

Research Markets Today

28 August 2026

Events round-up

AU: Household spending (m/m%), Jul: 1.1 vs. 0.3 exp.
 GE: GfK consumer confidence, Sep: -26.6 vs. -29.5 exp.
 US: Goods trade balance (\$b), Jul: -118.8 vs. -100.5 exp.
 US: Initial Jobless Claims, 22 Aug: 203 vs. 208 exp.

Good morning

A strong revenue forecast from Nvidia has helped drive a rally in technology stocks. The company reported earnings well ahead of estimates yesterday and said it expected 70% revenue growth in its 2028 fiscal year. The Nasdaq is up more than 1.0%, while the S&P 500 advanced, with technology the only sector in positive territory. Major European indices were little changed. The US dollar is marginally softer against G10 currencies, while global sovereign bond markets were broadly stable. Brent crude edged higher towards US\$89 per barrel.

Two Federal Reserve officials said current interest-rate settings were not restrictive enough to slow the US economy, with inflation still above the 2% target. Kansas City Fed President Jeff Schmid and Cleveland Fed President Beth Hammack - who dissented in favour of a hike at the July FOMC meeting - urged colleagues to act soon to cool price pressures, with Schmid saying "we've got work to do". Their comments came ahead of the Fed's annual Jackson Hole conference, where Chair Kevin Warsh is due to deliver a keynote speech overnight.

Market pricing for the Fed was little changed. Around 8bp is priced for the September meeting, with a 25bp hike implied by December. There was limited data to provide direction for rates markets. Initial jobless claims remained stable near 200k, pointing to very few layoffs, while most leading indicators suggest little sign of a near-term change in trend. Treasuries were steady, with 10-year yields around 4.66%, close to levels prevailing at the NZ close yesterday.

Currency markets were subdued. An initial US dollar move higher reversed, leaving G10 currencies generally firmer against the greenback, although net moves were modest. NZD/USD remained confined to a narrow range around 0.5950. Moves in the main NZD crosses were also limited, although NZD/AUD edged lower after several banks, including NAB, adjusted their RBA rate calls in response to

persistent inflation pressures. The cross traded towards 0.8270, near the bottom of its range over the past month.

Our NAB colleagues now expect the RBA to lift the cash rate by 25bp in September, to 4.6%. The shift follows July CPI data that showed inflation running hotter than the RBA had expected in early August. It also reflects the RBA's repeated recent guidance that the Monetary Policy Board would respond if upside inflation risks were realised. NAB sees the risks skewed towards a further hike in November, particularly if activity data remains resilient over coming months. The market is pricing close to a 50% chance for a September hike.

Bank of Japan Deputy Governor Ryozi Himino didn't pushback against market expectations for a faster pace of policy normalisation. He said "if underlying inflation deviates upward to a level above the price stability target of 2%, that will have an adverse impact on the economy" adding that the policy outlook should be assessed carefully at each monetary policy meeting. Overnight index swaps continue to imply close to an 80% chance for a 25bp hike in September. Tokyo CPI data for August, a proxy for nationwide trends, is released today.

NZ fixed income yields moved higher in yesterday's local session, largely reflecting offshore moves. Two-year swap rates rose 4bp to 4.69%, towards the top of the narrow, near-10bp range that has prevailed over the past fortnight. The move was broadly parallel, with 10-year rates also closing 4bp higher, at 4.43%. The weekly NZGB tender attracted solid demand, with NZ\$1.8b of bids for the NZ\$450m on offer. The shortest line, the May-2031s, drew the strongest investor interest and cleared below prevailing market mids.

Monthly filled jobs for July are released today, alongside consumer confidence data, which last month improved to its highest level since February. The key event overnight will be Fed Chair Warsh's speech at the Jackson Hole Economic Symposium. Markets will look for guidance on the Fed's reaction function and policy outlook following softer labour market data and benign monthly CPI prints. However, detail may be limited given Warsh's aversion to forward guidance. Preliminary US payrolls benchmark revisions for the year to March 2026 are also scheduled.

