Research

Markets Today

8 July 2026

Events round-up

JN: Scheduled Full-Time Pay (y/y%), May: 2.4 vs. 2.6 prev.

GE: Industrial Production (m/m%), May: 0.9 vs. 0.1 exp.

US: Trade Balance ($bn), May: -77.6 vs. -78.5 exp.

Good morning

There was a softer tone across global equity markets, led by weakness in the technology sector. The move began in Asia yesterday after Samsung reported record earnings but failed to meet elevated investor expectations. Its shares fell in South Korea, dragging the Kospi down nearly 5% and weighing on chip stocks globally. The Nasdaq fell more than 1.5% in US trading before subsequently recovering. With limited economic data to guide markets, global bond yields moved higher while currency markets were subdued. Oil prices rose following attacks on ships in the Persian Gulf.

Iran reportedly fired missiles at commercial ships transiting the Strait of Hormuz, testing a late-June agreement with the US to halt attacks. The vessels sustained significant damage, according to a US official. The incident highlights the fragility of the de-escalation phase, with key issues still unresolved as the US and Iran work toward a broader agreement, including frozen Iranian assets and Tehran's nuclear ambitions. Brent crude rose 3% to US$74 per barrel.

Higher oil prices and a large US$25 billion debt issue from Amazon pushed US Treasury yields higher. The Treasury curve is 4-5bp higher since the NZ close, with 10-year yields up 5bp to 4.52%. The move was not enough to generate strong demand at the US$58 billion 3-year auction, which cleared about 0.5bp above prevailing market levels. Comparable-maturity Amazon debt offered a pickup of around 65bp over Treasuries. European bonds were also under pressure from higher oil prices, with 10-year bund yields up 5bp to 2.99%.

G10 currency moves were small. The US dollar was marginally firmer, attributed to safe-haven demand as geopolitical tensions rose after the attacks on shipping. CFTC data released after we published yesterday showed speculative accounts had continued to add to US dollar long positions in futures markets, a proxy for the broader FX market. The aggregate USD long increased to US$40 billion, the largest in 10 years.

The NZD slipped below 0.5700 yesterday afternoon and oscillated in a narrow range around 0.5690 overnight. The yen maintained its gains after Growth Strategy Minister Minoru Kiuchi said reports suggesting the government encouraged low rates as part of its fiscal expansion policy were incorrect. USD/JPY was stable near 162. Moves in the main NZD crosses were modest.

NZ fixed income had another quiet local session yesterday as market participants looked ahead to today's RBNZ Monetary Policy Review. At the close, markets were pricing about a 70% chance of a hike, little changed on the day. Swap rates were flat to 2bp lower, while 10-year government bond yields closed 1bp higher at 4.43%.

The RBNZ is widely expected to begin its tightening cycle today with a 25bp OCR increase to 2.50%, although a small minority of economists expect no change. Assuming the Bank delivers, the accompanying messaging will be important for rates markets and the currency. We expect the RBNZ to retain a tightening bias while acknowledging the need to move policy closer to neutral from its currently accommodative setting.

Minutes of the June FOMC meeting, new Fed Chair Kevin Warsh's first, are released early tomorrow and should show broader support for a potential rate hike. They may provide more detail on the Committee's hawkish shift after nine participants projected tighter policy by year-end. The key question is whether that support is concentrated among regional Fed presidents or extends to the Board. Warsh's communications overhaul also raises the risk that the minutes are shorter and less detailed than usual.

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Coming up

		Period	Cons.	Prev.	NZT
NZ	RBNZ Official Cash Rate	July	2.5	2.25	14:00
US	FOMC Meeting Minutes	17-Jun			06:00

Source: Bloomberg

Currencies

FX Majors / Indicative overnight ranges (*)

	Last	% Day	Low	High
NZD	0.5689	-0.2	0.5682	0.5698
AUD	0.6941	-0.2	0.6934	0.6955
EUR	1.1427	-0.1	1.1418	1.1442
GBP	1.3372	-0.1	1.3361	1.3394
JPY	161.89	-0.1	161.67	162.08
CAD	1.4186	-0.1		
NZD/AUD	0.8196	+0.0		
NZD/EUR	0.4979	-0.1		
NZD/GBP	0.4254	-0.1		
NZD/JPY	92.10	-0.3		
NZD/CAD	0.8070	-0.3		
NZ TWI	65.38	-0.2		

