

# Research Markets Today

2 December 2025

## Events Round-Up

NZ: Building Permits (m/m%), Oct: -0.9 vs. 7.2 prev.  
CH: RatingDog China PMI Mfg, Nov: 49.9 vs. 50.5 exp.  
US: ISM Manufacturing, Nov: 48.2 vs. 49 exp.

## Good morning

US equities have started the new month with a soft tone. S&P futures declined during Asian trade yesterday, amid a sharp selloff in cryptocurrencies, and the cash market is marginally lower in afternoon US trading. The US dollar slipped against major FX pairings while global bond markets are higher in yield. Oil prices gained after OPEC+ confirmed over the weekend that it will continue with plans to pause production hikes during the first quarter of next year. Silver prices extended higher and reached a fresh record above US\$58 per ounce.

The ISM manufacturing index fell to 48.2 which is the lowest level since July. The ISM survey has been below 50 for nine consecutive months and suggests that the manufacturing sector continues to face headwinds, although other indicators have painted a more upbeat picture. The prices paid subindex was little changed at 58.5 while employment and new orders both declined.

US treasuries moved sharply higher in yield, led by the longer end of the curve, with a pickup in expected corporate supply, partly attributed to the move. The ISM was released when yields were already higher and had limited impact on price action. Global bond markets were broadly under pressure after a selloff in Japan on the increased prospect for a rate hike this month. 10-year treasury yields increased 8bp to 4.09% and the 2y/10y curve steepened 3bp to +56bp.

Comments from Bank of Japan Governor Ueda implied the central bank could hike rates at its 20 December meeting if the economic outlook is realised. He said that any hike would merely be an adjustment to the degree of easing. The yen gained following the comments and 2-year government bond yields increased above 1.0%. This is the highest level since 2008 and reflects increased expectations for a hike. The market is pricing 22bp of tightening for the December meeting, compared with 15bp at the end of last week.

The RatingDog PMI in China was weaker than expected and fell marginally into contractionary territory. This survey is concentrated on small export-orientated firms compared with the official PMIs which tend to focus on the larger state-owned companies. The official PMIs were released in the weekend. Collectively the surveys suggest the economy is struggling for traction with consumer demand still sluggish.

The yen has been the best performing G10 currency since the global open yesterday, and has made further modest gains overnight, set against the backdrop of a softer US dollar against the major pairings. There has been limited net moves for the NZD and AUD offshore. NZD/USD oscillated in a narrow range around 0.5740. NZD/JPY slipped towards 89.0.

The selloff in NZ fixed income continued in the local session yesterday led by the back end of the curve. 2-year rates closed 2bp higher at 2.89% while 10-year rates increased 8bp to 4.00%. The 2y/10y curve re-steepened to +111bp having dipped to +105bp after the RBNZ last week. Although the Australian market was trading a touch heavy, there was no obvious catalyst for the sharp bear steepening in the NZ curve apart from ongoing position unwinding.

The government curve also repriced higher in yield and continued to outperform relative to swaps. 10-year bond yields increased 6bp to 4.41% while matched maturity swap spreads declined to +36bp, the lowest level in more than a year. Australian 10-year government bond futures are ~3bp higher in yield terms since the local close yesterday suggesting an upwards bias for NZ rates on the open.

NZ Q3 terms of trade is the only domestic data scheduled today. It is a quiet international calendar. Fed Chair Powell is scheduled to speak, though he is barred from commenting on the economic outlook or policy, given officials have entered the pre-FOMC blackout period. Labour market and preliminary CPI data is scheduled for the euro area. Regional data for the major euro area economies released at the end of last week were mixed. The consensus estimate is for headline and core CPI to remain unchanged at 2.1% and 2.4% respectively.

