

Market Alert

Wednesday 27 March 2024

CURRENCIES	Spot	6mths
NZD/USD	0.6005	-0.0002
NZD/AUD	0.9189	-0.0049
NZD/JPY	90.99	-2.53
NZD/EUR	0.5544	-0.0046
NZD/GBP	0.4754	-0.0007
NZD/CNH	4.3530	-0.0532
AUD/USD	0.6534	0.0028
AUD/EUR	0.6030	-0.0022
EUR/USD	1.0831	0.0084
USD/CNH	7.2476	-0.0860
GBP/USD	1.2627	0.0013
EUR/GBP	0.8576	0.0056
INT RATES	NZ	Australia
OCR/Cash	5.50%	4.35%
90 day bills	5.67%	4.40%
2 year swap	4.83%	3.93%
10 year Govt	4.67%	4.12%

I spy with my little eye ...

"Who's that on the Teams call with his camera off? I don't know ... but I think he's dialling in from China!" And that, ladies and gentlemen, was how a China-led cyberattack on the NZ Parliament was discovered! Funnily enough, the incident doesn't appear to have made the front page of the South China Morning Post! In other news, Donald Trump's social media company has risen by around 50% in its Nasdaq debut, the must have app for all those with the gold sneakers! But hold on a minute, Trump owns almost 70% of the company, and with the shares at USD71, its worth USD5bn to him! As they say, money-makes-money, heck, the Donald is even promoting a line of USD60 bibles in a partnership with country music star Lee Greenwood! I suspect that when

it comes time to pay all those court fines, it's not going to be a problem for the man!

In the other mildly amusing news ... McDonald's is bringing Krispy Kreme doughnuts to all of their restaurants across the US.

Unfortunately, a bridge has collapsed in Baltimore after being rammed by a container ship causing a number of deaths, with at least 6-people still missing. Maersk's stock fell after the company had confirmed they had chartered the vessel.

But back to the day-to-day hum ...

... with the focus well and truly on this week's US PCE release later in the week, it was another night of fairly inconsequential data releases! Breaking them down, US durable goods rose 1.4% in February, following January's -6.9% fall, while the Case-Shiller house price rose 6.6% in the year to January, following December's 6.2% increase.

Looking further afield, German GfK consumer sentiment gauge firmed from -28.8 to -27.4, while the Australian equivalent, the Melbourne consumer sentiment index fell 1.8% in March to 84.4, from February's 86.0, which was a 20-month high. Unfortunately, the 12-month outlook for the economy slid 4.5%, although the 5-year outlook rose 1.1%.

There was also some central bank activity, with the Hungarian central bank cutting

its key base rate by 75bps to 8.25%, its 6th cut since the easing began in October, while the central bank of Nigeria raised its key monetary policy rate by 200bps to a record high of 24.75%, following on from the 400bps increase at the prior meeting. Strewth, you know I'm running out of things to writing about when I'm talking about the Nigerian central bank!

Financial markets were very quiet overnight. Equity markets cemented in modest gains in the 0.3% region, while FX markets were virtually unchanged. There was some activity in international bond markets after the US treasury issued a record USD67bn of 5-year notes at a yield of 4.235%, which was slightly lower than the expected 4.245%. The 2-year treasury yield fell -4bps to 4.60% while the 10-year yield was flat at 4.24%, but despite the trend lower in US yields, the out performer of them was the NZ 10-year yield, which rallied 7bps to 4.65%! Commodity markets came under selling pressure as crude fell -0.5%, steel futures reached a 4-year low against the CNY, while Lithium prices eased back from their short-term high.



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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	70.50					CAD	0.8152 0.8871
NZD/USD	0.6005	0.0000	0.0000	-0.0002	-0.0006	CHF	0.5424 0.5904
NZD/AUD	0.9189	-0.0008	-0.0023	-0.0049	-0.0091	CNY	4.3334 4.7151
NZD/JPY	90.99	-0.47	-1.26	-2.53	-4.69	DKK	4.1340 4.4982
NZD/EUR	0.5544	-0.0008	-0.0022	-0.0046	-0.0098	FJD	1.3321 1.4494
NZD/GBP	0.4754	-0.0001	-0.0003	-0.0007	-0.0016	HKD	4.6979 5.1117
						KRW	806.35 877.38
AU TWI	61.50					MYR	2.8326 3.0821
AUD/USD	0.6534	0.0006	0.0016	0.0028	0.0051	NOK	6.4567 7.0255
AUD/NZD	1.0878	0.0009	0.0026	0.0048	0.0078	SEK	6.3553 6.9152
AUD/JPY	99.00	-0.41	-1.14	-2.30	-4.28	SGD	0.8080 0.8791
AUD/EUR	0.6030	-0.0003	-0.0008	-0.0022	-0.0055	TWD	19.14 20.83
AUD/GBP	0.5173	0.0004	0.0010	0.0016	0.0026	ZAR	11.39 12.40
USD Index	104.27					EQUITIES	
EUR/USD	1.0831	0.0014	0.0039	0.0084	0.0177		Index
USD/JPY	151.51	-0.77	-2.12	-4.15	-7.62	NZX50	12,032
GBP/USD	1.2627	0.0002	0.0006	0.0013	0.0028	ASX200	7,780
EUR/GBP	0.8576	0.0010	0.0028	0.0056	0.0119	Dow Jones	39,381
INTEREST		New Zealand		Australia		S&P 500	5,230
RATES		Mid		Mid		FTSE100	7,931
30 day bank bills			5.59%		4.35%	DAX 30	18,384
90 day bank bills			5.64%		4.40%	Nikkei	40,398
1 year swap			5.34%		4.17%	COMMODITIES	
2 year swap			4.85%		3.95%		USD
3 year swap			4.54%		3.84%	Brent Crude	86.22
5 year swap			4.33%		4.02%	Gold	2,177.75
10 year swap			4.40%		4.27%	Silver	24.45
3 year Govt bond			4.56%		3.68%	Iron Ore	110.67
5 year Govt bond			4.43%		3.75%	CRB Index	334.32
10 year Govt bond			4.67%		4.12%		NZD
						NZ Carbon	57.50

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