

Research Markets Today

30 June 2025

Events Round-Up

NZ: ANZ consumer confidence, Jun: 98.8 vs. 92.9 prev.
 JN: Tokyo CPI (y/y%), Jun: 3.1 vs. 3.3 exp.
 JN: Tokyo CPI x-fr. fd, energy (y/y%), Jun: 3.1 vs. 3.3 exp.
 EC: Economic confidence, Jun: 94.0 vs. 94.8 exp.
 CA: GDP (m/m%), Apr: -0.1 vs. 0 exp.
 US: Personal income (m/m%), May: -0.4 vs. 0.3 exp.
 US: Real personal spending (m/m%), May: -0.3 vs. 0 exp.
 US: Core PCE price index (m/m%), May: 0.2 vs. 0.1 exp.
 US: Core PCE price index (y/y%), May: 2.7 vs. 2.6 exp.
 US: U. of Mich. cons. sentiment, Jun: 60.7 vs. 60.5 exp.
 US: U. of Mich. 5-10yr inflation exp., Jun: 4.0 vs. 4.1 exp.

Good morning

The S&P closed at fresh record high on Friday in a whipsaw session. Equities dipped temporarily after news that President Trump had terminated trade discussions with Canada in response to the country's planned implementation of a digital services tax targeting American companies. A late rebound saw the S&P close 0.5% higher aligning with the solid gains made by European indices. Treasury yields were little changed, and the US dollar was mixed against G10 currencies.

China has confirmed details of a trade framework with the US. It has agreed to approve applications for export of controlled items like rare earths while the US will cancel restrictive measures. The deal follows negotiations in London and a phone call between presidents Trump and Xi with both countries aiming to promote stable economic and trade ties.

Oil prices were stable with Brent crude closing the week near US\$68 despite news that OPEC+ is considering extending its production increases at a meeting next month. The alliance has increased supply by 411k barrels-a-day in each of the previous three months and a similar size increase is being considered.

US real consumption fell by 0.3% in May which was weaker than expected, and there were downward revisions to previous months, which puts Q2 activity on a weak trajectory. The Federal Reserve's preferred inflation gauge, the core PCE deflator, rose 0.2% which slightly above the consensus estimate. The annual core rate increased to

2.7% from 2.5% in May. Core PCE goods prices rose by 0.3%, showing some modest pressure from the tariffs, which is likely to be more pronounced in coming months. Michigan consumer confidence was little changed from the preliminary reading and 5-to-10-year inflation expectations dipped to 4.0%.

Market pricing for the Fed was little changed after the data. There is ~64bp of cumulative easing implied by the December FOMC. US treasury yields dipped as equity markets retraced from the session highs but ultimately ended marginally higher. 10-year yields ended the session at 4.28%. European bond markets also had a modest lift in yields. Preliminary the CPI data from Spain and France suggest an upward bias for eurozone reading this week. 10-year bunds closed at 2.58%, 2bp higher.

Tokyo CPI, which serves as a leading indicator for nationwide data, was below consensus estimates. The core measure, which excludes fresh food and energy, increased at a 3.1% annual rate in June. Although CPI undershot expectations, inflation remains well above the Bank of Japan's 2% target, with the Bank likely to resume tightening when the uncertainty from US trade policies diminish.

The US dollar was stable on the major crosses but made modest gains against the dollar-bloc currencies. Although the moves were not large, the Canadian dollar (CAD) was the weakest G10 currency after the trade policy developments. NZD/USD dipped in line with the CAD, trading to a low near 0.6040 before recovering to be little changed from the local close on Friday.

NZ consumer confidence improved to 98.8 in June, up from 92.9 in May. The index remains a subdued level but has moved steadily higher. However, based on historical relationships, the level of confidence is consistent with weak household spending. Within the report, inflation expectations increased to 4.9%, which is the highest level since April 2023.

NZ fixed income was little changed in the local session on Friday. Yields were 1-2 bp higher across the swap curve. There was a modest steepening bias in the government curve with front end bonds unchanged while 10-year yields closed 3bp higher at 4.51%. The market looks ahead to the likely launch of the May-2031 tap syndication this week.

Australian 10-year government bond futures are ~3bp higher in yield terms since the local close on Friday, which suggests an upward bias for NZ yields on the open.