[stuart.ritson@bnz.co.nz](mailto:stuart.ritson@bnz.co.nz)

## Coming Up

		Period	Cons.	Prev.	NZT
NZ	Terms of Trade Index (q/q%)	3Q	0.4	4.1	10:45
AU	BoP Current Account Balance	3Q	-13	-14	13:30
US	Fed's Powell Speaks at Memorial Event				14:00
EC	Unemployment Rate	Oct	6.3	6.3	23:00
EC	CPI Estimate (y/y%)	Nov P	2.1	2.1	23:00
EC	CPI Core (y/y%)	Nov P	2.4	2.4	23:00

Currencies							Equities				Commodities					
FX Majors		Indicative overnight ranges (*)			Other FX		Major Indices			Price (Near futures, except CRB)						
	Last	% Day	Low	High		Last	% Day		Last	% Day	% Year		Last	Net Day		
NZD	0.5735	+0.0	0.5726	0.5752	CHF	0.8035	-0.1	S&P 500	6,834	-0.2	13.3	Oil (Brent)	62.98	+1.0		
AUD	0.6552	+0.0	0.6539	0.6567	SEK	9.445	-0.0	Dow	47,506	-0.4	5.8	Oil (WTI)	59.15	+1.0		
EUR	1.1623	+0.2	1.1591	1.1652	NOK	10.125	-0.1	Nasdaq	23,327	-0.2	21.4	Gold	4224.8	+0.2		
GBP	1.3228	-0.1	1.3206	1.3275	HKD	7.788	+0.0	Stoxx 50	5,667	-0.0	18.0	HRC steel	903.0	-0.6		
JPY	155.30	-0.6	154.67	155.69	CNY	7.072	-0.0	FTSE	9,703	-0.2	17.1	CRB	301.5	+1.2		
CAD	1.3983	+0.0			SGD	1.296	-0.1	DAX	23,589	-1.0	20.2	Wheat Chic.	537.8	-0.1		
NZD/AUD	0.8753	-0.0			IDR	16,663	-0.1	CAC 40	8,097	-0.3	11.9	Sugar	15.04	-1.1		
NZD/EUR	0.4934	-0.2			THB	32.00	-0.3	Nikkei	49,303	-1.9	28.0	Cotton	62.91	+0.2		
NZD/GBP	0.4336	+0.1			KRW	1,468	+0.0	Shanghai	3,914	+0.7	17.7	Coffee	378.5	-0.7		
NZD/JPY	89.06	-0.6			TWD	31.43	+0.1	ASX 200	8,565	-0.6	1.4	WM powder	3190	+0.5		
NZD/CAD	0.8019	+0.0			PHP	58.54	-0.2	NZX 50	13,448	-0.3	2.5	Australian Futures				
NZ TWI	66.57	-0.1						VIX Index	16.85	+3.1	+24.7	3 year bond	96.08	-0.02		
Interest Rates											10 year bond			95.40	-0.05	
Rates		Swap Yields			Benchmark 10 Yr Bonds		NZ Government Bonds			NZ BKBM and Swap Yields						
	Cash	3Mth	2 Yr	10 Yr		Last	Net Day		Last	Chg		Last	Chg			
USD	4.00	4.85	3.33	3.68	USD	4.09	0.08	15-Apr-27	2.75	-0.02	BKBM 1-mth	2.41	0.01			
AUD	3.60	3.67	3.82	4.65	AUD	4.55	0.04	15-May-28	3.19	0.03	BKBM 3-mth	2.46	0.00			
NZD	2.25	2.46	2.89	4.00	NZD	4.31	0.06	20-Apr-29	3.41	0.04	1 year	2.55	-0.00			
EUR	2.00	2.06	2.20	2.80	GER	2.75	0.06	15-May-30	3.62	0.05	2 year	2.89	0.02			
GBP	4.00	4.11	3.52	4.00	GBP	4.48	0.04	15-May-31	3.83	0.06	3 year	3.14	0.04			
JPY	0.48	-0.03	1.00	1.68	JPY	1.87	0.06	15-May-32	3.99	0.06	5 year	3.48	0.06			
CAD	2.25	4.97	2.33	2.99	CAD	3.22	0.07	14-Apr-33	4.10	0.07	7 year	3.73	0.07			
Carbon Price							Policy Meeting Run			15-May-34	4.22	0.07	10 year	4.00	0.08	
	Level	% Day	% Year			NZD	AUD	USD	15-May-35	4.31	0.06	15 year	4.30	0.08		
NZU	41.00	+1.9	-36.0			1st	2.23	3.60	3.67	15-May-36	4.41	0.05	NZ Inflation-Indexed Bonds			
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer							2nd	2.22	3.59	3.61	15-May-37	4.52	0.05	Sept-30	1.56	0.02
Rates are as of: NZT 06:08							3rd	2.22	3.59	3.53	15-May-41	4.86	0.05	Sept-35	2.38	0.02
Source: Bloomberg							4th	2.27	3.62	3.47	15-May-54	5.14	0.05	Sept-40	2.80	0.02
							5th	2.35	3.64	3.33						

