Research

Markets Today

28 July 2026

Events round-up

GE: IFO expectations, Jul: 86.7 vs. 84.8 exp.

US: Durable goods orders (m/m%), Jun: 0.3 vs. 1.5 exp.

US: Durables ex transport (m/m%), Jun: 0.6 vs. 0.9 exp.

Good morning

Oil prices have fallen sharply to begin the week after the Trump administration paused plans to escalate strikes against Iran. The pause eased concerns over potential disruption to Middle East energy supplies and initially supported risk appetite. US equity-index futures gained in Asian trading, although the advance faded overnight, leaving the S&P 500 close to flat in afternoon US trade as chip stocks weighed on the index. Bond yields declined, while an initial fall in the US dollar was later pared.

Brent crude traded below $90 a barrel when futures markets opened yesterday morning, down from almost $99 at the end of last week. The move lower was sustained overnight. President Trump said he had paused attacks on Iran to give negotiations another chance. In an interview, he said “very deep talks” were taking place with Iran and that “if they don’t work out, we will go back to very strong military action.” Iranian and Omani negotiators are reportedly seeking an agreement to restart shipping through the Strait of Hormuz.

Global bond yields fell in response to lower oil prices. 10-year Treasury yields declined to 4.64% when trading began in Asia, extending the pullback after reaching 2026 highs last week. However, there has been limited follow-through overnight, with few additional catalysts and only second-tier economic data. Investor demand was solid at the $69 billion auction of two-year Treasuries, although a sale of five-year notes drew less demand.

Germany’s business outlook improved for a third month, showing signs of resilience despite higher energy prices and geopolitical uncertainty. The Ifo expectations index rose to 86.7, above every economist estimate in Bloomberg’s survey. The improvement had limited market impact. The German sovereign curve shifted 4bp lower in parallel, with 10-year Bunds closing at 3.14%, reflecting the broader decline in energy prices.

The US dollar initially weakened against other G10 currencies in Asia as risk sentiment recovered and equities rose. However, the move faded overnight, with the dollar index fully reversing its earlier decline. The Norwegian krone underperformed, reflecting its sensitivity to oil prices. Otherwise, currency moves were modest. After trading above 0.5800 yesterday afternoon, NZD/USD has dipped towards 0.5780. There were limited moves in the main NZD cross rates.

After 2-year rates closed at new 2026 highs on Friday, NZ yields retraced significantly in yesterday’s local session, driven by the rally in global fixed income as oil prices fell. NZ swap rates closed 9-10bp lower across the curve, with 2-year rates ending at 3.72% and 10-year rates at 4.41%. NZGBs saw similar price action, with the government curve broadly matching the move in swaps. 10-year NZGBs closed at 4.70%, after peaking near 4.80% late last week.

Australian 10-year bond futures are about 2bp higher in yield terms since the local close suggesting a modest upside for NZ rates on the open.

Filled jobs for June is the only domestic release of note today. We expect a modest gain, broadly consistent with our projected increase in Q2 HLFS employment next week, though the two series do not move one-for-one. RBA Governor Bullock speaks this afternoon, while the Conference Board measure of US consumer confidence will draw some interest overnight.

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Coming up

		Period	Cons.	Prev.	NZT
NZ	Filled Jobs (m/m%)	Jun		0.3	10:45
AU	RBA's Bullock-Speech				15:05
US	Adv. Goods Trade Balance ($bn)	Jun	-100	-106	00:30
US	Conf. Board Consumer Conf.	Jul	92.1	91.2	02:00

Source: Bloomberg

Currencies

FX Majors / **Indicative overnight ranges (*)**

	Last	% Day	Low	High
NZD	0.5775	-0.3	0.5773	0.5807
AUD	0.6988	+0.1	0.6986	0.7010
EUR	1.1371	+0.0	1.1368	1.1410
GBP	1.3291	-0.3	1.3284	1.3352
JPY	163.71	-0.1	163.33	163.77
CAD	1.4122	+0.2		
NZD/AUD	0.8264	-0.3		
NZD/EUR	0.5079	-0.3		
NZD/GBP	0.4345	-0.0		
NZD/JPY	94.54	-0.3		
NZD/CAD	0.8155	-0.1		
NZ TWI	66.26	-0.4		

