



**CNS Treasury System**  
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Foreign Exchange Outlook – 5th July 2010

**NZD Crosses**

**NZDUSD**

Rate	0.6851
Change	0.0028
% Change ▼	0.41%

**NZDAUD**

Rate	0.8134
Change	0.0018
% Change ▼	0.22%

**NZDEUR**

Rate	0.5455
Change	0.0035
% Change ▼	0.64%

**NZDJPY**

Rate	60.04
Change	0.21
% Change ▼	0.35%

**NZDGBP**

Rate	0.4507
Change	0.0022
% Change ▼	0.49%

**Majors**

**EURUSD**

Rate	1.2504
Change	0.0024
% Change ▲	0.19%

**USDJPY**

Rate	87.28
Change	0.04
% Change ▲	0.05%

**AUDUSD**

Rate	0.8385
Change	0.0016
% Change ▼	0.19%

**Foreign Interest Rates**

<b>USD</b>	0.25%
<b>AUD</b>	4.50%
<b>GBP</b>	0.50%
<b>EUR</b>	1.00%
<b>JPY</b>	0.10%
<b>NZD</b>	2.75%

**Other Rates**

<b>NZDHKD</b>	5.3390
<b>NZDFJD</b>	1.3602
<b>NZDCAD</b>	0.7268
<b>NZDSGD</b>	0.9533
<b>NZDXPF</b>	65.05
<b>NZDTHB</b>	22.14
<b>NZDZAR</b>	5.2206
<b>NZDDKK</b>	3.6185
<b>NZDSEK</b>	5.2010
<b>90 Day Bill</b>	2.76%

**US Unemployment Declines, So Does Kiwi and Aussie.**

It was a mixed bag for the markets over the weekend with the Euro and Pound strengthening slightly against the US dollar but with equities, commodities and the local currencies all finishing a touch softer. The Aussie dollar had initially rallied as Australian Prime Minister Julia Gillard announced a watered down version of the unpopular mining tax, then a good result from US non-farm payrolls continued to lift the locals overnight. The Kiwi and Aussie were at one stage as high as 0.6980 and 0.85 vs the US\$ on Friday night before some less positive US Factory Orders data dashed the optimism, turning equities negative and leading the locals down 1 cent each.

US non-farm payrolls data released on Friday night showed America lost 125k jobs in June as the Government cut 225k temporary workers who were hired to run the Census. This sees the unemployment rate decline to 9.5%; expectations were that 135k jobs would be lost leading unemployment slightly higher to 9.8% so generally a positive result. Data also showed Factory Orders declined by 1.4% in May vs expectations of a 0.5% decline.

Looking ahead to the week we see the RBA interest rate announcement at 4.30 pm on Tuesday, the market is looking for no change to the interest rate, in fact the market is expecting the RBA to remain on hold for the rest of the year. Australian unemployment is released on Thursday and then the Bank of England and the European Central Bank have interest rate meetings on Thursday night.

Today should be relatively quiet in the currency markets as it is a holiday in the USA due to Independence Day.

**Kiwi weakness continues on any sign of a faltering recovery**

