

Research Markets Today

13 July 2026

Events round-up

CA: Unemployment rate (%), Jun: 6.5 vs. 6.6 exp.

Good morning

Market reaction to the escalation in Middle East tensions remained well contained at the end of last week. While NZ was on holiday, the US struck military targets and some infrastructure in Iran, while Iran fired drones and missiles towards several countries across various gulf nations. Military action continued through the weekend. Iran says the Strait of Hormuz is closed while the US position is that it remains open. Traffic through the Strait has been brought to a standstill. That's the state of play this morning, which investors will need to consider as trading for the new week begins.

On Friday night, President Trump repeated on social media that "the Cease Fire is OVER", while noting that Iran had asked to continue "talks", which the US had agreed to do. Hopes that talks could continue kept oil prices in check, with Brent crude closing the week slightly lower, around USD76 per barrel. Following more extensive strikes over the weekend, hope that talks can get back on track should fade.

According to a WSJ report, the Trump administration believes a nuclear deal with Iran is growing increasingly unlikely, senior US officials told reporters Friday. The comments represented a rare acknowledgment that one of the president's core foreign-policy goals — capping Tehran's nuclear programme — might not be achievable through peace talks. They also raise questions about whether President Trump is preparing for another major shift in strategy after declaring the US-Iran ceasefire over.

The increase in hostilities had little impact on equity markets heading into the weekly close, with the S&P500 closing in positive territory for a second successive day, up 0.4% on Friday. The Euro Stoxx index was barely positive on Friday, following its 0.8% gain the previous day.

Global rates markets showed little movement apart from JGBs. The US 10-year Treasury yield closed the week at 4.56%, down about a basis point from Thursday's NZ close. Japan's Finance Minister Katayama encouraged households and pension funds to increase their investment in Japanese financial assets, including the Government Pension Investment Fund (GPIF), one of the world's largest

pension funds with USD1.8 trillion of assets. The comments caught the market's attention, as a significant asset allocation shift along these lines would put upward pressure on US Treasury yields, if Japanese investors were to sell, while supporting the yen, Japanese equities and JGBs. JGBs showed the strongest reaction, with Japan's 10-year rate closing down 13bps on Friday to 2.74%.

Towards the end of the week, Fed Chair Warsh announced the leaders of the five task forces he was creating, as noted at the last FOMC meeting. The leaders comprise an impressive array of prominent academics, former central bankers and tech executives. In a speech, NY Fed President Williams said that, among the drivers of US inflation, he is most focused on AI-driven demand and, if that demand persists, it could force the Fed to raise interest rates.

In economic news, Canada's labour market report was stronger than expected, with employment rising by 18k, supporting a one-tenth fall in the unemployment rate to 6.5%. The data are not expected to have much influence on the Bank of Canada's policy decision this week, where there is a strong consensus for policy to remain on hold.

In currency markets, the main points of interest since our last daily report on Thursday have been NZD strength following the strong manufacturing PMI reading and yen support after Katayama's comments noted above. The NZ PMI does not usually have a market impact, but the significant 9.8pt rise to 59.7 in June attracted considerable attention, with notable follow-through price action into Friday. The timing of the data was notable, coming after the RBNZ's first rate hike in three years on Wednesday, and it supported the Bank's narrative that NZ's economic recovery is back on track in Q3, following the war-driven hit in Q2.

The NZD closed the week just above 0.5760, after meeting some resistance just above 0.5790 on Friday afternoon. This made it the best performer among the majors for the week, although its 0.9% gain was not particularly notable. Support for the yen was modest and, with USD/JPY closing the week at 161.70, the yen still recorded a small weekly loss.

While NZD crosses were all higher for the week, Friday's price action was fairly limited after stronger gains on Thursday. NZD/AUD closed the week at 0.8290, having been unable to sustain a temporary move above 0.83.

NZD/GBP and NZD/EUR were modestly stronger, closing the week at 0.43 and 0.5050 respectively.

In the domestic rates market on Thursday, rates were higher across the board, led by the short end. This reflected spillover from the RBNZ's Wednesday rate hike, which some had not expected, the strong PMI print, and some offshore influences. The 2-year swap rate closed up 13bps at 3.53%, the 5-year rate rose 10bps to 3.85%, and the 10-year rate rose 6bps to 4.22%. NZGBs showed similar moves across the curve. While the moves were sizeable, closing levels remained well within the trading ranges established over the past four months.

