

Research Markets Today

26 May 2026

Events round-up

No data to report.

Good morning

Oil and the US dollar fell while global equities rose as markets reopened for the week. Investor risk appetite improved on hopes a deal to reopen the Strait of Hormuz may be close, with senior US officials saying negotiations with Iran were advancing despite unresolved language. S&P 500 futures rose 1% and Nasdaq 100 futures 1.4%, though US cash markets were closed for Memorial Day. In Europe, the Euro Stoxx gained 2%, while the Nikkei rose 3%, lifting the MSCI All Country World Index to a record high.

President Trump said talks on an interim deal with Iran were progressing. The two sides are working toward a memorandum of understanding that would halt the fighting and ease restrictions on shipping through the Strait of Hormuz for 30 days, while paving the way for second-phase talks on Iran's nuclear program. Discussions in Doha, involving senior Qatari officials, also covered the possible release of frozen Iranian funds. However, key issues remain unresolved, including freedom of passage through Hormuz and the timing of any asset release.

Brent crude fell sharply, touching US\$96 per barrel overnight compared with around US\$104 at the end of last week, in thinner-than-usual trading with US and UK markets on holiday. The move came as tentative signs emerged of a pickup in shipping activity. Ship-tracking data showed a supertanker carrying Iraqi crude to China had left the Persian Gulf and passed through the US-controlled blockade and three liquefied natural gas tankers appear to have exited.

Global bond markets rallied alongside the fall in energy prices. Although the US cash Treasury market was closed, futures implied a decline of about 7bp in 10-year yields relative to Friday's close. The market gapped lower at the open yesterday morning (NZT), with implied yields

continuing to edge down overnight. The rally was supported by a paring in Fed tightening expectations. After fully pricing a 25bp hike by December following Governor Waller's hawkish comments late last week, markets now imply around 16bp of tightening by year-end. 10-year German bunds closed 9bp lower at 2.94%.

Japan's Prime Minister Sanae Takaichi said the government would fund its supplementary budget without increasing bond issuance this calendar year, seeking to ease concerns about fiscal deterioration. The package, worth just over ¥3 trillion, is expected to be submitted to parliament as early as next week and will focus on energy support. JGBs rallied, with yields falling across the curve in line with moves in other sovereign bond markets as oil prices declined.

The US dollar fell as risk appetite improved, with the Australasian currencies among the strongest performers in the G10. Most of the move occurred at yesterday's global open, with only modest net changes overnight. NZD/USD traded in a narrow 15-pip range overnight, hovering around 0.5875 as market holidays subdued FX activity.

Price action in NZ rates in the local session yesterday was driven by offshore developments. The swap curve ended lower and steeper, with the front end leading the rally. Two-year swap rates closed 6bp lower at 3.51%, back toward the lows for the month, as the market looks ahead to Wednesday's Monetary Policy Statement. Pricing implies around a 15% chance of a 25bp hike, down sharply from as high as 50% two weeks ago. Ten-year swap rates fell 4bp to 4.29%, while government bond yields moved in line to 4.64%, near the lower end of the 4.60%–4.80% range that has held over the past two months.

Australian government bond futures are little change since the local close yesterday suggesting limited directional bias for NZ rates on the open.

