Markets Today

17 July 2026

Events round-up

UK: Industrial production (m/m%), May: -0.5 vs. -0.1 exp.

UK: GDP (m/m%), May: 0.1 vs. 0.0 exp.

US: Initial jobless claims (k), wk to 11-Jul: 208 vs. 217 exp.

US: Philly Fed business outlook, Jul: 41.4 vs. 12.5 exp.

US: Retail sales (m/m%), Jun: 0.2 vs. 0.2 exp.

US: Retail sales control grp (m/m%), Jun: 0.5 vs. 0.5 exp.

US: Retail sales ex auto, gas (m/m%), Jun: 0.4 vs. 0.4 exp.

US: NAHB housing market index, Jul: 34 vs. 35 exp.

US: Pending home sales (m/m%), Jun: -5.4 vs. -0.5 exp.

Good morning

Market movements have been modest, with a lack of catalysts to drive significant moves. US equities are showing modest falls, US Treasury yields are a little higher, and the USD is moderately stronger.

There have been no fresh developments in the Middle East, with the US continuing its daily strikes on Iran, targeting sites near the Strait of Hormuz. Iran continues to retaliate with missile and drone strikes directed at US bases in the Gulf region. Reuters reported that Iran has asked its Houthi allies in Yemen to close the Red Sea oil route if the US strikes Iran's power network. Oil traders are not panicking, and Brent crude has traded in a range of approximately USD84–86 per barrel over the past 24 hours.

US retail sales data were in line with market expectations, with modest gains in June and small net positive revisions. Lower gasoline sales weighed on the headline figure, which rose 0.2% m/m. The ex-autos and gas measure rose 0.4%, while the control group measure, which feeds into GDP, increased 0.5%. Pantheon Macroeconomics calculates that households' real spending increased at an annualised growth rate of around 2½% in Q2, a marked improvement on the meagre 0.5% expansion in Q1 and slightly stronger than the 2.1% average pace in 2025.

In second-tier data, the positive news was that initial jobless claims remain low, falling 8k to 208k last week, while the Philadelphia Fed's business outlook index surged to 41.4 in July, its highest level since 2021. Housing market indicators were downbeat, with the NAHB housing market index of homebuilders' sentiment falling 2pts to 34 in July, matching the lowest level this year, due to elevated borrowing costs and other factors. Pending home sales fell 5.4% m/m in June.

UK monthly GDP was slightly stronger than expected, rising 0.1% m/m in May after declining 0.1% in April, with warmer weather supporting retail sales. On a negative note, industrial production fell 0.5% and construction fell 0.8%.

Following a two-day rally after weaker CPI and PPI data, US Treasuries reversed course and rates are up 1–2bps across the curve. The 10-year yield is currently 4.56%. There was little reaction to hawkish comments from Fed speakers, with rates already a little higher before they spoke. Dallas Fed President Logan, a voter this year on the FOMC, called for modestly higher interest rates, saying they "would better balance the outlook and risks". Kansas City Fed President Schmid, a non-voter, said his "primary concern is inflation, which is too hot and has been above target for too long".

US equities are weaker, with today's iteration of see-saw action in semiconductor stocks acting as a drag. The S&P 500 is currently down ½%, with IT stock underperformance pulling the Nasdaq down 1.4%.

Following the move in US Treasury yields, and after two down days for the USD, the currency has shown a broad, albeit modest, recovery across the board. The NZD is near the bottom end of its daily trading range, near 0.5840. The AUD is back below 0.70, while NZD/AUD is flat around 0.8350. GBP is the weakest of the majors, losing half its gain from the previous session to trade at 1.3470. NZD/GBP is up modestly at 0.4335, while the NZD is flat on the other key crosses.

Domestic rates were lower across the curve yesterday, reflecting a combination of global forces and further short-end retracement after the recent significant sell-off, as positioning becomes more balanced. Rates were down 4–5bps across the swaps and NZGB curves, seeing the 2-year swap close at 3.60% and the 10-year rate at 4.32%.

In the day ahead, NZ monthly CPI figures will allow us to finalise our Q2 estimate, which currently sits at 1.5% q/q and 4.1% y/y. There are only second-tier US economic releases tonight to end the week.