Other FX

	Last	% Day
CHF	0.8068	+0.2
SEK	9.666	+0.4
NOK	9.797	+0.1
HKD	7.842	-0.0
CNY	6.796	+0.0
SGD	1.292	-0.0
IDR	17,980	-0.1
THB	33.31	+0.1
KRW	1,512	-1.1
TWD	32.16	+0.4
PHP	61.44	-0.1

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,519	-0.3	20.7
Dow	52,921	-0.3	19.2
Nasdaq	25,948	-0.6	27.1
Stoxx 50	6,320	-1.2	18.3
FTSE	10,666	+0.1	21.1
DAX	25,465	-1.4	5.8
CAC 40	8,436	-0.5	9.2
Nikkei	68,257	-2.1	72.0
Shanghai	3,990	-1.3	14.9
ASX 200	8,804	-0.3	2.5
NZX 50	13,763	-0.0	7.0
VIX Index	15.60	+0.2	-12.3

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	74.12	+3.0
Oil (WTI)	70.45	+2.8
Gold	4153.3	-0.4
HRC steel	1155.0	+0.0
CRB	362.3	+2.6
Wheat Chic.	618.5	+0.7
Sugar	15.14	-0.8
Cotton	73.95	+1.9
Coffee	317.6	-9.3
WM powder	3490	+1.2

Australian Futures

	Last	Net Day
3 year bond	95.60	-0.03
10 year bond	95.13	-0.05

Interest Rates

Rates / Swap Yields

	Cash	3Mth	2 Yr	10 Yr
USD	3.75	4.85	4.01	4.10
AUD	4.35	4.46	4.43	4.91
NZD	2.25	2.73	3.34	4.07
EUR	2.25	2.32	2.77	3.05
GBP	3.75	3.87	4.04	4.44
JPY	0.98	-0.03	1.44	2.68
CAD	2.25	4.97	2.68	3.22

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.52	0.05
AUD	4.82	0.03
NZD	4.43	0.01
GER	2.99	0.05
GBP	4.85	0.06
JPY	2.86	0.03
CAD	3.47	0.05

NZ Government Bonds

	Last	Chg
15-May-28	3.32	-0.01
20-Apr-29	3.51	-0.01
15-May-30	3.70	-0.01
15-May-31	3.87	-0.01
15-May-32	4.03	-0.00
14-Apr-33	4.14	0.00
15-May-34	4.24	0.00
15-May-35	4.33	0.01
15-May-36	4.43	0.01
15-May-37	4.53	0.01
15-May-41	4.81	0.01
15-May-51	5.06	0.01
15-May-54	5.08	0.02

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.62	-0.01
BKBM 3-mth	2.73	-0.02
1 year	3.10	-0.00
2 year	3.34	-0.02
3 year	3.47	-0.02
5 year	3.68	-0.02
7 year	3.86	-0.01
10 year	4.07	0.00
15 year	4.31	0.00

NZ Inflation-Indexed Bonds

	Last	Chg
Sept-30	1.56	-0.00
Sept-35	2.36	-0.01
Sept-40	2.83	-0.01

Carbon Price

	Level	% Day	% Year
NZU	53.80	-0.3	-8.2

Policy Meeting Run

	NZD	AUD	USD
1st	2.44	4.40	3.70
2nd	2.60	4.42	3.81
3rd	2.68	4.47	3.87
4th	2.84	4.48	3.96
5th	2.96	4.45	4.00

