Market Alert

Tuesday 28 July 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5777	0.0030
NZD/AUD	0.8263	0.0065
NZD/JPY	94.585	-0.99
NZD/EUR	0.5080	-0.0015
NZD/GBP	0.4346	0.0021
NZD/CNH	3.9268	-0.0326
AUD/USD	0.6989	-0.0020
AUD/EUR	0.6145	-0.0066
EUR/USD	1.1371	0.0089
USD/CNH	6.7649	-0.0910
GBP/USD	1.3288	0.0002
EUR/GBP	0.8553	0.0065

INT RATES	NZ	Australia
OCR/Cash	2.50%	4.35%
90 day bills	2.91%	4.59%
2 year swap	3.75%	4.66%
10 year Govt	4.78%	5.12%

Conflict pause sees oil prices reverse

The US and Iran continued to hold fire, with an Iranian official cited by Reuters adding that if the US attacks stop, Iran will halt its operations. Trump said the US and Iran were engaged in diplomatic talks to end the conflict, while Iran's Foreign Ministry spokesman said no formal negotiations are currently taking place.

Oil markets certainly liked the fact that things aren't still escalating, following US threats last week about carry out *"massive"* strikes on Iran. Oil prices tumbled on Monday, with Brent down almost 10% to under USD88 a barrel. But with Iran still targeting commercial ships in the Strait of Hormuz and the US maintaining a blockade on Iran's ports, further oil price falls may be hard to achieve without some kind of formal ceasefire.

The lack of further escalation between the US and Iran saw the 2-year US Treasury yield down 1bp to 4.32%, while the 10-year yield fell 4bps to 4.64%. It was also a big day yesterday for New Zealand swap rates, with the interest rate curve falling around 10 basis points after strong increases through much of last week. Market liquidity remains an issue. Australian swap rates also eased yesterday, down 2-3 basis points across the curve.

In currency markets, the NZD/USD is once again below the 0.5780 level, with yesterday's modest gains being unwound overnight, while the AUD/USD has managed to keep hold above the 0.6990 level. The NZD/AUD cross rate is lower today, currently just above the 0.8260 level.

AI wobbles and other highlights (lowlights)

Outside of the Middle East conflict, markets are also nervously watching equity prices of the key AI stocks, with a selloff overnight keeping pressure on the big spenders to justify their investments. Nvidia announced a fresh round of AI deals worth more than USD750 billion, raising concerns amongst investors about circular financing across the sector and rising debt levels.

In other news headlines:

- The Monetary Authority of Singapore (MAS) on Monday unexpectedly tightened monetary policy by slightly increasing the rate of appreciation of its Singapore dollar nominal effective exchange rate (S$NEER) policy band, while leaving the width and centre of the band unchanged.
- Japanese services inflation June services PPI 3.2% vs 3.3% prior.
- China's industrial profits rose 18.7% yoy to CNY 3.95 trillion in the first half of 2026, easing marginally from an 18.8% growth in the January-May period.
- US durable goods orders rose 0.3% over June, while core orders rose by 0.6%, both less than forecasts of 1.8% and 0.8% respectively.

Eat your heart out SpaceX!

Chipmaker fever has hit mainland China after shares in ChangXin Memory Technologies jumped 500% on its IPO debut. That gives it a market cap set to hit 3.3 trillion yuan, or $487 billion USD, making it one of the largest companies in China by market capitalisation.

China's Ministry of Commerce has criticised the Trump administration's accusations that Chinese firms have stolen US intellectual property through AI model distillation, calling it a *"smear campaign,"* and that China would take *"all necessary measures"* if the US were to sanction Chinese AI companies.

Daily Rates

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FX	Spot Mid	FECs (mid) 1mth	3mths	6mths	12mths
NZ TWI	66.50				
NZD/USD	0.5777	0.0006	0.0016	0.0030	0.0049
NZD/AUD	0.8263	0.0013	0.0035	0.0065	0.0110
NZD/JPY	94.585	-0.16	-0.46	-0.9931	-2.09
NZD/EUR	0.5080	-0.0002	-0.0006	-0.0015	-0.0037
NZD/GBP	0.4346	0.0004	0.0011	0.0021	0.0036
AU TWI	65.60				
AUD/USD	0.6989	-0.0004	-0.0010	-0.0020	-0.0037
AUD/NZD	1.2098	-0.0020	-0.0053	-0.0099	-0.0173
AUD/JPY	114.46	-0.37	-1.04	-2.10	-4.04
AUD/EUR	0.6145	-0.0012	-0.0033	-0.0066	-0.0127
AUD/GBP	0.5257	-0.0003	-0.0009	-0.0016	-0.0028
USD Index	101.51				
EUR/USD	1.1371	0.0016	0.0044	0.0089	0.0175
USD/JPY	163.73	-0.44	-1.25	-2.55	-4.96
GBP/USD	1.3288	0.0000	0.0001	0.0002	-0.0003
EUR/GBP	0.8553	0.0010	0.0032	0.0065	0.0131
USD/CNY	6.7657	-0.0161	-0.0448	-0.0911	-0.1862

	Spot Mid NZD/...	AUD/...
CAD	0.8155	0.9869
CHF	0.4730	0.5726
CNY	3.9087	4.7283
DKK	3.7957	4.5936
FJD	1.2720	1.5394
HKD	4.5286	5.4806
KRW	846.52	1024.48
MYR	2.3579	2.8536
NOK	5.5794	6.7523
SEK	5.6130	6.7929
SGD	0.7454	0.9021
TWD	18.64	22.56
ZAR	9.67	11.71

INTEREST RATES	New Zealand Mid	Australia Mid
30 day bank bills	2.70%	4.40%
90 day bank bills	2.91%	4.59%
1 year swap	3.41%	4.67%
2 year swap	3.75%	4.66%
3 year swap	3.89%	4.64%
5 year swap	4.09%	4.64%
10 year swap	4.44%	4.87%
3 year Govt bond	3.97%	4.67%
5 year Govt bond	4.27%	4.74%
10 year Govt bond	4.78%	5.12%

EQUITIES	Index
NZX50	13,851
ASX200	8,894
Dow Jones	52,210
S&P 500	7,413
FTSE100	10,782
DAX 40	25,361
Nikkei	64,931

COMMODITIES	USD
Brent Crude	87.77
Gold	4,081.22
Silver	58.52
Iron Ore	98.42
CRB Index	490.91

	NZD
NZ Carbon	55.50