

Market Alert

Monday 15 July 2024

CURRENCIES	Spot	6mths
NZD/USD	0.6114	0.0000
NZD/AUD	0.9023	-0.0033
NZD/JPY	96.540	-2.57
NZD/EUR	0.5605	-0.0048
NZD/GBP	0.4714	-0.0005
NZD/CNH	4.4419	-0.0567
AUD/USD	0.6771	0.0023
AUD/EUR	0.6207	-0.0032
EUR/USD	1.0906	0.0094
USD/CNH	7.2709	-0.0925
GBP/USD	1.2966	0.0012
EUR/GBP	0.8391	0.0064

INT RATES	NZ	Australia
OCR/Cash	5.50%	4.35%
90 day bills	5.55%	4.51%
2 year swap	4.48%	4.23%
10 year Govt	4.57%	4.41%

The weekends footage of the assassination attempt on Donald Trump was incredible ...

... and ... love him or loathe him, the image of him standing defiantly with blood pouring from his head, and his fist raised in the midst of the panic and uncertainty, was incredible and will reverberate around the world. I suspect he will probably emerge from this politically stronger, and the event will likely reinvigorate his supporters, party activists and donors even more.

Out with the old, and in with the new! It was a great run while it lasted Mr. Djokovic, but a hearty congratulations to Carlos Alcaraz in what was an exceptional performance. Equally as exceptional were the Black Ferns, although not quite so exceptional were the All Blacks, but a win is a win, and the Wallabies looked

alright under Joe Schmidt. Finally, we'll know soon enough whether it's coming home or not, but the last I heard VIP tickets to the Euro finals were going for GBP337k ... each! Ouch!

Closing last week out ...

... Friday's US releases saw producer prices firm by 0.2% on the month with the core rate jumping to 0.4%, which was ahead of forecasts at 0.1% and 0.2%. Annually, producer price inflation accelerated to 2.6% from 2.4%, while the core rate rose to 3.0% from 2.3%, with both above the expected 2.3% and 2.5%. US consumer sentiment also contracted for a 4th straight month after the University of Michigan index fell from 68.2 to 66.0, which was its lowest since November and well below forecasts of 68.5.

China's trade surplus surged to USD99.05bn from the USD69.80billion recorded in the same period a year earlier, while Chinese banks lent CNY2,130bn in new yuan loans in June, which was a sharp contraction from the CNY3,050bn in the prior year and below market expectations of CNY2,200bn.

Turning to financial markets, currency markets saw an uptick in volatility after the JPY appreciated through the 158.00 USD/JPY level to reach a 4-week high. Rumours abound that the Japanese authorities may have intervened for a second day given the exceptional volumes that flowed through the market following on from Thursday's anticipated USD22.0bn that was spent by the BoJ. This saw NZD/JPY close the week at

96.57 with AUD/JPY at 107.09, while both firmed against the USD. US treasury yields also continued their trend lower with the 2-years falling -5bps to 4.54%, while the 10-years fell -1bps to 4.28%, which will see local fixed income markets open lower this morning with some post-Trump safe haven buying compounding the trend. Equity markets closed in positive territory although commodity markets were mixed.

If that wasn't enough, the week ahead ...

... see's the start of the Q2 reporting season for US listed companies, which will garner a lot of headlines, but we also have speeches by several Fed officials including Chair Jerome Powell. We also have US retail sales, industrial production, trade, building permits, and housing starts, while it will also be a big week in China with the Communist Party's 'Third Plenum,' where it is expected President Xi will unveil a range of economic reforms and policies to address long-standing economic issues. We also have the latest Chinese GDP, industrial production, retail sales, unemployment, and fixed asset releases.

Looking beyond the big-2, we have the latest trade data from the Euro-zone and Japan, a Germany ZEW update, and UK consumer confidence, retail sales and unemployment, while we also have an Australia employment update as well. Most importantly, we also have the latest inflation updates from Canada, the UK, Japan, as well as from New Zealand.



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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	71.50					CAD	0.8329	0.9249
NZD/USD	0.6114	0.0000	0.0000	0.0000	0.0000	CHF	0.5461	0.6049
NZD/AUD	0.9023	-0.0009	-0.0021	-0.0033	-0.0032	CNY	4.4397	4.9228
NZD/JPY	96.540	-0.48	-1.32	-2.57	-4.58	DKK	4.1781	4.6316
NZD/EUR	0.5605	-0.0008	-0.0024	-0.0048	-0.0087	FJD	1.3363	1.4813
NZD/GBP	0.4714	-0.0001	-0.0003	-0.0005	-0.0002	HKD	4.7686	5.2863
						KRW	839.04	930.11
AU TWI	64.40					MYR	2.8506	3.1600
AUD/USD	0.6771	0.0006	0.0015	0.0023	0.0023	NOK	6.5517	7.2629
AUD/NZD	1.1087	0.0009	0.0023	0.0035	0.0032	SEK	6.4309	7.1290
AUD/JPY	107.07	-0.44	-1.24	-2.48	-4.75	SGD	0.8193	0.9082
AUD/EUR	0.6207	-0.0004	-0.0014	-0.0032	-0.0076	TWD	19.86	22.02
AUD/GBP	0.5221	0.0003	0.0008	0.0013	0.0015	ZAR	10.96	12.15
USD Index	104.08					EQUITIES		
EUR/USD	1.0906	0.0016	0.0047	0.0094	0.0172		Index	
USD/JPY	157.91	-0.78	-2.15	-4.19	-7.49	NZX50	12,135	
GBP/USD	1.2966	0.0002	0.0008	0.0012	0.0008	ASX200	7,959	
EUR/GBP	0.8391	0.0010	0.0031	0.0064	0.0126	Dow Jones	40,001	
						S&P 500	5,615	
INTEREST RATES			New Zealand		Australia	FTSE100	8,253	
			Mid		Mid	DAX 30	18,748	
30 day bank bills			5.60%		4.35%	Nikkei	41,191	
90 day bank bills			5.55%		4.51%	COMMODITIES		
1 year swap			5.01%		4.40%		USD	
2 year swap			4.49%		4.24%	Brent Crude	85.03	
3 year swap			4.25%		4.13%	Gold	2,411.27	
5 year swap			4.12%		4.27%	Silver	30.77	
10 year swap			4.28%		4.45%	Iron Ore	109.58	
3 year Govt bond			4.34%		4.09%	CRB Index	341.48	
5 year Govt bond			4.30%		4.12%		NZD	
10 year Govt bond			4.57%		4.42%	NZ Carbon	53.00	

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