

April FX Markets Monthly Review

Month in review

Key developments

- The AUD/USD exchange rate fell from an intra-month high of 0.6644 to a low of 0.6363, before recovering to around 0.6500 by the end of month.
- The Japanese Yen reached a multi-decade low against the US Dollar, which according to market participants prompted Bank of Japan intervention.
- The AUD/JPY exchange rate rose to an 11 year high of 104.94 during the month.

Australian Dollar (AUD)

The AUD/USD exchange rate depreciated by 0.4 per cent in April. Domestic bond yields increased over the past month following stronger-than-expected Q1 inflation helping the AUD push back above 0.6600. However, other domestic economic data releases, such as weak retail sales and consumer sentiment data weighed on AUD towards the end the month.

US Dollar (USD)

The US Dollar strengthened against all major currencies during the month, with US government bond yields continuing to rise across the curve. Incoming US economic data continues to suggest that US Federal Reserve will maintain its current monetary policy stance for longer than what market economists had been expecting. For example, the US unemployment rate unexpectedly declined in March. Additionally, several US Federal Reserve officials said that it is too soon to start cutting interest rates given the strength in the labour market and slower progress on inflation. US CPI inflation was stronger than expected in March, with annual headline CPI inflation at 3.5 per cent and core inflation at 3.8 per cent.

Euro (EUR)

The EUR/USD exchange rate depreciated 0.9 per cent in April. The European Central Bank (ECB) emphasised that inflationary pressures were easing in the Eurozone and this would allow them to ease monetary policy in over the coming months. Markets are pricing in the first ECB rate cut in June.

Great British Pound (GBP)

The GBP/USD exchange rate depreciated 0.9 percent in April. Similar to the ECB, markets are also pricing in the Bank of England easing monetary policy, with the first rate cut in August.

Japanese Yen (JPY)

The Japanese Yen depreciated 4.00 per cent in April versus the USD. The Yen weakened to a fresh 34-year low before recovering on suspected BoJ intervention. The AUD strengthened to an 11 year high against the Yen following the BoJ meeting last week, where Governor Ueda downplayed the impact of the weak Yen on inflation and conveyed no urgency around changing monetary policy settings again anytime soon.

Market data

	SPOT RATE	ONE MONTH % CHANGE	ONE YEAR % CHANGE
AUSTRALIAN DOLLAR			
AUD/USD	0.6496	-0.36%	-2.98%
AUD/EUR	0.6073	0.50%	-1.44%
AUD/JPY	102.22	3.66%	14.71%
AUD/GBP	0.5186	0.49%	-4.25%
AUD/NZD	1.0978	0.74%	2.56%
AUD/CAD	0.8926	1.08%	-1.51%
AUD/CHF	0.5958	1.32%	-2.58%
AUD/SEK	7.1360	2.39%	2.80%
AUD/HKD	5.0809	-0.43%	-3.34%
AUD/SGD	0.8857	0.77%	-0.52%
AUD/INR	54.22	-0.26%	-1.42%
AUD/KRW	899.36	2.53%	2.99%
AUD/TWD	21.18	1.64%	3.67%
AUD/IDR	10555	2.02%	5.43%
AUD/CNY	4.7041	-0.09%	2.26%
MAJOR CURRENCIES			
EUR/USD	1.0697	-0.86%	-1.56%
GBP/USD	1.2527	-0.85%	1.33%
USD/JPY	157.35	4.04%	18.24%
USD/CHF	0.9171	1.69%	0.42%
USD/CNY	7.2410	0.27%	5.40%

Central bank policy rates

	CURRENT RATE	ONE MONTH CHANGE	ONE YEAR CHANGE
Reserve Bank of Australia	4.35%	0 bps	75 bps
US Federal Reserve	5.50%	0 bps	50 bps
European Central Bank	4.00%	0 bps	100 bps
Bank of England	5.25%	0 bps	100 bps
Bank of Japan	0.10%	0 bps	20 bps
Reserve Bank of New Zealand	5.50%	0 bps	75 bps

