Market Alert

Friday 31 October 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5743	0.0043
NZD/AUD	0.8763	0.0054
NZD/JPY	88.460	-0.86
NZD/EUR	0.4963	-0.0010
NZD/GBP	0.4367	0.0033
NZD/CNH	4.1003	-0.0164
AUD/USD	0.6552	0.0007
AUD/EUR	0.5662	-0.0047
EUR/USD	1.1571	0.0109
USD/CNH	7.1113	-0.0814
GBP/USD	1.3148	-0.0002
EUR/GBP	0.8799	0.0083

INT RATES	NZ	Australia
OCR/Cash	2.50%	3.60%
90 day bills	2.51%	3.70%
2 year swap	2.61%	3.54%
10 year Govt	4.19%	4.41%

It's never good ....

When you spend 15 minutes looking for your car keys at 6:30am ... especially when you then find then in your back-pocket!

The ECB maintained their interest rate settings for the 3rd consecutive meeting, reflecting confidence in the eurozone's economic resilience and a continued easing of inflationary pressures. President Lagarde emphasised that the ECB is *"in a good place,"* adding, *"Labour demand has cooled, household savings are unusually large, and government expenditure should underpin investment."*

The BoJ held its short-term rate at 0.5% by a 7–2 vote, with Takata San and Tamura San dissenting in favour of a hike. Inflation forecasts were steady, growth modest, with the central bank signalling patience amid the trade war and global uncertainty. Governor Ueda stated, *"Japan's economy is recovering moderately, albeit with some weakness. Japan's economic growth is likely to be modest as trade policies lead to a slowdown in the overseas (global) economy."*

Jerome Powell's *"December is not a foregone conclusion"* comment provided some support for the USD-index as it recovered the 99.00 handle, but let's be honest, without the daily tier-1 US releases, it's all rather dull. The 'biggest loser' was the JPY following on from Ueda San's comments, with USD/JPY now above the 154.00 level and NZD/JPY at 88.50. The NZD/AUD remains on its knees at 0.8760, with the NZD 0.4% lower against the USD, while the AUD eased 0.3%.

Meta's planned USD30bn bond sale drew about USD125bn in orders in what was a quiet session for bond markets. Currently the 2 and 10-year treasury yields are 2bps higher at 3.62% and 4.09%. But despite the positive appetite for the Meta issue, the share price tumbled 11.5% on concerns of the owner's lavish spending plans. Equity markets were mixed, with most exchanges 0.3%-0.9% lower.

Let me be the first to say, *"And they're up and racing this time ... "*

But I'm not talking about next week's Melbourne Cup, I'm talking about the NZ business outlook ... which jumped from 49.6 to 58.1 in October, its highest level since February! Unfortunately, while owners and operators are positive about the wider economy over the next 12-months, their own activity outlook wasn't as strong improving from 43.4 to 44.6.

Australian export prices dropped by 0.9% in Q3, following Q2's 4.5% decline, while import prices fell 0.4% following on from Q2's 0.8% drop.

Eurozone growth expanded by 0.2% in Q3, up from Q2's 0.1% and slightly above initial forecasts at 0.1%. Meanwhile, annual German inflation eased to 2.3% in October from September year-to-date high of 2.4%.

Bye-bye to my Anchor!

And with a kiss and a wave, 88% of Fonterra's farmer shareholders voted in favour of the divestment of its consumer brands and associated businesses to French dairy giant Lactalis ... for NZD4.22bn! Without my Anchor ... I'll drift off into the sunset!

Meanwhile, in Australia, where they actually keep their businesses ... Australia's Lynas Rare Earths, the largest rare earths producer outside China, reported a 66% jump in Q1 revenue.

Daily Rates

Friday 31 October 2025

FX	Spot Mid	FECs (mid) 1mth	3mths	6mths	12mths
NZ TWI	66.90				
NZD/USD	0.5743	0.0007	0.0022	0.0043	0.0076
NZD/AUD	0.8763	0.0008	0.0027	0.0054	0.0108
NZD/JPY	88.4600	-0.16	-0.47	-0.8567	-1.56
NZD/EUR	0.4963	-0.0002	-0.0006	-0.0010	-0.0021
NZD/GBP	0.4367	0.0005	0.0017	0.0033	0.0060
AU TWI	61.50				
AUD/USD	0.6552	0.0002	0.0005	0.0007	0.0004
AUD/NZD	1.1409	-0.0011	-0.0037	-0.0075	-0.0151
AUD/JPY	101.11	-0.27	-0.85	-1.62	-3.01
AUD/EUR	0.5662	-0.0008	-0.0024	-0.0047	-0.0094
AUD/GBP	0.4982	0.0001	0.0004	0.0005	0.0006
USD Index	99.52				
EUR/USD	1.1571	0.0019	0.0058	0.0109	0.0200
USD/JPY	154.01	-0.47	-1.41	-2.64	-4.70
GBP/USD	1.3148	0.0001	-0.0001	-0.0002	-0.0010
EUR/GBP	0.8799	0.0014	0.0045	0.0083	0.0157
USD/CNY	7.1097	-0.0131	-0.0376	-0.0700	-0.1280

	Spot Mid NZD/...	AUD/...
CAD	0.8027	0.9161
CHF	0.4602	0.5254
CNY	4.0817	4.6590
DKK	3.7044	4.2277
FJD	1.2869	1.4687
HKD	4.4608	5.0909
KRW	821.84	937.93
MYR	2.4083	2.7486
NOK	5.7699	6.5850
SEK	5.4157	6.1808
SGD	0.7462	0.8516
TWD	17.62	20.11
ZAR	9.92	11.32

INTEREST RATES	New Zealand Mid	Australia Mid
30 day bank bills	2.62%	3.59%
90 day bank bills	2.51%	3.70%
1 year swap	2.43%	3.50%
2 year swap	2.61%	3.54%
3 year swap	2.77%	3.57%
5 year swap	3.09%	3.73%
10 year swap	3.68%	4.12%
3 year Govt bond	3.00%	3.65%
5 year Govt bond	3.43%	3.84%
10 year Govt bond	4.19%	4.41%

EQUITIES	Index
NZX50	13,459
ASX200	8,886
Dow Jones	47,683
S&P 500	6,852
FTSE100	9,760
DAX 40	24,119
Nikkei	51,326

COMMODITIES	USD
Brent Crude	64.92
Gold	4,016.52
Silver	48.93
Iron Ore	105.66
CRB Index	374.60

	NZD
NZ Carbon	52.65