

Market Alert

Monday 22 July 2024

CURRENCIES	Spot	6mths
NZD/USD	0.6013	0.0001
NZD/AUD	0.8988	-0.0031
NZD/JPY	94.700	-2.52
NZD/EUR	0.5522	-0.0048
NZD/GBP	0.4656	-0.0006
NZD/CNH	4.3833	-0.0576
AUD/USD	0.6688	0.0022
AUD/EUR	0.6141	-0.0033
EUR/USD	1.0887	0.0094
USD/CNH	7.2839	-0.0954
GBP/USD	1.2910	0.0012
EUR/GBP	0.8422	0.0063

INT RATES	NZ	Australia
OCR/Cash	5.50%	4.35%
90 day bills	5.54%	4.52%
2 year swap	4.34%	4.20%
10 year Govt	4.43%	4.38%

Dead man walking ...

... is probably the best way to sum up the final part of soon-to-be ex-President Joe Biden's career! Yes, after weeks of discussion, debate, and most likely some behind the scenes' negotiations, Joe Biden has finally fallen on his sword and announced, "I believe it is in the best interest of my party and the country for me to stand down and to focus solely on fulfilling my duties as President for the remainder of my term."

Big Joe has also come out to give an official endorsement for Harris, saying: "Today I want to offer my full support and endorsement for Kamala to be the nominee of our party this year" although, I suspect this will be challenged ahead of the Democratic National Convention in August. But aside from that, will a new challenger bring more focus back to

Donald Trump's economic 'strategies' ... or should they be referred to as 'theories'?

But back to Joe personally, I think the Dark Knight said it best "You either die a hero or you live long enough to become the villain."

Thank you CrowdStrike.

With it being a wet weekend in Auckland, all sport was cancelled ... and when that happens it usually means I'm dragged around the shopping mall by various family members ... so thank you CrowdStrike ... outages on some 8.5million computer systems saved me a fortune ... although it wasn't so fine for my folks, who had an additional 6-hours in Hong Kong airports that they hadn't planned upon!

Looking at the headlines as we close last week off, Japanese inflation flatlined at 2.8%, while the core measure accelerated for a second consecutive month to 2.6%, while UK retail sales fell -1.2% due to 'poor weather conditions' ... surely the Brit's are used to that aren't they?

Financial markets had a turbulent Friday after the Dow tumbled more than 370 points, while the S&P had its worst week since April as investors dump big tech following the CrowdStrike outage, with CrowdStrike themselves down -12%. The fact that the FOMC members also began their blackout period ahead of the 30-31 July meeting didn't help the situation either. Treasury yields were also volatile with the 2 and 10-years eventually closing at 4.52% and 4.24%,

while the USD-index eked out modest gains, also that appears to be reversing in the earlier price action this morning. Commodities also declined, with oil and gold prices lower, while natural gas prices were down -10% on the mild Northern Hemisphere winter, while copper headed for its worst weekly loss in almost 2-years after the Chinese Third Plenum failed to lay out more stimulus to shore up metals demand.

The Taylor Swift 'Eras Tour' is becoming a source of concern for European inflation watchers as concertgoers spend up large on food, tickets and hotels.

The week ahead.

As we approach the last few weeks of the month, the key highlights from the US include will include Q2 GDP, PCE inflation, and personal spending and income, while the 2nd tier releases include the latest S&P manufacturing and service PMIs, durable goods orders, and home sales. Looking further afield, we have the latest interest rate decisions from BoC, and the PBoC with their 1 and 5-year loan prime rate updates, while we also have the latest PMI releases from Australia, Japan, Germany, the Eurozone, and the UK. Germany will also see the release of its Ifo business climate and GfK consumer confidence indices.



BANCORP

BANCORP TREASURY SERVICES LIMITED

Barrington
TREASURY SERVICES

Barrington
ASSET CONSULTING



BANCORP

BANCORP CORPORATE FINANCE LIMITED

Daily Rates

Monday 22 July 2024

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	70.90					CAD	0.8242	0.9175
NZD/USD	0.6013	0.0000	-0.0001	0.0001	0.0004	CHF	0.5341	0.5931
NZD/AUD	0.8988	-0.0009	-0.0020	-0.0031	-0.0031	CNY	4.3719	4.8630
NZD/JPY	94.700	-0.45	-1.29	-2.52	-4.46	DKK	4.1184	4.5845
NZD/EUR	0.5522	-0.0008	-0.0024	-0.0048	-0.0087	FJD	1.3242	1.4741
NZD/GBP	0.4656	-0.0001	-0.0003	-0.0006	-0.0002	HKD	4.6924	5.2235
						KRW	834.39	928.82
AU TWI	63.70					MYR	2.8147	3.1333
AUD/USD	0.6688	0.0005	0.0014	0.0022	0.0024	NOK	6.4895	7.2240
AUD/NZD	1.1118	0.0009	0.0023	0.0033	0.0027	SEK	6.4049	7.1298
AUD/JPY	105.15	-0.41	-1.22	-2.45	-4.64	SGD	0.8081	0.8995
AUD/EUR	0.6141	-0.0004	-0.0013	-0.0033	-0.0078	TWD	19.70	21.93
AUD/GBP	0.5177	0.0003	0.0008	0.0011	0.0014	ZAR	10.98	12.22
USD Index	104.37					EQUITIES		
EUR/USD	1.0887	0.0016	0.0047	0.0094	0.0175		Index	
USD/JPY	157.49	-0.73	-2.14	-4.16	-7.47	NZX50	12,326	
GBP/USD	1.2910	0.0003	0.0008	0.0012	0.0010	ASX200	7,972	
EUR/GBP	0.8422	0.0010	0.0031	0.0063	0.0126	Dow Jones	40,288	
						S&P 500	5,505	
INTEREST RATES			New Zealand		Australia	FTSE100	8,156	
			Mid		Mid	DAX 30	18,172	
30 day bank bills			5.60%		4.36%	Nikkei	40,064	
90 day bank bills			5.54%		4.52%	COMMODITIES		
1 year swap			4.97%		4.41%		USD	
2 year swap			4.36%		4.21%	Brent Crude	82.63	
3 year swap			4.10%		4.06%	Gold	2,399.91	
5 year swap			3.97%		4.21%	Silver	29.26	
10 year swap			4.12%		4.40%	Iron Ore	108.45	
3 year Govt bond			4.19%		4.04%	CRB Index	329.96	
5 year Govt bond			4.14%		4.08%		NZD	
10 year Govt bond			4.43%		4.36%	NZ Carbon	53.00	

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