

Research Markets Today

24 June 2026

Events round-up

GE: Manufacturing PMI, Jun: 50.0 vs. 50.2 exp.

GE: Services PMI, Jun: 46.8 vs. 49.0 exp.

EC: Manufacturing PMI, Jun: 51.3 vs. 51.6 exp.

EC: Services PMI, Jun: 48.9 vs. 48.6 exp.

UK: Services PMI, Jun: 48.7 vs. 50.1 exp.

UK: Manufacturing PMI, Jun: 53.1 vs. 53.5 exp.

UK: Services PMI, Jun: 48.7 vs. 50.1 exp.

US: Manufacturing PMI, Jun: 55.7 vs. 54.6 exp.

US: Services PMI, Jun: 51.3 vs. 51.1 exp.

Good morning

Weaker risk appetite evident through the NZ trading session yesterday extended overnight. Global equity markets are weak, global rates are lower, and the USD is broadly stronger. The NZD broke below the early-April low to trade at its lowest level this year.

Risk appetite is much weaker, with the reversal of sentiment for semiconductors and AI-linked stocks seemingly at the forefront of market movements. This was evident through the Asian trading session and where Korea's Kospi index plunged 10%, with brokers noting forced liquidation for leveraged retail investors and added selling pressure tied to leveraged ETFs tracking heavyweights SK Hynix and Samsung. Japan's Nikkei index fell over 3½% while China's CSI300 index fell 2.8%.

These moves spilled over into S&P futures. In the cash market the S&P opened down 1.7% but that was the low for the day and the index is down 1.4% in late-afternoon trading. In classic risk-off style, the IT and cyclical sectors have underperformed, while defensive sectors are actually stronger and the Dow Jones index is flat. The Nasdaq index is currently down over 2% while the Euro Stoxx 600 index closed down 0.7%.

Jitters after SpaceX sought to raise funds in the bond market proved temporary, with the stock rebounding to \$160 from early lows around \$147, with no shortage of investors willing to part with their money to invest in this currently unprofitable company. There were orders of almost \$90bn for the \$25bn of bonds on offer.

Weaker risk appetite has been the dominant force in the US Treasuries market, overpowering concerns about the prospect of tighter monetary policy, sending rates lower. The market has pared the extent of rate hikes priced by a few basis points and this is reflected in a 4bps fall in the 2-year rate. The 10-year rate is down 2bps for the day to 4.49%. European rates are also modestly lower across the board.

In the Middle East, the market has "moved on", now that oil and gas is flowing through the Strait of Hormuz. Brent crude is USD77 per barrel down 1%, helped by the US waiver of longstanding sanctions on Iranian oil sales.

While missiles are no longer being exchanged, the PR war continues unabated, with conflicting messages from the US and Iranian sides regarding negotiations. President Trump said Iran will only be able to use funds released from frozen accounts to purchase food and medical supplies from the US and Iran had agreed to the highest-level nuclear inspections long into the future. Iran's Foreign Ministry spokesman disputed both of those points, saying the funds could be used freely and there were no plans regarding nuclear inspections. The US also continues to dispute whether Iran can impose fees or tolls on shipping through the Strait of Hormuz after 60 days. The sides could still be arguing well into next year, but as long as the oil keeps flowing, the market won't care.

Flash PMI data for June didn't impact the market. Manufacturing and services PMIs remain relatively stronger in the US compared to Europe, consistent with the US economy continuing to outperform. The US composite rose to a 5-month high of 52.2, driven by the manufacturing sector, where the index rose to a 4-year high of 55.7. The composite index for the euro area was below 50 for a third consecutive month but rose a full point to 49.5. The UK was the weakest of the three, with the composite slipping to a 14-month low of 49.4, driven by the key services sector.

In the currency market the USD is broadly stronger, with the DXY index at 101.4, extending gains and reaching fresh highs not seen in more than a year. Safe-havens JPY and CHF have managed to hold their ground. However, with USD/JPY around 161.60, yen intervention risk remains ever-present. Japan's Finance Minister and US Treasury Secretary Bessent spoke and Katayama told reporters they agreed to take "bold" steps if needed.

The NZD and AUD have underperformed in light of weaker risk appetite, with the AUD falling by more, trading to two-month lows just above 0.69. The NZD broke below the early-April low around 0.5680, a time when the US-Iran conflict was at its most intense stage, with energy infrastructure assets in the Gulf region being blown up. The NZD is now trading at a level not seen since November, below 0.5665. The next support level is the November low around 0.5580. The only positive thing to say is that NZD/AUD is higher at 0.82.

The NZD is lower on all the other key crosses. NZD/GBP has fallen below 0.43, NZD/EUR is down at 0.4980, NZD/JPY is at 91.5 and NZD/CAD has fallen to 0.8050.