Other FX

	Last	% Day
CHF	0.8189	+0.1
SEK	9.729	+0.1
NOK	9.668	+0.9
HKD	7.842	-0.0
CNY	6.765	-0.1
SGD	1.291	+0.1
IDR	18,009	+0.3
THB	33.62	-0.2
KRW	1,467	+0.5
TWD	32.29	-0.3
PHP	61.68	-0.3

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,401	-0.2	15.8
Dow	52,073	+0.2	16.0
Nasdaq	24,848	-0.5	17.7
Stoxx 50	6,282	+0.0	17.4
FTSE	10,782	+0.4	18.2
DAX	25,361	+1.0	4.7
CAC 40	8,406	+0.4	7.3
Nikkei	64,931	+0.5	58.4
Shanghai	3,858	+1.2	7.4
ASX 200	8,894	+1.4	2.3
NZX 50	13,851	+0.6	7.3
VIX Index	19.22	+3.4	+28.7

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	88.38	-8.7
Oil (WTI)	82.34	-7.8
Gold	4080.2	+0.2
HRC steel	1156.0	+0.0
CRB	395.7	-1.1
Wheat Chic.	678.8	-2.4
Sugar	14.58	-1.4
Cotton	79.41	+1.1
Coffee	324.6	+2.9
WM powder	3500	+0.9

Australian Futures

3 year bond	95.39	0.11
10 year bond	94.95	0.03

Interest Rates

Rates / **Swap Yields**

	Cash	3Mth	2 Yr	10 Yr
USD	3.75	4.85	4.17	4.22
AUD	4.35	4.54	4.66	5.10
NZD	2.50	2.91	3.72	4.41
EUR	2.25	2.49	2.99	3.16
GBP	3.75	3.87	4.29	4.57
JPY	0.98	-0.03	1.55	2.67
CAD	2.25	4.97	2.81	3.32

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.64	-0.03
AUD	5.00	-0.09
NZD	4.71	-0.09
GER	3.13	-0.04
GBP	5.00	-0.04
JPY	2.79	-0.03
CAD	3.56	-0.04

NZ Government Bonds

	Last	Chg
15-May-28	3.67	-0.10
20-Apr-29	3.88	-0.10
15-May-30	4.04	-0.09
15-May-31	4.20	-0.09
15-May-32	4.33	-0.09
14-Apr-33	4.42	-0.09
15-May-34	4.52	-0.09
15-May-35	4.62	-0.09
15-May-36	4.71	-0.09
15-May-37	4.79	-0.09
15-May-41	5.07	-0.08
15-May-51	5.30	-0.09
15-May-54	5.30	-0.09

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.70	0.00
BKBM 3-mth	2.91	0.01
1 year	3.42	-0.03
2 year	3.72	-0.09
3 year	3.86	-0.10
5 year	4.06	-0.09
7 year	4.22	-0.09
10 year	4.41	-0.09
15 year	4.65	-0.09

Carbon Price

	Level	% Day	% Year
NZU	55.50	-0.1	-1.0

Policy Meeting Run

	NZD	AUD	USD
1st	2.74	4.43	3.73
2nd	2.91	4.47	3.90
3rd	3.11	4.58	3.98
4th	3.28	4.62	4.07
5th	3.42	4.65	4.12

