

# Market Alert

Tuesday 27 April 2021

CURRENCIES	Spot	6mths
NZD/USD	0.7239	-0.0005
NZD/AUD	0.9277	-0.0012
NZD/JPY	78.27	-0.20
NZD/EUR	0.5988	-0.0027
NZD/GBP	0.5206	-0.0006
NZD/CNH	4.6865	0.0587
AUD/USD	0.7803	0.0005
AUD/EUR	0.6454	-0.0021
EUR/USD	1.2089	0.0047
USD/CNH	6.4725	0.0855
GBP/USD	1.3906	0.0008
EUR/GBP	0.8694	0.0029

  

INT RATES	NZ	Australia
OCR/Cash	0.25%	0.10%
90 day bills	0.35%	0.04%
2 year swap	0.47%	0.17%
10 year Govt	1.60%	1.75%

## I told you Brexit was a good idea!

Following on from the release of some strong UK data after the flash composite purchasing managers index surged to 60 in April, March retail sales climbed 5.4% on the previous month, and a GfK survey highlighted British consumer sentiment rose to its highest point since the pandemic hit, Goldman Sachs has now upped its UK GDP forecast to a 'striking' 7.8% for 2021. Against this, Goldman's forecast for US growth is at a 'modest' 6.8%, while the IMF are currently projecting 6.4% growth in the US and 5.3% in the UK.

In the US, White House adviser, Brian Deese, announced that President Biden aims to equalise treatment of ordinary income and capital gains for top earners, suggesting that the proposed tax changes will only affect 0.3% of US taxpayers. Mind you, the Biden Presidency has witnessed unprecedented growth on Wall Street with his first 100 days in office seeing equity markets perform better than any of his predecessors, going back to the 1950s. In saying this, it should also be stated that no other President has ever spent as much in his first 100 days, either!

New orders for manufactured durable goods edged up 0.5% for the month of March, well below market forecasts of a 2.5% increase as supply shortages impacted production again!

Treasury yields could also be in for another volatile week after it emerged that investors put USD2.66 billion into short-duration Treasury ETF's after rotating out of 'popular' stocks last week.

After hitting a low of USD47,000 over the weekend, Bitcoin has surged over 10% to hit USD54,400 overnight as the cryptocurrency attempts a comeback from last week's plunge. Amazon shares touched a session high overnight after rumours circulated that the company may announce a stock split on Thursday.

US equities headed for all-time highs amid solid corporate earnings and confidence that the Fed will remain accommodative,

even as the strong recovery has taken the world's largest economy back to pre-pandemic levels. Commodities also surged as Chicago lumber futures skyrocketed above the USD1,400 per thousand board for the first time on record while copper hit its highest level since 2011 at USD4.43/lb and is targeting the 2010 high of USD4.65. In amongst this, the NZD and AUD have cemented their slow grind up against the USD to be at 0.7240 and 0.7800, while 10-year US treasury is yielding 1.58% with the Bund at -0.25%.

## Countering the tech revolution

The government of China has expanded its antitrust crackdown beyond Jack Ma's technology empire, launching a new investigation into suspected monopolistic practices of food delivery company, Meituan. This comes as the Chinese government has become increasingly concerned over the growing influence of tech titans such as Alibaba, Tencent and Meituan given the vast amounts of data they've amassed on Chinese citizens. Obviously, that's the Governments job!

Finally, while the EU has launched legal action against AstraZeneca due to vaccine shortages, perhaps they should just give their friends across the Atlantic a call after the US announced they would share 60 million doses of the AstraZeneca vaccine with other countries.



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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	75.49					CAD	0.8972	0.9671
NZD/USD	0.7239	-0.0001	-0.0002	-0.0005	-0.0012	CHF	0.6618	0.7134
NZD/AUD	0.9277	-0.0002	-0.0006	-0.0012	-0.0025	CNY	4.6908	5.0563
NZD/JPY	78.27	-0.03	-0.09	-0.20	-0.50	DKK	4.4524	4.7993
NZD/EUR	0.5988	-0.0004	-0.0013	-0.0027	-0.0059	FJD	1.4634	1.5775
NZD/GBP	0.5248	-0.0001	-0.0003	-0.0006	-0.0015	HKD	5.6184	6.0563
						KRW	804.26	866.94
AU TWI	64.40					MYR	2.9579	3.1884
AUD/USD	0.7803	0.0001	0.0003	0.0005	0.0008	NOK	5.9997	6.4672
AUD/NZD	1.0779	0.0003	0.0007	0.0014	0.0029	SEK	6.0624	6.5349
AUD/JPY	84.36	-0.01	-0.04	-0.10	-0.31	SGD	0.9596	1.0343
AUD/EUR	0.6454	-0.0003	-0.0010	-0.0021	-0.0047	TWD	20.20	21.77
AUD/GBP	0.5611	0.0000	0.0001	0.0001	-0.0002	ZAR	10.3380	11.1437
USD Index	90.83							
EUR/USD	1.2089	0.0007	0.0023	0.0047	0.0101	<b>EQUITIES</b>		
USD/JPY	108.13	-0.03	-0.09	-0.20	-0.51			<b>Index</b>
GBP/USD	1.3906	0.0001	0.0004	0.0008	0.0018	NZX50		12,651
EUR/GBP	0.8694	0.0005	0.0014	0.0029	0.0061	ASX200		7,046
						Dow Jones		33,972
						S&P 500		4,190
						FTSE100		6,963
						DAX 30		15,296
						Nikkei		29,126
						<b>COMMODITIES</b>		
								<b>USD</b>
						Dubai Light		61.67
						Brent Crude		65.65
						Gold		1,780.85
						Silver		26.18
						CRB Index		210.54

  

INTEREST RATES	New Zealand		Australia	
	Borrow	Invest	Borrow	Invest
30 day bank bills	0.28%	0.24%	0.03%	0.01%
90 day bank bills	0.37%	0.33%	0.06%	0.02%
FRA 90d in 3mths	0.36%	0.33%	0.08%	0.05%
FRA 180d in 6mths	0.39%	0.36%	0.15%	0.13%
1 year swap	0.38%	0.35%	0.09%	0.07%
2 year swap	0.49%	0.45%	0.18%	0.17%
3 year swap	0.65%	0.61%	0.34%	0.32%
5 year swap	1.06%	1.02%	0.85%	0.79%
10 year swap	1.80%	1.77%	1.72%	1.71%
10 year Govt bond		1.58%		1.75%

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