

Research Markets Today

12 August 2026

Events round-up

AU: NAB business conditions, Jul: 4 vs. 3 prev.
 AU: RBA cash rate target (%), Aug: 4.35 vs. 4.35 exp.
 US: NFIB small business optimism, Jul: 99.8 vs. 97.5 prev.
 US: Existing home sales (m/m%), Jul: -1.7 vs. -1.0 exp.

Good morning

The Northern Hemisphere summer doldrums remain firmly in place, with little news and market movements well contained.

Headlines on the Middle East situation have been mixed. Mediator Pakistan said the US and Iran were “close to some sort of arrangement” over the Strait of Hormuz, with signals over the past two to three days pointing toward peace. Iran said the Strait of Hormuz will remain shut until conditions are met. Meanwhile, the WSJ reported that US forces fired on a Panama-flagged ship that attempted to run the American blockade of Iranian ports, the first US strikes in several days. Oil prices have been choppy and Brent crude, after briefly trading above USD90 per barrel, is currently trading with a USD88 handle, up over 1% on the day.

US Treasury yields largely followed oil prices. The US 10-year rate rose to an overnight high of 4.73% as oil prices peaked near USD90, fell to a low of 4.67% as oil prices eased, and currently sits at 4.68%. Volatility has been constrained as traders await tonight’s key US CPI data.

Second-tier US data did not move the needle. US small business optimism rose in July to 99.8, its highest level in nearly a year, with broad-based increases across the components. This included a jump in net hiring plans to their highest level since October 2022, going against the grain of last week’s non-farm payrolls report, which showed job shedding. Existing home sales fell 1.7% m/m in July to a three-month low, within a trend that has been relatively flat over the past couple of years.

US equities opened higher but weakened through the afternoon session. The S&P 500 is currently down 0.3%, with a moderately larger fall in the Nasdaq. European equities were flat, with the Euro Stoxx 600 index little changed.

Currency movements have been insignificant overnight. In the low-volatility environment, the NZD has traded in a range of little more than 25 pips and is flat around 0.5880. The AUD is flat around 0.7055, with NZD/AUD also flat around 0.8030. A small fall in the AUD after the RBA’s policy update proved temporary, with the move retraced during Governor Bullock’s press conference.

As widely expected, the RBA left its policy rate at 4.35% and maintained a tightening bias. The Statement noted that “inflation is still too high” and that there were upside risks to its projections, which show inflation is not expected to return to the midpoint of the target range until late 2027. It also noted that the Board could increase the cash rate target further if upside risks materialise. Bullock said, “I think, personally, that it’s quite possible we might need to go, but we’ll wait and see.” The net market reaction to the update was small overall, with the market still pricing a better-than-even chance of one more hike this cycle.

In the domestic rates market, global forces placed upside pressure on rates. Swaps and NZGBs were marked up 1–2bps across the curve, slightly outperforming on a cross-market basis. The RBA update came after the NZ close, and there has been little net change in Australian bond futures since then.

On the economic calendar, US CPI inflation figures for July will be released tonight, and the data could trigger a market reaction if there is an upside or downside surprise. There is a strong consensus for a 0.2% m/m core CPI print, which would see the annual increase drop to 2.5%. If realised, that would not be seen as a smoking gun for a September Fed rate hike.

jason.k.wong@bnz.co.nz

Coming up

		Period	Cons.	Prev.	NZT
US	CPI (m/m%)	Jul	0.1	-0.4	00:30
US	Core CPI (m/m%)	Jul	0.2	0	00:30
US	CPI (y/y%)	Jul	3.4	3.5	00:30
US	Core CPI (y/y%)	Jul	2.5	2.6	00:30

