

# Market Alert

Thursday 27 November 2025

| CURRENCIES   | Spot   | 6mths     |
|--------------|--------|-----------|
| NZD/USD      | 0.5695 | 0.0040    |
| NZD/AUD      | 0.8738 | 0.0057    |
| NZD/JPY      | 89.115 | -0.85     |
| NZD/EUR      | 0.4913 | -0.0010   |
| NZD/GBP      | 0.4304 | 0.0030    |
| NZD/CNH      | 4.0257 | -0.0149   |
| AUD/USD      | 0.6516 | 0.0002    |
| AUD/EUR      | 0.5620 | -0.0050   |
| EUR/USD      | 1.1592 | 0.0105    |
| USD/CNH      | 7.0692 | -0.0751   |
| GBP/USD      | 1.3230 | -0.0002   |
| EUR/GBP      | 0.8758 | 0.0077    |
| INT RATES    | NZ     | Australia |
| OCR/Cash     | 2.25%  | 3.60%     |
| 90 day bills | 2.43%  | 3.71%     |
| 2 year swap  | 2.56%  | 3.65%     |
| 10 year Govt | 4.33%  | 4.64%     |

## He came, he cut ... and he left!

There is no doubt that the RBNZ is a completely different entity now compared to the one Christian Hawkesby was asked to lead 6-months ago ... noting that at that time the OCR was 3.75% ... and it's now 2.25%! It hasn't all be plain sailing, and the political brush has swept through the organisation, but it should be acknowledged that Governor Christian Hawkesby helped to re-build the entity. Good luck young Christian with your future endeavours ...

## In terms of where to from here ...

The statement and the RBNZ's Q&A painted a compelling picture that the lows may now be in place. Yes, there is still plenty of risks out there, and while the RBNZ went to great lengths to convey that its OCR track and the 5-1 to vote implies there a chance of another

cut, the next move in the OCR could be higher.

The NZD moved higher in our time-zone, although momentum was lost in the overnight session amid the general Thanksgiving week apathy. Opening this morning, the NZD/USD is trading on its highs, while the NZD has cemented in yesterday's gains on its crosses with NZD/AUD back above the 0.8700 level at 0.8740.

Local swap rates also gapped higher, with the short-end gaining 10bps-12bps, while the long-end gained 6bps-7bps amid a flattening bias with the 2-year vs 10-year spread contracting from 117bps ahead of the meeting to 111bps this morning.

In the US, Treasury yields stalled following their recent weakness with markets now pricing in an 85% chance of a 25bps cut by the FOMC next month, up from 40% a week ago. As I type, the 2-year is 2bps higher at 3.49%, while the 10-year is flat at 4.00%.

Equity markets posted further gains, rallying 0.5%-1.3%, while the Nikkei reversed its prior session's losses surging 3.0%. Commodities were also broadly higher gaining 0.5%-1.0% with silver the standout performer gaining 3.4%!

## Like the NZD, the AUD and JPY are also up.

The catalyst for the higher AUD was the stronger-than-expected CPI report which showed headline inflation accelerated to 3.8%. It was the 4th straight month of gains since the June

low, and above expectations at 3.6%. The RBA's preferred trimmed mean measure also climbed, to 3.3%, to continue its upward trend away from the RBA's target band.

The JPY also firmed on reports that the BoJ has intentionally shifted its messaging in recent days to highlight the inflationary risks of a persistently weak JPY, which has brought the possibility of a December rate hike back to the table.

Ahead of the UK budget, UK Chancellor Rachael Reeves raised the minimum wage for those aged 21 and over by 4.1% and 8.5% for 18 to 20-year-olds. The actual budget saw pretty much everything taxed with GBP26bn of hikes in a budget meant to project stability despite a new tax on homes valued above GBP2m. She also didn't rule out any additional tax increases across this term, despite the fact the tax hikes won't actually add to UK growth. Gilt yields fell 5bps-8bps and the GBP firmed 0.5%, although the lack of upfront taxes to some extent complicates the BoE's efforts to cut interest rates

The overnight releases saw ...

- US initial jobless claims fall 6k to 216k to record its 3rd week of declines, although continuing claims rose by 7k to 1,960k.
- US durable goods orders increase by 0.5% in September, following an upwardly revised 3.0% jump in August, and above forecasts at 0.3%.
- The Atlanta Fed GDPNow predictor fall to 3.9% from 4.0%

Finally, China accelerated its AI factory revolution by installing 295k industrial robots into its factories last year.



