Market Alert

Friday 17 July 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5842	0.0027
NZD/AUD	0.8352	0.0065
NZD/JPY	94.865	-0.98
NZD/EUR	0.5106	-0.0013
NZD/GBP	0.4335	0.0022
NZD/CNH	3.9574	-0.0335
AUD/USD	0.6995	-0.0023
AUD/EUR	0.6113	-0.0064
EUR/USD	1.1441	0.0082
USD/CNH	6.7737	-0.0885
GBP/USD	1.3474	-0.0006
EUR/GBP	0.8490	0.0064

INT RATES	NZ	Australia
OCR/Cash	2.50%	4.35%
90 day bills	2.87%	4.51%
2 year swap	3.58%	4.48%
10 year Govt	4.72%	5.02%

"Frankly my dear … I don't give a damn!"

Whether football is coming home or not … and as a spoke person for UK PM Keir Starmer said, "*The PM wishes both teams well for Monday's final …. especially Spain!*"

In other parts of the world, geopolitical risk premiums spiked following a direct confrontation between US and Iranian forces, maintaining oil prices near their recent 1-month highs. The US intensified military actions by targeting an Iranian oil tanker near its primary export terminal, marking the first such strike since reinstating the naval blockade. Iran retaliated with strikes on US military installations in Kuwait and Jordan. Intelligence reports indicate Tehran instructed Houthi rebels to prepare for a full closure of the Red Sea shipping lane if the US executes President Trump's threat to strike domestic Iranian infrastructure next week.

Oil traders continue to digest Tuesday's upside breakout against the backdrop of systemic supply chain threats. Currently crude is at USD 79.00, brent at USD84.20, while silver has fallen 3.75% with gold trading 2.0% lower. Copper has fallen 0.8%.

Global equity markets are trading 0.25%-0.75% lower, although the Dow has fallen 2.0% and the Nikkei is 4.0% lower as chipmakers suffer steep losses as investors questioned whether the capex spending by AI hyperscalers can be sustained. SpaceX shares dipped below their IPO price for first time while Chinese AI startup Moonshot AI announced a new model designed to directly challenge Anthropic's market-leading architecture.

Against the volatility in commodity and equity markets, bond and FX markets have been stable. The 2-year US treasury yield gained 2bps to 4.16% while the 10-years is 1bps higher at 4.57%. The USD-index, NZD and AUD are virtually unchanged.

The overnight data releases painted …

A mixed picture of robust manufacturing and a tight labour market balanced by decelerating consumer demand.

- The Philly Fed manufacturing index surged unexpectedly to 41.4, climbing from June's 10.3. This represents the fastest pace of industrial expansion since November 2021, driven by a 10-point jump in new orders to 37.0.
- Initial jobless claims dropped by 8k to 208k, undershooting expectations at 217k. Continuing claims fell to 1,805k, highlighting persistent labour market tightness.
- June retail sales softened to 0.2% from May's revised 1.0%. The slowdown was primarily driven by declining fuel prices.
- Just to remind everyone that there are still some trade tariff's out there … the US has slapped a 25% tariff on some Brazil goods … although beef and coffee are exempt!
- The Bank of Korea raised its base rate by 25bp to 2.75%, its first hike since early 2023, in a move widely expected to supporting the Won and anchor inflation expectations
- Australian consumer inflation expectations fell from 5.5% to 4.7% in July.

Kansas City Fed President Jeffrey Schmid maintained a hawkish stance noting that, "*While the recent inflation reprint was encouraging, it's too early to put too much weight on it. Inflation is proving persistent across a broad selection of goods and services.*" He explicitly rejected the premise that supply shocks are inherently transient, signalling that the central bank remains hesitant to cut rates prematurely.

Finance Minister Satsuki Katayama stated (again), "*The government stands ready to take appropriate action on FX anytime it is deemed necessary,*" adding that, "*Enhancing the international competitiveness of the Japanese economy would help maintain confidence in the JPY.*"

Daily Rates

Friday 17 July 2026

FX	Spot Mid	1mth	3mths	6mths	12mths
		FECs (mid)			
NZ TWI	66.90				
NZD/USD	0.5842	0.0005	0.0015	0.0027	0.0044
NZD/AUD	0.8352	0.0012	0.0035	0.0065	0.0110
NZD/JPY	94.865	-0.15	-0.47	-0.9845	-2.07
NZD/EUR	0.5106	-0.0002	-0.0006	-0.0013	-0.0033
NZD/GBP	0.4335	0.0004	0.0011	0.0022	0.0038
AU TWI	65.40				
AUD/USD	0.6995	-0.0004	-0.0012	-0.0023	-0.0040
AUD/NZD	1.1970	-0.0018	-0.0052	-0.0098	-0.0170
AUD/JPY	113.42	-0.34	-1.03	-2.07	-3.96
AUD/EUR	0.6113	-0.0011	-0.0033	-0.0064	-0.0120
AUD/GBP	0.5190	-0.0003	-0.0008	-0.0014	-0.0023
USD Index	100.75				
EUR/USD	1.1441	0.0014	0.0041	0.0082	0.0158
USD/JPY	162.38	-0.40	-1.20	-2.43	-4.74
GBP/USD	1.3474	-0.0001	-0.0002	-0.0006	-0.0021
EUR/GBP	0.8490	0.0011	0.0031	0.0064	0.0129
USD/CNY	6.7726	-0.0147	-0.0437	-0.0892	-0.1785

	Spot Mid NZD/...	Spot Mid AUD/...
CAD	0.8203	0.9826
CHF	0.4723	0.5657
CNY	3.9543	4.7350
DKK	3.8156	4.5702
FJD	1.2981	1.5548
HKD	4.5785	5.4840
KRW	863.88	1034.73
MYR	2.3769	2.8470
NOK	5.6518	6.7696
SEK	5.6319	6.7457
SGD	0.7534	0.9024
TWD	18.84	22.56
ZAR	9.57	11.47

INTEREST RATES	New Zealand Mid	Australia Mid
30 day bank bills	2.70%	4.37%
90 day bank bills	2.87%	4.51%
1 year swap	3.29%	4.53%
2 year swap	3.58%	4.48%
3 year swap	3.73%	4.44%
5 year swap	3.94%	4.46%
10 year swap	4.29%	4.73%
3 year Govt bond	3.87%	4.52%
5 year Govt bond	4.20%	4.62%
10 year Govt bond	4.72%	5.02%

EQUITIES	Index
NZX50	13,615
ASX200	8,841
Dow Jones	52,486
S&P 500	7,505
FTSE100	10,572
DAX 40	24,915
Nikkei	66,836

COMMODITIES	USD
Brent Crude	84.38
Gold	3,977.29
Silver	55.62
Iron Ore	98.88
CRB Index	480.72

	NZD
NZ Carbon	54.50