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.

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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

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

	Last	% Day	Low	High
NZD	0.5879	-0.1	0.5868	0.5888
AUD	0.7056	+0.0	0.7047	0.7069
EUR	1.1540	-0.0	1.1531	1.1548
GBP	1.3501	-0.0	1.3492	1.3516
JPY	159.29	+0.0	159.06	159.39
CAD	1.3919	-0.2		
NZD/AUD	0.8332	-0.1		
NZD/EUR	0.5094	-0.0		
NZD/GBP	0.4354	+0.0		
NZD/JPY	93.65	-0.0		
NZD/CAD	0.8183	-0.2		
NZ TWI	66.83	-0.0		

Other FX

	Last	% Day
CHF	0.8109	+0.1
SEK	9.524	+0.3
NOK	9.499	+0.0
HKD	7.847	+0.0
CNY	6.746	-0.0
SGD	1.280	-0.0
IDR	17,861	+0.6
THB	33.15	+0.4
KRW	1,414	-0.3
TWD	32.29	+0.2
PHP	61.26	+0.8

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,727	-0.3	21.2
Dow	53,840	-0.2	22.4
Nasdaq	26,398	-0.8	23.4
Stoxx 50	6,551	+0.2	22.9
FTSE	10,844	-0.2	18.8
DAX	26,391	+0.3	9.6
CAC 40	8,715	-0.1	13.2
Nikkei	66,970	+2.1	56.8
Shanghai	3,934	-0.8	7.9
ASX 200	9,251	+0.2	4.2
NZX 50	13,861	-0.2	8.6
VIX Index	15.27	-1.2	-6.0

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	88.85	+1.3
Oil (WTI)	83.13	+1.2
Gold	4365.1	+0.1
HRC steel	1193.0	-0.2
CRB	390.2	+2.4
SGX Iron Ore	95.85	+0.1
NZ Milk '26	9.75	-0.1
NZ Milk '27	9.58	-0.2
NZ Milk '28	9.56	-0.5
WM powder	3550	+0.0

Australian Futures

3 year bond	95.44	-0.02
10 year bond	94.98	0.02

Interest Rates

Rates / **Swap Yields**

	Cash	3Mth	2 Yr	10 Yr
USD	3.75	4.85	4.07	4.27
AUD	4.35	4.51	4.56	5.06
NZD	2.50	2.95	3.66	4.40
EUR	2.25	2.48	2.97	3.18
GBP	3.75	3.87	4.21	4.57
JPY	0.98	-0.03	1.65	2.69
CAD	2.25	4.97	2.90	3.46

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.68	-0.02
AUD	5.03	0.04
NZD	4.69	0.01
GER	3.16	-0.02
GBP	4.96	-0.03
JPY	2.83	0.00
CAD	3.70	-0.02

NZ Government Bonds

	Last	Chg
15-May-28	3.58	0.01
20-Apr-29	3.79	0.02
15-May-30	3.97	0.02
15-May-31	4.14	0.01
15-May-32	4.29	0.02
14-Apr-33	4.39	0.02
15-May-34	4.49	0.01
15-May-35	4.59	0.01
15-May-36	4.69	0.01
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

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.76	0.01
BKBM 3-mth	2.95	0.00
1 year	3.39	0.01
2 year	3.66	0.02
3 year	3.80	0.01
5 year	4.01	0.01
7 year	4.19	0.01
10 year	4.40	0.01
15 year	4.65	0.02

NZ Inflation-Indexed Bonds

	Last	Chg
Sept-30	1.69	0.00
Sept-35	2.51	0.00
Sept-40	2.98	0.00

Carbon Price

	Level	% Day	% Year
NZU	54.75	-0.1	-3.9

Policy Meeting Run

	NZD	AUD	USD
1st	2.74	4.36	3.76
2nd	2.86	4.40	3.83
3rd	3.03	4.49	3.93
4th	3.17	4.52	3.98
5th	3.30	4.54	4.04

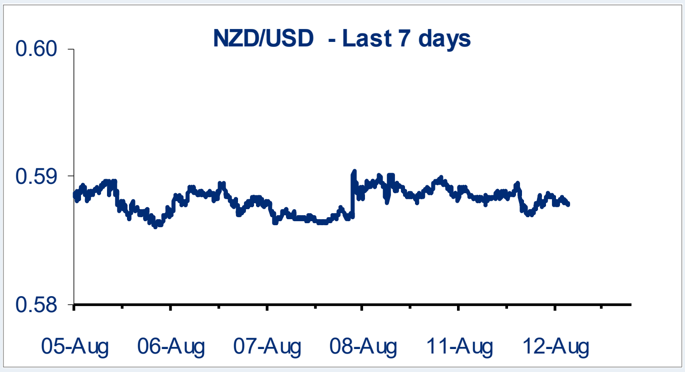
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer

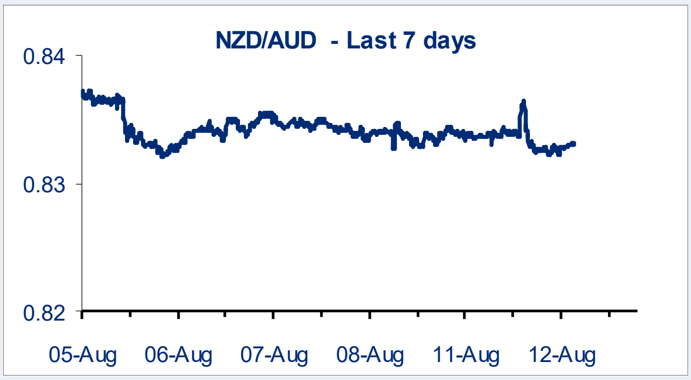
Rates are as of: NZT 06:37

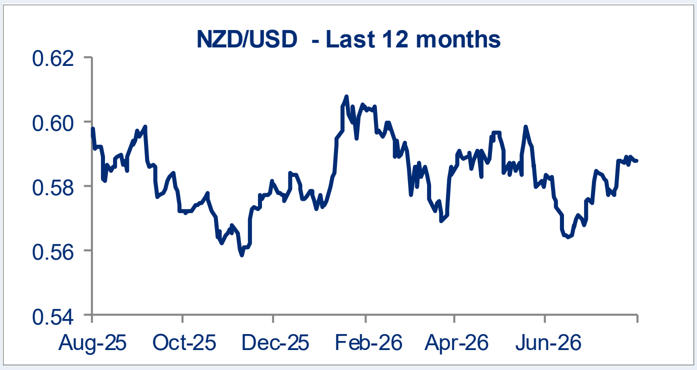
Source: Bloomberg

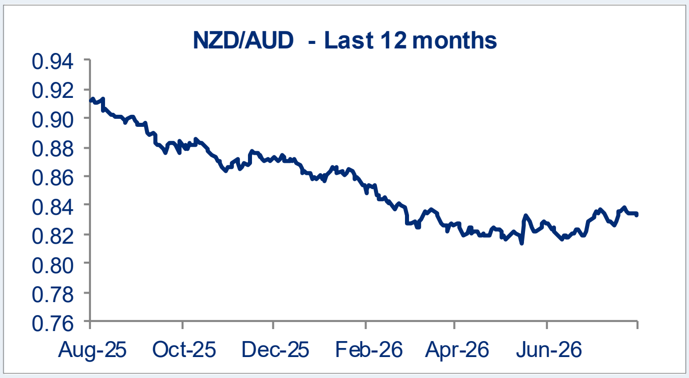
NZD exchange rates

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

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