

Research Markets Today

23 July 2026

Events round-up

UK: CPI (y/y%), Jun: 2.6 vs. 2.7 exp.

UK: CPI core (y/y%), Jun: 2.6 vs. 2.5 exp.

UK: CPI services (y/y%), Jun: 3.6 vs. 3.5 exp.

Good morning

The latest US bombing campaign against Iran entered an eleventh day, with strikes extending to a new area in the north-west of the country. Iran continues to retaliate with attacks against US allies in the Gulf region. Brent crude has risen on seven of the past eight days, reaching a high of almost USD95.50 last night, and is currently trading near USD94. After Iran's interior minister visited Pakistan, a spokesman said, "There are no negotiations — it's only possible for there to be an exchange of messages."

On social media, President Trump vowed that the US would bomb and destroy one bridge or power plant whenever Iran shoots at a ship in the Strait of Hormuz. Iran responded that it would strike infrastructure and bridges in the region, including energy facilities in which the US has interests. It added that Iran would not abandon its resolve to control the strait, which it considers essential for the strait's long-term security.

While Brent crude is up more than 30% month-to-date, European gas prices have risen even faster, up about 44% over the same period, not helped by Europe's heatwave. Reserves are lower than usual, raising concerns about whether supplies will be sufficient to get through next winter.

Against the backdrop of higher oil prices, US Treasury yields continue to grind moderately higher. The 10-year rate has reached 4.65%, up a couple of basis points on the day and within a few basis points of the May high. The 2-year rate traded at its highest level since early 2025, reaching 4.31%. Higher oil prices increase the odds of Fed tightening, and the market is back to almost fully pricing a hike by the September meeting, with two full hikes priced by March.

UK annual CPI inflation fell to 2.6% y/y in June, its lowest level in over a year. This was a tenth below consensus, while core and services inflation were a tenth higher than expected, although all figures slightly undershot the BoE's April forecasts. The market reaction was muted, with little

change in BoE rate hike expectations, which imply a hike by November and two hikes by February.

Currency markets show only modest movements. The NZD is on the weaker side of the ledger, with recent strong gains fading. It trades at 0.5815 this morning and is slightly weaker on the key crosses. The AUD is just under 0.70, while NZD/AUD has drifted down to 0.8315.

Yesterday, as USD/JPY rose through 163, Japan's MoF Katayama repeated the often-used line that "we will take appropriate and bold action at any time, should the need arise", to which the market gave a collective yawn. There was more reaction after Bloomberg reported that BoJ officials are open to raising interest rates at a faster pace than the consensus among economists — roughly one hike every six months — as the yen's continued weakness adds to upside inflation risks, according to people familiar with the matter. USD/JPY fell 40 pips to 162.70 but soon recovered, and this morning is trading close to 163.15. NZD/JPY is slightly weaker at 94.9.

US equities are relatively flat as investors await the first of the Mag 7 earnings reports, with Alphabet due to report after the bell.

Global forces pushed NZ rates higher yesterday, although the moves were a little smaller than those seen in Australia and the US. Swaps and NZGBs rose 1–2 bps across the curve, with the 2-year swap rate closing at 3.67% and the 10-year rate at 4.39%.

On the economic calendar, consensus expects Australian labour market data to show a modest 15k lift in employment in June, leaving the unemployment rate unchanged at 4.4%. The ECB meets tonight, and the market ascribes little chance to a back-to-back hike but a high chance of the next hike coming at the following September meeting.

