

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.

stuart_ritson@bnz.co.nz

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							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	0.5801	+0.4	0.5762	0.5804	CHF	0.8170	-0.3		S&P 500	7,391	-0.5	16.0	Oil (Brent)	90.90	+8.3
AUD	0.6960	-0.0	0.6922	0.6961	SEK	9.670	-0.3		Dow	52,075	-1.1	16.7	Oil (WTI)	84.66	+7.1
EUR	1.1426	+0.4	1.1375	1.1431	NOK	9.611	-0.9		Nasdaq	24,900	+0.3	18.0	Gold	4068.0	+0.5
GBP	1.3338	+0.4	1.3279	1.3346	HKD	7.843	+0.0		Stoxx 50	6,249	-0.6	16.2	HRC steel	1193.0	+0.1
JPY	163.49	-0.2	163.45	163.91	CNY	6.767	-0.0		FTSE	10,908	+0.3	19.4	CRB	379.2	-1.1
CAD	1.4060	-0.4			SGD	1.290	-0.2		DAX	25,460	-0.0	5.1	Wheat Chic.	676.8	-0.4
NZD/AUD	0.8335	+0.4			IDR	18,073	-0.1		CAC 40	8,408	-0.6	7.0	Sugar	14.50	-0.3
NZD/EUR	0.5077	-0.1			THB	33.48	-0.3		Nikkei	61,434	-1.5	51.1	Cotton	78.02	-1.5
NZD/GBP	0.4349	-0.0			KRW	1,444	-0.6		Shanghai	3,828	+0.4	6.1	Coffee	308.6	-3.8
NZD/JPY	94.84	+0.2			TWD	32.38	-0.1		ASX 200	9,039	+1.0	3.2	WM powder	3500	-0.1
NZD/CAD	0.8156	+0.0			PHP	61.40	-0.4		NZX 50	13,977	+0.8	8.7	Australian Futures		
NZ TWI	66.46	+0.2							VIX Index	18.70	+2.7	+17.0	3 year bond	95.51	0.08
													10 year bond	95.03	0.02
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	4.11	4.21	USD	4.63	0.02	15-May-28	3.60	-0.08	BKBM 1-mth	2.70	0.00		
AUD	4.35	4.55	4.55	5.02	AUD	4.92	-0.04	20-Apr-29	3.81	-0.07	BKBM 3-mth	2.92	0.00		
NZD	2.50	2.92	3.66	4.35	NZD	4.65	-0.07	15-May-30	3.98	-0.06	1 year	3.40	-0.02		
EUR	2.25	2.45	3.02	3.20	GER	3.16	0.06	15-May-31	4.14	-0.06	2 year	3.66	-0.05		
GBP	3.75	3.87	4.34	4.62	GBP	5.04	0.09	15-May-32	4.27	-0.07	3 year	3.79	-0.06		
JPY	0.98	-0.03	1.53	2.65	JPY	2.77	-0.02	14-Apr-33	4.36	-0.07	5 year	3.99	-0.07		
CAD	2.25	4.97	2.79	3.33	CAD	3.57	0.04	15-May-34	4.47	-0.07	7 year	4.15	-0.07		
Carbon Price					Policy Meeting Run			15-May-35	4.56	-0.07	10 year	4.35	-0.07		
	Level	% Day	% Year			NZD	AUD	USD	4.65	-0.07	15 year	4.58	-0.07		
NZU	55.80	+0.0	-0.9		1st	2.74	4.37	3.65	15-May-37	4.74	-0.06	NZ Inflation-Indexed Bonds			
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer					2nd	2.89	4.40	3.81	15-May-51	5.24	-0.07	Sept-30	1.65	-0.02	
					3rd	3.08	4.47	3.89	15-May-54	5.24	-0.07	Sept-35	2.46	-0.02	
					4th	3.25	4.53	3.99				Sept-40	2.93	-0.01	
Rates are as of: NZT 06:44					5th	3.38	4.54	4.04							
Source: Bloomberg															

