

Research Markets Today

22 June 2026

Events round-up

NZ: Trade balance (ann \$b), May: -3.4 vs. -3.1 prev.
 UK: GfK consumer confidence, Jun: -23 vs. -23 exp.
 JN: CPI (y/y%), May: 1.5 vs. 1.5 exp.
 JN: CPI ex fr. food, energy (y/y%), May: 1.8 vs. 1.8 exp.
 UK: Retail sales ex auto fuel (m/m%), May: 1.2 vs. 0.3 exp.
 CA: Retail sales ex auto (m/m%), Apr: 0.1 vs. 0.8 exp.

Good morning

Developments in the Middle East remained the key focus for markets into the end of last week. Iran delayed the start of negotiations with the US amid increased fighting in southern Lebanon, initially supporting oil prices and the US dollar before both retraced on news of a new ceasefire. US cash markets were closed for a public holiday, while S&P futures recovered from earlier losses in Asia to finish little changed. Major European equity indices closed modestly lower, while global bond yields were generally higher, led by larger moves in Europe.

Israel and Hizbollah agreed a new truce on Friday after renewed fighting threatened to derail US efforts to reopen the Strait of Hormuz and extend the Iran ceasefire. The clashes highlighted the fragility of the agreement, prompting Tehran to delay nuclear talks with US officials and warn ships that the waterway would remain closed until its conditions were met. Oil prices oscillated on the developments and ended near US\$80 per barrel. A resolution to the fighting in Lebanon will be a key focus for US-Iran talks on a permanent ceasefire which began in Switzerland over the weekend.

The US dollar rose sharply late in the local session on Friday as geopolitical tensions weighed on risk appetite, but the move quickly reversed as most G10 currencies recovered. NZD/USD briefly traded below 0.5730, a fresh two-month low, before staging only a modest rebound, leaving the NZ dollar underperforming on the key crosses into the weekly close. The CAD was also softer after weaker-than-expected retail sales data.

Japan's core CPI excluding fresh food rose 1.4% y/y in May, in line with expectations and matching its lowest rate since 2022. Government subsidies continued to restrain energy prices, with gasoline down 7% y/y and overall energy costs

also lower. The data are unlikely to derail the Bank of Japan's gradual tightening bias, with policymakers still alert to the risk that underlying inflation pressures broaden. The yen was little changed but remains near 40-year lows against the US dollar, keeping intervention risk elevated.

Japan's Finance Minister Katayama said the government was prepared to take "bold action" against excessive speculative moves in foreign exchange, language commonly read as a warning that intervention risk is rising. She added there had been no change in the ministry's stance on currency. The 161.95 level for USD/JPY remains a focus for traders – a move above here would take the yen to its weakest level since December 1986.

Greater Manchester mayor Andy Burnham won the Makerfield by-election with 54.8% of the vote, securing a UK parliament seat and a route to challenge Prime Minister Starmer's leadership. The result increases pressure on Starmer to step aside and raises the risk of a formal contest or cabinet resignations. Investors are focused on the risk of looser fiscal policy under a Burnham-led government. The pound was little changed after the announcement with the outcome largely anticipated.

UK gilts sold off after Burnham's victory, with 10-year yields rising 8bp to a one-week high of 4.84%, underperforming European peers. The move came amid a broader global bond selloff, but gilts remain particularly sensitive to political uncertainty and any deterioration in fiscal dynamics. In an effort to reassure investors, Burnham has said he would reject any changes to the UK's fiscal rules if he became Prime Minister.

US cash Treasury markets were closed, although futures implied 10-year yields were around 4bp higher than the previous day's close, at 4.45%.

It was a quiet local session for NZ fixed income on Friday, with yields little changed across swap and government bond curves. After trading as low as 3.25% last week, 2-year rates closed at 3.38%, while 10-year rates ended at 4.07%.

There is no domestic data of note today. Canadian consumer prices are released tonight.

