

Market Alert

Friday 14 March 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5704	0.0023
NZD/AUD	0.9074	0.0025
NZD/JPY	84.250	-1.31
NZD/EUR	0.5255	-0.0031
NZD/GBP	0.4405	0.0019
NZD/CNH	4.1328	-0.0349
AUD/USD	0.6285	0.0007
AUD/EUR	0.5790	-0.0050
EUR/USD	1.0854	0.0107
USD/CNH	7.2456	-0.0905
GBP/USD	1.2950	-0.0006
EUR/GBP	0.8380	0.0086

INTR RATES	NZ	Australia
OCR/Cash	3.75%	4.10%
90 day bills	3.69%	4.17%
2 year swap	3.40%	3.68%
10 year Govt	4.71%	4.53%

Peace and quiet are rare commodities at the moment ...

... with a certain gentleman in the White House who threatened a 200% tariff on all European wines, champagnes and alcoholic products in response to the EU's 50% levy on bourbon, which was a retaliatory measure to USA's 25% tariff on steel and aluminum. Confused? I am! He's just finished another one of his rambling news conferences with the key points being the Russian peace talks are "going okay" while, on tariffs, he added "I am not going to change my mind on 2nd April tariffs. The US does not need Canada's cars, energy or lumber. There will be a little disruption, but it won't be very long."

In terms of the actual economic data releases ...

- US PPIs printed flat in February, below January's upwardly revised figure of 0.6% against forecasts of a 0.3% rise. The core declined from 0.5% to 0.1% on the month while, on the year PPIs fell from 3.7% to 3.2% against expectations at 3.3%.

- US initial claims fell by 2k to 220k, while continuing claims fell by 27k to 1,897k.

- Eurozone industrial output jumped 0.8% in January, which was ahead of expectations at 0.6%.

US Treasury Secretary Scott Bessent stated, "We're focused on the real economy – can we create an environment where there are long-term gains in the market and long-term gains for the American people. I'm not concerned about a little bit of volatility over three weeks. The reason stocks are a safe and great investment is because you're looking over the long-term."

The ECB's Jochim Nagel announced, "We will achieve price stability this year. We will be back to our 2.0% (inflation) target at the end of this year."

So what did it all mean? Equity markets are a 'sea of red' once again with most exchanges -0.75% to -1.25% lower as trade war jitters and talk of a US government-shutdown, with the Senate Democrats planning to block a Republican spending bill which would fund the government through to September. Treasury yields traded lower, with the 2 and 10 years falling -4bps to 3.96% and 4.28%. The USD-Index posted a modest gain which saw the NZD/USD, AUD/USD, and EUR/USD post small

losses, the NZD/USD sitting just above 0.5700 this morning. Oil prices traded lower, although gold, silver and copper prices all firmed on safe haven flows.

Still ... it's going to be a great weekend with something for everyone!

We have the Warrior's tonight, the state highway 1 derby with the Blues visiting the Chiefs, followed by the F1 in Melbourne on Sunday. Come on Liam. Meanwhile, on a side note ... Kiwi boxer Joseph Parker is, by all accounts, negotiating with heavyweight Oleksandr Usyk for a WBO title fight. Now that would be a fight worth getting up for!



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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	67.90					CAD	0.8226	0.8982
NZD/USD	0.5704	0.0004	0.0011	0.0023	0.0040	CHF	0.5035	0.5551
NZD/AUD	0.9074	0.0004	0.0012	0.0025	0.0045	CNY	4.1303	4.5518
NZD/JPY	84.250	-0.24	-0.70	-1.31	-2.42	DKK	3.9200	4.3198
NZD/EUR	0.5255	-0.0005	-0.0016	-0.0031	-0.0061	FJD	1.2906	1.4223
NZD/GBP	0.4405	0.0003	0.0009	0.0019	0.0038	HKD	4.4321	4.8845
						KRW	829.22	913.84
AU TWI	59.70					MYR	2.5293	2.7874
AUD/USD	0.6285	0.0001	0.0004	0.0007	0.0013	NOK	6.0959	6.7180
AUD/NZD	1.1015	-0.0005	-0.0015	-0.0033	-0.0063	SEK	5.8195	6.4133
AUD/JPY	93.02	-0.31	-0.90	-1.71	-3.13	SGD	0.7616	0.8393
AUD/EUR	0.5790	-0.0008	-0.0026	-0.0050	-0.0097	TWD	18.80	20.72
AUD/GBP	0.4853	0.0001	0.0004	0.0007	0.0016	ZAR	10.44	11.51
USD Index	103.82					EQUITIES		
EUR/USD	1.0854	0.0018	0.0054	0.0107	0.0201		Index	
USD/JPY	147.71	-0.52	-1.53	-2.91	-5.29	NZX50	12,209	
GBP/USD	1.2950	-0.0001	-0.0002	-0.0006	-0.0020	ASX200	7,749	
EUR/GBP	0.8380	0.0014	0.0042	0.0086	0.0167	Dow Jones	40,919	
USD/CNY	7.2439	-0.0168	-0.0499	-0.1005	-0.2020	S&P 500	5,545	
						FTSE100	8,543	
						DAX 30	22,567	
						Nikkei	36,790	
INTEREST RATES		New Zealand		Australia		COMMODITIES		
		Mid		Mid			USD	
30 day bank bills		3.84%		4.14%		Brent Crude	69.89	
90 day bank bills		3.69%		4.17%		Gold	2,982.36	
1 year swap		3.39%		3.81%		Silver	33.78	
2 year swap		3.45%		3.69%		Iron Ore	101.44	
3 year swap		3.54%		3.69%		CRB Index	368.35	
5 year swap		3.73%		4.01%			NZD	
10 year swap		4.16%		4.35%		NZ Carbon	61.00	
3 year Govt bond		3.80%		3.81%				
5 year Govt bond		4.12%		4.00%				
10 year Govt bond		4.71%		4.53%				

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