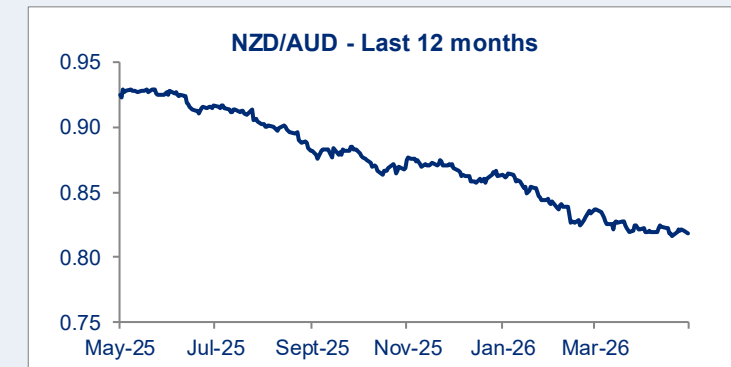
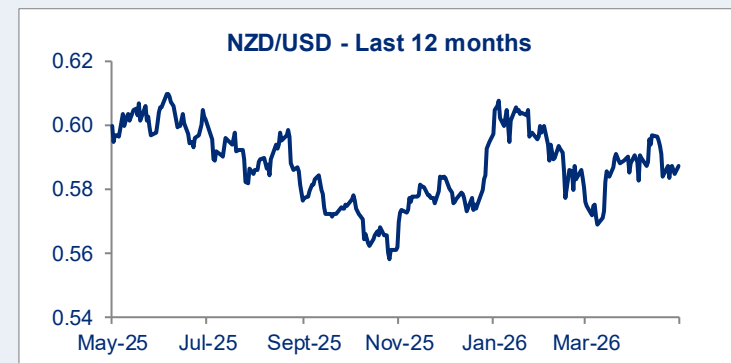
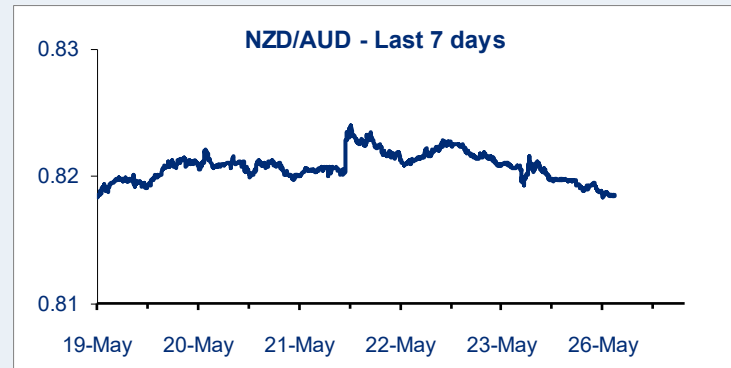
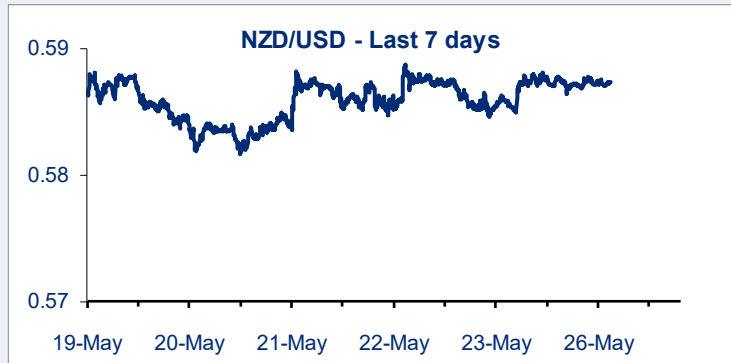
There is no domestic or international data of note today.

