Research

Markets Today

31 August 2026

Events round-up

NZ: ANZ Consumer Confidence, Aug: 98 vs. 99 prev.

NZ: Filled Jobs (m/m%), Jul: 0.3 vs. 0.0 prev.

JN: Tokyo CPI (y/y%), Aug: 1.9 vs. 1.9 exp.

JN: Tokyo CPI Ex-Food, Energy (y/y%), Aug: 2.0 vs. 2.0 exp.

GE: Unemployment Claims Rate, Aug: 6.4 vs. 6.4 exp.

CA: Quarterly GDP Annualized, 2Q: 3.3 vs. 3.4 exp.

US: MNI Chicago PMI, Aug: 47.1 vs. 57.9 exp.

US: U. of Mich. Sentiment, Aug F: 51.7 vs. 51 exp.

US: U. of Mich. 5-10 Yr Inflation, Aug F: 3.3 vs. 3.3 exp.

US: Prelim. Payrolls Revision (k), 2026: -79 vs. 185 exp.

Good morning

Short-end Treasury yields moved sharply higher after Federal Reserve Chair Warsh used the Kansas City Fed's Jackson Hole symposium to push back against the view that policy is already sufficiently restrictive. The move contributed to a broad-based rally in the US dollar. Equities saw choppy price action, with the S&P 500 initially rising after Warsh's speech before retracing to end the session around 0.4% lower. Gold fell sharply, down around 4%, following steady gains through August, while Brent crude was little changed near US$89 per barrel.

Warsh emphasised that inflation remains too high, with both PCE and CPI measures still above the Fed's 2% target. While headline inflation has fallen from the peak, he argued recent progress has been modest and that better data are not yet sufficient to confirm an improvement in underlying trends. He reiterated the Fed's commitment to its 2% PCE inflation target, describing it as "a firm, fixed target". Warsh also noted that financial conditions are not currently restrictive and that short-term interest rates remain the Fed's predominant policy tool.

Market pricing for a September hike increased to around 60%, from 35% the previous day. Warsh's comments suggest that a soft payrolls report at the end of this week may not be enough, on its own, to shift the Fed's reaction function, particularly given his observation that slower labour supply growth means "monthly job gains are naturally going to run low." He also said the labour market is consistent with full employment. That leaves the August CPI release as the key data point ahead of the FOMC.

US Treasury yields moved higher, led by the front end, resulting in a flatter curve. The 2-year yield rose 11bp to 4.35%, back near its July peak, while the 10-year yield increased 5bp to 4.73%, towards the upper end of its August trading range. The move was primarily driven by higher real yields. The 30-year yield initially declined, suggesting markets interpreted Warsh's comments as supportive of Fed credibility and consistent with a central bank determined to keep inflation in check.

The US dollar strengthened sharply, with the dollar index rising to its highest level in a week and fully retracing the move that followed the Treasury Department's announcement of increased long-end buybacks. The gains were broad-based across G10 currencies. The yen weakened through 160, extending a slide that has now erased more than half of its intervention-driven gains. NZD/USD fell towards 0.5910, while the NZD was generally softer on the main crosses.

Government data revealed Japan spent a record US$99b over the past month supporting the yen through joint intervention with the US. The retracement in the yen since the intervention highlights the difficulty of leaning against economic fundamentals. Including earlier operations in April and May, Japan's intervention spending this year has reached around US$170b, reflecting official concern after the yen fell to a 40-year low.

It was a quiet end to the week for NZ fixed income on Friday. Swap rates closed 1–2bp higher across the curve, with few catalysts. The 2-year rate rose 2bp to 3.70%, the top of its recent trading range, as the market looks ahead to Wednesday's RBNZ MPS. Consumer confidence held July's improvement, while filled jobs rose 0.3% in the month, but neither release had much market impact. Despite the moves in Treasuries, Australian 10-year bond futures are little changed from the local close.

ANZ business confidence is released today, with firms' own activity having risen in July to its highest level since February. China's official PMIs are also due, with consensus looking for a marginal improvement after both the manufacturing and services gauges printed below 50 last month. Germany's preliminary CPI will help firm expectations for tomorrow evening's eurozone inflation release.