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Coming up

		Period	Cons.	Prev.	NZT
NZ	Monthly CPI indicators	Jun			10:45
US	Building permits (k)	Jun	1402	1410	00:30
US	Housing starts (k)	Jun	1312	1177	00:30
US	Industrial production (m/m%)	Jun	0.2	0.1	01:15
US	U. of Mich. 5-10 yr inflation expect	Jul	3.3	3.3	02:00
US	U. of Mich. consumer sentiment	Jul	51.0	49.5	02:00

Source: Bloomberg

Currencies

FX Majors — Indicative overnight ranges (*)

	Last	% Day	Low	High
NZD	0.5841	-0.2	0.5834	0.5858
AUD	0.6994	-0.1	0.6990	0.7013
EUR	1.1437	-0.2	1.1431	1.1476
GBP	1.3468	-0.5	1.3460	1.3542
JPY	162.40	+0.1	161.99	162.55
CAD	1.4052	+0.1		
NZD/AUD	0.8351	+0.0		
NZD/EUR	0.5107	+0.1		
NZD/GBP	0.4337	+0.4		
NZD/JPY	94.86	+0.0		
NZD/CAD	0.8208	-0.1		
NZ TWI	66.93	-0.1		

Other FX

	Last	% Day
CHF	0.8091	+0.5
SEK	9.651	+0.6
NOK	9.681	+0.3
HKD	7.840	+0.0
CNY	6.773	+0.1
SGD	1.291	+0.1
IDR	17,986	-0.5
THB	33.59	+0.0
KRW	1,480	-0.4
TWD	32.26	+0.2
PHP	61.63	-0.1

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,537	-0.5	20.3
Dow	52,472	-0.3	18.6
Nasdaq	25,914	-1.3	25.0
Stoxx 50	6,284	+0.3	18.6
FTSE	10,572	+0.5	18.4
DAX	24,915	-0.3	3.8
CAC 40	8,378	-0.1	8.5
Nikkei	66,836	-2.8	67.5
Shanghai	3,882	-1.8	10.8
ASX 200	8,841	-0.0	2.3
NZX 50	13,615	-0.1	5.5
VIX Index	16.41	+4.7	-4.4

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	84.17	-0.9
Oil (WTI)	78.88	-0.9
Gold	3987.1	-1.6
HRC steel	1154.0	+0.0
CRB	379.3	+0.5
Wheat Chic.	690.8	-0.2
Sugar	14.44	-2.8
Cotton	77.69	-3.9
Coffee	312.6	-3.9
WM powder	3430	-0.1

Australian Futures

3 year bond	95.53	0.02
10 year bond	95.06	-0.02

Interest Rates

Rates / Swap Yields

	Cash	3Mth	2 Yr	10 Yr
USD	3.75	4.85	4.01	4.15
AUD	4.35	4.46	4.51	4.98
NZD	2.50	2.87	3.60	4.32
EUR	2.25	2.49	2.96	3.17
GBP	3.75	3.87	4.23	4.57
JPY	0.98	-0.03	1.45	2.58
CAD	2.25	4.97	2.75	3.30

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.57	0.02
AUD	4.90	-0.00
NZD	4.65	-0.04
GER	3.13	0.01
GBP	4.97	0.03
JPY	2.72	0.02
CAD	3.54	0.01

NZ Government Bonds

	Last	Chg
15-May-28	3.58	-0.05
20-Apr-29	3.78	-0.05
15-May-30	3.96	-0.05
15-May-31	4.13	-0.04
15-May-32	4.28	-0.04
14-Apr-33	4.37	-0.04
15-May-34	4.47	-0.04
15-May-35	4.56	-0.04
15-May-36	4.65	-0.04
15-May-37	4.74	-0.04
15-May-41	5.03	-0.04
15-May-51	5.26	-0.04
15-May-54	5.26	-0.05

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.70	0.00
BKBM 3-mth	2.87	0.01
1 year	3.32	-0.01
2 year	3.60	-0.05
3 year	3.75	-0.05
5 year	3.97	-0.05
7 year	4.13	-0.04
10 year	4.32	-0.04
15 year	4.56	-0.04

NZ Inflation-Indexed Bonds

	Last	Chg
Sept-30	1.66	-0.03
Sept-35	2.47	-0.03
Sept-40	2.93	-0.02

Carbon Price

	Level	% Day	% Year
NZU	54.50	+0.0	-6.0

Policy Meeting Run

	NZD	AUD	USD
1st	2.73	4.41	3.66
2nd	2.86	4.45	3.78
3rd	3.06	4.52	3.83
4th	3.22	4.53	3.92
5th	3.32	4.52	3.95

