Research

Markets Today

22 July 2026

Events round-up

NZ: CPI (q/q%), Q2: 1.5 vs. 1.4 exp.

NZ: CPI (y/y%), Q2: 4.1 vs. 4.0 exp.

NZ: CPI non tradeable (q/q%), Q2: 0.6 vs. 0.6 exp.

UK: Pvt earnings x bonus (3m/y/y%), May: 2.9 vs. 2.9 exp.

UK: Unemployment rate (%), May: 4.9 vs. 4.9 exp.

Good morning

Oil prices rose overnight, taking Brent crude above USD91 per barrel, up 2% on the day as the US-Iran conflict continues. The Strait of Hormuz is effectively closed to shipping, with vessels attempting to traverse it being attacked by Iranian drones and missiles. Threats by the Houthis to blockade the strait through the Red Sea have already prompted some tankers to turn around. President Trump downplayed the prospect of any imminent return to peace talks with Iran, saying, “they want to desperately meet and until they’re ready to meet in a meaningful way we have no interest”. Iran dismissed claims that it is seeking further talks.

The WSJ reported that Israeli intelligence informed the US that Iran had moved thousands of uranium-enrichment centrifuges into tunnels deep inside Pickaxe Mountain last year, following the bombing campaign against three main nuclear sites. President Trump said, “we’ll be hitting that area pretty soon, and very heavily”.

Higher oil prices are putting upward pressure on US Treasury yields. Rates are up 2-5bps on the day, led by the short end, as higher oil prices increase the chance of further Fed tightening. The 2-year rate is trading at 4.26%, while the 10-year rate is at 4.63%, up 4bps from the NZ close.

The UK 10-year rate closed unchanged at 5.03%, sustaining the previous day’s 8bps lift after new PM Burnham took office and outlined his vision for the country. There was no net reaction to his appointment of John Healey as Chancellor, which came after yesterday’s close. UK labour market data showed steady wage growth and an unchanged unemployment rate and did not move the needle.

Higher oil prices and Treasury yields have been no barrier to US equity market performance. Buyers have returned in force to chip stocks after their recent plunge, with the SOX index up more than 5%. The Nikkei reported that TSMC, which makes chips for many of the world’s largest tech companies, is set to raise prices by 5-10% next year. The S&P 500 is up 0.9% in late-afternoon trading, while the Nasdaq is up 1.4%.

Currency market movements have been modest. The NZD is at the bottom of the overnight leaderboard, giving back all the gains it made after yesterday’s strong CPI report (see below). After reaching a fresh two-month high above 0.5870 yesterday afternoon, it has fallen back to 0.5830. The AUD is steady just above 0.70 after trading above 0.7025 overnight. NZD/AUD is down more than half a cent from yesterday’s peak to 0.8325, leaving it weaker since the CPI report. There was no material reaction in the CAD after the US said it would impose a fresh 50% tariff in 30 days on some Canadian goods, including those previously exempted under the existing free trade agreement, purportedly because of Canada’s unfair treatment of American alcohol, cars and dairy products.

GBP is also near the bottom of the leaderboard, with no honeymoon effect from the new leadership. While NZD/GBP, at 0.4355, is a touch weaker overnight, it remains higher than this time yesterday. JPY is also struggling against the backdrop of higher Treasury yields, with USD/JPY rising to fresh multi-decade highs above 163. NZD/JPY is at 95.2, slightly weaker overnight but higher over the past 24 hours.

NZ Q2 CPI was at the top end of market expectations, with a strong quarterly increase of 1.5% q/q lifting annual inflation from 3.1% to 4.1%. While the figures were boosted by higher fuel prices, inflation was still 2.9% excluding those effects. Core inflation measures were also strong, with the average of the five core measures closely monitored by the RBNZ rising to an 18-month high of 2.7% y/y. Notable too was the depth and breadth of price increases across the economy.

The only positive the RBNZ can take from the report is that monetary policy works! Slashing interest rates to levels below those of other key countries, thereby debasing the currency, leads to higher inflation. Ergo, reducing inflation will require higher interest rates, and a helping hand from the currency may well require taking rates back above those of other countries, which used to be the norm in NZ.

The initial market reaction was higher rates and a stronger NZD, but that move faded. For rates, the net result was little change in policy expectations for upcoming meetings, with a 25bps hike in September well priced and about 60bps priced in aggregate for the three meetings remaining this year. The 2-year swap rate was bid as high as 3.72% before receivers were attracted back into the market, highlighting the 3.7% area as a resistance level, as seen last week. By the close, the 2-year rate was down 3bps on the day to 3.66%, the 5-year rate was also down 3bps to 3.80%, and the 10-year rate fell 2bps to 4.37%. Similar moves were seen in NZGBs.

