

(BN) Aussie Rises After RBA Says Easing Still Working; Kiwi Advances

+-----+

Aussie Rises After RBA Says Easing Still Working; Kiwi Advances  
2013-04-02 05:57:58.778 GMT

By Mariko Ishikawa and Kevin Buckland

April 2 (Bloomberg) -- Australia's dollar advanced against most of its major peers after the Reserve Bank kept interest rates unchanged and said existing monetary stimulus is working.

"There are a number of indications that the substantial easing of monetary policy during late 2011 and 2012 is having an expansionary effect on the economy," Reserve Bank of Australia Governor Glenn Stevens said in a statement today. Interest-rate swaps data compiled by Bloomberg show traders see a 17 percent chance the central bank will reduce its benchmark rate on May 7.

New Zealand's dollar climbed after data showed the nation's commodity export prices gained.

The RBA is "sounding more confident that monetary policy is still powerful -- it's not pushing on a string, even at these low rates," said Sean Callow, a Sydney-based senior currency strategist at Westpac Banking Corp. "Speculators have ramped up their Aussie dollar positions very substantially."

Australia's currency added 0.4 percent to \$1.0460 as of 4:56 p.m. in Sydney from yesterday. It slid 0.2 percent to 97 yen. The Aussie rose 0.2 percent against the greenback last quarter and 8.9 percent versus the yen.

New Zealand's kiwi dollar was up 0.4 percent to 84 U.S. cents. It traded at 77.91 yen after a 9.7 percent quarterly gain.

Yields on Australian 10-year bonds touched 3.386 percent, the lowest level since March 6, before trading little changed at 3.40 percent. The three-year rate added one basis point to 2.89 percent.

#### RBA Policy

"Looking ahead, the peak in resource investment is drawing close," the RBA said after leaving overnight cash-rate unchanged at 3 percent, which was predicted by all 28 economists surveyed by Bloomberg. "There will, therefore, be more scope for some other areas of demand to strengthen."

"Barring offshore shocks, we believe the RBA is in a comfortable position to sit tight for the next couple of meetings," said Annette Beacher, Singapore-based head of Asia-Pacific research at TD Securities Inc.

TD Securities expects the Australian dollar at \$1.05 midyear, according to Beacher.

In New Zealand, commodity export prices gained 7.4 percent in March in local currency terms from the previous month, when they rose a revised 1.1 percent, ANZ Bank New Zealand Ltd. said in a report today.

New Zealand's two-year swap rate, a fixed payment made to receive a floating rate, was at 2.87 percent.

For Related News and Information:

Top Foreign-Exchange Stories: [TOP FX <GO>](#) Currency Forecasts [FXFC <GO>](#) Stories on Central Banks: [NI CEN <GO>](#) Foreign-Exchange Information Portal: [FXIP <GO>](#)

--Editors: Garfield Reynolds, Ken McCallum

To contact the reporters on this story:

Mariko Ishikawa in Tokyo at +81-3-3201-3654 or [mishikawa9@bloomberg.net](mailto:mishikawa9@bloomberg.net); Kevin Buckland in Tokyo at +81-3-3201-3119 or [kbuckland1@bloomberg.net](mailto:kbuckland1@bloomberg.net)

To contact the editor responsible for this story:

Rocky Swift at +81-3-3201-2078 or

[rswift5@bloomberg.net](mailto:rswift5@bloomberg.net)