

Market Alert

Wednesday 23 July 2025

CURRENCIES	Spot	6mths
NZD/USD	0.6002	0.0037
NZD/AUD	0.9158	0.0023
NZD/JPY	87.960	-1.25
NZD/EUR	0.5108	-0.0032
NZD/GBP	0.4436	0.0020
NZD/CNH	4.2815	-0.0334
AUD/USD	0.6552	0.0023
AUD/EUR	0.5575	-0.0049
EUR/USD	1.1750	0.0144
USD/CNH	7.1695	-0.0988
GBP/USD	1.3528	0.0019
EUR/GBP	0.8683	0.0092
INT RATES	NZ	Australia
OCR/Cash	3.25%	3.85%
90 day bills	3.22%	3.74%
2 year swap	3.08%	3.25%
10 year Govt	4.64%	4.41%

And with a mic drop, the Prince of Darkness ...

Walked off into the sunset. Yes, the original poster boy for reality TV passed away overnight, but I guess the real surprise is that he made it to 76! RIP Ozzy ... it was a life well lived ... and bats will feel a lot safer! As the great man said, "My father always said I would do something big one day ... I've got a feeling about you, John Osbourne, he'd tell me, after he'd had a few beers, 'You're either going to do something very special, or you're going to go to prison.' And he was right ... I was in prison before my 18th birthday."

Today's commentary is more a series of snap bites ...

Financial markets have been lacklustre overnight ... The highlight was a continuation of lowering treasury yields with the 2 and 10-years each falling 4bps

to reach 3.84% and 4.34%. The USD-index eased back towards the 97.00 level with the CHF, NZD and CAD the biggest gainers, while the AUD underperformed which saw NZD/AUD firm above the 0.9150 level. Equity markets were mixed, ranging between -0.5% and +0.5%, while commodity trading mirrored yesterday's moves with energy products lower, while pretty much everything else rallied.

The 'Fifth District' manufacturing activity from the Richmond Fed deteriorated in July with the composite manufacturing index falling to -20 from June's -8. It was the index's lowest level in 10-months, and contrasted sharply with expectations that it would improve to -2.

UK public sector net borrowing widened sharply to GBP20.7bn in June, up from GBP14.1bn in the same month a year earlier.

Could this be Goldman Sachs talking its own book again? I don't know but it has announced it expects the Fed to undertake 3x25bps cuts at their September, October and December meetings.

JPMorgan explores lending against clients' cryptocurrency.

The long-standing inversion in China's interest-rate swap curve has corrected, suggesting that investor confidence is returning to the market, and that the government's recent stimulus efforts may actually help reflate the economy.

Despite losing the upper-house elections over the weekend, the Japanese Finance Minister Katsunobu Kato stubbornly stuck to the Governments guns, reiterating that cutting the country's

consumption tax remains off the table.

The RBA minutes from its July meeting, where it surprisingly left the cash rate unchanged, highlighted, "The Board agreed further rate cuts warranted over time, focus was on timing and extent of easing. The Board considered whether to leave rates at 3.85% or to cut by 25bps (although the) majority agreed prudent to await confirmation on inflation slowdown before easing. The majority felt cutting rates three times in four meetings would not be 'cautious and gradual'."

NZ posted a trade surplus of NZD142m in June, narrowing sharply from the NZD585m in the same month a year earlier. From June 2024, exports jumped 10% to NZD6.6bn, although imports soared 19% to NZD6.5bn.

In the geo-political corner ...

A 'limited' trade deal between the US and India has reportedly been ruled out ahead of the 1-August deadline, while the Japanese trade negotiator stated they are "continuing to seek common ground on tariff issues with the US." President Trump also announced a trade deal with Philippines, reducing its tariff rate from 20% to 19% with no tariffs on US goods.

And that old Trump chestnut ... "Powell will be out soon" although, he stopped short of saying he will be fired.

The Iranian Foreign Minister stated that the country could not abandon its nuclear enrichment program, even though its facilities have suffered major damage, which saw a certain President retaliate with, "We'll do it again, if necessary!"



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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	68.80					CAD	0.8164 0.8915
NZD/USD	0.6002	0.0006	0.0019	0.0037	0.0059	CHF	0.4753 0.5192
NZD/AUD	0.9158	0.0004	0.0015	0.0023	0.0033	CNY	4.2923 4.6902
NZD/JPY	87.960	-0.23	-0.61	-1.25	-2.28	DKK	3.8113 4.1619
NZD/EUR	0.5108	-0.0006	-0.0015	-0.0032	-0.0063	FJD	1.3304 1.4528
NZD/GBP	0.4436	0.0003	0.0011	0.0020	0.0036	HKD	4.7099 5.1433
						KRW	828.38 904.59
AU TWI	60.30					MYR	2.5374 2.7708
AUD/USD	0.6552	0.0003	0.0011	0.0023	0.0039	NOK	6.0446 6.6007
AUD/NZD	1.0915	-0.0006	-0.0018	-0.0030	-0.0050	SEK	5.7076 6.2327
AUD/JPY	96.03	-0.29	-0.82	-1.62	-2.88	SGD	0.7667 0.8373
AUD/EUR	0.5575	-0.0009	-0.0025	-0.0049	-0.0091	TWD	17.63 19.25
AUD/GBP	0.4842	0.0001	0.0004	0.0010	0.0018	ZAR	10.54 11.51
USD Index	97.38					EQUITIES	
EUR/USD	1.1750	0.0025	0.0072	0.0144	0.0264		Index
USD/JPY	146.54	-0.52	-1.50	-2.94	-5.23	NZX50	12,834
GBP/USD	1.3528	0.0003	0.0011	0.0019	0.0025	ASX200	8,677
EUR/GBP	0.8683	0.0017	0.0046	0.0092	0.0177	Dow Jones	44,512
USD/CNY	7.1748	-0.0174	-0.0480	-0.0933	-0.1795	S&P 500	6,316
						FTSE100	9,024
INTEREST		New Zealand		Australia		DAX 30	24,042
RATES		Mid		Mid		Nikkei	39,775
30 day bank bills			3.35%		3.78%	COMMODITIES	
90 day bank bills			3.22%		3.74%		USD
1 year swap			3.08%		3.35%	Brent Crude	68.85
2 year swap			3.13%		3.26%	Gold	3,431.10
3 year swap			3.26%		3.31%	Silver	39.29
5 year swap			3.53%		3.71%	Iron Ore	97.84
10 year swap			4.07%		4.18%	CRB Index	374.16
3 year Govt bond			3.53%		3.41%		
5 year Govt bond			3.94%		3.69%		NZD
10 year Govt bond			4.64%		4.41%	NZ Carbon	57.40

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