

# Market Alert

Wednesday 01 July 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5680	0.0033
NZD/AUD	0.8204	0.0072
NZD/JPY	92.350	-0.90
NZD/EUR	0.4971	-0.0012
NZD/GBP	0.4282	0.0024
NZD/CNH	3.8572	-0.0292
AUD/USD	0.6922	-0.0021
AUD/EUR	0.6058	-0.0067
EUR/USD	1.1425	0.0090
USD/CNH	6.7911	-0.0895
GBP/USD	1.3263	0.0001
EUR/GBP	0.8613	0.0066

  

INT RATES	NZ	Australia
OCR/Cash	2.25%	4.35%
90 day bills	2.72%	4.51%
2 year swap	3.32%	4.42%
10 year Govt	4.42%	4.83%

## Happy New Year ...

Financial year that is! So, what do we have look forward to...

Another 2.5-years of President Trump for a start, and a weak Yen for continuity! Once again, USD/JPY has rallied, this time through 162.00 to be at 162.60, its highest levels since December 1986! We had the standard verbal intervention, this time from Chief Cabinet Secretary Kihara and Finance Minister Katayama, but that was when it initially broke above 162.00 so you can see how successful that was!

The major indices traded flat to slightly higher as sliding oil prices relieved broader valuation pressures. Most exchanges traded in the 0.0%-1.0% range, although the Nasdaq gained 1.5%.

After falling a further 1.0% overnight, its somewhat unsurprising to note that

crude oil plummeted 31% in Q2, which represents its largest quarterly decline since 2020. As I type, WTI is trading at USD70.00 with Brent at USD73.40. Gold is holding near its 8-month low, although silver and copper posted gains in the region of 1.5%.

FX markets were quiet with the USD-index continuing to flatline just below the 101.00 level, although it should be noted the NZD and AUD posted modest recoveries, with NZD/AUD firming to 0.8200.

But while FX markets were quiet, the fact the JOLTS release pointed to the largest number of job openings in the US in two years saw Treasury yields spike higher. This saw the 10-year yield surge from its 7-week low at 4.37% to 4.45%, while the 2-year yield gained 5bps to 4.16%.

## So ... what was the JOLTS?

The JOLTS release saw US job openings increased by 9k to 7.594m in May, its highest level since May 2024 and above expectations of 7.30m highlighting a resilient US labour market amid inflationary pressures linked to the Iran conflict.

The preliminary German inflation release for June saw inflation drop to 2.3% from May's 2.6% although the unemployment rate remained unchanged at 6.3%.

China's official PMIs for June came in better than expected across the board. Manufacturing activity returned to expansion at 50.3, while the non-manufacturing PMIs improved to 50.2 from 50.1. This saw the composite rise

from 50.5 to 50.6. The improvement was driven almost entirely by sectors tied to global technology demand, while domestic conditions remained considerably weaker, a divergence that continues to characterise the recovery.

The RBA June minutes showed the Board holding rates but maintaining an explicit tightening bias, citing excess demand still in the economy. In Australia, minutes from the RBA's June meeting reaffirmed that the Board sees monetary policy needing to remain restrictive to unwind excess demand in the economy, with members reiterating a willingness to raise the Cash Rate Target further if conditions warrant.

NZ business confidence rebounded in June rising from May's 10% to 37% while the 'own activity' index spiked from 11% to 37%.

## Central bank thoughts and opinions ...

Fed member Beth Hammack confirmed, "Inflation is still too high. We may need to consider rate hikes. It's not just an energy story as core inflation is elevated. The jobs market is right around full employment, while growth looks good."

ECB Board member Martins Kazaks added, "If things improve, it is possible we won't hike further."

BoE Governor Andrew Bailey stated, "It's important that energy prices are not much higher than pre-war levels. We have time to judge the pass through of higher energy prices."



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# Daily Rates

Wednesday 01 July 2026

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	65.10					CAD	0.8053	0.9817
NZD/USD	0.5680	0.0006	0.0017	0.0033	0.0059	CHF	0.4587	0.5593
NZD/AUD	0.8204	0.0013	0.0038	0.0072	0.0126	CNY	3.8362	4.6699
NZD/JPY	92.350	-0.14	-0.41	-0.9033	-1.82	DKK	3.7141	4.5278
NZD/EUR	0.4971	-0.0002	-0.0005	-0.0012	-0.0031	FJD	1.2576	1.5331
NZD/GBP	0.4282	0.0004	0.0013	0.0024	0.0041	HKD	4.4531	5.4288
						KRW	878.07	1070.45
AU TWI	64.60					MYR	2.3178	2.8256
AUD/USD	0.6922	-0.0004	-0.0011	-0.0021	-0.0035	NOK	5.6199	6.8513
AUD/NZD	1.2183	-0.0021	-0.0057	-0.0110	-0.0191	SEK	5.5052	6.7113
AUD/JPY	111.64	-0.36	-1.02	-2.08	-3.94	SGD	0.7346	0.8955
AUD/EUR	0.6058	-0.0012	-0.0033	-0.0067	-0.0130	TWD	18.05	22.01
AUD/GBP	0.5219	-0.0003	-0.0009	-0.0018	-0.0031	ZAR	9.30	11.34
USD Index	101.20					<b>EQUITIES</b>		
EUR/USD	1.1425	0.0015	0.0043	0.0090	0.0181		<b>Index</b>	
USD/JPY	162.60	-0.41	-1.20	-2.51	-4.86	NZX50	13,622	
GBP/USD	1.3263	-0.0001	0.0000	0.0001	0.0002	ASX200	8,779	
EUR/GBP	0.8613	0.0011	0.0032	0.0066	0.0130	Dow Jones	52,281	
USD/CNY	6.7851	-0.0154	-0.0468	-0.0920	-0.1772	S&P 500	7,497	
						FTSE100	10,497	
<b>INTEREST</b>		<b>New Zealand</b>		<b>Australia</b>		DAX 40	24,996	
<b>RATES</b>		Mid		Mid		Nikkei	70,062	
30 day bank bills		2.58%		4.36%		<b>COMMODITIES</b>		
90 day bank bills		2.72%		4.51%			<b>USD</b>	
1 year swap		3.04%		4.50%		Brent Crude	72.92	
2 year swap		3.32%		4.42%		Gold	4,015.61	
3 year swap		3.45%		4.36%		Silver	59.15	
5 year swap		3.65%		4.35%		Iron Ore	100.26	
10 year swap		4.02%		4.56%		CRB Index	451.39	
3 year Govt bond		3.58%		4.41%			<b>NZD</b>	
5 year Govt bond		3.90%		4.47%		NZ Carbon	54.75	
10 year Govt bond		4.42%		4.83%				

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