

# Market Alert

Tuesday 13 August 2024

CURRENCIES	Spot	6mths
NZD/USD	0.6019	-0.0002
NZD/AUD	0.9140	-0.0029
NZD/JPY	88.525	-2.26
NZD/EUR	0.5507	-0.0047
NZD/GBP	0.4715	-0.0005
NZD/CNH	4.3197	-0.0657
AUD/USD	0.6585	0.0017
AUD/EUR	0.6024	-0.0033
EUR/USD	1.0930	0.0088
USD/CNH	7.1770	-0.1055
GBP/USD	1.2766	0.0007
EUR/GBP	0.8562	0.0064

  

INT RATES	NZ	Australia
OCR/Cash	5.50%	4.35%
90 day bills	5.36%	4.42%
2 year swap	3.99%	3.77%
10 year Govt	4.33%	4.14%

## One sleep to go ...

... before the whole will be, won't he debate ... will it be a hawkish cut, or a dovish hold ... or the opposite? Simply put, no one has any idea, which means no one knows what is going to happen, but I can guarantee one thing ... someone will be complaining tomorrow evening!

## But last night's session was dull ...

... and when I say dull, I mean dull ... full dull, completely dull ... because the

first headline I saw this morning on my news feed was about Indian inflation ... something I've never seen before, but if you are interested, it fell from 5.08% to a 5-year low at 3.54%!

And speaking of inflation, US consumer expectations of where inflation will be in the coming 12-months were unchanged at 3.0% in July, as was the 5-year forecast at 2.8%, although the 3-year forecast fell to a series low at 2.3%. In the other headline, the US federal budget deficit for July printed at -USD244bn versus the estimate at -USD242bn.

BoE policymaker, Catherine Mann, announced, "*Goods and services prices are set to rise again. Wage growth is also still a concern for inflation. Wage pressures could take years to dissipate.*" Although there was some good news after UK employers confirmed plans to raise wages by around 3.0% in the coming 12-months, its lowest level in 2-years.

Germany wholesale prices rose by 0.3% in July following June's -0.3% contraction.

RBA Deputy Governor Hauser spoke yesterday, but everything was prefixed with a counter, and he didn't announce anything startling or different. Yep, I am struggling to find anything interesting to write!

Looking at the financial markets, commodity prices were firmer with oil prices rallying 3.0%-3.5% on a mixture of

geo-political and supply issues, after US Defense Secretary Lloyd Austin, ordered a carrier strike group to accelerate its transit to the Middle East amid Iranian threats of retaliation against Israel, while OPEC reduced its 2024 global oil demand growth forecast to 2.11 million barrels per day from 2.25 million.

Equity markets were, broadly speaking, higher in Asia and Europe although US indexes will close flat to slightly lower. The NZD and AUD were the strongest performing currencies overnight, while the JPY weakened as speculators looked to re-establish short positions. Yield markets were also quiet with the US 2 and 10-year yields easing -5bps and -4bps to yield 4.02% and 3.91%, respectively, which will push NZ swap rates a touch lower on our open.

## Oh well ... back to sleep then.



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# Daily Rates

Tuesday 13 August 2024 October 2022

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	70.10					CAD	0.8269	0.9048
NZD/USD	0.6019	0.0000	0.0000	-0.0002	-0.0006	CHF	0.5202	0.5693
NZD/AUD	0.9140	-0.0008	-0.0019	-0.0029	-0.0031	CNY	4.3166	4.7268
NZD/JPY	88.525	-0.44	-1.18	-2.26	-3.89	DKK	4.1078	4.4956
NZD/EUR	0.5507	-0.0008	-0.0024	-0.0047	-0.0086	FJD	1.3291	1.4546
NZD/GBP	0.4715	-0.0002	-0.0003	-0.0005	-0.0002	HKD	4.6876	5.1301
						KRW	824.35	902.17
AU TWI	61.50					MYR	2.6776	2.9303
AUD/USD	0.6585	0.0006	0.0013	0.0017	0.0014	NOK	6.5036	7.1175
AUD/NZD	1.0939	0.0009	0.0022	0.0032	0.0026	SEK	6.3349	6.9330
AUD/JPY	96.82	-0.40	-1.09	-2.15	-3.99	SGD	0.7967	0.8719
AUD/EUR	0.6024	-0.0004	-0.0013	-0.0033	-0.0078	TWD	19.51	21.35
AUD/GBP	0.5158	0.0003	0.0007	0.0011	0.0015	ZAR	10.98	12.02
USD Index	103.12					<b>EQUITIES</b>		
EUR/USD	1.0930	0.0017	0.0046	0.0088	0.0161		<b>Index</b>	
USD/JPY	147.07	-0.74	-1.95	-3.69	-6.35	NZX50	12,281	
GBP/USD	1.2766	0.0005	0.0009	0.0007	-0.0017	ASX200	7,814	
EUR/GBP	0.8562	0.0009	0.0030	0.0064	0.0131	Dow Jones	39,291	
						S&P 500	5,343	
<b>INTEREST RATES</b>			<b>New Zealand</b>		<b>Australia</b>	FTSE100	8,210	
			<b>Mid</b>		<b>Mid</b>	DAX 30	17,726	
30 day bank bills			5.44%		4.35%	Nikkei	35,025	
90 day bank bills			5.36%		4.42%	<b>COMMODITIES</b>		
1 year swap			4.60%		4.08%		<b>USD</b>	
2 year swap			4.01%		3.79%	Brent Crude	82.04	
3 year swap			3.81%		3.69%	Gold	2,471.25	
5 year swap			3.78%		3.88%	Silver	27.94	
10 year swap			4.02%		4.13%	Iron Ore	101.26	
3 year Govt bond			3.96%		3.69%	CRB Index	330.11	
5 year Govt bond			3.97%		3.76%		<b>NZD</b>	
10 year Govt bond			4.33%		4.12%	NZ Carbon	54.50	

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