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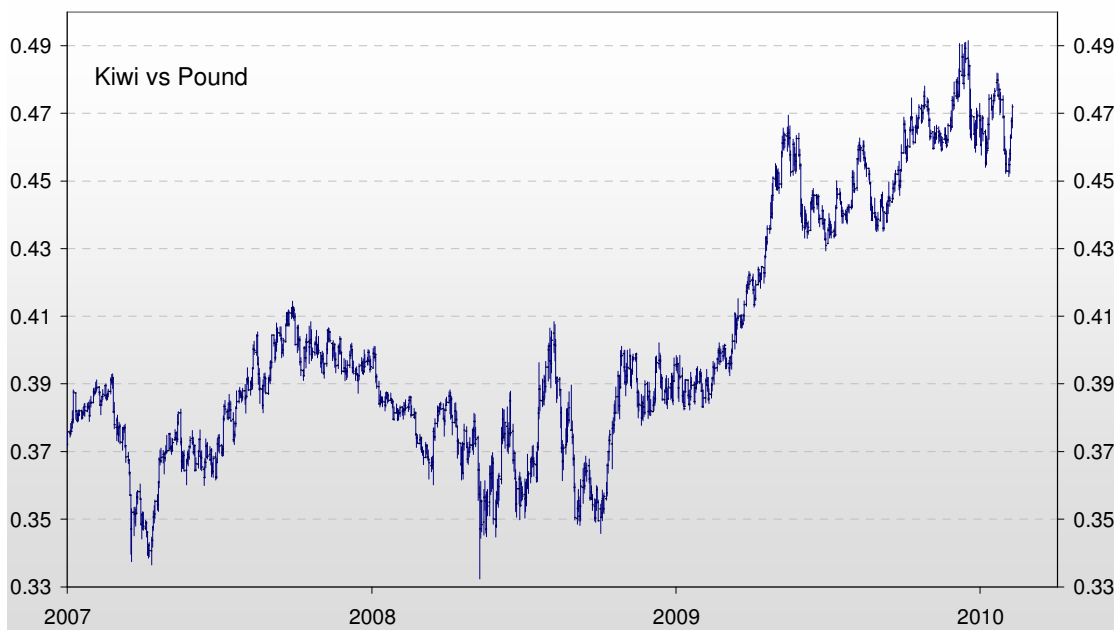
Foreign Exchange Outlook – 12th July 2010

Kiwi Edges Up, Pound Edges Down

A relatively quiet night in the currency markets over Friday night; the local currencies eased up a touch against the US\$ while the Euro just edged off recent highs. The Pound was the biggest loser on the Friday night session giving up around 1% following some disappointing trade balance data and softer than expected manufacturing activity. The May visible trade deficit expanded by over GBP8 billion bounds vs expectations of a GBP7 billion deficit. The Kiwi advanced by half a cent on the Pound cross to just over 0.47 this morning, back to within a few cents of the absolute highs.

Looking to the week ahead; tomorrow sees the release of Aussie business confidence and on Wednesday we get REINZ house Price index, retail sales for New Zealand and consumer confidence for Australia. NZ CPI is released on Friday. All of this local data will be accessed with respect to the looming central bank announcements for NZ and Australia which are due to be released on the 29th of July and 3rd of August respectively. In off shore events; UK GDP is due to be released overnight and US Trade Balance is due to be released Tuesday. US retail sales will be the most highly anticipated event and will be released on Thursday night.

The Kiwi Pound has edged back above 0.47 over the weekend, an opportunity for Importers



NZD Crosses

NZDUSD

Rate	0.7074
Change	0.0008
% Change ▲	0.11%

NZDAUD

Rate	0.8063
Change	0.0006
% Change ▲	0.07%

NZDEUR

Rate	0.5603
Change	0.0042
% Change ▲	0.75%

NZDJPY

Rate	62.81
Change	0.38
% Change ▲	0.60%

NZDGBP

Rate	0.4693
Change	0.0035
% Change ▲	0.74%

Majors

EURUSD

Rate	1.2569
Change	0.0085
% Change ▼	0.67%

USDJPY

Rate	88.43
Change	0.43
% Change ▲	0.48%

AUDUSD

Rate	0.8734
Change	0.0000
% Change ▲	0.00%

Foreign Interest Rates

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

Other Rates

NZDHKD	5.4912
NZDFJD	1.3751
NZDCAD	0.7302
NZDSGD	0.9762
NZDXPF	66.82
NZDTHB	22.81
NZDZAR	5.3193
NZDDKK	3.6185
NZDSEK	5.2804
90 Day Bill	2.76%