Research

Markets Today

30 July 2026

Events round-up

AU: CPI trimmed mean (q/q%), Q2: 0.8 vs. 0.9 exp.

AU: CPI trimmed mean (y/y%), Q2: 3.6 vs. 3.7 exp.

AU: CPI (q/q%), Q2: 0.6 vs. 0.7 exp.

US: Fed Funds rate (upper bound %), Jul: 3.75 vs. 3.75 exp.

Good morning

Risk-sensitive assets came under pressure ahead of this morning's US Federal Reserve rate decision. Renewed Middle East tensions lifted oil prices and bond yields across Europe and the US, with 10-year Treasuries moving back towards 4.65%. The geopolitical developments weighed on investor sentiment, with the S&P down more than 0.5% before the Fed announcement amid further weakness in chipmakers. Recent anxiety around the AI trade will face another test today, with Meta and Microsoft due to report earnings. Currency markets were broadly stable.

After falling sharply at the start of the week, front-month Brent futures rose back above US$90 per barrel, from below US$83 early yesterday morning, as renewed skirmishes across the Middle East raised concerns about disruption to energy flows and the outlook for ongoing talks. The Islamic Revolutionary Guard Corps targeted a US airbase and command centre in Jordan and claimed to have hit three tankers prompting President Trump to vow forceful response, while the US military, alongside Saudi Arabia, struck targets in Iraq.

The FOMC left rates on hold at 3.75%, as expected by economists. However, the decision was not unanimous, with three regional Fed presidents on the 12-person Committee dissenting in favour of a rate increase. The market had priced around 8bp of tightening ahead of the meeting, equivalent to roughly a 30% chance of a hike - a rare degree of uncertainty heading into a rates decision. Policymakers did not update their economic forecasts or rate projections, with the next update due in September.

The vote marked the fifth consecutive meeting at which officials left rates unchanged. However, the dissents – albeit from known hawks - suggest it could become more challenging for the Fed to continue holding rates steady if inflation concerns intensify. Aside from the vote split, the short accompanying statement was otherwise unchanged from June, with officials repeating their pledge to "deliver price stability." The hawkish hold suggests there is a risk of a move in September though will depend on the incoming data.

US Treasury yields dipped immediately after the decision, led by the front end, which had priced a reasonable chance of a hike ahead of the meeting. The US dollar followed front-end yields lower, although the moves were modest. Outside of the Norwegian krone, which strengthened on the rise in oil prices, G10 currency moves have been limited since the NZ close. NZD/USD traded back towards 0.5800 after the Fed decision, recovering from an earlier dip, while US equities trimmed earlier losses.

Australian core inflation was softer than expected, prompting markets to pare expectations for further RBA tightening. The trimmed mean measure rose at a 3.6% annual rate, below economists' 3.7% forecast. The probability of another 25bp hike this year fell towards 50%, from more than 90% before the report, contributing to lower front-end yields and a steeper curve. The AUD also dipped after the release.

NZ fixed income rallied in the local session yesterday, taking its cue from the strong post-CPI rally in Australian rates markets and looking through the rebound in crude prices. NZ 2-year swap rates closed 5bp lower at 3.66%, while 10-year rates fell 7bp to 4.35%, flattening the curve. NZGBs largely matched the move in swaps, with 10-year bonds closing at 4.65%. Attention now turns to today's weekly tender, with NZDM offering Apr-33 ($225m), May-35 ($175m), and May-41 ($50m).

ANZ business confidence is released today, with attention likely to centre on the inflation and real activity indicators. The Bank of England is expected to leave rates unchanged at 3.75% and publish updated forecasts, likely showing a slightly lower inflation profile. Market pricing is consistent with no change in policy. In the US, Q2 GDP and PCE data are both released. Consensus expects GDP to increase at a 2.1% annualised quarterly pace, while the monthly core PCE deflator is expected to rise 0.2%, with the annual rate dipping to 3.3% from 3.4% in May.

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Coming up

		Period	Cons.	Prev.	NZT
NZ	ANZ Activity Outlook	Jul		36.9	13:00
GE	GDP (q/q%)	2Q P	0.1	0.3	20:00
GE	GDP (y/y%)	2Q P	0.6	0.5	20:00
EC	Economic Confidence	Jul	96	95	21:00
EC	GDP (q/q%)	2Q A	0.2	-0.2	21:00
EC	Unemployment Rate	Jun	6.2	6.2	21:00
UK	Bank of England Bank Rate	30-Jul	3.75	3.75	23:00
GE	CPI EU Harmonized (y/y%)	Jul P	2.8	2.4	00:00
US	Personal Income	Jun	0.3	0.7	00:30
US	Real Personal Spending	Jun	0.4	0.3	00:30
US	Core PCE Price Index (m/m%)	Jun	0.2	0.3	00:30
US	Core PCE Price Index (y/y%)	Jun	3.3	3.4	00:30
US	Initial Jobless Claims	25-Jul	200	187	00:30
US	GDP Annualized QoQ	2Q A	2.1	2.1	00:30

