

## NZD Crosses

### NZDUSD

Rate 0.7041  
Change 0.0082  
% Change ▼ 1.16%

### NZDAUD

Rate 0.7884  
Change 0.0035  
% Change ▼ 0.44%

### NZDEUR

Rate 0.5489  
Change 0.0049  
% Change ▼ 0.89%

### NZDJPY

Rate 60.11  
Change 0.75  
% Change ▼ 1.24%

### NZDGBP

Rate 0.4513  
Change 0.0051  
% Change ▼ 1.13%

## Majors

### EURUSD

Rate 1.2772  
Change 0.0036  
% Change ▼ 0.28%

### USDJPY

Rate 85.03  
Change 0.09  
% Change ▼ 0.11%

### AUDUSD

Rate 0.8889  
Change 0.0066  
% Change ▼ 0.74%

## Foreign Interest Rates

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

## Other Rates

NZDHKD 5.4697  
NZDFJD 1.3590  
NZDCAD 0.7323  
NZDSGD 0.9534  
NZDXPF 65.46  
NZDTHB 22.14  
NZDZAR 5.0879  
NZDDKK 3.6185  
NZDSEK 5.1751  
90 Day Bill 2.76%

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CNS Treasury System

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## Foreign Exchange Outlook – 20th August 2010

### Disappointing US Data Sees Locals Lower

Poor US economic data saw the locals fall back down toward the lower end of this week's range overnight; the Kiwi lost around half a cent against the US\$ to sit in the high 0.70's, the Aussie was again a little more reluctant to be pushed around ahead of the weekends election. The NZDAUD cross gave up some of yesterday's gains; the pair is trading in the low 0.79's this morning. In other markets; the Euro and Pound were stable against the US dollar (not much action during the traditional European holiday season) and US equities were down 1.5% off the back of the poor economic data. One potential source of volatility for the currency markets this weekend will be the Aussie election; there is an outside chance of a hung parliament or some other upset which could cause a turbulent Monday morning.

In the US; data released overnight showed that initial jobless claims jumped by 12k in the last week to 500k, the highest level since November 2009. Also released last night was the Philly Fed Index, a survey of US manufacturing, which turned negative for the first time this year. Higher jobless claims will help maintain the stubbornly high US unemployment rate and contribute to a run down in US equity markets and general risk aversion such as we saw last night. Traditionally the authorities are very sensitive to the unemployment numbers, so should this trend continue, it may be enough to prompt further stimulus moves either by the Government or the Fed.

Initial Jobless claims have pushed back up to 500k which will put pressure on unemployment

