

# Market Alert

Tuesday 2 June 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5936	0.0029
NZD/AUD	0.8288	0.0073
NZD/JPY	94.780	-0.94
NZD/EUR	0.5104	-0.0013
NZD/GBP	0.4411	0.0025
NZD/CNH	4.0155	-0.0324
AUD/USD	0.7161	-0.0029
AUD/EUR	0.6157	-0.0069
EUR/USD	1.1630	0.0083
USD/CNH	6.7650	-0.0866
GBP/USD	1.3458	-0.0013
EUR/GBP	0.8640	0.0068

  

INT RATES	NZ	Australia
OCR/Cash	2.25%	4.35%
90 day bills	2.62%	4.51%
2 year swap	3.48%	4.47%
10 year Govt	4.58%	4.99%

## *"Just when I thought I was out, they pulled me back in!"*

Stated Michael Corleone as he desperately tried to distance his family from the mafia in Godfather III, and to be fair, that's probably how Donald Trump feels about the war with Iran after they accused the US of breaking the ceasefire, announcing, "The naval blockade and escalation of war crimes in Lebanon (were) clear evidence of US noncompliance with the ceasefire." Following the weekend reports that the Iranians shot down a US drone, reports have emerged the US bombed radar and drone sites across Iran. Overnight Iran released footage of ballistic drone launches after it initiated fresh attacks on neighbouring Kuwait, while Iranian media reported that Tehran had suspended communications with Washington following attacks in Lebanon

and that it was moving to fully close the Strait of Hormuz.

With the war seemingly restarted, the last few minutes have seen a stream of announcements offering some hopes the negotiations will restart after the Lebanese Presidency announced Hezbollah had agreed to a US ceasefire while Iran announced a halt to all exchanges with the US. President Trump also announced the "shooting will stop" in Lebanon, adding talks with Iran are back on "at a rapid pace!"

So ... the more everything changes, the more it stays the same ...

## **In terms of the market action ...**

Going into the weekend, talk of a ceasefire provide a degree of 'risk-on' sentiment but the overnight exchanges have shaken confidence that we will see an early resolution. Oil prices have rebounded with crude gaining 6.0% to be at USD92.55 while Brent has been more subdued, 'only' gaining 4.6% to be at USD95.35. European gas prices have jumped 5.0%. Gold and silver eased lower while, somewhat surprisingly, copper rallied 2.8%.

The USD-index is continuing to bounce around the mid-point of its current range, but as has been the case recently, when oil prices rally, the NZD gets hit the hardest, and that has been the case overnight with the NZD falling 0.8% against the USD from 0.5994 to 0.5935, while it's fallen 0.5%-0.7% on the crosses, which has seen NZD/AUD fall from its high at 0.8347 to 0.8285.

The last couple of sessions have seen the US 10-year Treasury try to break through the 4.50% level, although it is struggling to hold on to gains. Currently its 2bps higher at 4.46% while the 2-year has gained 3bps to yield 4.05%.

Equities? Well, the US exchanges continue to rally unabated, gaining 0.1%-0.5%, although the European exchanges closed in negative territory, easing 0.25%-0.75%.

## **While it's a short week in Aotearoa New Zealand ...**

The overnight releases saw

- China's official manufacturing PMIs slip back to neutral at 50, while the non-manufacturing PMIs unexpectedly reached 50.1, which saw the composite firm from 50.1 to 50.5.
- The Chinese RatingDog manufacturing PMIs eased from 52.2 to 51.8.
- US ISM manufacturing PMI rose from 52.7 to 54.0 in May, beating forecasts at 53.0, although the S&P manufacturing PMI index eased from 55.3 to 55.1.

For the rest of the week, we have Australian trade today, GDP tomorrow, with the Governor and Deputy Governor speaking on Thursday and Friday. There's not much from NZ, but we have trade, building permits and commodity prices. The Eurozone will release CPI, PPI, retail sales and GDP this week. The US will update its JOLTs job numbers, the Beige Book, factory orders, jobless claims, and non-farms, earnings and unemployment numbers.



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# Daily Rates

Tuesday 2 June 2026

FX	Spot	FECs (mid)				Spot Mid	
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	67.60					CAD	0.8212 0.9909
NZD/USD	0.5936	0.0006	0.0016	0.0029	0.0044	CHF	0.4668 0.5633
NZD/AUD	0.8288	0.0014	0.0038	0.0073	0.0125	CNY	4.0153 4.8456
NZD/JPY	94.780	-0.13	-0.44	-0.9357	-2.06	DKK	3.8131 4.6010
NZD/EUR	0.5104	-0.0001	-0.0005	-0.0013	-0.0034	FJD	1.2885 1.5543
NZD/GBP	0.4411	0.0005	0.0013	0.0025	0.0042	HKD	4.6517 5.6126
						KRW	898.09 1083.61
AU TWI	66.80					MYR	2.3520 2.8379
AUD/USD	0.7161	-0.0004	-0.0014	-0.0029	-0.0056	NOK	5.5067 6.6443
AUD/NZD	1.2059	-0.0021	-0.0058	-0.0108	-0.0184	SEK	5.5236 6.6646
AUD/JPY	114.50	-0.35	-1.07	-2.14	-4.16	SGD	0.7588 0.9155
AUD/EUR	0.6157	-0.0012	-0.0035	-0.0069	-0.0134	TWD	18.57 22.40
AUD/GBP	0.5321	-0.0003	-0.0009	-0.0017	-0.0029	ZAR	9.67 11.67
USD Index	99.18					<b>EQUITIES</b>	
EUR/USD	1.1630	0.0015	0.0044	0.0083	0.0161		<b>Index</b>
USD/JPY	159.69	-0.40	-1.18	-2.35	-4.60	NZX50	13,245
GBP/USD	1.3458	-0.0001	-0.0004	-0.0013	-0.0039	ASX200	8,729
EUR/GBP	0.8640	0.0011	0.0035	0.0068	0.0139	Dow Jones	51,106
USD/CNY	6.765	-0.0148	-0.0446	-0.0872	-0.1728	S&P 500	7,607
						FTSE100	10,339
<b>INTEREST</b>			<b>New Zealand</b>		<b>Australia</b>	DAX 40	25,003
<b>RATES</b>			Mid		Mid	Nikkei	66,934
30 day bank bills			2.46%		4.35%	<b>COMMODITIES</b>	
90 day bank bills			2.62%		4.51%		<b>USD</b>
1 year swap			3.14%		4.53%	Brent Crude	95.34
2 year swap			3.48%		4.47%	Gold	4,479.97
3 year swap			3.63%		4.43%	Silver	74.80
5 year swap			3.83%		4.44%	Iron Ore	104.52
10 year swap			4.17%		4.67%	CRB Index	491.16
3 year Govt bond			3.78%		4.57%		<b>NZD</b>
5 year Govt bond			4.09%		4.64%	NZ Carbon	52.30
10 year Govt bond			4.58%		4.99%		

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