

# Research Markets Today

12 June 2026

## Events round-up

EA: ECB deposit rate (%), Jun: 2.5 vs. 2.25 exp.  
 US: Initial jobless claims (k), wk to 6-Jun: 229 vs. 220 exp.  
 US: PPI ex food, energy (m/m%), May: 0.4 vs. 0.5 exp.  
 US: PPI ex food, energy (y/y%), May: 4.9 vs. 5.4 exp.

## Good morning

Risk appetite improved this morning after President Trump brought a halt to military actions and threats against Iran and said there was approval by a range of parties on “discussions”. US equities jumped higher, US Treasury yields fell and the NZD recovered from 0.5775 to 0.5820. Brent crude has fallen to USD90.

Yesterday, the US launched a second consecutive day of strikes against Iran, targeting military sites. Iran responded with strikes targeting Bahrain, Kuwait and Jordan. This was a change in tactic from the US, flexing some military muscle in a bid to pressure Iran into accepting a peace deal, with President Trump losing patience. He posted on Truthsocial, “The United States will be hitting Iran...VERY HARD TONIGHT. At some point in the not too distant future, we will be taking Kharg Island, and other oil infrastructure points, and assume total control of their Oil and Gas Markets, much like we have with Venezuela”.

Within the last last hour and a half, Trump backtracked, saying “Based on the fact that discussions with the Islamic Republic of Iran have been brought to the highest level of Iranian leadership and approved, I have...cancelled the scheduled strikes and bombings against Iran this evening. Discussions and final points have been, in both concept and great detail, approved by all parties involved, including the United States, Israel, Saudi Arabia, UAE, Qatar, Turkey, Pakistan, Bahrain, Kuwait, Jordan, Egypt, and others. The Naval Blockade will remain in full force and effect until this Transaction is finalized — Time and place of the signing to be announced shortly.”

While we have seen plenty of talk by Trump over the past month regarding “final negotiations”, the language used implies we might be closer to the finish line. But let’s see. Perhaps the last military assault did the trick. Of note, Iran media reported “Iran has not approved any text for an initial memorandum of understanding with the US”.

Even before the latest Trump update, oil prices were well contained, driven by recent reports of increasing oil and gas being able to traverse the Strait of Hormuz, with ships turning off transponders while staying in touch with the US navy. Vortexa estimates that at least 1.8m barrels per day of non-Iranian oil left the waterway in the first 10 days of June, up 50% from the average level through May.

Trump’s post on an imminent signing of a deal drove Brent crude futures to just below USD90 per barrel before settling just above the figure. It also drove risk sentiment higher across the board, leading to a jump in US equities and lower US Treasuries. The S&P500 is up 1.3% in late-afternoon trading. The 10-year rate is 4.46%, down 9bps from the NZ close. The move in rates across the curve has been broadly parallel.

The US PPI rose by a stronger than expected 1.1% m/m and 6.5% y/y in May but the core increase of 0.4% was just below consensus, while net revisions were notably negative, leaving annual core PPI inflation at “only” 4.9%. Combining the PPI and CPI reports, the core PCE deflator looks to have increased 0.4% m/m, lifting annual inflation to 3.4% and moving it further away from the Fed’s 2% target. Initial jobless claims rose 4k last week to 229k, the highest level since February and higher than consensus but still remaining at a low enough level consistent with a low-firing labour market backdrop

The ECB raised interest rates by 25bps for the first time since September 2023, taking its deposit rate to 2.5%, and said it would continue to set policy on a meeting-by-meeting, data-dependent basis as it monitors the inflationary spillover of the Iran conflict. Inflation projections were raised for each year, including the core rate still being above target at 2.2% for 2028.

President Lagarde said, “we are beginning to see a broadening of inflation throughout the economy”, pushing back against suggestions that this was a pre-emptive move. She side-stepped a question on the Bank’s next move. The usual post-meeting sourced report by Bloomberg suggested ECB officials aren’t ruling out a second increase at the next meeting in July but if the situation improves, the ECB can hold rates steady. Market reaction was modest, given the rate hike was well anticipated. The market sees a 60% chance of a follow-up hike in July and almost two full hikes priced by year-end.

Net currency movements have been modest, with USD strength on the threat of more intense military action reversing course. The NZD traded down to 0.5770 before finding some support, and then recovered on Trump's posting about final negotiations. As we go to print the NZD is consolidating around 0.5820. The AUD traded as low as 0.6980 before recovering to 0.7035. NZD/AUD pushed down 0.8260 and currently sits at 0.8275.

The ECB meeting had no sustained impact on the euro, and it has followed gyrations in the USD alongside other currencies. Better risk sentiment has seen NZD recover a little to 0.5035. Other NZD cross movements are also unremarkable.

