

Research Markets Today

24 August 2026

Events round-up

NZ: Trade Balance 12 Mth YTD (NZ\$bn), Jul: -5 vs. -4 prev.
 UK: GfK Consumer Confidence, Aug: -14 vs. -18 exp.
 JN: CPI (y/y%), Jul: 1.9 vs. 1.9 exp.
 JN: CPI Ex Fresh Food, Energy (y/y%), Jul: 1.9 vs. 1.9 exp.
 UK: Retail Sales Ex Auto Fue (m/m%), Jul: -0.9 vs. -0.5 exp.
 GE: Manufacturing PMI, Aug P: 54.1 vs. 52.1 exp.
 GE: Services PMI, Aug P: 48.5 vs. 50.1 exp.
 EC: Manufacturing PMI, Aug P: 52.8 vs. 51.8 exp.
 EC: Services PMI, Aug P: 51.7 vs. 51.5 exp.
 UK: Manufacturing PMI, Aug P: 51.5 vs. 51.5 exp.
 UK: Services PMI, Aug P: 52.8 vs. 51.8 exp.
 CA: Retail Sales Ex Auto (m/m%), Jun: 0.6 vs. 0.3 exp.
 US: Manufacturing PMI, Aug P: 53.2 vs. 53.9 exp.
 US: Services PMI, Aug P: 56.8 vs. 54 exp.
 EC: Consumer Confidence, Aug P: -15.5 vs. -16 exp.

Good morning

US equities ended last week on a positive note, with the S&P 500 supported by upbeat business surveys pointing to resilient economic activity. Treasury market volatility moderated, though yields still moved higher across the curve, while the US dollar remained near recent lows. Precious metals extended their recent gains, as Treasury buyback plans renewed concerns about fiscal debasement and sustained demand for alternatives to the greenback.

Crude oil extended recent gains, with prices embedding a higher geopolitical premium as stalled US-Iran negotiations and ongoing economic threats kept the market well supported. Front-month Brent futures pushed towards US\$95 per barrel, up nearly 6% over the week. Markets remain focused on US efforts to increase pressure on Iran's economy, including the prospect of measures affecting Tehran and countries that continue to trade with it.

US business activity strengthened in August, led by solid services momentum. The composite PMI rose to 56.0, the highest since April 2022, with Services increasing to 56.8 even as Manufacturing eased to 53.2. The data reinforced the picture of resilient activity and helped support risk sentiment into the end of the week. In the Eurozone, the

composite PMI rose to 52.1, above expectations, with manufacturing driving the upside surprise.

Treasury yields extended higher after the PMI data. Unlike in recent sessions the move was led by the front end of the curve. 10-year yields closed last week at 4.73% and towards the top of the 4.60% - 4.75% trading range that has contained price action through August. European bond markets showed limited reaction to the PMI data.

Japanese inflation firmed in July as the Bank of Japan weighs the case for another rate rise. Core inflation, which excludes fresh food and energy, rose to 1.9% y/y, strengthening for the first time in nine months. Market pricing continues to imply around an 80% chance of a September hike, with currency weakness and recent government intervention keeping pressure on the BoJ to consider further policy normalisation.

Currency markets were subdued as the US dollar consolidated near multi-month lows. Net moves across G10 currencies were small, though the AUD and NZD modestly outperformed. NZD/USD traded above 0.5980, its highest level since early June. The NZD was marginally firmer on most key crosses, although NZD/AUD slipped below 0.8340. The Canadian dollar will be in focus after trade talks with the US broke down after the market close, prompting Prime Minister Carney to announce counter-tariffs on US products.

NZ fixed income ended Friday's local session higher and steeper, largely reflecting offshore moves. Two-year swaps closed 4bp above Thursday's level at 3.67%, around the top of the week's range. The 2y/10y curve steepened to +78bp, with 10-year rates up 7bp to 4.45%. Ten-year Australian bond futures were little changed on Friday night relative to the local close, suggesting limited directional bias for NZ rates on the open.

