sells NZD
1 Month	4.88	5.12
3 Months	13.99	14.78
6 Months	25.97	27.73
9 Months	35.11	38.63
1 Year	43.29	47.55

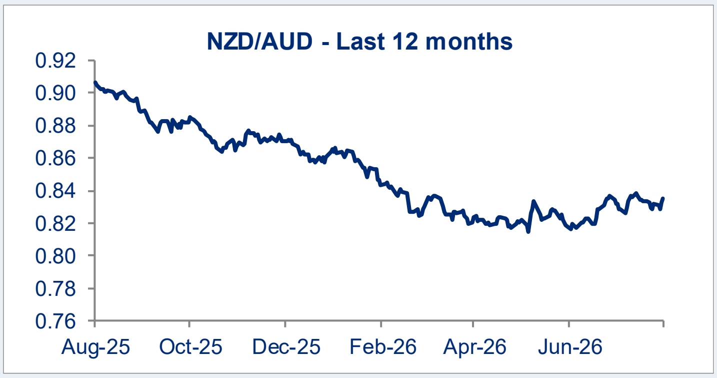
NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	11.13	11.66
3 Months	32.49	34.20
6 Months	61.51	65.16
9 Months	85.85	92.61
1 Year	108.12	116.52









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