

Market Alert

Tuesday 30 April 2024

CURRENCIES	Spot	6mths
NZD/USD	0.5980	-0.0001
NZD/AUD	0.9104	-0.0043
NZD/JPY	94.120	-2.54
NZD/EUR	0.5578	-0.0049
NZD/GBP	0.4761	-0.0007
NZD/CNH	4.3283	-0.0495
AUD/USD	0.6568	0.0030
AUD/EUR	0.6125	-0.0026
EUR/USD	1.0719	0.0092
USD/CNH	7.2393	-0.0818
GBP/USD	1.2561	0.0016
EUR/GBP	0.8533	0.0062

INTR RATES	NZ	Australia
OCR/Cash	5.50%	4.35%
90 day bills	5.67%	4.46%
2 year swap	5.17%	4.37%
10 year Govt	5.02%	4.57%

The angry old man syndrome!

Is it me, or am I becoming an angry old man? I know I'm not supposed to shout at the TV, but sometimes I just can't help it! Last night, for a change, I actually watched the news, but I'm still trying to figure out why the opening 15 minutes was on a political poll ... which is completely irrelevant when there isn't an election for another 3-years? Let's forget the opinion pieces and stick to the news.

USD/JPY ... USD/JPY ... USD/JPY

If only I had a dollar for every time I'm going to hear the term USD/JPY today! To be fair, it's probably deserved on rumours of BoJ intervention after it rallied to 160.17 on the open, its highest level since 1990, before 'melting' to 154.56, ahead of its recovery to 155.95, with all

of the volatility on a Japanese holiday to boot! A 'flash-crash or intervention? The move does 'smack' of intervention, with currency official, Masato Kanda, stating, "No comment ... for now!" Usually, BoJ intervention is only confirmed 4-6 weeks later, by the end of May in this case, but there will need to be some sort of confirmation from the Japanese authorities, otherwise we should expect the JPY to remain under pressure over the medium-term.

The JPY was equally volatile on the pairs, with NZD/JPY ranging between 95.38 and 92.21, while AUD/JPY moved between 104.92 and 101.40. Currently they are at 93.20 and 102.35. The USD-index also came under selling pressure, which is not surprising given the BoJ was probably selling it, with the index falling -0.3% back below the 106.00 level, although the NZD and AUD have only posted modest gains from last night's close.

With all of the action in FX markets, bond markets were quiet, with US yields slightly lower as the 2 and 10-years fell -2bps and -4bps to yield 4.98% and 4.61% respectively. Equity markets posted modest gains, with Tesla the standout performer rallying 15% after receiving the approval to deploy its driver-assistance system in China. Commodity prices were broadly lower, with oil falling -1.0% and wheat crashing -5.0% from last week's high, although copper continued its rally, firming another 2.0%.

All of the releases.

Breaking them down ... German headline inflation came in flat at 2.2%, while EU economic sentiment unexpectedly fell to 95.6 from 96.2 in March. A further positive was Argentinean inflation, which is expected to fall below 10.0% in April!

The US treasury is forecasting it will need to increase its borrowings from USD202bn to USD243bn in Q2, and USD847bn in Q3. To provide a comparison, Q1 borrowings were at USD748bn.

The PBoC advised some regional lenders to curtail their ultra-long bond investments in an attempt to manage risk, while Pakistan's central bank left its interest rate at an all-time high at 22.00%.

ECB VP, Luis De Guindos, announced, "We are heading in the right direction on inflation. Wage growth shows signs of easing. Our 2.0% price goal will be hit in 2025, but there are substantial risks."

Get into investment banking they said, if you want to make money, become an investment banker we were all told ... well not in China, after China International Capital Corporation, a multi-national investment management and financial services company partly Chinese owned by the state, announced salaries will be cut by up to 25%!



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Daily Rates

Tuesday 30 April 2024

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	70.70					CAD	0.8167	0.8939
NZD/USD	0.5980	0.0000	0.0000	-0.0001	-0.0004	CHF	0.5441	0.5979
NZD/AUD	0.9104	-0.0009	-0.0024	-0.0043	-0.0073	CNY	4.3191	4.7454
NZD/JPY	94.120	-0.48	-1.29	-2.54	-4.90	DKK	4.1585	4.5690
NZD/EUR	0.5578	-0.0007	-0.0022	-0.0049	-0.0105	FJD	1.3273	1.4583
NZD/GBP	0.4761	-0.0001	-0.0003	-0.0007	-0.0021	HKD	4.6780	5.1397
						KRW	821.72	902.82
AU TWI	62.60					MYR	2.8485	3.1297
AUD/USD	0.6568	0.0006	0.0017	0.0030	0.0047	NOK	6.5689	7.2172
AUD/NZD	1.0978	0.0011	0.0028	0.0050	0.0078	SEK	6.5307	7.1753
AUD/JPY	103.60	-0.41	-1.16	-2.32	-4.62	SGD	0.8124	0.8926
AUD/EUR	0.6125	-0.0007	-0.0009	-0.0026	-0.0069	TWD	19.44	21.36
AUD/GBP	0.5228	0.0004	0.0010	0.0017	0.0018	ZAR	11.14	12.24
USD Index	105.64					EQUITIES		
EUR/USD	1.0719	0.0014	0.0042	0.0092	0.0195		Index	
USD/JPY	156.03	-0.78	-2.16	-4.23	-8.09	NZX50	11,916	
GBP/USD	1.2561	0.0002	0.0005	0.0016	0.0034	ASX200	7,637	
EUR/GBP	0.8533	0.0009	0.0029	0.0062	0.0124	Dow Jones	38,372	
						S&P 500	5,104	
INTEREST RATES			New Zealand		Australia	FTSE100	8,147	
			Mid		Mid	DAX 30	18,118	
30 day bank bills			5.60%		4.35%	Nikkei	37,935	
90 day bank bills			5.63%		4.46%	COMMODITIES		
1 year swap			5.50%		4.48%		USD	
2 year swap			5.19%		4.38%	Brent Crude	88.52	
3 year swap			4.95%		4.31%	Gold	2,334.86	
5 year swap			4.78%		4.49%	Silver	27.17	
10 year swap			4.85%		4.71%	Iron Ore	110.16	
3 year Govt bond			4.92%		4.16%	CRB Index	343.43	
5 year Govt bond			4.83%		4.24%		NZD	
10 year Govt bond			5.02%		4.58%	NZ Carbon	55.25	

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