

# Research Markets Today

11 June 2025

## Events Round-Up

AU: Westpac consumer confid., Jun: 92.6 vs. 92.1 prev.  
 AU: NAB business conditions, May: 0 vs. 2 prev.  
 UK: Pvte earnings ex bonus (3m/y%), Apr: 5.1 vs. 5.3 exp.  
 UK: Unemployment rate (%), Apr: 4.6 vs. 4.6 exp.  
 US: NFIB small bus. optimism, May: 98.8 vs. 96.0 exp.

## Good Morning

It has been another uneventful trading session with light newsflow. US equities are slightly higher, US treasury yields have range traded and currency movements have been small, with the NZD tracking just under 0.6050.

US and China trade talks entered their second day and were ongoing into the London evening as we go to print. A Treasury official said the session could stretch into the night as the parties work out technical details, resuming talks at 7am NZ time after a break for dinner.

The economic calendar has been light. US small business sentiment recovered 3pts to 98.8 in May, stronger than expected and breaking a steep decline over the past four months, possibly reflecting the walk back of US-China tariffs.

UK labour market indicators were weaker than expected, with tax data showing payrolled employees fell 109k in May. Bloomberg notes that the retail and hospitality sectors account for over half of the 276,000 lost jobs since the Budget in October, following the lift in the minimum wage and increased payroll taxes. Growth in wages continues to moderate, with private sector earnings excluding bonuses rising by 5.1% y/y in April, down from 5.5%.

The softer data supported lower UK rates, with the market moving to fully price in two full further rate cuts this year, taking UK gilt yields down 8-9bps across the curve and resulting in some modest underperformance in GBP.

Currency movements have been small. The NZD has been range-trading around 0.6050 and it currently sits just

below the figure. The underperformance of GBP has seen NZD/GBP push up to 0.4475. The AUD's recent move above 0.65 has been sustained and after a brief dip below the figure it is back around 0.6520, while NZD/AUD is a touch weaker at 0.9270.

US treasury yields show small net movement. The 10-year rate has traded an overnight range of 4.44-4.48% and is down 1bp from the NZ close at 4.47%. US equities are higher, with the S&P500 currently up 0.3%, making it gains for six of the past seven days.

President Trump will soon name a successor to Fed Chair Powell, whose term expires in May 2026. Sources suggest there is only a small list of candidates under consideration, including former Fed official Keven Warsh, but Treasury Secretary Bessent is also seen as a contender.

The domestic rates market was quiet yesterday, with global forces resulting in some small curve flattening, as longer-term rates were dragged down. NZGB yields fell 1-3bps, with the 10-year rate down 3bps to 4.63%. The 2-year swap rate was unchanged at 3.26% and the 10-year swap rate fell 1bp to 4.16%.

In the day ahead the economic calendar remains light but US CPI data for May will be keenly awaited. It's still too early to see the full impact of tariffs but the consensus sees CPI ex food and energy ticking up to 0.3% m/m, which would see annual core inflation lift to 2.9% y/y.

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## Coming Up

		Period	Cons.	Prev.	NZT
US	CPI (m/m%)	May	0.2	0.2	00:30
US	CPI ex food, energy (m/m%)	May	0.3	0.2	00:30
US	CPI (y/y%)	May	2.5	2.3	00:30
US	CPI ex food, energy (y/y%)	May	2.9	2.8	0:30

Source: Bloomberg, BNZ

Currencies						Equities				Commodities		
FX Majors		Indicative overnight ranges (*)			Other FX		Major Indices			Price (Near futures, except CRB)		
	Last	% Day	Low	High		Last % Day		Last	% Day % Year		Last	Net Day
NZD	0.6042	-0.1	0.6030	0.6057	CHF	0.8226 +0.1	S&P 500	6,018 +0.2 12.3		Oil (Brent)	66.59	-0.7
AUD	0.6518	+0.0	0.6490	0.6533	SEK	9.603 +0.1	Dow	42,794 +0.1 10.1		Oil (WTI)	64.69	-0.9
EUR	1.1424	+0.0	1.1373	1.1448	NOK	10.119 +0.5	Nasdaq	19,649 +0.3 14.3		Gold	3320.9	-0.2
GBP	1.3498	-0.4	1.3456	1.3537	HKD	7.848 +0.0	Stoxx 50	5,415 -0.1 8.0		HRC steel	882.0	+0.1
JPY	144.91	+0.2	144.45	145.04	CNY	7.188 +0.1	FTSE	8,853 +0.2 7.6		CRB	301.5	+0.2
CAD	1.3691	-0.1			SGD	1.287 +0.1	DAX	23,988 -0.8 29.7		Wheat Chic.	549.8	-1.3
NZD/AUD	0.9270	-0.1			IDR	16,275 -0.1	CAC 40	7,804 +0.2 -1.1		Sugar	16.48	-1.1
NZD/EUR	0.5289	-0.1			THB	32.64 -0.1	Nikkei	38,212 +0.3 -2.4		Cotton	65.42	-0.9
NZD/GBP	0.4476	+0.3			KRW	1,367 +0.9	Shanghai	3,385 -0.4 11.8		Coffee	353.1	-1.7
NZD/JPY	87.55	+0.2			TWD	29.95 +0.0	ASX 200	8,587 +0.8 10.7		WM powder	3960	-0.3
NZD/CAD	0.8272	-0.1			PHP	55.83 +0.0	NZX 50	12,564 +0.2 6.6		Australian Futures		
NZ TWI	69.84	-0.0					VIX Index	16.88 -1.6 +32.5		3 year bond	96.63	0.07
Interest Rates						NZ Government Bonds			NZ BKBM and Swap Yields			
	Rates		Swap Yields		Benchmark 10 Yr Bonds							
	Cash	3Mth	2 Yr	10 Yr	Last	Net Day		Last	Chg		Last	Chg
USD	4.50	4.85	3.79	3.95	USD	4.47 -0.01	15-Apr-27	3.40	-0.01	BKBM 1-mth	3.36	0.00
AUD	3.85	3.72	3.27	4.19	AUD	4.25 -0.02	15-May-28	3.60	-0.01	BKBM 3-mth	3.32	0.00
NZD	3.25	3.32	3.26	4.16	NZD	4.63 -0.03	20-Apr-29	3.77	-0.01	1 year	3.21	-0.00
EUR	2.25	1.96	1.99	2.55	GER	2.52 -0.04	15-May-30	3.95	-0.01	2 year	3.26	-0.00
GBP	4.25	4.51	3.73	4.05	GBP	4.54 -0.09	15-May-31	4.15	-0.01	3 year	3.39	-0.00
JPY	0.48	-0.03	0.74	1.25	JPY	1.48 0.01	15-May-32	4.31	-0.01	5 year	3.65	-0.00
CAD	2.75	4.97	2.56	3.06	CAD	3.34 -0.01	14-Apr-33	4.42	-0.02	7 year	3.89	-0.01
							15-May-34	4.53	-0.02	10 year	4.16	-0.01
							15-May-35	4.63	-0.03	15 year	4.41	-0.02
							15-May-36	4.72	-0.02	NZ Inflation-Indexed Bonds		
							15-May-37	4.83	-0.03	Sep-30	2.15	-0.02
							15-May-41	5.08	-0.03	Sep-35	2.85	-0.02
							15-May-51	5.28	-0.02	Sep-40	3.23	-0.02
							15-May-54	5.32	-0.03			
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer Rates are as of: NZT 06:48 Source: Bloomberg												