Price action in the domestic rates market was limited yesterday. Swaps were unchanged across the curve while NZGB yields were flat to up to 2bps higher at the longer end despite strong interest in the weekly tender. Bid-cover ratios were 5.8 and 4.6 respectively for the 2029 and 2033 bonds on offer. The Australian 10-year bond is down 7bps in yield terms since the NZ close, suggesting downward pressure on NZ rates from the open.

On the economic calendar, NZ's manufacturing PMI is released for May, with interest in whether it will fall for a fifth consecutive month or break its recent downward trend. The global calendar is light, with monthly UK GDP and the US University of Michigan consumer survey tonight. The most anticipated event will be the listing of SpaceX, with a \$135 expected offering price and evidence of strong demand.

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**Coming up**

		Period	Cons.	Prev.	NZT
NZ	Manufacturing PMI	May	50.5	10:30	
UK	GDP (m/m%)	Apr	-0.1	0.3	18:00
US	U. of Mich. consumer sentiment	Jun	46.0	44.8	02:00
US	U. of Mich. 5-10y inflation exp.	Jun	3.9	3.9	02:00

Source: Bloomberg

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	0.5820	+0.4	0.5769	0.5825	CHF	0.7968	-0.4	S&P 500	7,357	+1.2	22.2	Oil (Brent)	90.68	-2.6
AUD	0.7031	+0.5	0.6979	0.7037	SEK	9.471	-0.4	Dow	50,743	+1.6	18.4	Oil (WTI)	88.05	-2.2
EUR	1.1560	+0.2	1.1503	1.1567	NOK	9.487	+0.2	Nasdaq	25,619	+1.8	30.6	Gold	4134.0	+0.6
GBP	1.3400	+0.2	1.3325	1.3408	HKD	7.837	+0.0	Stoxx 50	6,057	+0.8	12.3	HRC steel	1123.0	+0.0
JPY	160.03	-0.3	159.94	160.59	CNY	6.775	-0.0	FTSE	10,304	+0.5	16.2	CRB	373.4	+0.3
CAD	1.3979	+0.3			SGD	1.285	-0.2	DAX	24,210	+0.1	1.1	Wheat Chic.	598.0	-0.3
NZD/AUD	0.8278	-0.1			IDR	17,989	+0.2	CAC 40	8,201	+0.5	5.5	Sugar	13.79	-0.9
NZD/EUR	0.5035	+0.2			THB	32.82	-0.4	Nikkei	64,217	+0.1	68.2	Cotton	72.49	+2.1
NZD/GBP	0.4343	+0.2			KRW	1,532	+0.7	Shanghai	3,987	-0.2	17.2	Coffee	250.3	+2.3
NZD/JPY	93.14	+0.1			TWD	31.62	-0.2	ASX 200	8,633	-0.2	0.8	WM powder	3540	+0.7
NZD/CAD	0.8136	+0.7			PHP	61.36	-0.1	NZX 50	13,202	-0.4	4.4	<b>Australian Futures</b>		
NZ TWI	66.53	+0.2						VIX Index	19.82	-10.8	+14.8	3 year bond	95.50	0.01
												10 year bond	95.16	0.07
<b>Interest Rates</b>														
Rates		Swap Yields			Benchmark 10 Yr Bonds			NZ Government Bonds			NZ BKBM and Swap Yields			
	Cash	3Mth	2 Yr	10 Yr	Last	Net Day	Last	Chg		Last	Chg	Last	Chg	
USD	3.75	4.85	3.93	4.05	USD	4.46	-0.10	15-May-28	3.49	0.01	BKBM 1-mth	2.47	0.00	
AUD	4.35	4.47	4.48	4.92	AUD	4.90	0.01	20-Apr-29	3.68	0.00	BKBM 3-mth	2.68	0.01	
NZD	2.25	2.68	3.49	4.23	NZD	4.55	0.02	15-May-30	3.87	0.01	1 year	3.17	0.00	
EUR	2.00	2.40	2.87	3.08	GER	3.03	-0.04	15-May-31	4.04	0.01	2 year	3.49	0.00	
GBP	3.75	3.87	4.25	4.50	GBP	4.91	-0.03	15-May-32	4.18	0.01	3 year	3.64	0.00	
JPY	0.74	-0.03	1.41	2.50	JPY	2.69	0.00	14-Apr-33	4.27	0.01	5 year	3.85	-0.00	
CAD	2.25	4.97	2.69	3.18	CAD	3.41	-0.08	15-May-34	4.37	0.01	7 year	4.02	0.00	
								15-May-35	4.46	0.02	10 year	4.23	0.00	
								15-May-36	4.55	0.02	15 year	4.47	0.00	
								15-May-37	4.65	0.02				
								15-May-41	4.92	0.02				
								15-May-51	5.14	0.02	<b>NZ Inflation-Indexed Bonds</b>			
								15-May-54	5.15	0.02	Sept-30	1.56	-0.03	
											Sept-35	2.35	-0.03	
											Sept-40	2.82	-0.03	

