Research Markets Today

15 July 2025

Events Round-Up

NZ: Performance of services index, Jun: 47.3 vs. 44.1 prev. NZ: Card spending total (m/m%), Jun: -0.2 vs. 0.3 prev. CH: Exports (USD, y/y%), Jun: 5.8 vs. 5.2 exp. CH: Imports (USD, y/y%), Jun: 1.1 vs. 0.3 exp.

Good Morning

There has been a muted market reaction to Trump's weekend threat to raise tariffs on the EU and Mexico. US equities are higher and US Treasury yields show a minimal lift in rates. The USD is broadly stronger, although movements have been modest. The NZD has sustained the modest fall during NZ trading hours.

Market focus remained on tariffs to start the new week, following Trump's letters threatening 30% tariffs on the EU and Mexico, released during the weekend. President Trump told reporters he is always open to talk with trading partners, including the EU, adding "they're coming over, they'd like to talk". Somewhat contradictory, he also said "the letters are the deals, the deals are made, there are no deals to make".

EU chief trade negotiator, Šefčovič told reporters "the feeling on our side was that we are very close to an agreement." He added that the imposition of 30% reciprocal tariffs would mean the EU had nothing to lose if Trump escalated with even higher numbers in response, noting anything above 30% more or less has the same effect as it prohibits trade.

The market continues to take a sanguine view of where Trump lands on tariffs, presuming that the threats will be dialled back or not have much impact. After global equity market futures traded on a weaker note during the Asian session, sentiment has improved. The US S&P500 index is currently up 0.2%. The Euro Stoxx 50 index fell only 0.2%, while the broader Euro Stoxx 600 index fell less than 0.1%. While Mexico's key equity market index is down 0.4%, it's worth noting that the index is up 14% for the year, or up 26% in USD terms, even as the nation faces a 25% tariff in place for non-USMCA compliant goods. The market isn't concerned with a lift in that tariff to 30%. US Treasury yields didn't show any reaction to the latest news on tariffs, and they have traded a tight range, with the 10-year rate between 4.40-4.44%. Ditto rates across the curve. The biggest move in rates has been seen in Japan's market, with increasing nerves ahead of the 20 July Upper House elections. The leading LDP's grip on power looks precarious and the market is worried about a ramp up in government spending, adding pressure to already worrisome fiscal accounts. Japan's JGB yield rose 6bps to 1.58%. The 40-year rate rose as much as 18bps before closing up 8bps.

DNZ* MARKETS

In currency markets, the USD is broadly stronger for the day. The NZD has been one of the worst performers, down 0.5% from last week's close to 0.5975, with most of the falling coming during NZ trading hours and little price action overnight. The AUD is also weaker, probing sub-0.6550. NZD/AUD fell to 0.9115 yesterday, extending its fall post the RBA last week, but has ticked up to 0.9125.

With worries about Japan's fiscal trajectory, higher Japanglobal rate spreads have not supported the yen, with USD/JPY extending yesterday's gain to reach 147.75. NZD/JPY found support after falling to 88 and has recovered overnight to 88.3. Despite the threat of higher tariffs, EUR is only down slightly and has outperformed GBP.

The other key news overnight was President Trump's support for Ukraine in its war against Russia. He said billions of dollars' worth of military equipment, including top-of-the-line weapons, would be purchased by NATO allies from the US, and that it would be quickly distributed to the battlefield. Trump threatened 100% secondary tariffs if the war in Ukraine does not end soon, giving a target of 50 days. These so-called secondary tariffs would hit countries that trade with Russia. Commerce Secretary Lutnick clarified that Trump could choose to impose either tariffs or sanctions on countries that do business with Russia and the US Ambassador said the secondary tariffs aimed to target buyers of Russian oil, naming China and India. Oil prices are weaker, regardless, with Brent crude currently down 1½%, trading with a USD69 handle.

The domestic rates market was quiet yesterday, with curves modestly steeper, as per global forces. NZGB rates from 10-years and beyond were up 4bps against unchanged short rates. The 2-year swap rate was flat at 3.17% against a 2bps lift in the 10-year rate. NZ's performance of services index rose 3.2pts to 47.3 in June, only partially recovering the slump in May, leaving the index very weak, consistent with economic contraction. In a separate release, total card spending fell 0.2% in June, wrapping up a weak quarter. The data added to other releases showing a poor quarter of activity, and we revised down our Q2 GDP estimate two-tenths to show a 0.2% contraction.

