# Market Alert

Wednesday 19 November 2025

| CURRENCIES | Spot | 6mths |
|---|---|---|
| NZD/USD | 0.5666 | 0.0042 |
| NZD/AUD | 0.8697 | 0.0056 |
| NZD/JPY | 88.120 | -0.84 |
| NZD/EUR | 0.4891 | -0.0010 |
| NZD/GBP | 0.4307 | 0.0032 |
| NZD/CNH | 4.0280 | -0.0136 |
| AUD/USD | 0.6513 | 0.0006 |
| AUD/EUR | 0.5621 | -0.0048 |
| EUR/USD | 1.1584 | 0.0108 |
| USD/CNH | 7.1090 | -0.0767 |
| GBP/USD | 1.3152 | 0.0000 |
| EUR/GBP | 0.8805 | 0.0081 |

| INT RATES | NZ | Australia |
|---|---|---|
| OCR/Cash | 2.50% | 3.60% |
| 90 day bills | 2.50% | 3.70% |
| 2 year swap | 2.64% | 3.63% |
| 10 year Govt | 4.26% | 4.54% |

## GDT Slide Continues

Last night's GDT index saw the 7th consecutive decline with 10 out of the last 12 GDT auctions being negative as supply has increased both locally and internationally. The losses were across the board with the notable losers included Butter and WMP which fell 7.6% and 1.9% respectively, while the headline index fell 3.0% with the index down almost 20% from its peak earlier this year.

## RBA remains cautious

The RBA released the minutes for the meeting held 3-4 November. The Board identified three key considerations for monetary policy: the implications of the recent rise in inflation, the outlook for the labour market, and whether monetary policy was still restrictive or not. Members noted that the September quarter CPI figure was higher than expected, although some part of it was likely to be temporary, however some components pointed to the possibility that the rise in inflation could prove persistent and imply that there was less capacity in the economy than previously judged. The Board noted that although a wide range of indicators suggest that the labour market was still a little tight, forward-looking indicators were consistent with employment growing over coming months and that the emerging recovery in economic activity would help to support employment growth if sustained. Information received since the previous meeting in September increased the probability of a more gradual easing cycle, with inflation expected to be above target before returning to slightly above the midpoint of the target range by 2027. As a result of these considerations, the Board made no change to cash rate target of 3.60%.

## In the Land of the Free

While the US government shutdown is over, we will have to wait until Friday morning local time to get the much-awaited non-farm payrolls data for September. In the meantime, there was another ADP weekly job update which showed in the 4-weeks leading up to 1 November private employers shed an average of 2.5k workers, this is an improvement from the previous release but continues build the case of a slowing US labour market. As a result, markets have increased the likelihood of a Fed rate cut in December to a 50/50 chance.

One thing that is almost for certain is at the Fed's December meeting Stephan Miran is going to vote 50bps cut. Unfortunately, his unfaltering desire for an outsized cut appears to have done him no favour so far with Trump announcing that he has started interviewing for the Fed Chair, stating, *"I think we already know the choice for Fed chair"* with Miran's name not believed to be on the current shortlist.

US Equity markets initially saw a continuation of this week's risk-off movement, particularly against AI stocks, all 3-major US indices have since recovered some of their losses but remain slightly lower on the day. The recovery appears to be partly due to the release of Google's new Gemini 3.0 AI model which, looking at the headlines, has been well received, leaving many impressed. The risk off sentiment drove similar moves with US Treasury yields initially falling but since recovering with the 10-year now 1bps lower at 4.13% while the US dollar index is practically unchanged at 99.59. The NZD/USD is around where it was yesterday at 0.5665, while the AUD/USD is slightly stronger following the RBA's comments and is comfortably above 0.6500 which has pushed the NZD/AUD back below the 0.8700 level.