jason.k.wong@bnz.co.nz

		Period	Cons.	Prev.	NZT
AU	Employment change (k)	Jun	15.0	40.3	13:30
AU	Unemployment rate (%)	Jun	4.4	4.4	13:30
EC	ECB deposit facility rate (%)	Jul	2.25	2.25	00:15
CA	Retail sales ex auto (m/m %)	May	1.3	0.1	00:30
US	Initial jobless claims (k)	18-Jul	210	215	00:30
EC	Consumer confidence	Jul	-17.0	-17.7	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	0.5815	-0.2	0.5811	0.5829	CHF	0.8147	+0.2	S&P 500	7,509	-0.0	19.0	Oil (Brent)	94.16	+3.5
AUD	0.6994	-0.1	0.6981	0.7005	SEK	9.703	-0.1	Dow	52,285	+0.1	17.5	Oil (WTI)	86.94	+3.1
EUR	1.1409	+0.1	1.1401	1.1422	NOK	9.602	-0.4	Nasdaq	25,747	-0.3	23.2	Gold	4137.8	+1.5
GBP	1.3373	-0.0	1.3355	1.3395	HKD	7.841	-0.0	Stoxx 50	6,317	+0.5	19.4	HRC steel	1156.0	+0.2
JPY	163.12	-0.0	162.69	163.18	CNY	6.774	+0.1	FTSE	10,717	+1.2	18.8	CRB	388.7	+1.3
CAD	1.4088	-0.1			SGD	1.291	+0.0	DAX	25,155	+0.6	4.6	Wheat Chic.	723.3	+3.9
NZD/AUD	0.8314	-0.1			IDR	17,917	+0.2	CAC 40	8,438	+0.9	9.0	Sugar	14.74	-0.9
NZD/EUR	0.5097	-0.3			THB	33.78	+0.2	Nikkei	66,116	-0.2	60.6	Cotton	79.87	+1.2
NZD/GBP	0.4348	-0.2			KRW	1,478	-0.3	Shanghai	3,867	+0.1	8.0	Coffee	316.7	-1.3
NZD/JPY	94.85	-0.2			TWD	32.43	+0.1	ASX 200	8,823	+0.3	1.0	WM powder	3500	+1.0
NZD/CAD	0.8192	-0.3			PHP	61.76	+0.0	NZX 50	13,763	+0.8	7.6	Australian Futures		
NZ TWI	66.69	-0.1						VIX Index	16.94	-0.6	+2.7	3 year bond	95.45	-0.03
												10 year bond	94.99	0.00
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	4.15	4.23	USD	4.65	0.02	15-May-28	3.63	0.01	BKBM 1-mth	2.70	0.00	
AUD	4.35	4.49	4.58	5.05	AUD	4.98	0.03	20-Apr-29	3.83	0.01	BKBM 3-mth	2.90	0.02	
NZD	2.50	2.90	3.67	4.39	NZD	4.70	0.02	15-May-30	4.00	0.01	1 year	3.40	0.02	
EUR	2.25	2.48	3.04	3.21	GER	3.17	0.01	15-May-31	4.17	0.01	2 year	3.67	0.01	
GBP	3.75	3.87	4.33	4.62	GBP	5.03	0.00	15-May-32	4.32	0.01	3 year	3.81	0.01	
JPY	0.98	-0.03	1.51	2.63	JPY	2.76	0.03	14-Apr-33	4.41	0.01	5 year	4.02	0.02	
CAD	2.25	4.97	2.81	3.35	CAD	3.59	0.03	15-May-34	4.51	0.01	7 year	4.19	0.02	
								15-May-35	4.61	0.02	10 year	4.39	0.02	
Carbon Price				Policy Meeting Run										
	Level	% Day	% Year		NZD	AUD	USD	15-May-36	4.70	0.02	15 year	4.62	0.02	
NZU	56.15	-1.9	-2.2		1st	2.74	4.42	3.72	15-May-37	4.79	0.02	NZ Inflation-Indexed Bonds		
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer					2nd	2.89	4.45	3.88	15-May-41	5.07	0.01	Sept-30	1.68	-0.01
Rates are as of: NZT 06:45					3rd	3.10	4.53	3.96	15-May-51	5.31	0.02	Sept-35	2.48	-0.01
Source: Bloomberg					4th	3.28	4.56	4.06	15-May-54	5.30	0.02	Sept-40	2.95	-0.01
					5th	3.40	4.57	4.11						

