

Research Markets Today

16 July 2026

Events round-up

NZ: Card spending total (m/m%), Jun: -1.2 vs. 1.9 prev.
 CH: GDP (q/q%), Q2: 0.9 vs. 0.9 exp.
 CH: GDP (y/y%), Q2: 4.3 vs. 4.5 exp.
 CH: Fixed investment (YTD, y/y%), Jun: -5.7 vs. -5.0 exp.
 CH: Industrial production (y/y%), Jun: 5.3 vs. 4.6 exp.
 CH: Retail sales (y/y%), Jun: 1.0 vs. -0.1 exp.
 EA: Industrial production (m/m%), May: -0.2 vs. 0.2 exp.
 US: Empire Manufacturing, Jul: 15.6 vs. 9.2 exp.
 US: PPI ex food and energy (m/m%), Jun: 0.2 vs. 0.3 exp.
 US: PPI ex food and energy (y/y%), Jun: 4.7 vs. 5.1 exp.
 CA: Bank of Canada policy rate (%), Jul: 2.25 vs. 2.25 exp.

Good morning

The US attacked Iran for a fifth straight day, targeting military assets near the Strait of Hormuz, after Trump said the bombing campaign would continue. With no significant fresh developments, oil prices have settled, with traders not drawn in by the FT's lead article warning of a fresh crude supply crunch. Brent crude is flat at around USD85 per barrel.

US PPI data were weaker than expected, following yesterday's softer CPI data. The core figure rose 0.2%, one-tenth below consensus, while negative revisions saw the annual increase fall to 4.7% y/y, four-tenths below consensus. Combining the CPI and PPI data, the core PCE deflator is expected to be around 0.15% m/m, which would see the annual increase tick down to 3.3% y/y.

In a speech delivered after the weaker CPI and PPI reports, Fed Governor Cook still indicated a bias to tighten, noting that the risks "continue to be strongly weighted toward higher inflation" and that "If we do not see signs of disinflation soon, I am prepared to act."

US rates pushed lower after the PPI report, with investors welcoming the signs of softer inflation. Pricing for monetary policy tightening over the coming quarters continues to fade, with just 34bps of hikes priced by March, down from 53bps earlier in the week before the CPI and PPI releases. US Treasury yields are lower for a second day, led by the short end. The 10-year rate is trading at 4.54%, down 5bps from the NZ close.

The USD fell after the PPI release, having recovered most of the losses seen after the previous day's weaker CPI report. The NZD remains well supported, reaching a fresh four-week high just above 0.5860. GBP has been the best performer overnight, reacting positively to an FT report that Shabana Mahmood, the home secretary, is set to become Britain's next chancellor. She comes from the right of the Labour Party and is seen as a capable minister. GBP is up over 1% to a two-month high of 1.3555, seeing NZD/GBP nudge down to 0.4325.

The NZD has gained on the other crosses, supported by the tailwind from the RBNZ's rate hike, signs of stronger activity and inflation pressure in recent PMI, PSI and QSBO data, and traders closing short positions. Even though the AUD has strengthened to 0.7020, NZD/AUD has risen to 0.8350, albeit below the peak seen earlier in the week. NZD/EUR has broken up through 0.51 and NZD/JPY is approaching 95.

US equities show modest gains, with the S&P500 up 0.4% in late-afternoon trading. SpaceX traded below its IPO price of \$135 for the first time since listing, but has since recovered to around that level.

The Bank of Canada left its policy rate unchanged at 2.25% for a sixth consecutive meeting. The Bank noted that "there are still important risks and uncertainties related to the war in the Middle East and US trade policy". With no surprises, market reaction was muted, and investors continue to see the Bank on hold for at least the next two meetings, while pricing in some chance of tighter policy by the end of the year. NZD/CAD is up ½% on the day to 0.8220.

China's annual GDP growth slowed to 4.3% y/y in Q2, running below the bottom of the official 4½-5% target range and on the weaker side of market expectations. Monthly activity indicators for June were mixed. On the weak side, fixed investment remains a significant drag on the economy, weighed down by the property sector, falling 5.7% y/y for the six months to June. Industrial production and retail sales both positively surprised, with y/y growth for June picking up to 5.3% and 1.0% respectively.