May employment indicators and ANZ business confidence are released today. China June PMI data will be monitored for evidence the US-China trade reset has eased pressure on manufacturers. European Central Bank President Lagarde begins the Forum on Central Banking in Sintra with a keynote speech tomorrow morning (NZT).

stuart.ritson@bnz.co.nz

Coming Up

		Period	Cons.	Prev.	NZT
NZ	Filled Jobs SA (m/m%)	May	-0.1	10:45	
NZ	ANZ Activity Outlook	Jun	34.8	13:00	
CH	Manufacturing PMI	Jun	49.7	49.5	13:30
CH	Non-manufacturing PMI	Jun	50.3	50.3	13:30
GE	CPI EU Harmonized (y/y%)	Jun P	2.1	00:00	
US	MNI Chicago PMI	Jun	43	40.5	01:45
EC	ECB's Lagarde Speaks in Sintra				07:00

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	0.6051	-0.1	0.6037	0.6078	CHF	0.7994	-0.1	S&P 500	6,173	+0.5	12.6	Oil (Brent)	67.43	-0.4
AUD	0.6524	-0.3	0.6508	0.6561	SEK	9.479	-0.2	Dow	43,819	+1.0	11.9	Oil (WTI)	65.13	-0.2
EUR	1.1705	+0.1	1.1688	1.1753	NOK	10.077	+0.0	Nasdaq	20,273	+0.5	13.5	Gold	3284.4	-1.9
GBP	1.3705	-0.1	1.3683	1.3752	HKD	7.850	+0.0	Stoxx 50	5,326	+1.6	8.6	HRC steel	884.0	-0.1
JPY	144.78	+0.2	144.18	144.95	CNY	7.173	+0.1	FTSE	8,799	+0.7	7.6	CRB	299.7	+0.5
CAD	1.3706	+0.4			SGD	1.276	+0.1	DAX	24,033	+1.6	32.0	Wheat Chic.	541.3	+0.8
NZD/AUD	0.9275	+0.3			IDR	16,195	-0.1	CAC 40	7,692	+1.8	2.1	Sugar	15.81	+1.0
NZD/EUR	0.5170	-0.1			THB	32.60	+0.3	Nikkei	40,151	+1.4	1.4	Cotton	67.52	+0.7
NZD/GBP	0.4415	+0.1			KRW	1,361	+0.6	Shanghai	3,424	-0.7	15.4	Coffee	303.8	-0.6
NZD/JPY	87.60	+0.2			TWD	29.05	-0.2	ASX 200	8,514	-0.4	9.6	WM powder	3740	-0.9
NZD/CAD	0.8294	+0.4			PHP	56.56	-0.1	NZX 50	12,584	+0.8	7.4	Australian Futures		
NZ TWI	69.70	+0.1						VIX Index	16.34	-1.5	+33.5	3 year bond	96.75	-0.01
												10 year bond	95.80	-0.05
Interest Rates														
	Rates		Swap Yields		Benchmark 10 Yr Bonds		NZ Government Bonds							
	Cash	3Mth	2 Yr	10 Yr		Last	Net Day		Last	Chg		NZ BKBM and Swap Yields		
												Last	Chg	
USD	4.50	4.85	3.51	3.72	USD	4.27	0.03	15-Apr-27	3.29	0.00		BKBM 1-mth	3.33	0.00
AUD	3.85	3.61	3.15	4.06	AUD	4.13	0.02	15-May-28	3.49	0.00		BKBM 3-mth	3.28	-0.01
NZD	3.25	3.28	3.18	4.04	NZD	4.52	0.03	20-Apr-29	3.66	0.00		1 year	3.15	0.00
EUR	2.00	1.98	2.00	2.59	GER	2.59	0.02	15-May-30	3.85	0.01		2 year	3.18	0.01
GBP	4.25	4.47	3.63	4.01	GBP	4.50	0.03	15-May-31	4.05	0.00		3 year	3.30	0.01
JPY	0.48	-0.03	0.73	1.21	JPY	1.44	0.02	15-May-32	4.21	0.01		5 year	3.55	0.01
CAD	2.75	4.97	2.46	3.00	CAD	3.31	-0.04	14-Apr-33	4.32	0.01		7 year	3.78	0.01
								15-May-34	4.42	0.02		10 year	4.04	0.02
								15-May-35	4.52	0.03		15 year	4.30	0.01
								15-May-36	4.61	0.03		NZ Inflation-Indexed Bonds		
								15-May-37	4.71	0.03		Sep-30	2.00	0.00
								15-May-41	4.96	0.03		Sep-35	2.69	0.00
								15-May-51	5.16	0.03		Sep-40	3.09	-0.00
								15-May-54	5.21	0.03				

