

# Market Alert

Monday 08 April 2024

CURRENCIES	Spot	6mths
NZD/USD	0.6010	0.0000
NZD/AUD	0.9139	-0.0045
NZD/JPY	91.14	-2.45
NZD/EUR	0.5546	-0.0046
NZD/GBP	0.4759	-0.0007
NZD/CNH	4.3622	-0.0472
AUD/USD	0.6573	0.0032
AUD/EUR	0.6064	-0.0021
EUR/USD	1.0836	0.0086
USD/CNH	7.2463	-0.0785
GBP/USD	1.2626	0.0016
EUR/GBP	0.8572	0.0053

  

INT RATES	NZ	Australia
OCR/Cash	5.50%	4.35%
90 day bills	5.67%	4.41%
2 year swap	4.87%	4.01%
10 year Govt	4.70%	4.19%

## Anything you can do; I can do better!

Following a private New York City fundraiser a couple of weeks ago with former presidents Barack Obama and Bill Clinton, the President Biden re-election campaign raised a record USD26m in a single night, but not to be out-done, former President Donald Trump's campaign announced it raised USD50.5m at an event in Florida on Saturday!

It was another great weekend for sport, but a big shout out to the Phoenix who conceded in the 91st minute to lose and ultimately move to second place in the A-league and, "up the Wah's" ... those boys are on fire!

## Wowzer!

For all of the excitement ahead of Friday's non-farms release, it was nothing compared to the actual event after 303k jobs were added in March, compared to estimates at 200k and February's 270k. This saw the unemployment rate fall to 3.8%, while wages rose an impressive 0.3% on the month and 4.1% from a year ago!

This saw PIMCO scale back their 2024 FOMC rate cuts from 3 to 2, while Fed Governor Michelle Bowman stated "While it is not my baseline outlook, I continue to see the risk that at a future meeting we may need to increase the policy rate further. Reducing our policy rate too soon or too quickly could result in a rebound in inflation, requiring further future policy rate increases to return inflation to 2.0%." In the 'under-statement of the day', Richmond Fed President Thomas Barlin, stated, "That's quite a strong jobs report!"

This super strong release saw US treasury yields jump higher, with the 2-years gapping 12bps higher to 4.76%, while the 10-years surged 10bps to the 4.40% level as traders rapidly scaled back their FOMC cutting forecasts. Local swap rates will invariably open higher this morning, but despite the heightened volatility in fixed income markets, FX markets remained relatively range-bound with the NZD/USD closing at 0.6013, while the AUD/USD was at 0.6579. Equity markets were a contradiction, with Asian and European exchanges closing in the red

falling between -0.5% and -1.0%, while the US bourses surged roughly 1.0% as the data releases highlighted the tight labour market boosting the chances of a soft landing for the US economy. This positivity also boosted commodity prices with oil firming another 0.2% as brent consolidates above the USD90p/B level.

## The week ahead ...

... it's all about one thing in this part of the world ... the RBNZ, and while we are not expecting any change in the OCR, we are wondering whether the Governor will start laying the groundwork for rate cuts within the calendar year! We also have a QSBO, card spending, and manufacturing PMIs in NZ, as well as interest rate decisions from the ECB, and the BoC. It's an equally busy week in the US with their CPI release and the minutes from their March FOMC meeting, while there is also Michigan consumer confidence, producer prices, and trade updates. In China, the spotlight will be on consumer and producer prices, alongside trade data and new yuan loans. On the peripheral we have German trade and industrial production, Japan consumer confidence, and UK GDP and industrial production. Finally, we also have Australian business and consumer confidence updates.

And just when you thought it was safe to fly a Boeing plane, an engine part fell off one of their planes on take-off over the weekend!



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# Daily Rates

Monday 08 April 2024

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	70.90					CAD	0.8156	0.8939
NZD/USD	0.6010	0.0000	0.0000	0.0000	-0.0002	CHF	0.5407	0.5916
NZD/AUD	0.9139	-0.0009	-0.0024	-0.0045	-0.0086	CNY	4.3449	4.7539
NZD/JPY	91.14	-0.42	-1.25	-2.45	-4.67	DKK	4.1276	4.5226
NZD/EUR	0.5546	-0.0007	-0.0022	-0.0046	-0.0095	FJD	1.3278	1.4548
NZD/GBP	0.4759	-0.0001	-0.0003	-0.0007	-0.0016	HKD	4.6966	5.1459
						KRW	810.41	887.95
AU TWI	62.00					MYR	2.8465	3.1189
AUD/USD	0.6573	0.0006	0.0017	0.0032	0.0054	NOK	6.4305	7.0458
AUD/NZD	1.0933	0.0008	0.0027	0.0051	0.0074	SEK	6.3792	6.9895
AUD/JPY	99.73	-0.37	-1.12	-2.22	-4.43	SGD	0.8085	0.8859
AUD/EUR	0.6064	-0.0002	-0.0008	-0.0021	-0.0061	TWD	19.26	21.11
AUD/GBP	0.5203	0.0003	0.0010	0.0017	0.0020	ZAR	11.20	12.27
USD Index	104.29					<b>EQUITIES</b>		
EUR/USD	1.0836	0.0013	0.0041	0.0086	0.0185		<b>Index</b>	
USD/JPY	151.56	-0.69	-2.08	-4.06	-7.69	NZX50	12,012	
GBP/USD	1.2626	0.0002	0.0007	0.0016	0.0038	ASX200	7,773	
EUR/GBP	0.8572	0.0009	0.0026	0.0053	0.0116	Dow Jones	38,904	
						S&P 500	5,204	
<b>INTEREST RATES</b>			<b>New Zealand</b>		<b>Australia</b>	FTSE100	7,911	
			<b>Mid</b>		<b>Mid</b>	DAX 30	18,175	
30 day bank bills			5.59%		4.36%	Nikkei	38,992	
90 day bank bills			5.63%		4.41%	<b>COMMODITIES</b>		
1 year swap			5.33%		4.21%		<b>USD</b>	
2 year swap			4.88%		4.02%	Brent Crude	91.17	
3 year swap			4.60%		3.93%	Gold	2,329.50	
5 year swap			4.40%		4.11%	Silver	27.48	
10 year swap			4.46%		4.37%	Iron Ore	99.97	
3 year Govt bond			4.58%		3.72%	CRB Index	344.88	
5 year Govt bond			4.47%		3.80%		<b>NZD</b>	
10 year Govt bond			4.70%		4.19%	NZ Carbon	58.00	

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