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Coming up

		Period	Cons.	Prev.	NZT
CA	CPI (y/y%)	May	3	2.8	00:30
CA	CPI Core- Median (y/y%)	May	2.1	2.1	00:30
CA	CPI Core- Trim (y/y%)	May	2	2	00:30
EC	Consumer Confidence	Jun P	-16	-19	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	Net Day		
NZD	0.5740	-0.2	0.5730	0.5749	CHF	0.8071	+0.3	S&P 500	7,501	+1.1	25.7	Oil (Brent)	80.57	+0.9
AUD	0.7012	-0.0	0.7006	0.7024	SEK	9.580	-0.1	Dow	51,565	+0.1	22.2	Oil (WTI)	77.54	+1.2
EUR	1.1473	+0.1	1.1442	1.1481	NOK	9.702	-0.4	Nasdaq	26,518	+1.9	36.4	Gold	4145.3	-1.9
GBP	1.3233	+0.2	1.3191	1.3241	HKD	7.837	-0.0	Stoxx 50	6,293	-0.5	21.1	HRC steel	1120.0	+0.0
JPY	161.30	-0.0	161.13	161.35	CNY	6.768	+0.1	FTSE	10,363	-0.4	17.9	CRB	362.1	-0.7
CAD	1.4162	+0.1			SGD	1.291	+0.1	DAX	24,986	-0.2	8.4	Wheat Chic.	614.0	-1.2
NZD/AUD	0.8187	-0.2			IDR	17,804	+0.1	CAC 40	8,421	-0.6	11.5	Sugar	13.59	-1.9
NZD/EUR	0.5003	-0.4			THB	32.97	+0.6	Nikkei	71,250	+0.3	85.5	Cotton	76.05	-1.1
NZD/GBP	0.4338	-0.5			KRW	1,531	-0.6	Shanghai	4,090	-0.4	21.7	Coffee	267.8	-1.5
NZD/JPY	92.59	-0.3			TWD	31.59	+0.0	ASX 200	8,829	-0.9	3.8	WM powder	3495	-0.3
NZD/CAD	0.8129	-0.1			PHP	60.79	+0.3	NZX 50	13,496	+1.0	7.4	Australian Futures		
NZ TWI	65.75	-0.3						VIX Index	16.78	+2.3	-18.6	3 year bond	95.55	-0.05
												10 year bond	95.14	-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	4.05	4.05	USD	4.45	0.00	15-May-28	3.39	0.01	BKBM 1-mth	2.52	0.01
AUD	4.35	4.47	4.49	4.92	AUD	4.81	0.04	20-Apr-29	3.58	0.01	BKBM 3-mth	2.71	0.04
NZD	2.25	2.71	3.38	4.07	NZD	4.44	-0.00	15-May-30	3.75	0.00	1 year	3.10	0.00
EUR	2.25	2.39	2.83	3.03	GER	2.99	0.06	15-May-31	3.91	0.01	2 year	3.38	0.01
GBP	3.75	3.87	4.15	4.43	GBP	4.84	0.09	15-May-32	4.04	0.00	3 year	3.51	0.01
JPY	1.00	-0.03	1.43	2.49	JPY	2.66	0.04	14-Apr-33	4.14	0.01	5 year	3.70	0.01
CAD	2.25	4.97	2.68	3.17	CAD	3.40	0.02	15-May-34	4.24	0.00	7 year	3.87	0.01
								15-May-35	4.34	-0.00	10 year	4.07	0.00
								15-May-36	4.44	-0.00	15 year	4.31	0.00
								15-May-37	4.54	-0.00			
								15-May-41	4.79	0.00			
								15-May-51	5.03	0.00			
								15-May-54	5.05	0.00			

Carbon Price				Policy Meeting Run			
	Level	% Day	% Year		NZD	AUD	USD
NZU	54.85	+0.0	-7.8	1st	2.46	4.44	3.74
				2nd	2.64	4.46	3.88
				3rd	2.72	4.52	3.95
				4th	2.89	4.54	4.06
				5th	3.00	4.53	4.10

