

Market Alert

Friday 25 October 2024

CURRENCIES	Spot	6mths
NZD/USD	0.6017	0.0013
NZD/AUD	0.9063	0.0012
NZD/JPY	91.330	-1.86
NZD/EUR	0.5559	-0.0037
NZD/GBP	0.4638	0.0011
NZD/CNH	4.2878	-0.0438
AUD/USD	0.6637	0.0004
AUD/EUR	0.6131	-0.0049
EUR/USD	1.0824	0.0093
USD/CNH	7.1256	-0.0879
GBP/USD	1.2974	-0.0004
EUR/GBP	0.8341	0.0073

INT RATES	NZ	Australia
OCR/Cash	4.75%	4.35%
90 day bills	4.56%	4.44%
2 year swap	3.65%	3.99%
10 year Govt	4.58%	4.53%

Yes ... it's a Friday, a head of a bank holiday weekend! Can that Friday feeling get any better?

As much as I love my clients, and I thoroughly enjoy all of my Monday meetings, next Monday I'm going to enjoy the peace and solitude of my garden even more ... after going to the AFC Auckland game, and watching the All Blacks, the Black Caps, the Kiwi's, Liam Lawson in F1, and the odd EPL game! I know my partner has a few chores planned for me over the weekend, but I might not have time for that with all of this sport to watch!

Last night's price action was subdued ... although there was a bit of volatility in USD/JPY

Yes, the USD/JPY is one currency pair

that always keeps traders on their toes!

Over the last 48-hours, after it broke the 151.00 level, it rallied to a high at 153.19 before retreating overnight towards the 151.50 level. Those moves have, to a large extent, been symbolic of the moves of the USD-index which spent the overnight session giving up some of its prior gains as it retreated from a major resistance level. In amongst all of this, the NZD, AUD and EUR have spent the last 24-hours making modest gains from their recent lows. It was a similar story in the treasury market with yields easing back from their recent highs with the 2-years -3bps lower at 4.06% while the 10-years eased -5bps to be at 4.20%. Equity markets were mixed, despite Tesla rallying 20% after earnings topped forecasts, as were commodity markets with oil falling -0.6%. To be fair, the overnight moves were predominately driven by technicals rather than fundamentals, but breaking the data down ...

It was a night for the PMIs with the US composite index firming from 54.0 to 54.3 predominately driven by the strong services sector which increased from 55.2 to 55.3, although manufacturing remained in contractionary territory at 47.8. European composite PMIs rose to 49.7 from September's 7-month low of 49.6. Services growth eased slightly to 51.2 from 51.4 while the downturn in manufacturing remained soft after it improved to 45.9 from 45.0. Japanese PMIs aren't looking good either after manufacturing slipped from 49.7 to 49.0, while services plummeted from 53.1 to

49.3, which meant the composite fell into contractionary territory at 49.4 while the Australian PMIs saw manufacturing dip from 46.7 to 46.6, services firmed from 50.5 to 50.6, which meant the composite improved from 49.6 to 49.8.

Looking at the other bits-and-pieces, US initial claims fell by -15k to 227k, although continuing claims grew 30k to 1,897k. New single-family US home sales jumped 4.1% to a seasonally adjusted annual rate of 738k. Finally, UK manufacturing sector confidence declined to -24 in October, the fastest decrease in 2-years, falling from July's -9.

I wouldn't say this rhetoric cause the JPY to turn ...

... but we did have a few comments that sought to support the currency with Japanese Finance Minister, Kato, announcing, "It's desirable for currencies to move stably reflecting economic fundamentals. Closely watching FX moves with a sense of urgency (although) there was no discussion on FX at today's G20 meeting and I don't expect any tomorrow."

ECB Chief Economist, Nathan Lane, announced, "The disinflation process is well on track, and inflation is set to return to target in the course of 2025."

I've run some positions, but this takes the cake ... a French trader bet over USD28m that Trump will win the election using 4 Polymarket accounts!



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Daily Rates

Friday 25 October 2024

FX	Spot	FECs (mid)				Spot Mid	
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	70.00					CAD	0.8333 0.9197
NZD/USD	0.6017	0.0001	0.0006	0.0013	0.0027	CHF	0.5206 0.5747
NZD/AUD	0.9063	-0.0002	0.0001	0.0012	0.0045	CNY	4.2823 4.7251
NZD/JPY	91.330	-0.36	-1.03	-1.86	-3.29	DKK	4.1449 4.5735
NZD/EUR	0.5559	-0.0007	-0.0018	-0.0037	-0.0076	FJD	1.3278 1.4651
NZD/GBP	0.4638	0.0001	0.0005	0.0011	0.0023	HKD	4.6737 5.1570
						KRW	829.80 915.61
AU TWI	62.10					MYR	2.6135 2.8838
AUD/USD	0.6637	0.0002	0.0005	0.0004	-0.0004	NOK	6.5784 7.2586
AUD/NZD	1.1033	0.0002	-0.0001	-0.0018	-0.0062	SEK	6.3519 7.0087
AUD/JPY	100.77	-0.38	-1.16	-2.19	-4.18	SGD	0.7932 0.8752
AUD/EUR	0.6131	-0.0006	-0.0022	-0.0049	-0.0118	TWD	19.29 21.28
AUD/GBP	0.5115	0.0002	0.0005	0.0004	-0.0002	ZAR	10.63 11.73
USD Index	104.06					EQUITIES	
EUR/USD	1.0824	0.0015	0.0045	0.0093	0.0197		Index
USD/JPY	151.78	-0.64	-1.86	-3.39	-6.12	NZX50	12,814
GBP/USD	1.2974	-0.0001	-0.0001	-0.0004	-0.0008	ASX200	8,206
EUR/GBP	0.8341	0.0011	0.0034	0.0073	0.0154	Dow Jones	42,322
USD/CNY	7.1194	-0.0187	-0.0539	-0.1077	-0.2110	S&P 500	5,805
						FTSE100	8,269
INTEREST			New Zealand		Australia	DAX 30	19,443
RATES			Mid		Mid	Nikkei	38,143
30 day bank bills			4.88%		4.36%	COMMODITIES	
90 day bank bills			4.56%		4.44%		USD
1 year swap			3.92%		4.20%	Brent Crude	74.50
2 year swap			3.67%		4.00%	Gold	2,735.63
3 year swap			3.65%		3.94%	Silver	33.64
5 year swap			3.80%		4.18%	Iron Ore	104.62
10 year swap			4.20%		4.49%	CRB Index	337.97
3 year Govt bond			3.86%		3.98%		NZD
5 year Govt bond			4.09%		4.10%	NZ Carbon	63.05
10 year Govt bond			4.58%		4.53%		

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