

# Market Alert

Tuesday 10 June 2025

CURRENCIES	Spot	6mths
NZD/USD	0.6052	0.0037
NZD/AUD	0.9283	0.0021
NZD/JPY	87.490	-1.23
NZD/EUR	0.5297	-0.0033
NZD/GBP	0.4464	0.0022
NZD/CNH	4.3430	-0.0360
AUD/USD	0.6518	0.0024
AUD/EUR	0.5705	-0.0049
EUR/USD	1.1423	0.0140
USD/CNH	7.1832	-0.1026
GBP/USD	1.3555	0.0012
EUR/GBP	0.8425	0.0092

INT RATES	NZ	Australia
OCR/Cash	3.25%	3.85%
90 day bills	3.31%	3.76%
2 year swap	3.22%	3.28%
10 year Govt	4.71%	4.39%

## Watch out for the blinding flash ...

... as our young analyst hits some Pacific sun today. Have a great break Luka ... and a big happy birthday to Luka's mum.

Mind you, what about Ryan Fox ... 2 PGA wins in a month ... what a legend! And it was great to see some of the All Whites supporting him from their private box!

## There's not a great deal to report ...

... from the overnight data releases ...

- Ahead of this week's CPI release, US consumer inflation expectations for the year ahead fell to their lowest level in 3 months at 3.2%, down from 3.6% in March and April.

- Chinese inflation remained unchanged at -0.1% for a third consecutive month as food deflation persists, having fallen

-0.4% in May.

- Separately, China reported slower export growth last month, and a decline in exports to the US, but a larger trade surplus overall. Export growth slowed to 4.8% in the year to May, down from April's 8.1%, while imports contracted -3.3% on the year to record their 3rd straight month of negative growth.

- On a net basis, China's trade balance rose to a 4-month high at USD103.2bn, which generated a year-to-date trade surplus of USD471.9bn, 40% higher than its 2024 equivalent.

- Somewhat unsurprisingly, US container imports from China dropped 28.5% year-over-year in May, the sharpest decline since the pandemic. Interestingly, container prices gapped higher last week, mainly on the China-US routes.

US Treasury Secretary Scott Bessent confirmed they'd had a "Good meeting" at the US-China talks, while Commerce Secretary Howard Lutnick added, "The talks were fruitful." The talks are expected to continue tomorrow.

ECB Council member Peter Kazimir announced, "We've cut rates to reach neutral territory without compromising our ability to respond if inflation were to pick up again. There was an increasing sense that the fight against inflation was being won, and real progress was being made toward restoring price stability. As things stand now, I think we're nearly done with, if not already at, the end of the easing cycle."

Following the immigration protests/riots in California, Governor Gavin Newsom is to sue Trump for deploying the National Guard in LA.

The Australian securities regulator will begin testing a more streamlined process for local IPOs to encourage listings. The trial aims to reduce the typical 20-week timeline ... by 1 week.

## Despite Friday's US jobs report

which was initially better than feared, the weekend's deeper dive into the numbers behind the headline releases saw Asian and European currencies sell down their USD gains. The USD-index is now -0.2% lower on the US close. In amongst this modest move, the NZD was the strongest performer reclaiming the 0.6050 handle, while the AUD also had a strong session jumping back to 0.6520. The EUR, JPY and CNH all under-performed, which saw the Antipodeans out-perform on the crosses.

Treasury yields recovered some of last week's losses, which saw yields edge lower with the 2 and 10-years easing -2bps to yield 4.02% and 4.49%, respectively.

With the US-China trade talks set to continue in London, equity markets were mixed with Asian and European bourses -0.25% to -0.75% lower, although the US exchanges were cautiously optimistic, posting minimal gains. Ultimately though, the real issue is that while the US dominates chip technology, and therefore the supply chain, China controls the export of critical metals and magnets, which are the key inputs into the majority of chip, tech and automobile manufacturing.

Finally, commodity markets had a positive session cementing in gains in the 1.0%-2.0% range, with oil prices firming 1.0%.



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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	69.70					CAD	0.8282 0.8921
NZD/USD	0.6052	0.0006	0.0019	0.0037	0.0064	CHF	0.4970 0.5354
NZD/AUD	0.9283	0.0006	0.0013	0.0021	0.0032	CNY	4.3463 4.6844
NZD/JPY	87.490	-0.20	-0.63	-1.23	-2.35	DKK	3.9516 4.2566
NZD/EUR	0.5297	-0.0005	-0.0017	-0.0033	-0.0068	FJD	1.3417 1.4452
NZD/GBP	0.4464	0.0004	0.0011	0.0022	0.0039	HKD	4.7488 5.1153
						KRW	819.23 882.46
AU TWI	60.00					MYR	2.5590 2.7565
AUD/USD	0.6518	0.0003	0.0011	0.0024	0.0045	NOK	6.0854 6.5551
AUD/NZD	1.0765	-0.0007	-0.0016	-0.0028	-0.0044	SEK	5.8029 6.2508
AUD/JPY	94.02	-0.28	-0.82	-1.54	-2.88	SGD	0.7777 0.8377
AUD/EUR	0.5705	-0.0009	-0.0026	-0.0049	-0.0095	TWD	18.10 19.50
AUD/GBP	0.4807	0.0001	0.0005	0.0013	0.0024	ZAR	10.73 11.55
USD Index	98.98					EQUITIES	
EUR/USD	1.1423	0.0023	0.0070	0.0140	0.0267		Index
USD/JPY	144.57	-0.49	-1.49	-2.89	-5.37	NZX50	12,539
GBP/USD	1.3555	0.0002	0.0007	0.0012	0.0016	ASX200	8,516
EUR/GBP	0.8425	0.0015	0.0047	0.0092	0.0181	Dow Jones	42,761
USD/CNY	7.1802	-0.0161	-0.0503	-0.1011	-0.2080	S&P 500	6,009
INTEREST		New Zealand		Australia		FTSE100	8,832
RATES		Mid		Mid		DAX 30	24,174
						Nikkei	38,089
30 day bank bills			3.36%		3.81%	COMMODITIES	
90 day bank bills			3.31%		3.76%		USD
1 year swap			3.22%		3.37%	Brent Crude	67.03
2 year swap			3.27%		3.29%	Gold	3,326.99
3 year swap			3.39%		3.35%	Silver	36.71
5 year swap			3.66%		3.75%	Iron Ore	96.18
10 year swap			4.17%		4.22%	CRB Index	369.47
3 year Govt bond			3.66%		3.40%		
5 year Govt bond			4.03%		3.67%		NZD
10 year Govt bond			4.71%		4.39%	NZ Carbon	56.95

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