**NZD exchange rates**

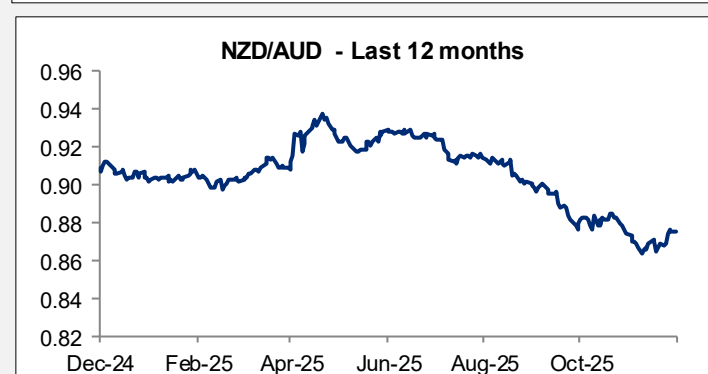
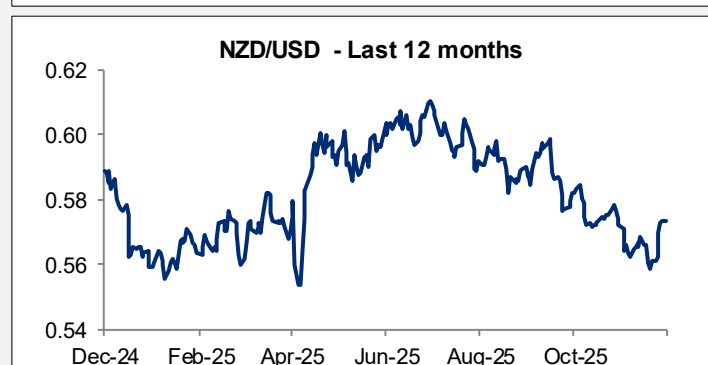
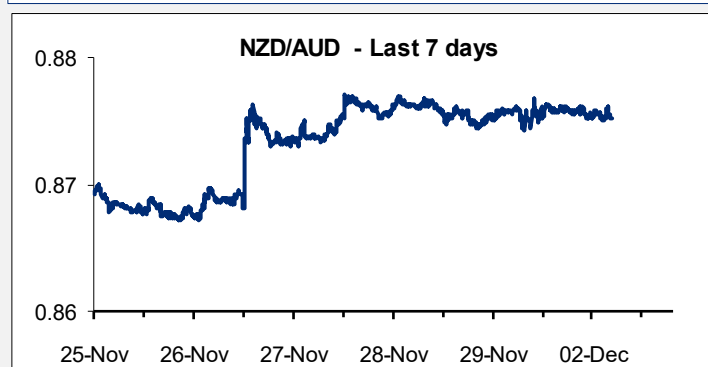
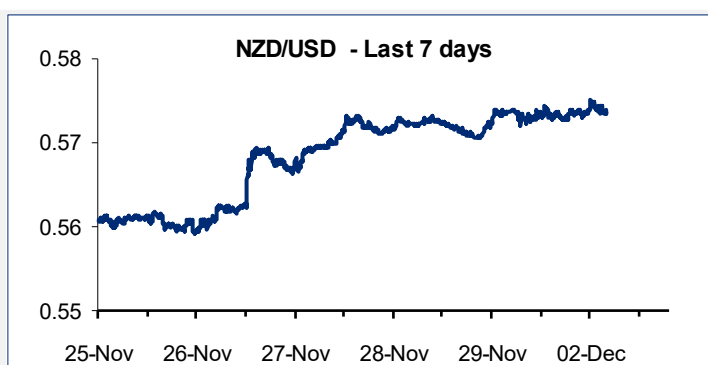
<b>2/12/2025</b>	<b>6:09 am</b>	<b>Prev. NY close</b>
USD	0.5735	0.5735
GBP	0.4336	0.4333
AUD	0.8753	0.8756
EUR	0.4934	0.4945
JPY	89.06	89.57
CAD	0.8019	0.8016
CHF	0.4608	0.4611
DKK	3.6854	3.6929
FJD	1.3151	1.3103
HKD	4.4665	4.4648
INR	51.36	51.30
NOK	5.8067	5.8098
PKR	160.87	160.88
PHP	33.57	33.63
PGK	2.4498	2.4415
SEK	5.4165	5.4181
SGD	0.7430	0.7437
CNY	4.0558	4.0572
THB	18.35	18.46
TOP	1.3714	1.3720
VUV	70.23	70.30
WST	1.5981	1.6040
XPF	58.97	59.03
ZAR	9.7919	9.8143

