

Research Markets Today

28 March 2025

Events Round-Up

US: Advance Goods Trade Bal. (\$bn), Feb: 147 vs. -138 exp.

US: Initial Jobless Claims (k): 224 vs. 225 exp.

US: Pending Home Sales (m/m%), Feb: 2.0 vs. 1.0 exp.

Good morning

US equity markets are little changed in afternoon trade, after President Trump pressed ahead with tariffs on car manufacturers as part of a widening trade war, which weighed on share prices in the sector. The S&P oscillated around flat in the absence of first tier economic data. European indices closed lower with the Euro Stoxx falling 0.7%. Treasuries edged higher in yield while the US dollar is mixed against G10 currencies.

President Trump has signed an order to put a 25% tariff on imports of foreign-made cars. This will go into effect on April 2 and will apply to car parts as well as completed vehicles. Tariff uncertainty has undermined business and consumer sentiment and increased the chance of a further slowdown in economic activity. The move has led to threats of retaliation from the EU, Canada, Japan and South Korea.

There was limited market reaction to US economic data. Weekly jobless claims matched consensus estimates at 225k. The goods trade deficit narrowed to US\$150bn in February, but printed above the consensus estimate, likely due to stockpiling ahead of potential tariffs being implemented. Pending home sales rose by 2% in February, a bit stronger than the 1% consensus.

US treasuries are modestly higher in yield with a curve steepening bias. The 2y/10y curve has increased to 36bp, up from 20bp at the start of March, and not far below the 43bp cyclical peak reached in January. 10-year treasury yields traded to an intra-day high of 4.40%, the highest level in a month.

Gilt yields reached the highest level since January, on concerns about the UK's fragile public finances, which is fuelling expectations the government will need to raise taxes or cut spending further at its October budget. 10-year yields closed 5bp higher at 4.78% contrasting with lower yields across European markets. 10-year bund yields

fell 3bp to 2.77% as the market continues to recover from the sharp selloff at the beginning of March in response to Germany's fiscal expansion.

The US dollar is weaker against most G10 currencies overnight. The pound was the top performing currency. On the other end of the spectrum, the yen and Canadian dollar fell against the US dollar. The NZD is marginally stronger, and NZD/JPY is the largest mover of the major crosses, trading up toward 86.80.

NZ government bonds closed 4-5bp higher across the curve in the local session yesterday aligning with the selloff in ACGBs. The weekly tender attracted decent demand, albeit not to the same extent as recent weeks, with NZ\$1.4 billion of bids for the NZ\$500 million being offered. The NZ swap curve matched the move in government bonds.

NZ Debt Management announced the joint lead managers for the syndicated tap of the May-2032 nominal bond. The panel announcement suggests the transaction is likely to launch next week. NZDM indicated it expects to issue at least NZ\$3.0 billion, and the transaction will be capped at NZ\$4.0 billion, which is smaller than recent syndications.

Australian 10y bond futures are little changed since the local close yesterday, which suggesting a limited directional bias, for NZ yields on the open.

In the day ahead, NZ consumer confidence will be closely monitored, after Westpac's measure slumped in Q1, suggesting potential challenges for household spending. Filled jobs for February is also scheduled.

It is a busy international calendar. US personal income and spending data is the key release. The Fed's preferred measure of inflation, the core PCE deflator, is expected to increase 0.3% in February, which would see the annual rate increase to 2.7% from 2.6% in January.

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Coming Up

		Period	Cons.	Prev.	NZT
NZ	ANZ Consumer Confidence	Mar	96.6	10:00	
NZ	Filled Jobs (m/m%)	Feb	0.3	10:45	
JN	Tokyo CPI (y/y%)	Mar	2.7	2.9	12:30
JN	Tokyo core CPI (y/y%)	Mar	1.9	1.9	12:30
GE	GfK Consumer Confidence	Apr	-22.5	-24.7	20:00
UK	Retail Sales Ex Auto Fuel (m/m%)	Feb	-0.5	2.1	20:00
GE	Unemployment Change (k)	Mar	10	5	21:55
EC	Economic Confidence	Mar	96.7	96.3	23:00
CA	GDP (m/m%)	Jan	0.3	0.2	1:30
US	Personal Income	Feb	0.4	0.9	1:30
US	Real Personal Spending	Feb	0.3	-0.5	1:30
US	Core PCE Price Index (m/m%)	Feb	0.3	0.3	1:30
US	Core PCE Price Index (y/y%)	Feb	2.7	2.6	1:30
US	U. of Mich. Sentiment	Mar F	57.9	57.9	3:00
US	U. of Mich. 5-10 Yr Inflation	Mar F	3.8	3.9	3:00