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

Rates are as of: NZT 06:21

Source: Bloomberg

NZD exchange rates

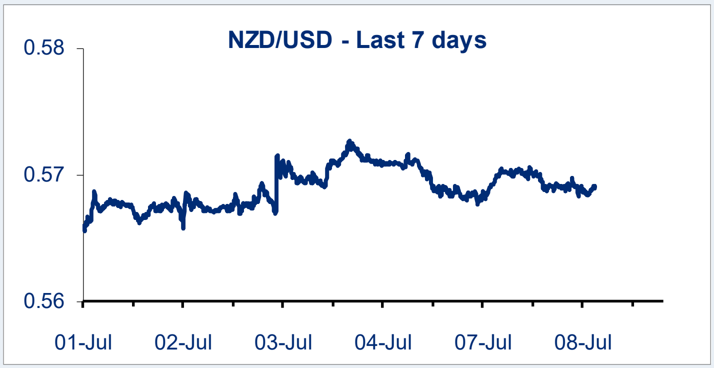
8/07/2026	6:22 am	Prev. NY close
USD	0.5689	0.5701
GBP	0.4254	0.4257
AUD	0.8196	0.8197
EUR	0.4979	0.4983
JPY	92.10	92.41
CAD	0.8070	0.8098
CHF	0.4590	0.4590
DKK	3.7215	3.7245
FJD	1.2687	1.2768
HKD	4.4615	4.4714
INR	54.03	54.39
NOK	5.5737	5.5789
PKR	158.25	158.59
PHP	34.95	35.06
PGK	2.4996	2.5070
SEK	5.4992	5.4898
SGD	0.7349	0.7367
CNY	3.8661	3.8735
THB	18.95	19.01
TOP	1.3233	1.3405
VUV	68.14	68.33
WST	1.5543	1.5613
XPF	59.41	59.50
ZAR	9.2400	9.2354

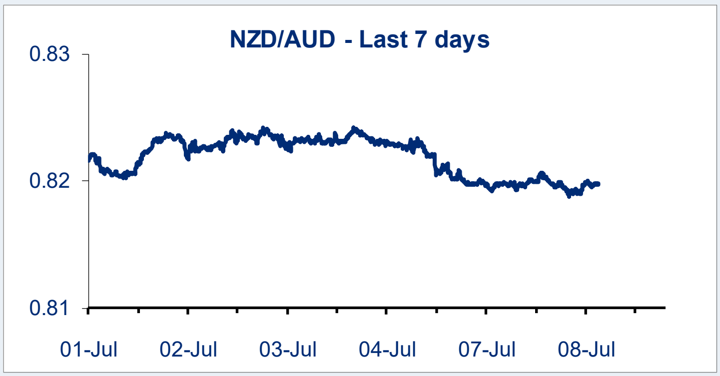
NZD/USD Forward Points

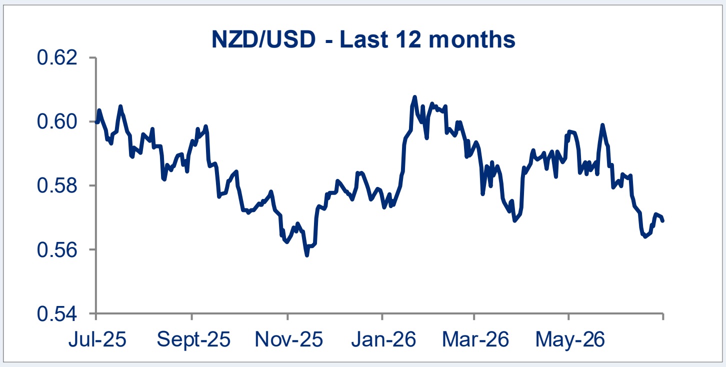
	BNZ buys NZD	BNZ sells NZD
1 Month	5.88	6.12
3 Months	16.68	17.40
6 Months	32.81	34.49
9 Months	45.64	48.75
1 Year	57.04	60.96

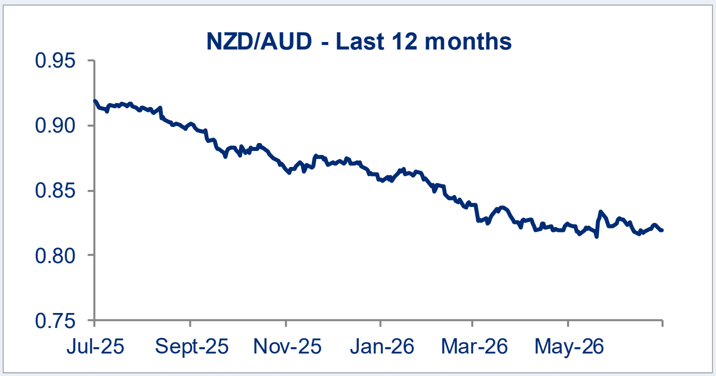
NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	12.99	13.52
3 Months	36.99	38.51
6 Months	71.33	74.84
9 Months	98.70	104.97
1 Year	122.58	130.63









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