

Market Alert

Monday 29 April 2024

CURRENCIES	Spot	6mths
NZD/USD	0.5948	-0.0001
NZD/AUD	0.9104	-0.0044
NZD/JPY	94.060	-2.58
NZD/EUR	0.5555	-0.0048
NZD/GBP	0.4762	-0.0008
NZD/CNH	4.3207	-0.0462
AUD/USD	0.6529	0.0030
AUD/EUR	0.6104	-0.0024
EUR/USD	1.0692	0.0090
USD/CNH	7.2669	-0.0762
GBP/USD	1.2489	0.0016
EUR/GBP	0.8559	0.0060

INT RATES	NZ	Australia
OCR/Cash	5.50%	4.35%
90 day bills	5.67%	4.46%
2 year swap	5.20%	4.38%
10 year Govt	5.08%	4.61%

Saturday was the first game of the season!

And I definitely felt it on Sunday morning when I was walking like an 80-year-old, which wasn't too bad considering I'm normally walking like a 70-year-old! But a big shout out to the Phoenix who finished the season at the top of the league, although they won't know whether they've actually won the league until Wednesday when the second placed Mariners play their last game. It was also another great weekend for New Zealand drivers, but the gold medal definitely goes to Hamish Kerr, who won the high jump gold at a Diamond League event, which sets him up nicely for the Olympics!

Phew, that was a relief ... or was it?

Well, there was an initial feeling of relief

in financial markets after the PCE release printed bang-in-line with expectations for the month and slightly higher than expectations on the year, with the headline at 0.3% and 2.7% while the core printed at 0.3% and 2.8%, respectively. In the other major US release, the University of Michigan Consumer Confidence Index fell to 77.2 in April while the Current Conditions Index fell from 79.3 to 79.0. Unfortunately, inflation expectations for the year ahead were also revised higher to 3.2% from 3.1%, while the 5-year outlook was confirmed at 3.0%.

Earlier in the session, the BoJ left their interest rates unchanged at 0.00%-0.10% in a 9-0 vote, although they adjusted their wording around their bond purchasing programme announcing that while they will continue to conduct bond purchases, in line with the March decision, they scrapped any reference to the amount.

Ultimately, the fact that US inflation remains elevated while the BoJ maintained their easy monetary settings weighed on USD/JPY, which crumbled to a 34-year low, peaking at 158.44 as speculators sought to test the breaking point for where the BoJ would intervene to support the JPY. Interestingly, the US-dollar's strength didn't 'spill-over' into the other pairs with the USD-index closing just above the 106.00 level, although the JPY weakened on all of its crosses. Bond yields weakened after the PCE print, but only at the peripheral with the US 2-years flat at 5.00% while the 10-years eased -4bps to 4.67%. Equity markets closed the week in positive territory, although

commodity markets were mixed with oil prices largely unchanged, although copper hit USD10k a ton for the first time in 2-years.

The week ahead

This week the focus will 100.0% be on the Federal Reserve, for a change, with their latest interest rate decision due on Thursday morning our time, followed by an update on the US labour market on Saturday morning. Apart from that, we'll be having the latest ISM PMI updates, along with the JOLTs job openings data, foreign trade figures, factory orders, and consumer confidence index.

Beyond the US, we'll have inflation and Q1 GDP updates from Germany, and the Euro-area, S&P PMIs from China, Japanese consumer confidence, unemployment, retail sales, industrial production, and the latest minutes from the BoJ. From Australia, the spotlight will be on the March trade balance, retail sales, alongside the latest housing and credit numbers. From New Zealand we have jobs growth, business confidence, and Q1 employment data.



BANCORP

BANCORP TREASURY SERVICES LIMITED

Barrington
TREASURY SERVICES

Barrington
ASSET CONSULTING



BANCORP

BANCORP CORPORATE FINANCE LIMITED

Daily Rates

Monday 29 April 2024

FX	Spot	FECs (mid)				Spot Mid	
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	70.70					CAD	0.8122 0.8930
NZD/USD	0.5948	0.0000	0.0000	-0.0001	-0.0003	CHF	0.5435 0.5953
NZD/AUD	0.9104	-0.0009	-0.0024	-0.0044	-0.0071	CNY	4.3087 4.7312
NZD/JPY	94.060	-0.49	-1.31	-2.58	-4.92	DKK	4.1461 4.5527
NZD/EUR	0.5555	-0.0007	-0.0022	-0.0048	-0.0102	FJD	1.3249 1.4548
NZD/GBP	0.4762	-0.0001	-0.0003	-0.0008	-0.0019	HKD	4.6544 5.1108
						KRW	818.43 898.67
AU TWI	62.30					MYR	2.8333 3.1111
AUD/USD	0.6529	0.0006	0.0017	0.0030	0.0046	NOK	6.5479 7.1899
AUD/NZD	1.0999	0.0010	0.0028	0.0048	0.0078	SEK	6.4986 7.1358
AUD/JPY	103.45	-0.42	-1.18	-2.36	-4.68	SGD	0.8096 0.8890
AUD/EUR	0.6104	-0.0002	-0.0009	-0.0024	-0.0068	TWD	19.37 21.26
AUD/GBP	0.5226	0.0004	0.0011	0.0017	0.0019	ZAR	11.20 12.30
USD Index	106.09					EQUITIES	
EUR/USD	1.0692	0.0013	0.0043	0.0090	0.0194		Index
USD/JPY	158.33	-0.79	-2.20	-4.33	-8.26	NZX50	11,805
GBP/USD	1.2489	0.0002	0.0006	0.0016	0.0036	ASX200	7,576
EUR/GBP	0.8559	0.0009	0.0029	0.0060	0.0125	Dow Jones	38,240
						S&P 500	5,100
INTEREST RATES			New Zealand		Australia	FTSE100	8,140
			Mid		Mid	DAX 30	18,161
30 day bank bills			5.60%		4.36%	Nikkei	37,935
90 day bank bills			5.64%		4.46%	COMMODITIES	
1 year swap			5.56%		4.49%		USD
2 year swap			5.21%		4.39%	Brent Crude	89.50
3 year swap			4.97%		4.31%	Gold	2,337.72
5 year swap			4.80%		4.49%	Silver	27.17
10 year swap			4.87%		4.72%	Iron Ore	110.16
3 year Govt bond			4.96%		4.17%	CRB Index	345.07
5 year Govt bond			4.88%		4.25%		NZD
10 year Govt bond			5.08%		4.61%	NZ Carbon	55.75

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