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 Ryozo 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

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

	Last	% Day	Low	High
NZD	0.5949	+0.1	0.5937	0.5957
AUD	0.7195	+0.3	0.7175	0.7198
EUR	1.1647	-0.0	1.1637	1.1660
GBP	1.3587	-0.1	1.3571	1.3603
JPY	159.45	+0.1	159.24	159.53
CAD	1.3855	-0.2		
NZD/AUD	0.8268	-0.3		
NZD/EUR	0.5108	+0.1		
NZD/GBP	0.4378	+0.1		
NZD/JPY	94.86	+0.2		
NZD/CAD	0.8242	-0.1		
NZ TWI	67.09	+0.0		

Other FX

	Last	% Day
CHF	0.8044	-0.1
SEK	9.525	-0.1
NOK	9.324	-0.3
HKD	7.839	+0.0
CNY	6.720	-0.0
SGD	1.271	-0.0
IDR	17,744	+0.1
THB	32.89	+0.2
KRW	1,382	-0.2
TWD	31.70	-0.4
PHP	61.85	+0.3

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,731	+0.7	19.3
Dow	53,576	+0.2	17.6
Nasdaq	26,465	+1.3	22.6
Stoxx 50	6,425	-0.7	19.1
FTSE	10,793	-0.8	16.6
DAX	26,367	+0.3	9.7
CAC 40	8,320	-1.7	7.4
Nikkei	66,132	-0.2	54.4
Shanghai	3,957	+1.1	4.1
ASX 200	9,038	-1.0	0.6
NZX 50	13,880	-1.0	7.6
VIX Index	14.65	-3.7	-1.3

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	90.04	+2.5
Oil (WTI)	84.03	+2.1
Gold	4609.7	+0.3
HRC steel	1204.0	+0.4
CRB	401.7	+0.4
SGX Iron Ore	98.20	+0.4
NZ Milk '26	9.75	+0.0
NZ Milk '27	9.95	+0.8
NZ Milk '28	9.88	+0.6
WM powder	3740	+0.3

Australian Futures

3 year bond	95.34	-0.07
10 year bond	94.88	-0.05

Interest Rates

Rates / **Swap Yields**

	Cash	3Mth	2 Yr	10 Yr
USD	3.75	4.85	4.09	4.30
AUD	4.35	4.54	4.68	5.18
NZD	2.50	3.03	3.69	4.43
EUR	2.25	2.55	3.07	3.29
GBP	3.75	3.87	4.27	4.64
JPY	0.98	-0.03	1.75	2.76
CAD	2.25	4.97	2.87	3.47

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.68	0.03
AUD	5.09	0.06
NZD	4.73	0.05
GER	3.25	0.02
GBP	5.03	-0.00
JPY	2.91	0.00
CAD	3.70	0.05

NZ Government Bonds

	Last	Chg
15-May-28	3.59	0.05
20-Apr-29	3.81	0.05
15-May-30	3.99	0.05
15-May-31	4.17	0.05
15-May-32	4.32	0.05
14-Apr-33	4.43	0.05
15-May-34	4.53	0.05
15-May-35	4.63	0.05
15-May-36	4.73	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

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.89	0.01
BKBM 3-mth	3.03	0.02
1 year	3.43	0.03
2 year	3.69	0.05
3 year	3.83	0.05
5 year	4.04	0.06
7 year	4.22	0.05
10 year	4.43	0.05
15 year	4.70	0.05

NZ Inflation-Indexed Bonds

Sept-30	1.68	0.02
Sept-35	2.51	0.02
Sept-40	2.98	0.02

Carbon Price

	Level	% Day	% Year
NZU	52.00	-1.6	-8.4

Policy Meeting Run

	NZD	AUD	USD
1st	2.75	4.49	3.72
2nd	2.88	4.62	3.79
3rd	3.05	4.65	3.91
4th	3.17	4.69	3.96
5th	3.28	4.69	4.03