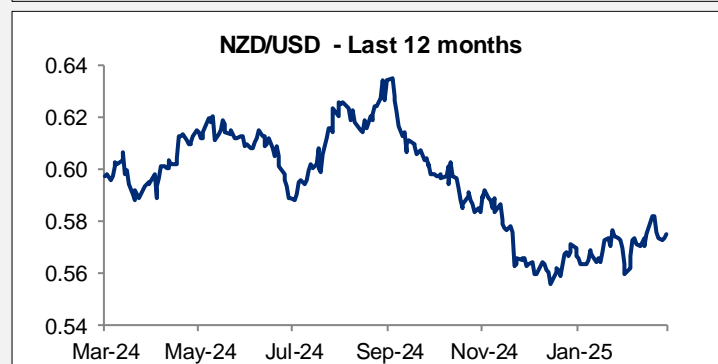
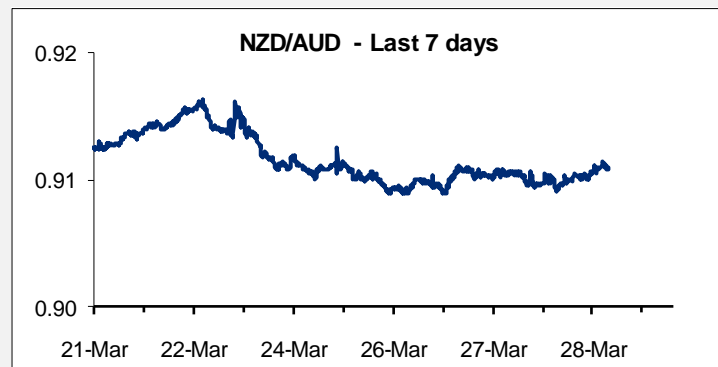
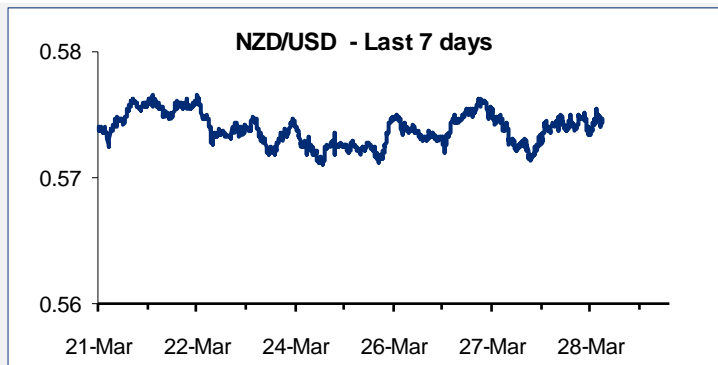
Source: Bloomberg, BNZ