NZD exchange rates

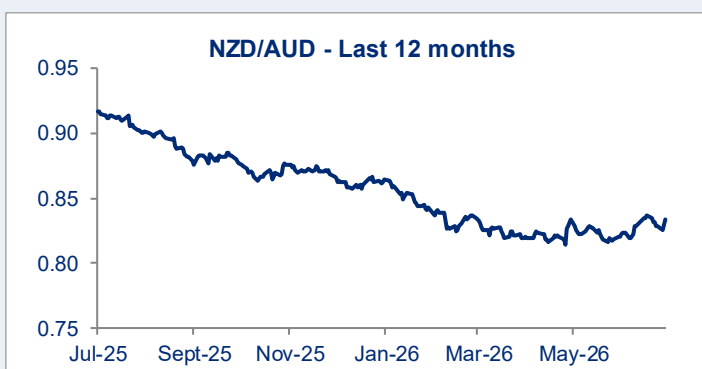
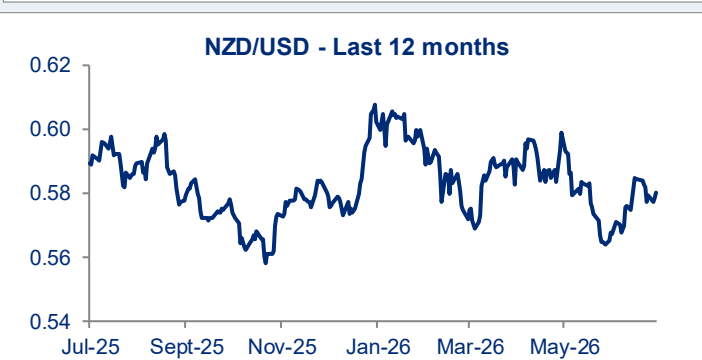
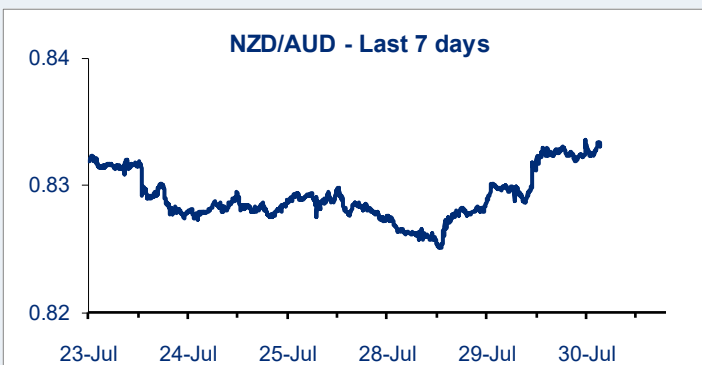
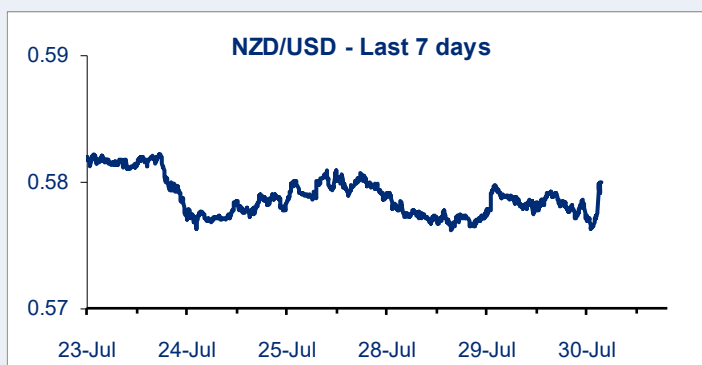
30/07/2026	6:45 am	Prev. NY close
USD	0.5801	0.5784
GBP	0.4349	0.4352
AUD	0.8335	0.8292
EUR	0.5077	0.5079
JPY	94.84	94.77
CAD	0.8156	0.8159
CHF	0.4739	0.4738
DKK	3.7952	3.7970
FJD	1.2952	1.2942
HKD	4.5496	4.5351
INR	55.48	55.45
NOK	5.5756	5.6042
PKR	161.19	160.72
PHP	35.61	35.65
PGK	2.5611	2.5525
SEK	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



Contact Details

BNZ Research

Stephen Toplis

Head of Research

Doug Steel

Senior Economist

Jason Wong

Senior Markets Strategist

Stuart Ritson

Senior Interest Rate Strategist

Mike Jones

BNZ Chief Economist

Main Offices

Wellington

Level 2, BNZ Place
1 Whitmore St
Private Bag 39806
Wellington Mail Centre
Lower Hutt 5045
New Zealand
Toll Free: 0800 283 269

Auckland

80 Queen Street
Private Bag 92208
Auckland 1142
New Zealand
Toll Free: 0800 283 269

Christchurch

111 Cashel Street
Christchurch 8011
New Zealand
Toll Free: 0800 854 854

This document has been produced by Bank of New Zealand (BNZ). BNZ is a registered bank in New Zealand and is only authorised to offer products and services to customers in New Zealand.

Analyst Disclaimer: The Information accurately reflects the personal views of the author(s) about the securities, issuers and other subject matters discussed, and is based upon sources reasonably believed to be reliable and accurate. The views of the author(s) do not necessarily reflect the views of the NAB Group. No part of the compensation of the author(s) was, is, or will be, directly or indirectly, related to any specific recommendations or views expressed.

BNZ maintains an effective information barrier between the research analysts and its private side operations. Private side functions are physically segregated from the research analysts and have no control over their remuneration or budget. The research functions do not report directly or indirectly to any private side function. The Research analyst might have received help from the issuer subject in the research report.

New Zealand: The information in this publication is provided for general information purposes only, and is a summary based on selective information which may not be complete for your purposes. This publication does not constitute any advice or recommendation with respect to any matter discussed in it, and its contents should not be relied on or used as a basis for entering into any products described in it. Bank of New Zealand recommends recipients seek independent advice prior to acting in relation to any of the matters discussed in this publication.

Any statements as to past performance do not represent future performance, and no statements as to future matters are guaranteed to be accurate or reliable.

Neither Bank of New Zealand nor any person involved in this publication accepts any liability for any loss or damage whatsoever which may directly or indirectly result from any advice, opinion, information, representation or omission, whether negligent or otherwise, contained in this publication.

USA: If this document is distributed in the United States, such distribution is by nabSecurities, LLC. This document is not intended as an offer or solicitation for the purchase or sale of any securities, financial instrument or product or to provide financial services. It is not the intention of nabSecurities to create legal relations on the basis of information provided herein.