Research

Markets Today

29 July 2026

Events round-up

NZ: Filled Jobs (m/m%), Jun: 0.1 vs. 0.2 prev.

US: Goods trade balance ($bn), Jun: -101.5 vs. -100.0 exp.

US: Conf. Board consumer conf., Jul: 90.8 vs. 92.4 exp.

Good morning

Oil prices have fallen sharply for a third consecutive day, about 5%, taking Brent crude to USD84 and the week-to-date fall to around 14%. The decline reflects hopes that the cessation of military action between the US and Iran can hold and ultimately allow shipping traffic through the Strait of Hormuz to return to normal. This week's fall in oil prices unwinds about half of the rise seen through July.

President Trump claims the US and Iran are engaged in diplomatic talks. These so-called talks must be taking place through third parties, as Iran says it has made no request to negotiate with the US in the past 16–17 days. Iran's deputy foreign minister added that the US was sending messages via Oman. Reuters reported on an Omani proposal for managing shipping through the Strait of Hormuz, which would allow fees to be charged, but the proposal did not address Iran's concerns. Iran's deputy foreign minister said the inbound route must be entirely under Iranian control. Reuters also reported that China has held talks with Yemen's Houthis to enable its tankers to sail through the southern Red Sea without being attacked.

The unwind in oil prices has continued to help US Treasuries reverse course, sending yields lower for a third day. The 10-year yield has fallen to 4.60%, down a few basis points from the NZ close and about 5bps lower on the day. The move has been broadly parallel across the curve.

Second-tier US economic data did not move the needle. The Conference Board measure of consumer confidence fell slightly to 90.8 in July but from an upwardly revised level, so coming in weaker than expected, with the decline concentrated in the present situation component. The expectations component was unchanged at an upwardly revised 74.7. Perceptions of the job market softened, with the gap between those seeing jobs as plentiful and those seeing jobs as hard to get falling to a five-year low. The advanced goods trade deficit narrowed slightly less than expected to $101.5b in June. That saw the Atlanta Fed's nowcast estimate for Q2 GDP nudge down to 1.5%, below the consensus estimate of 2.1%. The GDP figure will be released at the end of the week.

Semiconductor stocks continue to plunge, weighing on markets where their index weightings are high, with Korea's Kospi index down nearly 11% and Japan's Nikkei index down nearly 4%. However, improved risk sentiment has supported equity markets overall. The rotation out of tech stocks continues to drag on the US S&P500 index, which is showing only a modest gain, but most other sectors are positive and the equal-weighted index has risen to a fresh record high. Apple rose to a fresh record high and broke through the $5 trillion market cap threshold. The stock is seen as a safer tech exposure because, unlike its mega-cap peers, it has not ramped up AI-related capex to nose-bleed levels.

Currency market movements have been well contained, but higher risk appetite supported a modest overnight gain in the NZD to 0.5790, alongside gains on all the key crosses. Despite the fall in global rates, the yen continues to struggle, with USD/JPY flat at 163.80 and NZD/JPY approaching 95.

NZD/AUD has risen to 0.83, with the AUD relatively flat overnight. Australian rates and the AUD were lower after RBA Governor Bullock's speech yesterday. While the speech noted that domestic conditions had evolved broadly as expected and that policy guidance was unchanged from the last policy update, the market may have taken comfort from her comments on the easing in the labour market, and from the fact that she did not emphasise the recent strong June employment figure. She also noted that the housing market had slowed more than the RBA expected.

In the domestic rates market, the net change in rates yesterday was minimal, with earlier upside pressure giving way after Australian rates fell following Bullock's speech. The 2-year swap rate closed down 1bp to 3.70%, while the 5- and 10-year rates were unchanged. NZGB yields were 1bp higher across much of the curve.

On the calendar today, Australian Q2 CPI data are released, with consensus expecting trimmed mean inflation of 0.9% q/q and 3.7% y/y. The Fed's policy announcement is due at 6am tomorrow morning, with all but one of 101 economists surveyed by Bloomberg expecting policy to remain unchanged, while the rates market assigns a non-trivial 30% chance of a hike. A hawkish hold is the most likely outcome, with two or more dissents likely in favour of a hike. No new forecasts will be provided, and Fed Chair Warsh is unlikely to reveal much about his personal view of the policy outlook at the press conference.

