Market Alert

Thursday 5 November 2026

CURRENCIES	Spot	6mths
NZD/USD	0.5622	0.0034
NZD/AUD	0.8018	0.0075
NZD/JPY	89.040	-0.76
NZD/EUR	0.5009	-0.0008
NZD/GBP	0.4174	0.0025
NZD/CNH	3.7368	-0.0304
AUD/USD	0.7010	-0.0023
AUD/EUR	0.6246	-0.0068
EUR/USD	1.1222	0.0085
USD/CNH	6.6743	-0.0944
GBP/USD	1.3466	0.0001
EUR/GBP	0.8332	0.0061

INT RATES	NZ	Australia
OCR/Cash	2.75%	4.85%
90 day bills	3.10%	4.98%
2 year swap	3.83%	4.84%
10 year Govt	4.80%	5.17%

The Lads N' Dads ...

Were up against it last night. Playing a bunch of 20-year-old toffs who were all cock-a-hoop after knocking in 3-goals in within the first 10-minutes ... the yahoo's and giggling were a little unnerving shall we say! But then it happened, our drunken centre-forward scored and the team got serious. Heck, even old man Simon, who has even less hair than me, hit the post. The lads started to work, and the experience came through at the back, and when we pulled it back to 3-3 it got very, very serious. In the end we lost 4-3 ... but the good news is that it was a moral victory ... and I'll take that every day of the week!

Meanwhile, in the world of financial markets ...

A political and economic earthquake has rumbled through the US, and trading desks are scrambling to sort through the rubble of a stunning midterm 'Blue Wave.'

In a massive rebuke to President Trump, the Democrats seized control of both the House and the Senate. The newly minted balance of power hands Representative Hakeem Jeffries the Speaker's gavel, and grants Democrats immense subpoena and investigation powers. #ItsTimeToLawyerUp!

Equity markets went into overdrive rallying 1.5%-3.0% although Big Tech had a deeply uneven day on concerns a Democratic Congress will put a leash on spending and regulatory approvals. Conversely, renewable energy stocks are partying like it's 2020 with Democrats expected to aggressively reverse Republican cuts!

The geopolitical risk premium embedded in the energy sector completely evaporated as investors assess the prospects for a de-escalation to the conflict in the Middle East. Algorithm and robotic-traders aggressively dumped long oil positions, betting that a divided Washington means Democratic and weary Republicans will collaborate to fast-track a diplomatic solution. Crude is currently down 7.75% at USD88.35, while Brent plunged 8.0% to USD95.50.

The USD-index took a heavy hit as treasury yields eased on the expectation that Washington won't be piling on infinite new mountains of debt, easing 0.35% to USD101.55. The NZD and AUD were the main beneficiaries of this sudden weakness, bouncing off their cyclical floors. This saw the NZD/USD firm to 0.5620 while AUD/USD reclaimed the 0.7000 handle. NZD/AUD remains just above the 0.8000 level at 0.8020, or 1.2470.

Fixed-income desks aggressively bought up long-dated treasuries, staging a massive *"gridlock rally"* that sent yields tumbling across the curve betting that a hostile Democratic Congress will effectively tie the White House's hands. The US 2, 10 and 30-year yields are trading 5bps, 7bps and 4bps lower at 4.59%, 4.90%, and 5.29% respectively.

Looking at the data releases ...

That were largely ignored ...

- US ISM services PMIs decreased to 54.5, their lowest level in 3-months.
- The US trade deficit narrowed slightly to USD105.0bn from August's USD105.7bn.
- ADP employment saw US private businesses add 86k jobs in October, exceeding expectations at 69k.
- Eurozone annual inflation accelerated to 4.0% in October, up from 3.8% to reach its highest level since September 2023.
- The Swedish central bank, the Riksbank, raised its cash rate 25bps to 2.0% and added a tightening bias.
- The NZ Q3 unemployment rate accelerated from 5.6% to 5.7%, its highest level in 11-years against forecasts at 5.5%. Employment fell 0.1% and wage growth slowed to 2.0% a year.

Daily Rates

Thursday 5 November 2026

FX	Spot Mid	FECs (mid) 1mth	3mths	6mths	12mths
NZ TWI	63.60				
NZD/USD	0.5622	0.0006	0.0018	0.0034	0.0062
NZD/AUD	0.8018	0.0014	0.0041	0.0075	0.0129
NZD/JPY	89.040	-0.12	-0.40	-0.7638	-1.63
NZD/EUR	0.5009	-0.0001	-0.0004	-0.0008	-0.0024
NZD/GBP	0.4174	0.0005	0.0013	0.0025	0.0047
AU TWI	64.70				
AUD/USD	0.7010	-0.0005	-0.0013	-0.0023	-0.0036
AUD/NZD	1.2467	-0.0023	-0.0065	-0.0120	-0.0213
AUD/JPY	110.73	-0.35	-1.05	-1.97	-3.78
AUD/EUR	0.6246	-0.0012	-0.0036	-0.0068	-0.0129
AUD/GBP	0.5205	-0.0004	-0.0010	-0.0018	-0.0026
USD Index	101.60				
EUR/USD	1.1222	0.0014	0.0044	0.0085	0.0174
USD/JPY	158.39	-0.38	-1.21	-2.32	-4.59
GBP/USD	1.3466	0.0000	0.0002	0.0001	-0.0006
EUR/GBP	0.8332	0.0010	0.0031	0.0061	0.0131
USD/CNY	6.6731	-0.0154	-0.0525	-0.0951	-0.1970

	Spot Mid NZD/...	AUD/...
CAD	0.7855	0.9796
CHF	0.4592	0.5729
CNY	3.7481	4.6788
DKK	3.7437	4.6688
FJD	1.2444	1.5519
HKD	4.4099	5.4996
KRW	753.65	939.88
MYR	2.2827	2.8468
NOK	5.2299	6.5223
SEK	5.4727	6.8250
SGD	0.7188	0.8964
TWD	18.47	23.03
ZAR	9.21	11.49

INTEREST RATES	New Zealand Mid	Australia Mid
30 day bank bills	2.90%	4.85%
90 day bank bills	3.10%	4.98%
1 year swap	3.51%	4.96%
2 year swap	3.83%	4.84%
3 year swap	3.96%	4.78%
5 year swap	4.13%	4.81%
10 year swap	4.47%	5.04%
3 year Govt bond	3.98%	4.81%
5 year Govt bond	4.28%	4.85%
10 year Govt bond	4.80%	5.17%

EQUITIES	Index
NZX50	13,783
ASX200	8,835
Dow Jones	53,298
S&P 500	7,697
FTSE100	10,829
DAX 40	26,438
Nikkei	62,189

COMMODITIES	USD
Brent Crude	94.83
Gold	4,061.65
Silver	52.28
Iron Ore	91.03
CRB Index	515.40

	NZD
NZ Carbon	48.80

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