

# Market Alert

Tuesday 05 March 2024

CURRENCIES	Spot	6mths
NZD/USD	0.6090	-0.0003
NZD/AUD	0.9355	-0.0053
NZD/JPY	91.70	-2.57
NZD/EUR	0.5611	-0.0046
NZD/GBP	0.4796	-0.0007
NZD/CNH	4.3915	-0.0587
AUD/USD	0.6511	0.0033
AUD/EUR	0.5995	-0.0016
EUR/USD	1.0856	0.0082
USD/CNH	7.2079	-0.0927
GBP/USD	1.2692	0.0010
EUR/GBP	0.8553	0.0056

  

INT RATES	NZ	Australia
OCR/Cash	5.50%	4.35%
90 day bills	5.68%	4.39%
2 year swap	5.03%	4.00%
10 year Govt	4.78%	4.20%

## It was so quiet last night ...

... that one of the first headlines I saw this morning was that bitcoin had rallied another 5.75% to be at USD66.5k. You know when bitcoin starts to lead the headlines that something is about to implode! Mind you, the second headline was about some bloke who runs a Formula 1 team and is married to a spice girl .... strewth, I give up!

I suppose the fact that we have the ECB and the US employment and wage releases later in the week does, to some extent, justify the quiet session. Equity markets eased back from their recent highs while bond yields firmed with the US 10-years 4bps higher at 4.23%. Conversely, the USD-index eased back a touch to the 103.80 level, while the NZD and AUD flatlined. Most of the excitement

was in fact contained to the oil markets after crude futures consolidated above USD80 per barrel, their highest level since November, after OPEC+ agreed to extend its current production cuts of about 2m barrels a day through to Q2. The doomsday commodity, gold, also had a strong session, rallying 1.5% to close above the USD2,100 level.

Atlanta Fed President, Raphael Bostic, appears intent on taking over from Mary Daly as the intra-meeting Fed mouthpiece, warning that, *"While inflation is on track to return to 2.0%, it is too early to claim victory. I expect two 25bps cuts this year with a 3rd quarter cut likely followed by a pause. We need to see more progress and gain confidence on disinflation before reducing rates. Businesses are not distressed and are ready to invest and hire when the time is right. Inflation is still widespread and pent up exuberance in the economy is an upside risk to inflation. It's clear in places like housing and real estate that monetary policy is having an impact. There is no urgency to cut rates given the economy strength."*

## It's all go in Tokyo!

The Kyodo news agency has reported the Japanese government is considering declaring an official end to deflation in the wake of rising prices with the Government due to make a call following the release of the annual labour-management wage talks on the 13th of March ... although I would suggest that tomorrow's Tokyo CPI release should

also be a consideration. There was the good news that Japanese equity markets have reached new all-time highs with the Nikkei exceeding the 40.2k level ... remember, the prior high was just below the 39k level in December 1989 ... so it's good to see the market has finally 'bounced back'! Last of all, Japanese companies increased spending on CAPEX by 16.4% in Q4.

Australian companies also had a strong Q4 after corporate profits surged 7.4%, to rebound strongly from Q3's revised -1.6% fall, while building approvals declined by -1.0% to 12.85k units following December's -9.5% drop.

In New Zealand, the Q4 trade deficit narrowed from NZD8.1bn to NZD4.6bn, although export prices shrank -4.2% while import costs rose 3.8% ... still, with almost 500k kiwis behind in their debt repayments, I don't suppose many people are purchasing imported goods!

## Trump stays on ballot.

The US Supreme Court has ruled states cannot remove Donald Trump from their presidential election ballot papers, reversing the Colorado decision, while Nikki Haley just recorded her first primary win in the nation's capital state of Washington, D.C.



**BANCORP**

BANCORP TREASURY SERVICES LIMITED

**Barrington**  
TREASURY SERVICES

**Barrington**  
ASSET CONSULTING



**BANCORP**

BANCORP CORPORATE FINANCE LIMITED

# Daily Rates

Tuesday 05 March 2024

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	71.60					CAD	0.8267	0.8839
NZD/USD	0.6093	0.0000	0.0000	-0.0003	-0.0013	CHF	0.5386	0.5759
NZD/AUD	0.9357	-0.0010	-0.0026	-0.0053	-0.0096	CNY	4.3912	4.6910
NZD/JPY	91.72	-0.47	-1.30	-2.57	-4.89	DKK	4.1801	4.4691
NZD/EUR	0.5612	-0.0008	-0.0021	-0.0046	-0.0102	FJD	1.3479	1.4411
NZD/GBP	0.4799	-0.0001	-0.0003	-0.0007	-0.0017	HKD	4.7651	5.0945
						KRW	811.28	867.36
AU TWI	61.10					MYR	2.8745	3.0732
AUD/USD	0.6511	0.0007	0.0018	0.0033	0.0052	NOK	6.4276	6.8720
AUD/NZD	1.0686	0.0010	0.0029	0.0057	0.0103	SEK	6.3081	6.7442
AUD/JPY	98.01	-0.41	-1.12	-2.22	-4.29	SGD	0.8179	0.8745
AUD/EUR	0.5995	-0.0002	-0.0006	-0.0016	-0.0050	TWD	19.20	20.53
AUD/GBP	0.5128	0.0004	0.0011	0.0021	0.0033	ZAR	11.59	12.39
USD Index	103.81					<b>EQUITIES</b>		
EUR/USD	1.0856	0.0015	0.0040	0.0082	0.0175		<b>Index</b>	
USD/JPY	150.53	-0.78	-2.12	-4.13	-7.73	NZX50	11,724	
GBP/USD	1.2692	0.0002	0.0007	0.0010	0.0015	ASX200	7,736	
EUR/GBP	0.8553	0.0010	0.0027	0.0056	0.0123	Dow Jones	39,004	
						S&P 500	5,134	
<b>INTEREST RATES</b>			<b>New Zealand</b>		<b>Australia</b>	FTSE100	7,640	
			<b>Mid</b>		<b>Mid</b>	DAX 30	17,716	
30 day bank bills			5.59%		4.35%	Nikkei	40,109	
90 day bank bills			5.65%		4.39%	<b>COMMODITIES</b>		
1 year swap			5.51%		4.21%		<b>USD</b>	
2 year swap			5.05%		4.02%	Brent Crude	82.67	
3 year swap			4.74%		3.92%	Gold	2,114.79	
5 year swap			4.50%		4.12%	Silver	23.76	
10 year swap			4.54%		4.38%	Iron Ore	113.89	
3 year Govt bond			4.72%		3.72%	CRB Index	319.51	
5 year Govt bond			4.58%		3.81%		<b>NZD</b>	
10 year Govt bond			4.78%		4.19%	NZ Carbon	66.05	

This document has been prepared by Bancorp Treasury Services Limited ("BTSL"). Whilst all reasonable care has been taken to ensure the facts stated are accurate and the opinions given are fair and reasonable, neither BTSL nor any of its directors, officers or employees shall in any way be responsible for the contents. No liability is assumed by BTSL, its directors, officers or employees for action taken or not taken on the basis of this document.



**BANCORP**  
BANCORP TREASURY SERVICES LIMITED

**Barrington**  
TREASURY SERVICES

**Barrington**  
ASSET CONSULTING



**BANCORP**  
BANCORP CORPORATE FINANCE LIMITED