Market Alert

Monday 20 July 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5827	0.0028
NZD/AUD	0.8365	0.0066
NZD/JPY	94.645	-0.97
NZD/EUR	0.5098	-0.0013
NZD/GBP	0.4334	0.0023
NZD/CNH	3.9514	-0.0326
AUD/USD	0.6964	-0.0023
AUD/EUR	0.6093	-0.0063
EUR/USD	1.1428	0.0082
USD/CNH	6.7781	-0.0885
GBP/USD	1.3440	-0.0007
EUR/GBP	0.8497	0.0065

INT RATES	NZ	Australia
OCR/Cash	2.50%	4.35%
90 day bills	2.88%	4.52%
2 year swap	3.59%	4.53%
10 year Govt	4.73%	5.02%

That was, quite simply, specular!

New Zealand, you did us proud! The AB's were on fire, the Warrior's returned to winning ways, Liam doing well on the tools, but above all, hats off to Ryan Fox for his record round of 62 … and for bringing it home! It's just a shame my team let everyone down getting thumped …. but who cares about that … a huge well done to Ryan, you're a superstar!

But that's where the good news stopped as a severe and rapid escalation in the US-Iran conflict has injected heightened volatility in global markets after a 7th consecutive day of tit-for-tat strikes. The latest saw two American service members killed following a strike on a US base in Jordan while the US launched retaliatory strikes in Iran, triggering a structural infrastructure war. Iran has formally suspended its MoU with the US, with the complete collapse of diplomatic commitments forcing energy markets and central bank policymakers to rapidly reevaluate inflation risks. Friday saw oil prices end the session 4.5% higher.

Amidst these geopolitical shocks, the artificial intelligence infrastructure trade faces a massive structural test after the US exchanges fell a further 0.75%-1.5% while the European bourses eased 0.5%-1.0%, all this despite the NYT reporting that Anthropic could pay up to USD10bn over the next two years to lease AI computing capacity from Meta.

FX markets remain stable with the NZD/USD closing at 0.5840 on Friday while the AUD/USD was also a touch lower at 0.6980, while Treasury yields were mixed with the 2-years 2bps higher at 4.18% while the 10-years eased 1bps to 4.55%.

Friday's economic releases out of the US revealed …

A resilient consumer but sticky inflationary pressures …

- The University of Michigan's consumer sentiment index firmed to 54.4 in July, beating forecasts at 51.0 and marking a second straight monthly recovery from May's record low.
- June industrial production rose 0.1%, matching May's pace, but missing the 0.2% market forecast.
- More concerning for the inflation outlook, a 0.3% monthly rise in US import prices, and while this marked a deceleration from May's revised 1.7% surge, it sharply defied market forecasts of a 0.7% contraction.
- China's FX regulator said the country's FX market has operated smoothly despite the external shocks and the Yuan accounting for 52.9% of cross-border receipts and payments, up 1.3% from last year.
- NZ food inflation eased from May's 1.0% to 0.6% in June.

President Trump declassified documents alleging Chinese interference in the 2020 election, contradicting his own intelligence community's findings, ahead of ahead of a planned US-China meeting in September.

The week ahead

Will be focused on developments between the US and Iran, but beyond that, Federal Reserve officials are entering their quiet period ahead of the July 28–29 FOMC meeting while investors will be focused on PMIs, new home sales, the Chicago Fed activity index, Kansas City Fed's manufacturing, and the Conference Board's leading indicators index. Across the Atlantic, attention turns to the ECB's monetary policy decision, where policymakers are expected to keep interest rates on hold. We also have Eurozone PMIs, construction output, and the German ZEW economic sentiment index. The UK will provide their unemployment and PMI updates, while Andy Burnham officially takes office as Prime Minister. In the Asia-Pacific region the PBoC is expected to hold its 1 and 5-year LPR steady at 3.0% and 3.5%, Japan will release its inflation and trade figures, Australia will update its June employment numbers, and New Zealand will update its latest trade numbers.

Daily Rates

Monday 20 July 2026

FX	Spot Mid	FECs (mid) 1mth	3mths	6mths	12mths		Spot Mid NZD/...	AUD/...
NZ TWI	66.90					CAD	0.8165	0.9761
NZD/USD	0.5827	0.0005	0.0015	0.0028	0.0046	CHF	0.4704	0.5629
NZD/AUD	0.8365	0.0012	0.0035	0.0066	0.0113	CNY	3.9567	4.7291
NZD/JPY	94.645	-0.16	-0.46	-0.9722	-2.07	DKK	3.8095	4.5544
NZD/EUR	0.5098	-0.0002	-0.0005	-0.0013	-0.0031	FJD	1.2816	1.5322
NZD/GBP	0.4334	0.0004	0.0012	0.0023	0.0040	HKD	4.5669	5.4599
						KRW	866.67	1036.14
AU TWI	65.30					MYR	2.3824	2.8483
AUD/USD	0.6964	-0.0004	-0.0011	-0.0023	-0.0044	NOK	5.5862	6.6785
AUD/NZD	1.1949	-0.0020	-0.0051	-0.0096	-0.0164	SEK	5.6153	6.7133
AUD/JPY	113.18	-0.36	-1.03	-2.05	-3.96	SGD	0.7519	0.8990
AUD/EUR	0.6093	-0.0011	-0.0032	-0.0063	-0.0118	TWD	18.86	22.54
AUD/GBP	0.5177	-0.0003	-0.0008	-0.0014	-0.0022	ZAR	9.60	11.48
USD Index	100.76							
EUR/USD	1.1428	0.0014	0.0041	0.0082	0.0155			
USD/JPY	162.39	-0.43	-1.21	-2.46	-4.78			
GBP/USD	1.3440	-0.0001	-0.0002	-0.0007	-0.0023			
EUR/GBP	0.8497	0.0011	0.0032	0.0065	0.0130			
USD/CNY	6.776	-0.0147	-0.0444	-0.0893	-0.1800			

INTEREST RATES	New Zealand Mid	Australia Mid
30 day bank bills	2.70%	4.36%
90 day bank bills	2.88%	4.52%
1 year swap	3.31%	4.57%
2 year swap	3.59%	4.53%
3 year swap	3.74%	4.50%
5 year swap	3.95%	4.46%
10 year swap	4.32%	4.72%
3 year Govt bond	3.87%	4.54%
5 year Govt bond	4.19%	4.63%
10 year Govt bond	4.73%	5.02%

EQUITIES	Index
NZX50	13,695
ASX200	8,797
Dow Jones	52,146
S&P 500	7,458
FTSE100	10,600
DAX 40	24,831
Nikkei	64,141

COMMODITIES	USD
Brent Crude	88.10
Gold	4,016.69
Silver	55.90
Iron Ore	98.88
CRB Index	488.44

	NZD
NZ Carbon	54.80