Research

Markets Today

9 July 2026

Events round-up

NZ: RBNZ Official Cash Rate, July: 2.5 vs. 2.5 exp.

Good morning

A renewed flare-up in US-Iran tensions weighed on equity markets and pushed global bond yields higher, as oil prices jumped after President Trump said the ceasefire with Iran was over and the US launched a fresh round of strikes. The S&P was initially down more than 1%, though it has since pared most of those losses. European markets were weaker, with the Euro Stoxx falling close to 2%. Global yields moved higher, led by the UK and Europe, as markets priced greater inflation risk and the potential for tighter policy. Currency-market moves were limited.

The developments followed renewed attacks on commercial shipping in the Strait of Hormuz, which Washington blamed on Tehran. The US launched strikes on Iran, while President Trump threatened further action and raised the prospect of reinstating a blockade on Iranian ports. The escalation followed the revocation of a US waiver allowing Iran to sell oil globally. Brent crude traded above US$80 per barrel before retracing but remains well above the US$72 level seen earlier in the week, reflecting risks to Gulf exports and energy supply chains.

The minutes from the June FOMC meeting showed growing concern among policymakers about inflation, while worries over the labour market had eased slightly. Those inflation concerns extended beyond tariffs and oil, with officials also discussing the potential inflationary consequences of AI-driven demand. A few Fed officials saw a case for raising rates, although they ultimately supported leaving policy on hold. The market reaction was limited, as the shift in the dot plot had already signalled the committee's more hawkish bias.

US Treasuries extended their recent selloff. Higher energy prices pushed 2-year yields above 4.20%, only marginally below the year's high reached in June. 10-year Treasuries traded up towards 4.60% before retracing, with those yield levels attracting solid demand at the US$39 billion auction, which cleared below prevailing market levels. European bond markets also came under pressure, with 10-year bund yields rising 10bp to 3.09%. The market is now pricing 37bp of ECB hikes by December, up from around 20bp earlier in the week.

The volatility in energy markets and higher yields had limited impact on currency markets. The US dollar initially gained after Trump said the ceasefire had ended, but the move subsequently unwound. Net movements across G10 currencies since the local close were modest. Energy-linked currencies, including the Norwegian krone and Canadian dollar, outperformed at the margin. The NZD firmed towards 0.5720 following yesterday's RBNZ decision before retracing towards 0.5700 in offshore trade. NZD crosses were mostly little changed, although NZD/GBP slipped towards 0.4255.

The RBNZ increased the OCR by 25bp to 2.50% in a unanimous decision, broadly matching analyst expectations and market pricing. The Committee judged that it was appropriate to begin withdrawing policy stimulus to ensure inflation returns to target over the medium term. The Bank retained a data-dependent tightening bias, signalling that further OCR increases are likely, though the timing remains uncertain.

NZ rates had moved higher in the local session yesterday ahead of the RBNZ decision reflecting offshore markets linked to the spike in energy prices. Rates extended higher following the central bank's decision, but the moves were not large. 2-year closed 6bp higher at 3.39% and the curve steepened with 10-year rates increasing 9bp to 4.16%.

The weekly government bond auction will offer the May-2031 ($275m), May-2035 ($175m) nominals lines and a small parcel of Sep-30 linkers. NZ Debt Management announced the syndicate for the new 15 May 2038 nominal bond yesterday which suggests a transaction is imminent. We expect the deal to launch at the start of next week and price either Tuesday or Wednesday.

The June manufacturing PMI is released a day early because of Friday's public holiday, after dipping toward 50 in May. Lower oil prices likely contributed to slower producer-price inflation in China, while consumer inflation remained subdued. US initial jobless claims are expected to be little changed.

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Coming up

		Period	Cons.	Prev.	NZT
NZ	Manufacturing PMI	Jun		49.9	10:30
CH	PPI (y/y%)	Jun	4.1	3.9	13:30
CH	CPI (y/y%)	Jun	1.1	1.2	13:30
US	Initial Jobless Claims	4-Jul	218	215	00:30
US	Fed's Williams in Moderated Discussion				01:00
US	Existing Home Sales (m/m%)	Jun	1	3.2	02:00

