

# Market Alert

Monday 06 May 2024

CURRENCIES	Spot	6mths
NZD/USD	0.6015	-0.0001
NZD/AUD	0.9086	-0.0044
NZD/JPY	92.020	-2.50
NZD/EUR	0.5589	-0.0048
NZD/GBP	0.4794	-0.0007
NZD/CNH	4.3030	-0.0508
AUD/USD	0.6618	0.0030
AUD/EUR	0.6149	-0.0024
EUR/USD	1.0760	0.0091
USD/CNH	7.1908	-0.0835
GBP/USD	1.2543	0.0017
EUR/GBP	0.8575	0.0060

  

INT RATES	NZ	Australia
OCR/Cash	5.50%	4.35%
90 day bills	5.66%	4.46%
2 year swap	4.99%	4.31%
10 year Govt	4.89%	4.50%

## Boo-hoo the Wah's!

Let's tell it how it is ... it hasn't been a good start to the season! What are the odds Andrew Webster doesn't last the season and Stacy Jones jumps into the roll on an interim basis? And while it's all doom and gloom, we won't mention the Crusader's! At least the 7's teams are doing well, with the men and woman both winning in Singapore, with the ladies crowned regular season winners, and good luck to the Phoenix ahead of their double-header semi-final next weekend.

## What did Jerome know?

Given last week's dovish Fed, and in particular Jerome's comments at the press conference, the question has to be asked ... had Mr Powell seen the numbers before the meeting? Well, let's put the conspiracy theorists to one side

and break the numbers down ... US jobs posted their smallest gain in 6-months, with 175k non-farm payrolls added, which was below expectations at 240k. This saw the unemployment rate move up to 3.9% from 3.8%, while wage growth was softer than expected at 0.2% month-on-month, bringing the annual rate to 3.9%, which was the lowest rate since June 2021. As someone said, it wasn't a bad report, but it is the first time we have seen every part of the report come in weaker than expected in a very, very long time.

The employment release saw equity markets post substantial gains on the hope that the Fed will cut rates by September, with the US exchanges rallying 1.25%-1.75%. At the same time, treasury yields retreated from their recent highs with the 2-years falling -5bps to 4.83%, while the 10-years eased -8bps to 4.51%. This saw the USD-index plummet through the 106.00 level to reach a 104.52 low, although it recovered into the close to finish the session at 105.07, which was enough for the NZD/USD to firm above 0.6000 and send AUD/USD back above 0.6600.

Breaking the other headlines down, US services PMIs dropped sharply from 51.4 to 49.4 while Eurozone unemployment remained at its 6.5% historic low.

*"I not only hope you come next year. I hope I come next year as well."*

Announced Warren Buffett at the annual Berkshire Hathaway shareholders meeting. At the Q&A Mr Buffet praised

Fed Chair Jerome Powell for his work steering the US economy over the past few years, although he noted the central bank needs help from lawmakers to rein in the growing US deficit, stating, Jerome Powell *"doesn't control fiscal policy, and every now and then he sends out a disguised plea ... because that's where the trouble will be, if we have it."*

In acknowledging he had sold the portfolio's entire 63m Paramount stake at a loss and reduced their Apple allocation prior to the announcement of their record USD110bn share buyback (yes, that's right, USD110bn) Mr. Buffett also announced operating earnings had increased 39%, while cash holdings soared to a record USD188bn.

Finally, Mr Buffett confirmed his successor as CEO will be Greg Abel, although questions remain as to who will control Berkshire's public stock portfolio.

## This week ...

... should be a quiet one, with just the Michigan consumer confidence index and a few Fed speeches, but looking at the rest of the world, we'll be busy with central bank meetings from the UK, and Australia, while we have Chinese services and composite PMIs, foreign trade, inflation, and new loans data. In Europe, attention will be on Germany for updates on factory orders, industrial production, and trade.



**BANCORP**

BANCORP TREASURY SERVICES LIMITED

**Barrington**  
TREASURY SERVICES

**Barrington**  
ASSET CONSULTING



**BANCORP**

BANCORP CORPORATE FINANCE LIMITED

# Daily Rates

Monday 06 May 2024

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	70.50					CAD	0.8225	0.9050
NZD/USD	0.6015	0.0000	0.0000	-0.0001	-0.0001	CHF	0.5445	0.5978
NZD/AUD	0.9086	-0.0009	-0.0024	-0.0044	-0.0066	CNY	4.2956	4.7879
NZD/JPY	92.020	-0.46	-1.27	-2.50	-4.73	DKK	4.1666	4.5851
NZD/EUR	0.5589	-0.0007	-0.0023	-0.0048	-0.0100	FJD	1.3347	1.4687
NZD/GBP	0.4794	-0.0001	-0.0003	-0.0007	-0.0016	HKD	4.6981	5.1700
						KRW	814.67	896.49
AU TWI	62.30					MYR	2.8494	3.1356
AUD/USD	0.6618	0.0006	0.0017	0.0030	0.0044	NOK	6.5440	7.2012
AUD/NZD	1.1002	0.0010	0.0028	0.0050	0.0072	SEK	6.4999	7.1527
AUD/JPY	101.15	-0.42	-1.14	-2.29	-4.52	SGD	0.8115	0.8930
AUD/EUR	0.6149	-0.0002	-0.0009	-0.0024	-0.0067	TWD	19.41	21.36
AUD/GBP	0.5273	0.0004	0.0011	0.0017	0.0020	ZAR	11.10	12.22
USD Index	105.08					<b>EQUITIES</b>		
EUR/USD	1.0760	0.0013	0.0043	0.0091	0.0188		<b>Index</b>	
USD/JPY	152.98	-0.76	-2.11	-4.12	-7.80	NZX50	11,938	
GBP/USD	1.2543	0.0002	0.0007	0.0017	0.0033	ASX200	7,629	
EUR/GBP	0.8575	0.0010	0.0029	0.0060	0.0126	Dow Jones	38,676	
						S&P 500	5,128	
<b>INTEREST RATES</b>			<b>New Zealand</b>		<b>Australia</b>	FTSE100	8,213	
			<b>Mid</b>		<b>Mid</b>	DAX 30	18,002	
30 day bank bills			5.60%		4.36%	Nikkei	38,236	
90 day bank bills			5.63%		4.46%	<b>COMMODITIES</b>		
1 year swap			5.44%		4.43%		<b>USD</b>	
2 year swap			5.01%		4.32%	Brent Crude	82.96	
3 year swap			4.75%		4.21%	Gold	2,302.52	
5 year swap			4.57%		4.41%	Silver	26.54	
10 year swap			4.67%		4.64%	Iron Ore	118.03	
3 year Govt bond			4.74%		4.08%	CRB Index	333.41	
5 year Govt bond			4.68%		4.16%		<b>NZD</b>	
10 year Govt bond			4.89%		4.50%	NZ Carbon	54.75	

This document has been prepared by Bancorp Treasury Services Limited ("BTSL"). Whilst all reasonable care has been taken to ensure the facts stated are accurate and the opinions given are fair and reasonable, neither BTSL nor any of its directors, officers or employees shall in any way be responsible for the contents. No liability is assumed by BTSL, its directors, officers or employees for action taken or not taken on the basis of this document.



**BANCORP**  
BANCORP TREASURY SERVICES LIMITED

**Barrington**  
TREASURY SERVICES

**Barrington**  
ASSET CONSULTING



**BANCORP**  
BANCORP CORPORATE FINANCE LIMITED