Research

Markets Today

11 June 2026

Events round-up

CH: PPI (y/y%), May: 3.9 vs. 3.8 exp.

CH: CPI (y/y%), May: 1.2 vs. 1.3 exp.

US: CPI (m/m%), May: 0.5 vs. 0.5 exp.

US: Core CPI (m/m%), May: 0.2 vs. 0.3 exp.

US: CPI (y/y%), May: 4.2 vs. 4.2 exp.

US: Core CPI (y/y%), May: 2.9 vs. 2.9 exp.

CA: Bank of Canada policy rate (%), May: 2.25 vs. 2.25 exp.

Good morning

A renewed flare-up in US-Iran tensions lifted oil prices and weighed on risk sentiment. President Trump said the US would resume attacks on Iran later today, raising doubts over whether the fragile ceasefire will hold. Brent crude rebounded from near US$91 to above US$94 per barrel, while the S&P 500 is down more than 1% in afternoon trade. Currency and rates markets were little changed, with US CPI broadly matching expectations.

Gold has extended its recent decline, falling towards $4,100 per ounce and the March low. Prices have declined in recent weeks as stronger inflation expectations lifted the prospect of Fed tightening and weighed on non-interest-bearing assets. It is now around 20% below levels seen before the Iran war began, with the break below its 200-day moving average adding to selling pressure.

US CPI rose 0.5% in May and 4.2% y/y, with higher energy prices accounting for more than half the monthly increase. Outside energy-sensitive categories, however, inflation pressure was more contained. Core CPI increased a relatively subdued 0.2% m/m, leaving the annual rate at 2.9%, as softer consumer demand helped offset broader supply-side pressures. Preliminary estimates suggest the core PCE deflator rose 0.3% in May, pending further detail from the PPI data.

Market pricing for the Fed was little changed after the CPI data and continues to indicate around 25bp of tightening by December. The Treasury curve is marginally steeper, with front-end yields steady while the 10-year yield rebounded from session lows towards 4.55%. The US$39 billion 10-year auction was well received, drawing strong investor demand ahead of 30-year supply tomorrow.

There were limited net moves across G10 currencies in offshore trade, with the US dollar index confined to a narrow range. The Norwegian krone was the only major currency to move meaningfully, appreciating in line with higher oil prices. NZD/USD dipped towards 0.5800, before recovering to trade close to yesterday's local close.

The Bank of Canada left its policy rate unchanged at 2.25% for a fifth consecutive meeting, in line with market and economist expectations. The decision balanced weak domestic activity against upside inflation risks from higher energy prices. The Bank noted limited evidence so far of broader pass-through from energy costs, but Governor Tiff Macklem said policy would need to remain "nimble" given elevated uncertainty. Markets continue to price about 25bp of tightening by year-end, little changed from before the decision, while the CAD was broadly steady.

China's May inflation data hinted at ongoing demand weakness. CPI rose 1.2% y/y, unchanged from April and slightly below expectations. In contrast, producer prices accelerated to 3.9% y/y, driven by higher commodity costs and firm demand in electronics and nonferrous metals. The widening divergence between CPI and PPI underscores limited pass-through and continued softness in domestic demand amid housing-sector weakness and intense competition.

NZ fixed income yields fell in the local session yesterday. Swap rates declined 2bp across the curve, maintaining 2- and 5-year rates near the bottom of recent ranges. Bonds outperformed modestly, with 10-year yields down 3bp to 4.53%, now below equivalent maturity US Treasuries. The market looks ahead to today's weekly government bond tender, split between Apr-29 and Apr-33 lines at $225m each.

The ECB is expected to lift the deposit rate by 25bp to 2.25% this evening alongside the release of updated staff projections. Policy settings are towards the lower end of the estimated 1.75%–2.75% neutral range and the Bank is likely to retain its data-dependent, meeting-by-meeting guidance. Markets price around 70bp of tightening by year-end. US PPI and jobless claims are also due, with the former helping refine estimates for core PCE.

stuart_ritson@bnz.co.nz

Coming up

		Period	Cons.	Prev.	NZT
EC	ECB Deposit Facility Rate	Jun	2.25	2	00:15
US	Initial Jobless Claims	6-Jun	220	225	00:30
US	PPI Ex Food and Energy (m/m%)	May	0.5	1	00:30
US	PPI Ex Food and Energy (y/y%)	May	5.4	5.2	00:30

Source: Bloomberg

Currencies

FX Majors / **Indicative overnight ranges (*)**

	Last	% Day	Low	High
NZD	0.5819	+0.0	0.5801	0.5833
AUD	0.7020	-0.1	0.6998	0.7037
EUR	1.1556	+0.1	1.1535	1.1573
GBP	1.3394	+0.1	1.3372	1.3423
JPY	160.48	+0.1	160.33	160.54
CAD	1.3929	-0.1		
NZD/AUD	0.8289	+0.1		
NZD/EUR	0.5035	-0.1		
NZD/GBP	0.4344	-0.1		
NZD/JPY	93.38	+0.1		
NZD/CAD	0.8105	-0.1		
NZ TWI	66.53	+0.0		