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Coming up

		Period	Cons.	Prev.	NZT
AU	CPI trimmed mean (q/q%)	Q2	0.9	0.8	13:30
AU	CPI trimmed mean (y/y%)	Q2	3.7	3.5	13:30
AU	CPI (q/q%)	Q2	0.7	1.4	13:30
US	Fed Funds rate (upper bound %	Jul	3.75	3.75	06:00

Source: Bloomberg

Currencies

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

	Last	% Day	Low	High
NZD	0.5788	+0.2	0.5764	0.5799
AUD	0.6975	-0.2	0.6963	0.6986
EUR	1.1387	+0.2	1.1353	1.1405
GBP	1.3289	+0.0	1.3274	1.3311
JPY	163.85	+0.1	163.65	163.95
CAD	1.4104	-0.1		
NZD/AUD	0.8298	+0.5		
NZD/EUR	0.5083	+0.1		
NZD/GBP	0.4355	+0.3		
NZD/JPY	94.84	+0.3		
NZD/CAD	0.8163	+0.1		
NZ TWI	66.38	+0.2		

Other FX

	Last	% Day
CHF	0.8190	+0.0
SEK	9.695	-0.3
NOK	9.700	+0.3
HKD	7.842	-0.0
CNY	6.770	+0.1
SGD	1.292	+0.1
IDR	18,083	+0.4
THB	33.52	-0.3
KRW	1,454	-0.7
TWD	32.40	+0.3
PHP	61.63	-0.1

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,429	+0.2	16.3
Dow	52,823	+1.2	17.8
Nasdaq	24,908	-0.1	17.6
Stoxx 50	6,290	+0.1	17.8
FTSE	10,871	+0.8	19.7
DAX	25,464	+0.4	6.2
CAC 40	8,459	+0.6	8.4
Nikkei	62,365	-4.0	53.3
Shanghai	3,813	-1.2	6.0
ASX 200	8,948	+0.6	2.8
NZX 50	13,862	+0.1	7.2
VIX Index	18.42	-1.3	+22.6

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	84.04	-4.9
Oil (WTI)	79.31	-4.0
Gold	4023.9	-1.3
HRC steel	1156.0	+0.0
CRB	383.5	-3.1
Wheat Chic.	681.8	+0.6
Sugar	14.55	-0.2
Cotton	79.21	-0.2
Coffee	339.4	+4.6
WM powder	3505	+0.1

Australian Futures

	Last	Net Day
3 year bond	95.44	0.05
10 year bond	95.02	0.08

Interest Rates

Rates / **Swap Yields**

	Cash	3Mth	2 Yr	10 Yr
USD	3.75	4.85	4.12	4.19
AUD	4.35	4.55	4.58	5.03
NZD	2.50	2.92	3.70	4.41
EUR	2.25	2.45	2.95	3.14
GBP	3.75	3.87	4.22	4.54
JPY	0.98	-0.03	1.52	2.65
CAD	2.25	4.97	2.78	3.29

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.60	-0.04
AUD	4.96	-0.04
NZD	4.72	0.01
GER	3.10	-0.03
GBP	4.94	-0.05
JPY	2.79	-0.00
CAD	3.53	-0.03

NZ Government Bonds

	Last	Chg
15-May-28	3.68	0.01
20-Apr-29	3.88	0.00
15-May-30	4.05	0.01
15-May-31	4.21	0.01
15-May-32	4.34	0.01
14-Apr-33	4.43	0.01
15-May-34	4.53	0.01
15-May-35	4.63	0.01
15-May-36	4.72	0.01
15-May-37	4.80	0.01
15-May-41	5.08	0.00
15-May-51	5.30	0.00
15-May-54	5.30	0.01

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.70	0.00
BKBM 3-mth	2.92	0.00
1 year	3.42	0.00
2 year	3.70	-0.01
3 year	3.85	-0.01
5 year	4.05	-0.00
7 year	4.22	-0.00
10 year	4.41	-0.00
15 year	4.64	-0.00

NZ Inflation-Indexed Bonds

	Last	Chg
Sept-30	1.67	0.01
Sept-35	2.47	0.01
Sept-40	2.95	0.00

Carbon Price

	Level	% Day	% Year
NZU	55.80	+0.5	-0.8

Policy Meeting Run

	NZD	AUD	USD
1st	2.74	4.41	3.72
2nd	2.91	4.44	3.87
3rd	3.11	4.53	3.95
4th	3.29	4.57	4.04
5th	3.42	4.60	4.08

