

Market Alert

Friday 5 June 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5869	0.0028
NZD/AUD	0.8226	0.0073
NZD/JPY	93.915	-0.91
NZD/EUR	0.5054	-0.0012
NZD/GBP	0.4372	0.0025
NZD/CNH	3.9756	-0.0321
AUD/USD	0.7134	-0.0030
AUD/EUR	0.6143	-0.0068
EUR/USD	1.1612	0.0079
USD/CNH	6.7771	-0.0868
GBP/USD	1.3422	-0.0014
EUR/GBP	0.8649	0.0066

INT RATES	NZ	Australia
OCR/Cash	2.25%	4.35%
90 day bills	2.66%	4.52%
2 year swap	3.46%	4.55%
10 year Govt	4.61%	5.02%

With little progress overnight ...

In the negotiations between the US-Iran-Israel-Hezbollah ... it's only fair we should concentrate on the cricket! I was pleasantly surprised to wake up and see the English were bowled out for 140, and with Kyle Jamieson taking 5-62 in just 14 overs, I was very excited ... and then I saw the Black Caps' score ... I won't give away the ending, but only 2 batsmen managed to get into double figures!

Feeling a touch sad about the cricket, I was hopeful there would be something interesting from financial markets overnight, but alas, it wasn't to be either! There was a positive in that after three days of gains, oil markets saw profit taking and hopes of a possible broader agreement after Israel and Lebanon agreed to a ceasefire. With oil prices 3.0% lower, with crude at USD93.10 and Brent at USD95.25, it was a quiet session

for commodity traders.

Despite chipmakers' shares falling after the Broadcom earnings report disappointed after the bell yesterday, sparking fears the AI rally has outrun fundamentals, global exchanges still managed to claw out gains with the European exchanges firming 0.25%-0.50%, although the US exchanges were mixed with the Nasdaq losing 0.25% while the S&P500 locked in a 0.50% gain. Goldmans is forecasting SpaceX's AI revenues to increase 100-fold by 2030, while also predicting the combined capex from Meta, Microsoft, Amazon and Alphabet will reach USD5.3trn by end-2030, surpassing the GDPs of Japan, the UK, India and France.

Bond markets benefited from the lower oil prices, with Treasury yields reversing most of the prior sessions gains with the 2-years easing 3bps to 4.06% while the 10-years is trading 2bps lower at 4.48%.

FX markets have been static with no changes of note, although Bitcoin prices have collapsed ... again!

Ahead of tonight's non-farm releases ...

Last night's releases were largely ignored, but, for the record ...

- US employers announced 97,006 job cuts in May, up from April's 83,387.
- US initial claims rose 13k to 225k, while continuing claims eased 8k to 1,777k.
- Eurozone retail sales fell 0.4% in April 2026, following March's upwardly revised 0.8% increase.
- The Australian trade surplus increased

to AUD1.79bn in April after exports jumped 7.2%.

- The NZ commodity price index rose 0.7% in May, led by a 49.0% jump in annual aluminium prices. Wool prices have also gained 14% over the last 12 months, while log prices have rallied 11.9% although higher shipping costs are impacting.

Dallas Fed member Lorrie Logan announced, "Monetary policy is not restraining the economy. Inflation is trending toward the mid-2% range rather than back to the 2% target. Higher rates may be necessary later this year to restore price stability." Colleague Jeffery Schmid stated, "Inflation is too high; it has been a 5-year fight, and the Fed is still trying to figure it out," while Mary Daly added, "Inflation focus is now on energy, food driving prices up. Inflation is being driven by tariffs, which are hopefully rolling off."

RBA governor, Michele Bullock confirmed, "Inflation is still too high. We will do what is considered necessary to achieve our mandate. We've already seen some signs that this tightening is starting to work although it will take around 1-2 years for the effects to fully flow through. The flow of data and developments since May have not been materially different to our expectations."

Thinking of the other war ...

Ukrainian President Zelensky has proposed peace talks with Russia, urging an end to the war and offering a ceasefire and a prisoner exchange. Russian President Putin offered an olive branch stating, "We are ready to make a deal with Ukraine peacefully."



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Daily Rates

Friday 5 June 2026

FX	Spot	FECs (mid)				Spot Mid	
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	66.90					CAD	0.8157 0.9919
NZD/USD	0.5869	0.0006	0.0016	0.0028	0.0043	CHF	0.4630 0.5631
NZD/AUD	0.8226	0.0013	0.0038	0.0073	0.0127	CNY	3.9744 4.8327
NZD/JPY	93.915	-0.13	-0.43	-0.9109	-2.05	DKK	3.7758 4.5912
NZD/EUR	0.5054	-0.0001	-0.0005	-0.0012	-0.0034	FJD	1.2777 1.5536
NZD/GBP	0.4372	0.0005	0.0013	0.0025	0.0042	HKD	4.5962 5.5888
						KRW	898.71 1092.79
AU TWI	66.50					MYR	2.3527 2.8607
AUD/USD	0.7134	-0.0004	-0.0014	-0.0030	-0.0057	NOK	5.4750 6.6574
AUD/NZD	1.2155	-0.0021	-0.0059	-0.0111	-0.0190	SEK	5.5020 6.6901
AUD/JPY	113.94	-0.35	-1.06	-2.11	-4.14	SGD	0.7536 0.9163
AUD/EUR	0.6143	-0.0012	-0.0035	-0.0068	-0.0132	TWD	18.45 22.44
AUD/GBP	0.5314	-0.0003	-0.0009	-0.0018	-0.0031	ZAR	9.57 11.64
USD Index	99.44					EQUITIES	
EUR/USD	1.1612	0.0014	0.0043	0.0079	0.0155		Index
USD/JPY	160.01	-0.39	-1.17	-2.33	-4.56	NZX50	13,102
GBP/USD	1.3422	-0.0001	-0.0004	-0.0014	-0.0039	ASX200	8,686
EUR/GBP	0.8649	0.0011	0.0034	0.0066	0.0135	Dow Jones	51,617
USD/CNY	6.7735	-0.0149	-0.0450	-0.0872	-0.1732	S&P 500	7,591
						FTSE100	10,360
INTEREST		New Zealand		Australia		DAX 40	24,945
RATES		Mid		Mid		Nikkei	67,471
30 day bank bills		2.43%		4.36%		COMMODITIES	
90 day bank bills		2.66%		4.52%			USD
1 year swap		3.18%		4.63%		Brent Crude	95.26
2 year swap		3.46%		4.55%		Gold	4,480.99
3 year swap		3.62%		4.52%		Silver	74.06
5 year swap		3.83%		4.55%		Iron Ore	103.71
10 year swap		4.20%		4.80%		CRB Index	488.93
3 year Govt bond		3.75%		4.61%			NZD
5 year Govt bond		4.09%		4.68%		NZ Carbon	52.00
10 year Govt bond		4.61%		5.02%			

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