Other FX

	Last	% Day
CHF	0.7985	+0.0
SEK	9.482	+0.1
NOK	9.444	-0.7
HKD	7.837	-0.0
CNY	6.775	+0.0
SGD	1.287	-0.0
IDR	17,944	-0.6
THB	32.92	+0.0
KRW	1,521	-0.6
TWD	31.68	+0.1
PHP	61.42	-0.2

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,315	-1.0	21.1
Dow	50,282	-1.2	17.3
Nasdaq	25,378	-1.2	28.7
Stoxx 50	6,010	-0.7	11.0
FTSE	10,255	+0.3	15.8
DAX	24,195	-1.0	0.9
CAC 40	8,162	-0.5	4.6
Nikkei	64,179	-1.9	67.0
Shanghai	3,993	-0.4	18.0
ASX 200	8,653	+0.6	0.7
NZX 50	13,254	+0.4	5.1
VIX Index	21.38	+7.6	+26.1

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	93.88	+2.7
Oil (WTI)	90.83	+3.0
Gold	4100.0	-3.8
HRC steel	1125.0	+0.0
CRB	372.3	-1.3
Wheat Chic.	601.5	+0.8
Sugar	13.92	-1.2
Cotton	71.12	-0.2
Coffee	244.6	+1.6
WM powder	3515	-1.7

Australian Futures

	Last	Net Day
3 year bond	95.49	0.04
10 year bond	95.10	0.00

Interest Rates

	Rates		Swap Yields	
	Cash	3Mth	2 Yr	10 Yr
USD	3.75	4.85	3.98	4.13
AUD	4.35	4.46	4.53	4.98
NZD	2.25	2.67	3.48	4.23
EUR	2.00	2.37	2.90	3.12
GBP	3.75	3.87	4.27	4.54
JPY	0.74	-0.03	1.42	2.51
CAD	2.25	4.97	2.74	3.26

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.54	0.02
AUD	4.89	-0.03
NZD	4.54	-0.02
GER	3.08	0.03
GBP	4.93	0.03
JPY	2.69	0.01
CAD	3.49	-0.00

NZ Government Bonds

	Last	Chg
15-May-28	3.48	-0.01
20-Apr-29	3.68	-0.01
15-May-30	3.86	-0.02
15-May-31	4.03	-0.03
15-May-32	4.17	-0.03
14-Apr-33	4.26	-0.02
15-May-34	4.35	-0.02
15-May-35	4.45	-0.02
15-May-36	4.54	-0.02
15-May-37	4.64	-0.03
15-May-41	4.91	-0.02
15-May-51	5.12	-0.02
15-May-54	5.13	-0.02

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.47	0.02
BKBM 3-mth	2.67	0.00
1 year	3.17	0.00
2 year	3.48	-0.02
3 year	3.64	-0.02
5 year	3.85	-0.02
7 year	4.02	-0.02
10 year	4.23	-0.02
15 year	4.47	-0.02

NZ Inflation-Indexed Bonds

	Last	Chg
Sept-30	1.59	0.00
Sept-35	2.38	0.00
Sept-40	2.85	0.00

Carbon Price

	Level	% Day	% Year
NZU	52.75	+1.1	-8.2

Policy Meeting Run

	NZD	AUD	USD
1st	2.47	4.37	3.63
2nd	2.68	4.45	3.66
3rd	2.81	4.47	3.73
4th	2.98	4.53	3.78
5th	3.12	4.55	3.87

* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer

Rates are as of: NZT 06:11

Source: Bloomberg

NZD exchange rates

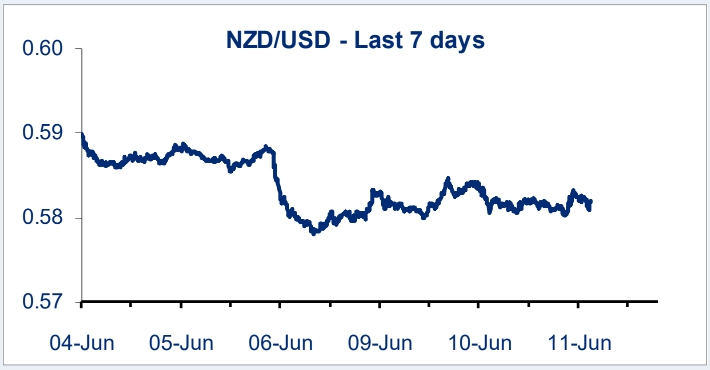
11/06/2026	6:12 am	Prev. NY close
USD	0.5819	0.5817
GBP	0.4344	0.4348
AUD	0.8289	0.8275
EUR	0.5035	0.5039
JPY	93.38	93.28
CAD	0.8105	0.8114
CHF	0.4646	0.4643
DKK	3.7631	3.7666
FJD	1.2814	1.2855
HKD	4.5602	4.5590
INR	55.44	55.47
NOK	5.4953	5.5328
PKR	161.96	161.96
PHP	35.74	35.81
PGK	2.5500	2.5457
SEK	5.5178	5.5085
SGD	0.7487	0.7485
CNY	3.9424	3.9408
THB	19.13	19.11
TOP	1.3656	1.3372
VUV	69.50	69.22
WST	1.5735	1.5648
XPF	59.98	59.91
ZAR	9.6207	9.6066

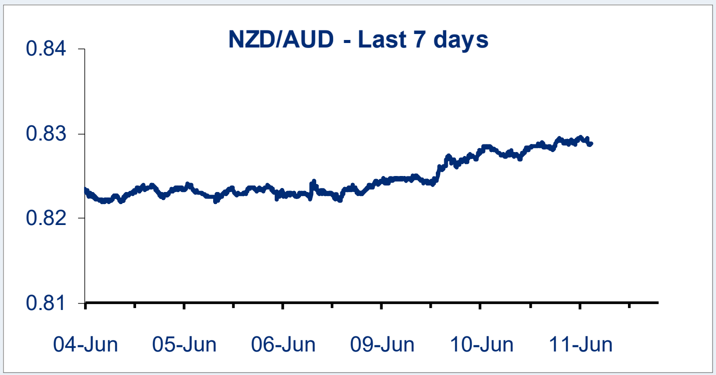
NZD/USD Forward Points

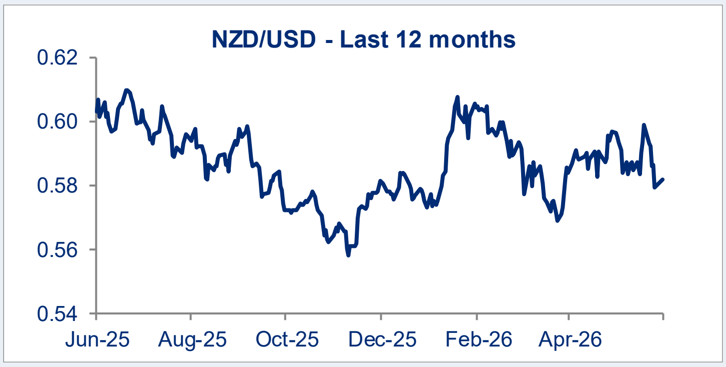
	BNZ buys NZD	BNZ sells NZD
1 Month	5.77	6.03
3 Months	15.66	16.45
6 Months	28.18	29.87
9 Months	38.60	40.97
1 Year	46.57	50.57

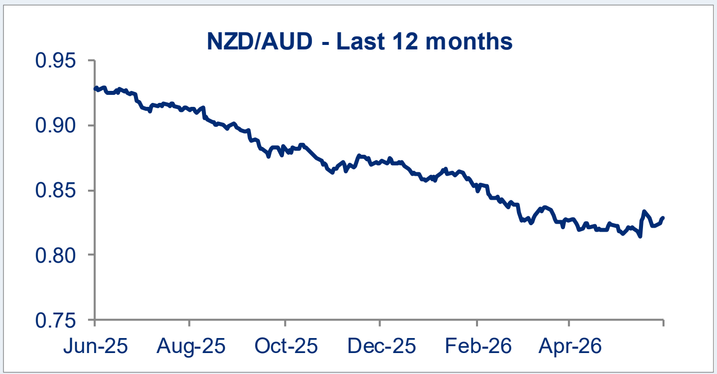
NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	13.43	13.99
3 Months	38.45	40.06
6 Months	71.72	75.32
9 Months	99.67	104.84
1 Year	122.69	130.92









Contact Details

BNZ Research

Stephen Toplis
Head of Research

Doug Steel
Senior Economist

Jason Wong
Senior Markets Strategist

Stuart Ritson
Senior Interest Rate Strategist

Mike Jones
BNZ Chief Economist

Main Offices

Wellington
Level 2, BNZ Place
1 Whitmore St
Private Bag 39806
Wellington Mail Centre
Lower Hutt 5045
New Zealand
Toll Free: 0800 283 269

Auckland
80 Queen Street
Private Bag 92208
Auckland 1142
New Zealand
Toll Free: 0800 283 269

Christchurch
111 Cashel Street
Christchurch 8011
New Zealand
Toll Free: 0800 854 854