

Market Alert

Thursday 4 June 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5866	0.0028
NZD/AUD	0.8227	0.0073
NZD/JPY	93.895	-0.94
NZD/EUR	0.5058	-0.0012
NZD/GBP	0.4371	0.0025
NZD/CNH	3.9770	-0.0327
AUD/USD	0.7129	-0.0030
AUD/EUR	0.6146	-0.0069
EUR/USD	1.1597	0.0081
USD/CNH	6.7805	-0.0879
GBP/USD	1.3418	-0.0015
EUR/GBP	0.8641	0.0069

INT RATES	NZ	Australia
OCR/Cash	2.25%	4.35%
90 day bills	2.65%	4.52%
2 year swap	3.51%	4.58%
10 year Govt	4.61%	5.01%

With the war kicking off again...

Markets have lost their nerve and re-entered 'risk-off' territory. It actually started in our time zone after US forces 'disabled' a Botswana-flagged oil tanker with a Hellfire missile as it attempted to sail towards an Iranian port, which drew retaliatory strikes that saw Iran attack a US base in Bahrain, as well as on Kuwait, The UAE and Saudi Arabia. US and Iranian forces also exchanged fire in the Strait of Hormuz after the US attacked Qeshm Island. By all accounts, last night was the most intense fighting since April.

There was also an escalation in political rhetoric with President Trump announcing, "Iran has agreed they will not pursue nuclear weapons." The IRGC countered with, "Tehran has frozen

all back-channel communication with Washington." while Iranian state media suggested the Iranian government has issued a four-stage proposal for a deal adding that indirect talks are "ongoing."

Financial markets reacted as one would anticipate ... oil prices are 2.2% higher with crude at USD96.00 and Brent at USD97.85. Interestingly, the war is impacting US oil reserves which have fallen to their lowest levels since 2004 with industry experts warning inventories are near 'critically low' thresholds. European gas prices are 3.5% higher, copper and silver have fallen 2.4%, while gold is 1.0% lower.

The NZD came under intense selling pressure, as is usually the case with higher oil prices, falling 1.0% to 0.5865 against the USD, while the AUD/USD has fallen 0.7% to 0.7130. The antipodeans are also weaker on their crosses after the CAD and CHF fell 0.6%, while the EUR, GBP and CNY all dropped by 0.3%. Interestingly, the JPY has recovered against the NZD and AUD but has fallen against the USD to be at 160.05!

Bond yields are also higher with the 2-year US Treasury yield gaining 4bps to be at 4.09%, while the 10-year firmed 5bps to be at 4.49%. This will add further pressure to NZ and AU swap rates today.

Equity markets lost some of their shine falling between 0.5%-1.5%, although the Nikkei gained 2.3% as the rally in technology stocks lifted the market index above the 68,000 level for the first time.

Not that anyone was paying any attention to the data ...

But there were a few releases ...

- US ISM services PMIs rose to a 3-month high firming from 53.6 to 54.5 in May. Forecasts had been at 53.8.

- US private businesses added a net 122k jobs in May, its highest number since January 2025. This followed the downwardly revised gain of 105k in April and forecasts at 117k.

- The Fed's Beige Book suggested overall economic activity increased at a slight to modest pace in 8 of the 12 Federal districts, while 2 districts reported little change and 2 districts reported slight to modest declines. Employment showed little to no change in 11 of the 12 districts, prices increased at a moderate to strong pace.

Fed member John Williams confirmed, "Higher energy prices are driving up costs and inflation. Inflation has increased significantly (although) right now, I'm not worried about persistent inflation." US Treasury Secretary Bessent predicted, "Inflation will be a temporary issue."

According to the ECB, gold has overtaken US Treasuries as the world's top reserve asset amid higher valuations and its appeal as a geopolitical hedge. Gold accounted for 27% of global official foreign reserves at the end of 2025 while US Treasuries fell to 22%. Gold's share topped Treasuries mainly due to 'valuation impacts' with prices rising by around 60% in 2025 and 30% in 2024.



BANCORP

BANCORP TREASURY SERVICES LIMITED

Barrington
TREASURY SERVICES

Barrington
ASSET CONSULTING



BANCORP

BANCORP CORPORATE FINANCE LIMITED

Daily Rates

Thursday 4 June 2026

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	67.40					CAD	0.8148	0.9906
NZD/USD	0.5866	0.0006	0.0016	0.0028	0.0044	CHF	0.4644	0.5648
NZD/AUD	0.8227	0.0013	0.0039	0.0073	0.0125	CNY	3.9748	4.8329
NZD/JPY	93.895	-0.14	-0.45	-0.9363	-2.06	DKK	3.7780	4.5930
NZD/EUR	0.5058	-0.0002	-0.0006	-0.0012	-0.0031	FJD	1.2776	1.5532
NZD/GBP	0.4371	0.0005	0.0013	0.0025	0.0045	HKD	4.5955	5.5869
						KRW	900.13	1094.31
AU TWI	66.70					MYR	2.3397	2.8445
AUD/USD	0.7129	-0.0005	-0.0014	-0.0030	-0.0055	NOK	5.4668	6.6462
AUD/NZD	1.2147	-0.0021	-0.0060	-0.0111	-0.0191	SEK	5.5138	6.7033
AUD/JPY	114.37	-0.36	-1.09	-2.14	-4.20	SGD	0.7527	0.9151
AUD/EUR	0.6146	-0.0012	-0.0036	-0.0069	-0.0131	TWD	18.44	22.42
AUD/GBP	0.5312	-0.0003	-0.0009	-0.0017	-0.0029	ZAR	9.59	11.66
USD Index	99.52					EQUITIES		
EUR/USD	1.1597	0.0015	0.0045	0.0081	0.0157		Index	
USD/JPY	160.06	-0.40	-1.21	-2.35	-4.66	NZX50	13,115	
GBP/USD	1.3418	-0.0001	-0.0005	-0.0015	-0.0040	ASX200	8,786	
EUR/GBP	0.8641	0.0012	0.0036	0.0069	0.0139	Dow Jones	50,822	
USD/CNY	6.7692	-0.0151	-0.0461	-0.0888	-0.1787	S&P 500	7,569	
						FTSE100	10,332	
INTEREST		New Zealand		Australia		DAX 40	24,796	
RATES		Mid		Mid		Nikkei	68,402	
30 day bank bills		2.43%		4.35%		COMMODITIES		
90 day bank bills		2.65%		4.52%			USD	
1 year swap		3.18%		4.61%		Brent Crude	97.92	
2 year swap		3.51%		4.58%		Gold	4,446.20	
3 year swap		3.66%		4.56%		Silver	73.24	
5 year swap		3.86%		4.49%		Iron Ore	105.13	
10 year swap		4.23%		4.76%		CRB Index	495.19	
3 year Govt bond		3.77%		4.61%			NZD	
5 year Govt bond		4.10%		4.68%		NZ Carbon	51.65	
10 year Govt bond		4.61%		5.01%				

This document has been prepared by Bancorp Treasury Services Limited ("BTSL"). Whilst all reasonable care has been taken to ensure the facts stated are accurate and the opinions given are fair and reasonable, neither BTSL nor any of its directors, officers or employees shall in any way be responsible for the contents. No liability is assumed by BTSL, its directors, officers or employees for action taken or not taken on the basis of this document.



BANCORP
BANCORP TREASURY SERVICES LIMITED

Barrington
TREASURY SERVICES

Barrington
ASSET CONSULTING



BANCORP
BANCORP CORPORATE FINANCE LIMITED