In the day ahead, NZ's performance of services index is released and, following the PMI result, it will draw

increased attention, with markets watching how much of an improvement it shows from the previous level of 47.5. The global calendar is light to start the week, with Fed's Waller speaking, which will be of some interest. Top-tier releases later this week include US inflation and retail sales data, and China Q2 GDP data. NZ QSBO data tomorrow will be well anticipated.

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Coming up

		Period	Cons. Prev.	NZT
NZ	Performance of services index	Jun	47.5	10:30
US	Fed's Waller Speaks at NYABE			04:30

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	0.5763	+0.1	0.5754	0.5778	CHF	0.8086	+0.2	S&P 500	7,575	+0.4	21.0	Oil (Brent)	76.01	-0.4
AUD	0.6953	+0.2	0.6936	0.6965	SEK	9.663	-0.0	Dow	52,637	+0.3	18.6	Oil (WTI)	71.41	-0.9
EUR	1.1415	-0.1	1.1412	1.1443	NOK	9.782	+0.6	Nasdaq	26,282	+0.3	27.7	Gold	4113.7	-0.7
GBP	1.3399	-0.0	1.3392	1.3437	HKD	7.839	+0.0	Stoxx 50	6,270	-0.2	16.5	HRC steel	1158.0	+0.3
JPY	161.72	-0.4	161.28	161.89	CNY	6.777	-0.2	FTSE	10,497	+0.2	17.4	CRB	366.2	-0.6
CAD	1.4157	-0.1			SGD	1.292	-0.1	DAX	25,067	-0.2	3.3	Wheat Chic.	640.3	+3.3
NZD/AUD	0.8289	+0.0			IDR	18,065	-0.4	CAC 40	8,339	+0.1	6.5	Sugar	14.88	-1.6
NZD/EUR	0.5049	+0.3			THB	33.29	-0.3	Nikkei	68,558	+1.2	73.3	Cotton	79.92	+1.3
NZD/GBP	0.4301	+0.2			KRW	1,499	-0.5	Shanghai	3,996	-1.0	13.8	Coffee	334.3	-3.9
NZD/JPY	93.20	-0.3			TWD	32.19	+0.5	ASX 200	8,806	+0.5	2.6	WM powder	3395	+0.0
NZD/CAD	0.8159	+0.0			PHP	61.53	-0.1	NZX 50	13,786	+0.9	8.7	Australian Futures		
NZ TWI	66.14	+0.9						VIX Index	15.03	-5.1	-8.4	3 year bond	95.59	0.04
												10 year bond	95.12	0.03
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	4.14	USD	4.56	0.01	15-May-28	3.50	0.13	BKBM 1-mth	2.70	0.06	
AUD	4.35	4.46	4.45	4.92	AUD	4.84	-0.04	20-Apr-29	3.69	0.13	BKBM 3-mth	2.83	0.09	
NZD	2.50	2.83	3.53	4.22	NZD	4.58	0.07	15-May-30	3.87	0.11	1 year	3.25	0.10	
EUR	2.25	2.38	2.85	3.09	GER	3.07	-0.02	15-May-31	4.03	0.10	2 year	3.53	0.13	
GBP	3.75	3.87	4.12	4.48	GBP	4.87	-0.03	15-May-32	4.19	0.09	3 year	3.65	0.13	
JPY	0.98	-0.03	1.44	2.59	JPY	2.74	-0.13	14-Apr-33	4.29	0.08	5 year	3.85	0.10	
CAD	2.25	4.97	2.73	3.26	CAD	3.51	-0.01	15-May-34	4.39	0.07	7 year	4.02	0.08	
								15-May-35	4.49	0.07	10 year	4.22	0.06	
								15-May-36	4.58	0.07	15 year	4.46	0.05	
								15-May-37	4.69	0.07				
								15-May-41	4.97	0.08	NZ Inflation-Indexed Bonds			
								15-May-51	5.22	0.08	Sept-30	1.68	0.10	
								15-May-54	5.23	0.08	Sept-35	2.48	0.09	
											Sept-40	2.95	0.09	
Carbon Price				Policy Meeting Run										
	Level	% Day	% Year		NZD	AUD	USD							
NZU	54.40	+0.0	-5.3	1st	2.72	4.41	3.71							
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer				2nd	2.82	4.44	3.85							
				3rd	3.00	4.49	3.91							
				4th	3.12	4.50	4.00							
				5th	3.22	4.46	4.05							
Rates at NY close														
Source: Bloomberg														

