

Market Alert

Wednesday 25 June 2025

CURRENCIES	Spot	6mths
NZD/USD	0.6016	0.0035
NZD/AUD	0.9253	0.0019
NZD/JPY	87.055	-1.24
NZD/EUR	0.5178	-0.0033
NZD/GBP	0.4415	0.0021
NZD/CNH	4.3097	-0.0348
AUD/USD	0.6500	0.0024
AUD/EUR	0.5594	-0.0047
EUR/USD	1.1618	0.0139
USD/CNH	7.1629	-0.0985
GBP/USD	1.3623	0.0013
EUR/GBP	0.8524	0.0093

INT RATES	NZ	Australia
OCR/Cash	3.25%	3.85%
90 day bills	3.29%	3.71%
2 year swap	3.19%	3.17%
10 year Govt	4.63%	4.24%

President drops an F-bomb!

With all of his statesman-like qualities, President Trump let Israel and Iran know exactly what we wanted from his ceasefire, and after, there was some last-minute lobbing of missiles ... and unconfirmed reports of an assassination attempt on a senior Iranian official! Ultimately though, at this stage it looks like the ceasefire is holding! Now the President is off to Europe to go full nuclear on his European allies!

With the Middle East going full John Lennon and Yoko Ono ...

... jumping into bed singing, 'Give peace a chance'. We've seen some big swings in the price of oil in the last 24-hours with crude falling from USD78.40 to USD64.83, while Brent has fallen from

USD81.40 to USD67.65, this weakness has followed through to commodities across the board. Equity markets have recovered from their lows, rallying 1.0%-2.0%, while treasury yields have fallen further with the 2-years 5bps lower at 3.82% with the 10-years 6bps lower at 4.29%. This contributed to a further weakening in the USD-index which fell a further 0.5% to the mid-97.00s with the NZD and AUD recovering strongly ... although it should be noted they haven't fully retraced to last week's highs with the CHF and JPY outperforming.

Fed Chair Jerome Powell's testimony on Capitol Hill ...

... highlighted that, "We would expect to see meaningful tariff inflation effects in June, July, and August. If we don't see that, it would lead to cutting earlier. The Fed is in a watch and wait mode. Tariffs may prove to be one time hit to inflation ... but want to approach that with some care. The overall inflation picture is positive, (but while) inflation has eased significantly from its highs... it remains somewhat elevated relative to our 2.0% longer-run goal. The US is not in a recession. I would not say dollar is in decline; statements to that effect are premature, overdone."

NY Fed chief Williams stated, "The tariff impact is likely to grow stronger in the coming months. The Fed is well positioned, (but) it will take time for the tariffs to fully play out in the inflation data. The economy will grow at a slower pace. The Fed's ability to pay interest on its reserves is critical to monetary policy." Colleague Neel Kashkari

added, "I'm hearing from businesses there are strong fundamentals, and tariff worries. The tariffs have introduced further complexity. We are still above our 2.0% inflation target, but we have made a lot of progress."

ECB policymaker, Francois Villeroy de Galhau gave an interview to the FT, stating, "Inflation expectations remain moderate. The recent uptick in oil prices has partly offset the 'significant' appreciation of the EUR. If the Iran-Israel ceasefire is confirmed, there is the possibility of further policy accommodation in the next 6-months."

Summing up the other headlines

- US consumer confidence plummeted from May's 98.0 to 93.0 in June, against expectations for a 99.8 print.
 - The US current account deficit widened by USD138.2bn, or 44.3%, to USD450.2bn in Q1.
 - In the US, the S&P CoreLogic Case-Shiller 20-city home price index rose 3.4% from the previous year in April.
 - German Ifo business sentiment rose to 88.4 in June, its highest level in a year and above May's 87.5.
 - Canadian annual inflation flatlined at 1.7%, as was expected.
- Early US intelligence reports suggest the strikes on Iran did not destroy the nuclear sites.
- Amazon plan to invest USD54bn in the UK over the next 3-years.



BANCORP

BANCORP TREASURY SERVICES LIMITED

Barrington
TREASURY SERVICES

Barrington
ASSET CONSULTING



BANCORP

BANCORP CORPORATE FINANCE LIMITED

Daily Rates

Wednesday 25 June 2025

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	69.30					CAD	0.8252	0.8919
NZD/USD	0.6016	0.0006	0.0018	0.0035	0.0056	CHF	0.4839	0.5233
NZD/AUD	0.9253	0.0005	0.0011	0.0019	0.0026	CNY	4.3163	4.6632
NZD/JPY	87.055	-0.23	-0.63	-1.24	-2.34	DKK	3.8615	4.1736
NZD/EUR	0.5178	-0.0006	-0.0016	-0.0033	-0.0066	FJD	1.3359	1.4438
NZD/GBP	0.4415	0.0004	0.0011	0.0021	0.0035	HKD	4.7209	5.1024
						KRW	816.29	882.26
AU TWI	60.00					MYR	2.5499	2.7560
AUD/USD	0.6500	0.0003	0.0011	0.0024	0.0040	NOK	6.0853	6.5770
AUD/NZD	1.0802	-0.0006	-0.0015	-0.0024	-0.0036	SEK	5.7205	6.1827
AUD/JPY	94.31	-0.29	-0.80	-1.53	-2.83	SGD	0.7693	0.8315
AUD/EUR	0.5594	-0.0009	-0.0024	-0.0047	-0.0087	TWD	17.71	19.14
AUD/GBP	0.4769	0.0002	0.0006	0.0012	0.0023	ZAR	10.66	11.52
USD Index	97.88					EQUITIES		
EUR/USD	1.1618	0.0025	0.0071	0.0139	0.0255		Index	
USD/JPY	144.69	-0.52	-1.48	-2.84	-5.19	NZX50	12,467	
GBP/USD	1.3623	0.0002	0.0008	0.0013	0.0016	ASX200	8,556	
EUR/GBP	0.8524	0.0017	0.0047	0.0093	0.0175	Dow Jones	43,167	
USD/CNY	7.1713	-0.0166	-0.0479	-0.0942	-0.1975	S&P 500	6,099	
						FTSE100	8,759	
INTEREST		New Zealand		Australia		DAX 30	23,642	
RATES		Mid		Mid		Nikkei	38,791	
30 day bank bills		3.33%		3.74%		COMMODITIES		
90 day bank bills		3.29%		3.71%			USD	
1 year swap		3.17%		3.28%		Brent Crude	67.55	
2 year swap		3.24%		3.18%		Gold	3,323.63	
3 year swap		3.36%		3.21%		Silver	35.89	
5 year swap		3.61%		3.61%		Iron Ore	94.75	
10 year swap		4.08%		4.07%		CRB Index	364.55	
3 year Govt bond		3.62%		3.29%				
5 year Govt bond		3.99%		3.55%			NZD	
10 year Govt bond		4.63%		4.24%		NZ Carbon	59.50	

This document has been prepared by Bancorp Treasury Services Limited ("BTSL"). Whilst all reasonable care has been taken to ensure the facts stated are accurate and the opinions given are fair and reasonable, neither BTSL nor any of its directors, officers or employees shall in any way be responsible for the contents. No liability is assumed by BTSL, its directors, officers or employees for action taken or not taken on the basis of this document.