**Carbon Price**

	Level	% Day	% Year
NZU	53.70	+1.8	-6.1

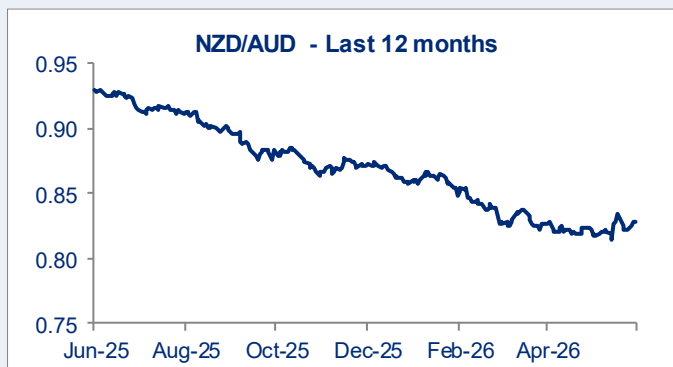
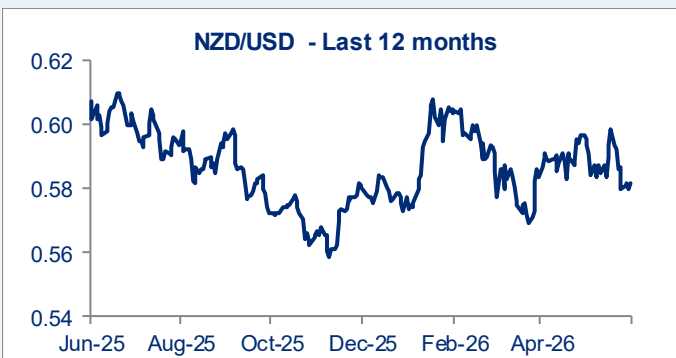
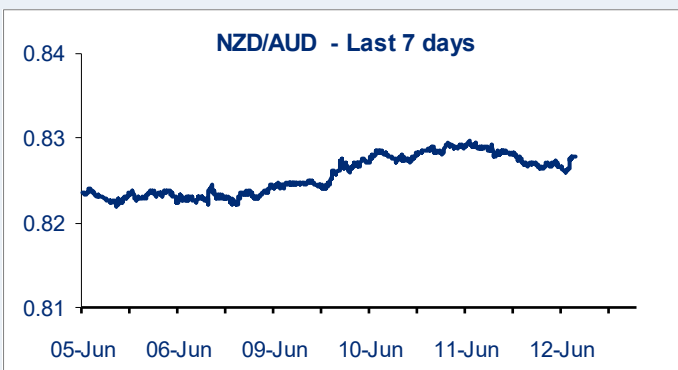
\* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer

Rates are as of: NZT 06:55

Source: Bloomberg

**NZD exchange rates**

<b>12/06/2026</b>	<b>6:56 am</b>	<b>Prev. NY close</b>
USD	0.5820	0.5797
GBP	0.4343	0.4336
AUD	0.8278	0.8283
EUR	0.5035	0.5026
JPY	93.14	93.07
CAD	0.8136	0.8083
CHF	0.4637	0.4637
DKK	3.7601	3.7562
FJD	1.2965	1.2845
HKD	4.5548	4.5429
INR	55.65	55.23
NOK	5.5203	5.4910
PKR	161.76	161.35
PHP	35.66	35.61
PGK	2.5380	2.5359
SEK	5.5108	5.5143
SGD	0.7475	0.7464
CNY	3.9374	3.9277
THB	19.15	19.06
TOP	1.3743	1.3663
VUV	69.30	69.04
WST	1.5897	1.5676
XPF	60.13	59.85
ZAR	9.5126	9.6111



**NZD/USD Forward Points**

	<b>BNZ buys NZD</b>	<b>BNZ sells NZD</b>
1 Month	5.61	5.81
3 Months	15.41	15.98
6 Months	27.72	28.89
9 Months	37.69	39.76
1 Year	44.87	48.53

**NZD/AUD Forward Points**

	<b>BNZ buys NZD</b>	<b>BNZ sells NZD</b>
1 Month	12.87	13.38
3 Months	37.64	38.76
6 Months	69.70	72.54
9 Months	96.93	101.65
1 Year	117.98	125.83

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