

Market Alert

Monday 15 April 2024

CURRENCIES	Spot	6mths
NZD/USD	0.5942	-0.0001
NZD/AUD	0.9195	-0.0047
NZD/JPY	90.95	-2.46
NZD/EUR	0.5579	-0.0048
NZD/GBP	0.4772	-0.0007
NZD/CNH	4.3279	-0.0412
AUD/USD	0.6456	0.0032
AUD/EUR	0.6065	-0.0022
EUR/USD	1.0642	0.0086
USD/CNH	7.2656	-0.0690
GBP/USD	1.2450	0.0015
EUR/GBP	0.8547	0.0056

INT RATES	NZ	Australia
OCR/Cash	5.50%	4.35%
90 day bills	5.67%	4.39%
2 year swap	5.13%	4.09%
10 year Govt	4.95%	4.35%

Maybe I should just ask my wife...

After picking the winner of the Grand National, a couple of A-league games, and the Liverpool vs. Crystal Palace game ... maybe I should just ask my wife what's going to happen in financial markets this week! Yes, it was another great weekend for sport, and we've still got the final round of the Masters to go, and the fact the balance of the TAB account is heading north is an added bonus. What a great way to start the week!

Unfortunately though, despite all of the positives, our hearts go out to those caught up in the Sydney shopping attacks, and a big shout out to the Westfield staff. There is also a serious risk of a rapid escalation in the conflict in the Middle East after the weekend's attack on Israel by Iran. Hopefully cooler heads will prevail in due course.

Expect to see further safe haven buying!

But there no doubt the weekend's escalation will see a risk-off tone likely dominate on the open, with a particular focus on oil futures, given the pending G-7 and UN meetings, but looking at Saturday's close, the USD-index rallied strongly to end the week just above the 106.00 level. Whether this was coincidental, or on rumours of the impending attack and safe-haven buying remains to be seen, but the CHF, which also tends to benefit from safe-haven flows has opened higher this morning. The AUD and NZD both fell, with NZD/USD reaching a 5-month low as it tests the 0.5925 level, while AUD/USD is testing support in the 0.6415-0.6435 range. Interestingly, the US 10-year treasury yield has re-tested the 4.48% level, with it currently holding, suggesting there is room for further appreciation with it closing the week 4.52%, while the 2-years closed at 4.91%. US equity markets closed lower on weaker earnings, while escalating tensions in the Middle East weighed on the global bourses, although commodity markets firmer on higher oil prices, while copper reached its highest level since June 2022.

Friday's releases saw US consumer sentiment fall in April to 77.9 from 79.4 which was below forecasts at 79.0, as both current conditions and expectations declined, while inflation expectations also increased for the year-ahead to 3.1%,

its highest level in 4-months, while the 5-year outlook reached its highest level in 6-months at 3.0%. In NZ, food prices rose 0.7% for the year ended March, its lowest print since May 2021, as fresh produce fell -13.3%.

The week ahead.

This week the main focus from US markets will be on the Q1 reporting season, while FX and fixed income markets will be waiting upon the various speeches from Fed officials, while retail sales, building permits, and housing starts and sales will also impact. We also have trade updates from Japan and the Euro-zone, the Germany ZEW economic sentiment release, and from the UK, CPI, unemployment, and retail sales. There is a whole host of Chinese releases, with GDP, industrial production, retail sales, house prices, and fixed asset investment data. In New Zealand, the main focus will be on the Q1 inflation release, while we also have CPI updates from Canada and Japan, an update on the Australian labour market, and the release of the minutes from the RBA's April meeting.



BANCORP

BANCORP TREASURY SERVICES LIMITED

Barrington
TREASURY SERVICES

Barrington
ASSET CONSULTING



BANCORP

BANCORP CORPORATE FINANCE LIMITED

Daily Rates

Monday 15 April 2024

FX	Spot	FECs (mid)				Spot Mid	
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	70.90					CAD	0.8175 0.8899
NZD/USD	0.5942	0.0000	0.0000	-0.0001	-0.0004	CHF	0.5424 0.5884
NZD/AUD	0.9195	-0.0009	-0.0025	-0.0047	-0.0086	CNY	4.2981 4.6723
NZD/JPY	90.95	-0.42	-1.26	-2.46	-4.72	DKK	4.1592 4.5251
NZD/EUR	0.5579	-0.0007	-0.0022	-0.0048	-0.0105	FJD	1.3254 1.4420
NZD/GBP	0.4772	-0.0001	-0.0003	-0.0007	-0.0019	HKD	4.6505 5.0596
						KRW	818.71 890.73
AU TWI	61.80					MYR	2.8287 3.0776
AUD/USD	0.6456	0.0006	0.0017	0.0032	0.0057	NOK	6.4662 7.0350
AUD/NZD	1.0877	0.0009	0.0027	0.0053	0.0095	SEK	6.4436 7.0104
AUD/JPY	99.02	-0.37	-1.12	-2.20	-4.28	SGD	0.8078 0.8789
AUD/EUR	0.6065	-0.0002	-0.0009	-0.0022	-0.0060	TWD	19.14 20.82
AUD/GBP	0.5184	0.0003	0.0010	0.0018	0.0026	ZAR	11.19 12.18
USD Index	106.01					EQUITIES	
EUR/USD	1.0642	0.0013	0.0041	0.0086	0.0195		Index
USD/JPY	153.05	-0.70	-2.11	-4.14	-7.88	NZX50	11,931
GBP/USD	1.2450	0.0002	0.0007	0.0015	0.0037	ASX200	7,788
EUR/GBP	0.8547	0.0008	0.0026	0.0056	0.0123	Dow Jones	37,983
						S&P 500	5,123
INTEREST RATES			New Zealand		Australia	FTSE100	7,996
			Mid		Mid	DAX 30	17,930
30 day bank bills			5.60%		4.35%	Nikkei	39,524
90 day bank bills			5.64%		4.39%	COMMODITIES	
1 year swap			5.51%		4.26%		USD
2 year swap			5.14%		4.10%	Brent Crude	90.45
3 year swap			4.89%		4.01%	Gold	2,343.43
5 year swap			4.69%		4.20%	Silver	27.88
10 year swap			4.65%		4.44%	Iron Ore	106.05
3 year Govt bond			4.88%		3.90%	CRB Index	345.56
5 year Govt bond			4.77%		3.99%		NZD
10 year Govt bond			4.95%		4.37%	NZ Carbon	55.00

This document has been prepared by Bancorp Treasury Services Limited ("BTSL"). Whilst all reasonable care has been taken to ensure the facts stated are accurate and the opinions given are fair and reasonable, neither BTSL nor any of its directors, officers or employees shall in any way be responsible for the contents. No liability is assumed by BTSL, its directors, officers or employees for action taken or not taken on the basis of this document.



BANCORP
BANCORP TREASURY SERVICES LIMITED

Barrington
TREASURY SERVICES

Barrington
ASSET CONSULTING



BANCORP
BANCORP CORPORATE FINANCE LIMITED