And while 'bubble chat' has been almost unescapable for a while, the Bank of America's fund manager survey highlighted that many may not be prepared for a 'pop' as cash levels (as a % of Assets Under Management) are at historically low levels, with BofA stating *"Cash levels of 3.7% or lower has occurred 20 times since 2002, & on every occasion stocks fell and Treasuries outperformed in the following 1-3 months."*

# Daily Rates

Wednesday 19 November 2025

## FX

| FX | Spot Mid | FECs (mid) 1mth | 3mths | 6mths | 12mths |
|---|---|---|---|---|---|
| NZ TWI | 65.90 | | | | |
| NZD/USD | 0.5666 | 0.0008 | 0.0023 | 0.0042 | 0.0072 |
| NZD/AUD | 0.8697 | 0.0009 | 0.0028 | 0.0056 | 0.0109 |
| NZD/JPY | 88.1200 | -0.16 | -0.45 | -0.8354 | -1.63 |
| NZD/EUR | 0.4891 | -0.0002 | -0.0005 | -0.0010 | -0.0023 |
| NZD/GBP | 0.4307 | 0.0006 | 0.0017 | 0.0032 | 0.0056 |
| | | | | | |
| AU TWI | 60.80 | | | | |
| AUD/USD | 0.6513 | 0.0002 | 0.0005 | 0.0006 | -0.0003 |
| AUD/NZD | 1.1494 | -0.0013 | -0.0038 | -0.0076 | -0.0161 |
| AUD/JPY | 100.68 | -0.29 | -0.85 | -1.62 | -3.15 |
| AUD/EUR | 0.5621 | -0.0008 | -0.0025 | -0.0048 | -0.0098 |
| AUD/GBP | 0.4951 | 0.0002 | 0.0003 | 0.0004 | 0.0001 |
| | | | | | |
| USD Index | 99.55 | | | | |
| EUR/USD | 1.1584 | 0.0020 | 0.0058 | 0.0108 | 0.0197 |
| USD/JPY | 155.53 | -0.49 | -1.41 | -2.61 | -4.75 |
| GBP/USD | 1.3152 | -0.0001 | 0.0000 | 0.0000 | -0.0010 |
| EUR/GBP | 0.8805 | 0.0016 | 0.0044 | 0.0081 | 0.0151 |
| USD/CNY | 7.1074 | -0.0149 | -0.0408 | -0.0747 | -0.1357 |

| | Spot Mid NZD/... | Spot Mid AUD/... |
|---|---|---|
| CAD | 0.7923 | 0.9108 |
| CHF | 0.4524 | 0.5203 |
| CNY | 4.0262 | 4.6296 |
| DKK | 3.6521 | 4.1987 |
| FJD | 1.2779 | 1.4692 |
| HKD | 4.4098 | 5.0699 |
| KRW | 826.68 | 950.42 |
| MYR | 2.3566 | 2.7094 |
| NOK | 5.7220 | 6.5785 |
| SEK | 5.3618 | 6.1644 |
| SGD | 0.7371 | 0.8474 |
| TWD | 17.62 | 20.26 |
| ZAR | 9.72 | 11.18 |

## INTEREST RATES

| INTEREST RATES | New Zealand Mid | Australia Mid |
|---|---|---|
| 30 day bank bills | 2.50% | 3.60% |
| 90 day bank bills | 2.50% | 3.70% |
| 1 year swap | 2.44% | 3.57% |
| 2 year swap | 2.64% | 3.63% |
| 3 year swap | 2.84% | 3.72% |
| 5 year swap | 3.18% | 3.91% |
| 10 year swap | 3.78% | 4.32% |
| 3 year Govt bond | 3.03% | 3.76% |
| 5 year Govt bond | 3.47% | 3.98% |
| 10 year Govt bond | 4.26% | 4.54% |

## EQUITIES

| | Index |
|---|---|
| NZX50 | 13,343 |
| ASX200 | 8,469 |
| Dow Jones | 46,265 |
| S&P 500 | 6,652 |
| FTSE100 | 9,552 |
| DAX 40 | 23,173 |
| Nikkei | 48,703 |

## COMMODITIES

| | USD |
|---|---|
| Brent Crude | 64.99 |
| Gold | 4,076.37 |
| Silver | 51.02 |
| Iron Ore | 104.42 |
| CRB Index | 376.40 |

| | NZD |
|---|---|
| NZ Carbon | 42.88 |

This document has been prepared by Bancorp Treasury Services Limited ("BTSL"). Whilst all reasonable care has been taken to ensure the facts stated are accurate and the opinions given are fair and reasonable, neither BTSL nor any of its directors, officers or employees shall in any way be responsible for the contents. No liability is assumed by BTSL, its directors, officers or employees for action taken or not taken on the basis of this document.

BANCORP
BANCORP TREASURY SERVICES LIMITED
Barrington TREASURY SERVICES
Barrington ASSET CONSULTING
BANCORP
BANCORP CORPORATE FINANCE LIMITED