



**NZD Crosses**

**NZDUSD**

Rate	0.7066
Change	0.0054
% Change ▲	0.76%

**NZDAUD**

Rate	0.8057
Change	0.0048
% Change ▼	0.59%

**NZDEUR**

Rate	0.5561
Change	0.0016
% Change ▲	0.29%

**NZDJPY**

Rate	62.43
Change	0.94
% Change ▲	1.50%

**NZDGBP**

Rate	0.4658
Change	0.0046
% Change ▲	0.98%

**Majors**

**EURUSD**

Rate	1.2653
Change	0.0060
% Change ▲	0.47%

**USDJPY**

Rate	88.01
Change	0.66
% Change ▲	0.75%

**AUDUSD**

Rate	0.8734
Change	0.0120
% Change ▲	1.37%

**Foreign Interest Rates**

USD	0.25%
AUD	4.50%
GBP	0.50%
EUR	1.00%
JPY	0.10%
NZD	2.75%

**Other Rates**

NZDHKD	5.5007
NZDFJD	1.3720
NZDCAD	0.7365
NZDSGD	0.9741
NZDXPF	66.30
NZDTHB	22.86
NZDZAR	5.3387
NZDDKK	3.6185
NZDSEK	5.2940

90 Day Bill 2.76%

**Aussie Surges as Unemployment Drops**

The locals advanced against the US Dollar again in overnight trading with the Aussie leading the charge. The AUD has added a cent to sit at US\$0.8750 since yesterday morning, much of the move coming off the better than expected AU unemployment data released yesterday afternoon. This has dragged up the NZD as well which is almost a cent better off for the last 24 hours, sitting just under 0.71 this morning - the NZDAUD cross has dropped back under 0.81.

In other news; the IMF yesterday released revisions to its global GDP outlook, global growth was revised up to 2.6 % from 2.3% for this year, positive revisions were made to all major economies for next year as well. This helped yesterdays global rally in equities roll on with most Asian, European and US indexes up at least 1%. In the US, the number of people claiming first time unemployment benefit was slightly better than expected which helped the markets look past a quite disappointing decline in consumer credit. Consumer credit contracted by US\$9.1 billion in May, much more than the - US\$2.3 billion forecast. In Europe, ECB President Trichet said that European prospects were slightly better than some outside investors think, this helped the Euro continue its gradual climb against the US\$ and helped mute the Kiwis advance on the NZDEUR cross.

The Australian unemployment rate fell to 5.1% according to yesterday's announcement against expectations it would hold steady at 5.2%. 45,900 jobs were added in June (18.4k full time, 27.5k part time), about 3 times the number of new jobs expected, giving Australia its largest paid work force ever. The fact that companies are keen to hire is a good sign for the GDP outlook, but when there is low unemployment, inflation tends to follow. Inflation in Australia is already running at 2.9%, just shy of breaching the upper acceptable level of 3%, and it is expected to do so at the next CPI announcement on the 28th of July. Prior to this week the RBA was not expected to make any further hikes this year, but with the threat of inflation growing, markets are beginning to price these in and hence the NZDAUD rate has been on the decline.

**The NZDAUD is failing to hold the highs as risks of RBA hikes grow**

