

Market Alert

Friday 19 June 2026

| CURRENCIES | Spot | 6mths |
|------------|--------|---------|
| NZD/USD | 0.5758 | 0.0031 |
| NZD/AUD | 0.8207 | 0.0070 |
| NZD/JPY | 92.905 | -0.91 |
| NZD/EUR | 0.5024 | -0.0012 |
| NZD/GBP | 0.4360 | 0.0023 |
| NZD/CNH | 3.9024 | -0.0294 |
| AUD/USD | 0.7015 | -0.0023 |
| AUD/EUR | 0.6119 | -0.0067 |
| EUR/USD | 1.1461 | 0.0086 |
| USD/CNH | 6.7769 | -0.0871 |
| GBP/USD | 1.3204 | -0.0001 |
| EUR/GBP | 0.8677 | 0.0063 |

| INT RATES | NZ | Australia |
|--------------|-------|-----------|
| OCR/Cash | 2.25% | 4.35% |
| 90 day bills | 2.68% | 4.52% |
| 2 year swap | 3.30% | 4.44% |
| 10 year Govt | 4.49% | 4.87% |

It's official ... we won!

But what I hear you asking? Well, the Black Caps 'won' the second day of the test, although maybe I'm being a bit premature given it's a five-day test! Or, looking at oil prices has the RBNZ won the battle against inflation? Or am I winning because 956 is now below NZD2.95 a gallon? Then again, I'm sure there is a certain orange man claiming to have won the battle in the Strait of Hormuz ... although that point is also debatable! But ... let's just look at the positives ...

According to US Central Command, the US naval blockade of the Strait of Hormuz has been 'lifted' and is officially over. Adding to the positivity, President Trump tweeted that "*The US is committed to peace*" although Ayatollah Khamenei noted he only permitted the MoU after strict assurances that Iran's national

rights would be fiercely safeguarded. He emphasized that future face-to-face talks do not mean adopting the enemy's worldview.

In terms of the MoU, at a high level there will be an immediate and permanent termination of military operations between Iran, the US, and their allies, with the intention of negotiating a final agreement within 60 days. There will be a full removal of the naval blockade within 30 days, with the US committing to removing its forces from the vicinity of Iran within 30 days of the final deal. The US and its regional partners will support a reconstruction and economic development plan for Iran worth at least USD300bn while Iran reaffirms it will not pursue or develop nuclear weapons. Both sides agree to resolve issues involving stockpiled enriched uranium. The final agreement is to be endorsed by a binding UN Security Council resolution.

The reaction to the disclosure of the MoU

Energy markets had already priced in the geopolitical breakthrough, leaving crude oil prices flatlining overnight. Breaking away from their recent correlations, precious and industrial metals also pulled back, with copper sliding 1.7%.

The USD-index extended its hot streak to hit 100.60, its highest level since May 2025. The Dollar's strength violently battered the high-beta currencies, with both the NZD and AUD weakening significantly against the Greenback. Tomorrow morning's weekly close is absolutely critical to see whether the

USD-index consolidates into a new range above 100.00, likewise with the NZD/USD and AUD/USD. The NZD/AUD cross-rate is back to testing critical support at the 0.8200 handle. On the majors, USD/JPY aggressively surged to 161.50, while EUR/USD cracked below 1.1475.

Fixed income markets sat out the fireworks, experiencing a calm session with a subtle curve-flattening bias. The 2-year eased 1bps to 4.19% while the 10-years eased 4bps to 4.46%. I suspect local swap rates will follow a similar move. Risk-on sentiment across the board pushed global equity indexes higher, with the European bourses up 0.0%-0.5% while the S&P4500 and Nasdaq gained 1.2% and 2.5% respectively.

In terms of the overnight releases ...

Which were largely ignored ...

- The BoE held the Bank Rate at 3.75% amid a 7-2 vote. The 2 dissenters voted for a 25bps increase, in line with expectations. The Central Bank said it is monitoring Middle East risks and stands ready to act as needed to keep inflation aligned with its 2.0% target.
- The Philadelphia Fed manufacturing index improved to 10.3 in June from -0.4 in May.
- US initial claims eased 4k to 226k, while continuing claims rose 24k to 1,810k.
- The Swiss National Bank warned it is ready to intervene in FX markets should the CHF rebound on safe-haven demand.



