

Market Alert

Wednesday 17 June 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5833	0.0029
NZD/AUD	0.8254	0.0072
NZD/JPY	93.595	-0.89
NZD/EUR	0.5024	-0.0011
NZD/GBP	0.4345	0.0024
NZD/CNH	3.9416	-0.0294
AUD/USD	0.7066	-0.0026
AUD/EUR	0.6086	-0.0066
EUR/USD	1.1609	0.0082
USD/CNH	6.7572	-0.0843
GBP/USD	1.3422	-0.0009
EUR/GBP	0.8645	0.0065

INT RATES	NZ	Australia
OCR/Cash	2.25%	4.35%
90 day bills	2.68%	4.52%
2 year swap	3.38%	4.49%
10 year Govt	4.50%	4.93%

A done deal?

The positive Middle East news continued overnight. The US lifted its naval blockade and, in the clearest sign yet, the peace deal is moving from paper to practice, as at least two Iranian tankers transited the Strait of Hormuz. President Trump confirmed the text will be released in a formal setting, reiterated the deal comes down to one thing, that Iran will never have a nuclear weapon, and said he expects the second stage of talks to go quickly, even floating the idea of sending it to Congress. Trump also signalled the US is now positioned to let Russian oil waivers lapse and tighten sanctions on Moscow.

The \$300bn rehabilitation figure in the peace deals remains the political focal point. The \$300bn is a commitment for the US and its regional partners to ensure

“at least” that much financing to rebuild Iran’s economy, with the mechanism, timeline, and who actually pays still to be settled in the final agreement. That conditionality is why Trump can deny ‘paying’ Iran and JD Vance insists Iran “won’t get a cent” even as the number keeps circulating.

Oil took the positive news and ran with it. With the Strait reopening and Iranian barrels cleared to flow, WTI fell more than 5.0% to around USD76.00 and Brent broke back below USD80.00, erasing the war premium and trading at its lowest since the opening days of the conflict.

The USD index is relatively unchanged at 0.9957 with the NZD/USD still around yesterday’s 0.5830 and the AUD/USD 0.7065, leaving the NZD/AUD at 0.8250 after the RBA hold. US Treasury yields fell slightly with the market having priced out Fed cuts and a soft 20-year auction weighing, leaving the 2-year at 4.05% and 10-year at 4.44%. Equities were split; the Dow hit a record, the Nasdaq slipped, and the Nikkei cleared 70,000.

In Central Bank Land

The RBA left its cash rate unchanged at 4.35%, its first pause of the year after three straight hikes since January, in a unanimous decision. Governor Bullock was clear this is not the end of the inflation fight. The statement noted tighter financial conditions and an economy slowing as expected, but judged inflation “still too high”, explicitly leaving the door open to “increasing the cash rate target further if required” while the Board

assesses both the lagged impact of prior hikes and the oil supply disruption.

The Bank of Japan delivered the headline, hiking 25bps to 1.00%, the highest policy rate since 1995. The circumstances were unusual; Governor Ueda, hospitalised with an infection, submitted his views in writing but did not vote, the first regular policy meeting ever held without the Governor present. The BoJ will continue trimming JGB purchases by ¥200bn per quarter until April 2027. The tone leaned cautiously hawkish.

Not moving the needle ...

- Chinese industrial production was mixed with a softer than expected 0.1% increase in May but was stronger than expected 4.5% increase on the year.
- Eurozone ZEW Economic Sentiment jumped to 9.5 from -9.1, a positive sign that confidence is rebuilding as the energy shock fades.
- The GDT auction did what was largely expected with the overall price index falling by 2.8%. Notably, WMP and SMP fell by 3.1% and 3.6% respectively.



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Daily Rates

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FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	66.30					CAD	0.8159	0.9887
NZD/USD	0.5833	0.0006	0.0016	0.0029	0.0052	CHF	0.4625	0.5606
NZD/AUD	0.8254	0.0013	0.0038	0.0072	0.0128	CNY	3.9394	4.7778
NZD/JPY	93.595	-0.15	-0.42	-0.8929	-1.91	DKK	3.7541	4.5492
NZD/EUR	0.5024	-0.0002	-0.0005	-0.0011	-0.0030	FJD	1.2751	1.5452
NZD/GBP	0.4345	0.0004	0.0012	0.0024	0.0042	HKD	4.5678	5.5352
						KRW	879.88	1066.24
AU TWI	65.70					MYR	2.3703	2.8723
AUD/USD	0.7066	-0.0005	-0.0013	-0.0026	-0.0048	NOK	5.5259	6.6962
AUD/NZD	1.2112	-0.0021	-0.0058	-0.0109	-0.0194	SEK	5.4618	6.6186
AUD/JPY	113.28	-0.37	-1.04	-2.06	-4.01	SGD	0.7475	0.9059
AUD/EUR	0.6086	-0.0012	-0.0034	-0.0066	-0.0127	TWD	18.38	22.27
AUD/GBP	0.5262	-0.0003	-0.0009	-0.0017	-0.0030	ZAR	9.44	11.44
USD Index	99.57					EQUITIES		
EUR/USD	1.1609	0.0015	0.0042	0.0082	0.0163		Index	
USD/JPY	160.44	-0.42	-1.16	-2.33	-4.63	NZX50	13,426	
GBP/USD	1.3422	-0.0001	-0.0003	-0.0009	-0.0017	ASX200	8,918	
EUR/GBP	0.8645	0.0011	0.0033	0.0065	0.0132	Dow Jones	52,000	
USD/CNY	6.7562	-0.0149	-0.0429	-0.0845	-0.1683	S&P 500	7,511	
						FTSE100	10,494	
INTEREST		New Zealand		Australia		DAX 40	24,910	
RATES		Mid		Mid		Nikkei	69,405	
30 day bank bills		2.49%		4.35%		COMMODITIES		
90 day bank bills		2.68%		4.52%			USD	
1 year swap		3.09%		4.55%		Brent Crude	79.50	
2 year swap		3.38%		4.49%		Gold	4,334.02	
3 year swap		3.52%		4.46%		Silver	70.07	
5 year swap		3.73%		4.39%		Iron Ore	101.94	
10 year swap		4.13%		4.63%		CRB Index	462.06	
3 year Govt bond		3.58%		4.48%			NZD	
5 year Govt bond		3.93%		4.55%		NZ Carbon	53.80	
10 year Govt bond		4.50%		4.93%				

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