NZ Inflation-Indexed Bonds

Sept-30	1.66	-0.03
Sept-35	2.47	-0.04
Sept-40	2.94	-0.03

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

Rates are as of: NZT 06:18

Source: Bloomberg

NZD exchange rates

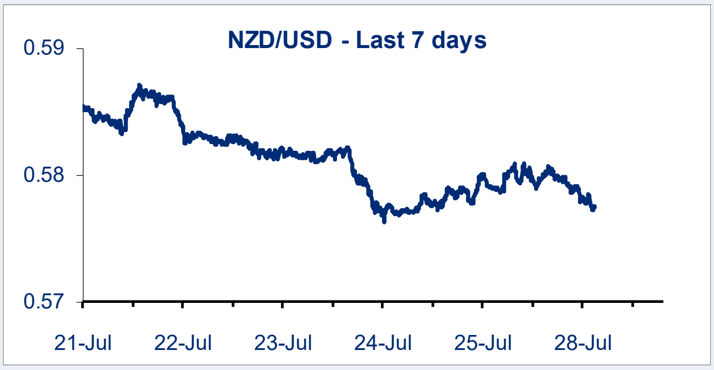
28/07/2026	6:18 am	Prev. NY close
USD	0.5775	0.5793
GBP	0.4345	0.4347
AUD	0.8264	0.8301
EUR	0.5079	0.5095
JPY	94.54	94.91
CAD	0.8155	0.8166
CHF	0.4729	0.4740
DKK	3.7963	3.8085
FJD	1.2879	1.2937
HKD	4.5288	4.5432
INR	55.38	55.94
NOK	5.5834	5.5484
PKR	160.47	160.97
PHP	35.62	35.83
PGK	2.5485	2.5531
SEK	5.6187	5.6327
SGD	0.7458	0.7476
CNY	3.9059	3.9225
THB	19.39	19.51
TOP	1.3569	1.3466
VUV	68.91	69.09
WST	1.5723	1.5775
XPF	60.45	60.64
ZAR	9.6792	9.7538

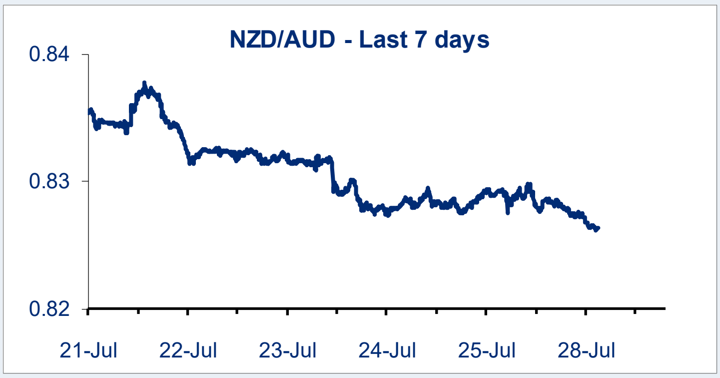
NZD/USD Forward Points

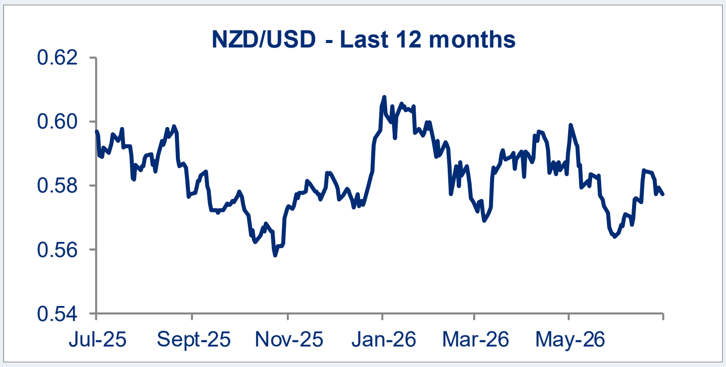
	BNZ buys NZD	BNZ sells NZD
1 Month	6.29	6.52
3 Months	16.23	16.83
6 Months	30.22	31.38
9 Months	40.36	42.60
1 Year	48.20	51.80

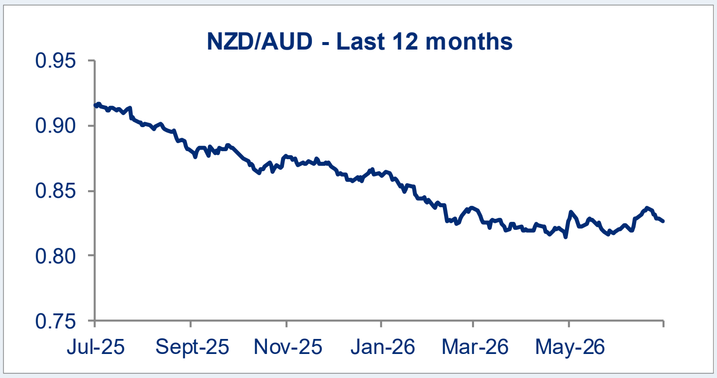
NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	13.36	13.87
3 Months	34.99	36.32
6 Months	65.58	68.35
9 Months	90.27	95.25
1 Year	111.09	118.55









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