

Market Alert

Wednesday 08 July 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5681	0.0033
NZD/AUD	0.8195	0.0071
NZD/JPY	92.080	-0.90
NZD/EUR	0.4977	-0.0011
NZD/GBP	0.4252	0.0023
NZD/CNH	3.8649	-0.0292
AUD/USD	0.6930	-0.0021
AUD/EUR	0.6070	-0.0066
EUR/USD	1.1414	0.0089
USD/CNH	6.8037	-0.0901
GBP/USD	1.3357	0.0001
EUR/GBP	0.8542	0.0065

INT RATES	NZ	Australia
OCR/Cash	2.25%	4.35%
90 day bills	2.73%	4.51%
2 year swap	3.34%	4.41%
10 year Govt	4.49%	4.94%

Just when we all thought it was over ... it starts again!

Yes... that is correct... in the last 24-hours 3 tankers were hit in the Strait of Hormuz. A Qatari and Saudi tankers were hit by the IRGC, while a 3rd unidentified vessel was hit by a drone. The US has retaliated by revoking Iran's 21-June waiver to export oil.

As one would have expected, oil prices have surged. Crude rose 5.4% to be back above USD70.00 at USD72.05, while Brent is at USD75.85. European gas prices surged a whopping 8.4%! Silver prices fell 3.2%, gold slipped 1.25%, while copper eased 0.8%.

Global equity prices retreated amid heavy losses for the chip sector amid the renewed deterioration in the macroeconomic backdrop. The Nasdaq crashed 2.25%, the S&P500 fell 0.6%,

while the European bourses were 0.5% to 1.0% lower.

US treasury yields reversed the prior sessions moves, which saw the 2 and 10-years firm 7bps to 4.19% and 4.55%. To some extent it does make this afternoon's call a touch more difficult for the RBNZ's 'will they, won't they' debate. I suspect, if anything, the resumption of hostilities will underpin the inflationary outlook and potentially tip the scales towards a hike ... and just when I notice 95 was below NZD3.00!

The USD index firmed slightly, essentially from 100.60 to 100.80, with the NZD, AUD and CHF the worst performers easing 0.35%.

In amongst the geopolitical tensions the US releases weren't particularly helpful either ...

The June forecasts for US inflation firmed across the board with the 1-year projection rising by 0.2% to its highest level since September 2023 at 3.7%. The 3-year projection also increased by 0.2% to 3.3%, its highest level since June 2022, while the five-year outlook remained steady at 3.0%. The US trade deficit also widened by USD23bn to USD77.6bn

On a positive note, US economic optimism rose from 42.5 to 45.5 in July. The 6-month economic outlook, which measures how consumers perceive the economy, increased to 42.1 from 37.1.

The BoE is considering cutting leverage ratios for UK banks by 20bps, reducing the risk capital they must hold.

German industrial production rose 0.9% in June, topping estimates and growing for a second month.

In New Zealand, the GDT auction painted a depressing picture, registering a sharp 4.9% drop in the headline index price. This drop accelerates the downward trend seen throughout June, driven primarily by strong global milk production outpacing international demand. The result mirrors the weak forward sentiment in the futures market, where traders have already been heavily discounting core fat and powder pricing. SMP plummeted 7.0%, butter fell 5.0%, while WMP held up slightly better easing 'just' 4.4%. While the correction adds to the recent downward momentum seen since the March peak, it's probably a little too early to prompt a revision to the Fonterra farmgate milk forecast.

New York President John William's confirmed that while, "Inflation is still too high, I do feel a little bit more positive about the near-term inflation outlook because of the energy price declines that we're going to see", before adding, "I see a steady trend for growth in the US economy."

This won't help the JPY, but BoJ dissenter Toichiro Asada stated, "Our inflation target must be met with support from rising wages and demand, before rate hikes."

While bets on whether Cristiano Ronaldo ...

Would cry at the World Cup drew USD5.4m in bets, authentic footage of Ronaldo shedding tears appears debateable. Could AI have generated some of those tears? I don't know, but at this stage, there has been no indication as to whether Polymarket will pay out!



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Daily Rates

Wednesday 08 July 2026

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	65.50					CAD	0.8062	0.9839
NZD/USD	0.5681	0.0006	0.0017	0.0033	0.0056	CHF	0.4589	0.5602
NZD/AUD	0.8195	0.0013	0.0037	0.0071	0.0120	CNY	3.8584	4.7084
NZD/JPY	92.080	-0.14	-0.41	-0.8994	-1.82	DKK	3.7184	4.5376
NZD/EUR	0.4977	-0.0002	-0.0004	-0.0011	-0.0028	FJD	1.2559	1.5325
NZD/GBP	0.4252	0.0004	0.0012	0.0023	0.0040	HKD	4.4529	5.4338
						KRW	859.24	1048.52
AU TWI	65.20					MYR	2.3096	2.8184
AUD/USD	0.6930	-0.0004	-0.0011	-0.0021	-0.0035	NOK	5.5631	6.7886
AUD/NZD	1.2198	-0.0020	-0.0058	-0.0110	-0.0198	SEK	5.5032	6.7155
AUD/JPY	112.34	-0.35	-1.02	-2.07	-3.89	SGD	0.7340	0.8956
AUD/EUR	0.6070	-0.0012	-0.0033	-0.0066	-0.0126	TWD	18.24	22.26
AUD/GBP	0.5186	-0.0003	-0.0009	-0.0017	-0.0031	ZAR	9.25	11.29
USD Index	101.06					EQUITIES		
EUR/USD	1.1414	0.0015	0.0043	0.0089	0.0176		Index	
USD/JPY	162.09	-0.41	-1.20	-2.50	-4.81	NZX50	13,763	
GBP/USD	1.3357	0.0000	0.0000	0.0001	0.0006	ASX200	8,804	
EUR/GBP	0.8542	0.0011	0.0031	0.0065	0.0125	Dow Jones	52,925	
USD/CNY	6.7934	-0.0153	-0.0445	-0.0907	-0.1810	S&P 500	7,505	
						FTSE100	10,666	
						DAX 40	25,465	
						Nikkei	68,257	
INTEREST			New Zealand		Australia			
RATES			Mid		Mid			
30 day bank bills			2.62%		4.36%			
90 day bank bills			2.73%		4.51%			
1 year swap			3.09%		4.49%			
2 year swap			3.34%		4.41%			
3 year swap			3.48%		4.37%			
5 year swap			3.68%		4.37%			
10 year swap			4.06%		4.63%			
3 year Govt bond			3.60%		4.46%			
5 year Govt bond			3.93%		4.54%			
10 year Govt bond			4.49%		4.94%			
						COMMODITIES		
							USD	
						Brent Crude	75.73	
						Gold	4,114.98	
						Silver	60.29	
						Iron Ore	98.30	
						CRB Index	463.82	
							NZD	
						NZ Carbon	53.80	

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