

Market Alert

Thursday 24 August 2023

CURRENCIES	Spot	6mths
NZD/USD	0.5976	0.0000
NZD/AUD	0.9229	-0.0062
NZD/JPY	86.55	-2.60
NZD/EUR	0.5499	-0.0054
NZD/GBP	0.4697	0.0000
NZD/CNH	4.3177	-0.0613
AUD/USD	0.6472	0.0043
AUD/EUR	0.5956	-0.0018
EUR/USD	1.0862	0.0104
USD/CNH	7.2889	-0.1029
GBP/USD	1.2717	-0.0001
EUR/GBP	0.8539	0.0082

INT RATES	NZ	Australia
OCR/Cash	5.50%	4.10%
90 day bills	5.68%	4.19%
2 year swap	5.56%	4.12%
10 year Govt	5.17%	4.27%

Spending down again

New Zealand's core retail sales came in at -1.0% (seasonally adjusted) for Q2 yesterday, much worse than expectations of -0.4% and confirming the third consecutive drop in retail sales after March's -1.6% and December's -1.1%. Eleven out of the fifteen surveyed industries were down, led by hardware, recreational goods, and clothing & footwear down -4.8% from last quarter, with food & beverage services similarly down -4.4%. Motor vehicles had the largest rise, up 3.7% on the quarter.

US treasury yields have taken a small turn, with the 2 and 10-year yields

at 4.19% and 4.96% respectively, as analysts are pricing in expectations that the Fed will pause their hiking cycle to prevent a recession.

US new home sales were better than expected at 714,000, a 4.4% increase from last month. A surprising result as mortgage applications fell to their lowest level since April 1995 last week, and mortgage benchmark rates increased to 7.31%, a level last seen in December 2000.

The NZD/USD has perhaps started to bounce back, peaking at 0.5985 before closing at 0.5946 yesterday. AUD/USD showed similar trends, closing at 0.6474.

Preliminary PMIs out

Preliminary US PMIs came in down at 47.0, 51.0, and 50.4 for manufacturing, services, and composite, respectively. All fell short of their expectations of 49.0, 52.2, and 51.1, respectively.

Preliminary Judo Bank Australia manufacturing and services PMIs came in worse than expected, at 49.4 and 46.7, and down from 49.6 and 47.9, respectively. Preliminary Composite PMIs came in at 47.1 against forecasts of 48.2.

Early Euro Zone consumer confidence has come in at -16.0, down from last month and worse than expectations

of -14.5. This was backed up by the slip in the services PMI, down to 48.3. The composite PMI also fell, coming in at 47.0. Manufacturing had a small increase, up to 43.7 from last month's 42.7.

To the Moon

India successfully landed the Chandrayaan-3 near the Moon's south pole yesterday, becoming the fourth country to land on the Moon. This little-explored territory is believed to hold reserves of precious elements and moon water.



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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	70.00					CAD	0.8083	0.8760
NZD/USD	0.5974	0.0000	0.0000	0.0000	-0.0007	CHF	0.5242	0.5680
NZD/AUD	0.9229	-0.0010	-0.0033	-0.0062	-0.0117	CNY	4.3480	4.7068
NZD/JPY	86.55	-0.42	-1.28	-2.60	-5.06	DKK	4.0994	4.4404
NZD/EUR	0.5499	-0.0008	-0.0025	-0.0054	-0.0112	FJD	1.3281	1.4389
NZD/GBP	0.4697	-0.0001	-0.0001	0.0000	0.0002	HKD	4.6847	5.0744
						KRW	795.07	861.20
AU TWI	60.30					MYR	2.7808	3.0121
AUD/USD	0.6472	0.0007	0.0022	0.0043	0.0078	NOK	6.3298	6.8563
AUD/NZD	1.0830	0.0011	0.0035	0.0070	0.0142	SEK	6.5193	7.0615
AUD/JPY	93.77	-0.36	-1.08	-2.22	-4.37	SGD	0.8080	0.8753
AUD/EUR	0.5956	-0.0002	-0.0007	-0.0018	-0.0045	TWD	19.04	20.62
AUD/GBP	0.5088	0.0004	0.0016	0.0033	0.0065	ZAR	11.05	11.97
USD Index	103.41					EQUITIES		
EUR/USD	1.0862	0.0016	0.0049	0.0104	0.0212		Index	
USD/JPY	144.88	-0.71	-2.15	-4.36	-8.39	NZX50	11,572	
GBP/USD	1.2717	0.0002	0.0000	-0.0001	-0.0016	ASX200	7,148	
EUR/GBP	0.8539	0.0010	0.0036	0.0082	0.0175	Dow Jones	34,456	
						S&P 500	4,438	
INTEREST RATES			New Zealand		Australia	FTSE100	7,321	
			Mid		Mid	DAX 30	15,728	
30 day bank bills			5.65%		4.11%	Nikkei	32,010	
90 day bank bills			5.68%		4.19%	COMMODITIES		
1 year swap			5.78%		4.25%		USD	
2 year swap			5.56%		4.14%	Brent Crude	83.10	
3 year swap			5.29%		4.05%	Gold	1,915.70	
5 year swap			5.00%		4.21%	Silver	24.31	
10 year swap			4.89%		4.46%	Iron Ore	106.77	
3 year Govt bond			5.31%		3.91%	CRB Index	308.24	
5 year Govt bond			5.13%		3.97%		NZD	
10 year Govt bond			5.17%		4.27%	NZ Carbon	66.25	

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