Market Alert

Thursday 23 July 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5815	0.0029
NZD/AUD	0.8313	0.0063
NZD/JPY	94.875	-1.01
NZD/EUR	0.5096	-0.0015
NZD/GBP	0.4348	0.0021
NZD/CNH	3.9398	-0.0339
AUD/USD	0.6994	-0.0020
AUD/EUR	0.6129	-0.0065
EUR/USD	1.1410	0.0087
USD/CNH	6.7752	-0.0913
GBP/USD	1.3373	0.0000
EUR/GBP	0.8531	0.0065

INT RATES	NZ	Australia
OCR/Cash	2.50%	4.35%
90 day bills	2.90%	4.54%
2 year swap	3.65%	4.56%
10 year Govt	4.77%	5.10%

Oh ... what a beautiful war!

Was a well-known movie from 1969 ... and seriously, you couldn't make half of this stuff up ... but let me try ... with the US threatening to expand beyond military targets, Iran has broadened its threats, warning that any strikes on bridges or power plants would prompt retaliation via electricity infrastructure across the Gulf States, effectively expanding the battlefield to critical civilian infrastructure. Energy supply lines are also facing immediate disruption as two tankers carrying Saudi crude to Asia reversed course in the Red Sea following explicit Houthi threats.

Somewhat unsurprisingly, oil prices surged to multi-week highs on global supply disruption fears. WTI has gained nearly 20% this month, Brent is up 30% while European gas prices are up almost 45%. Concurrently, the US has collected roughly USD13bn in frozen Venezuelan oil revenues.

The yield on the US 10-year Treasury note rose for a third consecutive session by 4bps to 4.66%, hitting a fresh 2-month high. The US 30-year bond yield marked its longest sustained stretch above 5.00% since the start of the crisis. Driven by this upward pressure, the average contract rate on a 30-year fixed US mortgage climbed 4bps to 6.69%. Gold climbed to USD4,135, propelled by technical buying and robust safe-haven demand.

The JPY hit a fresh 40-year low, crossing past 163.00 against the USD. Japanese Finance Minister Katayama declined to comment on specific currency levels but reiterated that Tokyo would take necessary action, adding pressure ahead of next week's BOJ meeting. Apart from that, currency markets remain largely range bound ... hopefully the ECB will generate some excitement overnight!

US markets flatlined as investors pared back positions ahead of Alphabet's highly anticipated guidance on AI spending and Tesla's post-market earnings report. Microsoft reported that AI adoption is *"accelerating at an incredible pace,"* however, Wall Street remained unimpressed, with the stock failing to react positively to the news. Perhaps the news some of OpenAI's most advanced AI models went rogue and hacked a start-up after it lost control of them during a security test has a few people worried ... I know I am! European bourses posted gains in the 0.5%-1.0% region.

Looking at the overnight releases

Annual inflation in the UK eased to 2.6% in June from 2.8% in May. This drop beat market expectations of 2.7% and marked the lowest inflation reading since March 2025.

The Australian index of leading economic indicators was flat in June, following May's revised 0.1% contraction. The 6-month annualised growth rate slipped to -0.36% from -0.25% in May, the 6th consecutive below-trend reading and the weakest pace since late 2023.

Japan's trade deficit unexpectedly expanded to USD2.5bn in June as imports surged 25.4% to a record high. The spike was driven by a weak yen and soaring oil prices exacerbated by the Middle East conflict.

Property markets softened in London after house prices recorded their sharpest annual decline since 2023.

In the Presidential corner

President Trump has approved a landmark, 30-year civil nuclear agreement with Saudi Arabia worth tens of billions of dollars, according to the WSJ. The deal involves US firms developing the kingdom's civilian program and potentially building a domestic uranium enrichment facility.

The White House also plans to redirect its USD200bn annual federal research budget away from universities targeting individual scientists and AI initiatives to maintain a competitive edge over China.

Finally, with no football, no golf, no rugby tests this weekend ... what should we concentrate on? We have the Tour de France ... but I must confess, I'm not one for lycra!

Daily Rates

Thursday 23 July 2026

FX

	Spot Mid	FECs (mid) 1mth	3mths	6mths	12mths
NZ TWI	66.80				
NZD/USD	0.5815	0.0005	0.0015	0.0029	0.0048
NZD/AUD	0.8313	0.0012	0.0034	0.0063	0.0108
NZD/JPY	94.875	-0.15	-0.50	-1.0092	-2.11
NZD/EUR	0.5096	-0.0002	-0.0007	-0.0015	-0.0035
NZD/GBP	0.4348	0.0004	0.0011	0.0021	0.0038
AU TWI	65.60				
AUD/USD	0.6994	-0.0004	-0.0011	-0.0020	-0.0035
AUD/NZD	1.2022	-0.0019	-0.0052	-0.0095	-0.0162
AUD/JPY	113.99	-0.35	-1.06	-2.08	-3.99
AUD/EUR	0.6129	-0.0011	-0.0034	-0.0065	-0.0121
AUD/GBP	0.5229	-0.0003	-0.0008	-0.0015	-0.0022
USD Index	101.12				
EUR/USD	1.1410	0.0015	0.0044	0.0087	0.0169
USD/JPY	163.13	-0.41	-1.27	-2.53	-4.91
GBP/USD	1.3373	0.0000	0.0000	0.0000	-0.0011
EUR/GBP	0.8531	0.0011	0.0033	0.0065	0.0131
USD/CNY	6.7725	-0.0147	-0.0451	-0.0902	-0.1819

	Spot Mid NZD/...	AUD/...
CAD	0.8186	0.9850
CHF	0.4735	0.5698
CNY	3.9394	4.7374
DKK	3.8080	4.5816
FJD	1.2941	1.5570
HKD	4.5579	5.4839
KRW	858.58	1033.01
MYR	2.3740	2.8563
NOK	5.5803	6.7140
SEK	5.6380	6.7835
SGD	0.7505	0.9030
TWD	18.85	22.68
ZAR	9.53	11.47

INTEREST RATES

	New Zealand Mid	Australia Mid
30 day bank bills	2.70%	4.37%
90 day bank bills	2.90%	4.54%
1 year swap	3.38%	4.56%
2 year swap	3.65%	4.56%
3 year swap	3.79%	4.54%
5 year swap	4.00%	4.58%
10 year swap	4.37%	4.79%
3 year Govt bond	3.92%	4.61%
5 year Govt bond	4.24%	4.69%
10 year Govt bond	4.77%	5.10%

EQUITIES

	Index
NZX50	13,763
ASX200	8,823
Dow Jones	52,235
S&P 500	7,502
FTSE100	10,717
DAX 40	25,155
Nikkei	66,116

COMMODITIES

	USD
Brent Crude	94.01
Gold	4,130.24
Silver	59.57
Iron Ore	98.65
CRB Index	504.01

	NZD
NZ Carbon	56.15