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

Rates at NY close

Source: Bloomberg

NZD exchange rates

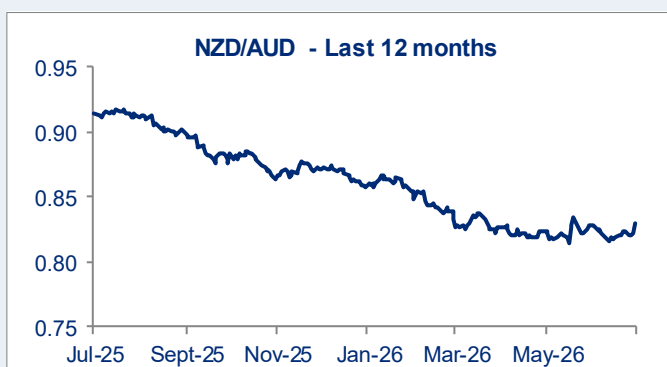
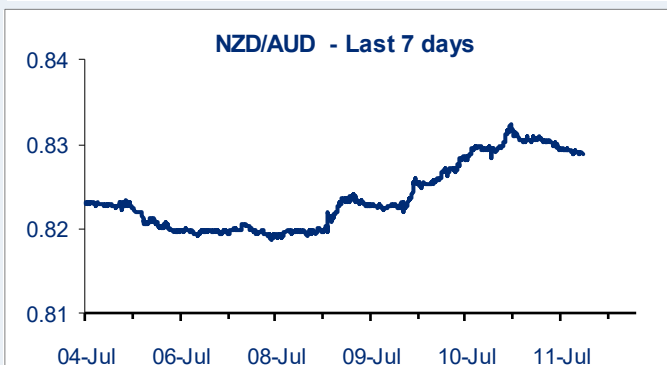
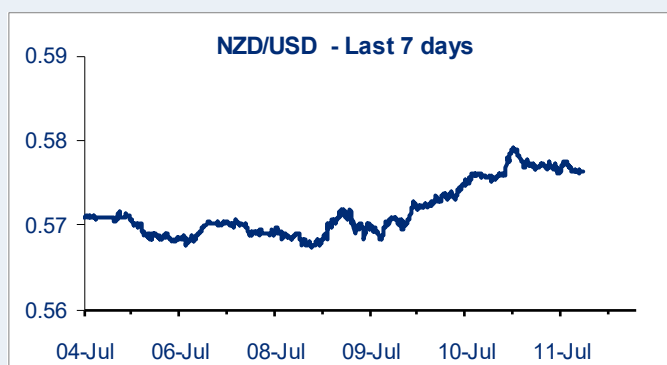
11/07/2026	NY close	Prev. NY close
USD	0.5763	0.5755
GBP	0.4301	0.4292
AUD	0.8289	0.8291
EUR	0.5049	0.5035
JPY	93.20	93.45
CAD	0.8159	0.8154
CHF	0.4660	0.4644
DKK	3.7734	3.7636
FJD	1.2852	1.2840
HKD	4.5175	4.5096
INR	54.94	54.89
NOK	5.6376	5.5967
PKR	160.23	160.08
PHP	35.45	35.46
PGK	2.5321	2.5219
SEK	5.5686	5.5623
SGD	0.7443	0.7438
CNY	3.9045	3.9089
THB	19.20	19.24
TOP	1.3399	1.3490
VUV	69.10	69.26
WST	1.5681	1.5665
XPF	60.21	60.09
ZAR	9.4033	9.3958

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	5.39	5.65
3 Months	15.74	16.42
6 Months	30.25	31.49
9 Months	42.07	44.08
1 Year	52.05	55.55

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	11.91	12.46
3 Months	35.01	36.36
6 Months	66.01	68.90
9 Months	91.32	95.69
1 Year	112.45	119.74



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