Market Alert

Tuesday 3 November 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5615	0.0033
NZD/AUD	0.8058	0.0074
NZD/JPY	89.110	-0.79
NZD/EUR	0.5016	-0.0008
NZD/GBP	0.4184	0.0025
NZD/CNH	3.7406	-0.0318
AUD/USD	0.6967	-0.0024
AUD/EUR	0.6223	-0.0068
EUR/USD	1.1193	0.0083
USD/CNH	6.6698	-0.0949
GBP/USD	1.3419	-0.0001
EUR/GBP	0.8340	0.0061

INT RATES	NZ	Australia
OCR/Cash	2.75%	4.85%
90 day bills	3.14%	4.96%
2 year swap	3.84%	4.87%
10 year Govt	4.88%	5.19%

Like any other Melbourne Cup Day ...

The first Tuesday of the November is when I make my annual donation to the racing industry ... but yesterday that changed. Yes, I actually picked the winner, and how did I do it I hear you all asking ... my good friend Mr. AI!

But maybe we should all take a page out of Fed Chair Warsh's book after a horse he partly owns won the USD2.0m Breeders' Cup in Kentucky!

Global financial markets ...

Spent the last 24 hours walking a high-stakes tightrope, trying to balance anxiety over the US midterm elections against a brutal reality check from the Reserve Bank of Australia.

In a highly fractured 6–3 split vote, RBA Governor Michele Bullock jacked up Australia's cash rate by 25bps to an 18-year high of 4.85%. Unlike other central banks, it turns out the RBA is deeply spooked by Middle East fuel shocks and massive local AI data center spending. Ms Bullock bluntly warned that inflation won't hit their 2–3% target until late 2027 - three quarters later than they originally hoped. This marks the central bank's 5th rate hike of 2026, leaving local mortgage holders thoroughly miserable. Ms Bullock also stressed that while the rate hike may not be the last one, she continued to reaffirm that the central bank will stay on a data-dependent path emphasising, *"It is probably good to wait now and assess the incoming data"*.

In terms of market reaction, hopes for a pause to the Australian hiking cycle saw Australian swap rates fall 5bps-6bps while the AUD/USD eased back below 0.7000 to be at 0.6975. With the NZD/USD holding its head above water at 0.5620, the NZD/AUD cross firmed to 0.8060, or 1.2405. The USD-index is flatlining at 101.80. On a side note, the PBoC raised the FX reserve requirements for local banks by 2 percentage points to 6.0% and set a weaker USD/CNY fixing. The move is designed to tighten onshore USD liquidity and has historically been used to slow gains in the Yuan. This saw the offshore Yuan fall 0.35% to 6.6695, its biggest daily drop since June.

Treasury yields rose, supported by a stronger-than-expected JOLTS report. The 2, 10 and 30-years rose 2bps, 5bps and 4bps to yield 4.63%, 4.96% and 5.33% respectively.

Oil ticked lower despite US strikes on Iran's Qeshm Island following the reported downing of a US MQ-9 Reaper drone. Currently WTI crude is 0.5% lower at USD95.95 while Brent crude is 1.15% lower at USD103.50.

US equity markets posted modest gains, although Apple bucked the tech recovery, sliding nearly 2.0% after issuing a distinctly disappointing margin forecast and missing the mark on sales.

Looking at the other headlines ...

- US job openings unexpectedly rose by 333k to 7.523m, beating expectations of 7.10m and reaching a 4-month high.
- New orders for US manufactured goods increased 1.8% in September.

ECB member Joachim Nagel stated, *"A rate hike in December is very likely to be necessary. Inflationary pressures were higher than expected in September"*.

Finally, some good news ...

Last night's GDT auction was a stonker. With good volumes sold, the overall GDT Price Index climbed a solid 3.0%. WMP was the star surging 5.9%, while SMP climbed 3.1%. Interestingly, butter plummeted 4.7%. With WMP up nearly 6.0% and the overall index jumping 3.0%, Fonterra's freshly upgraded NZD9.75/kgMS milk price midpoint is looking a tad light, especially with the futures price closing yesterday at NZD10.41/kgMS.

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Daily Rates

Wednesday 4 November 2026

FX	Spot Mid	FECs (mid) 1mth	3mths	6mths	12mths
NZ TWI	63.80				
NZD/USD	0.5615	0.0006	0.0018	0.0033	0.0059
NZD/AUD	0.8058	0.0015	0.0041	0.0074	0.0121
NZD/JPY	89.110	-0.13	-0.38	-0.7920	-1.70
NZD/EUR	0.5016	-0.0001	-0.0003	-0.0008	-0.0026
NZD/GBP	0.4184	0.0005	0.0013	0.0025	0.0045
AU TWI	64.70				
AUD/USD	0.6967	-0.0005	-0.0013	-0.0024	-0.0036
AUD/NZD	1.2405	-0.0023	-0.0064	-0.0115	-0.0202
AUD/JPY	110.77	-0.36	-1.03	-1.99	-3.75
AUD/EUR	0.6223	-0.0013	-0.0036	-0.0068	-0.0127
AUD/GBP	0.5191	-0.0004	-0.0010	-0.0018	-0.0023
USD Index	101.82				
EUR/USD	1.1193	0.0014	0.0043	0.0083	0.0168
USD/JPY	158.69	-0.40	-1.19	-2.34	-4.60
GBP/USD	1.3419	0.0000	0.0001	-0.0001	-0.0013
EUR/GBP	0.8340	0.0010	0.0031	0.0061	0.0131
USD/CNY	6.6701	-0.0159	-0.0528	-0.0949	-0.1958

	Spot Mid NZD/...	AUD/...
CAD	0.7858	0.9754
CHF	0.4606	0.5718
CNY	3.7439	4.6477
DKK	3.7471	4.6510
FJD	1.2457	1.5462
HKD	4.4044	5.4669
KRW	754.48	936.48
MYR	2.2873	2.8391
NOK	5.2067	6.4627
SEK	5.4946	6.8201
SGD	0.7192	0.8927
TWD	18.41	22.86
ZAR	9.32	11.58

INTEREST RATES	New Zealand Mid	Australia Mid
30 day bank bills	2.91%	4.80%
90 day bank bills	3.14%	4.96%
1 year swap	3.58%	4.97%
2 year swap	3.84%	4.87%
3 year swap	3.99%	4.83%
5 year swap	4.16%	4.84%
10 year swap	4.47%	5.04%
3 year Govt bond	4.09%	4.83%
5 year Govt bond	4.38%	4.88%
10 year Govt bond	4.88%	5.19%

EQUITIES	Index
NZX50	13,720
ASX200	8,887
Dow Jones	51,855
S&P 500	7,586
FTSE100	10,638
DAX 40	25,865
Nikkei	63,082

COMMODITIES	USD
Brent Crude	103.61
Gold	3,925.13
Silver	49.64
Iron Ore	91.25
CRB Index	518.89

	NZD
NZ Carbon	48.80

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