Market Alert

Monday 03 August 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5894	0.0029
NZD/AUD	0.8357	0.0065
NZD/JPY	92.625	-0.94
NZD/EUR	0.5104	-0.0013
NZD/GBP	0.4370	0.0020
NZD/CNH	3.9656	-0.0333
AUD/USD	0.7051	-0.0020
AUD/EUR	0.6101	-0.0063
EUR/USD	1.1539	0.0085
USD/CNH	6.7487	-0.0897
GBP/USD	1.3481	-0.0001
EUR/GBP	0.8547	0.0060
INT RATES	**NZ**	**Australia**
OCR/Cash	2.50%	4.35%
90 day bills	2.94%	4.55%
2 year swap	3.65%	4.54%
10 year Govt	4.75%	5.06%

Friday wasn't the quiet close to the month everyone was expecting ...

After Iran announced it had struck two tankers in Hormuz, while Black Sea attacks and CPC export concerns added to supply fears. But with the Gulf region quiet over the weekend, optimism is building that an agreement may be close by.

Unfortunately, the damage has already been done to markets after oil prices surged more than 20% in July, the most since March, with WTI at USD84.65 and Brent just under USD88.00.

Friday also saw the Fed dissenters come out in force with Cleveland President Beth Hammack announcing, "In my view, now is the time for the FOMC to act to speed the return of PCE inflation to our 2.0% percent objective and deliver on our commitment to price stability for the American people. The longer that high inflation persists, the more challenging and costly it can be to bring it back down." Similarly, Minneapolis President Neel Kashkari stated, "*In my view, a potential series of small policy moves would be better than waiting and eventually concluding that even bolder actions were necessary.*"

This saw US yields follow oil prices higher with the 2-years gaining a further 5bps to 4.30% while the 10-years gained 6bps to reach 4.74%. But whereas the higher yields usually mean a strong USD, this time around the USD-index remained below the 100.00 level with traders alert for a second round of intervention after the US Treasury allegedly informed a number of banks that it may intervene in USD/JPY and that they should *"stand ready for future action"*. This weakness supported the NZD and AUD as they consolidated near their 2-month highs.

Equity markets closed last week in positive territory as tech stocks recovered. The US exchanges closed 0.5%-0.75% while the European bourses locked in gains in the 0.0%-0.25% range.

Friday's data releases ...

- The University of Michigan's consumer sentiment index was revised higher to 55.2 in July 2026 from a preliminary reading of 54.0, reaching its highest level since February.
- On inflation, the 1-year view dipped to 4.2%, down 0.4% from May to reach its lowest level since March, while the 5-year outlook was unchanged at 3.3%.

Chinese rocket scientists have discovered the 'most effective' way to nuke a doomsday asteroid! By all accounts, the two-pronged method could blast apart an Earth-threatening space rock using a 3-megaton explosion equivalent to 200 Hiroshima bombs! With a plan like that ... what could go wrong!

The week ahead

A busy week of economic data will be headlined by the US jobs report with the accompanying unemployment, average hourly earnings, JOLTS and ADP reports, while we also have ISM PMIs, factory orders, construction, consumer credit, inventories, and the trade balance. From Europe the ECB will be providing their latest economic update, while we also have Eurozone retail sales, industrial production, PPIs, PMIs, as well as the German trade surplus and UK house prices. China will reveal their latest CPI, PMI and trade numbers, while the Japanese focus will be on Friday's unchanged BoJ rate call and wages. Australia will provide updates on its inflation gauge, PMIs, job advertisements, household spending, building permits, and trade, while it's also a busy week in NZ with the Q2 labour report as well as building permits.

Daily Rates

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FX	Spot Mid	1mth	3mths	6mths	12mths
		FECs (mid)			
NZ TWI	66.90				
NZD/USD	0.5894	0.0006	0.0015	0.0029	0.0049
NZD/AUD	0.8357	0.0014	0.0035	0.0065	0.0109
NZD/JPY	92.625	-0.13	-0.45	-0.9398	-1.97
NZD/EUR	0.5104	-0.0001	-0.0005	-0.0013	-0.0033
NZD/GBP	0.4370	0.0004	0.0011	0.0020	0.0037
AU TWI	65.50				
AUD/USD	0.7051	-0.0005	-0.0011	-0.0020	-0.0042
AUD/NZD	1.1967	-0.0020	-0.0050	-0.0094	-0.0158
AUD/JPY	111.67	-0.34	-0.99	-1.98	-3.76
AUD/EUR	0.6101	-0.0012	-0.0032	-0.0063	-0.0118
AUD/GBP	0.5225	-0.0003	-0.0008	-0.0016	-0.0024
USD Index	99.80				
EUR/USD	1.1539	0.0014	0.0042	0.0085	0.0166
USD/JPY	157.14	-0.38	-1.15	-2.36	-4.60
GBP/USD	1.3481	-0.0001	0.0000	-0.0001	-0.0006
EUR/GBP	0.8547	0.0011	0.0030	0.0060	0.0127
USD/CNY	6.7509	-0.0147	-0.0438	-0.0887	-0.1824

Spot Mid	NZD/...	AUD/...
CAD	0.8251	0.9876
CHF	0.4748	0.5687
CNY	3.9632	4.7370
DKK	3.8128	4.5636
FJD	1.2885	1.5422
HKD	4.6198	5.5295
KRW	849.54	1016.82
MYR	2.4053	2.8789
NOK	5.5119	6.5972
SEK	5.5721	6.6693
SGD	0.7552	0.9039
TWD	19.02	22.77
ZAR	9.75	11.67

INTEREST RATES	New Zealand Mid	Australia Mid
30 day bank bills	2.70%	4.37%
90 day bank bills	2.94%	4.55%
1 year swap	3.39%	4.58%
2 year swap	3.65%	4.54%
3 year swap	3.79%	4.51%
5 year swap	4.00%	4.47%
10 year swap	4.35%	4.79%
3 year Govt bond	3.91%	4.54%
5 year Govt bond	4.22%	4.63%
10 year Govt bond	4.75%	5.06%

EQUITIES	Index
NZX50	13,699
ASX200	8,977
Dow Jones	52,485
S&P 500	7,490
FTSE100	10,868
DAX 40	25,629
Nikkei	64,362

COMMODITIES	USD
Brent Crude	87.93
Gold	4,040.94
Silver	57.63
Iron Ore	95.06
CRB Index	493.18
	NZD
NZ Carbon	55.85