

Market Alert

Monday 28 April 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5968	0.0033
NZD/AUD	0.9338	0.0027
NZD/JPY	85.675	-1.20
NZD/EUR	0.5251	-0.0031
NZD/GBP	0.4488	0.0022
NZD/CNH	4.3448	-0.0361
AUD/USD	0.6384	0.0015
AUD/EUR	0.5614	-0.0051
EUR/USD	1.1360	0.0129
USD/CNH	7.2873	-0.0997
GBP/USD	1.3295	0.0006
EUR/GBP	0.8537	0.0092
INT RATES	NZ	Australia
OCR/Cash	3.50%	4.10%
90 day bills	3.45%	3.99%
2 year swap	3.09%	3.21%
10 year Govt	4.56%	4.31%

That was a remarkable achievement ...

... and I'm not talking my football team losing 8-1 on Saturday (yes ... that's not a typo), nor Liverpool winning the EPL, the Crusaders winning (again), the Warriors systematic destruction of the Knights, or even Eubank Jr smashing Conor Benn, because AFC Auckland winning the A-League's Premier's Plate in their inaugural season was truly remarkable. A heart felt congratulations to the management and to Steve Corica because that was incredible!

Friday saw a degree of optimism prevail after ...

... President Trump stated his administration was in discussions

with China to strike a tariff deal, and that Chinese President Xi Jinping has called him. Reports also suggested that China may have granted some tariff exemptions on US imports while reports this morning suggest Walmart has notified Chinese suppliers to resume shipping goods that had been temporarily suspended due to the tariff war. But while this sounds promising, China has disputed the US characterisation of the negotiations.

While this 'made-for-TV-drama' still has some way to go, there is no doubt that the markets viewed it as a positive, with the US exchanges notching their second positive week out of three while the USD-Index posted its first weekly gain since mid-March. But despite this, the NZD and AUD remain at reasonably elevated levels when one considers where they've been over the last 6-months, with the NZD weaker on the crosses as the NZD/AUD near the 0.9325 level. This positivity filtered through to the 10-year Treasury, with the yield easing -8bps to 4.26% on Friday, while the 2-year yield was -6 bps lower at 3.76%.

US consumer sentiment remains week falling for a fourth consecutive month to its lowest level since July 2022, despite the fact the April print was revised up to 52.2 from its preliminary print at 50.8. In March, it was at 57!

Against this, Chinese industrial profits returned into the black in Q1, gaining 0.8% to CNY1.5trn yuan although there was likely an element of 'front-running'

the tariff war with Q2s numbers likely to come under renewed pressure.

'Sources' report that momentum is building for another ECB rate cut at its next meeting on 5th June. Currently the market is pricing in a 71% chance of a cut.

The week ahead ...

While most of the focus will remain on the continuing US-China tariff dispute, the week is also heavily packed with some key economic releases. From the US we have the first estimate of Q1 GDP, the non-farm and JOLTS job reports, unemployment, wage growth, PCE inflation, consumer sentiment, ADP employment, Challenger job cuts, PMIs, house prices, factory orders, and a few other bits and pieces, as well as the Treasury Department's Q2 refinancing plans. In Europe, market participants will await the release of the flash GDP and inflation releases, while Germany will provide its latest unemployment and retail sales updates. China will release its April PMI prints, the BoJ is expected to leave its interest rates unchanged, Australia will provide its latest inflation, consumer and producer price updates, while from NZ today brings the release of the April economic survey, while later in the week we have filled jobs, business activity and confidence, house prices and building permits.



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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	69.80					CAD	0.8269 0.8982
NZD/USD	0.5968	0.0005	0.0016	0.0033	0.0054	CHF	0.4938 0.5282
NZD/AUD	0.9338	0.0004	0.0015	0.0027	0.0038	CNY	4.3462 4.6508
NZD/JPY	85.675	-0.23	-0.65	-1.20	-2.25	DKK	3.9181 4.1933
NZD/EUR	0.5251	-0.0006	-0.0016	-0.0031	-0.0066	FJD	1.3270 1.4202
NZD/GBP	0.4488	0.0003	0.0011	0.0022	0.0039	HKD	4.6271 4.9521
						KRW	857.39 917.61
AU TWI	59.50					MYR	2.6067 2.7898
AUD/USD	0.6384	0.0002	0.0007	0.0015	0.0028	NOK	6.1658 6.5989
AUD/NZD	1.0719	-0.0007	-0.0020	-0.0035	-0.0058	SEK	5.7638 6.1687
AUD/JPY	91.59	-0.29	-0.85	-1.57	-2.82	SGD	0.7842 0.8393
AUD/EUR	0.5614	-0.0009	-0.0027	-0.0051	-0.0096	TWD	19.40 20.76
AUD/GBP	0.4800	0.0001	0.0003	0.0009	0.0020	ZAR	11.13 11.92
USD Index	99.59					EQUITIES	
EUR/USD	1.1360	0.0020	0.0065	0.0129	0.0242		Index
USD/JPY	143.53	-0.49	-1.47	-2.80	-5.03	NZX50	12,018
GBP/USD	1.3295	0.0001	0.0003	0.0006	0.0001	ASX200	7,968
EUR/GBP	0.8537	0.0015	0.0045	0.0092	0.0178	Dow Jones	40,113
USD/CNY	7.2864	-0.0183	-0.0514	-0.1023	-0.2061	S&P 500	5,525
INTEREST		New Zealand		Australia		FTSE100	8,415
RATES		Mid		Mid		DAX 30	22,242
30 day bank bills		3.62%		4.10%		Nikkei	35,706
90 day bank bills		3.45%		3.99%		COMMODITIES	
1 year swap		3.09%		3.37%			USD
2 year swap		3.11%		3.22%		Brent Crude	66.87
3 year swap		3.23%		3.28%		Gold	3,318.20
5 year swap		3.50%		3.68%		Silver	33.08
10 year swap		4.03%		4.15%		Iron Ore	99.92
3 year Govt bond		3.50%		3.34%		CRB Index	363.79
5 year Govt bond		3.87%		3.61%		NZD	
10 year Govt bond		4.56%		4.31%		NZ Carbon	50.50

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