

Market Alert

Friday 15 November 2024

CURRENCIES	Spot	6mths
NZD/USD	0.5872	0.0014
NZD/AUD	0.9071	0.0017
NZD/JPY	91.525	-1.78
NZD/EUR	0.5566	-0.0038
NZD/GBP	0.4628	0.0014
NZD/CNH	4.2532	-0.0281
AUD/USD	0.6472	0.0002
AUD/EUR	0.6135	-0.0054
EUR/USD	1.0549	0.0096
USD/CNH	7.2444	-0.0647
GBP/USD	1.2688	-0.0010
EUR/GBP	0.8314	0.0080

INT RATES	NZ	Australia
OCR/Cash	4.75%	4.35%
90 day bills	4.45%	4.48%
2 year swap	3.89%	4.09%
10 year Govt	4.82%	4.79%

The Antipodes

The Australian October jobs report came in largely as expected, with the unemployment rate at 4.1%, just as expected. Although digging into the detail, it did come off as slightly softer than on first impressions, as total employment missed by 10,000, while the participation rate dropped a percentage point. But inflation expectations fell to 3.8% in November down from 4.0% in October, a 3-year low!

RBA Governor, Michele Bullock, also said yesterday that interest rates were restrictive enough, and will remain at current levels until it is assured inflation is moderating. *"We're not as restrictive as others (central banks), even as they are lowering their interest rates. We think we're restrictive enough, and we're going to stay restrictive enough until we think we've*

definitely got that downward trajectory in demand," she said.

Over this side of the ditch we had selected price indexes which represents ~45% of the CPI basket. The food price index showed a drop of 0.9% in October, helped by a 4.1% fall in fruit and vegetable prices. Cheaper food, not too shabby! While rental prices increased by 0.2% in the month indicating easing pressure in the rental market as migration continues to slow.

There were limited moves in currencies overnight, the US dollar index gained 19pts to be at 106.67, but the NZD/USD and AUD/USD remained largely where they were yesterday afternoon at 0.5869 and 0.6470 respectively.

To the Americas

The number of individuals filing for unemployment benefits in the US has fallen by 4k to 217k in the period ending 9 November. This was well below expectations of an increase to 223k. The reading reinforces the widely held view that the US labour market remains historically tight, despite the restrictive monetary policy in place over the last few years. The report will provide more ammunition for those who think the cutting cycle should be slowing. Additionally, US producer prices have risen 0.2% in the month of October, in line with expectations. US Treasuries also experienced a subdued session with the US 10-year treasury 3bp lower at 4.42% after reaching as high as 4.48%. Markets will await an incoming speech

from Fed Chair, Jerome Powell, for more guidance on what the data means for the Fed's cutting cycle.

And finally, Europe

There was also some new data out of Europe, whose nations are all expecting to be hit by the effects of a 10-20% tariff early next year. Eurozone's second estimate of third quarter GDP has come in at expectations with a reading of 0.4% for the quarter. Industrial production for the month of September has been released too, and to add to the continent's woes, it's not too pretty! The numbers show a 2.0% decline for month, below expectations, which was already low, at a decline of 1.4%. As result the NZD/EUR remains in its narrow 0.5450 - 0.5750 range, at 0.5565.



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Daily Rates

Friday 15 November 2024

FX	Spot	FECs (mid)				Spot Mid		
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...	
NZ TWI	69.50					CAD	0.8238	0.9061
NZD/USD	0.5872	0.0002	0.0006	0.0014	0.0029	CHF	0.5214	0.5750
NZD/AUD	0.9071	0.0000	0.0004	0.0017	0.0046	CNY	4.2418	4.6768
NZD/JPY	91.525	-0.32	-0.98	-1.78	-3.25	DKK	4.1497	4.5753
NZD/EUR	0.5566	-0.0005	-0.0017	-0.0038	-0.0085	FJD	1.3150	1.4498
NZD/GBP	0.4628	0.0002	0.0006	0.0014	0.0030	HKD	4.5680	5.0364
						KRW	823.68	908.15
AU TWI	61.60					MYR	2.6286	2.8982
AUD/USD	0.6472	0.0002	0.0003	0.0002	-0.0003	NOK	6.5234	7.1925
AUD/NZD	1.1022	-0.0001	-0.0006	-0.0023	-0.0061	SEK	6.4388	7.0991
AUD/JPY	100.89	-0.36	-1.13	-2.15	-4.10	SGD	0.7886	0.8695
AUD/EUR	0.6135	-0.0006	-0.0022	-0.0054	-0.0126	TWD	19.11	21.07
AUD/GBP	0.5100	0.0001	0.0004	0.0006	0.0005	ZAR	10.70	11.79
USD Index	106.67					EQUITIES		
EUR/USD	1.0549	0.0012	0.0043	0.0096	0.0214		Index	
USD/JPY	155.87	-0.59	-1.82	-3.38	-6.27	NZX50	12,693	
GBP/USD	1.2688	-0.0001	-0.0005	-0.0010	-0.0023	ASX200	8,224	
EUR/GBP	0.8314	0.0010	0.0037	0.0080	0.0181	Dow Jones	43,829	
USD/CNY	7.2272	-0.0171	-0.0522	-0.1080	-0.2254	S&P 500	5,961	
						FTSE100	8,071	
INTEREST		New Zealand		Australia		DAX 30	19,264	
RATES		Mid		Mid		Nikkei	38,536	
30 day bank bills		4.58%		4.37%		COMMODITIES		
90 day bank bills		4.45%		4.48%			USD	
1 year swap		3.97%		4.29%		Brent Crude	72.38	
2 year swap		3.91%		4.11%		Gold	2,573.08	
3 year swap		3.90%		4.10%		Silver	30.52	
5 year swap		4.02%		4.36%		Iron Ore	102.88	
10 year swap		4.36%		4.61%		CRB Index	335.08	
3 year Govt bond		4.15%		4.24%			NZD	
5 year Govt bond		4.36%		4.38%		NZ Carbon	63.90	
10 year Govt bond		4.82%		4.79%				

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