Market Alert

Thursday 30 July 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5791	0.0028
NZD/AUD	0.8334	0.0063
NZD/JPY	94.700	-0.98
NZD/EUR	0.5055	-0.0014
NZD/GBP	0.4339	0.0021
NZD/CNH	3.9154	-0.0346
AUD/USD	0.6947	-0.0020
AUD/EUR	0.6062	-0.0063
EUR/USD	1.1453	0.0084
USD/CNH	6.7612	-0.0913
GBP/USD	1.3346	-0.0007
EUR/GBP	0.8580	0.0062
INT RATES	**NZ**	**Australia**
OCR/Cash	2.50%	4.35%
90 day bills	2.92%	4.60%
2 year swap	3.66%	4.57%
10 year Govt	4.72%	5.05%

The Federal Reserve

Concluded its July FOMC meeting by voting 9–3 to leave its benchmark Federal Funds rate unchanged for a fifth consecutive meeting in its 3.50%-3.75% range.

While the decision broadly met expectations, the meeting exposed internal fractures with the most significant dissent amongst the Board's members in 34-years. The dissenting officials, Beth M. Hammack (Cleveland), Neel Kashkari (Minneapolis), and Lorie Logan (Dallas) voted against the hold in favour of an immediate 25bps rate hike arguing that 5 consecutive years of overshooting the Fed's 2% target required an immediate tightening.

The statement noted that while economic activity continues to expand at a "*solid pace,*" elevated uncertainty looms. Policymakers explicitly blamed Middle East geopolitical supply shocks for keeping headline inflation elevated, referencing how intense volatility has driven up consumer fuel and baseline energy costs. The Trump tariffs have injected upward price pressures into supply chains, and while sweeping immigration restrictions continue to impact the labour market, the unemployment rate remains historically low and stable.

In the Q&A, there was a lot of talking, but little in the way of actual insights. Chair Warsh again refused to provide any short-term forward guidance noting that while the FOMC had left the cash rate unchanged, fixed-income markets have done the tightening for them as, *"Rates are higher today than they were 42 days ago."* On the dissent, he announced, *"I asked for a family fight, and I got one,"* adding, *"There was a lot of agreement that I heard that we have the power to deliver stable prices. I don't believe our mandates are at war with each other. If inflation stays high, rates could be part of the solution".*

The lack of insight saw a steepening of the US yield curve with the 2-year treasury easing 5bps to 4.25% while the 10-year yield firmed 6bps to 4.67%. The USD-index also struggled for momentum but eased into the close. Against the USD, the CHF, EUR and GBP were the biggest beneficiaries, the NZD posted a modest gain to reclaim the 0.5800 level, although the weaker Australian CPI print weighed on the AUD. This saw NZD/AUD firm to 0.8335.

Equity markets didn't like the cut of Fed's cloth with the US exchanges falling 1.5%-2.5%, while the European bourses broadly 0.5% lower. Interestingly, the Nasdaq is now nearly at 10% below its all-time high, signalling the index has 'officially' entered a technical correction.

Oil prices firmed 7.0% after Jordan confirmed it intercepted five missiles launched from Iran targeting US troops stationed across the Middle East. President Trump retaliated with, "*We will hit them hard, it's our turn.*"

Looking at the other overnight releases ….

- Australian CPI came in lower at 3.8% against the 4.0% expected, after inflation contracted 0.1% in the quarter against the 0.2% forecast.
- Most importantly, the RBA's preferred gauge, the trimmed mean, printed at 0.8% on the quarter with the annual rate slowed to 3.6%. Ultimately, it should be enough to allow the RBA to retain its hawkish bias without the need to raise rates in August.
- UK consumer credit increased to GBP1.81bn in June, up from May's 1.7bn.

At least your Kiwi-saver isn't invested in the Kospi!

Starting from April, the South Korean index rose 80% in just 10 weeks. That's been followed by a 40% decline, largely wiping out the gain, amid with a chip crunch. To put into perspective how insane a 40% decline over 35 days is … the Covid sell-off saw a 33.9% contraction in 33-days, Trump's tariff day shock in 2025 was 18.9% over 48-days, and if the S&P 500 fell 40%, it would wipe out 5-years of gains!

Daily Rates

Thursday 30 July 2026

FX	Spot Mid	FECs (mid) 1mth	3mths	6mths	12mths
NZ TWI	66.30				
NZD/USD	0.5791	0.0006	0.0015	0.0028	0.0044
NZD/AUD	0.8334	0.0013	0.0035	0.0063	0.0107
NZD/JPY	94.700	-0.15	-0.45	-0.9784	-2.07
NZD/EUR	0.5055	-0.0002	-0.0006	-0.0014	-0.0034
NZD/GBP	0.4339	0.0004	0.0012	0.0021	0.0037
AU TWI	65.20				
AUD/USD	0.6947	-0.0004	-0.0011	-0.0020	-0.0036
AUD/NZD	1.1998	-0.0020	-0.0052	-0.0095	-0.0162
AUD/JPY	113.51	-0.35	-1.02	-2.03	-3.93
AUD/EUR	0.6062	-0.0011	-0.0032	-0.0063	-0.0119
AUD/GBP	0.5205	-0.0003	-0.0008	-0.0014	-0.0022
USD Index	100.94				
EUR/USD	1.1453	0.0014	0.0041	0.0084	0.0161
USD/JPY	163.53	-0.41	-1.20	-2.45	-4.82
GBP/USD	1.3346	-0.0001	-0.0002	-0.0007	-0.0019
EUR/GBP	0.8580	0.0010	0.0030	0.0062	0.0126
USD/CNY	6.7661	-0.0156	-0.0442	-0.0902	-0.1866

	Spot Mid NZD/...	AUD/...
CAD	0.8132	0.9759
CHF	0.4714	0.5657
CNY	3.9026	4.6858
DKK	3.7773	4.5329
FJD	1.2762	1.5315
HKD	4.5397	5.4478
KRW	835.15	1002.21
MYR	2.3660	2.8392
NOK	5.5611	6.6735
SEK	5.5920	6.7106
SGD	0.7467	0.8960
TWD	18.71	22.46
ZAR	9.66	11.59

INTEREST RATES	New Zealand Mid	Australia Mid
30 day bank bills	2.70%	4.40%
90 day bank bills	2.92%	4.60%
1 year swap	3.38%	4.61%
2 year swap	3.66%	4.57%
3 year swap	3.81%	4.54%
5 year swap	4.01%	4.52%
10 year swap	4.39%	4.78%
3 year Govt bond	3.90%	4.54%
5 year Govt bond	4.21%	4.63%
10 year Govt bond	4.72%	5.05%

EQUITIES	Index
NZX50	13,977
ASX200	9,039
Dow Jones	51,594
S&P 500	7,316
FTSE100	10,908
DAX 40	25,460
Nikkei	61,434

COMMODITIES	USD
Brent Crude	90.83
Gold	4,056.75
Silver	57.31
Iron Ore	98.30
CRB Index	493.57
	NZD
NZ Carbon	55.80

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