NZD exchange rates

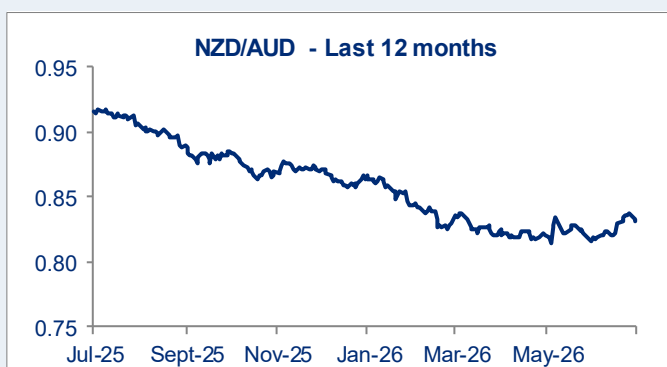
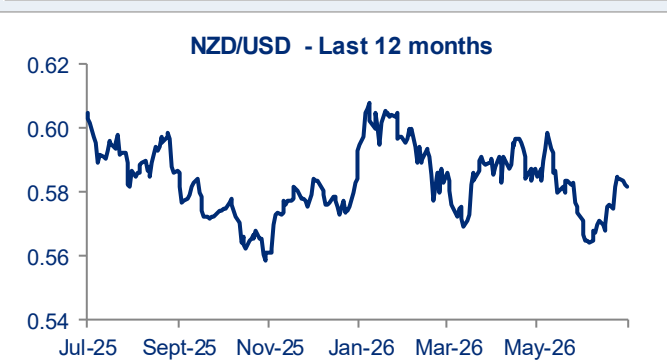
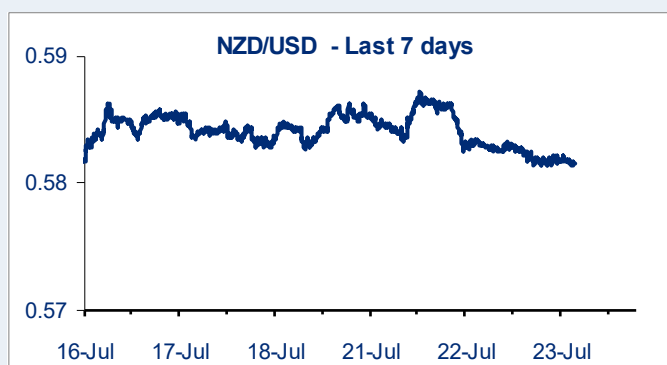
23/07/2026	6:46 am	Prev. NY close
USD	0.5815	0.5826
GBP	0.4348	0.4356
AUD	0.8314	0.8324
EUR	0.5097	0.5111
JPY	94.85	95.06
CAD	0.8192	0.8219
CHF	0.4738	0.4735
DKK	3.8104	3.8213
FJD	1.2968	1.3019
HKD	4.5605	4.5687
INR	56.17	56.07
NOK	5.5856	5.6170
PKR	161.60	161.88
PHP	35.91	35.97
PGK	2.5621	2.5677
SEK	5.6433	5.6559
SGD	0.7510	0.7523
CNY	3.9394	3.9427
THB	19.66	19.60
TOP	1.3548	1.3647
VUV	69.34	69.52
WST	1.5812	1.5799
XPF	60.78	60.91
ZAR	9.5409	9.5962

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	5.46	5.73
3 Months	15.61	16.25
6 Months	28.76	30.16
9 Months	39.90	42.00
1 Year	47.50	51.50

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	12.02	12.61
3 Months	34.94	36.44
6 Months	63.54	66.72
9 Months	88.30	93.11
1 Year	107.57	115.67



Contact Details

BNZ Research

Stephen Toplis
Head of Research

Doug Steel
Senior Economist

India Power
Economist

Jason Wong
Senior Markets Strategist

Stuart Ritson
Senior Interest Rate Strategist

Mike Jones
BNZ Chief Economist

Main Offices

Wellington
Level 2, BNZ Place
1 Whitmore St
Private Bag 39806
Wellington Mail Centre
Lower Hutt 5045
New Zealand
Toll Free: 0800 283 269

Auckland
80 Queen Street
Private Bag 92208
Auckland 1142
New Zealand
Toll Free: 0800 283 269

Christchurch
111 Cashel Street
Christchurch 8011
New Zealand
Toll Free: 0800 854 854

This document has been produced by Bank of New Zealand (BNZ). BNZ is a registered bank in New Zealand and is only authorised to offer products and services to customers in New Zealand.

Analyst Disclaimer: The Information accurately reflects the personal views of the author(s) about the securities, issuers and other subject matters discussed, and is based upon sources reasonably believed to be reliable and accurate. The views of the author(s) do not necessarily reflect the views of the NAB Group. No part of the compensation of the author(s) was, is, or will be, directly or indirectly, related to any specific recommendations or views expressed.

BNZ maintains an effective information barrier between the research analysts and its private side operations. Private side functions are physically segregated from the research analysts and have no control over their remuneration or budget. The research functions do not report directly or indirectly to any private side function. The Research analyst might have received help from the issuer subject in the research report.

New Zealand: The information in this publication is provided for general information purposes only, and is a summary based on selective information which may not be complete for your purposes. This publication does not constitute any advice or recommendation with respect to any matter discussed in it, and its contents should not be relied on or used as a basis for entering into any products described in it. Bank of New Zealand recommends recipients seek independent advice prior to acting in relation to any of the matters discussed in this publication.

Any statements as to past performance do not represent future performance, and no statements as to future matters are guaranteed to be accurate or reliable.

Neither Bank of New Zealand nor any person involved in this publication accepts any liability for any loss or damage whatsoever which may directly or indirectly result from any advice, opinion, information, representation or omission, whether negligent or otherwise, contained in this publication.

USA: If this document is distributed in the United States, such distribution is by nabSecurities, LLC. This document is not intended as an offer or solicitation for the purchase or sale of any securities, financial instrument or product or to provide financial services. It is not the intention of nabSecurities to create legal relations on the basis of information provided herein.