

Market Alert

Monday 16 September 2024

CURRENCIES	Spot	6mths
NZD/USD	0.6174	-0.0002
NZD/AUD	0.9212	-0.0016
NZD/JPY	86.945	-1.99
NZD/EUR	0.5574	-0.0041
NZD/GBP	0.4704	0.0000
NZD/CNH	4.4068	-0.0666
AUD/USD	0.6696	0.0008
AUD/EUR	0.6045	-0.0036
EUR/USD	1.1076	0.0075
USD/CNH	7.0992	-0.1065
GBP/USD	1.3121	-0.0005
EUR/GBP	0.8438	0.0058

INT RATES	NZ	Australia
OCR/Cash	5.25%	4.35%
90 day bills	5.10%	4.47%
2 year swap	3.63%	3.54%
10 year Govt	4.19%	3.90%

"At first, I was afraid, I was petrified

... kept thinking how I'm going to live, without you by my side? But ... I will survive!" Yes, Gloria Gaynor and Donna Summer sung it best with 'I Will Survive' ... and that's how I woke up on Saturday morning thinking I'd survived another Friday the 13th! But there was one thing I couldn't get my head around ... something was missing, something wasn't right ... and then it came to me ... the footie season was over and that means one thing ... gardening! A couple of days, and 13 hours of manual labour later, and I'm in pieces!

The working week saw a positive close ...

... with the S&P500 and Nasdaq both cementing in a 5-day winning streak,

although it should be added that all of the major markets closed in positive territory. Commodity markets were mixed, with oil prices falling -0.5%, US bond yields gave up a couple of pips with the 2-year -5bps lower at 3.60% as the 10-year eased -2bps to be at 3.66%, while the USD-index gave up some of its recent gains to close at a weekly low just above the 101.00 level, which saw the NZD and AUD post modest gains.

The University of Michigan consumer sentiment index firmed to a 4-month high at 69.0 against the initial estimate at 68.5. Former NY Fed President Bill Dudley announced, "I think there's a strong case for a 50bps cut next week."

The weekend's Chinese August releases saw retail sales print at 2.1% following the prior month's 2.7% result, while industrial production fell to a 5-month low at 4.5% against expectations at 4.8%. New home prices in 70 cities declined by -5.3% in August, following on from July's -4.9% fall, foreign direct investment into China slumped -31.5% year-on-year to USD81.80bn during the January-August period and, finally, China's fixed-asset investment rose by 3.4% over the same January-August period against an expected 3.5% gain.

Following on from ECB President Christine Lagarde's comments that "The ECB is open to considering an interest-rate cut in October should the economy suffers a major setback; although the next comprehensive set of information will only be available at the following meeting," ECB

colleague Gabriel Makhoulf added, "We will continue to be data-dependent in our deliberations. We are not pre-committing to a particular rate path." Robert Holzmann also added, "I am not per se against lowering rates, I only object when the timing does not look right. Headline inflation is expected to rise temporarily in the coming months due to base effects, so October might not be the right time given the limited amount of additional data."

Reports are sketchy, but there have been multiple shots fired within Donald Trump's general vicinity. Reports say he's unharmed.

The week ahead ...

... will revolve around central bankers ... their actions, their comments, and their projections as we have the latest interest rate updates from the FOMC, BoE, and the BoJ, as well as from the central banks of Brazil, Norway, Turkey, China, and South Africa. Beyond that, we also have, from the US, retail sales, industrial production, building permits, housing starts, and existing home sales. From the UK we have inflation, retail sales, and consumer confidence, in Japan we also have the latest inflation update and, from Canada, inflation and retail sales figures. We also have the latest Germany ZEW update, the latest Australian labour update, and NZ Q2 GDP, PSIs, and the current account deficit.



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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	70.90					CAD	0.8371	0.9109
NZD/USD	0.6174	0.0000	0.0001	-0.0002	-0.0006	CHF	0.5228	0.5656
NZD/AUD	0.9212	-0.0005	-0.0011	-0.0016	-0.0010	CNY	4.3665	4.7544
NZD/JPY	86.945	-0.37	-1.05	-1.99	-3.45	DKK	4.1488	4.5112
NZD/EUR	0.5574	-0.0007	-0.0020	-0.0041	-0.0078	FJD	1.3442	1.4617
NZD/GBP	0.4704	-0.0001	-0.0001	0.0000	0.0003	HKD	4.8019	5.2215
						KRW	817.91	889.37
AU TWI	61.60					MYR	2.6467	2.8779
AUD/USD	0.6696	0.0004	0.0009	0.0008	-0.0005	NOK	6.5469	7.1189
AUD/NZD	1.0887	0.0006	0.0011	0.0010	-0.0004	SEK	6.2895	6.8390
AUD/JPY	94.40	-0.35	-1.05	-2.05	-3.69	SGD	0.7989	0.8687
AUD/EUR	0.6045	-0.0005	-0.0015	-0.0036	-0.0079	TWD	19.67	21.39
AUD/GBP	0.5101	0.0002	0.0005	0.0007	0.0008	ZAR	10.93	11.88
USD Index	101.11					EQUITIES		
EUR/USD	1.1076	0.0015	0.0041	0.0075	0.0136		Index	
USD/JPY	140.82	-0.60	-1.73	-3.18	-5.36	NZX50	12,833	
GBP/USD	1.3121	0.0002	0.0004	-0.0005	-0.0035	ASX200	8,100	
EUR/GBP	0.8438	0.0010	0.0028	0.0058	0.0123	Dow Jones	41,394	
						S&P 500	5,626	
INTEREST RATES			New Zealand		Australia	FTSE100	8,273	
			Mid		Mid	DAX 30	18,699	
30 day bank bills			5.32%		4.36%	Nikkei	36,582	
90 day bank bills			5.10%		4.47%	COMMODITIES		
1 year swap			4.25%		3.94%		USD	
2 year swap			3.65%		3.55%	Brent Crude	71.61	
3 year swap			3.49%		3.43%	Gold	2,576.50	
5 year swap			3.50%		3.63%	Silver	30.66	
10 year swap			3.77%		3.92%	Iron Ore	92.26	
3 year Govt bond			3.70%		3.49%	CRB Index	324.85	
5 year Govt bond			3.77%		3.55%		NZD	
10 year Govt bond			4.19%		3.92%	NZ Carbon	61.80	

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