

Research Markets Today

30 April 2025

Events Round-Up

NZ: Filled jobs (m/m%), Mar: 0.2 vs. 0.0 prev.
 GE: GfK consumer confidence, May: -20.6 vs. -25.8 exp.
 EC: Economic confidence, Apr: 93.6 vs. 94.5 exp.
 US: Goods trade balance (\$b), Mar: -162 vs. -145 exp.
 US: JOLTS job openings (k), Mar: 7192 vs. 7500 exp.
 US: Conf. Board consumer confid., Apr: 86.0 vs. 88.0 exp.

Good Morning

The “Sell America” trade shows further sign of unwinding. US equities are up for a sixth consecutive day, with the S&P500 showing a current gain of 0.6%, supported by a backdown in auto tariffs. US economic data were awful, supporting a lower rates backdrop. Currency movements have been modest, but the USD is broadly stronger, and the NZD and AUD have underperformed over the past 24 hours.

The White House confirmed recent media reports that President Trump would sign an executive order later today to ease the impact of his auto tariffs, preventing duties on foreign-made vehicles from stacking on top of other levies and lessening charges on parts from overseas used to make vehicles in the US. This follows the recent backdown in tariffs for some electronic goods and U-turns look to be the norm, as the sledgehammer approach to introducing new import tariffs gets refined.

Treasury Secretary Bessent said that the US was speaking to 17 out of 18 important trade partners. China is the likely omission. How well these trade talks are going is up for debate, but a PBS journalist tweeted that talks are not going well with the EU, according to comments from the US Trade Representative.

Bessent repeated claims that high US tariffs are unsustainable for China, and they need a deal more than the US, but that is wishful thinking. China is well prepared to go the distance and is unlikely to blink first in the trade war. China’s Foreign Ministry released a social media video, titled “Never Kneel Down!” which is self-explanatory, and the video included the message “Bowing to a bully is like drinking poison to quench thirst”.

US economic data released overnight was awful. The US goods trade balance rose to a record \$162b in March,

much higher than consensus estimates, driven by a further surge in imports owing to a front-running of activity ahead of new tariffs. Thus, net exports will make a larger negative contribution to Q1 GDP, in data due tonight. The underlying measure of the Atlanta FedNow annualised GDP estimate fell to minus 1.5%. A likely subsequent plunge in imports for Q2 will have the reverse effect of boosting Q2 GDP.

The Conference Board measure of US consumer confidence plunged 7.9pts to 86.0 in April, below consensus even with a good steer from the University of Michigan measure released earlier. The fall in the headline measure was led by a 12.5pts fall in the expectations component to 54.4, taking it below the COVID-19 low, consistent with levels normally associated with contraction in real consumer spending and economic recession. Year-ahead inflation expectations rose to a 2½ year high of 7%. Write-in responses revealed that tariffs were now on top of consumers’ minds, with concerns about tariffs increasing prices and having negative impacts on the economy.

The JOLTS report showed a greater than expected fall in US job openings in March, down 288k to 7192k, its lowest level since September. Other measures weren’t as discouraging, with steady hiring, a drop in layoffs and a lift in the quits rate.

The softer economic backdrop supported a further fall in US Treasury yields. The 10-year rate is down for a sixth consecutive day, down 3bps to 4.17%, with a largely parallel move in the curve. Pricing for Fed rate cuts moved towards four full rate cuts this year, with nearly 100bps now priced, with the recession indicators seen to carry more weight than the likely temporary lift in inflation.

Currency movements have been modest, although the USD is broadly stronger for the day and the AUD has been a notable underperformer, falling back below 0.64. The NZD hasn’t been far behind and trades this morning under 0.5950, while NZD/AUD has pushed back up to 0.93. The NZD is modestly weaker on other key crosses. There was little reaction in CAD to Mark Carney’s expected election win, with a narrow majority that will likely require support from other parties to pass legislation once the full vote count is in.

In the domestic rates market, NZGBs underperformed, with rising rates against a relatively flat swap market, due to flow than anything fundamental. The 10-year NZGB

rose 3bps to 4.48% and the ultra-long bonds rose 5-6bps, against a 1bp lift in the 10-year swap rate.

Finance Minister Willis said in a pre-Budget speech that the operating allowance will be cut to \$1.3b from \$2.4b, amidst a downgrade to growth forecasts. The smaller operating allowance would still allow the figures to show a surplus by FY2029. The IMF's recent fiscal monitor showed NZ as having one of the highest cyclically-adjusted general government primary fiscal balances in the world, destroying any argument that NZ is going through a period of fiscal austerity.

