Research Markets Today

31 March 2025

Events Round-Up

NZ: ANZ Consumer Conf, Mar: 93.2 vs. 96.6 prev.

NZ: Filled Jobs (m/m%), Feb: 0.1 vs. 0.3 prev.

JN: Tokyo CPI (y/y%), Mar: 2.9 vs. 2.7 exp.

JN: Tokyo core CPI (y/y%), Mar: 2.2 vs. 1.9 exp.

GE: GfK Consumer Confidence, Apr: -24.5 vs. -22.5 exp.

UK: Retail Sales Ex Auto Fuel (m/m%), Feb: 1.0 vs. -0.5 exp.

GE: Unemployment Change (k), Mar: 26 vs. 10 exp.

EC: Economic Confidence, Mar: 95.2 vs. 96.7 exp.

CA: GDP (m/m%), Jan: 0.4 vs. 0.3 exp.

US: Personal Income, Feb: 0.8 vs. 0.4 exp.

US: Real Personal Spending, Feb: 0.1 vs. 0.3 exp.

US: Core PCE Price Index (m/m%), Feb: 0.4 vs. 0.3 exp.

US: Core PCE Price Index (y/y%), Feb: 2.8 vs. 2.7 exp.

US: U. of Mich. Sentiment, Mar F: 57.0 vs. 57.9 exp.

US: U. of Mich. 5-10 Yr Inflation, Mar F: 4.1 vs. 3.8 exp.

Good morning

Weak risk sentiment contributed to a large fall in US equities and an outperformance of safe haven assets into the end of last week. Concerns about the widening trade war and US economic data, which pointed to slowing consumption and higher inflation, also weighed on sentiment. The S&P closed 2% lower while treasury yields dropped sharply across the curve. The yen outperformed within G10 currencies and gold prices have hit a new record high above US\$3080 per troy ounce.

US consumer spending was weaker than expected in February. Real consumption edged 0.1% higher in the month, after the previous sharp fall in January, related to bad weather. The pace of consumption has slowed and weak sentiment points to further headwinds ahead. The 0.4% m/m increase in the core PCE deflator was above the consensus estimate, and lifted the annual rate to 2.8%, from 2.6% in January.

University of Michigan consumer sentiment fell to 57.0 which is the lowest reading since November 2022. Consumers are becoming increasingly concerned about economic policy developments, and the proportion expecting unemployment to increase, is the highest since 2009. There was a further rise in the consumers' five-to-ten-year inflation expectations which increased to 4.1%, the highest level since 1993.

The treasury market looked past the adverse inflation data and took its direction from weaker activity and the risk off tone. 10-year notes closed 11bp lower at 4.25%, having threatened to break out through the top side of the trading range, the previous day. The scale of the rally, despite the upside surprise to core PCE inflation, suggests the market is more concerned about growth and the risks posed by tariffs.

The market priced additional easing by the Federal Reserve. There is now 75bp of rate cuts priced by the December FOMC. This compares with 63bp before the weakness in equity markets took hold.

The US dollar was weaker on the major crosses despite the deterioration in risk sentiment. The yen was the best performing G10 currency supported by its defensive properties, and an upside surprise to inflation, which keeps the Bank of Japan on track for gradual interest rate hikes. The euro rebounded after Bloomberg reported European Union officials are identifying concessions it could take to secure the partial removal of the US tariffs.

Absolute changes in currencies outside of the yen and euro were small despite the large moves in asset markets. An initial NZD/USD rally faded, and the pairing was unchanged from the local close overnight Friday.

Domestic data was lacklustre. ANZ consumer confidence fell to 93.2 in March from 96.6 in February. Confidence needs to recover meaningfully to be consistent with our forecasts of household spending. Separately, filled jobs rose 0.1% in February and the previous month was revised lower from 0.3% to 0.1%. When combined with expanding labour force, this is be consistent with the unemployment rate continuing to edge higher.

NZ fixed income moved lower in yield in the local session on Friday largely reflecting the repricing in offshore markets. Swap rates moved 2-3bp lower across the curve with a similar move seen in government bonds. The market looks ahead to the likely tap syndication of the May-2032 nominal line this week.