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

Rates are as of: NZT 06:43

Source: Bloomberg

NZD exchange rates

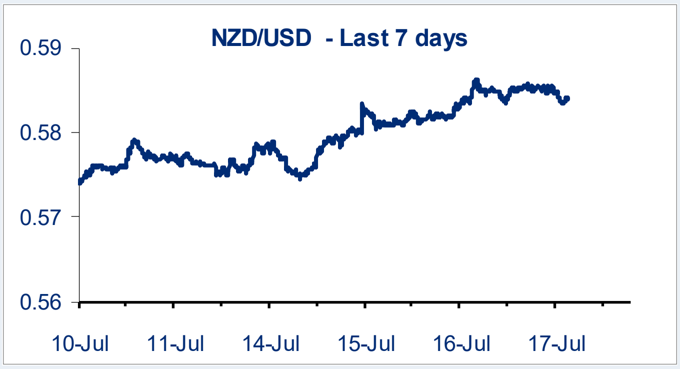
17/07/2026	6:43 am	Prev. NY close
USD	0.5841	0.5850
GBP	0.4337	0.4321
AUD	0.8351	0.8352
EUR	0.5107	0.5103
JPY	94.86	94.88
CAD	0.8208	0.8215
CHF	0.4724	0.4711
DKK	3.8163	3.8147
FJD	1.3003	1.3064
HKD	4.5761	4.5858
INR	56.24	56.31
NOK	5.6500	5.6482
PKR	162.28	162.73
PHP	35.98	36.08
PGK	2.5691	2.5748
SEK	5.6345	5.6096
SGD	0.7536	0.7541
CNY	3.9533	3.9594
THB	19.58	19.66
TOP	1.3715	1.3758
VUV	69.63	69.83
WST	1.5802	1.5929
XPF	60.93	60.99
ZAR	9.5852	9.5502

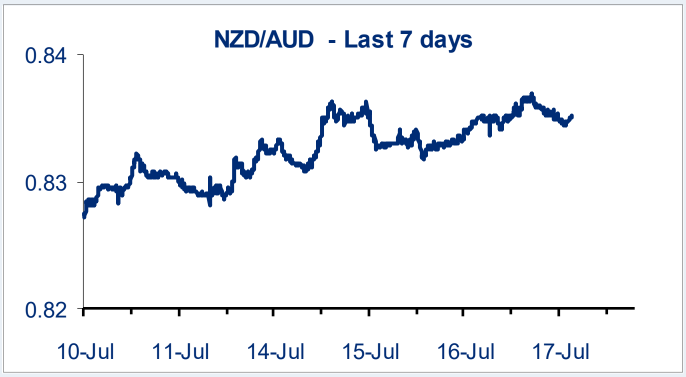
NZD/USD Forward Points

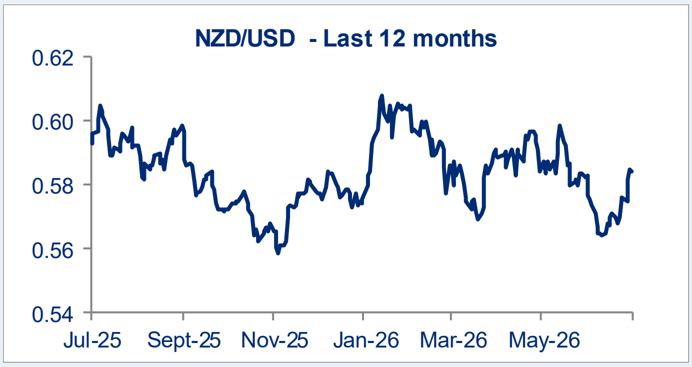
	BNZ buys NZD	BNZ sells NZD
1 Month	5.43	5.65
3 Months	14.86	15.54
6 Months	27.63	28.90
9 Months	37.04	39.41
1 Year	43.89	47.96

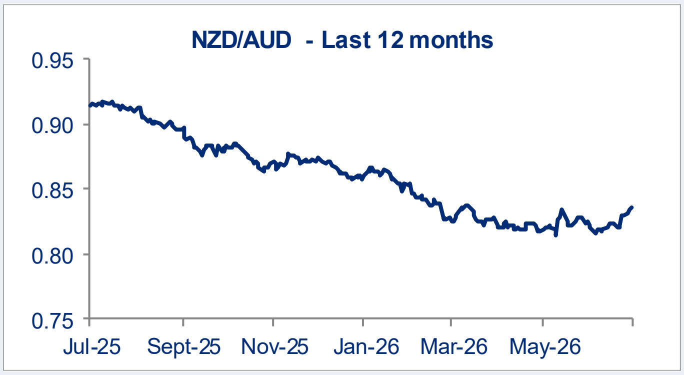
NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	12.20	12.69
3 Months	34.70	36.17
6 Months	65.30	68.24
9 Months	89.74	94.95
1 Year	109.43	117.70









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