On the economic calendar today, China Q2 GDP data are expected to show slightly weaker growth momentum in Q2, with the data released alongside an array of monthly activity indicators. US and Canadian CPI data are released tonight. Both the headline and core US CPI are expected to show a 0.3% m/m lift. Focus will be on the goods side to see signs of any pick-up in inflation from tariff increases earlier in the year. Another downside surprise would probably lead analysts to conclude that tariff impacts are still ahead, rather than suggest Trump was right in believing that tariffs are not inflationary.

Coming Up

		Period	Cons.	Prev.	NZT
AU	Westpac consumer confidence	Jul		92.6	12:30
СН	GDP (y/y%)	Q2	5.1	5.4	14:00
СН	GDP (q/q%)	Q2	0.9	1.2	14:00
СН	Retail sales (y/y%)	Jun	5.2	6.4	14:00
СН	Industrial production (y/y%)	Jun	5.6	5.8	14:00
СН	Fixed assets invest. (YTD y/y%)	Jun	3.6	3.7	14:00
EC	Industrial production (m/m%)	May	0.7	-2.4	21:00
US	Empire manufacturing	Jul	-9.6	-16	00:30
US	CPI (m/m%)	Jun	0.3	0.1	00:30
US	CPI exfood, energy (m/m%)	Jun	0.3	0.1	00:30
US	CPI (y/y%)	Jun	2.6	2.4	00:30
US	CPI ex food, energy (y/y%)	Jun	2.9	2.8	00:30
СА	CPI (y/y%)	Jun	1.9	1.7	00:30
CA	CPI core (avg median, trim y/y%)	Jun	3.0	3.0	00:30

Source: Bloomberg, BNZ

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Currenci	es							Equities				Commodities	S	
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	0.5975	-0.5	0.5969	0.5996	CHF	0.7978	+0.2	S&P 500	6,271	+0.2	11.7	Oil (Brent)	69.21	-1.6
AUD	0.6547	-0.5	0.6544	0.6575	SEK	9.608	+0.5	Dow	44,436	+0.1	11.1	Oil (WTI)	66.97	-2.2
EUR	1.1670	-0.2	1.1659	1.1697	NOK	10.142	+0.1	Nasdaq	20,657	+0.3	12.3	Gold	3359.1	-0.1
GBP	1.3429	-0.5	1.3426	1.3494	HKD	7.850	+0.0	Stoxx 50	5,371	-0.2	6.5	HRC steel	880.0	+0.3
JPY	147.74	+0.2	147.16	147.76	CNY	7.172	+0.0	FTSE	8,998	+0.6	9.0	CRB	303.5	+0.0
CAD	1.3702	+0.1			SGD	1.282	+0.1	DAX	24,161	-0.4	28.9	Wheat Chic.	542.0	-0.6
NZD/AUD	0.9126	-0.1			IDR	16,250	+0.2	CAC 40	7,808	-0.3	1.1	Sugar	16.30	-1.6
NZD/EUR	0.5120	-0.4			THB	32.49	+0.2	Nikkei	39,460	-0.3	-4.2	Cotton	66.41	+0.4
NZD/GBP	0.4449	-0.2			KRW	1,383	+0.4	Shanghai	3,520	+0.3	18.3	Coffee	301.9	+5.4
NZD/JPY	88.27	-0.3			TWD	29.30	+0.3	ASX 200	8,570	-0.1	6.9	WM powder	3790	+0.0
NZD/CAD	0.8187	-0.5			PHP	56.66	+0.3	NZX 50	12,679	-0.1	4.6	Australian Fu	itures	
NZ TWI	68.94	-0.4						VIX Index	17.03	+3.8	+36.7	3 year bond	96.52	-0.03
Interest F	Rates											10 year bond	95.61	0.00
	Rates Swap Yields			Bench	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	4.50	4.85	3.65	3.87	USD	4.43	0.02	15-Apr-27		3.25	0.00	BKBM 1-mth	3.36	0.00
AUD	3.85	3.72	3.33	4.25	AUD	4.37	0.04	15-May-28		3.47	0.00	BKBM 3-mth	3.28	-0.01
NZD	3.25	3.28	3.17	4.10	NZD	4.56	0.04	20-Apr-29		3.66	0.01	1 year	3.13	-0.00
EUR	2.00	2.03	2.03	2.70	GER	2.73	0.00	15-May-30		3.85	0.01	2 year	3.17	-0.00
GBP	4.25	4.42	3.61	4.08	GBP	4.60	-0.02	15-May-31		4.05	0.02	3 year	3.30	0.00
JPY	0.48	-0.03	0.77	1.36	JPY	1.58	0.06	15-May-32		4.23	0.03	5 year	3.57	0.01
CAD	2.75	4.97	2.62	3.21	CAD	3.52	0.02	14-Apr-33		4.34	0.03	7 year	3.82	0.01
								15-May-34		4.46	0.03	10 year	4.10	0.02
					Policy Mee	eting Run		15-May-35		4.56	0.04	15 year	4.37	0.02
					NZD	AUD	USD	15-May-36		4.66	0.04			
					1st 3.07	3.61	4.32	15-May-37		4.77	0.04	NZ Inflation-I	ndexed B	onds
* These are	indicative i	ranges fror	m 5pm NZ	Г;	2nd 3.01	3.52	4.17	15-May-41		5.03	0.04	Sep-30	2.05	0.03
please con	firm rates	with your B	NZ dealer		3rd 2.91	3.33	4.02	15-May-51		5.22	0.04	Sep-35	2.74	0.03
Rates are as	s of: NZT	06:57			4th 2.85	3.23	3.84	15-May-54		5.25	0.04	Sep-40	3.14	0.04
Source: Bloc	mberg				5th 2.84	3.09	3.74					•		