It is a quiet start to the week for economic data, with NZ quarterly retail sales the only local release. Sales volumes have been resilient but are expected to slow in Q2, partly reflecting higher fuel costs. Filled jobs are the only other domestic release of note this week, while offshore attention will be on Australian monthly CPI and the RBA minutes, US PCE and GDP revisions, and remarks from Fed Chair Warsh at Jackson Hole.

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Coming up

		Period Cons. Prev.	NZT
NZ	Retail Sales Ex Inflation (q/q%)	2Q	0.9 10:45

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	0.5979	+0.6	0.5964	0.5988	CHF	0.8010	+0.1	S&P 500	7,677	+0.5	20.5	Oil (Brent)	93.86	+0.1
AUD	0.7173	+0.8	0.7144	0.7180	SEK	9.472	-0.2	Dow	53,277	+1.0	19.0	Oil (WTI)	86.60	-0.3
EUR	1.1678	+0.0	1.1669	1.1711	NOK	9.302	-0.5	Nasdaq	26,180	+0.4	24.1	Gold	4624.1	+2.4
GBP	1.3646	+0.1	1.3619	1.3676	HKD	7.841	-0.0	Stoxx 50	6,462	+0.6	18.3	HRC steel	1194.0	+0.0
JPY	159.00	-0.0	158.36	159.05	CNY	6.722	-0.1	FTSE	10,817	+0.6	16.2	CRB	406.2	+0.7
CAD	1.3768	-0.2			SGD	1.270	-0.2	DAX	26,137	+0.6	7.6	SGX Iron Ore	96.40	+0.7
NZD/AUD	0.8336	-0.2			IDR	17,694	-0.3	CAC 40	8,484	+0.4	6.9	NZ Milk '26	9.75	+0.0
NZD/EUR	0.5120	+0.6			THB	32.64	-0.7	Nikkei	66,016	-0.3	54.8	NZ Milk '27	9.77	-0.5
NZD/GBP	0.4382	+0.5			KRW	1,386	-0.6	Shanghai	3,905	+0.0	3.6	NZ Milk '28	9.75	-0.1
NZD/JPY	95.07	+0.6			TWD	31.86	-0.2	ASX 200	9,059	-0.3	1.0	WM powder	3690	-0.5
NZD/CAD	0.8232	+0.5			PHP	61.71	+0.1	NZX 50	13,973	+0.4	7.1	Australian Futures		
NZ TWI	67.44	+0.4						VIX Index	15.19	-5.1	-8.5	3 year bond	95.44	-0.04
												10 year bond	94.95	0.00
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	4.08	4.33	USD	4.73	0.03	15-May-28	3.58	0.04	BKBM 1-mth	2.84	0.01	
AUD	4.35	4.49	4.57	5.11	AUD	5.06	0.05	20-Apr-29	3.79	0.05	BKBM 3-mth	3.00	0.01	
NZD	2.50	3.00	3.67	4.45	NZD	4.75	0.06	15-May-30	3.99	0.05	1 year	3.40	0.02	
EUR	2.25	2.51	3.06	3.28	GER	3.26	-0.00	15-May-31	4.16	0.05	2 year	3.67	0.04	
GBP	3.75	3.87	4.26	4.65	GBP	5.06	-0.01	15-May-32	4.33	0.06	3 year	3.82	0.04	
JPY	0.98	-0.03	1.72	2.75	JPY	2.89	0.03	14-Apr-33	4.43	0.05	5 year	4.04	0.06	
CAD	2.25	4.97	2.93	3.52	CAD	3.76	0.01	15-May-34	4.54	0.06	7 year	4.23	0.06	
								15-May-35	4.65	0.06	10 year	4.45	0.07	
								15-May-36	4.75	0.06	15 year	4.72	0.07	
								15-May-37	4.85	0.06				
								15-May-38	4.91	0.06				
								15-May-41	5.15	0.07				
								15-May-51	5.38	0.07				
								15-May-54	5.39	0.07				
Carbon Price				Policy Meeting Run							NZ Inflation-Indexed Bonds			
	Level	% Day	% Year		NZD	AUD	USD				Sept-30	1.70	0.04	
NZU	52.35	-0.8	-7.8		1st	2.74	4.38	3.74			Sept-35	2.53	0.04	
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer					2nd	2.86	4.47	3.79			Sept-40	2.99	0.04	
					3rd	3.03	4.51	3.90						
Rates at NY close					4th	3.15	4.56	3.95						
Source: Bloomberg					5th	3.26	4.55	4.01						

