Research

Markets Today

27 July 2026

Events round-up

UK: GfK consumer confidence, Jul: -17 vs. -22 exp.

JN: CPI (y/y%), Jun: 1.7 vs. 1.7 exp.

JN: CPI x fr. food, energy (y/y%), Jun: 1.7 vs. 1.8 exp.

GE: GfK consumer confidence, Aug: -29.6 vs. -28.5 exp.

UK: Retail sales ex auto fuel (m/m%), Jun: 1.1 vs. -0.5 exp.

GE: Manufacturing PMI, Jul: 52.2 vs. 50.5 exp.

GE: Services PMI, Jul: 49.6 vs. 49.0 exp.

EA: Manufacturing PMI, Jul: 52.0 vs. 51.5 exp.

EA: Services PMI, Jul: 51.6 vs. 49.8 exp.

UK: Manufacturing PMI, Jul: 52.8 vs. 52.0 exp.

UK: Services PMI, Jul: 51.8 vs. 49.4 exp.

US: Manufacturing PMI, Jul: 53.8 vs. 54.4 exp.

US: Services PMI, Jul: 53.6 vs. 51.5 exp.

US: New home sales (k), Jun: 628 vs. 607 exp.

Good morning

On Friday, President Trump announced a fresh round of tariffs, with the expiring 10% country-specific tariff rates replaced by 10% or 12.5% rates under a different act, as he tiptoes around various laws. NZ's tariff rate rises to 12.5% and will continue to exclude beef and kiwifruit. Cue another round of legal challenges, but for now all and sundry will have to swallow the new tariffs. Late in NY trading, Trump threatened to hit the EU with more tariffs following the "robbing" of American tech companies after the EU imposed fines for breaching the bloc's digital rules.

While the US and Iran continued to exchange missile fire in the Middle East while markets were open, oil prices eased after the NZ close on Friday. Following their recent strong run, which took Brent crude back above USD100, prices closed around USD97, down 4% on the day. Headlines through the session were mixed.

Reuters reported that Pakistan is exploring a path towards resuming stalled US-Iran talks aimed at ending the war, following a push initiated by China. Exploratory discussions reportedly took place with Iran's interior minister during his recent visit to Islamabad.

The NY Times reported that Iran's new supreme leader is far more interested than his father and predecessor in pursuing a nuclear weapon, according to US intelligence that predated the war. Bahrain, Kuwait and Saudi Arabia have all been involved in military action in some way, with the WSJ reporting that the first two countries launched secret aerial attacks inside Iran earlier this month. Saudi Arabia struck a port in Yemen in retaliation for earlier Houthi attacks on two Saudi oil tankers in the Red Sea. President Trump said the US is "locked and loaded" for major new strikes on Iran but has not yet made a decision.

In an update over the weekend, the NY Times reported a reason Trump has decided to hold off plans to escalate military action for now is in part due to concerns that the war could drain the already-diminished stores of Patriot anti-missile interceptors and other air defence weapons in the region. After striking Iran for 13 days, the US paused strikes against Iran for the past two nights and Iran signaled it was refraining from retaliatory attacks and holding talks with Oman over the Strait of Hormuz. This sets the scene for increased risk sentiment and perhaps lower oil prices when Asian markets open today.

Lower oil prices helped relieve some upward pressure on global rates during Friday night's trading session. US 2- and 10-year rates fell a couple of basis points on the day, with the 10-year rate closing at 4.68%.

Economic data didn't move the needle. Services PMI data for July were stronger than expected across the UK, Europe and the US, while manufacturing PMIs also beat consensus everywhere except the US. The reports noted some positive impact from the FIFA World Cup, which supported hospitality companies, while the US July 4th 250-year celebrations were also noted. Good weather in the UK was another factor and likely helped drive stronger June retail sales data. Market reaction was muted, to the extent that last week's ramp-up in Middle East tensions warranted caution about extrapolating growth trends.

Japan's CPI inflation data showed headline and core rates of 1.6–1.7% y/y in June, with the low figures continuing to be dragged down by government subsidies that have relieved inflation pressure. The market took little comfort from the figures, with JGB yields higher across the curve and larger rises at the long end.

US equities closed flat on the S&P500 index, with only the IT sector dragging the index lower while the other ten sectors posted gains. That sectoral dispersion was reflected in the tech-heavy Nasdaq index falling 0.6%. The Euro Stoxx 600 index closed up 0.8%.

Currency markets showed only modest moves on Friday. In the overnight session, the NZD recovered some of the previous day's loss, ending the week near 0.5790 after taking another peek just above 0.58. NZD crosses were modestly higher, with NZD/AUD recovering to 0.8290 as the AUD closed around 0.6980.

That wrapped up a week in which the USD was broadly stronger, supported by a safe-haven bid as the Middle East conflict escalated. CFTC data showed the aggregate dollar long position reached a fresh high of USD43b, the largest in nearly 11 years. Of note, the data showed a notable closing of some short NZD positions, which shouldn't surprise those watching the market, given the NZD's outperformance through July.