Source: Bloomberg

Currencies

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

	Last	% Day	Low	High
NZD	0.5801	+0.4	0.5762	0.5804
AUD	0.6960	-0.0	0.6922	0.6961
EUR	1.1426	+0.4	1.1375	1.1431
GBP	1.3338	+0.4	1.3279	1.3346
JPY	163.49	-0.2	163.45	163.91
CAD	1.4060	-0.4		
NZD/AUD	0.8335	+0.4		
NZD/EUR	0.5077	-0.1		
NZD/GBP	0.4349	-0.0		
NZD/JPY	94.84	+0.2		
NZD/CAD	0.8156	+0.0		
NZ TWI	66.46	+0.2		

Other FX

	Last	% Day
CHF	0.8170	-0.3
SEK	9.670	-0.3
NOK	9.611	-0.9
HKD	7.843	+0.0
CNY	6.767	-0.0
SGD	1.290	-0.2
IDR	18,073	-0.1
THB	33.48	-0.3
KRW	1,444	-0.6
TWD	32.38	-0.1
PHP	61.40	-0.4

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,391	-0.5	16.0
Dow	52,075	-1.1	16.7
Nasdaq	24,900	+0.3	18.0
Stoxx 50	6,249	-0.6	16.2
FTSE	10,908	+0.3	19.4
DAX	25,460	-0.0	5.1
CAC 40	8,408	-0.6	7.0
Nikkei	61,434	-1.5	51.1
Shanghai	3,828	+0.4	6.1
ASX 200	9,039	+1.0	3.2
NZX 50	13,977	+0.8	8.7
VIX Index	18.70	+2.7	+17.0

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	90.90	+8.3
Oil (WTI)	84.66	+7.1
Gold	4068.0	+0.5
HRC steel	1193.0	+0.1
CRB	379.2	-1.1
Wheat Chic.	676.8	-0.4
Sugar	14.50	-0.3
Cotton	78.02	-1.5
Coffee	308.6	-3.8
WM powder	3500	-0.1

Australian Futures

	Last	Net Day
3 year bond	95.51	0.08
10 year bond	95.03	0.02

Interest Rates

Rates / **Swap Yields**

	Cash	3Mth	2 Yr	10 Yr
USD	3.75	4.85	4.11	4.21
AUD	4.35	4.55	4.55	5.02
NZD	2.50	2.92	3.66	4.35
EUR	2.25	2.45	3.02	3.20
GBP	3.75	3.87	4.34	4.62
JPY	0.98	-0.03	1.53	2.65
CAD	2.25	4.97	2.79	3.33

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.63	0.02
AUD	4.92	-0.04
NZD	4.65	-0.07
GER	3.16	0.06
GBP	5.04	0.09
JPY	2.77	-0.02
CAD	3.57	0.04

NZ Government Bonds

	Last	Chg
15-May-28	3.60	-0.08
20-Apr-29	3.81	-0.07
15-May-30	3.98	-0.06
15-May-31	4.14	-0.06
15-May-32	4.27	-0.07
14-Apr-33	4.36	-0.07
15-May-34	4.47	-0.07
15-May-35	4.56	-0.07
15-May-36	4.65	-0.07
15-May-37	4.74	-0.06
15-May-41	5.01	-0.07
15-May-51	5.24	-0.07
15-May-54	5.24	-0.07

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.70	0.00
BKBM 3-mth	2.92	0.00
1 year	3.40	-0.02
2 year	3.66	-0.05
3 year	3.79	-0.06
5 year	3.99	-0.07
7 year	4.15	-0.07
10 year	4.35	-0.07
15 year	4.58	-0.07

NZ Inflation-Indexed Bonds

	Last	Chg
Sept-30	1.65	-0.02
Sept-35	2.46	-0.02
Sept-40	2.93	-0.01

Carbon Price

	Level	% Day	% Year
NZU	55.80	+0.0	-0.9

Policy Meeting Run

	NZD	AUD	USD
1st	2.74	4.37	3.65
2nd	2.89	4.40	3.81
3rd	3.08	4.47	3.89
4th	3.25	4.53	3.99
5th	3.38	4.54	4.04

