

Market Alert

Monday 9 June 2025

CURRENCIES	Spot	6mths
NZD/USD	0.6019	0.0037
NZD/AUD	0.9268	0.0022
NZD/JPY	87.200	-1.21
NZD/EUR	0.5280	-0.0033
NZD/GBP	0.4449	0.0023
NZD/CNH	4.3388	-0.0360
AUD/USD	0.6485	0.0024
AUD/EUR	0.5686	-0.0050
EUR/USD	1.1394	0.0134
USD/CNH	7.1861	-0.1037
GBP/USD	1.3521	0.0013
EUR/GBP	0.8425	0.0093

INT RATES	NZ	Australia
OCR/Cash	3.25%	3.85%
90 day bills	3.32%	3.76%
2 year swap	3.19%	3.24%
10 year Govt	4.69%	4.36%

Thunderbolt and lightning, very, very frightening ...

... Galileo, Galileo, Galileo Figaro ... and so sung a young Freddy. And that was all I could think of this morning with the rain, the thunder, and the lightning!

But before that, there was a great weekend of sport ... well done to the Crusaders, Blues, Chiefs for making the semis ... oh yes, and some other lot called the Brumbies, and what about the Warriors ... surely that was their best 40 minutes from the last decade or so. Also, fingers crossed for Ryan Fox who is handily placed going into the back 9, a couple of shots off the lead.

Finally, RIP to Stu Wilson, one of the first 'celebrity' rugby players. As a young Wellingtonian, I'll never forget the brilliance, and humour, of Wilson with his partner, Bernie Fraser!

Summing up Friday's action ...

... it was a bit of a non-event after all of the hype.

- US nonfarm payrolls increased by 139k in May, compared to April's downwardly revised 147k and forecasts at 130k, which saw the unemployment rate hold steady at 4.2% and the participation rate ease to 62.4%.
- US average hourly earnings firmed from 0.2% to 0.4%, which saw annual wage growth of remain flat at 3.9%, from April's upwardly revised release.
- Eurozone GDP expanded on an annual basis by an 1.5% in Q1, which was higher than the prior 1.2% and the strongest annual growth since Q4 2022.
- Eurozone employment grew by 0.2% in Q1, which was below initial estimates at 0.3%.
- The UK house price index increased 2.5% in May, although it was the smallest gain in ten months, following on from April's 3.2% gain.

ECB policymaker Joachim Nagel stated *"We are no longer restrictive. I believe that we can now take the time to look at the situation first. We now have maximum flexibility at this interest rate level,"* while ECB President Christine Lagarde added, *"The recent interest-rate adjustments position the ECB to achieve its medium-term inflation target."*

BoE rate setter Megan Greene stated, *"The majority of the short-term bump in inflation due to one-off factors. We expect inflation to continue to come down to target over the medium term. Our view is that we*

can look through it but of course that's a big risk."

Looking at it all, Saturday's close saw equity markets firm 0.5%-1.0%, while commodity markets firmed 1.0%-2.0% ... with oil gaining 1.8%. The US releases highlighted the strong performance of its economy, which saw bond yields firm 12bps in the 2-years, to 4.05%, and 12bps in the 10-years to 4.51%, which saw the USD-index firm a touch, with NZD/USD opening this morning at 0.6018, although I suspect the one to watch this week is the JPY ... which continues to weaken.

The week ahead ...

... will likely see markets remain largely range bound given most of the releases are second tier ... but then again, with the on-going tariff negotiations and the growing rift between President Trump and Elon Musk, who knows? On the economic front, it should be relatively quiet with the main focus on the US CPI and PPI reports, along with the University of Michigan's consumer sentiment survey. China will also provide its latest CPI and PPI updates, as well as its foreign trade numbers. From Europe we have Eurozone industrial production, German wholesale prices, while there is a handful of UK releases including April GDP growth, unemployment, wage growth, the goods trade balance, and industrial production. Beyond the Chinese releases, the focus from the Asia-Pacific region will be on Australia's business and consumer confidence reports, while in NZ we have manufacturing, card spending and business PMIs.



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Daily Rates

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FX	Spot	FECs (mid)				Spot Mid	
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	69.80					CAD	0.8217 0.8878
NZD/USD	0.6019	0.0006	0.0019	0.0037	0.0065	CHF	0.4935 0.5330
NZD/AUD	0.9268	0.0005	0.0012	0.0022	0.0028	CNY	4.3266 4.6692
NZD/JPY	87.200	-0.21	-0.64	-1.21	-2.33	DKK	3.9279 4.2440
NZD/EUR	0.5280	-0.0006	-0.0017	-0.0033	-0.0069	FJD	1.3341 1.4414
NZD/GBP	0.4449	0.0004	0.0011	0.0023	0.0041	HKD	4.7095 5.0885
						KRW	815.78 881.43
AU TWI	60.00					MYR	2.5358 2.7399
AUD/USD	0.6485	0.0003	0.0011	0.0024	0.0045	NOK	6.0421 6.5283
AUD/NZD	1.0791	-0.0007	-0.0017	-0.0029	-0.0053	SEK	5.7635 6.2273
AUD/JPY	93.43	-0.28	-0.81	-1.54	-2.91	SGD	0.7737 0.8360
AUD/EUR	0.5686	-0.0009	-0.0026	-0.0050	-0.0098	TWD	17.96 19.41
AUD/GBP	0.4792	0.0001	0.0005	0.0012	0.0023	ZAR	10.67 11.52
USD Index	99.20					EQUITIES	
EUR/USD	1.1394	0.0023	0.0070	0.0134	0.0267		Index
USD/JPY	144.82	-0.49	-1.49	-2.89	-5.37	NZX50	12,563
GBP/USD	1.3521	0.0002	0.0007	0.0013	0.0017	ASX200	8,516
EUR/GBP	0.8425	0.0015	0.0047	0.0093	0.0179	Dow Jones	42,763
USD/CNY	7.1886	-0.0180	-0.0020	-0.0025	-0.2089	S&P 500	6,000
INTEREST		New Zealand		Australia		FTSE100	8,838
RATES		Mid		Mid		DAX 30	24,304
30 day bank bills			3.36%		3.81%	Nikkei	37,742
90 day bank bills			3.32%		3.76%	COMMODITIES	
1 year swap			3.17%		3.37%		USD
2 year swap			3.21%		3.25%	Brent Crude	66.47
3 year swap			3.32%		3.31%	Gold	3,309.67
5 year swap			3.57%		3.70%	Silver	35.96
10 year swap			4.06%		4.18%	Iron Ore	96.18
3 year Govt bond			3.65%		3.39%	CRB Index	368.58
5 year Govt bond			4.02%		3.66%	NZD	
10 year Govt bond			4.69%		4.36%	NZ Carbon	56.50

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