

Market Alert

Friday 29 November 2024

CURRENCIES	Spot	6mths
NZD/USD	0.5890	0.0016
NZD/AUD	0.9058	0.0019
NZD/JPY	89.250	-1.71
NZD/EUR	0.5580	-0.0038
NZD/GBP	0.4643	0.0015
NZD/CNH	4.2698	-0.0258
AUD/USD	0.6500	0.0003
AUD/EUR	0.6158	-0.0055
EUR/USD	1.0553	0.0098
USD/CNH	7.2492	-0.0632
GBP/USD	1.2683	-0.0006
EUR/GBP	0.8317	0.0082

INT RATES	NZ	Australia
OCR/Cash	4.25%	4.35%
90 day bills	4.38%	4.47%
2 year swap	3.67%	3.99%
10 year Govt	4.51%	4.45%

That's just the worst feeling in the world ...

... I woke up early this morning and although great, it's Saturday! Unfortunately the alarm then went off which meant, wait a minute, it's Friday. Still at least it's not Monday! But I was in a good mood when I woke this morning as last night I'd started my December ritual ... yes, I try and watch a Christmas movie every evening in December ... with a Negrone! It's a wide and varied list, some old, some new ... but last night's one was based on a true story (apparently) about St Nicholas being kidnapped the night before Christmas by a goblin!

And don't let the Thanksgiving holiday fool you ...

... today is going to be a busy day! Don't let those bankers mislead you, forget that NZD/USD has spent the last 24 hours in a 24pip range ... today it's going to be manic! There's the NFL to start with, Manchester United vs. Bodo in between, followed by the Black Caps versus the Poms! It's going to be hard to fit in some work today!

But in terms of markets ... yeah ... nah! With the US holiday, markets were quiet overnight and will be so today. Equity and commodity markets posted modest gains in the region of 0.3%, FX markets are virtually unchanged, and bond yields are a touch lower, although it should be noted that the French 10-year yield rose to 3.03%, matching the 10-year Greek yield for the first time ever with their political standoff over the country's budget.

I've just seen a headline that the RBNZ's Deputy Governor, Christian Hawkesby, has given an interview to the WSJ, stating, "The statement this week gives one of the clearest signals around the next meeting that we've put out for some time, that when we meet in February, the question will be why not (another) 50bps? We converged reasonably easily to 50bps as the best place to land, but we combined that with very clear signalling around the likelihood of another 50 basis points in February."

Christian also acknowledged growing concerns regarding international trade tensions that could reignite inflation, but he felt 2025 will likely be a turning point for the NZ economy with "green shoots" adding, "We are turning the corner. We are feeling confident that we have done the job (of lowering inflation) and that's what has motivated us to lower interest rates over the last few meetings."

On a side note, NZ Business confidence eased back from 65.7 to 64.9 although the own activity outlook surged from 45.9 to 48.0. Pricing intentions fell by 2 pips to a net 42.0% of firms intending to raise prices in the next 3 months, with the average amount by which they intend to raise by eased from 1.7% to 1.6%. Stats NZ also updated its monthly 'Employment Indicators' data which highlighted there are 35.5k fewer jobs now than there were a year ago while the number of filled jobs fell by 2k to 2.36m in October.

In Australia, the incumbent Labor Party and left-wing Greens have revived legislative talks to create a 'Dual Board' structure for the RBA with a Monetary Policy Board focusing on monetary policy and a Governance Board providing oversight on the central bank's operational aspects.

The Bank of Korea unexpectedly cuts its base rate by 25bps to 3.00% from 3.25%.

German inflation accelerated to 2.2% in November, its highest since July, and up from October's 2.0%.



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Daily Rates

Friday 29 November 2024

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	69.70					CAD	0.8249	0.9107
NZD/USD	0.5890	0.0002	0.0006	0.0016	0.0037	CHF	0.5200	0.5741
NZD/AUD	0.9058	0.0001	0.0005	0.0019	0.0050	CNY	4.2653	4.7086
NZD/JPY	89.250	-0.39	-0.94	-1.71	-3.03	DKK	4.1607	4.5922
NZD/EUR	0.5580	-0.0006	-0.0018	-0.0038	-0.0082	FJD	1.3154	1.4519
NZD/GBP	0.4643	0.0002	0.0005	0.0015	0.0030	HKD	4.5841	5.0597
						KRW	821.51	906.74
AU TWI	61.40					MYR	2.6171	2.8886
AUD/USD	0.6500	0.0002	0.0003	0.0003	0.0003	NOK	6.5039	7.1787
AUD/NZD	1.1037	-0.0002	-0.0007	-0.0026	-0.0065	SEK	6.4320	7.0994
AUD/JPY	98.51	-0.45	-1.09	-2.08	-3.87	SGD	0.7903	0.8723
AUD/EUR	0.6158	-0.0007	-0.0023	-0.0055	-0.0124	TWD	19.17	21.16
AUD/GBP	0.5122	0.0001	0.0003	0.0004	0.0003	ZAR	10.65	11.76
USD Index	106.17					EQUITIES		
EUR/USD	1.0553	0.0014	0.0043	0.0098	0.0222		Index	
USD/JPY	151.52	-0.73	-1.75	-3.29	-6.07	NZX50	13,054	
GBP/USD	1.2683	-0.0001	-0.0005	-0.0006	-0.0013	ASX200	8,444	
EUR/GBP	0.8317	0.0011	0.0036	0.0082	0.0175	Dow Jones	44,722	
USD/CNY	7.244	-0.0174	-0.0517	-0.1070	-0.2212	S&P 500	5,999	
						FTSE100	8,281	
INTEREST		New Zealand		Australia		DAX 30	19,426	
RATES		Mid		Mid		Nikkei	38,349	
30 day bank bills		4.38%		4.36%		COMMODITIES		
90 day bank bills		4.38%		4.47%			USD	
1 year swap		3.89%		4.21%		Brent Crude	73.17	
2 year swap		3.68%		4.00%		Gold	2,640.96	
3 year swap		3.65%		3.93%		Silver	30.26	
5 year swap		3.74%		4.16%		Iron Ore	102.17	
10 year swap		4.06%		4.41%		CRB Index	343.37	
3 year Govt bond		3.85%		3.96%			NZD	
5 year Govt bond		4.04%		4.06%		NZ Carbon	64.05	
10 year Govt bond		4.51%		4.45%				

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