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	0.5879	-0.1	0.5868	0.5888	CHF	0.8109 +0.1	S&P 500	7,727 -0.3	21.2	Oil (Brent)	88.85	+1.3
AUD	0.7056	+0.0	0.7047	0.7069	SEK	9.524 +0.3	Dow	53,840 -0.2	22.4	Oil (WTI)	83.13	+1.2
EUR	1.1540	-0.0	1.1531	1.1548	NOK	9.499 +0.0	Nasdaq	26,398 -0.8	23.4	Gold	4365.1	+0.1
GBP	1.3501	-0.0	1.3492	1.3516	HKD	7.847 +0.0	Stoxx 50	6,551 +0.2	22.9	HRC steel	1193.0	-0.2
JPY	159.29	+0.0	159.06	159.39	CNY	6.746 -0.0	FTSE	10,844 -0.2	18.8	CRB	390.2	+2.4
CAD	1.3919	-0.2			SGD	1.280 -0.0	DAX	26,391 +0.3	9.6	SGX Iron Ore	95.85	+0.1
NZD/AUD	0.8332	-0.1			IDR	17,861 +0.6	CAC 40	8,715 -0.1	13.2	NZ Milk '26	9.75	-0.1
NZD/EUR	0.5094	-0.0			THB	33.15 +0.4	Nikkei	66,970 +2.1	56.8	NZ Milk '27	9.58	-0.2
NZD/GBP	0.4354	+0.0			KRW	1,414 -0.3	Shanghai	3,934 -0.8	7.9	NZ Milk '28	9.56	-0.5
NZD/JPY	93.65	-0.0			TWD	32.29 +0.2	ASX 200	9,251 +0.2	4.2	WM powder	3550	+0.0
NZD/CAD	0.8183	-0.2			PHP	61.26 +0.8	NZX 50	13,861 -0.2	8.6	Australian Futures		
NZ TWI	66.83	-0.0					VIX Index	15.27 -1.2	-6.0	3 year bond	95.44	-0.02
										10 year bond	94.98	0.02
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	4.07	4.27	USD	4.68 -0.02	15-May-28	3.58	0.01	BKBM 1-mth	2.76	0.01
AUD	4.35	4.51	4.56	5.06	AUD	5.03 0.04	20-Apr-29	3.79	0.02	BKBM 3-mth	2.95	0.00
NZD	2.50	2.95	3.66	4.40	NZD	4.69 0.01	15-May-30	3.97	0.02	1 year	3.39	0.01
EUR	2.25	2.48	2.97	3.18	GER	3.16 -0.02	15-May-31	4.14	0.01	2 year	3.66	0.02
GBP	3.75	3.87	4.21	4.57	GBP	4.96 -0.03	15-May-32	4.29	0.02	3 year	3.80	0.01
JPY	0.98	-0.03	1.65	2.69	JPY	2.83 0.00	14-Apr-33	4.39	0.02	5 year	4.01	0.01
CAD	2.25	4.97	2.90	3.46	CAD	3.70 -0.02	15-May-34	4.49	0.01	7 year	4.19	0.01
							15-May-35	4.59	0.01	10 year	4.40	0.01
							15-May-36	4.69	0.01	15 year	4.65	0.02
							15-May-37	4.78	0.02			
							15-May-38	4.84	0.01			
							15-May-41	5.07	0.01			
							15-May-51	5.29	0.01			
							15-May-54	5.30	0.01			
Carbon Price						Policy Meeting Run				NZ Inflation-Indexed Bonds		
	Level	% Day	% Year			NZD AUD USD						
NZU	54.75	-0.1	-3.9		1st	2.74 4.36 3.76				Sept-30	1.69	0.00
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer						2nd	2.86 4.40 3.83			Sept-35	2.51	0.00
Rates are as of: NZT 06:37						3rd	3.03 4.49 3.93			Sept-40	2.98	0.00
Source: Bloomberg						4th	3.17 4.52 3.98					
						5th	3.30 4.54 4.04					