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

Rates are as of: NZT 06:09

Source: Bloomberg

NZD exchange rates

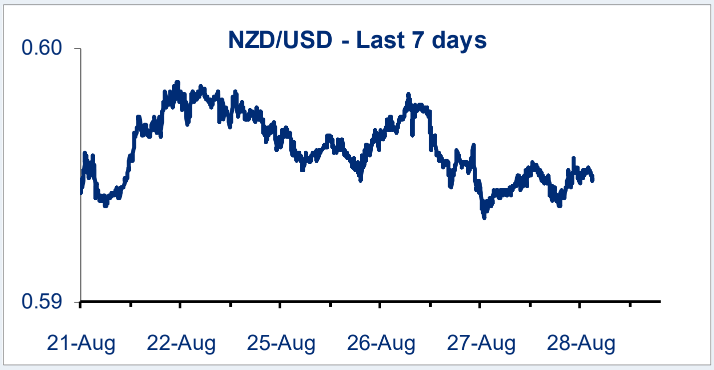
28/08/2026	6:09 am	Prev. NY close
USD	0.5949	0.5944
GBP	0.4378	0.4372
AUD	0.8268	0.8290
EUR	0.5108	0.5102
JPY	94.86	94.69
CAD	0.8242	0.8248
CHF	0.4785	0.4787
DKK	3.8178	3.8131
FJD	1.3138	1.3104
HKD	4.6634	4.6595
INR	56.84	56.71
NOK	5.5469	5.5595
PKR	165.09	164.96
PHP	36.80	36.63
PGK	2.6358	2.6313
SEK	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

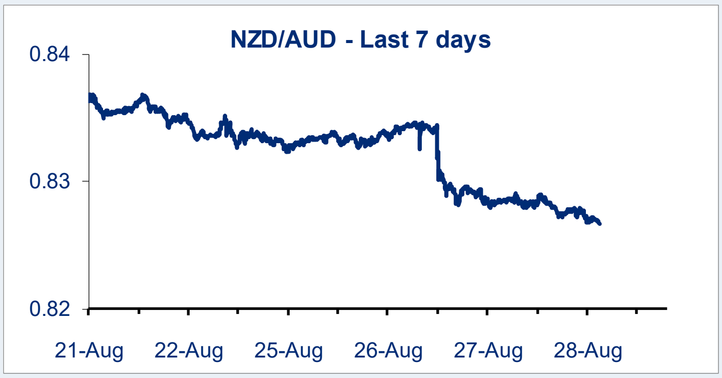
NZD/USD Forward Points

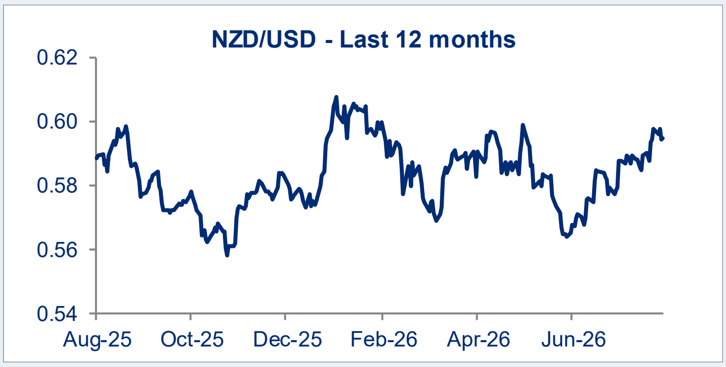
	BNZ buys NZD	BNZ sells NZD
1 Month	4.43	4.63
3 Months	13.40	13.86
6 Months	25.10	26.16
9 Months	34.91	37.17
1 Year	43.59	47.31

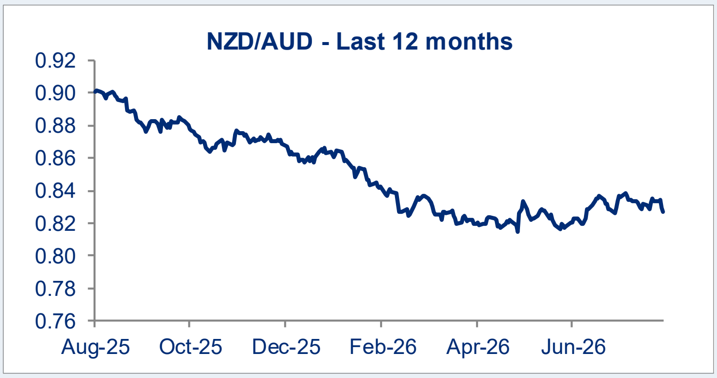
NZD/AUD Forward Points

	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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