Market data dashboard

Review of the week ending Thursday 7th September 2023 market close

BlackRock。

Economic data & news

- NZ: Q2 goods terms of trade rose 0.4% beating expectations of -1.3% led by a 6.8% surge in goods exports volumes. Q2 services terms of trade also rose 4.4%. The August World Commodity Price index weighed down on terms of trade, continuing its downward trend falling 2.9% MoM driven by dairy and • The S&P500 Index closed the week down -1.2% lower and the US lamb prices. August consumer confidence reported a modest uplift of 1.3 pts to 85.0, although a reading below 100 still indicates consumer pessimism.
- Aust: The RBA maintained the cash rate at 4.1% in line with expectations and left forward quidance unchanged, awaiting developments in economic data. Australian GDP surprised to the upside with a 2.1% YoY rise against expectations of a 1.8% YoY increase, with a 0.4% increase in Q2. However, it was below last quarter's 2.4% YoY mainly driven by lower trade and investment contributions. The Manufacturer's Purchaser Manager Index (PMI) posted its strongest reading in 6 months at 49.6, although the reading below 50 still indicating a contraction. Manufacturing employment demand continued to expand.
- US: August US services PMI came in at a stronger than expected 54.5 and the manufacturing PMI remained in contractionary territory with a 47.6 reading, however both were the highest levels in 6 months. The August unemployment rate rose modestly by 0.3% to 3.8% with the participation rate inching up to 62.8%, a 3-year high. The trade deficit continued to widen in July, given a 1.6% in exports lagging the 1.7% increase in imports.
- Europe: EU Q2 GDP was revised down to a modest 0.1% uptick QoQ from earlier flash estimates of 0.3%, driven by weakness in new orders, hiring intentions and supply constraints. EU July Producer Price Index (PPI) reported a -7.6% YoY decline and reduced -0.5% MoM. EU composite PMI data recorded a contractionary 46.7 in August, with services PMI data falling to 47.9 pts. The decline was led by Germany's -0.8% industrial production fall MoM despite the UK services PMI being revised up to 49.8.
- China/Japan: China's exports dropped sharply by -8.8% in August YoY and imports also fell -7.3% YoY, continuing their steep downward trend. The Chinese services PMI fell to 51.8 in August down from 54.1 in July, the lowest • Tue Sep 12th: NZ Consumer confidence, NZ Electronic card retail reading since December. Japan's household spending fell -5% YoY in July for its biggest fall in 2.5 years and below market expectations of -2.5%. Japan's services PMI continued 12 consecutive months of expansion with a reading of 54.4 in August while manufacturing continued to shrink.

Equities - New Zealand

ullet The NZ share market fell by -0.9% this week in line with global equities. The worst performing sector was consumer discretionary posting losses of -7.5% and the best performing sectors remaining flat were materials and industrials.

Equities - Global

- Global equities all fell this week with the Japanese stocks being the outlier posting a positive return.
- Nasdag Composite Index fell -1.6% too.
- European stocks fell -1.8% and Australian stocks dipped -1.3%.
- Asian indices had mixed performance with Japanese shares closing +1.1% higher and the Chinese stock market falling -0.2%.

Fixed Income

- US treasury yields rose. 10-year rates were up +14bps this week.
- The Barclays Global Agg Bond Index (hedged in NZD) fell -0.7% week-over-week and US inflation bonds were down -0.4%.
- New Zealand 2-year rates finished up +7bps and the 10-year rose even further by +12bps week-over-week.
- The NZ government bond index declined by -0.6% week-over-week.

Commodities & FX

- The commodity index was flat this week despite oil strengthening +3.9%. Iron ore appreciated marginally by +0.1%. Gold in NZD rose modestly +0.5%.
- The NZ dollar depreciated against the USD (-1.2%) but rose against the AUD (+0.4%).

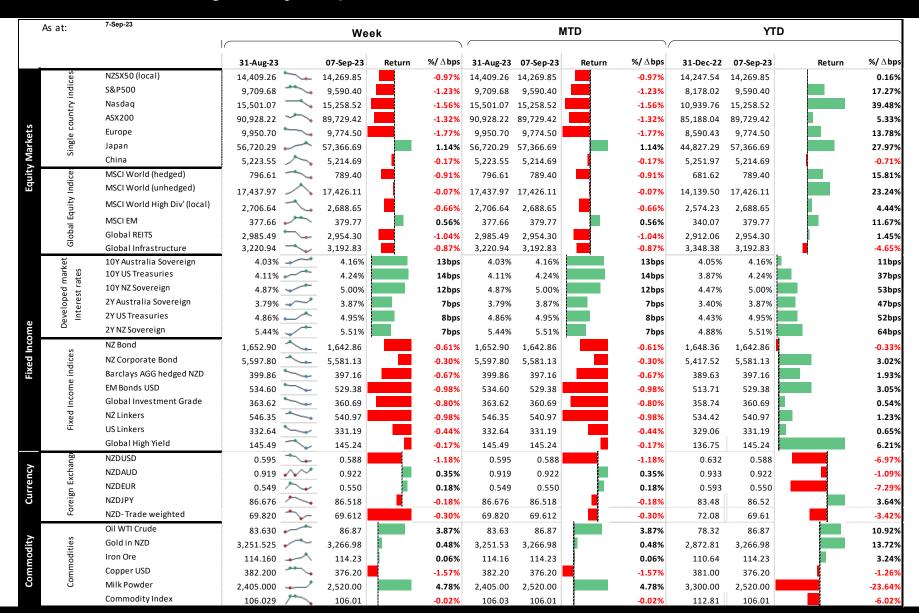
The week ahead

- Fri Sep 8th: JPN GDP, JPN Current Account, Germany CPI
- Mon Sep 11th: CHN CPI, CHN PPI
- sales, UK employment change, German Economic Sentiment
- Wed Sep 13th: NZ Food price index, EU industrial production, US CPI, UK GDP, UK industrial production UK manufacturing production
- Thurs Sep 14th: AUS employment change, AUS participation rate, AUS unemployment rate, AUS inflation expectations, US PPI, US retail sales, JPN industrial production

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