

Research Markets Today

29 June 2026

Events round-up

JN: Tokyo CPI (y/y%), Jun: 1.7 vs. 1.6 exp.

JN: Tokyo CPI x-fr. food, energy (y/y%), Jun: 1.9 vs. 1.8 exp.

US: Goods trade balance (\$b), May: -105 vs. -85 exp.

US: U. of Mich. cons. sentiment, Jun: 49.5 vs. 50 exp.

US: U. of Mich. 5-10yr inflation exp., Jun: 3.3 vs. 3.3 exp.

Good morning

Risk-sensitive assets came under pressure in Asia on Friday, with AI-linked regional equity indices lower and the Kospi suffering sharp losses, triggering a circuit breaker for the second time last week. US indices finished broadly flat, although tech stocks remained under pressure as chipmakers weakened. In a sign of rotation beneath the surface, the equal-weighted S&P 500 closed near a record high. Lower oil prices also helped sentiment. US Treasuries were little changed, while the US dollar recovered from an earlier decline.

Brent crude fell below US\$72 per barrel, even as President Trump accused Iran of violating the ceasefire by targeting cargo ships in the Strait of Hormuz. Trump said four attack drones were launched at ships in the strait, one of which hit a cargo vessel, while the others were downed. Ship transits have nevertheless continued to rise. Oman has told European officials there will be no return to the pre-war status quo, with transit fees potentially introduced for navigation or de-pollution services.

The US struck Iranian missile and drone storage sites and coastal radar installations, describing the action as a “powerful response” to Iran’s attack on a commercial ship in the Strait of Hormuz. Iran later said it had targeted US bases in Kuwait and Bahrain. The developments, which occurred after the weekly market close, risk undermining the fragile ceasefire between the two countries.

Minneapolis Fed President Neel Kashkari, a voting member of the FOMC this year, said signs of broader inflation pressures led him to pencil in one rate hike in the latest projections, reversing his previous forecast for one cut in 2026. Kashkari said the concern was not just the Middle East, but broader inflation pressures. While not in a rush to hike, he wants to see how the data evolve and expects policy to remain steady in 2027.

Treasuries held recent gains as oil prices extended their slide toward pre-war levels and markets priced less Fed tightening in coming months. The 10-year Treasury yield ended last week at 4.37%, its lowest level in six weeks. Markets have also pared ECB hike expectations as lower oil prices reduced the risk of persistent inflation, with close to one 25bp hike priced by December. The 10-year bund yield was steady at 2.85%.

Currency markets were subdued, with only small net moves in G10 currencies relative to the local close. An initial dip in the US dollar reversed, while the yen remained near its weakest level since 1986, keeping speculation over intervention by Japanese authorities alive. The NZD has been confined to a narrow range in recent sessions and is consolidating near 0.5850, its lowest level since November last year. CFTC data, covering the period to last Tuesday, showed the aggregate US dollar long position rose by another \$5b to \$34b, matching the peak reached in January last year.

Tokyo CPI, considered a leading indicator of nationwide price trends, increased in June, keeping the Bank of Japan on track to raise rates further. The core measure, which excludes both fresh food and energy and is closely watched by the BOJ as a gauge of underlying inflation, rose 1.9% y/y, while headline CPI increased 1.7%. Markets are pricing close to one additional 25bp hike by year-end. The yen showed little reaction to the data.

It was a quiet end to the week for NZ fixed income in the local session on Friday. Swaps were 1bp higher across the curve. 2- and 10-year rates closed at 3.32% and 4.02% respectively. The bond curve had a 2bp parallel shift higher with the 10-year benchmark ending at 4.36%.

The only domestic data of note is May monthly filled jobs. Eurozone economic confidence data are due later this evening but should have limited market impact. The ECB Forum on Central Banking opens in Sintra, Portugal, with introductory remarks from ECB President Christine Lagarde.