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# Daily Rates

Thursday 27 November 2025

| FX                | Spot    | FECs (mid)  |         |           |         | Spot Mid    |               |
|-------------------|---------|-------------|---------|-----------|---------|-------------|---------------|
|                   | Mid     | 1mth        | 3mths   | 6mths     | 12mths  | NZD/...     | AUD/...       |
| NZ TWI            | 65.70   |             |         |           |         | CAD         | 0.7991 0.9147 |
| NZD/USD           | 0.5695  | 0.0008      | 0.0021  | 0.0040    | 0.0067  | CHF         | 0.4578 0.5241 |
| NZD/AUD           | 0.8738  | 0.0010      | 0.0028  | 0.0057    | 0.0117  | CNY         | 4.0228 4.5995 |
| NZD/JPY           | 89.1150 | -0.16       | -0.46   | -0.8496   | -1.63   | DKK         | 3.6674 4.1976 |
| NZD/EUR           | 0.4913  | -0.0002     | -0.0006 | -0.0010   | -0.0023 | FJD         | 1.2805 1.4656 |
| NZD/GBP           | 0.4304  | 0.0006      | 0.0016  | 0.0030    | 0.0054  | HKD         | 4.4279 5.0680 |
|                   |         |             |         |           |         | KRW         | 836.27 957.17 |
| AU TWI            | 60.90   |             |         |           |         | MYR         | 2.3535 2.6937 |
| AUD/USD           | 0.6516  | 0.0001      | 0.0003  | 0.0002    | -0.0013 | NOK         | 5.8077 6.6472 |
| AUD/NZD           | 1.1443  | -0.0014     | -0.0037 | -0.0078   | -0.0159 | SEK         | 5.4077 6.1895 |
| AUD/JPY           | 101.60  | -0.30       | -0.85   | -1.65     | -3.22   | SGD         | 0.7383 0.8450 |
| AUD/EUR           | 0.5620  | -0.0009     | -0.0024 | -0.0050   | -0.0102 | TWD         | 17.80 20.37   |
| AUD/GBP           | 0.4923  | 0.0001      | 0.0002  | 0.0001    | -0.0006 | ZAR         | 9.74 11.14    |
| USD Index         | 99.60   |             |         |           |         | EQUITIES    |               |
| EUR/USD           | 1.1592  | 0.0020      | 0.0055  | 0.0105    | 0.0189  |             | Index         |
| USD/JPY           | 156.46  | -0.49       | -1.37   | -2.57     | -4.64   | NZX50       | 13,562        |
| GBP/USD           | 1.3230  | 0.0000      | -0.0001 | -0.0002   | -0.0015 | ASX200      | 8,607         |
| EUR/GBP           | 0.8758  | 0.0015      | 0.0042  | 0.0077    | 0.0149  | Dow Jones   | 47,495        |
| USD/CNY           | 7.0758  | -0.0154     | -0.0380 | -0.0712   | -0.1283 | S&P 500     | 6,816         |
|                   |         |             |         |           |         | FTSE100     | 9,692         |
|                   |         |             |         |           |         | DAX 40      | 23,726        |
|                   |         |             |         |           |         | Nikkei      | 49,559        |
| INTEREST          |         | New Zealand |         | Australia |         | COMMODITIES |               |
| RATES             |         | Mid         |         | Mid       |         |             | USD           |
| 30 day bank bills |         | 2.39%       |         | 3.61%     |         | Brent Crude | 62.78         |
| 90 day bank bills |         | 2.43%       |         | 3.71%     |         | Gold        | 4,164.39      |
| 1 year swap       |         | 2.37%       |         | 3.57%     |         | Silver      | 53.17         |
| 2 year swap       |         | 2.56%       |         | 3.65%     |         | Iron Ore    | 104.51        |
| 3 year swap       |         | 2.77%       |         | 3.72%     |         | CRB Index   | 367.67        |
| 5 year swap       |         | 3.12%       |         | 3.87%     |         |             |               |
| 10 year swap      |         | 3.73%       |         | 4.26%     |         |             |               |
| 3 year Govt bond  |         | 3.15%       |         | 3.91%     |         |             |               |
| 5 year Govt bond  |         | 3.59%       |         | 4.12%     |         |             | NZD           |
| 10 year Govt bond |         | 4.33%       |         | 4.64%     |         | NZ Carbon   | 41.00         |

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