In the domestic trading session, NZ rates posted strong gains across the curve. Blame the Aussies, with Australian rates showing a similar move over the relevant period. NZ's 2-year swap rate closed up 11bps to 3.81%, a fresh high for the cycle. The 5-year rate rose 11bps to 4.15% and the 10-year rate rose 9bps to 4.50%, although neither breached their March highs. NZGBs showed similar moves, with short-end rates up 11bps, the 10-year rate up 8bps to 4.79%, and ultra-long rates up 6bps.

On the economic calendar, it is a light start to the week, with Germany's IFO survey and US durable goods orders. The rest of the week is busy, with central bank meetings from the Fed, BoE and BoJ. Top-tier economic releases include GDP data for the euro area and US, and CPI data for Australia and the euro area. For NZ, ANZ's business and consumer confidence surveys are released.

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Coming up

		Period	Cons.	Prev.	NZT
GE	IFO expectations	Jul	84.7	84.1	20:00
US	Durable goods orders (m/m%)	Jun	1.8	-4.5	00:30
US	Durables ex transport (m/m%)	Jun	0.8	1.4	00:30

Source: Bloomberg

Currencies

FX Majors — Indicative overnight ranges (*)

	Last	% Day	Low	High
NZD	0.5789	+0.4	0.5769	0.5803
AUD	0.6983	+0.1	0.6965	0.7001
EUR	1.1372	-0.1	1.1365	1.1401
GBP	1.3323	+0.1	1.3306	1.3349
JPY	163.85	-0.0	163.64	163.94
CAD	1.4095	+0.1		
NZD/AUD	0.8291	+0.0		
NZD/EUR	0.5091	+0.1		
NZD/GBP	0.4345	+0.3		
NZD/JPY	94.85	+0.2		
NZD/CAD	0.8159	+0.4		
NZ TWI	66.41	+0.3		

Other FX

	Last	% Day
CHF	0.8182	+0.2
SEK	9.723	-0.3
NOK	9.578	-0.4
HKD	7.843	+0.0
CNY	6.773	-0.0
SGD	1.291	-0.1
IDR	17,963	+0.1
THB	33.69	-0.4
KRW	1,459	-1.1
TWD	32.38	+0.3
PHP	61.85	+0.1

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,412	+0.0	16.0
Dow	51,947	+0.5	15.7
Nasdaq	24,976	-0.6	18.3
Stoxx 50	6,281	+1.1	17.4
FTSE	10,736	+0.9	17.7
DAX	25,099	+1.4	3.6
CAC 40	8,372	+0.9	6.9
Nikkei	64,611	-2.7	55.9
Shanghai	3,814	-1.6	6.1
ASX 200	8,772	-0.8	1.2
NZX 50	13,772	-0.2	7.1
VIX Index	18.58	-0.6	+24.4

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	96.78	-3.9
Oil (WTI)	89.31	-3.1
Gold	4070.8	+0.5
HRC steel	1156.0	+0.0
CRB	395.7	-1.1
Wheat Chic.	695.5	-2.6
Sugar	14.77	+0.5
Cotton	78.55	-1.6
Coffee	313.8	+1.4
WM powder	3470	-0.7

Australian Futures

	Last	Net Day
3 year bond	95.28	-0.11
10 year bond	94.92	0.00

Interest Rates

	Rates Cash	Rates 3Mth	Swap Yields 2 Yr	Swap Yields 10 Yr
USD	3.75	4.85	4.17	4.25
AUD	4.35	4.54	4.68	5.13
NZD	2.50	2.90	3.81	4.50
EUR	2.25	2.49	3.04	3.21
GBP	3.75	3.87	4.34	4.61
JPY	0.98	-0.03	1.56	2.67
CAD	2.25	4.97	2.84	3.36

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.68	-0.02
AUD	5.09	0.10
NZD	4.79	0.08
GER	3.17	-0.03
GBP	5.03	-0.07
JPY	2.82	0.03
CAD	3.61	-0.04

NZ Government Bonds

	Last	Chg
15-May-28	3.77	0.11
20-Apr-29	3.97	0.11
15-May-30	4.13	0.11
15-May-31	4.29	0.10
15-May-32	4.42	0.09
14-Apr-33	4.51	0.08
15-May-34	4.61	0.08
15-May-35	4.71	0.08
15-May-36	4.79	0.08
15-May-37	4.88	0.07
15-May-41	5.16	0.07
15-May-51	5.38	0.06
15-May-54	5.38	0.06

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.70	0.00
BKBM 3-mth	2.90	0.00
1 year	3.45	0.03
2 year	3.81	0.11
3 year	3.96	0.12
5 year	4.15	0.11
7 year	4.31	0.10
10 year	4.50	0.09
15 year	4.73	0.09

NZ Inflation-Indexed Bonds

	Last	Chg
Sept-30	1.70	0.02
Sept-35	2.50	0.02
Sept-40	2.97	0.02

Carbon Price

	Level	% Day	% Year
NZU	55.55	+0.0	-0.9

Policy Meeting Run

	NZD	AUD	USD
1st	2.75	4.45	3.73
2nd	2.92	4.50	3.91
3rd	3.14	4.61	3.98
4th	3.32	4.66	4.08
5th	3.47	4.70	4.13