Australian 10-year government bond futures are 6bp lower in yield terms since the local close on Friday, and combined with the move in US treasuries, suggest a downward bias for NZ yields on the open.

www.bnz.co.nz/research Page 1

Markets Today 31 March 2025

ANZ business confidence is the only domestic data of note today. Alongside measures of activity, pricing intentions and inflation expectations will be of interest. The official manufacturing and services PMIs will be closely monitored in China and the Chicago PMI is scheduled overnight.

stuart.ritson@bnz.co.nz

Coming Up

		Period	Cons.	Prev.	NZT
NZ	ANZ Activity Outlook	Mar		45.1	13:00
СН	Manufacturing PMI	Mar	50.4	50.2	14:30
СН	Non-manufacturing PMI	Mar	50.6	50.4	14:30
GE	CPI EU Harmonized (y/y%)	Mar P		2.6	1:00
US	MNI Chicago PMI	Mar	45.5	45.5	2:45

Source: Bloomberg, BNZ

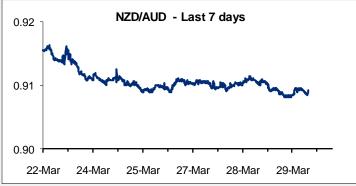
Currenci	es							Equities				Commodities	S	
FX Majors Indicat		ndicative overnight ranges (*)		Other FX		Major Indices			Price (Near futures, except CRB)					
	Last	% Day	Low	High		Last	% Day	•	Last	% Day	% Year		Last	Net Day
NZD	0.5717	-0.4	0.5711	0.5736	CHF	0.8808	-0.1	S&P 500	5,581	-2.0	6.2	Oil (Brent)	73.63	-0.9
AUD	0.6288	-0.3	0.6284	0.6312	SEK	10.013	+0.1	Dow	41,584	-1.7	4.5	Oil (WTI)	69.36	-1.3
EUR	1.0830	+0.3	1.0765	1.0845	NOK	10.478	-0.0	Nasdaq	17,323	-2.7	5.8	Gold	3086.5	+0.9
GBP	1.2942	-0.1	1.2922	1.2968	HKD	7.779	+0.0	Stoxx 50	5,331	-0.9	4.9	HRC steel	890.0	+0.3
JPY	149.83	-0.8	149.75	150.91	CNY	7.263	+0.0	FTSE	8,659	-0.1	8.9	CRB	306.9	-0.1
CAD	1.4317	+0.1			SGD	1.341	+0.1	DAX	22,462	-1.0	21.5	Wheat Chic.	542.8	-0.7
NZD/AUD	0.9091	-0.1			IDR	16,559	-0.0	CAC 40	7,916	-0.9	-3.5	Sugar	18.96	-0.7
NZD/EUR	0.5278	-0.6			THB	33.94	+0.3	Nikkei	37,120	-1.8	-8.0	Cotton	66.90	-0.3
NZD/GBP	0.4417	-0.3			KRW	1,470	+0.4	Shanghai	3,351	-0.7	10.2	Coffee	380.0	+0.3
NZD/JPY	85.65	-1.2			TWD	33.12	+0.0	ASX 200	7,982	+0.2	1.1	WM powder	3950	-0.3
NZD/CAD	0.8184	-0.3			PHP	57.38	-0.0	NZX 50	12,287	-0.1	1.5	Australian Fu	tures	
NZ TWI	67.97	-0.4						VIX Index	21.65	+15.8	+66.4	3 year bond	96.24	0.04
Interest F	Rates											10 year bond	95.55	0.09
Rates Swap Yields Benchmark 10 Yr Bonc				r Bonds	NZ Governn	nent Bond	s		NZ BKBM and	l Swap Yi	elds			
	Cash	3Mth	2 Yr	10 Yr		Last	Net Day			Last	Chg		Last	Chg
USD	4.50	4.85	3.74	3.80	USD	4.25	-0.11	15-Apr-27		3.58	-0.03	BKBM 1-mth	3.72	-0.01
AUD	4.10	4.13	3.66	4.32	AUD	4.46	-0.05	15-May-28		3.76	-0.03	BKBM 3-mth	3.61	-0.01
NZD	3.75	3.61	3.42	4.17	NZD	4.65	-0.03	20-Apr-29		3.91	-0.03	1 year	3.39	0.00
EUR	2.50	2.36	2.18	2.65	GER	2.73	-0.05	15-May-30		4.06	-0.03	2 year	3.42	-0.02
GBP	4.50	4.71	4.04	4.17	GBP	4.69	-0.09	15-May-31		4.24	-0.03	3 year	3.51	-0.02
JPY	0.48	-0.03	0.87	1.36	JPY	1.54	-0.05	15-May-32		4.38	-0.03	5 year	3.72	-0.03
CAD	2.75	4.97	2.37	2.76	CAD	3.01	-0.09	14-Apr-33		4.47	-0.03	7 year	3.93	-0.03
								15-May-34		4.56	-0.03	10 year	4.17	-0.02
					Policy Me	eting Run	1	15-May-35		4.65	-0.03	15 year	4.42	-0.02
					NZD	AUD	USD	15-May-36		4.73	-0.03			
					1st 3.51	4.07	4.28	15-May-37		4.84	-0.02	NZ Inflation-li	ndexed Bo	onds
* These are indicative ranges from 5pm NZT; 2nd 3.32 3.91 4.11			15-May-41		5.06	-0.03	Sep-30	2.26	-0.02					
please confirm rates with your BNZ dealer 3rd 3.21 3.84 3.97			15-May-51		5.22	-0.03	Sep-35	2.75	-0.02					
Rates at NY close 4th 3.11 3.66 3.81				15-May-54		5.23	-0.03	Sep-40	3.04	-0.02				
Source: Bloc	mberg				5th 3.08	3.58	3.72					•		