Currencies						Equities						Commodities				
FX Majors		Indicative overnight ranges (*)				Other FX		Major Indices				Price (Near futures, except CRB)				
	Last	% Day	Low	High		Last	% Day		Last	% Day	% Year		Last	Net Day		
NZD	0.5746	+0.3	0.5734	0.5756	CHF	0.8816	-0.3	S&P 500	5,693	-0.4	8.5	Oil (Brent)	73.69	-0.1		
AUD	0.6308	+0.2	0.6295	0.6318	SEK	9.992	-0.6	Dow	42,296	-0.4	6.4	Oil (WTI)	69.64	-0.0		
EUR	1.0806	+0.5	1.0754	1.0821	NOK	10.486	-0.7	Nasdaq	17,853	-0.2	8.9	Gold	3063.7	+1.4		
GBP	1.2965	+0.6	1.2902	1.2992	HKD	7.776	+0.0	Stoxx 50	5,381	-0.6	5.9	HRC steel	890.0	-1.7		
JPY	151.08	+0.3	150.16	151.15	CNY	7.264	-0.1	FTSE	8,666	-0.3	9.3	CRB	307.1	+0.2		
CAD	1.4306	+0.3			SGD	1.339	-0.1	DAX	22,679	-0.7	22.7	Wheat Chic.	545.0	-1.1		
NZD/AUD	0.9109	+0.2			IDR	16,562	-0.2	CAC 40	7,990	-0.5	-2.6	Sugar	19.08	-1.4		
NZD/EUR	0.5317	-0.2			THB	33.83	-0.4	Nikkei	37,800	-0.6	-5.9	Cotton	66.72	+1.6		
NZD/GBP	0.4432	-0.3			KRW	1,465	-0.2	Shanghai	3,374	+0.2	12.1	Coffee	378.6	-3.4		
NZD/JPY	86.81	+0.7			TWD	33.11	+0.1	ASX 200	7,969	-0.4	0.9	WM powder	3960	+0.0		
NZD/CAD	0.8220	+0.6			PHP	57.40	-0.5	NZX 50	12,306	-0.2	1.7	Australian Futures				
NZ TWI	68.27	+0.2						VIX Index	18.78	+2.5	+46.9	3 year bond	96.20	-0.01		
												10 year bond	95.46	-0.03		
Interest Rates						NZ Government Bonds						NZ BKBM and Swap Yields				
Rates		Swap Yields		Benchmark 10 Yr Bonds				Last		Chg		Last			Chg	
	Cash	3Mth	2 Yr	10 Yr		Last	Net Day									
USD	4.50	4.85	3.84	3.92	USD	4.37	0.02	15-Apr-27		3.61	0.04	BKBM 1-mth	3.73	0.00		
AUD	4.10	4.11	3.70	4.39	AUD	4.50	0.03	15-May-28		3.79	0.04	BKBM 3-mth	3.62	-0.01		
NZD	3.75	3.62	3.45	4.20	NZD	4.68	0.05	20-Apr-29		3.94	0.04	1 year	3.39	0.01		
EUR	2.50	2.37	2.22	2.69	GER	2.77	-0.02	15-May-30		4.09	0.04	2 year	3.45	0.04		
GBP	4.50	4.71	4.10	4.27	GBP	4.78	0.06	15-May-31		4.27	0.04	3 year	3.53	0.05		
JPY	0.48	-0.03	0.89	1.39	JPY	1.59	0.00	15-May-32		4.41	0.04	5 year	3.75	0.05		
CAD	2.75	4.97	2.43	2.85	CAD	3.11	-0.02	14-Apr-33		4.50	0.05	7 year	3.96	0.05		
								15-May-34		4.58	0.05	10 year	4.20	0.04		
								15-May-35		4.68	0.05	15 year	4.44	0.05		
								15-May-36		4.76	0.05	NZ Inflation-Indexed Bonds				
								15-May-37		4.87	0.05	Sep-30	2.27	-0.02		
								15-May-41		5.09	0.05	Sep-35	2.77	-0.02		
								15-May-51		5.25	0.05	Sep-40	3.05	-0.02		
								15-May-54		5.26	0.05					

* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer
 Rates are as of: NZT 06:12
 Source: Bloomberg

NZD exchange rates

28/03/2025 6:12 am		Prev. NY close
USD	0.5746	0.5729
GBP	0.4432	0.4445
AUD	0.9109	0.9095
EUR	0.5317	0.5327
JPY	86.81	86.26
CAD	0.8220	0.8174
CHF	0.5066	0.5064
DKK	3.9673	3.9743
FJD	1.3203	1.3188
HKD	4.4682	4.4550
INR	49.29	49.11
NOK	6.0254	6.0494
PKR	160.99	160.65
PHP	32.98	33.05
PGK	2.3310	2.3176
SEK	5.7412	5.7578
SGD	0.7693	0.7681
CNY	4.1730	4.1640
THB	19.50	19.47
TOP	1.3714	1.3670
VUV	71.00	70.79
WST	1.6041	1.5963
XPF	63.37	63.45
ZAR	10.4778	10.4640



NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	3.97	4.17
3 Months	12.87	13.28
6 Months	26.17	27.17
9 Months	37.44	39.44
1 Year	45.64	48.36

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	4.07	4.64
3 Months	13.55	14.69
6 Months	27.29	30.01
9 Months	38.31	43.60
1 Year	46.72	54.05

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