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Coming up

		Period	Cons.	Prev.	NZT
NZ	ANZ Activity Outlook	Aug		49.3	13:00
CH	Manufacturing PMI	Aug	49.5	49.2	13:30
CH	Non-manufacturing PMI	Aug	49.5	49	13:30
GE	CPI EU Harmonized (y/y%)	Aug P	3.1	2.8	00:00

Source: Bloomberg

Currencies

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

	Last	% Day	Low	High
NZD	0.5911	-0.7	0.5905	0.5961
AUD	0.7161	-0.4	0.7156	0.7208
EUR	1.1584	-0.6	1.1578	1.1658
GBP	1.3536	-0.4	1.3527	1.3597
JPY	160.09	+0.5	159.41	160.20
CAD	1.3903	+0.4		
NZD/AUD	0.8255	-0.2		
NZD/EUR	0.5103	-0.0		
NZD/GBP	0.4367	-0.2		
NZD/JPY	94.63	-0.2		
NZD/CAD	0.8218	-0.3		
NZ TWI	66.87	-0.4		

Other FX

	Last	% Day
CHF	0.8094	+0.6
SEK	9.607	+0.9
NOK	9.377	+0.6
HKD	7.840	+0.0
CNY	6.729	+0.1
SGD	1.275	+0.3
IDR	17,693	-0.3
THB	33.16	+0.8
KRW	1,377	-0.4
TWD	31.62	-0.2
PHP	62.26	+0.7

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,712	-0.2	18.6
Dow	53,560	-0.0	17.4
Nasdaq	26,402	-0.5	21.6
Stoxx 50	6,486	+0.9	20.2
FTSE	10,824	+0.3	17.4
DAX	26,570	+0.8	10.5
CAC 40	8,401	+1.0	8.2
Nikkei	66,406	+0.4	55.4
Shanghai	3,952	-0.1	2.8
ASX 200	9,092	+0.6	1.3
NZX 50	13,768	-0.8	6.5
VIX Index	14.43	-0.6	+0.0

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	89.31	-0.4
Oil (WTI)	83.40	-0.2
Gold	4470.6	-3.4
HRC steel	1206.0	+0.2
CRB	406.4	+0.3
SGX Iron Ore	99.00	+0.4
NZ Milk '26	9.75	+0.0
NZ Milk '27	10.00	+0.5
NZ Milk '28	9.93	+0.5
WM powder	3790	+1.3

Australian Futures

3 year bond	95.35	0.01
10 year bond	94.88	0.00

Interest Rates

Rates / **Swap Yields**

	Cash	3Mth	2 Yr	10 Yr
USD	3.75	4.85	4.22	4.34
AUD	4.35	4.55	4.70	5.18
NZD	2.50	3.05	3.70	4.45
EUR	2.25	2.56	3.12	3.31
GBP	3.75	3.87	4.32	4.68
JPY	0.99	-0.03	1.76	2.81
CAD	2.25	4.97	2.91	3.49

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.72	0.04
AUD	5.10	0.01
NZD	4.74	0.01
GER	3.28	0.03
GBP	5.06	0.03
JPY	2.93	0.03
CAD	3.72	0.01

NZ Government Bonds

	Last	Chg
15-May-28	3.60	0.01
20-Apr-29	3.82	0.01
15-May-30	4.00	0.01
15-May-31	4.18	0.01
15-May-32	4.34	0.01
14-Apr-33	4.44	0.01
15-May-34	4.54	0.02
15-May-35	4.65	0.01
15-May-36	4.74	0.01
15-May-37	4.84	0.01
15-May-38	4.91	0.02
15-May-41	5.14	0.01
15-May-51	5.38	0.02
15-May-54	5.39	0.01

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.90	0.01
BKBM 3-mth	3.05	0.02
1 year	3.45	0.02
2 year	3.70	0.02
3 year	3.84	0.01
5 year	4.06	0.01
7 year	4.24	0.02
10 year	4.45	0.02
15 year	4.72	0.02

NZ Inflation-Indexed Bonds

Sept-30	1.68	-0.00
Sept-35	2.50	-0.00
Sept-40	2.98	-0.00

Carbon Price

	Level	% Day	% Year
NZU	52.60	+1.2	-8.7

Policy Meeting Run

	NZD	AUD	USD
1st	2.75	4.48	3.78
2nd	2.89	4.62	3.86
3rd	3.06	4.66	4.02
4th	3.18	4.72	4.09
5th	3.29	4.72	4.18

