

Market Alert

Friday 30 January 2024

CURRENCIES	Spot	6mths
NZD/USD	0.6071	0.0038
NZD/AUD	0.8628	0.0066
NZD/JPY	92.915	-0.80
NZD/EUR	0.5076	-0.0011
NZD/GBP	0.4400	0.0028
NZD/CNH	4.2175	-0.0171
AUD/USD	0.7035	-0.0011
AUD/EUR	0.5882	-0.0058
EUR/USD	1.1959	0.0099
USD/CNH	6.9484	-0.0707
GBP/USD	1.3799	-0.0004
EUR/GBP	0.8665	0.0073
INT RATES	NZ	Australia
OCR/Cash	2.25%	3.60%
90 day bills	2.51%	3.90%
2 year swap	3.08%	4.12%
10 year Govt	4.66%	4.93%

The great USD-sale continued

Overnight with NZD/USD topping out at 0.6093 and AUD/USD trading at a high of 0.7094, although most of those gains were lost on the New York open. Still both pairs are continuing to outperform, and the USD-index remains at the bottom of its recent range at 96.00. Interestingly, on the sell-off, the NZD held up better than the AUD, which saw the cross rate jump from its overnight low at 0.8586 to 0.8630. In fixed income land, the yield on the 10-year US Treasury note remained within touching distance of its 5-month high at 4.30%, trading at 4.23% this morning, while the 2-year is at 3.56%.

But equity markets are where all the action is Jackson with the US exchanges trading 0.3%-1.0% lower after Microsoft plummeted 12% on slowing cloud growth despite record-high AI spending, but there was a positive as Meta surged 9% after its sales outlook beat expectations.

Apple reports after the bell. Finally, oil prices rallied 3.0%, with Brent prices reaching USD71.00 a barrel for the first time since September, after Trump renewed threats against Iran. This also saw gold and silver prices surge, with gold prices reaching a fresh all-time high of USD5,600 before retreating to USD5,335. Copper prices also surged, rallying 4.5%.

The US trade deficit

widened sharply from October's 16-year low at USD29.2bn to a mammoth to USD56.8bn in November. Forecasts had been at USD40.5bn. Exports declined and imports increased, highlighting the administrations shifting tariff policies. The other US releases saw manufacturing new orders rise by 2.7% to a seasonally adjusted USD621.6bn, the Atlanta Fed Q1 GDP tracker fall from 5.4% to 4.2%, while initial jobless claims declined by 1k to 209k and continuing claims fell by 38k to 1,827k.

New Zealand business confidence eased from its December highs but remains at historically elevated levels. Activity indicators point to a solid Q4 GDP outcome, with activity and employment improving across most sectors although inflationary pressures are starting to re-emerge. Wage pressures are also picking up... yeah! The survey suggests that while the recovery looks intact, inflation risks may complicate the RBNZ policy outlook if pressures persist. Furthermore, the NZ trade surplus increased to NZD52m. Exports rose 15.0% to NZD 7.7bn, while imports rose 15.0% to NZD7.6bn.

Australian export prices rebounded strongly in Q4, rising 3.2% after a sharp decline in the prior quarter.

No matter how much one tries ...

not to write about Trump ... he is the one generating all the headlines ... so welcome to the 'Trump corner'!

As is usually the case after a FOMC meeting, President Trump was on social media tweeting, "Jerome 'Too Late' Powell again refused to cut interest rates, even though he has absolutely no reason to keep them so high. The Fed should substantially lower interest rates, now! We should be paying lower interest rates than any other country in the world." There was a whole lot more ... but you get the general idea!

Word on the street, or the New York Times to exact, is that Trump and Senate Minority Leader Chuck Schumer are close to a deal to avert a shutdown. The deal sees the Department of Homeland Security (DHS) funding split from package as the Democrats have objected to funding the DHS due to the deaths of U.S. citizens linked to ICE operations, among other concerns.

Finally, there is some good news ... the Melania documentary drops tonight ... and who would have guessed ... it cost USD40m!

Daily Rates

Friday 30 January 2026

FX	Spot	FECs (mid)				Spot	Mid
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	68.40					CAD	0.8191
NZD/USD	0.6071	0.0006	0.0020	0.0038	0.0055	CHF	0.4649
NZD/AUD	0.8628	0.0009	0.0031	0.0066	0.0130	CNY	4.2183
NZD/JPY	92.9150	-0.13	-0.43	-0.8024	-1.65	DKK	3.7888
NZD/EUR	0.5076	-0.0001	-0.0005	-0.0011	-0.0032	FJD	1.3145
NZD/GBP	0.4400	0.0005	0.0015	0.0028	0.0043	HKD	4.7371
						KRW	869.88
AU TWI	65.20					MYR	2.3821
AUD/USD	0.7035	0.0000	-0.0002	-0.0011	-0.0044	NOK	5.7919
AUD/NZD	1.1583	-0.0013	-0.0043	-0.0092	-0.0181	SEK	5.3477
AUD/JPY	108.19	-0.26	-0.90	-1.76	-3.56	SGD	0.7675
AUD/EUR	0.5882	-0.0008	-0.0027	-0.0058	-0.0128	TWD	19.05
AUD/GBP	0.5097	0.0000	-0.0001	-0.0007	-0.0030	ZAR	9.56
USD Index	96.29					EQUITIES	
EUR/USD	1.1959	0.0016	0.0051	0.0099	0.0183	Index	
USD/JPY	153.05	-0.37	-1.23	-2.25	-4.09	NZX50	13,349
GBP/USD	1.3799	-0.0001	-0.0002	-0.0004	-0.0015	ASX200	8,928
EUR/GBP	0.8665	0.0012	0.0038	0.0073	0.0141	Dow Jones	48,991
USD/CNY	6.948	-0.0107	-0.0340	-0.0652	-0.1223	S&P 500	6,938
						FTSE100	10,172
INTEREST		New Zealand		Australia		DAX 40	24,309
RATES		Mid		Mid		Nikkei	53,376
30 day bank bills		2.41%		3.72%		COMMODITIES	
90 day bank bills		2.51%		3.90%		USD	
1 year swap		2.71%		4.04%		Brent Crude	70.88
2 year swap		3.08%		4.12%		Gold	5,314.95
3 year swap		3.36%		4.15%		Silver	112.94
5 year swap		3.70%		4.27%		Iron Ore	105.85
10 year swap		4.18%		4.60%		CRB Index	400.85
3 year Govt bond		3.59%		4.29%			
5 year Govt bond		4.06%		4.47%			
10 year Govt bond		4.66%		4.93%		NZ Carbon	34.75

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