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Coming up

	Period	Cons.	Prev.	NZT
NZ ANZ Consumer Confidence	Aug		99.3	10:00
NZ Filled Jobs (m/m%)	Jul		0.1	10:45
JN Tokyo CPI (y/y%)	Aug	1.9	2	11:30
JN Tokyo CPI Ex-Food, Energy (y/y%)	Aug	2	2	11:30
GE Unemployment Claims Rate	Aug	6.4	6.4	19:55
EC Economic Confidence	Aug	97.5	96.9	21:00
CA Quarterly GDP Annualized	2Q	3.4	-0.1	00:30
US MNI Chicago PMI	Aug	57.9	57.6	01:45
US Fed's Warsh Speaks at Jackson Hole Symposium				02:00
US U. of Mich. Sentiment	Aug F	51	51	02:00
US U. of Mich. 5-10 Yr Inflation	Aug F	3.3	3.3	02:00
US Prelim. Payrolls Revision	2026	185		02:00

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	0.5949	+0.1	0.5937	0.5957	CHF	0.8044	-0.1	S&P 500	7,731	+0.7	19.3	Oil (Brent)	90.04	+2.5
AUD	0.7195	+0.3	0.7175	0.7198	SEK	9.525	-0.1	Dow	53,576	+0.2	17.6	Oil (WTI)	84.03	+2.1
EUR	1.1647	-0.0	1.1637	1.1660	NOK	9.324	-0.3	Nasdaq	26,465	+1.3	22.6	Gold	4609.7	+0.3
GBP	1.3587	-0.1	1.3571	1.3603	HKD	7.839	+0.0	Stoxx 50	6,425	-0.7	19.1	HRC steel	1204.0	+0.4
JPY	159.45	+0.1	159.24	159.53	CNY	6.720	-0.0	FTSE	10,793	-0.8	16.6	CRB	401.7	+0.4
CAD	1.3855	-0.2			SGD	1.271	-0.0	DAX	26,367	+0.3	9.7	SGX Iron Ore	98.20	+0.4
NZD/AUD	0.8268	-0.3			IDR	17,744	+0.1	CAC 40	8,320	-1.7	7.4	NZ Milk '26	9.75	+0.0
NZD/EUR	0.5108	+0.1			THB	32.89	+0.2	Nikkei	66,132	-0.2	54.4	NZ Milk '27	9.95	+0.8
NZD/GBP	0.4378	+0.1			KRW	1,382	-0.2	Shanghai	3,957	+1.1	4.1	NZ Milk '28	9.88	+0.6
NZD/JPY	94.86	+0.2			TWD	31.70	-0.4	ASX 200	9,038	-1.0	0.6	WM powder	3740	+0.3
NZD/CAD	0.8242	-0.1			PHP	61.85	+0.3	NZX 50	13,880	-1.0	7.6	Australian Futures		
NZ TWI	67.09	+0.0						VIX Index	14.65	-3.7	-1.3	3 year bond	95.34	-0.07
												10 year bond	94.88	-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	4.09	4.30	USD	4.68	0.03	15-May-28	3.59	0.05	BKBM 1-mth	2.89	0.01	
AUD	4.35	4.54	4.68	5.18	AUD	5.09	0.06	20-Apr-29	3.81	0.05	BKBM 3-mth	3.03	0.02	
NZD	2.50	3.03	3.69	4.43	NZD	4.73	0.05	15-May-30	3.99	0.05	1 year	3.43	0.03	
EUR	2.25	2.55	3.07	3.29	GER	3.25	0.02	15-May-31	4.17	0.05	2 year	3.69	0.05	
GBP	3.75	3.87	4.27	4.64	GBP	5.03	-0.00	15-May-32	4.32	0.05	3 year	3.83	0.05	
JPY	0.98	-0.03	1.75	2.76	JPY	2.91	0.00	14-Apr-33	4.43	0.05	5 year	4.04	0.06	
CAD	2.25	4.97	2.87	3.47	CAD	3.70	0.05	15-May-34	4.53	0.05	7 year	4.22	0.05	
								15-May-35	4.63	0.05	10 year	4.43	0.05	
								15-May-36	4.73	0.05	15 year	4.70	0.05	
								15-May-37	4.83	0.05				
								15-May-38	4.89	0.05				
								15-May-41	5.13	0.05				
								15-May-51	5.36	0.05				
								15-May-54	5.38	0.05				
Carbon Price				Policy Meeting Run				NZ Inflation-Indexed Bonds						
	Level	% Day	% Year		NZD	AUD	USD							
NZU	52.00	-1.6	-8.4		1st	2.75	4.49	3.72	Sept-30	1.68	0.02			
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer					2nd	2.88	4.62	3.79	Sept-35	2.51	0.02			
Rates are as of: NZT 06:09					3rd	3.05	4.65	3.91	Sept-40	2.98	0.02			
Source: Bloomberg					4th	3.17	4.69	3.96						
					5th	3.28	4.69	4.03						

