



BANCORP

BANCORP TREASURY SERVICES LIMITED

MARKET ALERT

Tuesday 16 April 2019 | www.bancorptreasury.com

CURRENCIES	Spot	6mths
NZD/USD	0.6763	0.0024
NZD/AUD	0.9430	-0.0002
NZD/JPY	75.73	-0.83
NZD/EUR	0.5982	-0.0070
NZD/GBP	0.5164	-0.0028
NZD/CNH	4.5362	0.0205
AUD/USD	0.7172	0.0027
AUD/EUR	0.6344	-0.0073
EUR/USD	1.1304	0.0175
USD/CNH	6.7079	0.0065
GBP/USD	1.3096	0.0118
EUR/GBP	0.8632	0.0056

INT RATES	NZ	Australia
OCR/Cash	1.75%	1.50%
90 day bills	1.85%	1.70%
2 year swap	1.72%	1.55%
10 year Govt	2.05%	1.95%

emerging market currencies), oil prices lower, hard commodity prices stagnant or lower and US stockmarkets slightly lower despite positive (albeit minor) US data. Nor were there any more hints or comments on progress in the US-China trade talks.

The New York Fed's monthly Empire State Manufacturing Survey's headline activity index rose from 3.9 in March to 10.1 in April, a greater than expected rise that marked a rebound after the index fell to a nearly two year low in March. The survey's new orders rose but the future business conditions index and the hiring growth index fell.

The survey raised hopes for the April industrial production data for the whole for the US due for release tonight, but the data is not known as a market mover.

and local swap rates into action but only if they deviate far from market expectations.

Even though local swap rates rose yesterday, they are still well below where they were prior to the RBNZ's OCR announcement less than three weeks ago. Quiet days in the markets mean that treasury risk managers are not distracted by market events and volatility from the pursuit of managing the very real treasury-related risks.

Markets still nervously expectant

The risk on sentiment that surfaced over the weekend continued yesterday although it lacked conviction. New Zealand and Australian swap rates rose, bond yields rose in Europe and the US, stockmarkets in Asia and Europe rose, the gold price fell.

However, yesterday saw currency markets unmoved (specifically, there was no follow through buying of commodity or

As is the NZD

Like almost every risk centred 'asset', the NZD and AUD were little moved yesterday after their initial risk on push over the weekend because of a lack of global market activity and no local data. A lack of anything to provide a fresh impetus kept markets subdued. The NZD starts today only a very few points lower across the board from yesterday morning's open.

Tonight's GDT auction and tomorrow's March quarter CPI might stir the NZD

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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	73.40					CAD	0.9043	0.9589
NZD/USD	0.6763	0.0004	0.0011	0.0024	0.0047	CHF	0.6790	0.7200
NZD/AUD	0.9430	-0.0001	-0.0002	-0.0002	-0.0008	CNY	4.5367	4.8109
NZD/JPY	75.73	-0.14	-0.42	-0.83	-1.68	DKK	4.4659	4.7358
NZD/EUR	0.5982	-0.0012	-0.0036	-0.0070	-0.0140	FJD	1.4412	1.5283
NZD/GBP	0.5164	-0.0005	-0.0015	-0.0028	-0.0052	HKD	5.3012	5.6216
						KRW	767.64	814.04
AU TWI	61.20					MYR	2.7793	2.9472
AUD/USD	0.7172	0.0005	0.0013	0.0027	0.0056	NOK	5.7442	6.0914
AUD/NZD	1.0604	0.0001	0.0002	0.0003	0.0009	SEK	6.2663	6.6450
AUD/JPY	80.32	-0.14	-0.43	-0.86	-1.72	SGD	0.9149	0.9701
AUD/EUR	0.6344	-0.0012	-0.0037	-0.0073	-0.0143	TWD	20.88	22.14
AUD/GBP	0.5476	-0.0005	-0.0015	-0.0028	-0.0051	ZAR	9.4984	10.0725
USD Index	96.94							
EUR/USD	1.1304	0.0029	0.0087	0.0175	0.0350	EQUITIES		
USD/JPY	112.01	-0.27	-0.81	-1.61	-3.24			Index
GBP/USD	1.3096	0.0020	0.0060	0.0118	0.0226	NZX50		9,846
EUR/GBP	0.8632	0.0009	0.0027	0.0056	0.0117	ASX200		6,251
						Dow Jones		26,366
						S&P 500		2,904
						FTSE100		7,437
						DAX 30		12,020
						Nikkei		22,169
						COMMODITIES		
								USD
						Dubai Light		69.66
						Brent Crude		71.22
						Gold		1,287.99
						Silver		14.99
						CRB Index		195.58

INTEREST RATES	New Zealand		Australia	
	Borrow	Invest	Borrow	Invest
30 day bank bills	1.90%	1.87%	1.71%	1.69%
90 day bank bills	1.87%	1.84%	1.72%	1.68%
FRA 90d in 3mths	1.78%	1.75%	1.63%	1.58%
FRA 180d in 6mths	1.71%	1.67%	1.65%	1.61%
1 year swap*	1.76%	1.74%	1.60%	1.59%
2 year swap*	1.74%	1.71%	1.55%	1.54%
3 year swap*	1.76%	1.73%	1.57%	1.56%
5 year swap*	1.90%	1.87%	1.82%	1.81%
10 year swap*	2.32%	2.30%	2.18%	2.18%
10 year Govt bond		2.03%		1.95%

* Semi-annual rate resets except AUD 1,2,3 year quarterly

SOURCE: Bloomberg

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