N7D avahan	an roton		
NZD exchan	-	Drev NV - I	NZD/USD - Last 7 days
15/07/2025	6:57 am	Prev. NY close	
USD	0.5975	0.6008	
GBP	0.4449	0.4453	<u></u>
AUD	0.9126	0.9133	a adda i i white have a s
EUR	0.5120	0.5140	0.60
JPY	88.27	88.58	
CAD	0.8187	0.8226	
CHF	0.4768	0.4786	
DKK	3.8224	3.8353	0.59 +
FJD	1.3437	1.3492	08-Jul 09-Jul 10-Jul 11-Jul 12-Jul 15-Jul
HKD	4.6896	4.7162	
INR	51.37	51.55	NZD/AUD - Last 7 days
NOK	6.0600	6.0849	0.93 NZD/AUD - Last 7 days
PKR	169.93	170.97	
PHP	33.85	33.93	
PGK	2.4645	2.4734	0.92 - Mandana la
SEK	5.7430	5.7444	mut
SGD	0.7660	0.7692	0.91 -
CNY	4.2842	4.3078	0.01
THB	4.2042		
		19.53	0.90
TOP	1.3909	1.4028	08-Jul 09-Jul 10-Jul 11-Jul 12-Jul 15-Jul
VUV	71.47	71.93	
WST	1.6310	1.6312	
XPF	61.05	61.28	NZD/USD - Last 12 months
XPF ZAR	10.6969	61.28 10.7797	NZD/USD - Last 12 months
			NZD/USD - Last 12 months
	10.6969		
ZAR	10.6969		
ZAR	10.6969	10.7797	
ZAR NZD/USD For	10.6969 ward Points BNZ buys NZD	10.7797 BNZ sells NZD	$ \begin{array}{c} 0.64 \\ 0.62 \\ 0.60 \\ 0.58 \\ 0.56 \\ \end{array} $
ZAR NZD/USD For 1 Month	10.6969 ward Points BNZ buys NZD 6.16	10.7797 BNZ sells NZD 6.30	$ \begin{array}{c} 0.64 \\ 0.62 \\ 0.60 \\ 0.58 \\ 0.56 \\ 0.54 \\ \end{array} $
ZAR NZD/USD For 1 Month 3 Months	10.6969 ward Points BNZ buys NZD 6.16 18.56	10.7797 BNZ sells NZD 6.30 18.96	$ \begin{array}{c} 0.64 \\ 0.62 \\ 0.60 \\ 0.58 \\ 0.56 \\ \end{array} $
ZAR NZD/USD For 1 Month 3 Months 6 Months	10.6969 ward Points BNZ buys NZD 6.16 18.56 35.86	10.7797 BNZ sells NZD 6.30 18.96 36.86	0.64 0.62 0.60 0.58 0.56 0.54 Jul-24 Sep-24 Nov-24 Jan-25 Mar-25 May-25
ZAR NZD/USD For 1 Month 3 Months 6 Months 9 Months	10.6969 ward Points BNZ buys NZD 6.16 18.56 35.86 49.39	10.7797 BNZ sells NZD 6.30 18.96 36.86 51.44	0.64 0.62 0.60 0.58 0.56 0.54 Jul-24 Sep-24 Nov-24 Jan-25 Mar-25 May-25 NZD/AUD - Last 12 months
ZAR NZD/USD For 1 Month 3 Months 6 Months 9 Months 1 Year	10.6969 ward Points BNZ buys NZD 6.16 18.56 35.86 49.39	10.7797 BNZ sells NZD 6.30 18.96 36.86 51.44	0.64 0.62 0.60 0.58 0.56 0.54 Jul-24 Sep-24 Nov-24 Jan-25 Mar-25 May-25
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ZAR NZD/USD For 1 Month 3 Months 6 Months 9 Months 1 Year	10.6969 ward Points BNZ buys NZD 6.16 18.56 35.86 49.39 59.98 ward Points	10.7797 BNZ sells NZD 6.30 18.96 36.86 51.44 63.15	0.64 0.62 0.60 0.58 0.56 0.54 Jul-24 Sep-24 Nov-24 Jan-25 Mar-25 May-25 NZD/AUD - Last 12 months
