

# Market Alert

Friday 26 June 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5647	0.0033
NZD/AUD	0.8172	0.0074
NZD/JPY	91.370	-0.85
NZD/EUR	0.4967	-0.0010
NZD/GBP	0.4279	0.0024
NZD/CNH	3.8409	-0.0272
AUD/USD	0.6908	-0.0022
AUD/EUR	0.6076	-0.0066
EUR/USD	1.1369	0.0087
USD/CNH	6.8007	-0.0873
GBP/USD	1.3194	0.0001
EUR/GBP	0.8615	0.0065

  

INT RATES	NZ	Australia
OCR/Cash	2.25%	4.35%
90 day bills	2.71%	4.52%
2 year swap	3.28%	4.43%
10 year Govt	4.40%	4.84%

## That was a great start ...

Although there are still 4-days to go, but it seems the Black Caps openers have done their job. Let's hope the All Whites can do something similar tomorrow ... although I suspect they will have to ride their luck to get anything from the game. Who knows, after my mid-week scoring exploits, maybe I'll get a call-up!

## Iran attacks!

I didn't think I'd be writing this headline yesterday, but overnight Iran attacked a cargo ship in the Strait of Hormuz, testing the 'Peace MoU'. The IRGC stated ships must obtain authorisation to transit the Strait or face enforcement action. The latest reports suggest the Iranian authorities have also ordered at least three oil tankers transiting the Strait to turn back, with two additional ships appearing to reverse course as well.

Prior to the attack, oil prices had eased a further 4.0% with crude trading below USD70.00 per barrel, but the attack saw a rapid reversal of these moves with crude currently at USD72.15 and Brent at USD75.40. Gold, silver and copper prices saw similar reversals with gold, which had plummeted below USD4,000 per ounce to a 7-month low, bouncing back to be 1.0% higher on the day.

The resurgent USD-index held near its 13-month high after a series of stronger-than-expected releases boosted expectations the Fed will raise interest rates this year. The JPY remains under pressure at 161.80 despite BoJ member Naoki Tamura calling for steady rate hikes every few months, while the EUR/USD slipped to a low at 1.1333 as the ECB's interest rate outlook looks increasingly dovish compared to the Fed's. The NZD and AUD spent the session consolidating near their recent lows against the USD and on their crosses.

US Treasury yields flatlined with the 2-year 2bps lower at 4.13%, while the US 10-year Treasury remains firmly cemented in its range between 4.35%-4.65%, albeit near the bottom. In private credit markets, Morgan Stanley capping quarterly redemptions at 5.0% from its USD7bn fund heightened investor liquidity fears.

Equity markets were sharply divided overnight after the tech heavyweights diverged as the hyperscale cloud providers sank while chip producers rallied after Micron's blowout sales forecast. The S&P 500 closed flat, while the Nasdaq added an extra 0.5%. The European bourses gained 0.3%-0.8%.

## In terms of the releases ...

US PCE inflation rose 0.4% in May, matching April's increase, although it was below forecasts at 0.5% while the core was in line with expectations at 0.3%. On an annual basis inflation accelerated to 4.1%, its highest level since April 2023, while the core edged up to 3.4%.

The other US headlines saw initial jobless claims ease 12k to 215k, although continuing claims rose 21k to 1,821k, while the US economy expanded an annualised 2.1% in Q1, revised up from 1.6% in its 2nd estimate.

Australian employment rose by 40.3k, rebounding from the prior months revised 40.7k decline. This saw the unemployment rate fall to 4.4%. Unfortunately, 35.2k of the gain was in part-time jobs, with full-time employment gaining just 5.2k. The employment-to-population ratio edged up from 63.7% to 63.8%, marking its first increase in six months, while the participation rate ticked up from 66.6% to 66.7%.

Finally, Chicago Fed President Austan Goolsbee confirmed, "*The inflation side of the mandate is clearly the problem (although) the PCE report wasn't all negative. It's core CPI from services that makes me nervous. I've long been uneasy with forward guidance, but I don't hate the dot plots.*" Colleague John Williams pushed back the timing of the Fed hitting its 2.0% inflation target from 2027 to 2028 adding, "*I expect inflation to moderate at 3.5% this year.*"



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# Daily Rates

Friday 26 June 2026

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	65.10					CAD	0.8015	0.9810
NZD/USD	0.5647	0.0006	0.0017	0.0033	0.0057	CHF	0.4571	0.5596
NZD/AUD	0.8172	0.0013	0.0038	0.0074	0.0130	CNY	3.8418	4.7005
NZD/JPY	91.370	-0.13	-0.41	-0.8524	-1.79	DKK	3.7107	4.5409
NZD/EUR	0.4967	-0.0001	-0.0004	-0.0010	-0.0027	FJD	1.2514	1.5314
NZD/GBP	0.4279	0.0004	0.0013	0.0024	0.0041	HKD	4.4257	5.4159
						KRW	871.96	1067.05
AU TWI	64.80					MYR	2.3229	2.8426
AUD/USD	0.6908	-0.0004	-0.0012	-0.0022	-0.0038	NOK	5.5643	6.8092
AUD/NZD	1.2227	-0.0021	-0.0060	-0.0113	-0.0198	SEK	5.4952	6.7247
AUD/JPY	111.63	-0.34	-1.02	-2.02	-3.90	SGD	0.7316	0.8953
AUD/EUR	0.6076	-0.0011	-0.0034	-0.0066	-0.0129	TWD	17.96	21.98
AUD/GBP	0.5234	-0.0003	-0.0009	-0.0018	-0.0032	ZAR	9.30	11.39
USD Index	101.44					<b>EQUITIES</b>		
EUR/USD	1.1369	0.0014	0.0043	0.0087	0.0177		<b>Index</b>	
USD/JPY	161.81	-0.39	-1.20	-2.42	-4.78	NZX50	13,493	
GBP/USD	1.3194	0.0000	0.0000	0.0001	0.0003	ASX200	8,749	
EUR/GBP	0.8615	0.0011	0.0033	0.0065	0.0129	Dow Jones	51,905	
USD/CNY	6.7976	-0.0141	-0.0431	-0.0868	-0.1754	S&P 500	7,349	
						FTSE100	10,530	
<b>INTEREST</b>		<b>New Zealand</b>		<b>Australia</b>		DAX 40	24,995	
<b>RATES</b>		Mid		Mid		Nikkei	72,366	
30 day bank bills		2.52%		4.36%		<b>COMMODITIES</b>		
90 day bank bills		2.71%		4.52%			<b>USD</b>	
1 year swap		3.05%		4.52%		Brent Crude	75.41	
2 year swap		3.28%		4.43%		Gold	4,023.31	
3 year swap		3.42%		4.35%		Silver	57.77	
5 year swap		3.61%		4.32%		Iron Ore	100.52	
10 year swap		3.99%		4.55%		CRB Index	454.26	
3 year Govt bond		3.55%		4.41%			<b>NZD</b>	
5 year Govt bond		3.87%		4.47%		NZ Carbon	54.85	
10 year Govt bond		4.40%		4.84%				

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