

Research Markets Today

7 July 2026

Events round-up

GE: Factory Orders (m/m%), May: 1.9 vs. 1.1 exp.

US: ISM Services Index, Jun: 54.0 vs. 54.0 exp.

Good morning

US equities gained as investors returned from the long weekend. The Nasdaq is up about 1%, with oversold semiconductor and memory stocks rebounding after last week's sharp falls, suggesting investors may be less concerned about the AI-related worries that have weighed on the sector in recent weeks. The S&P is up around 0.5%, while major European indices closed modestly lower. On the economic front, the US services sector expanded in June at a slightly slower pace, although firms lifted employment as cost pressures eased. Rates and FX markets are little changed.

Oil traded in a narrow range after OPEC+ signalled higher supply. Seven members backed another modest quota increase for next month, adding 188k barrels a day. While those barrels remain largely hypothetical, the decision points to a desire to lift output as conditions normalise. Brent time spreads have shifted into bearish contango, with nearby contracts trading below longer-dated ones, indicating a potential near-term supply overhang.

The US ISM services index dipped to 54.0 in June but remained comfortably in expansionary territory. Business activity and new orders eased, though still pointed to solid demand, while the employment index moved above 50 for the first time since February. Prices continued to rise, but at a slower pace, with the prices subindex falling to a four-month low. This likely reflects lower commodity prices rather than a broader easing in services-sector inflation.

US treasuries reopened after Friday's public holiday marginally lower in yield, but overall moves were small. 10-year yields dipped to 4.46% before rebounding to current levels near 4.48%. There was limited reaction to the data. Quiet conditions prevailed in European markets while the longer end of the JGB curve came under

pressure. Japan's 20-year government bond yield rose 4bp to 3.78%, the highest since 1996.

ECB hawk Schnabel said lower energy prices haven't restored pre-war conditions, with pipeline and supply-chain pressures still elevated. She cited the need to refill energy reserves and inventories, alongside persistent core inflation momentum. Wunsch offered an alternative view, saying he isn't excluding another hike, though the backdrop has improved. Markets price around 20bp of ECB tightening by year-end.

Currency markets were subdued overall, with only small net changes across G10 currencies since the NZ close. The euro was little changed against the dollar, while the yen was slightly weaker. NZD/USD softened during the local session yesterday and dipped below 0.5680 overnight before recovering towards 0.5700. Movements on the main NZD crosses were modest, although the NZD strengthened against the yen and Swiss franc.

NZ fixed income markets moved lower in yield in the local session yesterday. Domestic catalysts were limited, with lower offshore yields setting the tone. Swap rates fell 2–3bp, with the curve flattening slightly. The 2-year rate closed 2bp lower at 3.36%, while the 10-year rate ended 3bp lower at 4.07%.

The NZGB curve had a parallel 2bp shift lower. In primary markets, the NZ Local Government Funding Agency will hold its monthly tender today, offering NZ\$150 million across three lines, skewed towards longer maturities.

There is no domestic data scheduled and only second-tier international releases which should have limited impact on markets.

