

# Market Alert

Monday 14 October 2024

CURRENCIES	Spot	6mths
NZD/USD	0.6099	0.0010
NZD/AUD	0.9040	0.0003
NZD/JPY	90.930	-1.93
NZD/EUR	0.5576	-0.0037
NZD/GBP	0.4667	0.0008
NZD/CNH	4.3078	-0.0465
AUD/USD	0.6741	0.0006
AUD/EUR	0.6162	-0.0044
EUR/USD	1.0937	0.0085
USD/CNH	7.0687	-0.0862
GBP/USD	1.3066	-0.0006
EUR/GBP	0.8368	0.0065

  

INT RATES	NZ	Australia
OCR/Cash	4.75%	4.35%
90 day bills	4.64%	4.47%
2 year swap	3.70%	3.88%
10 year Govt	4.51%	4.31%

## While there was a lot of enthusiasm to crack on ...

... with the garden on Saturday morning, after making a huge mess, one of the young ladies of the household then discovered a tiny bug in their hair! Needless to say, I didn't see that person for the rest of the day, and I am now deaf in one ear! Bathurst was brilliant, as it usually is, but it was a shame there were no Kiwi's on the podium, while this sailing thing ... its exciting!

## Nothing but a bit of 'noise' to report from the Friday session ...

The USD-index firmed on Friday as traders digested a slew of economic data that supported the Fed's current monetary policy path, while a rise in British economic growth could not lift

the pound from its 1-month low. The NZD/USD closed back above the 0.6100 level once again to cement it back into the range, while the AUD/USD closed at 0.6750, although it has come under selling pressure on the open this morning with NZD/AUD back at 0.9075.

The US 10-year Treasury yield is starting to build momentum above the 4.10% level after it gained 4bps to close at 4.11%, while the 2-year was flat at 3.97% as the curve looks to steepen again. The European and US bourses closed in positive territory while commodity prices were mixed with oil prices -0.4% lower. New Zealand investors will be a little 'lighter' in the pocket this morning after a couple of the NZX heavy hitters had their retail offers fully subscribed.

Friday's US data releases saw PPI inflation print flat, which was an improvement on August's 0.2% print and forecasts at 0.1%. On the year, headline PPI was at 1.8% with the core at 2.8%, which was slightly ahead of forecasts at 1.6% and 2.7%. The University of Michigan consumer sentiment index declined from September's 5-month high at 70.1 to 68.9, which was below forecasts at 70.8.

You can potentially see why the Chinese authorities brought out the 'big bazooka' a couple of weeks ago after their August CPI and PPI numbers slumped with inflation being flat on the month and 0.4% on the year, against forecasts at 0.4% and 0.6%, while PPI plummeted -2.8% against expectations at -2.5%.

Current FOMC member, Lorie Logan, announced, "The less-restrictive policy will still cool inflation. The recent inflation data is very welcome," while ex-member, Loretta Mester, announced she, "Believes neutral rate is higher than used to be in the past."

Fitch ratings placed France on a negative outlook, just a day after the government unveiled its 2025 budget. Currently S&P has France at AA- with a stable outlook while Moody's has a Aa2 with a stable outlook.

## The week ahead ...

This week's US focus will mainly be on various speeches given by members of the FOMC while the main data release will be the September retail sales report. We also have industrial production, trade, building permits, and housing starts, while the earnings season will hit full stride. In Europe, all eyes will be on the ECB's interest rate decision, followed by the latest update from the Germany ZEW sentiment index, industrial production and the trade balance. In the UK, the key reports will be the unemployment numbers, inflation, and retail sales. China will reveal its Q3 GDP growth rate, and update its retail sales, industrial production, unemployment rate, while Japan will update its September's inflation rate and its trade balance. In Australia the focus will be on its latest labour and employment numbers market data while New Zealand will post its Q3 inflation rate.



**BANCORP**

BANCORP TREASURY SERVICES LIMITED

**Barrington**  
TREASURY SERVICES

**Barrington**  
ASSET CONSULTING



**BANCORP**

BANCORP CORPORATE FINANCE LIMITED

# Daily Rates

Monday 14 October 2024

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	70.30					CAD	0.8383	0.9289
NZD/USD	0.6099	0.0001	0.0004	0.0010	0.0017	CHF	0.5221	0.5767
NZD/AUD	0.9040	-0.0003	-0.0002	0.0003	0.0024	CNY	4.3170	4.7700
NZD/JPY	90.930	-0.39	-1.07	-1.93	-3.49	DKK	4.1540	4.5966
NZD/EUR	0.5576	-0.0007	-0.0019	-0.0037	-0.0074	FJD	1.3327	1.4747
NZD/GBP	0.4667	0.0001	0.0004	0.0008	0.0018	HKD	4.7337	5.2380
						KRW	821.45	908.96
AU TWI	62.40					MYR	2.6098	2.8878
AUD/USD	0.6741	0.0003	0.0007	0.0006	-0.0002	NOK	6.5000	7.1925
AUD/NZD	1.1053	0.0002	0.0001	-0.0009	-0.0042	SEK	6.3077	6.9797
AUD/JPY	100.60	-0.40	-1.17	-2.19	-4.15	SGD	0.7947	0.8794
AUD/EUR	0.6162	-0.0006	-0.0019	-0.0044	-0.0100	TWD	19.57	21.66
AUD/GBP	0.5158	0.0002	0.0005	0.0006	0.0005	ZAR	10.60	11.73
USD Index	102.92					<b>EQUITIES</b>		
EUR/USD	1.0937	0.0015	0.0044	0.0085	0.0173		<b>Index</b>	
USD/JPY	149.09	-0.66	-1.86	-3.37	-6.09	NZX50	12,846	
GBP/USD	1.3066	-0.0001	-0.0001	-0.0006	-0.0020	ASX200	8,215	
AUD/GBP	0.8368	0.0011	0.0034	0.0065	0.0143	Dow Jones	42,864	
USD/CNY	7.0666	-0.0182	-0.0517	-0.0984	-0.1839	S&P 500	5,815	
						FTSE100	8,254	
						DAX 30	19,374	
						Nikkei	39,606	
<b>INTEREST RATES</b>			<b>New Zealand</b>		<b>Australia</b>			
			Mid		Mid			
30 day bank bills			4.88%		4.35%			
90 day bank bills			4.64%		4.47%			
1 year swap			4.01%		4.14%			
2 year swap			3.72%		3.89%			
3 year swap			3.65%		3.81%			
5 year swap			3.75%		4.03%			
10 year swap			4.08%		4.33%			
3 year Govt bond			3.92%		3.82%			
5 year Govt bond			4.07%		3.91%			
10 year Govt bond			4.51%		4.31%			
						<b>COMMODITIES</b>		
							<b>USD</b>	
						Brent Crude	79.04	
						Gold	2,656.00	
						Silver	31.53	
						Iron Ore	106.44	
						CRB Index	346.45	
							<b>NZD</b>	
						NZ Carbon	63.00	

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