

Market Alert

Monday 14 July 2025

CURRENCIES	Spot	6mths
NZD/USD	0.6005	0.0035
NZD/AUD	0.9151	0.0024
NZD/JPY	88.400	-1.25
NZD/EUR	0.5147	-0.0031
NZD/GBP	0.4450	0.0020
NZD/CNH	4.3048	-0.0344
AUD/USD	0.6562	0.0021
AUD/EUR	0.5622	-0.0049
EUR/USD	1.1666	0.0140
USD/CNH	7.1713	-0.0993
GBP/USD	1.3490	0.0018
EUR/GBP	0.8640	0.0092
INT RATES	NZ	Australia
OCR/Cash	3.25%	3.85%
90 day bills	3.29%	3.78%
2 year swap	3.15%	3.31%
10 year Govt	4.60%	4.43%

It was a great weekend ...

... sporting-wise ... it's just that politically it was another disaster!

Let's start with the good news ... the ABs were very good, the Black Sox are in the world final, and it was great to see the Warriors bounced back after 2 consecutive losses. But that's where it stops, as my team lost, the Lions game was dull, and can someone please explain to me how is it that both Wimbledon winners have served bans for doping earlier this year, yet were allowed to play in tennis' biggest tournament?

Politically, Trump threw another spanner ...

... in the works on Friday, announcing a 35% tariff on Canadian imports, up from the previous two-tiered rate of 10% and 25%. Initially, this saw the CAD weaken by 0.25%, which dragged the NZD and

AUD, although it was short-lived after a US official stated Trump was planning to maintain tariff exemptions on USMCA goods. And then, over the weekend, Trump announced 30% tariffs on the EU and Mexico. The EU had been negotiating for 0% tariffs on industrial goods, but with talks faltering, Trump's 30% tariffs are notably steeper than the 20% proposed on 'Liberation Day' ... with a warning of harsher measures should the EU retaliate. On Mexico, Trump linked the tariffs to immigration policy, saying Mexico's efforts to help secure the US border had "not been enough" despite the recent co-operation.

This morning's open has seen the NZD and AUD come under immediate selling pressure following Trump's weekend announcements, with NZD/USD just below 0.6000 and AUD/USD just above 0.6550. Friday's announcements also saw equities close the week -0.25% to -0.75% lower, bond yields firm with the US 2-years 2bps higher at 3.91% while the 10-years firmed 6bps to 4.41%, while commodity prices rose 1.0% with oil prices surging 3.0% after the EU has proposed lowering the floating price cap on Russian sanctioned oil from the G7-imposed USD60 per barrel to USD45 ... although the US rejected this! Further afield, Saudi crude oil supply to China is projected to rise to about 51m barrels in August, 4m barrels higher than July's allotted volume.

Chicago Fed President, Austan Goolsbee, announced, "Before the 'Liberation Day' tariffs, the hard data on the economy was looking solid, but since then there has been disruption and ambiguity. I do not

understand the argument that the Fed should cut rates to make government debt cheaper, the Fed's mandate is on jobs and prices. There's not a lot of indication that tariffs have yet pushed up inflation with businesses in the Midwest still uncertain about what is to come."

UK GDP contracted 0.1% in May, following April's 0.3% fall. Economist forecasts had been for a 0.1% expansion.

New Zealand manufacturing PMIs firmed from 47.5 to 48.8. Four of five sub-indexes remained in contractionary territory, with new orders the only sub-index in expansionary territory.

The week ahead ...

... will, unfortunately, continue to focus on the three T's ... Trump's Tariff Tweets!

But beyond that, we have ... US consumer and producer price inflation, Empire state manufacturing, Philly Fed business outlook, industrial production, the Beige Book, and retail sales. We have Canadian inflation, Eurozone inflation and industrial production, the German ZEW report and PPIs, and UK inflation and industrial production. We have Chinese GDP, retail sales, employment, industrial production and trade, Japanese inflation, Australian employment, inflation expectations, and consumer sentiment, and NZ credit card spending, food inflation, house prices, and PSIs, or services inflation. On the political front, we also have a meeting of European finance ministers and the G20 meeting in South Africa.



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Daily Rates

Monday 14 July 2025

FX	Spot	FECs (mid)				Spot Mid	
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	69.40					CAD	0.8211 0.8989
NZD/USD	0.6005	0.0006	0.0019	0.0035	0.0057	CHF	0.4781 0.5229
NZD/AUD	0.9151	0.0004	0.0014	0.0024	0.0030	CNY	4.3068 4.7148
NZD/JPY	88.400	-0.22	-0.63	-1.25	-2.34	DKK	3.8259 4.1884
NZD/EUR	0.5147	-0.0006	-0.0016	-0.0031	-0.0063	FJD	1.3290 1.4550
NZD/GBP	0.4450	0.0003	0.0010	0.0020	0.0033	HKD	4.7052 5.1510
						KRW	826.54 904.87
AU TWI	60.70					MYR	2.5475 2.7889
AUD/USD	0.6562	0.0003	0.0010	0.0021	0.0036	NOK	6.0570 6.6310
AUD/NZD	1.0935	-0.0006	-0.0018	-0.0032	-0.0052	SEK	5.7320 6.2752
AUD/JPY	96.55	-0.29	-0.84	-1.62	-2.90	SGD	0.7678 0.8406
AUD/EUR	0.5622	-0.0009	-0.0026	-0.0049	-0.0089	TWD	17.51 19.17
AUD/GBP	0.4860	0.0001	0.0004	0.0009	0.0019	ZAR	10.74 11.76
USD Index	97.87					EQUITIES	
EUR/USD	1.1666	0.0024	0.0071	0.0140	0.0257		Index
USD/JPY	147.17	-0.51	-1.50	-2.92	-5.25	NZX50	12,687
GBP/USD	1.3490	0.0002	0.0010	0.0018	0.0025	ASX200	8,580
EUR/GBP	0.8640	0.0016	0.0046	0.0092	0.0172	Dow Jones	44,371
USD/CNY	7.1681	-0.0170	-0.0480	-0.0926	-0.1877	S&P 500	6,259
						FTSE100	8,941
						DAX 30	24,255
						Nikkei	39,570
INTEREST		New Zealand		Australia		COMMODITIES	
RATES		Mid		Mid			USD
30 day bank bills		3.36%		3.84%		Brent Crude	70.36
90 day bank bills		3.29%		3.78%		Gold	3,355.48
1 year swap		3.13%		3.39%		Silver	38.37
2 year swap		3.17%		3.32%		Iron Ore	96.71
3 year swap		3.30%		3.36%		CRB Index	373.34
5 year swap		3.56%		3.76%			
10 year swap		4.09%		4.22%			
3 year Govt bond		3.55%		3.47%			
5 year Govt bond		3.93%		3.73%			
10 year Govt bond		4.60%		4.43%		NZ Carbon	57.45

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