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Coming up

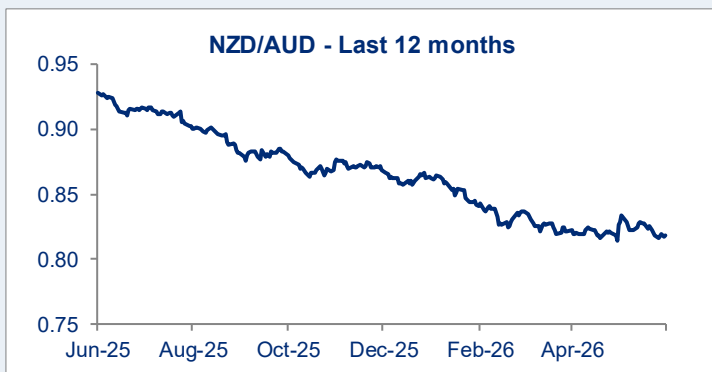
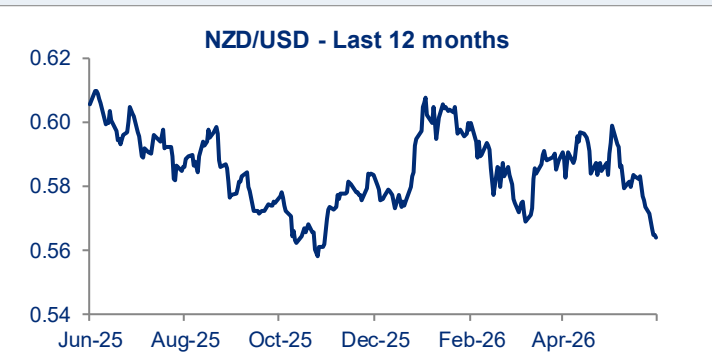
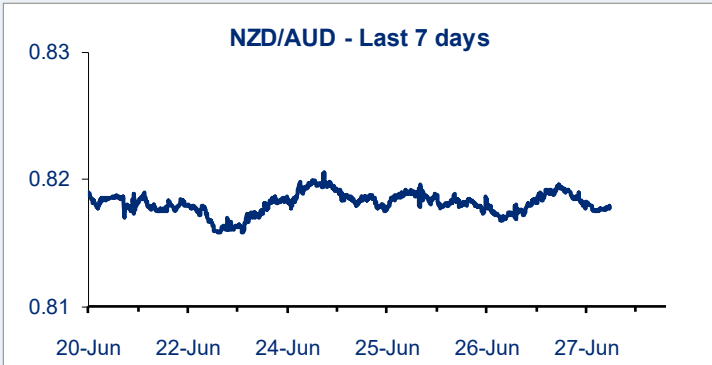
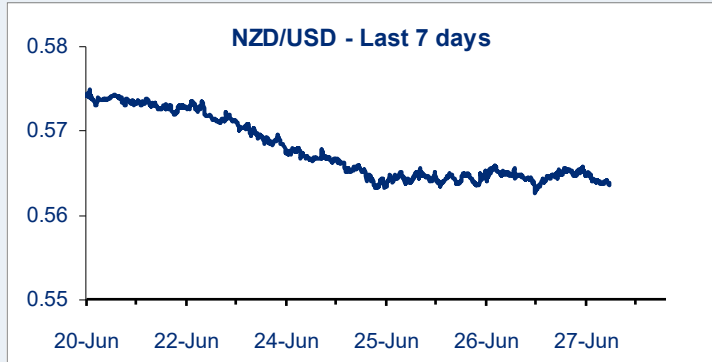
		Period	Cons.	Prev.	NZT
NZ	Filled Jobs (m/m%)	May	0.2		10:45
AU	RBA's Kent-Speech				11:30
EC	Economic Confidence	Jun	94.8	93.5	21:00
EC	ECB's Lagarde Speaks in Sintra				05:30

