

Market Alert

Monday 24 March 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5736	0.0025
NZD/AUD	0.9147	0.0024
NZD/JPY	85.640	-1.34
NZD/EUR	0.5303	-0.0032
NZD/GBP	0.4449	0.0020
NZD/CNH	4.2085	-0.0329
AUD/USD	0.6262	0.0009
AUD/EUR	0.5790	-0.0051
EUR/USD	1.0814	0.0110
USD/CNH	7.2546	-0.0873
GBP/USD	1.2889	-0.0007
EUR/GBP	0.8375	0.0088

INT RATES	NZ	Australia
OCR/Cash	3.75%	4.10%
90 day bills	3.64%	4.16%
2 year swap	3.42%	3.66%
10 year Govt	4.66%	4.51%

Liam, Liam, Liam ...

... where did it go wrong?

At least we've got the All Whites tonight who should, hopefully, provide as spark of optimism by qualifying for next years' football World Cup in Mexico, Canada and the US ... but given the size of North America, we'll need a whip round for the boys to travel from game-to-game!

Amid ongoing uncertainty over the US economy and inflation ...

... the 10-yr treasury yield firmed 1bps to 4.25%, while the 2-yr yield fell 1bps to 3.95%. The USD-index, which has been under pressure for the last couple of months, found some respite this week after the FOMC indicated it was in no rush to cut interest rates. With the USD index having bounced back above the 104.00 level, the EUR suffered its first

weekly loss since 28 February, while the NZD and AUD fell back below the 0.5750 and 0.6300 levels against the USD. US equity markets pared earlier losses to close in the green after President Trump announced, "there'll be flexibility" on reciprocal tariffs, although Asian and European exchanges were all 0.25% to 0.75% lower.

NY Fed President, John Williams, confirmed, "*Modestly restrictive monetary policy is entirely appropriate given the solid labour market and with inflation still running somewhat above our 2.0% goal,*" while colleague Austan Goolsbee suggested, "*the inflationary impact from tariffs could be transitory if they were limited in scope.*"

Eurozone consumer confidence fell to -14.5 in March, -0.9pips lower than the February print and below the expected -13.0.

The British Industry's monthly net balance of new orders slipped to -29 in March, from February's -28.

Japanese headline inflation fell from January's 4.6% to 3.7% in February, although it was still higher than forecasts at 3.5%. against this, core inflation firmed from 2.5% to 2.6%, which was inline with expectations. While the BoJ left its interest rate settings unchanged last week due to global uncertainty stemming from tariffs and potential trade wars, a similar CPI print in April could be enough for the BoJ to hike at its next meeting on 30-April/1-May.

China's number two, Premier Li Qiang, told a gathering of business executives in Beijing that the country

would pursue economic globalisation despite "*fragmentation,*" adding, "*China will adhere to the correct direction of economic globalisation, practice true multilateralism and strive to be a force for stability and certainty.*" He also added Beijing is prepared for external impacts that may exceed expectations and will open up more sectors of the economy to international investors.

Ex-BoC and BoE central bank governor, and now leader of the ruling Liberal's, Mark Carney, has announced the date for the Canadian election for the 28th of April, with an immediate promise to cut taxes for the middle classes and to unite Canadians.

Oh yes ... I believe there was also a small fire at Heathrow!

The week ahead

The key inputs this week will come from various speeches from some of the FOMC members, while the February PCE inflation report will also take centre. Also from the US we have PMIs, personal income and spending, consumer confidence, durable goods orders, and the final reading of Q4 GDP growth. We also have the latest inflation updates from Australia, the UK, France, and Tokyo CPI, and the latest PMI releases from Australia, Japan, France, Germany, the Eurozone, and the UK. Finally, we have updates on German unemployment and business sentiment, Canadian GDP, UK trade, and an interest rate update from the Mexican central bank.

Finally RIP Grizz Wyllie!



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Daily Rates

Monday 24 March 2025

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	68.30					CAD	0.8234	0.8982
NZD/USD	0.5736	0.0004	0.0012	0.0025	0.0042	CHF	0.5066	0.5530
NZD/AUD	0.9147	0.0004	0.0012	0.0024	0.0041	CNY	4.1582	4.5403
NZD/JPY	85.640	-0.27	-0.70	-1.34	-2.49	DKK	3.9565	4.3201
NZD/EUR	0.5303	-0.0006	-0.0016	-0.0032	-0.0065	FJD	1.2984	1.4177
NZD/GBP	0.4449	0.0004	0.0010	0.0020	0.0041	HKD	4.4580	4.8676
						KRW	839.21	916.33
AU TWI	59.70					MYR	2.5343	2.7672
AUD/USD	0.6262	0.0001	0.0004	0.0009	0.0015	NOK	6.0300	6.5841
AUD/NZD	1.0945	-0.0005	-0.0016	-0.0034	-0.0063	SEK	5.8129	6.3471
AUD/JPY	94.01	-0.34	-0.89	-1.71	-3.15	SGD	0.7664	0.8369
AUD/EUR	0.5790	-0.0009	-0.0026	-0.0051	-0.0100	TWD	18.92	20.66
AUD/GBP	0.4857	0.0002	0.0004	0.0009	0.0020	ZAR	10.42	11.38
USD Index	104.15					EQUITIES		
EUR/USD	1.0814	0.0018	0.0055	0.0110	0.0209		Index	
USD/JPY	149.31	-0.53	-1.53	-2.93	-5.33	NZX50	12,114	
GBP/USD	1.2889	-0.0001	-0.0002	-0.0007	-0.0026	ASX200	7,931	
EUR/GBP	0.8375	0.0014	0.0043	0.0088	0.0176	Dow Jones	41,985	
USD/CNY	7.2486	-0.0150	-0.0467	-0.0965	-0.1975	S&P 500	5,668	
						FTSE100	8,647	
INTEREST		New Zealand		Australia		DAX 30	22,892	
RATES		Mid		Mid		Nikkei	37,677	
30 day bank bills		3.77%		4.14%		COMMODITIES		
90 day bank bills		3.64%		4.16%			USD	
1 year swap		3.39%		3.79%		Brent Crude	72.16	
2 year swap		3.44%		3.67%		Gold	3,023.63	
3 year swap		3.53%		3.68%		Silver	33.04	
5 year swap		3.73%		3.99%		Iron Ore	102.00	
10 year swap		4.15%		4.32%		CRB Index	371.17	
3 year Govt bond		3.78%		3.79%			NZD	
5 year Govt bond		4.10%		3.97%		NZ Carbon	58.50	
10 year Govt bond		4.66%		4.51%				

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