

Market Alert

Wednesday 30 April 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5936	0.0033
NZD/AUD	0.9303	0.0028
NZD/JPY	84.490	-1.20
NZD/EUR	0.5218	-0.0031
NZD/GBP	0.4431	0.0022
NZD/CNH	4.3448	-0.0350
AUD/USD	0.6379	0.0015
AUD/EUR	0.5607	-0.0051
EUR/USD	1.1376	0.0128
USD/CNH	7.2684	-0.0980
GBP/USD	1.3395	0.0006
EUR/GBP	0.8489	0.0091
INT RATES	NZ	Australia
OCR/Cash	3.50%	4.10%
90 day bills	3.42%	3.95%
2 year swap	3.03%	3.19%
10 year Govt	4.53%	4.28%

The trend remains your friend ...

... yes, once again equity markets have spent the session trading 'in-the-green' with the S&P500 rallying for a 6th consecutive day. Across the global board, equity markets were 0.50% to 1.50% higher. Conversely, commodity prices were predominately lower, with oil prices cementing in a second day of losses, falling -2.75% with crude at USD60.25 and Brent at USD64.00, while gold prices also fell, dropping -0.5%. Bond yields continued to track lower with the US markets now pricing in five rate cuts over the next 12-months following the poor jobs number. This saw the 2 and 10-year yields ease -4bps to 3.66% and 4.17%. The USD-index surprisingly posted a modest gain, rallying 0.3%, although the CNY out-performed. The NZD and AUD were both -0.75% lower.

From the US-centric corner ...

US consumer confidence fell to 86, down 7.9 pips from its prior reading and below estimates at 87.7. Meanwhile, the expectations index, which measures how respondents look at the next 6-months, tumbled to 54.4, a decline of 12.5 pips as tariff fears mounted, while the average 12-month inflation expectations reached 7.0%!

US job openings fell by 288k to 7.192m in March, the lowest level in 6-months and below expectations at 7.48m.

The US trade deficit accelerated to a record USD162bn in March, from USD147.8bn in February, as businesses rushed to bring in goods ahead of 'Liberation Day', with imports jumping 5%.

The final Atlanta Fed GDPNow Q1 estimate continued its downward spiral, dropping from -2.4% to -2.7%, while the Dallas Fed's April service sector outlook index dropped from -11.3 to -19.4.

US Commerce Secretary Howard Lutnick teased the administration has reached its first trade deal but said it was not fully finalised as they are waiting approval from unnamed country's leaders ... which means it's not agreed! And if you are wondering who the unnamed country is ... India is a strong candidate ... and don't hold your breath on India signing the deal as they have the minor issue of a war with Pakistan to deal with!

The White House has lashed out at the "hostile and political act by Amazon" after it was alleged the tech giant was planning

to display price increases caused by Trump's tariffs. Needless to say, Amazon backed down!

And in the rest of the world ...

Canada's Liberal Party won a fourth straight election victory to hand power to ex-central bank governor Mark Carney. It was a narrow margin of victory, with the Liberals winning 168 seats versus the Conservative Party's 144, but short of the 172 required for a majority.

In what was the index's lowest print since December, Eurozone sentiment fell to 93.6 in April from 95.0 in March. Expectations had been at 94.5.

The ECB's Yannis Stournaras noted "Markets are pricing in further reductions, but I believe that we should be cautious due to the very high uncertainty that prevails. Diverging inflation and growth prospects across countries heighten uncertainty and make monetary policymaking more complex."

Chinese Foreign Minister Wang Yi said "The US, which has long benefited enormously from free trade, is now going so far as to use tariffs as a bargaining chip. If one chooses to remain silent, compromise and cower, it will only make the bully want to push his luck more."

Japan's leading life insurers are planning to cut their holdings of Japanese government bonds by a combined JPY1.3trn, or, USD9.1bn, in FY2025.



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Daily Rates

Wednesday 30 April 2025

FX	Spot	FECs (mid)				Spot Mid	
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	69.70					CAD	0.8215 0.8982
NZD/USD	0.5936	0.0005	0.0017	0.0033	0.0053	CHF	0.4894 0.5261
NZD/AUD	0.9303	0.0005	0.0016	0.0028	0.0043	CNY	4.3134 4.6369
NZD/JPY	84.490	-0.24	-0.62	-1.20	-2.21	DKK	3.8938 4.1851
NZD/EUR	0.5218	-0.0006	-0.0016	-0.0031	-0.0062	FJD	1.3215 1.4204
NZD/GBP	0.4431	0.0003	0.0011	0.0022	0.0040	HKD	4.6047 4.9491
						KRW	850.21 913.81
AU TWI	59.90					MYR	2.5669 2.7589
AUD/USD	0.6379	0.0002	0.0007	0.0015	0.0026	NOK	6.1583 6.6190
AUD/NZD	1.0748	-0.0006	-0.0020	-0.0035	-0.0055	SEK	5.7184 6.1462
AUD/JPY	91.53	-0.30	-0.82	-1.57	-2.80	SGD	0.7763 0.8344
AUD/EUR	0.5607	-0.0009	-0.0027	-0.0051	-0.0093	TWD	19.17 20.61
AUD/GBP	0.4760	0.0001	0.0004	0.0009	0.0019	ZAR	11.01 11.84
USD Index	99.22					EQUITIES	
EUR/USD	1.1376	0.0021	0.0066	0.0128	0.0236		Index
USD/JPY	142.34	-0.52	-1.45	-2.78	-4.90	NZX50	12,025
GBP/USD	1.3395	0.0001	0.0004	0.0006	-0.0003	ASX200	8,071
EUR/GBP	0.8489	0.0015	0.0047	0.0091	0.0176	Dow Jones	40,580
USD/CNY	7.269	-0.0173	-0.0489	-0.1000	-0.1957	S&P 500	5,564
						FTSE100	8,463
INTEREST		New Zealand		Australia		DAX 30	22,426
RATES		Mid		Mid		Nikkei	35,840
30 day bank bills		3.62%		4.04%		COMMODITIES	
90 day bank bills		3.42%		3.95%			USD
1 year swap		3.06%		3.38%		Brent Crude	64.15
2 year swap		3.08%		3.20%		Gold	3,320.97
3 year swap		3.19%		3.23%		Silver	32.89
5 year swap		3.45%		3.61%		Iron Ore	99.91
10 year swap		3.97%		4.09%		CRB Index	358.80
3 year Govt bond		3.49%		3.34%			NZD
5 year Govt bond		3.86%		3.60%		NZ Carbon	49.50
10 year Govt bond		4.53%		4.28%			

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