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

Rates are as of: NZT 06:48

Source: Bloomberg

NZD exchange rates

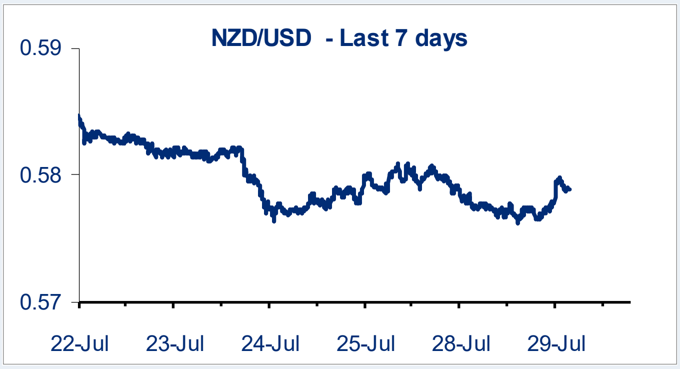
29/07/2026	6:48 am	Prev. NY close
USD	0.5788	0.5774
GBP	0.4355	0.4345
AUD	0.8298	0.8258
EUR	0.5083	0.5079
JPY	94.84	94.55
CAD	0.8163	0.8156
CHF	0.4736	0.4728
DKK	3.7974	3.7963
FJD	1.2917	1.2894
HKD	4.5378	4.5281
INR	55.47	55.37
NOK	5.6133	5.5818
PKR	160.80	160.44
PHP	35.66	35.62
PGK	2.5493	2.5481
SEK	5.6103	5.6153
SGD	0.7478	0.7454
CNY	3.9166	3.9054
THB	19.43	19.45
TOP	1.3550	1.3415
VUV	69.11	68.90
WST	1.5712	1.5718
XPF	60.52	60.45
ZAR	9.6548	9.6791

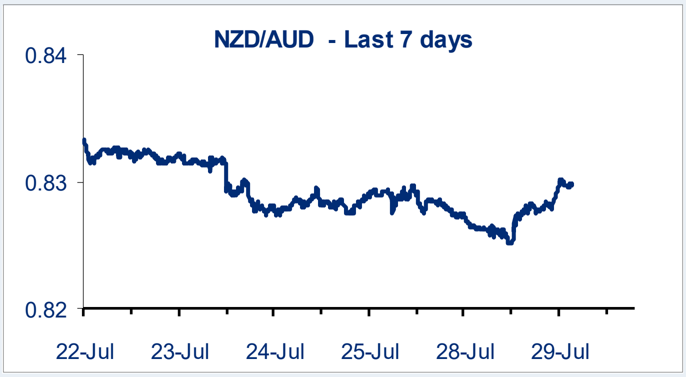
NZD/USD Forward Points

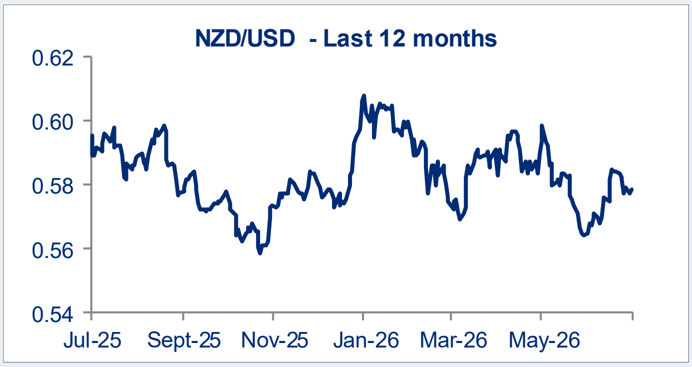
	BNZ buys NZD	BNZ sells NZD
1 Month	6.29	6.50
3 Months	16.36	16.94
6 Months	30.14	31.32
9 Months	40.09	42.48
1 Year	47.48	50.92

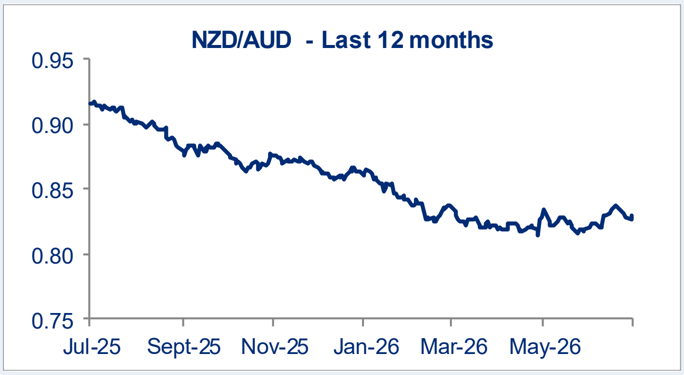
NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	13.31	13.77
3 Months	35.20	36.55
6 Months	65.30	68.16
9 Months	89.66	94.88
1 Year	109.28	116.63









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