**NZD/USD Forward Points**

	<b>BNZ buys NZD</b>	<b>BNZ sells NZD</b>
1 Month	7.92	8.18
3 Months	20.80	21.30
6 Months	39.87	40.86
9 Months	55.14	57.14
1 Year	65.15	68.47

**NZD/AUD Forward Points**

	<b>BNZ buys NZD</b>	<b>BNZ sells NZD</b>
1 Month	9.71	10.29
3 Months	27.89	29.10
6 Months	57.61	60.33
9 Months	87.77	92.58
1 Year	115.45	123.26



## Contact Details

### BNZ Research

**Stephen Toplis**  
Head of Research  
+64 4 474 6905

**Doug Steel**  
Senior Economist  
+64 4 474 6923

**Jason Wong**  
Senior Markets Strategist  
+64 4 924 7652

**Stuart Ritson**  
Senior Interest Rate Strategist  
+64 9 9248601

**Mike Jones**  
BNZ Chief Economist  
+64 9-956 0795

### Main Offices

**Wellington**  
Level 4, Spark Central  
42-52 Willis Street  
Private Bag 39806  
Wellington Mail Centre  
Lower Hutt 5045  
New Zealand  
Toll Free: 0800 283 269

**Auckland**  
80 Queen Street  
Private Bag 92208  
Auckland 1142  
New Zealand  
Toll Free: 0800 283 269

**Christchurch**  
111 Cashel Street  
Christchurch 8011  
New Zealand  
Toll Free: 0800 854 854

This document has been produced by Bank of New Zealand (BNZ). BNZ is a registered bank in New Zealand and is only authorised to offer products and services to customers in New Zealand.

**Analyst Disclaimer:** The Information accurately reflects the personal views of the author(s) about the securities, issuers and other subject matters discussed, and is based upon sources reasonably believed to be reliable and accurate. The views of the author(s) do not necessarily reflect the views of the NAB Group. No part of the compensation of the author(s) was, is, or will be, directly or indirectly, related to any specific recommendations or views expressed.

BNZ maintains an effective information barrier between the research analysts and its private side operations. Private side functions are physically segregated from the research analysts and have no control over their remuneration or budget. The research functions do not report directly or indirectly to any private side function. The Research analyst might have received help from the issuer subject in the research report.

New Zealand: The information in this publication is provided for general information purposes only, and is a summary based on selective information which may not be complete for your purposes. This publication does not constitute any advice or recommendation with respect to any matter discussed in it, and its contents should not be relied on or used as a basis for entering into any products described in it. Bank of New Zealand recommends recipients seek independent advice prior to acting in relation to any of the matters discussed in this publication.

Any statements as to past performance do not represent future performance, and no statements as to future matters are guaranteed to be accurate or reliable.

Neither Bank of New Zealand nor any person involved in this publication accepts any liability for any loss or damage whatsoever which may directly or indirectly result from any advice, opinion, information, representation or omission, whether negligent or otherwise, contained in this publication.

USA: If this document is distributed in the United States, such distribution is by nabSecurities, LLC. This document is not intended as an offer or solicitation for the purchase or sale of any securities, financial instrument or product or to provide financial services. It is not the intention of nabSecurities to create legal relations on the basis of information provided herein.