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Coming up

		Period	Cons.	Prev.	NZT
JN	Scheduled Full-Time Pay (y/y%)	May	2.6	11:30	
GE	Industrial Production (m/m%)	May	0.1	0.4	18:00
US	Trade Balance	May	-78.5	-55.9	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	0.5701	-0.2	0.5677	0.5701	CHF	0.8054	+0.3	S&P 500	7,532	+0.7	20.0	Oil (Brent)	71.98	-0.2
AUD	0.6953	+0.2	0.6924	0.6954	SEK	9.630	-0.3	Dow	52,951	+0.1	18.1	Oil (WTI)	68.55	-0.2
EUR	1.1438	+0.0	1.1409	1.1440	NOK	9.799	-0.5	Nasdaq	26,138	+1.2	26.9	Gold	4168.4	+1.0
GBP	1.3383	+0.2	1.3329	1.3384	HKD	7.843	-0.0	Stoxx 50	6,398	-0.2	21.0	HRC steel	1155.0	-0.1
JPY	162.15	+0.5	162.15	162.43	CNY	6.794	+0.2	FTSE	10,652	-0.3	20.7	CRB	353.0	-0.2
CAD	1.4212	+0.1			SGD	1.292	+0.0	DAX	25,818	+0.1	8.5	Wheat Chic.	614.3	+2.4
NZD/AUD	0.8199	-0.4			IDR	17,995	+0.2	CAC 40	8,480	-0.3	10.2	Sugar	15.22	+2.1
NZD/EUR	0.4984	-0.2			THB	33.28	+0.3	Nikkei	69,738	-0.0	76.2	Cotton	72.57	-1.0
NZD/GBP	0.4260	-0.4			KRW	1,530	-0.0	Shanghai	4,041	-0.1	16.4	Coffee	350.0	+15.3
NZD/JPY	92.44	+0.3			TWD	32.04	+0.3	ASX 200	8,831	-0.2	2.8	WM powder	3450	-0.9
NZD/CAD	0.8102	-0.1			PHP	61.50	+0.1	NZX 50	13,763	+1.1	7.8	Australian Futures		
NZ TWI	65.51	-0.1						VIX Index	15.86	+0.3	-9.3	3 year bond	95.62	0.02
												10 year bond	95.17	0.01
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	3.97	4.06	USD	4.48	-0.00	15-May-28	3.33	-0.04	BKBM 1-mth	2.63	0.02	
AUD	4.35	4.47	4.42	4.87	AUD	4.79	-0.01	20-Apr-29	3.52	-0.04	BKBM 3-mth	2.75	0.00	
NZD	2.25	2.75	3.35	4.07	NZD	4.42	-0.03	15-May-30	3.71	-0.04	1 year	3.11	-0.02	
EUR	2.25	2.32	2.73	3.00	GER	2.95	0.01	15-May-31	3.88	-0.03	2 year	3.35	-0.03	
GBP	3.75	3.87	3.98	4.38	GBP	4.79	0.01	15-May-32	4.03	-0.03	3 year	3.48	-0.03	
JPY	0.99	-0.03	1.43	2.67	JPY	2.83	0.04	14-Apr-33	4.13	-0.03	5 year	3.69	-0.03	
CAD	2.25	4.97	2.64	3.18	CAD	3.43	-0.01	15-May-34	4.23	-0.03	7 year	3.87	-0.03	
								15-May-35	4.32	-0.03	10 year	4.07	-0.03	
								15-May-36	4.42	-0.03	15 year	4.31	-0.03	
								15-May-37	4.52	-0.03				
								15-May-41	4.80	-0.03				
								15-May-51	5.05	-0.03				
								15-May-54	5.06	-0.03				
Carbon Price					Policy Meeting Run			NZ Inflation-Indexed Bonds						
	Level	% Day	% Year		NZD	AUD	USD							
NZU	53.95	+0.4	-5.1	1st	2.43	4.40	3.70	Sept-30	1.56		0.01			
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer					2nd	2.61	4.42	3.81	Sept-35	2.37	0.01			
Rates are as of: NZT 06:17					3rd	2.68	4.47	3.85	Sept-40	2.84	0.01			
Source: Bloomberg					4th	2.84	4.47	3.94						
					5th	2.96	4.44	3.96						

