

Market Alert

Friday 12 June 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5843	0.0027
NZD/AUD	0.8286	0.0069
NZD/JPY	93.405	-0.91
NZD/EUR	0.5045	-0.0013
NZD/GBP	0.4354	0.0024
NZD/CNH	3.9353	-0.0328
AUD/USD	0.7050	-0.0026
AUD/EUR	0.6087	-0.0066
EUR/USD	1.1580	0.0079
USD/CNH	6.7630	-0.0871
GBP/USD	1.3417	-0.0012
EUR/GBP	0.8627	0.0068

INT RATES	NZ	Australia
OCR/Cash	2.25%	4.35%
90 day bills	2.68%	4.52%
2 year swap	3.47%	4.52%
10 year Govt	4.61%	5.00%

I would love to be talking about anything ...

Except the conflict in the Middle East ... the World Cup, the Warriors, the Super semis, the Barcelona-Catalunya F1, but no, Trump continues to steal the headlines!

The latest ... to start with, the US President announced the US would implement a renewed campaign of "bigger, more powerful" bombing of Iran, adding the US would be hit Iran "very hard tonight" and take over Iran's oil infrastructure, including Kharg Island, pledging that "they're finished!" But as financial markets went into full 'sell mode' President Trump stopped the attacks announcing that a deal with Iran was "pretty much all wrapped up!" Confused? Well Iran is, because the FARS news agency suggested no deal has been approved! The very latest headline is that President

Trump announced, "I understand that the Supreme Leader has approved the deal" although Tehran remains silent.

The President's announcement, that a US-Iran peace deal is near, saw equity market rally strongly from their lows with the S&P500 up 1.8%, while the Nasdaq surged 3.0% ahead of the SpaceX IPO. The European bourses closed 1.0%-2.0% higher, although the FTSE lagged.

Oil prices dropped, as one would have anticipated, but with nothing actually confirmed this could change at any minute. Currently, crude is 4.0% lower at USD86.45, while Brent has dropped 4.4% to be at USD89.00. Silver futures have had a mammoth session rallying 6.1%, while gold and copper cemented in gains of 3.3% and 2.0%.

The other big announcement overnight saw the ECB raise its interest rates by 25bps. This was expected as policymakers sought to counter surging energy costs and inflationary pressures. The decision was unanimous lifting the key deposit facility rate from 2.00% to 2.25%. Policymakers also increased their inflation forecasts for 2026 from 2.0% to 2.6% and from 2.0% to 2.3% for 2027 with officials projecting we could see a follow-up hike as soon as July, although other 'sources' suggest if energy prices stay where they are then there would be a pause in July. The move comes ahead of rate-setting meetings next week from the Fed, the BoJ, and the BoE, but if there were a peace deal, it would fundamentally change current market forecasts. But despite the ECB hike, bond yields trended lower on the optimism of a peace deal. The key 10-year German

Bund yield eased 4bps to 3.03%, while the US 2 and 10-year both fell 10bps to 4.06% and 4.46%.

The USD-index weakened, falling from 100.00 to 99.40, with the NZD and AUD the biggest beneficiaries gaining 0.8%. The JPY gained 0.5%, with USD/JPY back below 160.00, while the EUR firmed 0.4%.

On a side note ...

There were a couple of releases ...

- US PPIs increased by 1.1% in May, the same as April's, and once again, above forecasts of 0.7%.
- Australian consumer inflation expectations eased from 5.6% to 5.5% in June to reach its lowest rate since March, implying households are slightly less concerned about future price pressures.
- Japan's Business Survey Index for large manufacturers unexpectedly fell to -1.8% in the second quarter of 2026 from 3.8% in Q1, the first negative reading since the second quarter of 2025.

The World Bank

Has cut its 2026 global GDP growth projections from 2.6% to 2.5%, although it added the caveat that in a worse-case scenario, growth could slow to 1.3% if energy supply disruptions continue. Looking at the majors, US growth is unchanged at 2.2% from its January forecasts, but China has been downgraded from 4.4% to 4.2%, the Eurozone from 0.9% to 0.8%, while emerging market growth has gone from 4.0% to 3.6%.



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Daily Rates

Friday 12 June 2026

FX	Spot	FECs (mid)				Spot Mid	
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	66.40					CAD	0.8152 0.9839
NZD/USD	0.5843	0.0005	0.0015	0.0027	0.0044	CHF	0.4638 0.5600
NZD/AUD	0.8286	0.0012	0.0037	0.0069	0.0118	CNY	3.9555 4.7743
NZD/JPY	93.405	-0.13	-0.43	-0.9145	-2.03	DKK	3.7692 4.5494
NZD/EUR	0.5045	-0.0001	-0.0005	-0.0013	-0.0036	FJD	1.2778 1.5423
NZD/GBP	0.4354	0.0004	0.0013	0.0024	0.0042	HKD	4.5774 5.5248
						KRW	885.08 1068.28
AU TWI	65.50					MYR	2.3738 2.8651
AUD/USD	0.7050	-0.0004	-0.0014	-0.0026	-0.0048	NOK	5.5350 6.6807
AUD/NZD	1.2060	-0.0020	-0.0057	-0.0104	-0.0178	SEK	5.5091 6.6494
AUD/JPY	112.21	-0.34	-1.03	-2.04	-3.98	SGD	0.7494 0.9045
AUD/EUR	0.6087	-0.0011	-0.0034	-0.0066	-0.0128	TWD	18.42 22.24
AUD/GBP	0.5252	-0.0003	-0.0009	-0.0016	-0.0026	ZAR	9.47 11.43
USD Index	99.67					EQUITIES	
EUR/USD	1.1580	0.0014	0.0041	0.0079	0.0158		Index
USD/JPY	159.85	-0.38	-1.16	-2.31	-4.60	NZX50	13,202
GBP/USD	1.3417	-0.0001	-0.0004	-0.0012	-0.0033	ASX200	8,633
EUR/GBP	0.8627	0.0011	0.0034	0.0068	0.0138	Dow Jones	50,849
USD/CNY	6.7756	-0.0144	-0.0431	-0.0863	-0.1760	S&P 500	7,394
						FTSE100	10,304
INTEREST		New Zealand		Australia		DAX 40	24,210
RATES		Mid		Mid		Nikkei	64,217
30 day bank bills		2.47%		4.36%		COMMODITIES	
90 day bank bills		2.68%		4.52%			USD
1 year swap		3.16%		4.56%		Brent Crude	88.85
2 year swap		3.47%		4.52%		Gold	4,213.66
3 year swap		3.62%		4.45%		Silver	67.26
5 year swap		3.83%		4.49%		Iron Ore	101.70
10 year swap		4.19%		4.76%		CRB Index	471.07
3 year Govt bond		3.76%		4.55%			NZD
5 year Govt bond		4.09%		4.63%		NZ Carbon	53.70
10 year Govt bond		4.61%		5.00%			

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