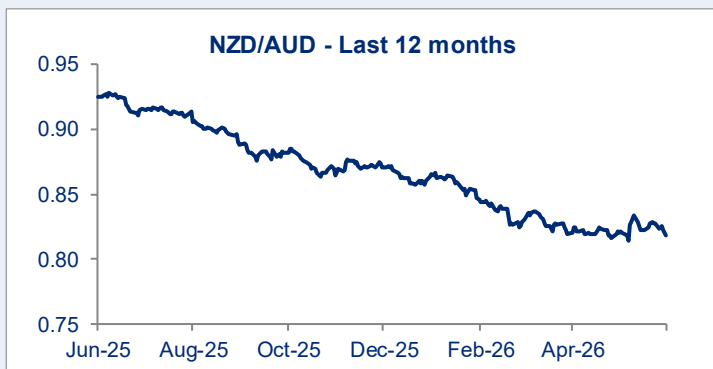
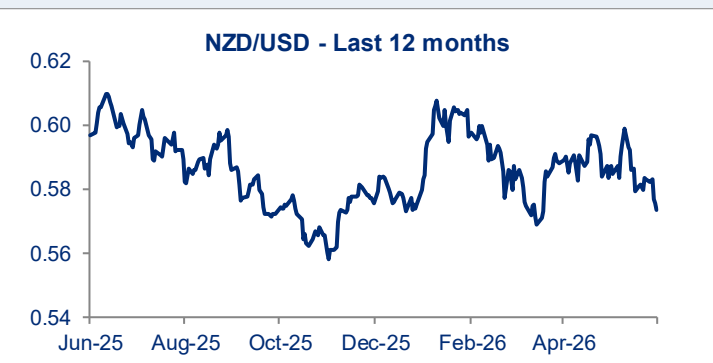
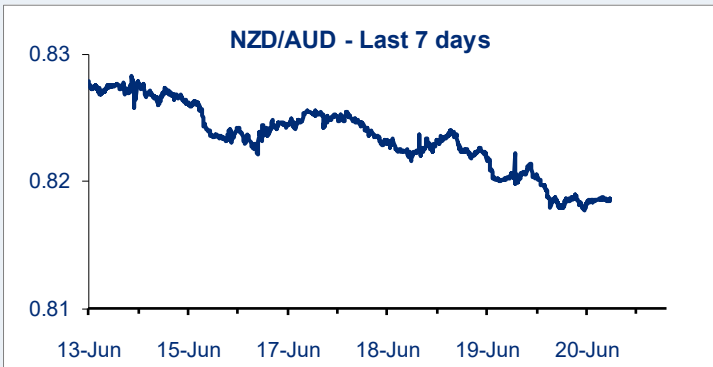
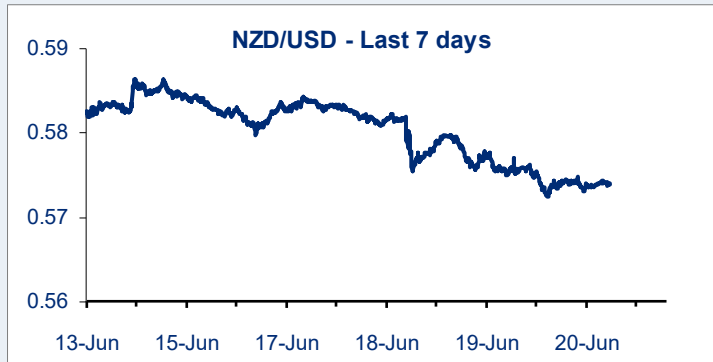
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer

Rates at NY close

Source: Bloomberg

NZD exchange rates

20/06/2026	NY close	Prev. NY close
USD	0.5740	0.5755
GBP	0.4338	0.4358
AUD	0.8187	0.8206
EUR	0.5003	0.5023
JPY	92.59	92.87
CAD	0.8129	0.8135
CHF	0.4631	0.4631
DKK	3.7381	3.7540
FJD	1.2723	1.2820
HKD	4.4969	4.5104
INR	54.13	54.29
NOK	5.5669	5.6064
PKR	159.67	160.17
PHP	34.88	34.87
PGK	2.5068	2.5164
SEK	5.4968	5.5172
SGD	0.7409	0.7424
CNY	3.8836	3.8908
THB	18.84	18.85
TOP	1.3249	1.3297
VUV	68.33	68.58
WST	1.5548	1.5651
XPF	59.56	59.77
ZAR	9.4390	9.4623



NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	5.58	5.99
3 Months	16.33	17.08
6 Months	31.78	33.42
9 Months	45.90	49.00
1 Year	58.42	62.28

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	12.70	13.57
3 Months	37.37	38.85
6 Months	70.54	73.96
9 Months	100.14	105.15
1 Year	124.61	132.93

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