A weaker NZD adds to already high NZ inflation pressures and supports the case for tighter monetary policy, but global forces dragged down NZ rates yesterday in a quiet session. NZGBs fell 2-3bps across the curve and swap rates were 1-2bps lower.

On the calendar today, Australian monthly CPI data for May is released, ahead of a speech by the RBA's Hauser tonight. Annual headline inflation is expected to tick up to 4.3%, while the trimmed mean measure is expected to tick up to 3.5%. There are only second tier global data releases tonight.

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Coming up

		Period	Cons.	Prev.	NZT
AU	CPI (y/y%)	May	4.3	4.2	13:30
AU	CPI trimmed mean (m/m%)	May	0.3	0.3	13:30
AU	CPI trimmed mean (y/y%)	May	3.5	3.4	13:30
AU	RBA's Hauser-Speech				18:30
GE	IFO expectations	Jun	84.8	83.8	20:00
US	New home sales (k)	May	638	622	02:00

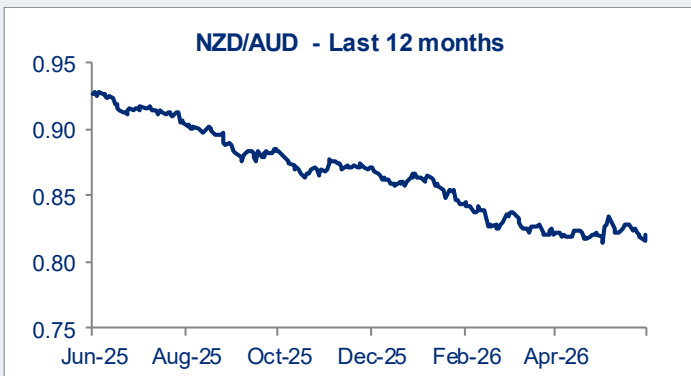
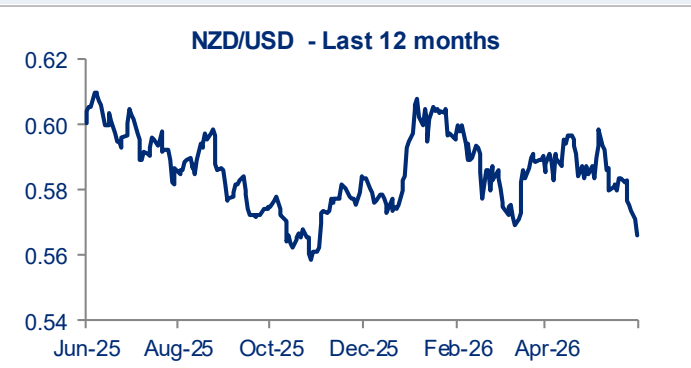
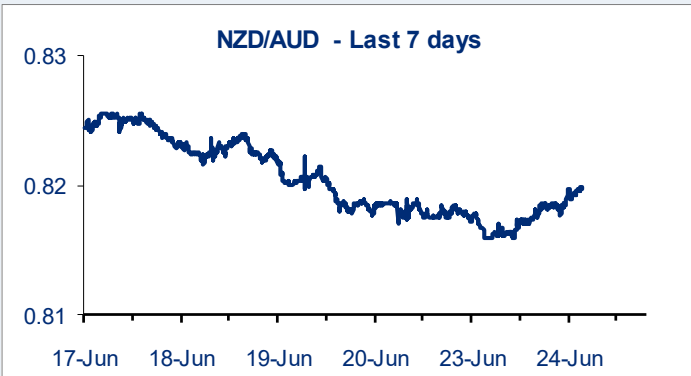
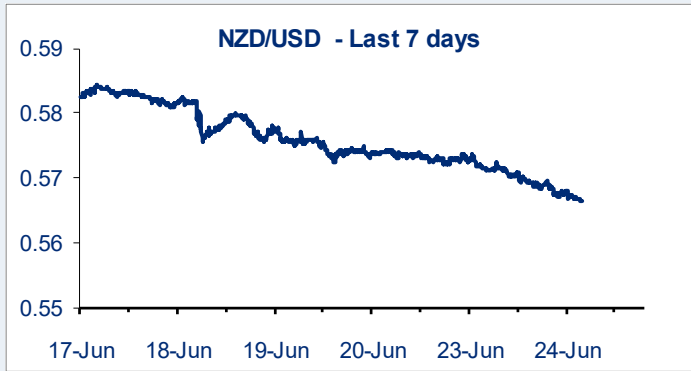
Source: Bloomberg

