

Market Alert

Friday 11 July 2025

CURRENCIES	Spot	6mths
NZD/USD	0.6034	0.0036
NZD/AUD	0.9157	0.0024
NZD/JPY	88.215	-1.25
NZD/EUR	0.5158	-0.0031
NZD/GBP	0.4444	0.0020
NZD/CNH	4.3143	-0.0339
AUD/USD	0.6588	0.0021
AUD/EUR	0.5632	-0.0050
EUR/USD	1.1696	0.0140
USD/CNH	7.1780	-0.0981
GBP/USD	1.3575	0.0016
EUR/GBP	0.8612	0.0092

INT RATES	NZ	Australia
OCR/Cash	3.25%	3.85%
90 day bills	3.30%	3.79%
2 year swap	3.13%	3.30%
10 year Govt	4.59%	4.39%

A big shout out to my mate ...

Ian... well done on the milestone 'cobber'!

The 'Odd Lots' section ...

There is a bit of news, but it's all at the peripheral ...

US initial jobless claims recorded their 4th consecutive week of declines to reach a 7-week low, falling 5k to 227k. Continuing claims flatlined at 1,965k, although last week's number was revised lower by 9k to 1,955k.

There were a few Fed speeches last night with Christopher Waller stating, "It's likely the Fed has some ways to go in shrinking the size of its holdings," Mary Daly added, "The economy is in a good place, growth and the jobs are solid, and inflation easing; The Fed has the ability to restore price stability gently," while Alberto Musalem confirmed, "I see upside risks to inflation,

but it's too early to know whether tariffs will have a persistent impact on prices."

RBA Governor Michelle Bullock announced, "I understand that people had expected there might be a rate cut today, my message to them is, provided that we are on top of inflation, then yes, there is an easing cycle coming." The RBA also announced plans to develop a central bank digital currency (CBDC), launching 'Project Acacia'.

Chinese firms plan to deploy approximately 15k advanced Nvidia chips across multiple AI data centres, although the real question is ... how do these firms intend to obtain the US-restricted hardware? The Chinese government also announced plans to expand loans and increase social insurance subsidies for businesses in a bid to stabilise unemployment and spur hiring, while Chinese property shares posted their biggest gains in 9-months on rumours that a high-level meeting will be held next week to revive the struggling sector.

Daiwa Securities estimates that Trump's proposed 25% reciprocal tariffs on Japanese goods could reduce Japan's real GDP by 1.1%. In actual news, Japanese PPIs firmed +2.9% in June, which was in line with forecasts.

The US halted livestock imports from Mexico on parasitic concerns while, coincidentally, Australian beef exports to the US jumped 23% last month.

Trump tweeted he will implement 50% tariffs on Brazilian goods ... although I don't know whether the tariff includes

Brazilian footballers or not! Despite that, it should be noted that some of the US's top products enter Brazil duty-free, while the US runs a trade surplus with Brazil ... which means there is no deficit to 'fix' ... but don't let that get in the way Donald! Brazilian volatility spiked as the currency fell ... along with local equity prices.

Summing it all up ...

with equity markets mixed, attention turned to commodity markets following President Trump's confirmation that copper imports would face a 50% tariff from 1-August. This saw copper futures climb towards their all-time highs, as copper traders raced to get shipments into the US before 1-August deadline, which saw futures prices spike to a 25% premium over physical prices. Oil prices slipped 2.0%.

There were some interesting moves in currency markets with AUD/USD closing in on an 8-month high, while the NZD/USD is at a key level in the mid-0.6030s with the weekly close likely to determine whether it continues its recovery to 0.6100, or retraces back to the 0.5980s. The NZD/AUD is back near 0.9150 while NZD/JPY is back above the 88.00 level.

There was little movement in US Treasury yields with the 2-years 3bps higher at 3.88%, while the 10-years is 1bp higher at 4.35%. NZ and AU swap pricing has been volatile this week but will likely open flat to a touch firmer this morning.



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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	69.20					CAD	0.8241 0.9001
NZD/USD	0.6034	0.0006	0.0019	0.0036	0.0058	CHF	0.4803 0.5248
NZD/AUD	0.9157	0.0004	0.0013	0.0024	0.0033	CNY	4.3124 4.7074
NZD/JPY	88.215	-0.22	-0.64	-1.25	-2.37	DKK	3.8473 4.2020
NZD/EUR	0.5158	-0.0006	-0.0016	-0.0031	-0.0065	FJD	1.3342 1.4572
NZD/GBP	0.4444	0.0003	0.0010	0.0020	0.0032	HKD	4.7351 5.1715
						KRW	827.61 903.90
AU TWI	60.40					MYR	2.5606 2.7966
AUD/USD	0.6588	0.0003	0.0010	0.0021	0.0036	NOK	6.0754 6.6354
AUD/NZD	1.0916	-0.0006	-0.0018	-0.0032	-0.0051	SEK	5.7332 6.2616
AUD/JPY	95.91	-0.30	-0.84	-1.63	-2.95	SGD	0.7716 0.8427
AUD/EUR	0.5632	-0.0010	-0.0026	-0.0050	-0.0092	TWD	17.62 19.25
AUD/GBP	0.4852	0.0001	0.0004	0.0009	0.0017	ZAR	10.70 11.69
USD Index	97.61					EQUITIES	
EUR/USD	1.1696	0.0024	0.0072	0.0140	0.0257		Index
USD/JPY	146.21	-0.51	-1.50	-2.92	-5.24	NZX50	12,760
GBP/USD	1.3575	0.0002	0.0009	0.0016	0.0023	ASX200	8,589
EUR/GBP	0.8612	0.0016	0.0046	0.0092	0.0170	Dow Jones	44,651
USD/CNY	7.1748	-0.0184	-0.0496	-0.0964	-0.1920	S&P 500	6,280
						FTSE100	8,976
INTEREST			New Zealand		Australia	DAX 30	24,457
RATES			Mid		Mid	Nikkei	39,646
30 day bank bills			3.36%		3.84%	COMMODITIES	
90 day bank bills			3.30%		3.79%		USD
1 year swap			3.14%		3.40%	Brent Crude	68.90
2 year swap			3.18%		3.31%	Gold	3,324.39
3 year swap			3.30%		3.35%	Silver	37.05
5 year swap			3.56%		3.74%	Iron Ore	95.32
10 year swap			4.08%		4.20%	CRB Index	369.42
3 year Govt bond			3.54%		3.44%		
5 year Govt bond			3.92%		3.70%		NZD
10 year Govt bond			4.59%		4.39%	NZ Carbon	57.45

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