Market Alert

Thursday 06 August 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5886	0.0029
NZD/AUD	0.8341	0.0064
NZD/JPY	92.845	-0.93
NZD/EUR	0.5097	-0.0014
NZD/GBP	0.4372	0.0021
NZD/CNH	3.9674	-0.0363
AUD/USD	0.7056	-0.0021
AUD/EUR	0.6109	-0.0064
EUR/USD	1.1548	0.0086
USD/CNH	6.7481	-0.0947
GBP/USD	1.3462	-0.0001
EUR/GBP	0.8578	0.0061

INT RATES	NZ	Australia
OCR/Cash	2.50%	4.35%
90 day bills	2.94%	4.55%
2 year swap	3.66%	4.52%
10 year Govt	4.74%	5.03%

Iran claims to have finalised a shipping framework for the Strait of Hormuz!

Although the agreement is with Oman, and they still managed to blame the US!

While Iranian officials are claiming victory - asserting that the arrangement permanently locks in their strategic leverage over the Strait of Hormuz – the diplomatic messaging remains mixed. President Trump indicated a resolution could emerge within days, despite Iran's insistence that negotiations are strictly confined to Oman. The draft outlines point to a bifurcated corridor: Iranian oversight will govern inbound traffic, while Omani authorities manage outbound shipping. While this potential deal has eased short-term energy market fears - driving crude down to USD74.85 and Brent to USD79.35 - the high-stakes framework effectively leaves Iran with greater long-term maritime influence than before the conflict.

But markets liked the news, which supported the recent appreciation from equity markets after they found solid support from corporate earnings, although tech sentiment faced a sharp tech rotation after SpaceX shares tumbled 12% under the weight of an impending share unlock and broader AI spending anxieties. Bonds and FX markets are largely unchanged on the news.

The data didn't paint a particularly good picture either ...

- ISM services PMIs edged up to 54.1 in July, continuing to signal steady sector expansion. While business activity (59.1) and new orders (57.2) accelerated, the underlying employment sub-index plunged back into contraction territory at 47.4.
- US private businesses added a mere 44k job's - the softest expansion in 6-months and well below the 70k forecast. Services added 47k roles, whereas goods-producing sectors shed 3k. Wage growth for job switchers accelerated to its highest levels since August 2025.
- The Trump administration confirmed it has refunded approximately USD100.0bn in tariff revenue collected under the 2025 'Liberation Day' duties. The payout follows a federal court order enforcing a Supreme Court ruling that invalidated the IEEPA-backed tariffs.
- Deflationary wholesale pressures returned to Europe after June producer prices decreased 0.3%, which was in line with consensus expectations.
- Australian composite PMIs firmed to 53.2 in July, accelerating from June's 50.4, although Australian manufacturing fell deeper into contractionary territory sliding to -19.6 from June's upwardly revised -13.9.

The NZ labour market delivered a highly complex, split signal for policymakers after the Q2 unemployment rate climbed to an 11-year high of 5.6%, overshooting the forecast 5.4%. However, the data featured several resilient underlying trends: employment grew by 0.5%, the participation rate firmed to 70.7%, and annualised wage growth surprised to the upside, accelerating to a 2.0%–2.1% range. This suggests that while labour market slack is building, persistent wage cost pressures remain sticky

Compounding the domestic headwinds, the NZ commodity price index plunged 3.9% in July, marking its sharpest monthly contraction since November 2022. The decline was driven almost entirely by the international dairy sector, which plummeted 6.5% on the month to be 11.3% lower annually. In NZD terms, the aggregate export index finished the month down 4.0% to be 0.1% lower on the year.

The minutes from the BoJ's June meeting highlighted a building hawkish consensus despite policymakers lifting short-term rates to a 31-year high at 1.0%. Multiple members called for faster hikes towards a neutral threshold, setting the stage for a potential September tightening move.

Daily Rates

Thursday 06 August 2026

FX	Spot Mid	FECs (mid) 1mth	3mths	6mths	12mths
NZ TWI	66.80				
NZD/USD	0.5886	0.0005	0.0016	0.0029	0.0045
NZD/AUD	0.8341	0.0012	0.0035	0.0064	0.0107
NZD/JPY	92.845	-0.15	-0.45	-0.9343	-1.93
NZD/EUR	0.5097	-0.0002	-0.0005	-0.0014	-0.0036
NZD/GBP	0.4372	0.0004	0.0011	0.0021	0.0033
AU TWI	65.40				
AUD/USD	0.7056	-0.0004	-0.0011	-0.0021	-0.0038
AUD/NZD	1.1985	-0.0018	-0.0051	-0.0096	-0.0168
AUD/JPY	111.10	-0.34	-0.99	-1.95	-3.72
AUD/EUR	0.6109	-0.0011	-0.0032	-0.0064	-0.0122
AUD/GBP	0.5240	-0.0003	-0.0008	-0.0016	-0.0028
USD Index	99.72				
EUR/USD	1.1548	0.0014	0.0042	0.0086	0.0167
USD/JPY	157.73	-0.40	-1.17	-2.33	-4.48
GBP/USD	1.3462	-0.0001	-0.0001	-0.0001	-0.0003
EUR/GBP	0.8578	0.0011	0.0031	0.0061	0.0126
USD/CNY	6.7497	-0.0146	-0.0442	-0.0928	-0.1809

	Spot Mid NZD/...	AUD/...
CAD	0.8245	0.9888
CHF	0.4751	0.5698
CNY	3.9682	4.7586
DKK	3.8087	4.5673
FJD	1.2850	1.5409
HKD	4.6151	5.5344
KRW	836.95	1003.65
MYR	2.4066	2.8859
NOK	5.6041	6.7203
SEK	5.5829	6.6949
SGD	0.7539	0.9040
TWD	19.00	22.78
ZAR	9.61	11.52

INTEREST RATES	New Zealand Mid	Australia Mid
30 day bank bills	2.73%	4.37%
90 day bank bills	2.94%	4.55%
1 year swap	3.39%	4.57%
2 year swap	3.66%	4.52%
3 year swap	3.80%	4.47%
5 year swap	4.00%	4.52%
10 year swap	4.38%	4.79%
3 year Govt bond	3.85%	4.52%
5 year Govt bond	4.18%	4.62%
10 year Govt bond	4.74%	5.03%

EQUITIES	Index
NZX50	13,997
ASX200	9,228
Dow Jones	54,456
S&P 500	7,737
FTSE100	10,888
DAX 40	26,126
Nikkei	66,300

COMMODITIES	USD
Brent Crude	79.53
Gold	4,247.36
Silver	62.07
Iron Ore	93.70
CRB Index	479.85
	NZD
NZ Carbon	55.70

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