The economic calendar over the next 24 hours is action-packed, with plenty of top-tier data, including Australia CPI, China PMIs, Euro area GDP and, in the US, GDP, the employment cost index and PCE deflators. Domestically, the ANZ business outlook survey is released. For US Q1 GDP, the range of economist estimates is minus 2.4% to plus 1.7% with the consensus median at 0.1% on an annualised rate for the quarter, which would be the weakest quarter in three years, ahead of an expected bigger blow to the economy over coming quarters. After last night's trade figure, the consensus estimate might well be stale, and the odds are likely higher of a negative print.

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Coming Up

		Period	Cons.	Prev.	NZT
NZ	ANZ activity outlook (net%)	Apr		48.6	13:00
AU	CPI (y/y%)	Q1	2.3	2.4	13:30
AU	CPI trimmed mean (q/q%)	Q1	0.6	0.5	13:30
AU	CPI trimmed mean (y/y%)	Q1	2.8	3.2	13:30
CH	Manufacturing PMI	Apr	49.7	50.5	13:30
CH	Non-manufacturing PMI	Apr	50.6	50.8	13:30
CH	Caixin PMI manufacturing	Apr	49.7	51.2	13:45
GE	Unemployment rate (%)	Apr	6.3	6.3	19:55
GE	GDP (q/q%)	Q1	0.2	-0.2	20:00
EA	GDP (q/q%)	Q1	0.2	0.2	21:00
GE	CPI EU harmonised (y/y%)	Apr	2.1	2.3	0:00
US	ADP employment change (k)	Apr	115	155	0:15
US	GDP (ann'lisd q/q%)	Q1	0.3	2.4	0:30
US	Employment cost index	Q1	0.9	0.9	0:30
CA	GDP (m/m%)	Feb	0.0	0.4	0:30
US	Chicago PMI	Apr	45.9	47.6	1:45
US	Personal income (m/m%)	Mar	0.4	0.8	2:00
US	Real personal spending (m/m%)	Mar	0.5	0.1	2:00
US	Core PCE deflator (m/m%)	Mar	0.1	0.4	2:00
US	Core PCE deflator (y/y%)	Mar	2.6	2.8	2:00
US	Pending home sales (m/m%)	Mar	1.0	2.0	2:00

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	0.5939	-0.7	0.5927	0.5979	CHF	0.8245	+0.5	S&P 500	5,569	+0.7	8.9	Oil (Brent)	64.22	-2.5
AUD	0.6386	-0.7	0.6376	0.6432	SEK	9.632	+0.5	Dow	40,573	+0.9	5.7	Oil (WTI)	60.40	-2.7
EUR	1.1381	-0.3	1.1370	1.1419	NOK	10.375	+0.4	Nasdaq	17,483	+0.7	9.4	Gold	3327.8	-0.6
GBP	1.3400	-0.3	1.3381	1.3426	HKD	7.759	+0.0	Stoxx 50	5,162	-0.2	3.6	HRC steel	944.0	+0.0
JPY	142.32	+0.2	141.97	142.76	CNY	7.271	-0.2	FTSE	8,463	+0.5	3.9	CRB	297.9	-0.2
CAD	1.3847	+0.1			SGD	1.308	-0.0	DAX	22,426	+0.7	23.8	Wheat Chic.	524.5	-1.2
NZD/AUD	0.9300	+0.1			IDR	16,761	-0.6	CAC 40	7,556	-0.2	-6.3	Sugar	17.62	-1.2
NZD/EUR	0.5218	-0.3			THB	33.45	+0.3	Nikkei	35,840	+0.4	-6.7	Cotton	66.35	-0.2
NZD/GBP	0.4432	-0.4			KRW	1,434	-0.2	Shanghai	3,287	-0.1	5.9	Coffee	399.8	-2.5
NZD/JPY	84.52	-0.4			TWD	32.20	-0.8	ASX 200	8,071	+0.9	5.3	WM powder	4225	+0.8
NZD/CAD	0.8224	-0.5			PHP	56.14	-0.5	NZX 50	12,025	-0.6	0.6	Australian Futures		
NZ TWI	69.49	-0.6						VIX Index	23.93	-4.9	+63.1	3 year bond	96.70	-0.02
Interest Rates												10 year bond 95.80 -0.03		
	Rates		Swap Yields		Benchmark 10 Yr Bonds		NZ Government Bonds			NZ BKBM and Swap Yields				
	Cash	3Mth	2 Yr	10 Yr	Last	Net Day		Last	Chg		Last	Chg		
USD	4.50	4.85	3.42	3.65	USD	4.17	-0.03	15-Apr-27	3.26	0.03	BKBM 1-mth	3.62	0.00	
AUD	4.10	3.89	3.20	4.09	AUD	4.19	0.02	15-May-28	3.46	0.03	BKBM 3-mth	3.42	-0.01	
NZD	3.50	3.42	3.08	3.97	NZD	4.48	0.03	20-Apr-29	3.64	0.03	1 year	3.07	-0.00	
EUR	2.25	2.19	1.92	2.47	GER	2.50	-0.02	15-May-30	3.81	0.04	2 year	3.08	0.01	
GBP	4.50	4.62	3.63	3.96	GBP	4.48	-0.03	15-May-31	4.00	0.04	3 year	3.19	0.00	
JPY	0.48	-0.03	0.67	1.08	JPY	1.32	0.00	15-May-32	4.18	0.04	5 year	3.45	-0.00	
CAD	2.75	4.97	2.36	2.85	CAD	3.13	-0.03	14-Apr-33	4.27	0.04	7 year	3.70	0.00	
								15-May-34	4.38	0.03	10 year	3.97	0.01	
								15-May-35	4.48	0.03	15 year	4.25	0.00	
								15-May-36	4.58	0.04				
								15-May-37	4.69	0.04	NZ Inflation-Indexed Bonds			
								15-May-41	4.94	0.05	Sep-30	1.92	0.01	
								15-May-51	5.15	0.05	Sep-35	2.69	-0.00	
								15-May-54	5.17	0.06	Sep-40	3.02	-0.00	
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NZD exchange rates