NZD exchange rates

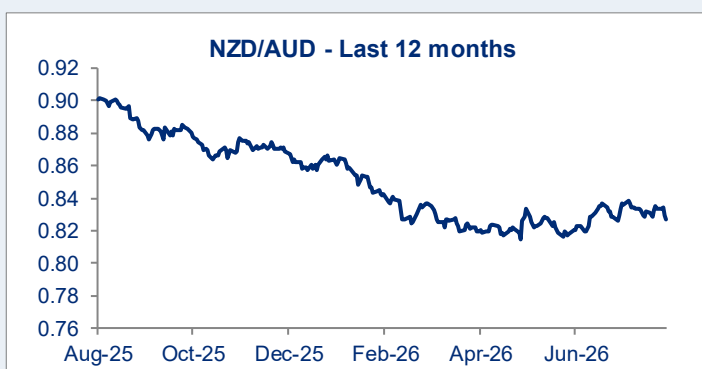
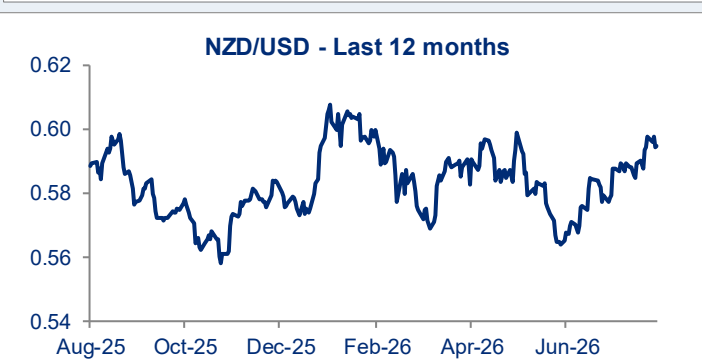
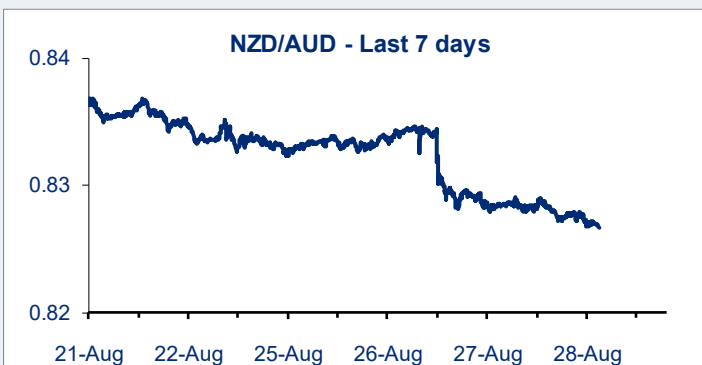
28/08/2026	6:09 am	Prev. NY close
USD	0.5949	0.5944
GBP	0.4378	0.4372
AUD	0.8268	0.8290
EUR	0.5108	0.5102
JPY	94.86	94.69
CAD	0.8242	0.8248
CHF	0.4785	0.4787
DKK	3.8178	3.8131
FJD	1.3138	1.3104
HKD	4.6634	4.6595
INR	56.84	56.71
NOK	5.5469	5.5595
PKR	165.09	164.96
PHP	36.80	36.63
PGK	2.6358	2.6313
SEK	5.6664	5.6661
SGD	0.7564	0.7560
CNY	3.9977	3.9956
THB	19.55	19.47
TOP	1.3932	1.3943
VUV	70.19	70.21
WST	1.6047	1.6021
XPF	60.92	60.83
ZAR	9.5225	9.4866

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	4.43	4.63
3 Months	13.40	13.86
6 Months	25.10	26.16
9 Months	34.91	37.17
1 Year	43.59	47.31

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	9.84	10.25
3 Months	32.08	33.11
6 Months	61.83	64.37
9 Months	88.82	93.71
1 Year	113.95	121.45



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