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

Rates are as of: NZT 06:24

Source: Bloomberg

NZD exchange rates

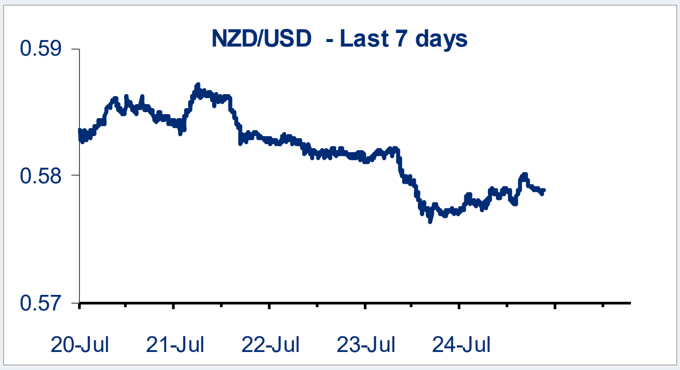
27/07/2026	6:25 am	Prev. NY close
USD	0.5789	0.5772
GBP	0.4345	0.4335
AUD	0.8291	0.8282
EUR	0.5091	0.5073
JPY	94.85	94.58
CAD	0.8159	0.8130
CHF	0.4740	0.4715
DKK	3.8085	3.7926
FJD	1.2937	1.2919
HKD	4.5432	4.5258
INR	55.94	55.74
NOK	5.5484	5.5497
PKR	160.97	160.38
PHP	35.83	35.64
PGK	2.5531	2.5461
SEK	5.6327	5.6308
SGD	0.7476	0.7458
CNY	3.9225	3.9118
THB	19.51	19.51
TOP	1.3466	1.3417
VUV	69.09	68.82
WST	1.5775	1.5703
XPF	60.64	60.41
ZAR	9.7538	9.7101

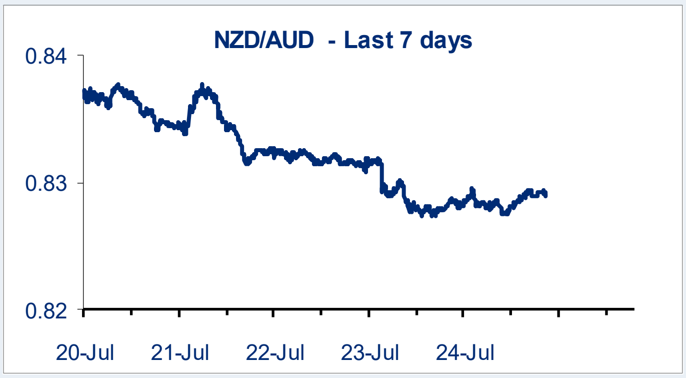
NZD/USD Forward Points

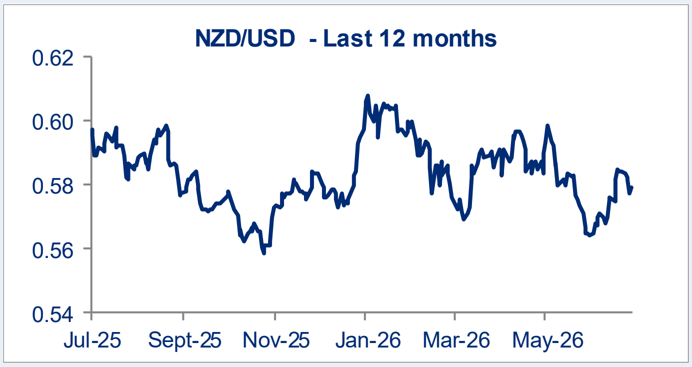
	BNZ buys NZD	BNZ sells NZD
1 Month	5.80	6.01
3 Months	16.00	16.59
6 Months	29.85	30.85
9 Months	39.87	41.83
1 Year	47.85	49.85

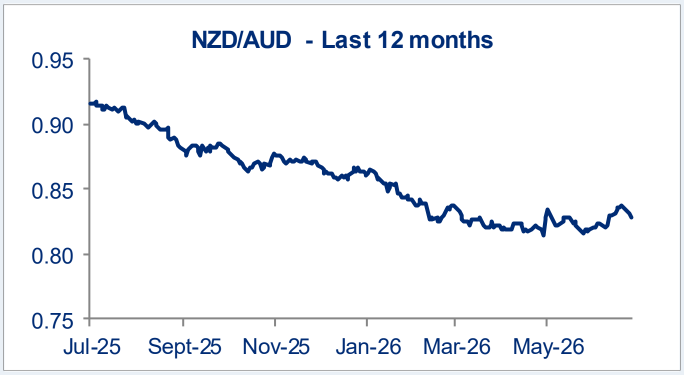
NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	12.14	12.59
3 Months	35.13	36.31
6 Months	66.33	68.40
9 Months	91.61	95.05
1 Year	113.05	117.01









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