In the domestic rates market, short-end swaps broke the upward run seen in the wake of last week's RBNZ rate hike, with the 30+bps move since then finally attracting some receiving interest. The 2-year rate closed down 4bps to 3.65% and the curve steepened, with the 5-year rate down

2bps to 4.01% and the 10-year rate flat at 4.36%. Steepening pressure flowed through to the NZGB market, with short-end rates down a couple of basis points and the 10-year rate up 2bps.

On the economic calendar, US retail sales for June are the key release, alongside some second-tier indicators. UK monthly GDP for May is expected to be flat.

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Coming up

		Period	Cons.	Prev.	NZT
UK	Industrial production (m/m%)	May	-0.1	0.0	18:00
UK	GDP (m/m%)	May	0.0	-0.1	18:00
US	Initial jobless claims (k)	11-Jul	217	215	00:30
US	PhillyFed business outlook	Jul	13.0	10.3	00:30
US	Retail sales (m/m%)	Jun	0.2	0.9	00:30
US	Retail sales control grp (m/m%)	Jun	0.5	0.7	00:30
US	Retail sales ex auto, gas (m/m%)	Jun	0.4	0.5	00:30
US	NAHB housing market index	Jul	35	35	02:00
US	Pending home sales (m/m%)	Jun	-0.5	3.8	02:00

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	0.5862	+0.8	0.5812	0.5863	CHF	0.8035	-0.7	S&P 500	7,573	+0.4	21.3	Oil (Brent)	85.05	+0.4
AUD	0.7019	+0.6	0.6978	0.7021	SEK	9.579	-0.9	Dow	52,676	+0.3	19.7	Oil (WTI)	79.69	+0.4
EUR	1.1479	+0.5	1.1406	1.1483	NOK	9.644	-0.5	Nasdaq	26,254	+0.6	27.0	Gold	4082.1	+0.4
GBP	1.3551	+1.2	1.3381	1.3558	HKD	7.839	+0.0	Stoxx 50	6,266	-0.2	17.0	HRC steel	1154.0	-0.3
JPY	161.91	-0.2	161.90	162.42	CNY	6.768	-0.1	FTSE	10,516	-0.1	17.6	CRB	377.5	+0.8
CAD	1.4026	-0.2			SGD	1.288	-0.3	DAX	25,000	-0.6	3.9	Wheat Chic.	692.8	+5.0
NZD/AUD	0.8352	+0.2			IDR	18,068	-0.1	CAC 40	8,382	+0.2	7.9	Sugar	14.85	-0.2
NZD/EUR	0.5107	+0.3			THB	33.54	+0.2	Nikkei	68,752	+1.5	73.3	Cotton	80.56	+1.2
NZD/GBP	0.4326	-0.3			KRW	1,485	-0.3	Shanghai	3,956	-0.3	12.9	Coffee	326.8	+0.2
NZD/JPY	94.91	+0.6			TWD	32.21	+0.1	ASX 200	8,841	+0.4	3.3	WM powder	3435	+0.9
NZD/CAD	0.8222	+0.6			PHP	61.69	-0.0	NZX 50	13,635	-0.1	6.9	Australian Futures		
NZ TWI	67.02	+0.5						VIX Index	15.64	-5.2	-10.0	3 year bond	95.52	0.02
												10 year bond	95.09	0.02

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		3.98	4.13	USD	4.54	-0.05	15-May-28	3.63	-0.02	BKBM 1-mth	2.70	0.00
AUD	4.35	4.46		4.48	4.95	AUD	4.90	-0.01	20-Apr-29	3.83	-0.02	BKBM 3-mth	2.86	-0.01
NZD	2.50	2.86		3.65	4.36	NZD	4.68	0.02	15-May-30	4.01	-0.01	1 year	3.33	-0.02
EUR	2.25	2.45		2.95	3.15	GER	3.12	0.01	15-May-31	4.17	-0.00	2 year	3.65	-0.04
GBP	3.75	3.87		4.20	4.54	GBP	4.94	-0.04	15-May-32	4.32	0.00	3 year	3.80	-0.03
JPY	0.98	-0.03		1.44	2.56	JPY	2.70	-0.02	14-Apr-33	4.41	0.00	5 year	4.01	-0.02
CAD	2.25	4.97		2.73	3.28	CAD	3.53	-0.05	15-May-34	4.51	0.01	7 year	4.17	-0.01
									15-May-35	4.60	0.02	10 year	4.36	0.00
									15-May-36	4.68	0.02	15 year	4.60	0.00
									15-May-37	4.78	0.02			
									15-May-41	5.07	0.02			
									15-May-51	5.31	0.01			
									15-May-54	5.31	0.01			