NZD exchange rates

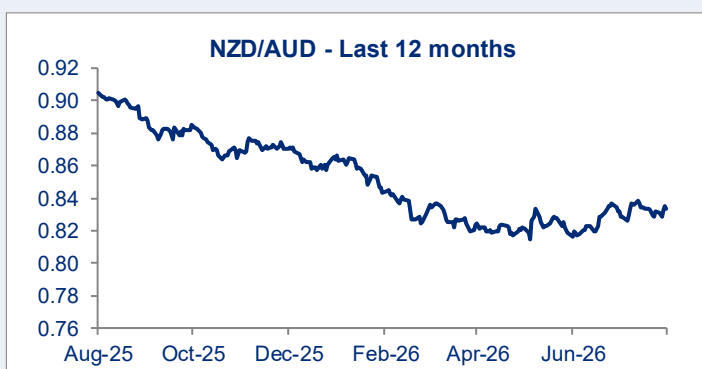
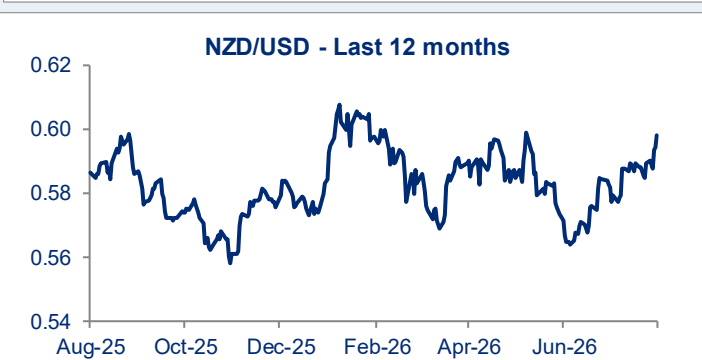
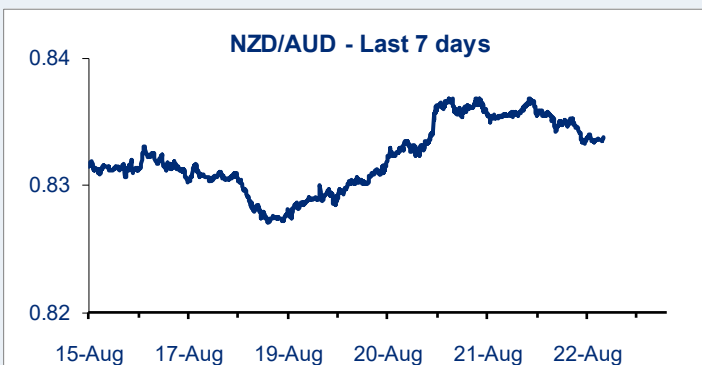
22/08/2026	NY close	Prev. NY close
USD	0.5979	0.5943
GBP	0.4382	0.4360
AUD	0.8336	0.8354
EUR	0.5120	0.5089
JPY	95.07	94.52
CAD	0.8232	0.8195
CHF	0.4790	0.4757
DKK	3.8280	3.8042
FJD	1.3236	1.3137
HKD	4.6889	4.6614
INR	57.23	56.88
NOK	5.5625	5.5585
PKR	165.96	164.96
PHP	36.87	36.74
PGK	2.5534	2.6308
SEK	5.6644	5.6402
SGD	0.7592	0.7560
CNY	4.0193	3.9967
THB	19.54	19.52
TOP	1.3888	1.3970
VUV	70.70	70.25
WST	1.6160	1.6081
XPF	61.11	60.77
ZAR	9.5743	9.5862

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	4.97	5.21
3 Months	14.16	14.72
6 Months	26.66	27.92
9 Months	36.31	38.99
1 Year	45.24	48.96

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	11.09	11.66
3 Months	32.37	33.73
6 Months	61.48	64.42
9 Months	85.63	91.14
1 Year	107.77	115.40



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