Market Alert

Tuesday 21 July 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5842	0.0028
NZD/AUD	0.8345	0.0065
NZD/JPY	94.910	-1.01
NZD/EUR	0.5118	-0.0014
NZD/GBP	0.4349	0.0022
NZD/CNH	3.9543	-0.0338
AUD/USD	0.6999	-0.0022
AUD/EUR	0.6130	-0.0065
EUR/USD	1.1415	0.0084
USD/CNH	6.7694	-0.0892
GBP/USD	1.3433	-0.0006
EUR/GBP	0.8495	0.0064

INT RATES	NZ	Australia
OCR/Cash	2.50%	4.35%
90 day bills	2.88%	4.52%
2 year swap	3.59%	4.52%
10 year Govt	4.78%	5.08%

As difficult as it is to believe ...

Geopolitical tensions ratchetted up even further overnight following yesterday's attacks on two Greek-owned tankers in the Strait of Hormuz, the ongoing US airstrikes, and the retaliatory Iranian strikes. As the Pentagon contemplates deploying more military aircraft to the region, signalling a prolonged and widening campaign, President Trump warned Iran will "*pay*" for the deaths of three US service members while CBS News is reporting that nearly 100 US service personnel have been injured in Iranian attacks in the Middle East since the 7-July escalation. Mediators are pushing for a 10-day ceasefire and new US-Iran talks, but I wouldn't hold my breath waiting for an announcement!

Meanwhile, Houthi militants have escalated tensions by declaring a maritime embargo on Saudi shipping in the Red Sea.

Markets reacted sharply to President Trump's warnings on Iran. Oil prices continued their recovery rallying a further 0.75% with WTI at USD83.00 and Brent now at USD89.00. European gas prices also jumped 2.0%, while somewhat surprisingly silver and copper also posted gains. The outlier was gold which eased 0.25% despite a Goldmans report which suggested China secretly bought 48 tonnes of gold via London's OTC market in May, five times the official report, supporting gold prices despite the hawkish Fed sentiment.

US stocks trimmed their early gains and were mixed overnight as escalating geopolitical tensions weighed against fresh support for chip producers. Overall, the US and European bourses closed in the red, falling 0.10%-0.50%.

Treasury yields rose with the 2-years gaining 4bps to 4.22% with the 10-years gaining 5bps to be at the psychological 4.60% level as geopolitical concerns weighed on the economic and monetary policy outlook.

FX markets were steady, and while the USD-index had a positive session so did the AUD and the NZD which also licked in further gains. The AUD outperformed, with the AUD/USD at 0.7000, and with NZD/USD unchanged at 0.5845, it meant NZD/AUD pulled back to 0.8350. Interestingly, GBP/USD fell to around 1.3435 as investors digested the appointment of Andy Burnham as the UK's new PM with John Healey as Chancellor, although there isn't any ambiguity to President Trump's thoughts on the changes after he labelled Britain a "*poverty-stricken disaster.*"

Looking at the data releases ...

The US leading index recorded its first negative print in three months falling -0.2% against estimates for a -0.1% contraction.

China kept its 1-year and 5-year Loan Prime Rates steady at 3.0% and 3.5% respectively amid slowing growth and a firmer Yuan. Positively, urban youth unemployment (excluding students) fell for a third month to a one-year low of 14.9% in June.

New Zealand posted a monthly trade surplus of NZ$23m for June with exports earning NZD8.09bn while imports cost NZD8.07bn. The annual trade deficit remains at NZD3.75bn.

Canadian headline inflation eased significantly to 2.8% in June, down from May's 2-year high at 3.2%.

While President Trump announced a temporary 10% 'global' tariff in February hours after the Supreme Court struck down his blanket tariffs, the temporary 10% tariff is due to expire this Friday.

RIP KK

RIP Kevin Keegan, aka Mighty Mouse. He was a trailblazer and did things his way ... even when he fell off his bike!

Daily Rates

Tuesday 21 July 2026

FX	Spot Mid	FECs (mid) 1mth	3mths	6mths	12mths
NZ TWI	67.00				
NZD/USD	0.5842	0.0005	0.0014	0.0028	0.0043
NZD/AUD	0.8345	0.0012	0.0034	0.0065	0.0110
NZD/JPY	94.910	-0.17	-0.47	-1.0051	-2.14
NZD/EUR	0.5118	-0.0002	-0.0006	-0.0014	-0.0036
NZD/GBP	0.4349	0.0004	0.0011	0.0022	0.0037
AU TWI	65.40				
AUD/USD	0.6999	-0.0004	-0.0012	-0.0022	-0.0041
AUD/NZD	1.1980	-0.0019	-0.0051	-0.0097	-0.0162
AUD/JPY	113.18	-0.37	-1.03	-2.08	-4.03
AUD/EUR	0.6130	-0.0012	-0.0033	-0.0065	-0.0123
AUD/GBP	0.5210	-0.0003	-0.0008	-0.0015	-0.0024
USD Index	100.95				
EUR/USD	1.1415	0.0015	0.0042	0.0084	0.0162
USD/JPY	162.46	-0.43	-1.21	-2.47	-4.84
GBP/USD	1.3433	-0.0001	-0.0002	-0.0006	-0.0022
EUR/GBP	0.8495	0.0012	0.0032	0.0064	0.0130
USD/CNY	6.7668	-0.0157	-0.0444	-0.0895	-0.1813

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%	4.55%
2 year swap	3.59%	4.52%
3 year swap	3.73%	4.48%
5 year swap	3.94%	4.46%
10 year swap	4.32%	4.72%
3 year Govt bond	3.94%	4.61%
5 year Govt bond	4.26%	4.69%
10 year Govt bond	4.78%	5.08%

Spot Mid	NZD/...	AUD/...
CAD	0.8215	0.9843
CHF	0.4731	0.5670
CNY	3.9360	4.7269
DKK	3.8247	4.5829
FJD	1.2826	1.5367
HKD	4.5797	5.4876
KRW	862.31	1033.26
MYR	2.3890	2.8626
NOK	5.6498	6.7699
SEK	5.6557	6.7769
SGD	0.7540	0.9035
TWD	18.86	22.60
ZAR	9.65	11.56

EQUITIES	Index
NZX50	13,696
ASX200	8,791
Dow Jones	51,895
S&P 500	7,456
FTSE100	10,525
DAX 40	24,847
Nikkei	64,141

COMMODITIES	USD
Brent Crude	88.91
Gold	4,007.50
Silver	56.41
Iron Ore	98.88
CRB Index	490.98
	NZD
NZ Carbon	55.04

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