Source: Bloomberg

Currencies

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

	Last	% Day	Low	High
NZD	0.5705	+0.5	0.5681	0.5720
AUD	0.6935	+0.1	0.6907	0.6943
EUR	1.1427	+0.1	1.1391	1.1432
GBP	1.3402	+0.3	1.3322	1.3410
JPY	162.47	+0.2	162.18	162.71
CAD	1.4170	-0.2		
NZD/AUD	0.8226	+0.4		
NZD/EUR	0.4993	+0.3		
NZD/GBP	0.4257	+0.2		
NZD/JPY	92.69	+0.7		
NZD/CAD	0.8084	+0.2		
NZ TWI	65.59	+0.5		

Other FX

	Last	% Day
CHF	0.8079	-0.0
SEK	9.692	-0.1
NOK	9.772	-0.3
HKD	7.840	-0.0
CNY	6.806	+0.1
SGD	1.293	+0.1
IDR	18,014	+0.2
THB	33.44	+0.3
KRW	1,506	-0.6
TWD	32.04	-0.4
PHP	61.51	+0.1

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,478	-0.4	20.1
Dow	52,355	-1.1	18.3
Nasdaq	25,800	-0.1	26.4
Stoxx 50	6,205	-1.8	15.5
FTSE	10,489	-1.7	18.5
DAX	24,897	-2.2	2.9
CAC 40	8,253	-2.2	6.3
Nikkei	66,819	-2.1	67.8
Shanghai	3,971	-0.5	13.5
ASX 200	8,785	-0.2	2.9
NZX 50	13,665	-0.7	7.0
VIX Index	16.77	+4.0	-0.2

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	78.05	+5.2
Oil (WTI)	73.60	+4.5
Gold	4082.6	-1.8
HRC steel	1155.0	+0.0
CRB	363.1	+0.2
Wheat Chic.	607.8	-1.8
Sugar	15.11	-0.1
Cotton	76.94	+4.0
Coffee	309.8	-1.3
WM powder	3395	-2.7

Australian Futures

	Last	Net Day
3 year bond	95.55	-0.05
10 year bond	95.05	-0.05

Interest Rates

Rates / **Swap Yields**

	Cash	3Mth	2 Yr	10 Yr
USD	3.75	4.85	4.06	4.15
AUD	4.35	4.47	4.50	4.98
NZD	2.50	2.74	3.39	4.16
EUR	2.25	2.31	2.88	3.14
GBP	3.75	3.87	4.18	4.54
JPY	0.99	-0.03	1.46	2.73
CAD	2.25	4.97	2.75	3.30

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.57	0.02
AUD	4.88	0.06
NZD	4.51	0.09
GER	3.09	0.10
GBP	4.97	0.13
JPY	2.87	0.01
CAD	3.56	0.07

NZ Government Bonds

	Last	Chg
15-May-28	3.37	0.05
20-Apr-29	3.56	0.05
15-May-30	3.75	0.06
15-May-31	3.93	0.06
15-May-32	4.10	0.07
14-Apr-33	4.21	0.07
15-May-34	4.32	0.08
15-May-35	4.42	0.09
15-May-36	4.51	0.08
15-May-37	4.62	0.09
15-May-41	4.89	0.09
15-May-51	5.14	0.08
15-May-54	5.15	0.08

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.64	0.02
BKBM 3-mth	2.74	0.01
1 year	3.16	0.06
2 year	3.39	0.06
3 year	3.53	0.06
5 year	3.75	0.08
7 year	3.94	0.09
10 year	4.16	0.09
15 year	4.41	0.10

NZ Inflation-Indexed Bonds

	Last	Chg
Sept-30	1.58	0.02
Sept-35	2.39	0.03
Sept-40	2.86	0.03

Carbon Price

	Level	% Day	% Year
NZU	54.00	+0.4	-7.4

Policy Meeting Run

	NZD	AUD	USD
1st	2.50	4.42	3.71
2nd	2.71	4.45	3.84
3rd	2.78	4.51	3.90
4th	2.92	4.52	4.00
5th	3.03	4.50	4.04

