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Aussie Rises to Record on Growth Prospects; N.Z. Dollar Gains 2011-03-30 15:42:29.378 GMT

By Candice Zachariahs and Ron Harui

March 30 (Bloomberg) -- Australia's dollar rose to the strongest level against its U.S. counterpart since it was freely floated in 1983 and strengthened to a 10-month high versus the yen on prospects global growth will spur demand for commodities.

New Zealand's currency, nicknamed the kiwi, advanced to a five-week high versus the greenback before reports this week forecast to show Chinese manufacturing expanded at a quicker pace. China is New Zealand's second-biggest export market and Australia's largest trading partner. Both South Pacific currencies climbed against the yen as global stocks rose amid increased demand for higher-yielding assets.

"You've got the risk of global economic growth left, right and center toward the end of this year, and Aussie is bid on that," said Kurt Magnus, executive director of currency sales in Sydney at Nomura Holdings Inc., Japan's biggest brokerage. "It's all about inflation and commodities."

Australia's dollar rose 0.3 percent to \$1.0318 at 11:33 a.m. in New York, from \$1.0291 yesterday, after touching a record \$1.0333. The Aussie climbed 0.9 percent to 85.61 yen, from 84.87, after touching 85.80 yen, the highest since May 5.

New Zealand's dollar advanced 0.7 percent to 76.18 U.S. cents, from 75.62 cents yesterday, and reached 76.29 cents, the strongest level since Feb. 22. The kiwi gained 1.4 percent to 63.21 yen, from 62.37. It touched 63.37 yen, also the strongest level since Feb. 22.

Month, Quarter

Australia's dollar headed for a 1.3 percent gain for the month and a 0.8 percent gain for the quarter against the U.S. dollar, its third quarterly advance. The kiwi headed for a 1.3 percent gain for the month and 2.3 percent quarterly drop versus the greenback.

China's Purchasing Managers' Index rose to 54 in March from a reading of 52.2 the prior month, an April 1 report will show, according to a Bloomberg News survey. Commodities make up a majority of Australia's exports.

The MSCI World Index of equities gained 0.8 percent. The Thomson Reuters/Jefferies CRB Index of raw materials, which has risen 6.3 percent this year, fluctuated today.

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