ZAR NZD/USD For 1 Month 3 Months 6 Months 9 Months 1 Year NZD/AUD For 1 Month	10.6969 ward Points BNZ buys NZD 6.16 18.56 35.86 49.39 59.98 ward Points BNZ buys NZD 4.99	10.7797 BNZ sells NZD 6.30 18.96 36.86 51.44 63.15 BNZ sells NZD 5.37	0.64 0.62 0.60 0.58 0.56 0.54 Jul-24 Sep-24 Nov-24 Jan-25 Mar-25 May-25 NZD/AUD - Last 12 months
ZAR NZD/USD For 1 Month 3 Months 6 Months 9 Months 1 Year NZD/AUD For 1 Month 3 Months	10.6969 ward Points BNZ buys NZD 6.16 18.56 35.86 49.39 59.98 ward Points BNZ buys NZD 4.99 13.64	10.7797 BNZ sells NZD 6.30 18.96 36.86 51.44 63.15 BNZ sells NZD 5.37 14.77	0.64 0.62 0.60 0.58 0.56 0.54 Jul-24 Sep-24 Nov-24 Jan-25 Mar-25 May-25 NZD/AUD - Last 12 months 0.96 0.94 0.92 0.92
ZAR NZD/USD For 1 Month 3 Months 6 Months 9 Months 1 Year NZD/AUD For 1 Month 3 Months 6 Months	10.6969 ward Points BNZ buys NZD 6.16 18.56 35.86 49.39 59.98 ward Points BNZ buys NZD 4.99 13.64 24.39	10.7797 BNZ sells NZD 6.30 18.96 36.86 51.44 63.15 BNZ sells NZD 5.37 14.77 27.01	0.64 0.62 0.60 0.58 0.56 0.54 Jul-24 Sep-24 Nov-24 Jan-25 Mar-25 May-25 NZD/AUD - Last 12 months 0.96 0.94
ZAR NZD/USD For 1 Month 3 Months 6 Months 9 Months 1 Year NZD/AUD For 1 Month 3 Months 6 Months 9 Months	10.6969 ward Points BNZ buys NZD 6.16 18.56 35.86 49.39 59.98 ward Points BNZ buys NZD 4.99 13.64 24.39 31.63	10.7797 BNZ sells NZD 6.30 18.96 36.86 51.44 63.15 BNZ sells NZD 5.37 14.77 27.01 36.92	0.64 0.62 0.60 0.58 0.56 0.54 Jul-24 Sep-24 Nov-24 Jan-25 Mar-25 May-25 NZD/AUD - Last 12 months 0.96 0.94 0.92 0.90 0.90
ZAR NZD/USD For 1 Month 3 Months 6 Months 9 Months 1 Year NZD/AUD For 1 Month 3 Months 6 Months	10.6969 ward Points BNZ buys NZD 6.16 18.56 35.86 49.39 59.98 ward Points BNZ buys NZD 4.99 13.64 24.39	10.7797 BNZ sells NZD 6.30 18.96 36.86 51.44 63.15 BNZ sells NZD 5.37 14.77 27.01	0.64 0.62 0.60 0.58 0.56 0.54 Jul-24 Sep-24 Nov-24 Jan-25 Mar-25 May-25 NZD/AUD - Last 12 months 0.96 0.94 0.92
ZAR NZD/USD For 1 Month 3 Months 6 Months 9 Months 1 Year NZD/AUD For 1 Month 3 Months 6 Months 9 Months	10.6969 ward Points BNZ buys NZD 6.16 18.56 35.86 49.39 59.98 ward Points BNZ buys NZD 4.99 13.64 24.39 31.63	10.7797 BNZ sells NZD 6.30 18.96 36.86 51.44 63.15 BNZ sells NZD 5.37 14.77 27.01 36.92	0.64 0.62 0.60 0.58 0.56 0.54 Jul-24 Sep-24 Nov-24 Jan-25 Mar-25 May-25 NZD/AUD - Last 12 months 0.96 0.94 0.92 0.90 0.90

Jul-24 Sep-24 Nov-24 Jan-25 Mar-25 May-25

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