NZD exchange rates

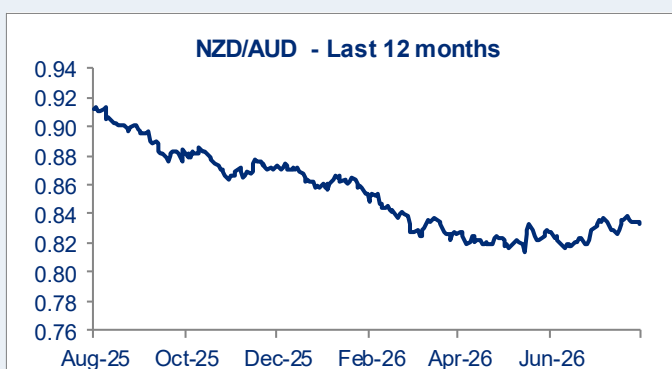
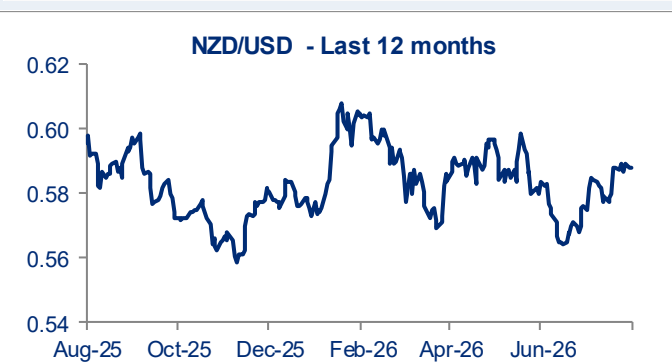
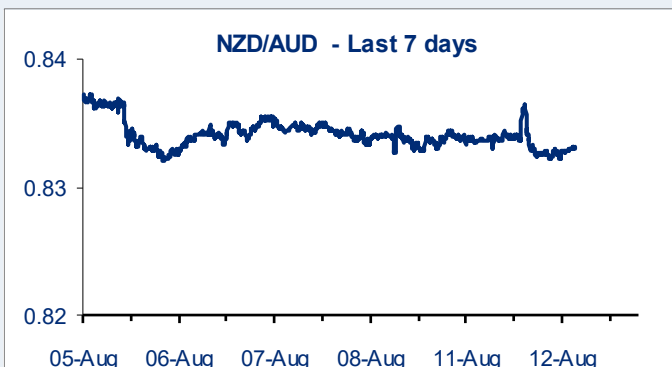
12/08/2026	6:37 am	Prev. NY close
USD	0.5879	0.5882
GBP	0.4354	0.4355
AUD	0.8332	0.8337
EUR	0.5094	0.5096
JPY	93.65	93.69
CAD	0.8183	0.8200
CHF	0.4774	0.4766
DKK	3.8099	3.8094
FJD	1.3044	1.3068
HKD	4.6131	4.6147
INR	56.11	56.05
NOK	5.5849	5.5870
PKR	163.36	163.44
PHP	36.02	35.73
PGK	2.6048	2.6084
SEK	5.5997	5.5853
SGD	0.7528	0.7531
CNY	3.9655	3.9682
THB	19.49	19.41
TOP	1.3908	1.3660
VUV	69.78	70.05
WST	1.5981	1.6011
XPF	60.68	60.67
ZAR	9.5333	9.5290

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	5.55	5.75
3 Months	15.09	15.69
6 Months	28.72	29.88
9 Months	37.48	40.94
1 Year	46.12	50.12

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	12.51	12.95
3 Months	33.95	35.29
6 Months	64.99	67.80
9 Months	87.21	93.78
1 Year	109.05	117.12



Contact Details

BNZ Research

Stephen Toplis
Head of Research

Doug Steel
Senior Economist

India Power
Economist

Jason Wong
Senior Markets Strategist

Stuart Ritson
Senior Interest Rate Strategist

Mike Jones
BNZ Chief Economist

Main Offices

Wellington
Level 2, BNZ Place
1 Whitmore St
Private Bag 39806
Wellington Mail Centre
Lower Hutt 5045
New Zealand
Toll Free: 0800 283 269

Auckland
80 Queen Street
Private Bag 92208
Auckland 1142
New Zealand
Toll Free: 0800 283 269

Christchurch
111 Cashel Street
Christchurch 8011
New Zealand
Toll Free: 0800 854 854

This document has been produced by Bank of New Zealand (BNZ). BNZ is a registered bank in New Zealand and is only authorised to offer products and services to customers in New Zealand.

Analyst Disclaimer: The Information accurately reflects the personal views of the author(s) about the securities, issuers and other subject matters discussed, and is based upon sources reasonably believed to be reliable and accurate. The views of the author(s) do not necessarily reflect the views of the NAB Group. No part of the compensation of the author(s) was, is, or will be, directly or indirectly, related to any specific recommendations or views expressed.

BNZ maintains an effective information barrier between the research analysts and its private side operations. Private side functions are physically segregated from the research analysts and have no control over their remuneration or budget. The research functions do not report directly or indirectly to any private side function. The Research analyst might have received help from the issuer subject in the research report.

New Zealand: The information in this publication is provided for general information purposes only, and is a summary based on selective information which may not be complete for your purposes. This publication does not constitute any advice or recommendation with respect to any matter discussed in it, and its contents should not be relied on or used as a basis for entering into any products described in it. Bank of New Zealand recommends recipients seek independent advice prior to acting in relation to any of the matters discussed in this publication.

Any statements as to past performance do not represent future performance, and no statements as to future matters are guaranteed to be accurate or reliable.

Neither Bank of New Zealand nor any person involved in this publication accepts any liability for any loss or damage whatsoever which may directly or indirectly result from any advice, opinion, information, representation or omission, whether negligent or otherwise, contained in this publication.

USA: If this document is distributed in the United States, such distribution is by nabSecurities, LLC. This document is not intended as an offer or solicitation for the purchase or sale of any securities, financial instrument or product or to provide financial services. It is not the intention of nabSecurities to create legal relations on the basis of information provided herein.