On the economic calendar, the only release worth noting is UK CPI data, which is expected to show a modest easing across the board in June.

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Coming up

		Period	Cons.	Prev.	NZT
UK	CPI (y/y%)	Jun	2.7	2.8	18:00
UK	CPI core (y/y%)	Jun	2.5	2.6	18:00
UK	CPI services (y/y%)	Jun	3.5	3.7	18:00

Source: Bloomberg

Currencies

FX Majors — Indicative overnight ranges (*)

	Last	% Day	Low	High
NZD	0.5830	-0.1	0.5823	0.5865
AUD	0.7005	+0.1	0.7003	0.7027
EUR	1.1402	-0.1	1.1399	1.1429
GBP	1.3379	-0.4	1.3360	1.3456
JPY	163.22	+0.4	162.52	163.24
CAD	1.4108	+0.3		
NZD/AUD	0.8323	-0.2		
NZD/EUR	0.5113	-0.0		
NZD/GBP	0.4358	+0.3		
NZD/JPY	95.16	+0.3		
NZD/CAD	0.8225	+0.1		
NZ TWI	66.87	-0.1		

Other FX

	Last	% Day
CHF	0.8129	+0.3
SEK	9.707	+0.3
NOK	9.638	-0.4
HKD	7.842	+0.0
CNY	6.767	-0.0
SGD	1.292	+0.1
IDR	17,888	-0.3
THB	33.71	+0.2
KRW	1,482	+0.4
TWD	32.40	+0.4
PHP	61.75	+0.1

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,506	+0.9	19.0
Dow	52,202	+0.7	17.8
Nasdaq	25,854	+1.3	23.3
Stoxx 50	6,286	+0.9	17.6
FTSE	10,586	+0.6	17.5
DAX	25,011	+0.7	2.9
CAC 40	8,363	+0.3	7.2
Nikkei	66,232	+3.3	66.5
Shanghai	3,864	+1.8	8.6
ASX 200	8,793	+0.0	1.3
NZX 50	13,656	-0.3	6.4
VIX Index	17.10	-8.3	+2.7

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	90.88	+1.8
Oil (WTI)	84.91	+2.1
Gold	4087.3	+1.8
HRC steel	1154.0	+0.0
CRB	383.8	+0.5
Wheat Chic.	696.5	+0.7
Sugar	14.88	+0.5
Cotton	78.96	+1.9
Coffee	322.1	-0.5
WM powder	3440	+0.7

Australian Futures

	Last	Net Day
3 year bond	95.47	0.03
10 year bond	94.99	0.00

Interest Rates

Rates / **Swap Yields**

	Cash	3Mth	2 Yr	10 Yr
USD	3.75	4.85	4.11	4.21
AUD	4.35	4.49	4.57	5.06
NZD	2.50	2.88	3.66	4.37
EUR	2.25	2.49	3.00	3.20
GBP	3.75	3.87	4.30	4.63
JPY	0.99	-0.03	1.46	2.62
CAD	2.25	4.97	2.74	3.31

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.63	0.04
AUD	4.94	-0.02
NZD	4.68	-0.03
GER	3.16	0.01
GBP	5.03	-0.00
JPY	2.73	0.03
CAD	3.56	-0.01

NZ Government Bonds

	Last	Chg
15-May-28	3.62	-0.03
20-Apr-29	3.82	-0.03
15-May-30	3.99	-0.04
15-May-31	4.16	-0.04
15-May-32	4.31	-0.03
14-Apr-33	4.40	-0.03
15-May-34	4.50	-0.03
15-May-35	4.60	-0.03
15-May-36	4.68	-0.03
15-May-37	4.77	-0.03
15-May-41	5.06	-0.04
15-May-51	5.29	-0.04
15-May-54	5.28	-0.04

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.70	0.00
BKBM 3-mth	2.88	0.00
1 year	3.38	-0.01
2 year	3.66	-0.03
3 year	3.80	-0.04
5 year	4.00	-0.03
7 year	4.18	-0.03
10 year	4.37	-0.02
15 year	4.61	-0.02

NZ Inflation-Indexed Bonds

	Last	Chg
Sept-30	1.69	-0.01
Sept-35	2.49	-0.00
Sept-40	2.96	-0.01

Carbon Price

	Level	% Day	% Year
NZU	57.25	+4.0	-1.3

Policy Meeting Run

	NZD	AUD	USD
1st	2.73	4.41	3.70
2nd	2.89	4.45	3.84
3rd	3.10	4.53	3.91
4th	3.27	4.56	4.01
5th	3.38	4.56	4.06

* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer

Rates are as of: NZT 06:53

Source: Bloomberg

NZD exchange rates

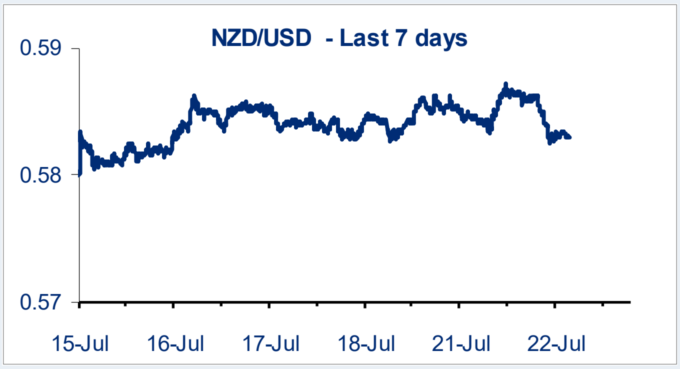
22/07/2026	6:53 am	Prev. NY close
USD	0.5830	0.5838
GBP	0.4358	0.4347
AUD	0.8323	0.8342
EUR	0.5113	0.5115
JPY	95.16	94.87
CAD	0.8225	0.8214
CHF	0.4739	0.4729
DKK	3.8224	3.8234
FJD	1.3003	1.3043
HKD	4.5741	4.5774
INR	56.14	56.31
NOK	5.6216	5.6493
PKR	162.08	162.31
PHP	36.02	36.02
PGK	2.5685	2.5718
SEK	5.6585	5.6517
SGD	0.7534	0.7537
CNY	3.9475	3.9514
THB	19.63	19.64
TOP	1.3664	1.3659
VUV	69.63	69.71
WST	1.5805	1.5890
XPF	60.96	61.00
ZAR	9.5944	9.6492

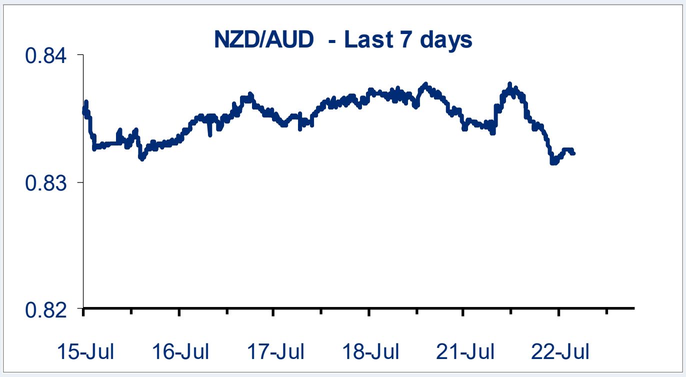
NZD/USD Forward Points

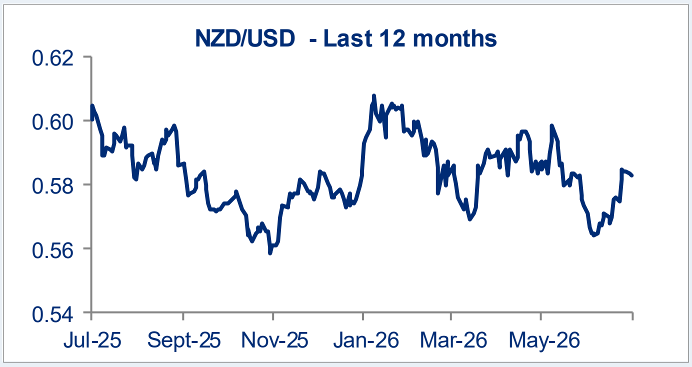
	BNZ buys NZD	BNZ sells NZD
1 Month	5.33	5.53
3 Months	14.62	15.29
6 Months	28.15	29.35
9 Months	37.99	40.33
1 Year	45.55	49.50

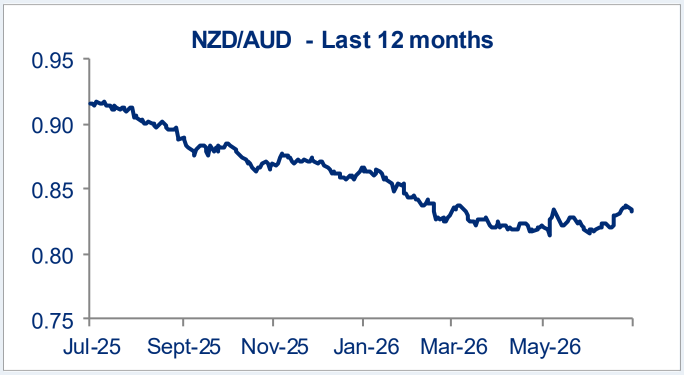
NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	12.19	12.64
3 Months	33.76	35.27
6 Months	64.11	67.00
9 Months	87.72	92.82
1 Year	107.56	115.58









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