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

Rates at NY close

Source: Bloomberg

NZD exchange rates

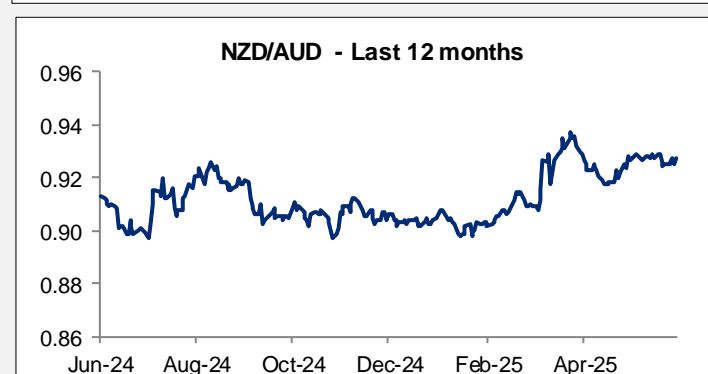
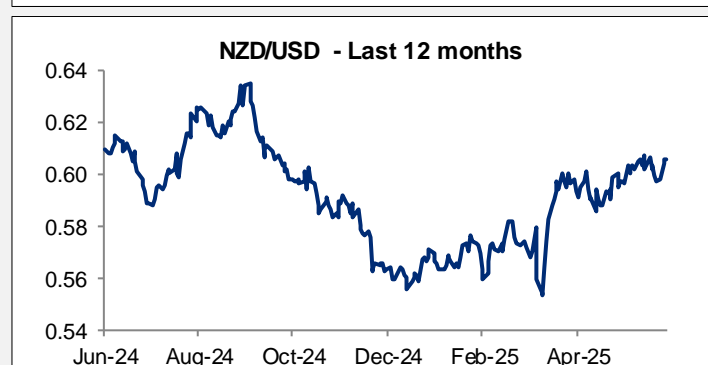
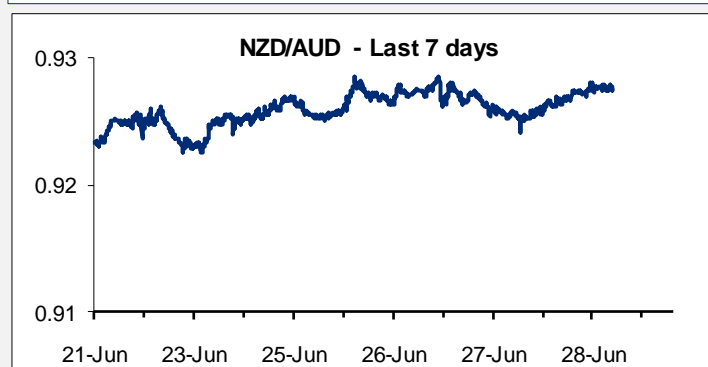
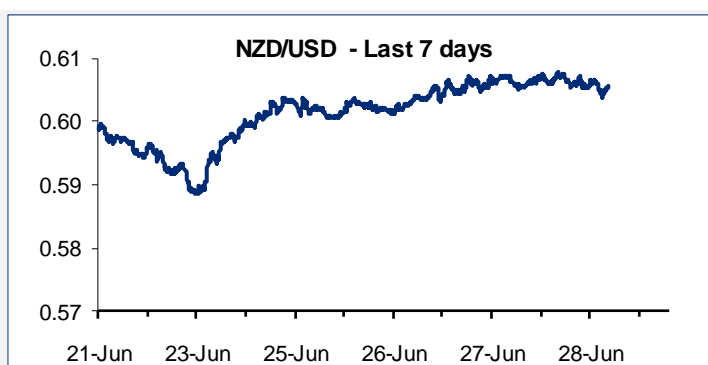
28/06/2025	NY close	Prev. NY close
USD	0.6051	0.6057
GBP	0.4415	0.4412
AUD	0.9275	0.9253
EUR	0.5170	0.5176
JPY	87.60	87.48
CAD	0.8294	0.8264
CHF	0.4841	0.4847
DKK	3.8571	3.8624
FJD	1.3643	1.3605
HKD	4.7539	4.7546
INR	51.77	51.91
NOK	6.1028	6.1028
PKR	171.80	171.85
PHP	34.25	34.29
PGK	2.4528	2.4483
SEK	5.7404	5.7529
SGD	0.7727	0.7717
CNY	4.3437	4.3414
THB	19.75	19.67
TOP	1.4358	1.4198
VUV	72.52	72.76
WST	1.6439	1.6558
XPF	61.69	62.31
ZAR	10.8058	10.8094

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	5.96	6.24
3 Months	18.26	18.76
6 Months	34.05	36.05
9 Months	44.39	48.70
1 Year	53.27	56.44

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	3.88	4.43
3 Months	10.10	11.30
6 Months	15.80	20.12
9 Months	18.64	26.61
1 Year	22.23	30.07



Contact Details

BNZ Research

Stephen Toplis

Head of Research
+64 4 474 6905

Doug Steel

Senior Economist
+64 4 474 6923

Jason Wong

Senior Markets Strategist
+64 4 924 7652

Stuart Ritson

Senior Interest Rate Strategist
+64 9 9248601

Mike Jones

BNZ Chief Economist
+64 9-956 0795

Main Offices

Wellington

Level 4, Spark Central
42-52 Willis Street
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

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