

# Market Alert

Wednesday 16 April 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5897	0.0032
NZD/AUD	0.9296	0.0026
NZD/JPY	84.455	-1.21
NZD/EUR	0.5227	-0.0029
NZD/GBP	0.4458	0.0023
NZD/CNH	4.3224	-0.0375
AUD/USD	0.6342	0.0016
AUD/EUR	0.5621	-0.0048
EUR/USD	1.1281	0.0121
USD/CNH	7.3285	-0.1025
GBP/USD	1.3227	0.0002
EUR/GBP	0.8526	0.0089
INT RATES	NZ	Australia
OCR/Cash	3.50%	4.10%
90 day bills	3.48%	4.10%
2 year swap	3.12%	3.20%
10 year Govt	4.63%	4.45%

## Wait and wonder

Decision making under ever changing tariffs is difficult. For some, the decision may be made by the government in the nations best interest. For example in China, its domestic airlines have been ordered to stop taking Boeing deliveries, just another escalation to this trade war. It appears that others are waiting for some more clarity. In a trade war where yesterday's news is most likely outdated, it is an understandable decision. Vizion API, a company that provides real-time container tracking data, has recently shown that globally, bookings of twenty-foot equivalent units, which is a general measure of container cargo capacity, fell by more than 50% compared to the previous week, following Trump's 'Liberation Day' tariffs.

In Europe the mood is more sombre after a two hour talk between US and EU officials found no resolution. Reports stated that the US officials indicated that the 20% 'reciprocal' tariffs, which have been reduced to 10% for 90 days, as well as other tariffs targeting sectors including cars and metals would not be removed outright, the EU proposed a reciprocal tariff of zero on cars and industrial goods but that fell on deaf ears. The White House Press Secretary, Karoline Leavitt, recently announced that some trade deals are to be announced "very soon", as more than 15 deals are actively being considered, these are unlikely to include the EU and China. Hopefully the penguins of Herald and McDonald islands had better negotiations with Trump than Ukrainian President Zelensky did.

April's German ZEW economic sentiment index fell sharply from 51.6 to -14.0. "Erratic changes to US trade policy" was stated as the reason for the decrease. The European ZEW suffered a similar fate, falling from 39.8 to -18.5.

## White gold

Last night's GDT auction brought mixed results; the overall GDT index was up by 1.6%. In terms of the key products, SMP eased back 2.3%, while WMP was up 2.8%. After recent weakness the butter price gained 1.5%.

This afternoon we have the 2nd data dump from China this year. Notable data includes the release of its GDP, retail sales, unemployment rate and

industrial production for the March quarter. Markets will be keen to see if the stimulus measures continue to flow through to more positive data.

## What did it mean

Markets were relatively stable overnight; the USD index recovered some of its losses as the EUR weakened to be currently just north of the 100.00 level. This saw the NZD/USD and AUD/USD give back some of yesterday's gains with the NZD/USD currently just below the 0.5900 level. US Treasury yields softened further with the 2-year down 2bp at 3.84%, while the 10-year is down 3bp at 4.37%. US equity markets are marginally lower on the day, while the German DAX index is marginally higher. Commodities were mixed with oil ever so slightly lower, while gold cemented further gains.



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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	69.30					CAD	0.8231 0.8982
NZD/USD	0.5897	0.0005	0.0016	0.0032	0.0053	CHF	0.4855 0.5224
NZD/AUD	0.9296	0.0006	0.0015	0.0026	0.0040	CNY	4.3123 4.6392
NZD/JPY	84.455	-0.24	-0.65	-1.21	-2.26	DKK	3.9008 4.1966
NZD/EUR	0.5227	-0.0005	-0.0015	-0.0029	-0.0060	FJD	1.3413 1.4430
NZD/GBP	0.4458	0.0004	0.0011	0.0023	0.0042	HKD	4.5733 4.9201
						KRW	841.67 905.49
AU TWI	59.60					MYR	2.5997 2.7968
AUD/USD	0.6342	0.0001	0.0006	0.0016	0.0031	NOK	6.2793 6.7554
AUD/NZD	1.0753	-0.0007	-0.0019	-0.0034	-0.0051	SEK	5.8153 6.2563
AUD/JPY	90.63	-0.31	-0.85	-1.57	-2.91	SGD	0.7774 0.8364
AUD/EUR	0.5621	-0.0009	-0.0026	-0.0048	-0.0094	TWD	19.15 20.61
AUD/GBP	0.4793	0.0001	0.0004	0.0011	0.0020	ZAR	11.24 12.09
USD Index	100.14					EQUITIES	
EUR/USD	1.1281	0.0021	0.0061	0.0121	0.0232		Index
USD/JPY	143.21	-0.52	-1.48	-2.81	-5.18	NZX50	12,011
GBP/USD	1.3227	0.0000	0.0001	0.0002	-0.0004	ASX200	7,762
EUR/GBP	0.8526	0.0016	0.0045	0.0089	0.0176	Dow Jones	40,369
USD/CNY	7.3151	-0.0179	-0.0509	-0.1064	-0.2142	S&P 500	5,397
						FTSE100	8,249
						DAX 30	21,254
						Nikkei	34,268
INTEREST		New Zealand		Australia		COMMODITIES	
RATES		Mid		Mid			USD
30 day bank bills		3.62%		4.13%		Brent Crude	64.86
90 day bank bills		3.48%		4.10%		Gold	3,229.90
1 year swap		3.11%		3.41%		Silver	32.32
2 year swap		3.14%		3.25%		Iron Ore	98.25
3 year swap		3.26%		3.31%		CRB Index	352.21
5 year swap		3.53%		3.76%			
10 year swap		4.07%		4.23%			
3 year Govt bond		3.49%		3.37%			
5 year Govt bond		3.89%		3.68%			
10 year Govt bond		4.63%		4.45%		NZ Carbon	52.00

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