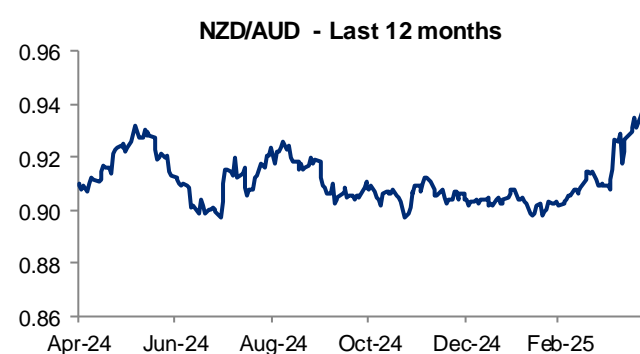
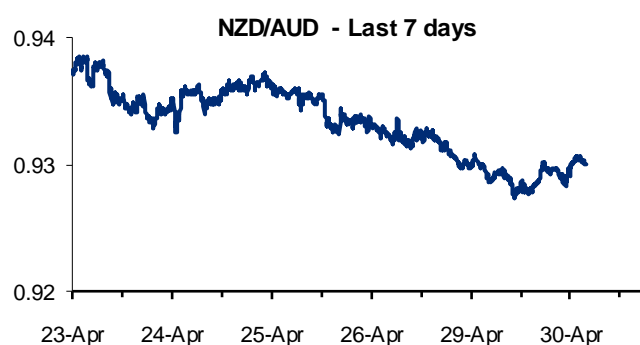
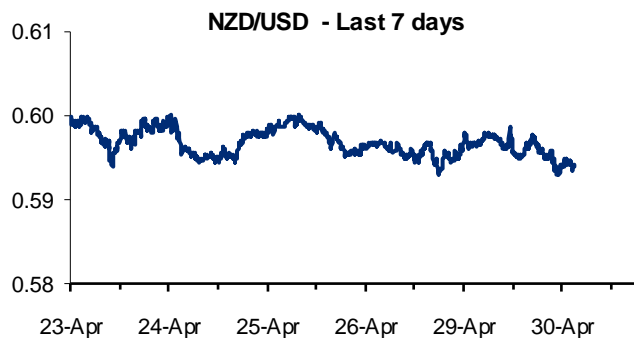
30/04/2025	6:54 am	Prev. NY close
USD	0.5939	0.5979
GBP	0.4432	0.4448
AUD	0.9300	0.9297
EUR	0.5218	0.5236
JPY	84.52	84.91
CAD	0.8224	0.8269
CHF	0.4897	0.4903
DKK	3.8951	3.9076
FJD	1.3519	1.3669
HKD	4.6078	4.6376
INR	50.63	50.84
NOK	6.1618	6.1806
PKR	166.88	168.05
PHP	33.35	33.74
PGK	2.4231	2.4374
SEK	5.7204	5.7288
SGD	0.7770	0.7824
CNY	4.3185	4.3571
THB	19.84	20.13
TOP	1.3981	1.4121
VUV	71.86	72.65
WST	1.6577	1.6764
XPF	62.32	62.63
ZAR	11.0234	11.0762

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	5.31	5.57
3 Months	16.57	17.10
6 Months	32.86	34.02
9 Months	44.81	47.17
1 Year	52.29	55.30

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	5.14	5.76
3 Months	15.30	16.57
6 Months	27.71	30.95
9 Months	35.29	41.15
1 Year	40.81	49.49



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