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

Rates at NY close

Source: Bloomberg

NZD exchange rates

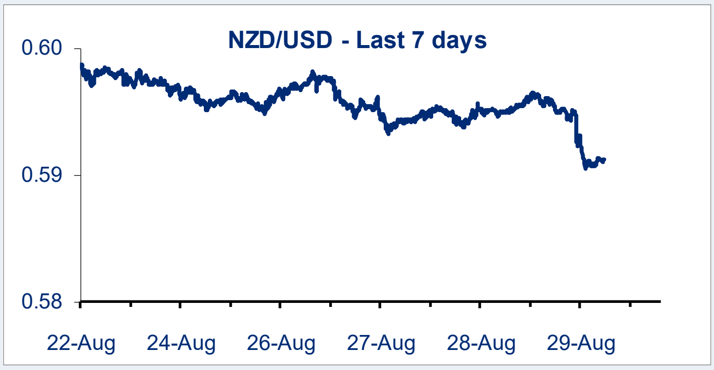
29/08/2026	NY close	Prev. NY close
USD	0.5911	0.5951
GBP	0.4367	0.4378
AUD	0.8255	0.8272
EUR	0.5103	0.5107
JPY	94.63	94.85
CAD	0.8218	0.8245
CHF	0.4786	0.4786
DKK	3.8157	3.8171
FJD	1.3053	1.3111
HKD	4.6358	4.6648
INR	56.40	56.86
NOK	5.5444	5.5482
PKR	164.09	165.16
PHP	36.81	36.81
PGK	2.5291	2.6344
SEK	5.6804	5.6642
SGD	0.7538	0.7566
CNY	3.9795	3.9990
THB	19.48	19.56
TOP	1.3681	1.3943
VUV	69.73	70.22
WST	1.5945	1.6061
XPF	60.65	60.93
ZAR	9.5594	9.5205

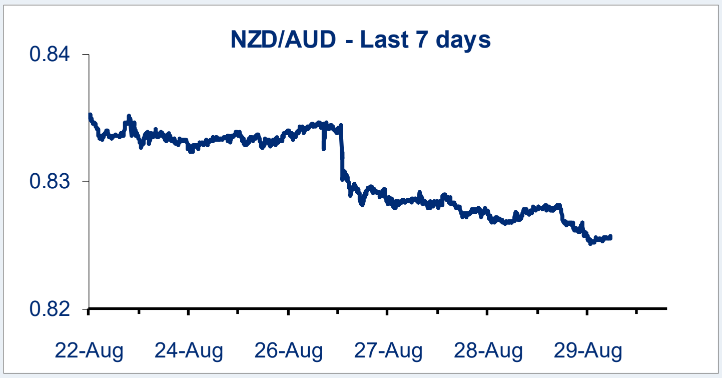
NZD/USD Forward Points

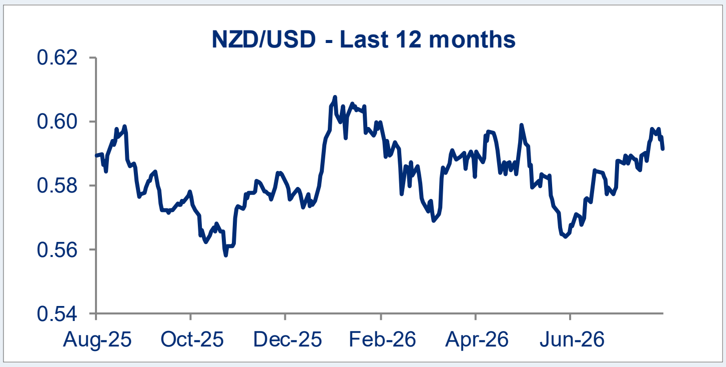
	BNZ buys NZD	BNZ sells NZD
1 Month	4.41	4.62
3 Months	13.61	14.19
6 Months	26.81	28.15
9 Months	38.69	40.92
1 Year	48.88	53.12

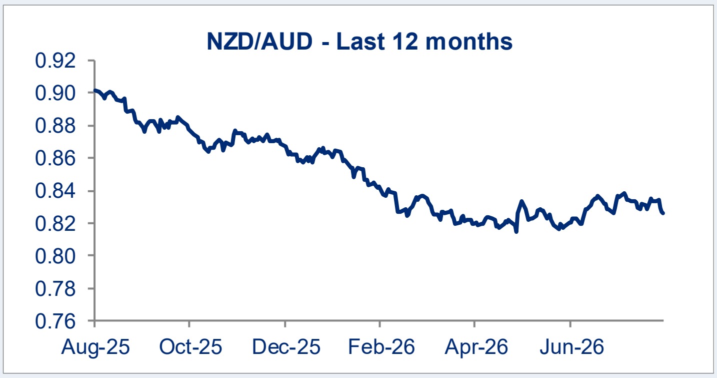
NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	9.79	10.28
3 Months	31.71	32.93
6 Months	61.71	64.63
9 Months	88.86	93.27
1 Year	112.55	120.57









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