

Market Alert

Tuesday 01 April 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5676	0.0025
NZD/AUD	0.9082	0.0027
NZD/JPY	85.200	-1.27
NZD/EUR	0.5249	-0.0031
NZD/GBP	0.4396	0.0021
NZD/CNH	4.1578	-0.0328
AUD/USD	0.6248	0.0009
AUD/EUR	0.5778	-0.0051
EUR/USD	1.0813	0.0111
USD/CNH	7.2647	-0.0908
GBP/USD	1.2908	-0.0005
EUR/GBP	0.8374	0.0088

INT RATES	NZ	Australia
OCR/Cash	3.75%	4.10%
90 day bills	3.61%	4.18%
2 year swap	3.35%	3.58%
10 year Govt	4.63%	4.49%

News reports suggest a man in the White House ...

... has turned orange. No ... this isn't an April fool's joke, someone in the White House has quite literally turned orange!

Finally, French far-right leader Marine Le Pen has been found guilty of misappropriating EU funds, banning her from standing for office for five years and stopping her from running in the 2027 French Presidential election. But given the EU's history of 'spending' ... shouldn't we expect a few more of these cases to be brought to trial?

Global markets plunged ...

... overnight as tariff concerns pressure the economic outlook and dampen

investor sentiment. The US is set to impose reciprocal tariffs this week, including a 25% levy on autos. Worse hit was Japan's Nikkei stock index which closed down 3.0%, European exchanges were 1.0% to 2.0% lower although, as I type, US markets have staged a modest recovery to be flat on the day. President Trump's comment that he could impose secondary tariffs of 25%-50% on buyers of Russian oil saw oil prices surge 3.0% despite China announcing it has discovered a major oilfield in the South China Sea, while gold prices reached a new high ... again ... rallying a further 1.3%.

Globally, bond yields were mixed as US yields made small gains following Friday's weakness. This saw the 2-years firm 1bps to 3.93%, while the 10-years lifted 2bps to yield 4.26%. Initially the USD-index fell below the 104.00 handle to reach a low of 103.75, which provided an element of support for the NZD and AUD, although the USD-index's recovery back to the 104.25 level saw the Antipodean currencies drop to 4-week lows.

Breaking the data releases down...

Germany's inflation slowed to 2.2% in March, its lowest level since November 2024, predominately driven by a sharp slowdown in services inflation, raising the possibility of further ECB rate cuts this year.

Japanese February retail sales grew 1.4% in the year to February, although expectations had been for a 2.0%

gain following January's 4.4% surge. Japanese industrial production also outperformed expectations, jumping 2.5% in February although, before you ask, a Japanese government official denied the higher output was not due to tariff front running, Yeah, right!

There was also good news out of China, implying the authorities Q4 stimulus measures could be supporting the economic recovery after manufacturing PMIs firmed from 50.2 to 50.5 to record the fastest pace of expansion in a year, while non-manufacturing PMIs increased to a 3-month high of 50.8 from February's 50.4.

Australian private sector credit grew 0.5% in February, which was in line with forecasts, while a survey on Australian inflation is forecasting it will increase 0.7% in February to be at 2.8% for the year.

New Zealand's business confidence fell from 58.4 to 57.5 in March as domestic economic uncertainties persisted. Encouragingly, the percentage of businesses expecting conditions to improve over the next year rose to 48.6% from February's 45.1%.



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Daily Rates

Tuesday 01 April 2025

FX	Spot	FECs (mid)				Spot Mid	
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	67.80					CAD	0.8156 0.8982
NZD/USD	0.5676	0.0004	0.0013	0.0025	0.0043	CHF	0.5020 0.5529
NZD/AUD	0.9082	0.0005	0.0013	0.0027	0.0045	CNY	4.1171 4.5335
NZD/JPY	85.200	-0.23	-0.67	-1.27	-2.45	DKK	3.9147 4.3107
NZD/EUR	0.5249	-0.0005	-0.0015	-0.0031	-0.0067	FJD	1.2948 1.4258
NZD/GBP	0.4396	0.0004	0.0010	0.0021	0.0038	HKD	4.4148 4.8614
						KRW	836.42 921.04
AU TWI	59.60					MYR	2.5164 2.7710
AUD/USD	0.6248	0.0001	0.0005	0.0009	0.0015	NOK	5.9644 6.5678
AUD/NZD	1.1004	-0.0006	-0.0017	-0.0037	-0.0060	SEK	5.6942 6.2702
AUD/JPY	93.21	-0.30	-0.88	-1.68	-3.15	SGD	0.7625 0.8397
AUD/EUR	0.5778	-0.0008	-0.0026	-0.0051	-0.0100	TWD	18.87 20.78
AUD/GBP	0.4839	0.0001	0.0004	0.0008	0.0017	ZAR	10.39 11.45
USD Index	104.21					EQUITIES	
EUR/USD	1.0813	0.0017	0.0055	0.0111	0.0213		Index
USD/JPY	150.10	-0.51	-1.52	-2.90	-5.36	NZX50	12,270
GBP/USD	1.2908	-0.0001	-0.0001	-0.0005	-0.0023	ASX200	7,843
EUR/GBP	0.8374	0.0014	0.0043	0.0088	0.0178	Dow Jones	41,891
USD/CNY	7.2567	-0.0162	-0.0440	-0.0971	-0.1958	S&P 500	5,586
						FTSE100	8,583
INTEREST		New Zealand		Australia		DAX 30	22,163
RATES		Mid		Mid		Nikkei	35,618
30 day bank bills		3.70%		4.15%		COMMODITIES	
90 day bank bills		3.61%		4.18%			USD
1 year swap		3.35%		3.76%		Brent Crude	74.74
2 year swap		3.39%		3.63%		Gold	3,121.55
3 year swap		3.47%		3.65%		Silver	34.00
5 year swap		3.68%		3.97%		Iron Ore	103.77
10 year swap		4.12%		4.33%		CRB Index	375.89
3 year Govt bond		3.74%		3.72%			NZD
5 year Govt bond		4.05%		3.91%		NZ Carbon	57.40
10 year Govt bond		4.63%		4.49%			

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