www.bnz.co.nz/research Page 2

Markets Today 31 March 2025

NZD exchan	ge rates	
29/03/2025	_	Prev. NY close
USD	0.5717	0.5740
GBP	0.4417	0.4433
AUD	0.9091	0.9104
EUR	0.5278	0.5314
JPY	85.65	86.70
CAD	0.8184	0.8211
CHF	0.5035	0.5061
DKK	3.9390	3.9653
FJD	1.3284	1.3201
HKD	4.4463	4.4632
INR	48.85	49.24
NOK	5.9895	6.0154
PKR	160.14	160.82
PHP	32.80	32.94
PGK	2.3417	2.3286
SEK	5.7234	5.7410
SGD	0.7667	0.7690
CNY	4.1511	4.1685
THB	19.42	19.48
TOP	1.3652	1.3696
VUV	70.65	70.93
WST	1.5900	1.6017
XPF	63.23	63.32
ZAR	10.5350	10.4665

0.58	ı	NZD/USD	- Last 7	days			
0.57							
0.56	24-Mar	25-Mar	27-Mar	28-Mar	2 9-Mar	_	







NZD/AUD - Last 12 months						
0.92						
0.90 -	M. Mary My					
0.88 — Mar-24	May-24 Jul-24 Sep-24 Nov-24 Jan-25					

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD						
1 Month	3.93	4.24						
3 Months	12.57	13.13						
6 Months	24.80	25.80						
9 Months	33.95	38.10						
1 Year	40.98	44.43						

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	4.02	4.74
3 Months	13.14	14.45
6 Months	25.83	28.69
9 Months	35.16	43.36
1 Year	43.21	51.77

Contact Details

Page 3 www.bnz.co.nz/research

Markets Today 31 March 2025

BNZ Research

Stephen Toplis Head of Research

+64 4 474 6905

Doug Steel Senior Economist +64 4 474 6923

Jason Wong Senior Markets Strategist +64 4 924 7652

Stuart Ritson

Senior Interest Rate Strategist +64 9 9248601

Mike Jones

BNZ Chief Economist +64 9-956 0795

Main Offices

Wellington

Level 4, Spark Central 42-52 Willis Street Private Bag 39806 Wellington Mail Centre Lower Hutt 5045 **New Zealand**

Toll Free: 0800 283 269

Auckland

80 Queen Street Private Bag 92208 Auckland 1142 New Zealand Toll Free: 0800 283 269

Christchurch

111 Cashel Street Christchurch 8011 New Zealand

Toll Free: 0800 854 854

This document has been produced by Bank of New Zealand (BNZ). BNZ is a registered bank in New Zealand and is only authorised to offer products and services to customers in New Zealand.

Analyst Disclaimer: The Information accurately reflects the personal views of the author(s) about the securities, issuers and other subject matters discussed, and is based upon sources reasonably believed to be reliable and accurate. The views of the author(s) do not necessarily reflect the views of the NAB Group. No part of the compensation of the author(s) was, is, or will be, directly or indirectly, related to any specific recommendations or views expressed.

BNZ maintains an effective information barrier between the research analysts and its private side operations. Private side functions are physically segregated from the research analysts and have no control over their remuneration or budget. The research functions do not report directly or indirectly to any private side function. The Research analyst might have received help from the issuer subject in the research report.

New Zealand: The information in this publication is provided for general information purposes only, and is a summary based on selective information which may not be complete for your purposes. This publication does not constitute any advice or recommendation with respect to any matter discussed in it, and its contents should not be relied on or used as a basis for entering into any products described in it. Bank of New Zealand recommends recipients seek independent advice prior to acting in relation to any of the matters discussed in this publication.

Any statements as to past performance do not represent future performance, and no statements as to future matters are guaranteed to be accurate or reliable.

Neither Bank of New Zealand nor any person involved in this publication accepts any liability for any loss or damage whatsoever which may directly or indirectly result from any advice, opinion, information, representation or omission, whether negligent or otherwise, contained in this publication.

USA: If this document is distributed in the United States, such distribution is by nabSecurities, LLC. This document is not intended as an offer or solicitation for the purchase or sale of any securities, financial instrument or product or to provide financial services. It is not the intention of nabSecurities to create legal relations on the basis of information provided herein.

Page 4 www.bnz.co.nz/research