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Daily Rates

Friday 19 June 2026

| FX | Spot | FECs (mid) | | | | Spot Mid | | |
|-------------------|--------|------------|--------------------|---------|------------------|--------------------|--------------|---------|
| | Mid | 1mth | 3mths | 6mths | 12mths | NZD/... | AUD/... | |
| NZ TWI | 66.20 | | | | | CAD | 0.8134 | 0.9913 |
| NZD/USD | 0.5758 | 0.0005 | 0.0016 | 0.0031 | 0.0057 | CHF | 0.4629 | 0.5643 |
| NZD/AUD | 0.8207 | 0.0013 | 0.0037 | 0.0070 | 0.0120 | CNY | 3.8968 | 4.7492 |
| NZD/JPY | 92.905 | -0.13 | -0.44 | -0.9087 | -1.93 | DKK | 3.7534 | 4.5738 |
| NZD/EUR | 0.5024 | -0.0001 | -0.0005 | -0.0012 | -0.0029 | FJD | 1.2678 | 1.5452 |
| NZD/GBP | 0.4360 | 0.0004 | 0.0012 | 0.0023 | 0.0040 | HKD | 4.5110 | 5.4977 |
| | | | | | | KRW | 886.06 | 1079.86 |
| AU TWI | 65.70 | | | | | MYR | 2.3686 | 2.8867 |
| AUD/USD | 0.7015 | -0.0004 | -0.0013 | -0.0023 | -0.0038 | NOK | 5.5975 | 6.8217 |
| AUD/NZD | 1.2181 | -0.0020 | -0.0057 | -0.0108 | -0.0190 | SEK | 5.5117 | 6.7163 |
| AUD/JPY | 112.67 | -0.34 | -1.06 | -2.07 | -4.03 | SGD | 0.7426 | 0.9051 |
| AUD/EUR | 0.6119 | -0.0011 | -0.0034 | -0.0067 | -0.0129 | TWD | 18.19 | 22.17 |
| AUD/GBP | 0.5311 | -0.0003 | -0.0009 | -0.0018 | -0.0033 | ZAR | 9.45 | 11.52 |
| USD Index | 100.83 | | | | | EQUITIES | | |
| EUR/USD | 1.1461 | 0.0014 | 0.0043 | 0.0086 | 0.0178 | | Index | |
| USD/JPY | 161.33 | -0.38 | -1.22 | -2.43 | -4.88 | NZX50 | 13,363 | |
| GBP/USD | 1.3204 | -0.0001 | -0.0001 | -0.0001 | -0.0001 | ASX200 | 8,911 | |
| EUR/GBP | 0.8677 | 0.0010 | 0.0033 | 0.0063 | 0.0127 | Dow Jones | 51,565 | |
| USD/CNY | 6.7686 | -0.0141 | -0.0423 | -0.0861 | -0.1750 | S&P 500 | 7,506 | |
| | | | | | | FTSE100 | 10,400 | |
| INTEREST | | | New Zealand | | Australia | DAX 40 | 25,027 | |
| RATES | | | Mid | | Mid | Nikkei | 71,053 | |
| 30 day bank bills | | | 2.51% | | 4.36% | COMMODITIES | | |
| 90 day bank bills | | | 2.68% | | 4.52% | | USD | |
| 1 year swap | | | 3.07% | | 4.55% | Brent Crude | 79.65 | |
| 2 year swap | | | 3.30% | | 4.44% | Gold | 4,216.96 | |
| 3 year swap | | | 3.43% | | 4.38% | Silver | 65.85 | |
| 5 year swap | | | 3.64% | | 4.40% | Iron Ore | 101.28 | |
| 10 year swap | | | 4.04% | | 4.63% | CRB Index | 461.62 | |
| 3 year Govt bond | | | 3.64% | | 4.47% | | NZD | |
| 5 year Govt bond | | | 3.95% | | 4.52% | NZ Carbon | 54.25 | |
| 10 year Govt bond | | | 4.49% | | 4.87% | | | |

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