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

Rates are as of: NZT 06:22

Source: Bloomberg

NZD exchange rates

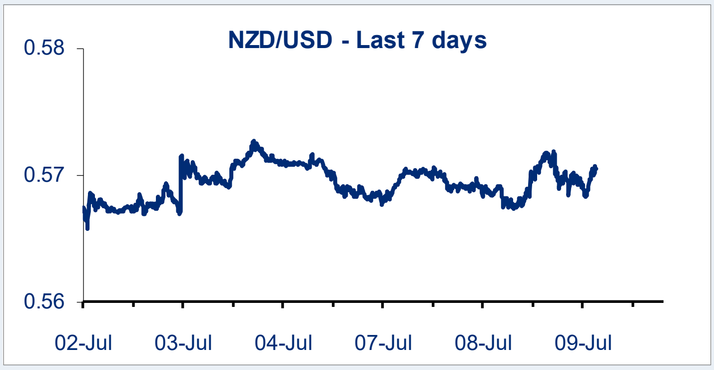
9/07/2026	6:23 am	Prev. NY close
USD	0.5705	0.5678
GBP	0.4257	0.4250
AUD	0.8226	0.8196
EUR	0.4993	0.4975
JPY	92.69	92.04
CAD	0.8084	0.8063
CHF	0.4609	0.4589
DKK	3.7323	3.7194
FJD	1.2734	1.2674
HKD	4.4724	4.4525
INR	54.52	53.92
NOK	5.5747	5.5661
PKR	158.61	157.94
PHP	35.09	34.88
PGK	2.5066	2.4893
SEK	5.5292	5.5054
SGD	0.7379	0.7339
CNY	3.8828	3.8587
THB	19.10	18.91
TOP	1.3311	1.3395
VUV	68.39	68.06
WST	1.5542	1.5504
XPF	59.58	59.34
ZAR	9.3417	9.2534

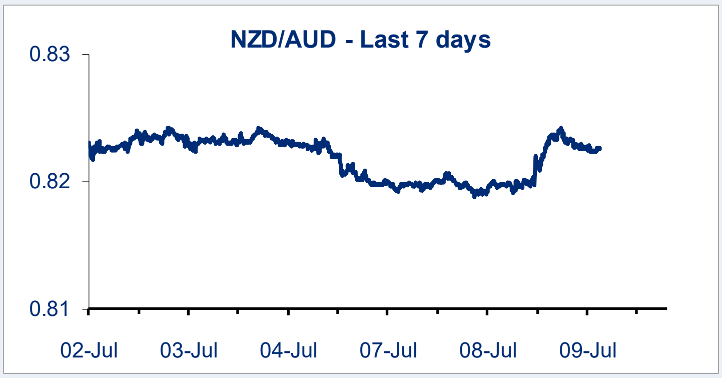
NZD/USD Forward Points

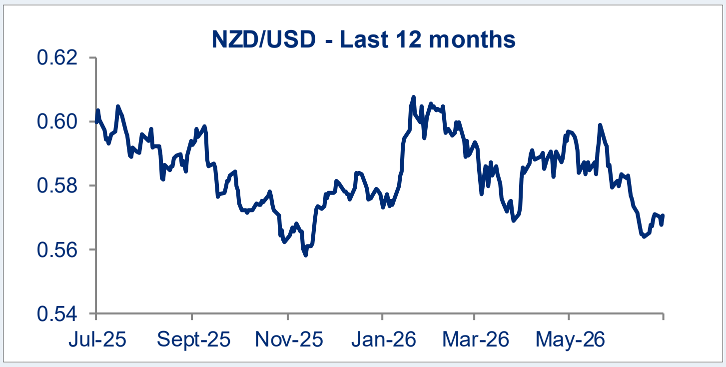
	BNZ buys NZD	BNZ sells NZD
1 Month	5.45	5.69
3 Months	15.77	16.42
6 Months	31.16	32.51
9 Months	44.02	46.68
1 Year	54.81	58.34

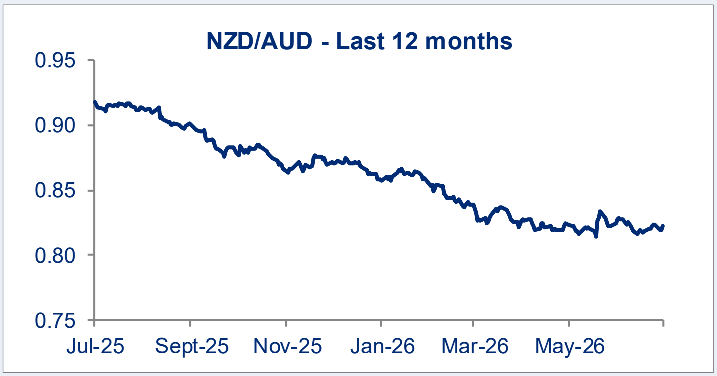
NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	12.21	12.71
3 Months	35.42	36.80
6 Months	68.28	71.31
9 Months	95.42	101.01
1 Year	119.02	126.52









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