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	0.5664	-0.9	0.5663	0.5695	CHF	0.8102	+0.2	S&P 500	7,376	-1.3	22.4	Oil (Brent)	77.08	-1.0
AUD	0.6909	-1.3	0.6907	0.6963	SEK	9.749	+1.4	Dow	51,670	-0.1	21.3	Oil (WTI)	73.20	-0.9
EUR	1.1378	-0.4	1.1376	1.1439	NOK	9.798	+1.1	Nasdaq	25,587	-2.2	30.3	Gold	4129.9	-1.4
GBP	1.3188	-0.5	1.3182	1.3249	HKD	7.841	+0.0	Stoxx 50	6,231	-1.3	19.3	HRC steel	1123.0	+0.3
JPY	161.57	+0.0	161.28	161.66	CNY	6.792	+0.2	FTSE	10,429	-0.1	19.1	CRB	359.6	-0.7
CAD	1.4214	+0.4			SGD	1.297	+0.3	DAX	24,894	-1.0	7.0	Wheat Chic.	598.0	-1.6
NZD/AUD	0.8198	+0.5			IDR	17,859	+0.1	CAC 40	8,341	-0.7	10.7	Sugar	13.42	+0.4
NZD/EUR	0.4978	-0.4			THB	33.27	+1.0	Nikkei	69,788	-3.5	79.9	Cotton	73.20	-2.7
NZD/GBP	0.4295	-0.4			KRW	1,534	-0.2	Shanghai	4,106	-1.4	21.4	Coffee	276.0	+3.3
NZD/JPY	91.51	-0.8			TWD	31.64	-0.0	ASX 200	8,787	-0.3	2.7	WM powder	3450	-0.7
NZD/CAD	0.8051	-0.5			PHP	61.36	+0.4	NZX 50	13,436	-0.1	7.8	Australian Futures		
NZ TWI	65.26	-0.4						VIX Index	19.23	+11.3	-3.0	3 year bond	95.62	0.05
												10 year bond	95.19	0.04
Interest Rates														
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	4.05	4.08	USD	4.49	-0.02	15-May-28	3.35	-0.03	BKBM 1-mth	2.53	0.02	
AUD	4.35	4.47	4.45	4.88	AUD	4.77	-0.04	20-Apr-29	3.55	-0.03	BKBM 3-mth	2.72	0.00	
NZD	2.25	2.72	3.35	4.07	NZD	4.42	-0.03	15-May-30	3.72	-0.03	1 year	3.10	-0.01	
EUR	2.25	2.31	2.78	2.97	GER	2.92	-0.03	15-May-31	3.89	-0.02	2 year	3.35	-0.02	
GBP	3.75	3.87	4.06	4.35	GBP	4.75	-0.05	15-May-32	4.03	-0.02	3 year	3.49	-0.02	
JPY	0.98	-0.03	1.44	2.51	JPY	2.68	-0.00	14-Apr-33	4.13	-0.02	5 year	3.70	-0.01	
CAD	2.25	4.97	2.68	3.18	CAD	3.44	0.01	15-May-34	4.23	-0.02	7 year	3.87	-0.01	
								15-May-35	4.32	-0.03	10 year	4.07	-0.02	
								15-May-36	4.42	-0.03	15 year	4.32	-0.02	
								15-May-37	4.52	-0.03				
								15-May-41	4.79	-0.02				
								15-May-51	5.03	-0.02	NZ Inflation-Indexed Bonds			
								15-May-54	5.05	-0.03	Sept-30	1.48	-0.00	
											Sept-35	2.27	-0.00	
											Sept-40	2.74	-0.00	

Source: Bloomberg

NZD exchange rates

24/06/2026	6:56 am	Prev. NY close
USD	0.5664	0.5714
GBP	0.4295	0.4312
AUD	0.8198	0.8161
EUR	0.4978	0.5000
JPY	91.51	92.32
CAD	0.8051	0.8090
CHF	0.4593	0.4621
DKK	3.7236	3.7371
FJD	1.2596	1.2760
HKD	4.4443	4.4797
INR	53.70	54.10
NOK	5.5514	5.5387
PKR	157.66	158.96
PHP	34.78	34.93
PGK	2.4773	2.4974
SEK	5.5224	5.4948
SGD	0.7353	0.7390
CNY	3.8495	3.8719
THB	18.78	18.81
TOP	1.3271	1.3363
VUV	67.52	68.04
WST	1.5416	1.5586
XPF	59.07	59.42
ZAR	9.3790	9.3727



NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	6.06	6.26
3 Months	16.67	17.13
6 Months	32.73	33.73
9 Months	45.94	47.46
1 Year	58.22	60.60

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	13.71	14.20
3 Months	38.03	39.17
6 Months	73.02	75.57
9 Months	100.83	104.67
1 Year	126.40	132.00

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