

Market Alert

Wednesday 3 June 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5926	0.0029
NZD/AUD	0.8253	0.0073
NZD/JPY	94.755	-0.93
NZD/EUR	0.5094	-0.0012
NZD/GBP	0.4400	0.0026
NZD/CNH	4.0078	-0.0322
AUD/USD	0.7180	-0.0029
AUD/EUR	0.6172	-0.0069
EUR/USD	1.1632	0.0081
USD/CNH	6.7625	-0.0865
GBP/USD	1.3468	-0.0015
EUR/GBP	0.8634	0.0069

INT RATES	NZ	Australia
OCR/Cash	2.25%	4.35%
90 day bills	2.65%	4.51%
2 year swap	3.55%	4.57%
10 year Govt	4.60%	4.98%

With little news of substance ...

From the war, I thought ... what if I want to get away from it all ... and I've found the answer! It's the Freedom Ship, a permanent mobile city at sea that would be home to 50k permanent residents and 10k tourists, served by a 20k strong crew. It would have a sports stadium, museums and water park. Nuclear powered, the only issue is that it hasn't as yet been built, and to build it would cost USD16.2bn!

The market headlines saw ...

- US job openings climbed to 7.62m in April, the highest level since November 2024 and above forecasts at 6.88m.
- US consumer sentiment remains near its lows, edging down from 42.6 to 42.5 in June.
- Eurozone inflation reached 3.2% in May,

up from 3.0% in April.

- With Chinese imports of Australian beef about to exceed quota levels, Australian beef exports will soon be hit with a 55% tariff.
- The Australian current account deficit widened to AUD27.1bn in Q1, up from Q4's revised AUD23.0bn.
- One of the local NZ banks has warned the RBNZ risks crushing an already weak economy to contain oil-driven inflation.
- The GDT auction saw the overall index reverse its prior gain with the index falling 0.6% to NZD1,214. Unsurprisingly, SMP fell 3.0% while WMP eased 2.2%, although AMF gained 5.3% while butter continued its recovery gaining 1.2%.

Equity markets continued their bull market gaining 0.25%-0.75% after the US job openings data signalled a resilient labour-market. Commodity markets remain steady with oil gaining 1.0%, although copper prices continued their grind higher as tightening supply begins to 'bite'. Bond markets are also steady with the 2-year Treasury yield 2bps higher at 4.05% while the 10-years is flat at 4.46%. Interestingly, with USD/JPY at 159.95, talk is building about possibility of further currency intervention ... it didn't make much difference last time round, with one Japanese bank warning the JPY may be on the verge of a historic collapse, driven by prolonged oil price risk and fiscal loosening, while another warned the Central Bank should hike in June and lay out a clear normalisation path to stabilise bonds after the 10-year JGB yield hit a 30-year high with NZD/

JPY and AUD/JPY also higher. Against the USD, the NZD is flat, although the AUD strengthened to 0.7175, which saw NZD/AUD ease to 0.8250.

Flashing red warning lights ...

Cleveland Fed president Beth Hammack warned, "For today, it's reasonable to keep rates steady given the uncertainties around the economic outlook, but if recent trends continue, it may soon be appropriate to act." ECB member Olli Rehn confirmed, "A rate increase next week would amount to insurance against inflation risks rather than a response to already entrenched price pressures."

BoE member Megan Greene stated, "There is a growing case for raising interest rates if the Iran war drags on. The irks of acting, even if inflation is less persistent, is less severe than the risk of failing to act."

RBA board member Ian Harper confirmed, "Persistent inflation as a genuine concern, and market-based inflation measures have moved higher, which is worrying."

Goldmans CEO David Soloman announced, "I believe AI is going to unleash a growth moment, productivity boom. I do not believe we are going to have massive structural unemployment due to AI, but AI is going to interrupt jobs. Since the war started, we have higher inflation. It hasn't yet impacted the consumer, but we could see more shift in behaviour in the second half of the year. Supply chain pressures may increase prices because of energy. I see more greed than fear on Wall Street."



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Daily Rates

Wednesday 3 June 2026

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	67.30					CAD	0.8195	0.9933
NZD/USD	0.5926	0.0006	0.0016	0.0029	0.0043	CHF	0.4663	0.5652
NZD/AUD	0.8253	0.0014	0.0039	0.0073	0.0124	CNY	4.0064	4.8558
NZD/JPY	94.755	-0.15	-0.44	-0.9263	-2.09	DKK	3.8060	4.6129
NZD/EUR	0.5094	-0.0002	-0.0005	-0.0012	-0.0035	FJD	1.2850	1.5575
NZD/GBP	0.4400	0.0005	0.0013	0.0026	0.0042	HKD	4.6425	5.6268
						KRW	898.98	1089.58
AU TWI	66.60					MYR	2.3477	2.8454
AUD/USD	0.7180	-0.0005	-0.0014	-0.0029	-0.0057	NOK	5.4991	6.6650
AUD/NZD	1.2116	-0.0021	-0.0058	-0.0110	-0.0195	SEK	5.5163	6.6859
AUD/JPY	114.64	-0.38	-1.07	-2.14	-4.22	SGD	0.7579	0.9185
AUD/EUR	0.6172	-0.0013	-0.0035	-0.0069	-0.0133	TWD	18.62	22.57
AUD/GBP	0.5330	-0.0003	-0.0009	-0.0017	-0.0029	ZAR	9.62	11.66
USD Index	99.21					EQUITIES		
EUR/USD	1.1632	0.0016	0.0043	0.0081	0.0158		Index	
USD/JPY	159.91	-0.42	-1.18	-2.34	-4.63	NZX50	13,171	
GBP/USD	1.3468	-0.0001	-0.0005	-0.0015	-0.0040	ASX200	8,724	
EUR/GBP	0.8634	0.0012	0.0035	0.0069	0.0140	Dow Jones	51,336	
USD/CNY	6.7622	-0.0158	-0.0447	-0.0875	-0.1733	S&P 500	7,611	
						FTSE100	10,374	
INTEREST			New Zealand		Australia	DAX 40	25,124	
RATES			Mid		Mid	Nikkei	66,734	
30 day bank bills			2.43%		4.35%	COMMODITIES		
90 day bank bills			2.65%		4.51%		USD	
1 year swap			3.14%		4.61%	Brent Crude	96.02	
2 year swap			3.55%		4.57%	Gold	4,487.20	
3 year swap			3.70%		4.53%	Silver	75.13	
5 year swap			3.89%		4.50%	Iron Ore	105.03	
10 year swap			4.24%		4.75%	CRB Index	495.12	
3 year Govt bond			3.78%		4.58%		NZD	
5 year Govt bond			4.10%		4.64%	NZ Carbon	51.55	
10 year Govt bond			4.60%		4.98%			

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