Market Update - July 2026

Investment success isn't about predicting every market move, it's about staying positioned for them.

Tim Fairbrother
Financial Adviser

A strong quarter for markets

The June quarter has delivered another solid result for investors, with markets continuing to perform well despite ongoing concerns with the Iran War.

U.S. equities have led returns, supported by resilient economic growth and strong corporate earnings. While we did see some short-term pullback late in the quarter, particularly in technology and AI-related stocks, this reflects a normal and healthy pause following a strong run. Encouragingly, we are now seeing returns broaden across the market, with sectors such as healthcare and real estate strengthening toward the end of the period.

With markets performing strongly and operating at more elevated levels, it is also important to remain disciplined.

Geopolitical developments - a positive shift

One of the key developments this quarter has been the agreement between the United States and Iran. This has had an immediate and positive impact on global markets:

- Equity markets have moved again to all-time highs as uncertainty has reduced
- Oil prices have declined some 40% as supply expectations improved
- Inflation pressures have eased, supporting the outlook for growth. Albeit global bonds yet to regain the losses they incurred back in March which we see as an opportunity

Overall, this marks a constructive shift in the geopolitical backdrop, providing a more favourable environment for investors heading into the second half of the year.

The AI Revolution continues

One of the most significant investment themes remains the rapid adoption of artificial intelligence. While investors often focus on companies such as NVIDIA, the reality is that AI is driving demand across the entire semiconductor supply chain, from chip designers and manufacturers to data centres.

Recent events highlight just how strong that demand has become. Apple recently increased prices on certain MacBook and iPad models by $100, citing sharply higher memory and storage chip costs. Consequently, the price of Apple fell 10%. Similar pressures are being seen across the technology sector as companies compete for access to advanced computing power.

Our portfolios have underlying exposure to a range of global semiconductor businesses that are helping to build the infrastructure behind AI from chip manufacturers to data centres. While share prices in some areas have moved strongly and we remain mindful of elevated valuations in some areas, we continue to believe that the long-term growth opportunity from AI, cloud computing, automation and digital transformation remains significant. As always, we remain disciplined in our portfolio construction and focused on maintaining appropriate diversification while participating in these long-term trends.

Simon Moor
RIVAL Accounting

Positive news for investors

There has been a welcome change on the tax front for New Zealand investors. The Foreign Investment Fund (FIF) de minimis threshold has increased from $50,000 to $100,000, effective from 1 April 2026. This means:

- More investors will fall outside the FIF regime so will have a higher threshold for paying tax on gains
- Compliance and reporting become simpler for these investors

If you'd like to explore how these changes may fit into your wider financial and tax planning, get in touch with Simon and the team at RIVAL Accounting to learn more about their accounting and tax advisory services.

Simon 027 448 9691 or simon@rivalaccounting.co.nz

A win for Wise users

Clients who use the Wise card for travelling overseas will be excited to hear that Wise will soon pay cashback on eligible NZD, AUD, USD, GBP and EUR balances. Wise earns interest on the safeguarded accounts where customer funds are held and will pass a portion of that interest back to customers as cashback. This provides greater flexibility to transfer funds when exchange rates are attractive, rather than waiting until immediately before travel.

If you are not using Wise, you can find out more on our website.

Find out more

Looking ahead

Overall, the outlook remains constructive. Markets are supported by solid fundamentals, improving geopolitical conditions, and powerful long-term themes from the benefits of AI.

At the same time, we remain mindful of potential risks from elevated prices and continue to monitor conditions closely.

Support for every stage of your investment journey

The Investment team

Markets change, and sometimes your goals do too. We're here to help you stay focused on what matters most and ensure your portfolio continues to support where you're headed.

If you have any questions about your portfolio, KiwiSaver or the current market environment, please don’t hesitate to get in touch.

06 370 4441 or 0800 474 825

investments@rivalwealth.co.nz