Market Alert

Wednesday 15 October 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5718	0.0040
NZD/AUD	0.8806	0.0050
NZD/JPY	86.750	-0.86
NZD/EUR	0.4926	-0.0011
NZD/GBP	0.4289	0.0033
NZD/CNH	4.0820	-0.0175
AUD/USD	0.6492	0.0008
AUD/EUR	0.5593	-0.0045
EUR/USD	1.1607	0.0107
USD/CNH	7.1391	-0.0802
GBP/USD	1.3329	-0.0010
EUR/GBP	0.8706	0.0086
INT RATES	**NZ**	**Australia**
OCR/Cash	2.50%	3.60%
90 day bills	2.55%	3.61%
2 year swap	2.53%	3.39%
10 year Govt	4.19%	4.33%

On the wires

Despite the ongoing lack of data due to the US government shutdown, overnight, Fed Chair Powell had a Q&A session where he added some fuel to the Fed easing fire. Powell's comments showed particular concern for the labour market, stating *"While the unemployment rate remained low through August, payroll gains have slowed sharply, likely in part due to a decline in labour force growth due to lower immigration and labour force participation. In this less dynamic and somewhat softer labour market, the downside risks to employment appear to have risen."*

Powell's comments saw US Treasury yields soften, with the US 10-year yield falling briefly below 4.00%, the lowest level since September and it currently sits at 4.03%. The US 2-year yield fell 2bps to 3.48% which is the lowest level in over 3-years. The US dollar index spiked to 99.45 but has since eased back to just above the 99.00 level. The NZD/USD fell to 0.5683 on the initial USD index strength but has since rebounded and sits at 0.5717. Oil prices fell after the IEA warned of a record oversupply in 2026. Supply may exceed demand by ~4 million barrels a day, 18% higher than September estimates and an unprecedented overhang in annual terms, the agency said. Gold remains on its historic charge, currently bouncing around the USD4,150 per ounce level.

US Trade Representative, Jamieson Greer, attempted to cool market fears about the growing tension between the US and China. Greer stated in an interview with CNBC *"We've been pretty successful in finding a path forward with them in the past so we think we'll be able to work through it,"* US equity markets liked the sound of his tune with the major indices positive. However, the latest BofA survey showed a record 54% of global fund managers said AI stocks are in a bubble in contrast to September when just 41% said stocks were in a bubble.

Antipodeans

New Zealand retail card spending fell by 0.5% over the September month, with core retail card spending down by 0.4%. However, the September quarter figures were a little better, with retail card spending up by 0.6%, while core retail card spending rose by 0.7%.

The REINZ housing data for September, was a continuation of the sideways trend with house prices flat and slightly positive over the year, which is not so good if you own a home, but for young ones like oneself, it can be viewed as a positive as maybe that first home isn't too far away. And hopefully when that purchase is near it might be a little easier, after the RBNZ eased, ever so slightly, its loan to value ("LVR") restrictions, starting from 1 December, stating, *"Easier LVR settings will give banks more flexibility to lend, improving market efficiency and access to credit, particularly for first home buyers."*

On the other side of the Tasman, the RBA released the minutes for the meeting held 29-30 September where the Board decided to leave its cash rate target unchanged at 3.60%. When considering the decision, members noted a labour market that remained a little tight with forward-looking indicators not indicating any change, continuing uncertainty among the global economy, expectations for a higher September CPI print than previously forecast, and monetary policy currently remaining a little restrictive. The Board came to a unanimous decision to leave the cash rate unchanged while continuing to remain cautious and data dependent.

NAB's business survey saw Australian business conditions unchanged over the month, with the index flat at +8 in September, while the business confidence index rose by 3pts in September to +7. NAB Chief Economist Sally Auld stated that *"The September survey showed continuing positive results in the headline figures,"* continuing that *"Both business confidence and conditions appear to be consolidating just above their long-run average levels after improving through mid-2025."*

Daily Rates

Wednesday 15 October 2025

FX	Spot Mid	FECs (mid) 1mth	3mths	6mths	12mths
NZ TWI	66.50				
NZD/USD	0.5718	0.0007	0.0022	0.0040	0.0070
NZD/AUD	0.8806	0.0008	0.0026	0.0050	0.0100
NZD/JPY	86.7500	-0.17	-0.46	-0.8612	-1.57
NZD/EUR	0.4926	-0.0003	-0.0006	-0.0011	-0.0021
NZD/GBP	0.4289	0.0005	0.0017	0.0033	0.0064
AU TWI	60.50				
AUD/USD	0.6492	0.0003	0.0006	0.0008	0.0004
AUD/NZD	1.1348	-0.0011	-0.0036	-0.0070	-0.0140
AUD/JPY	98.09	-0.28	-0.82	-1.55	-2.94
AUD/EUR	0.5593	-0.0008	-0.0023	-0.0045	-0.0091
AUD/GBP	0.4869	0.0001	0.0005	0.0009	0.0014
USD Index	99.05				
EUR/USD	1.1607	0.0021	0.0058	0.0107	0.0192
USD/JPY	151.72	-0.50	-1.40	-2.56	-4.59
GBP/USD	1.3329	0.0001	-0.0002	-0.0010	-0.0035
EUR/GBP	0.8706	0.0015	0.0045	0.0086	0.0166
USD/CNY	7.1384	-0.0143	-0.0378	-0.0704	-0.1288

Spot Mid	NZD/...	AUD/...
CAD	0.8024	0.9112
CHF	0.4578	0.5200
CNY	4.0789	4.6327
DKK	3.6783	4.1770
FJD	1.2850	1.4592
HKD	4.4439	5.0463
KRW	816.48	927.16
MYR	2.4171	2.7448
NOK	5.7986	6.5846
SEK	5.4485	6.1871
SGD	0.7419	0.8425
TWD	17.53	19.91
ZAR	9.92	11.27

INTEREST RATES	New Zealand Mid	Australia Mid
30 day bank bills	2.65%	3.55%
90 day bank bills	2.55%	3.61%
1 year swap	2.41%	3.40%
2 year swap	2.53%	3.39%
3 year swap	2.70%	3.46%
5 year swap	3.03%	3.59%
10 year swap	3.61%	4.02%
3 year Govt bond	2.97%	3.48%
5 year Govt bond	3.40%	3.69%
10 year Govt bond	4.19%	4.33%

EQUITIES	Index
NZX50	13,277
ASX200	8,899
Dow Jones	46,451
S&P 500	6,673
FTSE100	9,453
DAX 40	24,237
Nikkei	46,847

COMMODITIES	USD
Brent Crude	62.55
Gold	4,147.30
Silver	51.80
Iron Ore	106.53
CRB Index	366.19

	NZD
NZ Carbon	56.00