Carbon Price				Policy Meeting Run				NZ Inflation-Indexed Bonds			
	Level	% Day	% Year		NZD	AUD	USD				
NZU	54.50	+0.9	-6.8	1st	2.73	4.41	3.66	Sept-30	1.69	-0.02	
				2nd	2.87	4.45	3.76	Sept-35	2.49	-0.02	
				3rd	3.08	4.51	3.81	Sept-40	2.96	-0.02	
				4th	3.24	4.52	3.88				
				5th	3.34	4.50	3.92				

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

Rates are as of: NZT 06:40

Source: Bloomberg

NZD exchange rates

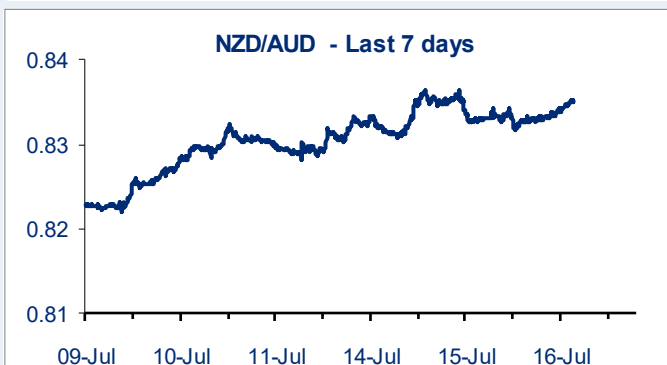
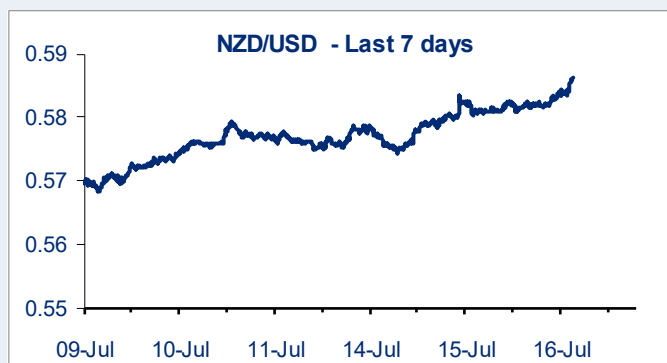
16/07/2026	6:40 am	Prev. NY close
USD	0.5862	0.5815
GBP	0.4326	0.4343
AUD	0.8352	0.8337
EUR	0.5107	0.5092
JPY	94.91	94.35
CAD	0.8222	0.8175
CHF	0.4714	0.4705
DKK	3.8164	3.8066
FJD	1.3068	1.3003
HKD	4.5912	4.5576
INR	56.38	55.94
NOK	5.6497	5.6361
PKR	162.84	161.75
PHP	36.13	35.89
PGK	2.5756	2.5583
SEK	5.6208	5.6209
SGD	0.7546	0.7508
CNY	3.9649	3.9377
THB	19.69	19.49
TOP	1.3775	1.3660
VUV	69.92	69.67
WST	1.5889	1.5896
XPF	61.04	60.74
ZAR	9.5464	9.5242

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	5.44	5.65
3 Months	15.35	15.94
6 Months	27.59	29.01
9 Months	36.65	38.79
1 Year	43.28	46.70

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	12.27	12.80
3 Months	35.96	37.40
6 Months	66.15	69.35
9 Months	90.32	95.17
1 Year	109.56	116.88



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