

Market Alert

Thursday 02 July 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5672	0.0032
NZD/AUD	0.8229	0.0071
NZD/JPY	92.210	-0.90
NZD/EUR	0.4985	-0.0012
NZD/GBP	0.4271	0.0023
NZD/CNH	3.8540	-0.0285
AUD/USD	0.6890	-0.0021
AUD/EUR	0.6055	-0.0067
EUR/USD	1.1378	0.0089
USD/CNH	6.7944	-0.0878
GBP/USD	1.3277	0.0002
EUR/GBP	0.8567	0.0064

INT RATES	NZ	Australia
OCR/Cash	2.25%	4.35%
90 day bills	2.73%	4.52%
2 year swap	3.34%	4.43%
10 year Govt	4.47%	4.90%

Because maybe ... You're gonna be the one that saves me ...

And after all ... you're my wonderwall!

Yes, Harry Kane was the hero this morning with 2-goals for England as they came back to win 2-1, but to be honest, Harry's 2-goals weren't as good as my 2-goals last night. That's right, I was brilliant once again, carrying a team of young bucks on my shoulders ... the only issue is that one of them was an own goal ... but even so, if you are going to do something, do it right ... and it was a brilliant own goal!

In terms of the data releases ...

- Headline Eurozone inflation fell from 3.2% to 2.8% in June with the core measure falling from 2.6% to 2.4%.

- US private businesses added 98k jobs in June, below May's 122k and forecasts at 113k.
- US manufacturing PMIs fell from 54.0 to 53.3, which was below forecasts at 54.0.
- The Atlanta Fed is GDPNow forecasting model lowered its US GDP estimate for Q2 from 2.5% to 1.2%!
- President Trump has decided not to renew the USMCA trade agreement, instead opting to make individual trade deals with Canada and Mexico.
- President Trump announced progress has been made in indirect talks with Iran, and that the "denuclearisation" of the Islamic Republic is "moving along well."
- Finally, Donald Trump has reported 'additional' income of more than USD2.2bn in the 2025 calendar year!

Financial markets ultimately had a quiet session. The USD-index reclaimed the 101.00 level to be at 101.20 with the AUD and EUR falling 0.4% against it. The NZD continues to flatline at 0.5675, the JPY firmed off its 40-year low, while South Korea's won slid toward its weakest level since the GFC. Bond markets were steady-eddie with the 2-year US Treasury yield slipping 1bp to 4.18%, while the 10-year firmed 1bp to 4.49%.

Oil prices continued their weakening trend falling a further 2.2% with crude at USD68.00 and Brent at USD71.15, while most other commodities gyrated between 0.5% declines and 0.8% gains.

Equities were a 'sea of red', although it was only at the peripheral, trading flat to 0.3% lower.

But central bankers were busy in Sintra, Portugal ...

Laying out their ideologies ...

New Fed Chair Kevin Warsh announced, "We'll be an independent Fed. The Fed stands for staying in its lane on monetary policy. The inflation risks have come down. We're in the price stability business and have been focused on monetary policy in the first 4-weeks (of my administration). Forward guidance is not the right policy in the current environment. I'm not going to give forward guidance. If models are an obstacle to good policy, get rid of them. Labour markets are steady and the supply side is solid. I have not changed my view on the Fed's balance sheet. It's no secret I want the balance sheet to be smaller."

ECB President Christine Lagarde confirmed, "If I have one regret, it is that I was bound by forward guidance in the past," before adding, "The risks that we had to the upside on inflation and to the downside on growth, are probably more broadly balanced than they were a few weeks ago."

ECB colleague Yannis Stournaras suggested, "I don't think anything will happen in July. Maybe it will be good to stay where we are for some time."

BoE Governor Andrew Bailey finished with, "Rate cuts are off the table at the moment. The decision not to raise rates was based on a softening economy. You can argue policy has (already) been tightened."



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Daily Rates

Thursday 02 July 2026

FX	Spot	FECs (mid)				Spot Mid	
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	65.30					CAD	0.8061 0.9793
NZD/USD	0.5672	0.0006	0.0016	0.0032	0.0057	CHF	0.4589 0.5577
NZD/AUD	0.8229	0.0013	0.0038	0.0071	0.0124	CNY	3.8519 4.6772
NZD/JPY	92.210	-0.14	-0.43	-0.9021	-1.88	DKK	3.7250 4.5257
NZD/EUR	0.4985	-0.0001	-0.0005	-0.0012	-0.0033	FJD	1.2583 1.5287
NZD/GBP	0.4271	0.0004	0.0012	0.0023	0.0038	HKD	4.4479 5.4040
						KRW	879.19 1068.18
AU TWI	64.80					MYR	2.3206 2.8194
AUD/USD	0.6890	-0.0004	-0.0012	-0.0021	-0.0036	NOK	5.6239 6.8327
AUD/NZD	1.2148	-0.0021	-0.0058	-0.0109	-0.0190	SEK	5.5179 6.7040
AUD/JPY	112.04	-0.35	-1.05	-2.05	-3.94	SGD	0.7350 0.8929
AUD/EUR	0.6055	-0.0012	-0.0034	-0.0067	-0.0131	TWD	18.06 21.94
AUD/GBP	0.5188	-0.0003	-0.0009	-0.0018	-0.0032	ZAR	9.30 11.30
USD Index	101.40					EQUITIES	
EUR/USD	1.1378	0.0014	0.0044	0.0089	0.0185		Index
USD/JPY	162.56	-0.40	-1.23	-2.49	-4.90	NZX50	13,611
GBP/USD	1.3277	-0.0001	0.0000	0.0002	0.0009	ASX200	8,723
EUR/GBP	0.8567	0.0011	0.0033	0.0064	0.0130	Dow Jones	52,305
USD/CNY	6.7942	-0.0146	-0.0465	-0.0908	-0.1815	S&P 500	7,490
						FTSE100	10,478
INTEREST		New Zealand		Australia		DAX 40	25,040
RATES		Mid		Mid		Nikkei	70,475
30 day bank bills		2.59%		4.36%		COMMODITIES	
90 day bank bills		2.73%		4.52%			USD
1 year swap		3.07%		4.51%		Brent Crude	71.12
2 year swap		3.34%		4.43%		Gold	4,031.66
3 year swap		3.47%		4.36%		Silver	59.10
5 year swap		3.65%		4.37%		Iron Ore	98.96
10 year swap		4.01%		4.61%		CRB Index	451.75
3 year Govt bond		3.62%		4.46%			NZD
5 year Govt bond		3.94%		4.53%		NZ Carbon	54.50
10 year Govt bond		4.47%		4.90%			

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