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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	0.5874	+0.4	0.5862	0.5879	CHF	0.7826	-0.3	S&P 500	7,473	+0.4	28.8	Oil (Brent)	96.14	-7.0
AUD	0.7176	+0.7	0.7152	0.7182	SEK	9.281	-1.0	Dow	50,580	+0.6	21.6	Oil (WTI)	90.30	-6.5
EUR	1.1643	+0.3	1.1630	1.1653	NOK	9.246	-0.2	Nasdaq	26,344	+0.2	40.6	Gold	4567.1	+1.0
GBP	1.3507	+0.6	1.3471	1.3507	HKD	7.835	-0.0	Stoxx 50	6,137	+1.9	15.2	HRC steel	1080.0	+0.0
JPY	158.89	-0.2	158.88	159.04	CNY	6.784	-0.2	FTSE	10,466	+0.2	20.1	CRB	392.7	+0.1
CAD	1.3802	-0.1			SGD	1.277	-0.2	DAX	25,389	+2.0	7.4	Wheat Chic.	659.3	-0.3
NZD/AUD	0.8186	-0.3			IDR	17,744	+0.2	CAC 40	8,258	+1.8	6.8	Sugar	14.70	-1.3
NZD/EUR	0.5045	+0.1			THB	32.45	-0.7	Nikkei	65,158	+2.9	73.6	Cotton	77.42	-0.7
NZD/GBP	0.4349	-0.2			KRW	1,512	-0.4	Shanghai	4,153	+1.0	24.0	Coffee	272.4	-0.4
NZD/JPY	93.33	+0.3			TWD	31.46	-0.3	ASX 200	8,692	+0.4	4.0	WM powder	3645	+0.1
NZD/CAD	0.8107	+0.3			PHP	61.47	-0.4	NZX 50	12,970	-0.2	3.4	Australian Futures		
NZ TWI	66.67	+0.1						VIX Index	16.59	-0.7	-19.3	3 year bond	95.48	0.02
												10 year bond	95.11	0.05
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	3.97	4.15	USD	4.56	-0.01	15-May-28	3.56	-0.05	BKBM 1-mth	2.46	-0.01	
AUD	4.35	4.44	4.57	4.96	AUD	4.88	-0.04	20-Apr-29	3.78	-0.05	BKBM 3-mth	2.62	-0.00	
NZD	2.25	2.62	3.51	4.29	NZD	4.64	-0.05	15-May-30	3.96	-0.05	1 year	3.12	-0.03	
EUR	2.00	2.20	2.73	2.99	GER	2.95	-0.09	15-May-31	4.14	-0.05	2 year	3.51	-0.06	
GBP	3.75	3.87	4.25	4.50	GBP	4.90	-0.07	15-May-32	4.29	-0.05	3 year	3.70	-0.05	
JPY	0.73	-0.03	1.41	2.48	JPY	2.70	-0.06	14-Apr-33	4.37	-0.05	5 year	3.93	-0.05	
CAD	2.25	4.97	2.74	3.24	CAD	3.46	-0.07	15-May-34	4.46	-0.05	7 year	4.10	-0.05	
								15-May-35	4.55	-0.05	10 year	4.29	-0.04	
								15-May-36	4.64	-0.05	15 year	4.53	-0.04	
								15-May-37	4.74	-0.04				
								15-May-41	5.00	-0.04	NZ Inflation-Indexed Bonds			
								15-May-51	5.21	-0.04	Sept-30	1.54	-0.01	
								15-May-54	5.21	-0.04	Sept-35	2.32	-0.01	
											Sept-40	2.78	-0.01	
Carbon Price					Policy Meeting Run									
	Level	% Day	% Year		NZD	AUD	USD							
NZU	52.75	+0.5	-4.5		1st	2.29	4.37	3.64						
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer														
Rates are as of: NZT 06:12														
Source: Bloomberg														

NZD exchange rates

26/05/2026	6:13 am	Prev. NY close
USD	0.5874	0.5849
GBP	0.4349	0.4354
AUD	0.8186	0.8207
EUR	0.5045	0.5041
JPY	93.33	93.10
CAD	0.8107	0.8082
CHF	0.4597	0.4590
DKK	3.7692	3.7662
FJD	1.2882	1.2827
HKD	4.6020	4.5829
INR	55.94	55.98
NOK	5.4308	5.4179
PKR	163.58	162.93
PHP	36.11	36.08
PGK	2.5628	2.5475
SEK	5.4518	5.4832
SGD	0.7500	0.7486
CNY	3.9846	3.9752
THB	19.07	19.11
TOP	1.3488	1.3412
VUV	69.41	69.21
WST	1.5821	1.5640
XPF	60.03	59.88
ZAR	9.5727	9.6300



NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	6.10	6.52
3 Months	16.43	17.45
6 Months	29.40	32.08
9 Months	38.40	43.87
1 Year	45.70	50.50

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	13.63	14.81
3 Months	38.07	40.28
6 Months	73.10	78.18
9 Months	101.43	110.82
1 Year	126.48	135.94

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