

Market Alert

Monday 03 November 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5726	0.0040
NZD/AUD	0.8748	0.0050
NZD/JPY	88.185	-0.88
NZD/EUR	0.4967	-0.0012
NZD/GBP	0.4359	0.0030
NZD/CNH	4.0741	-0.0195
AUD/USD	0.6540	0.0006
AUD/EUR	0.5671	-0.0047
EUR/USD	1.1528	0.0105
USD/CNH	7.1213	-0.0838
GBP/USD	1.3133	-0.0001
EUR/GBP	0.8777	0.0079
INT RATES	NZ	Australia
OCR/Cash	2.50%	3.60%
90 day bills	2.52%	3.69%
2 year swap	2.56%	3.51%
10 year Govt	4.17%	4.40%

Isn't life better when the sun is shining

And the ABs are winning! For me, I spent the weekend on the water sailing, where I caught a couple of Snapper, and even managed to fillet them. The added bonus is that I still have all of fingers and I didn't get food poisoning!

The Federal Reserve's ...

slight pivot, with the implication the FOMC is unlikely to rush into further cuts without clear labour weakness, provided a bounce for the USD into month-end with the USD-index closing at its highest level since early August. The USD strength weighed on the NZD and the AUD, generating some pessimistic monthly closes, although the AUD held up slightly better with NZD/AUD opening the week below the 0.8750 level. But despite the end of QT and Powell's

data-dependent stance, even though there is very little data these days, US treasury yields eased lower with the 2-years dropping 3bps to 3.58%, while the 10-years eased 2bps to 4.08%.

In equity land, the US exchanges closed last week on a positive note, firming 0.2%-0.4%, although the European bourses found it a lot harder, closing 0.2%-0.4% lower. Commodity prices were mixed with oil prices gaining 0.6%, although they will likely unwind today after OPEC+ agreed to raise output by 137k bpd.

Eurozone inflation eased to 2.1% in October, which was in line with forecasts and slightly lower than September's 2.2%.

Chinese official manufacturing PMIs remain deeply in contractionary territory for the 7th month in row, falling from 49.8 to 49.0 in October. Against this, non-manufacturing PMIs improved from 50.0 to 50.1, which left the composite at 50.0.

Australian PPIs climbed 1.0% in Q3, accelerating from Q2's 0.7% rise and surpassing estimates at 0.8%. It marked the 21st consecutive quarter of producer inflation, and the fastest pace of growth since Q3 2024.

Japan's Finance Minister Satsuki Katayama attempted to provide some support for the JPY, stating, "It's important for currencies to move in a stable manner reflecting fundamentals" adding that the government was "closely watching FX moves with a high sense of urgency." The fact that Tokyo inflation quickened from 2.5% to 2.8% should help as well. Beyond that, the labour market remains tight with unemployment flatlining at 2.6%,

retail sales grew 0.5%, while industrial production surged to 2.2% against forecasts at 1.5%.

RBNZ Policy Committee member Prasanna Gai announced, "US tariffs have delivered a negative demand shock to NZ's small, trade-dependent economy, and the headwinds are already restraining growth." Hmmmm ... I would suggest the MPC didn't do the economy many favours either. Speaking of NZ, consumer confidence eased from 94.6 to 92.4 in October.

The week ahead

With another week of no US government releases, there's going to be more if's, what's and maybe's ... but at least we have a few central bank meetings with the RBA, BoE, the Swedish Riksbank, and the Norwegian Norges Bank.

From the US, we will at least get a small insight into the labour market with the ADP employment release, while we also have the ISM manufacturing and services PMIs, and the preliminary University of Michigan sentiment index. The latest PMI surveys will dominate the European releases, while we also have German factory orders, industrial production, and trade. China will also provide its latest PMI updates, the Japanese releases include wage growth, household spending, PMIs, and the Tankan Index, while the BoJ will also release the minutes from its September policy meeting. Beyond the RBA, we have Australian trade, building permits, household spending and, from NZ, we have an update on the labour market.



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Daily Rates

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FX	Spot	FECs (mid)				Spot Mid	
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	66.60					CAD	0.8006
NZD/USD	0.5726	0.0007	0.0021	0.0040	0.0073	CHF	0.4598
NZD/AUD	0.8748	0.0007	0.0026	0.0050	0.0107	CNY	4.0734
NZD/JPY	88.1850	-0.16	-0.47	-0.8769	-1.53	DKK	3.7006
NZD/EUR	0.4967	-0.0002	-0.0007	-0.0012	-0.0022	FJD	1.2859
NZD/GBP	0.4359	0.0005	0.0017	0.0030	0.0059	HKD	4.4423
						KRW	818.10
AU TWI	61.20					MYR	2.3920
AUD/USD	0.6540	0.0002	0.0005	0.0006	0.0001	NOK	5.7762
AUD/NZD	1.1423	-0.0012	-0.0037	-0.0074	-0.0151	SEK	5.4217
AUD/JPY	100.86	-0.28	-0.84	-1.61	-3.03	SGD	0.7439
AUD/EUR	0.5671	-0.0008	-0.0025	-0.0047	-0.0099	TWD	17.60
AUD/GBP	0.4978	0.0001	0.0004	0.0005	0.0002	ZAR	9.87
USD Index	99.72					EQUITIES	
EUR/USD	1.1528	0.0019	0.0056	0.0105	0.0193		Index
USD/JPY	153.97	-0.47	-1.40	-2.61	-4.66	NZX50	13,548
GBP/USD	1.3133	0.0001	-0.0001	-0.0001	-0.0012	ASX200	8,882
EUR/GBP	0.8777	0.0014	0.0043	0.0079	0.0149	Dow Jones	47,563
USD/CNY	7.1169	-0.0134	-0.0386	-0.0720	-0.1310	S&P 500	6,840
						FTSE100	9,717
INTEREST		New Zealand		Australia		DAX 40	23,958
RATES		Mid		Mid		Nikkei	52,411
30 day bank bills			2.62%		3.59%	COMMODITIES	
90 day bank bills			2.52%		3.69%		USD
1 year swap			2.42%		3.48%	Brent Crude	64.77
2 year swap			2.56%		3.51%	Gold	4,001.78
3 year swap			2.73%		3.56%	Silver	48.65
5 year swap			3.05%		3.70%	Iron Ore	107.27
10 year swap			3.65%		4.11%	CRB Index	376.84
3 year Govt bond			2.97%		3.63%		
5 year Govt bond			3.41%		3.82%		NZD
10 year Govt bond			4.17%		4.40%	NZ Carbon	52.74

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