

Market Alert

Tuesday 02 April 2024

CURRENCIES	Spot	6mths
NZD/USD	0.5945	-0.0001
NZD/AUD	0.9169	-0.0046
NZD/JPY	90.15	-2.45
NZD/EUR	0.5538	-0.0046
NZD/GBP	0.4739	-0.0007
NZD/CNH	4.3645	-0.0460
AUD/USD	0.6483	0.0031
AUD/EUR	0.6037	-0.0021
EUR/USD	1.0735	0.0084
USD/CNH	7.2604	-0.0763
GBP/USD	1.2543	0.0014
EUR/GBP	0.8558	0.0055

INT RATES	NZ	Australia
OCR/Cash	5.50%	4.35%
90 day bills	5.67%	4.39%
2 year swap	4.76%	3.93%
10 year Govt	4.64%	4.06%

Way, way, way ...

... too much chocolate! What was the number to my gym membership again? Those 4-day weekends are exhausting ... all that eating, drinking, and sleeping really takes it out of you!

Looking at the NZD ...

... it's a bit like the atmosphere around the house ... it's autumn, the weather is starting to turn, and everyone around the house is starting to feel a little 'sniffily' and a bit grouchy. The winter of our discontent is about to arrive, and the weaker NZD is merely front-running it. From here, 0.5925 is the key level! To be fair, last night's move was supported by a broad USD-buy session with the 'big' dollar firming 0.5% across the

board after US ISM manufacturing PMIs unexpectedly expanded for the first time since September 2022, firming to 50.3 in March beating expectations at 48.4, and February's 47.8. It should also be noted that last week's key data release was the PCE deflator, which increased 0.3% on the month and 2.8% on the year, while the core was up 0.3% and 2.5%, against estimates at 0.4% and 2.5%. In amongst the detail, there was a marked expansion in consumption expenditure.

The stronger US-dollar also found support from US yields, with the 2 and 10-years firming 10bps and 12bps to 4.72% and 4.33%, with the 10-year yield closing in on a 3-month high at 4.34%. Equity markets were mixed, while commodity markets posted modest gains.

There was also further positive news out of China after Chinese stocks surged to their highest level in a month, after both the official NBS and the unofficial Caixin manufacturing PMI indexes exceeded forecasts and firmed into expansionary territory at 50.8 and 51.5 respectively.

Finally, ECB member Robert Holzmann confirmed he won't seek a second term as head of the Austrian National Bank.

Finally, finally, in a major blow to the Amsterdam tourism sector, Germany voted to legalise recreational cannabis.

As always ...

... the first week of the month brings the all-important US non-farm payroll and unemployment updates. We also have, from the US, the JOLTS job data, ISM manufacturing and services PMIs, and factory orders. We also have March inflation updates from Germany, the Euro-area, and Switzerland, unemployment updates from Canada and the Euro-area, the BoJ Tankan index for large manufacturers, and various manufacturing and service PMI updates from a long list of countries. We also have the RBAs latest minutes and February's trade balance, while in New Zealand we have Corelogic house prices, the GDT auction, building permits and commodity prices.



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Daily Rates

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FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	70.50					CAD	0.8074	0.8807
NZD/USD	0.5945	0.0000	0.0000	-0.0001	-0.0001	CHF	0.5380	0.5869
NZD/AUD	0.9169	-0.0008	-0.0023	-0.0046	-0.0080	CNY	4.2985	4.6875
NZD/JPY	90.15	-0.47	-1.25	-2.45	-4.62	DKK	4.1296	4.5034
NZD/EUR	0.5538	-0.0007	-0.0021	-0.0046	-0.0096	FJD	1.3208	1.4403
NZD/GBP	0.4739	-0.0001	-0.0003	-0.0007	-0.0016	HKD	4.6524	5.0735
						KRW	805.42	878.33
AU TWI	61.50					MYR	2.8102	3.0645
AUD/USD	0.6483	0.0006	0.0016	0.0031	0.0055	NOK	6.5141	7.1036
AUD/NZD	1.0902	0.0008	0.0027	0.0052	0.0088	SEK	6.4236	7.0049
AUD/JPY	98.30	-0.42	-1.12	-2.20	-4.28	SGD	0.8039	0.8767
AUD/EUR	0.6037	-0.0002	-0.0008	-0.0021	-0.0058	TWD	19.04	20.76
AUD/GBP	0.5168	0.0004	0.0010	0.0017	0.0025	ZAR	11.27	12.29
USD Index	105.01					EQUITIES		
EUR/USD	1.0735	0.0013	0.0040	0.0084	0.0181		Index	
USD/JPY	151.62	-0.79	-2.10	-4.10	-7.74	NZX50	12,105	
GBP/USD	1.2543	0.0002	0.0006	0.0014	0.0033	ASX200	7,897	
EUR/GBP	0.8558	0.0009	0.0026	0.0055	0.0115	Dow Jones	39,542	
						S&P 500	5,238	
INTEREST RATES			New Zealand Mid		Australia Mid	FTSE100	7,953	
30 day bank bills			5.59%		4.35%	DAX 30	18,492	
90 day bank bills			5.64%		4.39%	Nikkei	39,803	
1 year swap			5.34%		4.17%	COMMODITIES		
2 year swap			4.80%		3.94%		USD	
3 year swap			4.51%		3.82%	Brent Crude	87.49	
5 year swap			4.30%		3.98%	Gold	2,240.07	
10 year swap			4.37%		4.22%	Silver	24.96	
3 year Govt bond			4.53%		3.63%	Iron Ore	102.06	
5 year Govt bond			4.41%		3.70%	CRB Index	336.03	
10 year Govt bond			4.64%		4.06%		NZD	
						NZ Carbon	58.35	

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