NZD exchange rates

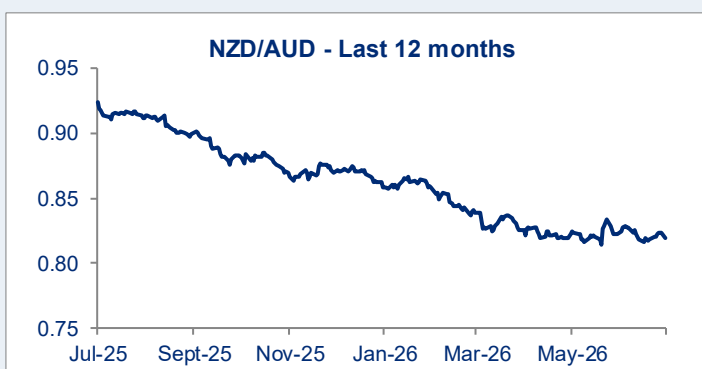
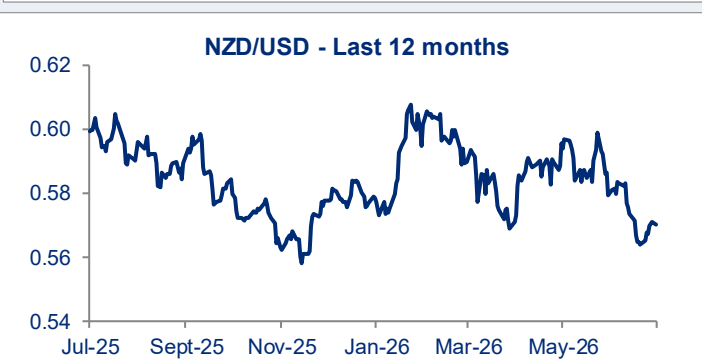
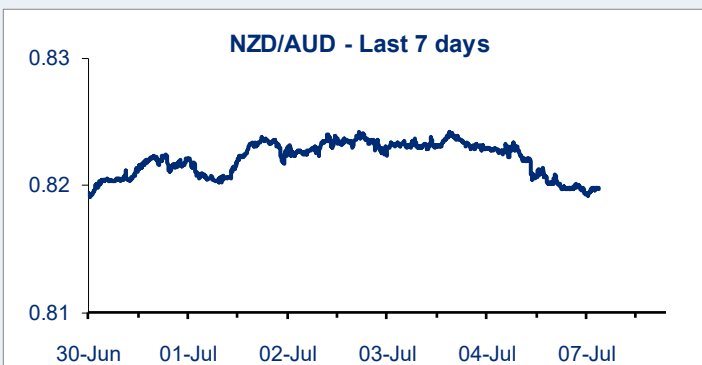
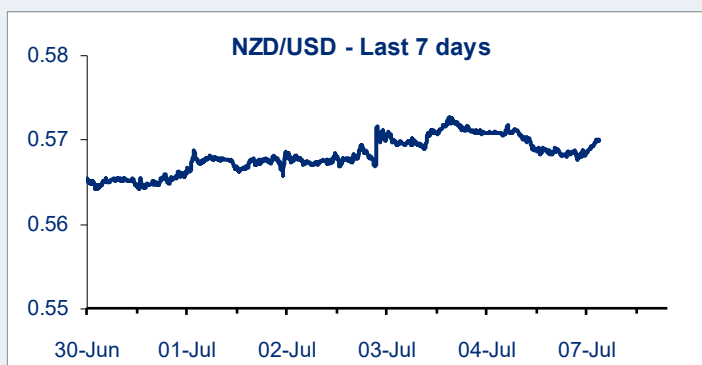
7/07/2026	6:17 am	Prev. NY close
USD	0.5701	0.5711
GBP	0.4260	0.4278
AUD	0.8199	0.8229
EUR	0.4984	0.4993
JPY	92.44	92.14
CAD	0.8102	0.8110
CHF	0.4592	0.4588
DKK	3.7256	3.7321
FJD	1.2714	1.2748
HKD	4.4711	4.4791
INR	54.39	54.38
NOK	5.5865	5.6221
PKR	158.58	158.87
PHP	35.06	35.08
PGK	2.5048	2.5070
SEK	5.4901	5.5142
SGD	0.7365	0.7377
CNY	3.8733	3.8713
THB	19.01	18.92
TOP	1.3405	1.3312
VUV	68.30	68.44
WST	1.5508	1.5619
XPF	59.51	59.62
ZAR	9.2379	9.2705

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	6.19	6.42
3 Months	16.83	17.43
6 Months	32.39	33.72
9 Months	45.41	47.50
1 Year	56.15	59.25

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	13.52	14.05
3 Months	37.24	38.59
6 Months	70.73	73.82
9 Months	98.93	103.71
1 Year	122.53	129.39



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