Market Data Source: *Macrobond*

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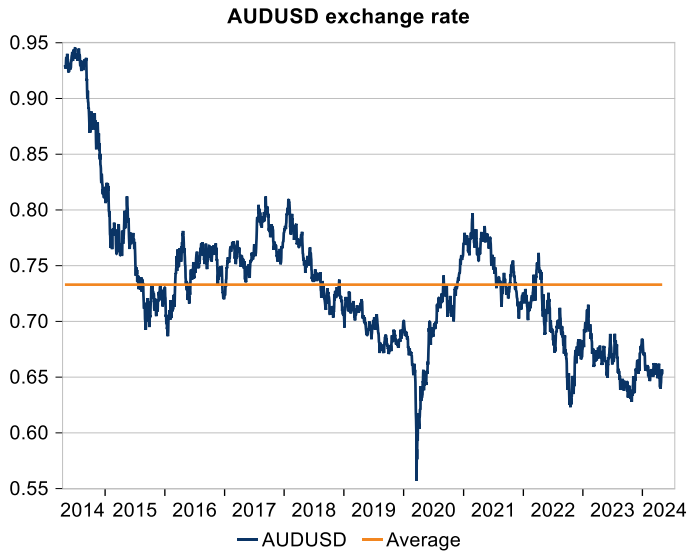
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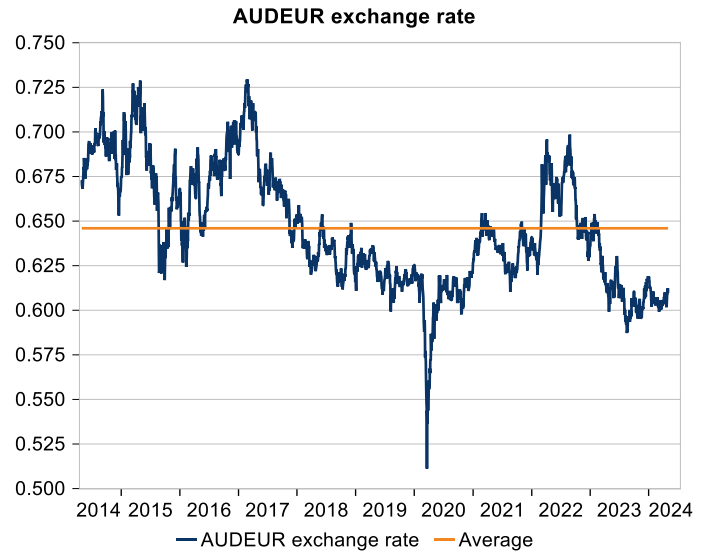
Foreign Exchange Market Charts

AUD/USD



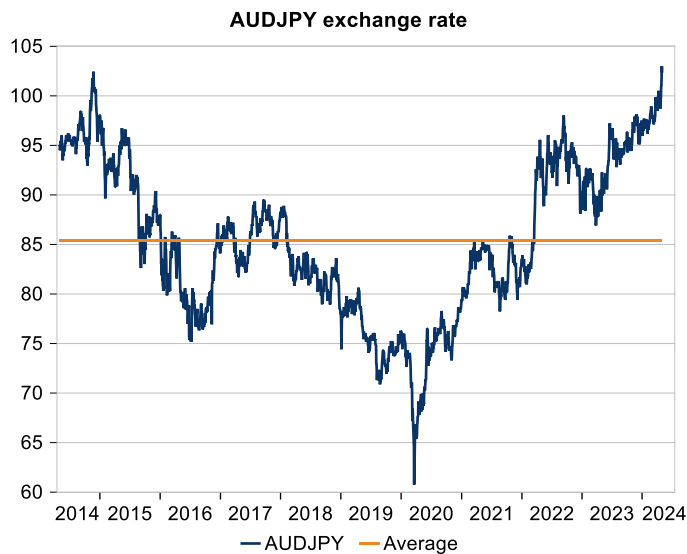
Source: Reserve Bank of Australia, QTC, Macrobond

AUD/EUR



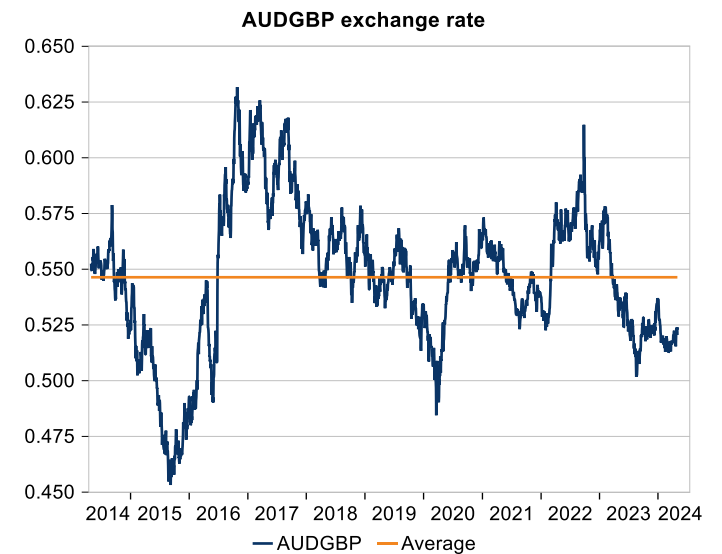
Source: Reserve Bank of Australia, QTC, Macrobond

AUD/JPY



Source: Reserve Bank of Australia, QTC, Macrobond

AUD/GBP



Source: Reserve Bank of Australia, QTC, Macrobond

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