**NZD exchange rates**

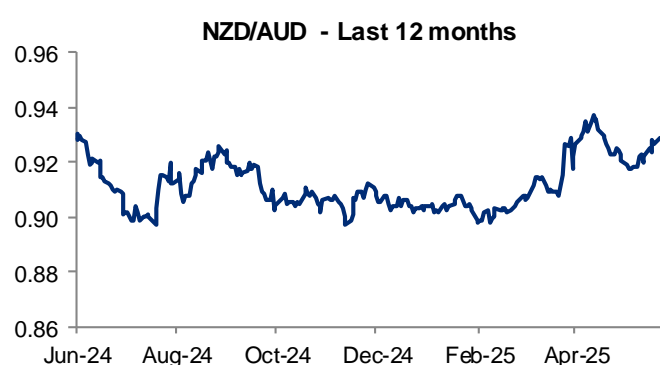
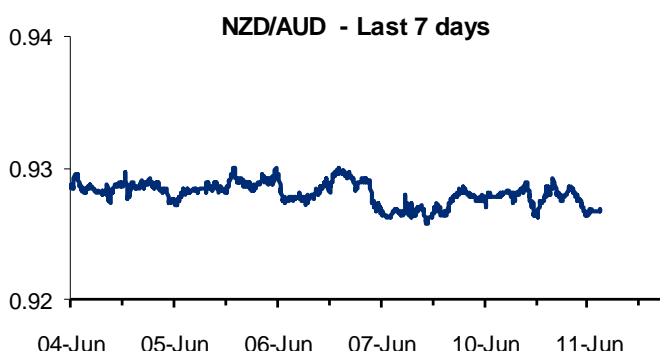
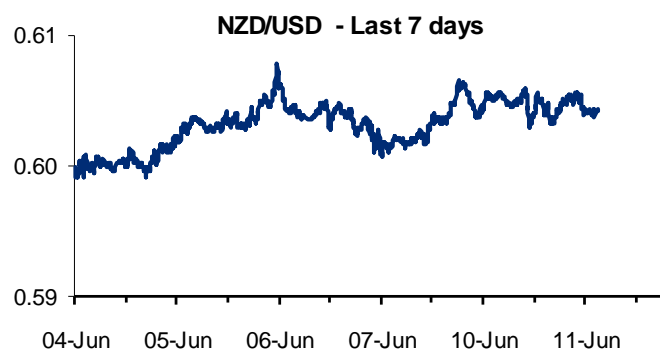
<b>11/06/2025 6:48 am</b>		<b>Prev. NY close</b>
USD	0.6042	0.6047
GBP	0.4476	0.4462
AUD	0.9270	0.9280
EUR	0.5289	0.5294
JPY	87.55	87.42
CAD	0.8272	0.8284
CHF	0.4969	0.4969
DKK	3.9451	3.9492
FJD	1.3653	1.3696
HKD	4.7406	4.7456
INR	51.72	51.78
NOK	6.1058	6.0864
PKR	170.43	170.62
PHP	33.72	33.76
PGK	2.4785	2.4403
SEK	5.8009	5.8028
SGD	0.7776	0.7779
CNY	4.3414	4.3414
THB	19.72	19.75
TOP	1.4053	1.4168
VUV	72.63	72.78
WST	1.6344	1.6544
XPF	63.29	63.36
ZAR	10.6984	10.7224

**NZD/USD Forward Points**

	<b>BNZ buys NZD</b>	<b>BNZ sells NZD</b>
1 Month	6.33	6.55
3 Months	18.72	19.22
6 Months	36.79	37.87
9 Months	51.72	53.79
1 Year	63.47	66.58

**NZD/AUD Forward Points**

	<b>BNZ buys NZD</b>	<b>BNZ sells NZD</b>
1 Month	5.30	5.77
3 Months	12.83	14.00
6 Months	21.39	23.95
9 Months	26.72	31.77
1 Year	30.57	38.13



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