

Market Alert

Friday 22 December 2023

CURRENCIES	Spot	6mths
NZD/USD	0.6275	-0.0003
NZD/AUD	0.9253	-0.0047
NZD/JPY	89.37	-2.55
NZD/EUR	0.5713	-0.0048
NZD/GBP	0.4953	-0.0006
NZD/CNH	4.4854	-0.0598
AUD/USD	0.6782	0.0031
AUD/EUR	0.6172	-0.0020
EUR/USD	1.0984	0.0082
USD/CNH	7.1462	-0.0925
GBP/USD	1.2669	0.0005
EUR/GBP	0.8670	0.0058

INT RATES	NZ	Australia
OCR/Cash	5.50%	4.35%
90 day bills	5.62%	4.36%
2 year swap	4.73%	3.96%
10 year Govt	4.43%	4.02%

Merry Christmas ...

... and may Santa bring you all everything you wished for!

First of all, a big thank you to all of our clients for their support this year ... it has been greatly appreciated. This will be our last Market Alert for 2023 with the first of 2024 due out on 15-January, so enjoy the silence and have a restful break, because 2024 promises to be just as wild as 2023 was!

There is no doubt bond markets will be volatile in 2024, and last night was no exception, as we enter the Christmas 'quiet' period the 10-year US treasury actually dropped below the 3.85% level at one point before recovering to 3.90%, while the NZD/USD and AUD/USD recovered from their lows in our time zone. Equity markets continue to cement

in gains ahead of the break, although I suspect they may get a reality check in the new year, while commodity markets were quiet.

In terms of the data, the final confirmation of US Q3 GDP came in at 4.9%, which was below the 2nd estimate at 5.2% but above the 2.1% reported in the prior period ... still, it is the strongest expansion since Q4 2021. US initial claims edged up by 2k to 205k, while continuing claims fell by 1k to 1.865m.

And just to confirm we are in the 'silly season', the Turkish central bank raised its benchmark one-week repo rate by 250bps to 42.50% ... as was expected!

How the mighty have fallen ... former New York Mayor and Presidential adviser, Rudy Giuliani, is seeking bankruptcy after he lost a defamation case class action against US election workers in the aftermath of the Trump election loss.

And a Happy New Year!

So ... what do we want in 2024?

Donald Trump running for US President will invariably have us both laughing and gasping in disbelief at the same time, and no doubt volatility will surge if there is even a remote possibility of him winning. And what about our very own Finance Minister, Nicola Willis, ... I'm not sure whether she is doing it on purpose or not, hopefully she is, but those references to the size of Grant Robertson's hole and the size of one's sausage does appeal to my school-boy sense of humour!

My personal goal for 2024 is to master the art of the 'strategic napping' ... basically I want to snooze near buff people so I can absorb their fitness by osmosis! I'm also expecting the analysts to improve upon their ability to procrastinate to the extent they get so good at it they accidentally finish their work early! I'm also anticipating the corporate finance team will take up competitive interpretive dance so that a debt re-fi becomes a tango of sorts, the investment team continues to master the art of making awkward silences, and the ladies in the admin team become thumb-warfare champions!

All the best for 2024 and hey ... lets be careful out there!



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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	72.30					CAD	0.8353	0.9028
NZD/USD	0.6277	0.0001	0.0001	-0.0003	-0.0014	CHF	0.5386	0.5823
NZD/AUD	0.9255	-0.0009	-0.0024	-0.0047	-0.0087	CNY	4.4786	4.8382
NZD/JPY	89.39	-0.51	-1.29	-2.55	-4.71	DKK	4.2583	4.6023
NZD/EUR	0.5714	-0.0008	-0.0021	-0.0048	-0.0107	FJD	1.3615	1.4715
NZD/GBP	0.4955	-0.0001	-0.0002	-0.0006	-0.0019	HKD	4.9011	5.2971
						KRW	814.41	880.21
AU TWI	62.30					MYR	2.9198	3.1557
AUD/USD	0.6782	0.0007	0.0018	0.0031	0.0040	NOK	6.4667	6.9893
AUD/NZD	1.0803	0.0010	0.0026	0.0051	0.0079	SEK	6.3472	6.8590
AUD/JPY	96.56	-0.44	-1.16	-2.28	-4.33	SGD	0.8333	0.9006
AUD/EUR	0.6172	-0.0003	-0.0008	-0.0020	-0.0065	TWD	19.58	21.16
AUD/GBP	0.5353	0.0004	0.0011	0.0020	0.0024	ZAR	11.54	12.47
USD Index	101.96					EQUITIES		
EUR/USD	1.0984	0.0016	0.0042	0.0082	0.0173		Index	
USD/JPY	142.37	-0.75	-2.10	-4.00	-7.16	NZX50	11,628	
GBP/USD	1.2669	0.0002	0.0006	0.0005	0.0007	ASX200	7,504	
EUR/GBP	0.8670	0.0010	0.0028	0.0058	0.0128	Dow Jones	37,215	
						S&P 500	4,718	
INTEREST RATES			New Zealand		Australia	FTSE100	7,695	
			Mid		Mid	DAX 30	16,687	
30 day bank bills			5.58%		4.31%	Nikkei	33,140	
90 day bank bills			5.62%		4.36%	COMMODITIES		
1 year swap			5.31%		4.18%		USD	
2 year swap			4.73%		3.96%	Brent Crude	79.11	
3 year swap			4.43%		3.85%	Gold	2,039.29	
5 year swap			4.21%		4.02%	Silver	24.29	
10 year swap			4.27%		4.30%	Iron Ore	134.85	
3 year Govt bond			4.47%		3.68%	CRB Index	303.93	
5 year Govt bond			4.28%		3.70%		NZD	
10 year Govt bond			4.43%		4.02%	NZ Carbon	68.70	

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