

# Market Alert

Wednesday 10 June 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5815	0.0029
NZD/AUD	0.8273	0.0072
NZD/JPY	93.270	-0.90
NZD/EUR	0.5038	-0.0011
NZD/GBP	0.4347	0.0025
NZD/CNH	3.9410	-0.0305
AUD/USD	0.7027	-0.0027
AUD/EUR	0.6088	-0.0066
EUR/USD	1.1542	0.0081
USD/CNH	6.7782	-0.0858
GBP/USD	1.3375	-0.0013
EUR/GBP	0.8626	0.0067

  

INT RATES	NZ	Australia
OCR/Cash	2.25%	4.35%
90 day bills	2.67%	4.53%
2 year swap	3.51%	4.63%
10 year Govt	4.61%	5.02%

## Overnight ...

Reports suggest Iran shot down a US Apache helicopter. There is no doubt that the US helicopter went down, although rumours suggest it was an accidental hit by an Iranian drone rather than an explicit targeting of the chopper. Despite this, President Trump has already counter with, "The US must respond!"

This will no doubt maintain geopolitical tensions in the region, but despite this 'hiccup' oil prices fell after Israeli Prime Minister Benjamin Netanyahu announced Israel would pause strikes but warned it would respond to any further attacks from Tehran, while Iranian media reported a similar position. Currently oil prices are trading 3.1% lower with crude below the USD90.00 level at USD88.25 with Brent at USD91.50. This theme was mirrored in most commodities with silver plunging 4.5%, gas down 2.3%, and gold

off 1.5%, although copper and wheat generated modest gains.

Despite the US Treasury selling USD58bn of 3-year notes in a mediocre auction, Treasury yields are lower across the board, with the 2-year 3bps lower at 4.14%, while the 10-year is trading 4bps lower at 4.53%. FX markets are largely unchanged with the NZD trading flat, although the AUD and JPY came under some selling pressure with NZD/AUD at 0.8275 and USD/JPY at 160.40.

After Monday's modest tech recovery, tech shares are under renewed selling pressure this morning with the Nasdaq losing 1.7%, while the S&P500 is trading 0.5% lower. The apparent 'dead cat bounce' won't be particularly helpful to this week's SpaceX IPO, although I suspect Elon won't be too worried as word on the street suggests it will be 4X oversubscribed. Adding to the mix, OpenAI has confidentially filed for a US IPO, targeting a valuation of up to USD1.0trn with a potential September debut, joining Anthropic and SpaceX in racing toward public markets on the back of the AI boom. European bourses closed 0.3%-0.8% higher.

## It's not quite 'A Tale of Two Cities'

But it is 'A Tale of Two Trade Balances!'

While we knew it would be a big number ... I'm not sure anyone was expecting the Chinese May trade surplus to reach USD104.4bn! In USD terms, exports rose 19.4% on the year, while imports increased 27.4%. However, the trade surplus still widened despite faster import growth, underscoring a strong

external position alongside improving domestic demand!

Against this, the US trade deficit fell to USD55.9bn in April from March's USD56.6bn, a touch better than forecasts at USD56.1bn. Exports rose 2.6% to a record USD327.1bn, led by capital goods and industrial supplies, while imports increased 2.0% to USD383.0bn, the highest in a year. The other US data release saw existing home sales rise 3.2% from the previous month to an annualised figure of 4.2m units, extending the rebound from March's 7-month low.

Australian business confidence saw a modest improvement in May, although it remains deeply negative at -14, but an improvement from April's -23. While conditions held steady at 3, cost pressures and global uncertainty kept sentiment firmly negative.

In what could be a prelude to another trade war, Washington has asked Beijing to resume rare earth exports to Japan amid concerns over global high-tech supply chain disruption, but against this, the Pentagon has added Alibaba, Baidu, BYD and others to its China military-linked list of firms they can't do business with.

It's great that oil prices were lower overnight, but ...

The American Petroleum Institute ("API") CEO has warned, "The US SPR is approaching operationally critical levels. While rig counts have risen week on week and production increases are emerging, the only viable short-term solution to the supply problem is reopening the Strait of Hormuz as quickly as possible."



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# Daily Rates

Wednesday 10 June 2026

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	66.50					CAD	0.8108	0.9799
NZD/USD	0.5815	0.0006	0.0016	0.0029	0.0047	CHF	0.4641	0.5611
NZD/AUD	0.8273	0.0014	0.0039	0.0072	0.0124	CNY	3.9366	4.7596
NZD/JPY	93.270	-0.14	-0.42	-0.8988	-1.97	DKK	3.7646	4.5501
NZD/EUR	0.5038	-0.0001	-0.0005	-0.0011	-0.0029	FJD	1.2747	1.5407
NZD/GBP	0.4347	0.0005	0.0013	0.0025	0.0044	HKD	4.5563	5.5069
						KRW	884.91	1069.54
AU TWI	65.90					MYR	2.3593	2.8516
AUD/USD	0.7027	-0.0005	-0.0014	-0.0027	-0.0049	NOK	5.5314	6.6854
AUD/NZD	1.2086	-0.0021	-0.0059	-0.0109	-0.0187	SEK	5.5080	6.6572
AUD/JPY	112.90	-0.36	-1.04	-2.07	-4.06	SGD	0.7480	0.9041
AUD/EUR	0.6088	-0.0012	-0.0034	-0.0066	-0.0127	TWD	18.35	22.18
AUD/GBP	0.5251	-0.0003	-0.0009	-0.0016	-0.0026	ZAR	9.60	11.60
USD Index	99.97					<b>EQUITIES</b>		
EUR/USD	1.1542	0.0015	0.0043	0.0081	0.0160		<b>Index</b>	
USD/JPY	160.39	-0.41	-1.17	-2.33	-4.68	NZX50	13,204	
GBP/USD	1.3375	-0.0001	-0.0004	-0.0013	-0.0031	ASX200	8,604	
EUR/GBP	0.8626	0.0012	0.0034	0.0067	0.0138	Dow Jones	50,872	
USD/CNY	6.7722	-0.0154	-0.0436	-0.0872	-0.1757	S&P 500	7,372	
						FTSE100	10,227	
						DAX 40	24,433	
<b>INTEREST</b>			<b>New Zealand</b>		<b>Australia</b>	Nikkei	65,417	
<b>RATES</b>			Mid		Mid	<b>COMMODITIES</b>		
30 day bank bills			2.45%		4.36%		<b>USD</b>	
90 day bank bills			2.67%		4.53%	Brent Crude	91.61	
1 year swap			3.16%		4.65%	Gold	4,257.19	
2 year swap			3.51%		4.63%	Silver	65.26	
3 year swap			3.67%		4.59%	Iron Ore	101.05	
5 year swap			3.87%		4.57%	CRB Index	474.25	
10 year swap			4.24%		4.83%			
3 year Govt bond			3.77%		4.60%		<b>NZD</b>	
5 year Govt bond			4.10%		4.67%	NZ Carbon	52.20	
10 year Govt bond			4.61%		5.02%			

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