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	0.5638	-0.2	0.5636	0.5658	CHF	0.8097	-0.1	S&P 500	7,354	-0.0	19.1	Oil (Brent)	71.99	-4.3
AUD	0.6894	-0.2	0.6886	0.6917	SEK	9.737	+0.1	Dow	51,876	-0.1	18.4	Oil (WTI)	69.23	-3.7
EUR	1.1384	+0.1	1.1373	1.1434	NOK	9.932	+0.7	Nasdaq	25,298	-0.2	24.8	Gold	4096.3	+1.2
GBP	1.3197	+0.1	1.3191	1.3232	HKD	7.842	+0.0	Stoxx 50	6,222	-0.7	16.8	HRC steel	1156.0	+0.1
JPY	161.76	-0.0	161.53	161.78	CNY	6.801	+0.0	FTSE	10,508	-0.2	19.4	CRB	352.2	-1.1
CAD	1.4194	-0.0			SGD	1.294	-0.2	DAX	24,671	-1.3	2.7	Wheat Chic.	589.8	-2.0
NZD/AUD	0.8179	+0.1			IDR	17,922	-0.1	CAC 40	8,385	-0.6	9.0	Sugar	13.98	+3.2
NZD/EUR	0.4953	-0.3			THB	33.38	+0.1	Nikkei	69,361	-4.2	72.8	Cotton	71.66	-2.4
NZD/GBP	0.4272	-0.1			KRW	1,535	-0.5	Shanghai	4,027	-2.3	17.6	Coffee	273.2	-1.2
NZD/JPY	91.20	-0.1			TWD	31.88	+0.1	ASX 200	8,764	+0.2	2.9	WM powder	3505	+0.1
NZD/CAD	0.8003	-0.2			PHP	61.31	-0.0	NZX 50	13,495	+0.0	7.2	Australian Futures		
NZ TWI	64.99	-0.1						VIX Index	18.41	-2.5	+12.8	3 year bond	95.66	0.01
												10 year bond	95.23	-0.01
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	3.95	3.96	USD	4.37	-0.02	15-May-28	3.30	0.02	BKBM 1-mth	2.54	0.00	
AUD	4.35	4.46	4.42	4.84	AUD	4.72	-0.01	20-Apr-29	3.49	0.02	BKBM 3-mth	2.69	-0.03	
NZD	2.25	2.69	3.32	4.02	NZD	4.36	0.02	15-May-30	3.67	0.02	1 year	3.05	-0.01	
EUR	2.25	2.29	2.71	2.91	GER	2.85	-0.01	15-May-31	3.84	0.02	2 year	3.32	0.01	
GBP	3.75	3.87	4.01	4.32	GBP	4.73	0.03	15-May-32	3.98	0.02	3 year	3.45	0.01	
JPY	0.98	-0.03	1.43	2.47	JPY	2.62	-0.01	14-Apr-33	4.08	0.02	5 year	3.65	0.01	
CAD	2.25	4.97	2.64	3.13	CAD	3.39	0.00	15-May-34	4.17	0.02	7 year	3.82	0.01	
								15-May-35	4.27	0.02	10 year	4.02	0.01	
								15-May-36	4.36	0.02	15 year	4.26	0.01	
								15-May-37	4.46	0.02				
								15-May-41	4.73	0.02	NZ Inflation-Indexed Bonds			
								15-May-51	4.99	0.02	Sept-30	1.48	0.02	
								15-May-54	5.00	0.01	Sept-35	2.28	0.02	
											Sept-40	2.75	0.02	
Carbon Price					Policy Meeting Run									
	Level	% Day	% Year	NZD		AUD	USD							
NZU	54.90	+0.0	-6.9	1st	2.41	4.41	3.71							
				2nd	2.59	4.42	3.82							
				3rd	2.65	4.47	3.87							
				4th	2.81	4.48	3.95							
				5th	2.91	4.45	3.97							
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer														
Rates at NY close														
Source: Bloomberg														

NZD exchange rates

27/06/2026	NY close	Prev. NY close
USD	0.5638	0.5647
GBP	0.4272	0.4281
AUD	0.8179	0.8172
EUR	0.4953	0.4967
JPY	91.20	91.36
CAD	0.8003	0.8020
CHF	0.4568	0.4575
DKK	3.7035	3.7126
FJD	1.2580	1.2639
HKD	4.4236	4.4275
INR	53.25	53.45
NOK	5.6026	5.5703
PKR	156.91	157.09
PHP	34.58	34.62
PGK	2.4763	2.4800
SEK	5.4926	5.4950
SGD	0.7299	0.7320
CNY	3.8361	3.8385
THB	18.82	18.83
TOP	1.3140	1.3247
VUV	67.36	67.51
WST	1.5311	1.5432
XPF	58.94	59.14
ZAR	9.2896	9.3113



NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	5.97	6.19
3 Months	17.18	17.71
6 Months	33.07	34.16
9 Months	46.67	48.57
1 Year	57.80	60.45

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	13.55	14.07
3 Months	38.90	40.15
6 Months	73.66	76.22
9 Months	102.88	107.12
1 Year	127.60	134.26

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