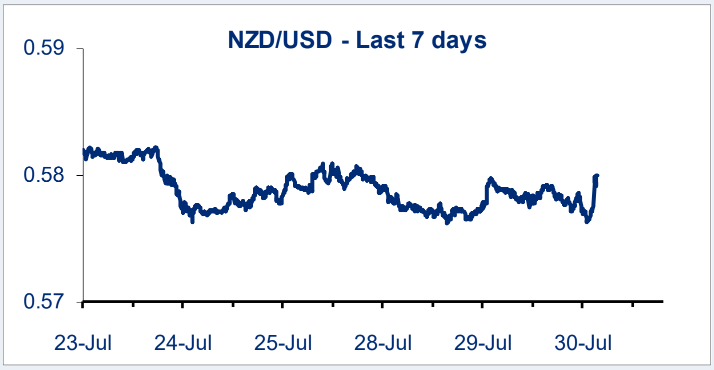
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer

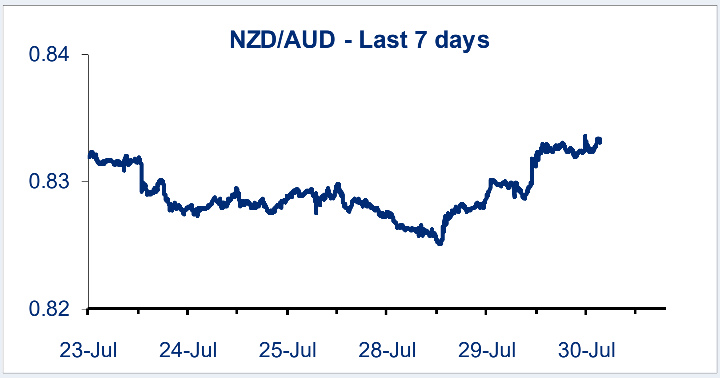
Rates are as of: NZT 06:44

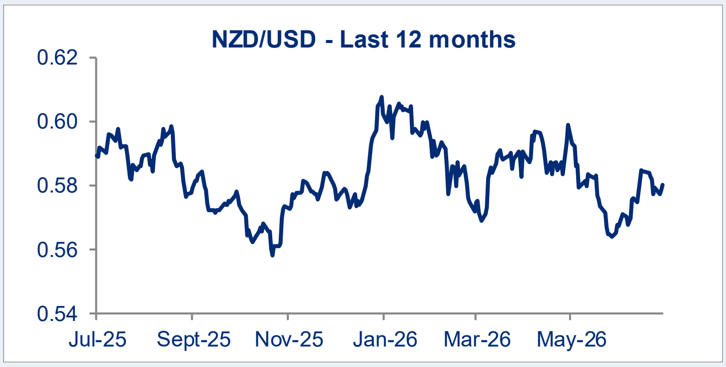
Source: Bloomberg

NZD exchange rates

30/07/2026	6:45 am	Prev. NY close
USD	0.5801	0.5784
GBP	0.4349	0.4352
AUD	0.8335	0.8292
EUR	0.5077	0.5079
JPY	94.84	94.77
CAD	0.8156	0.8159
CHF	0.4739	0.4738
DKK	3.7952	3.7970
FJD	1.2952	1.2942
HKD	4.5496	4.5351
INR	55.48	55.45
NOK	5.5756	5.6042
PKR	161.19	160.72
PHP	35.61	35.65
PGK	2.5611	2.5525
SEK	5.6095	5.6046
SGD	0.7482	0.7472
CNY	3.9253	3.9159
THB	19.47	19.48
TOP	1.3595	1.3574
VUV	69.29	69.08
WST	1.5734	1.5783
XPF	60.58	60.50
ZAR	9.6668	9.6575





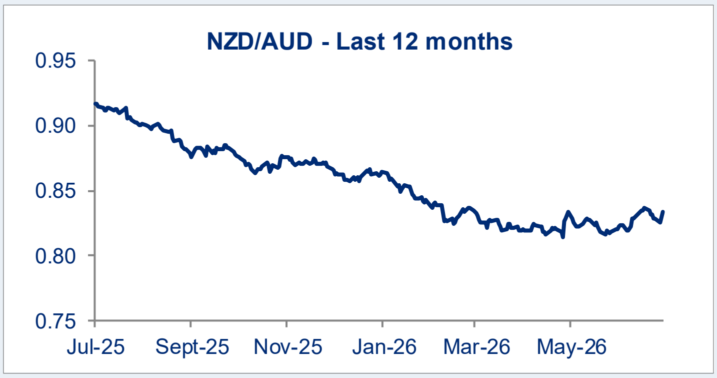


NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	5.70	6.00
3 Months	15.61	16.30
6 Months	28.63	30.57
9 Months	38.57	41.97
1 Year	46.93	51.69

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	13.00	13.71
3 Months	35.38	37.25
6 Months	63.56	68.19
9 Months	86.84	93.55
1 Year	105.62	116.14



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