

NZD Crosses

NZDUSD

Rate 0.7153
Change 0.0038
% Change ▲ 0.53%

NZDAUD

Rate 0.7820
Change 0.0012
% Change ▲ 0.15%

NZDEUR

Rate 0.5550
Change 0.0000
% Change ▲ 0.00%

NZDJPY

Rate 60.20
Change 0.21
% Change ▲ 0.35%

NZDGBP

Rate 0.4636
Change 0.0014
% Change ▲ 0.30%

Majors

EURUSD

Rate 1.2836
Change 0.0060
% Change ▲ 0.47%

USDJPY

Rate 83.79
Change 0.13
% Change ▼ 0.15%

AUDUSD

Rate 0.9112
Change 0.0032
% Change ▲ 0.35%

Foreign Interest Rates

USD 0.25%
AUD 4.50%
GBP 0.50%
EUR 1.00%
JPY 0.10%
NZD 3.00%

Other Rates

NZDHKD 5.5597
NZDFJD 1.3665
NZDCAD 0.7442
NZDSGD 0.9612
NZDXPF 66.17
NZDTHB 22.25
NZDZAR 5.1058
NZDDKK 3.6185
NZDSEK 5.1588
90 Day Bill 2.76%

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Foreign Exchange Outlook – 6th September 2010

Non-farms Excite; Quake Shakes Kiwi; RBA Tomorrow

After gaining on a weaker US\$ over Friday night the Kiwi has opened about a quarter of a cent lower against the USD and AUD, marked down following this weekend's earthquake in Canterbury. With the Treasury putting out early estimates for repairs around the NZD2 billion mark we will likely see some knee-jerk selling this morning, this certainly rules out any chance of a hike in the OCR in the near term. Bar any substantial interruption to business (all dairy farms in the region are back with power today), a NZ\$2 billion rebuild will be a positive for GDP and for the struggling construction sector. NZD2 billion equates to about a 1% boost to GDP.

Initially the locals were up against the US Dollar over the weekend following better than expected non-farm payrolls data; the Kiwi had climbed over half a cent to sit above 0.7200 by the close of Friday in New York, the Aussie was up by a similar margin to 0.9150. The EUR and GBP gained as well and US stocks were up around 1.25%. The US lost 54k jobs in August, almost half the 105k losses expected and June job losses were revised up from -161k to -54k. This was enough to bump the unemployment rate from 9.5% to 9.6%; broadly a good result. Encouragingly private pay-rolls gained 67k in August, more than the 40k expected, showing that growth is coming from small business and contradicting recent talk of a double-dip for US GDP.

Focus is on the RBA rate decision tomorrow afternoon at 4.30: rates are expected to remain on hold at 4.50%, not just tomorrow but for the foreseeable future, as a general slowdown in global markets and Australia reduces the need for tightening. Australian unemployment is due out on Thursday and is expected to show a slight reduction from 5.3% to 5.2%.

Bar any short-term shocks, the Kiwi looks set to test the top side again

