

Research Markets Today

3 December 2025

Events Round-Up

NZ: Terms of trade (q/q%), Q3: -2.1 vs. 0.4 exp.

AU: Current account bal (\$b), Q3: -16.6 vs. -13.0 exp.

EC: Unemployment rate (%), Oct: 6.4 vs. 6.3 exp.

EC: CPI (y/y%), Nov: 2.2 vs. 2.1 exp.

EC: CPI core (y/y%), Nov: 2.4 vs. 2.4 exp.

Good Morning

Markets movements have been modest across equities, rates and currencies.

As US markets opened overnight, risk appetite was higher, with a strong recovery in bitcoin, which has sustained a lift of 6% to be back over USD91k. US equities opened stronger, with the more speculative areas outperforming, including IT stocks. In early afternoon trading the S&P500 is up 0.4%.

US Treasuries have traded a tight range and the 10-year rate is barely higher from the NZ close at 4.09%. President Trump said he will announce the new Fed Chair “probably” early 2026. Prediction markets give Kevin Hassett, who has a close relationship with Trump, about an 80% probability of getting the job.

Yesterday, Japan’s auction of 10-year JGBs drew solid demand, which was a relief to the market after the recent market selloff that has taken yields across the curve to multi-decade highs, ahead of another massive supplementary Budget and increased chance of the BoJ hiking rates later this month. Yesterday, Japan’s finance and economic ministers didn’t indicate any objections to a possible interest rate increase after BoJ Governor Ueda’s clearest hints yet on Monday that a December rate hike was live. Market pricing for a December rate hike has pushed higher to 21bps, implying about an 85% probability.

Rising expectations of a BoJ rate hike have done little to support the yen. Some strength on Monday after Ueda’s messaging has reversed and USD/JPY trades around 156. A 25bps hike would leave real Japanese rates at deeply negative levels. Stronger risk appetite early in NY trading helped the NZD lift to 0.5745 but this move faded somewhat, and the currency is back to 0.5730. Still, commodity currencies have performed a little better than

others, and the NZD is slightly higher on crosses against JPY, EUR and GBP, but moves have been insignificant.

Euro area CPI inflation ticked up to 2.2% y/y in November, one-tenth higher than expected, while the core figure was steady at 2.4%, as expected. With the picture remaining one of relatively steady inflation, close to target, ECB monetary policy, which has remained on hold since June, looks likely to remain that way for some time. Market pricing is consistent with unchanged policy through 2026, with a modest chance of a final cut at some stage.

In its quarterly update, the OECD said the global economy has proved more resilient than expected this year, supported by improved financial conditions, rising AI-related investment and trade, and macroeconomic policies. Global GDP growth is projected to ease from 3.2% in 2025 to 2.9% in 2026 and then strengthen slightly to 3.1% in 2027. GDP growth forecasts for many regions were nudged higher for this year and next year.

Following a spate of attacks on Russian commercial ships, President Putin warned that Russia may consider striking the ships of countries supporting Russia if these attacks continue. Putin is currently meeting the US on next stages in a possible Ukraine-Russia peace deal. Earlier, Putin said Europeans were hindering a deal, “they are on the side of war” as they are seeking demands that are not acceptable to Russia. There has been a little intraday volatility in oil prices, but Brent crude is modestly weaker for the day, trading just below USD63 per barrel.

Dairy prices continue to fall at GDT auctions. The GDT price index now shows eight consecutive declines, with a trend of progressively greater falls over recent events, including a 4.3% fall at the overnight auction. Increasing global supply has been the key driver and there is no sign of this abating.

Global forces were largely responsible for lifting NZGB yields yesterday, driven by the long end. The 10-year rate rose 5bps to 4.37%. The 10-year swap rate also rose 5bps to 4.05%. The short end of the market was still experiencing some decent positioning adjustments in the wake of the RBNZ’s hawkish cut last week. The 2-year rate was higher through most of the session before a late dip into the close and it ended the day down 3bps to 2.86%.

On her second day on the job, RBNZ Governor faced Parliament’s Finance and Expenditure Committee, where she reiterated that under her leadership the Bank would

be “laser focused” on low and stable inflation, adding “please, please remember how hurtful high inflation is for households”. It was good to see these inflation-fighting credentials on display early in her term.

On the economic calendar today, Australian Q3 GDP is released, with the consensus sitting at 0.7% q/q, which would take annual growth to 2.2%. Tonight, the US ADP private payrolls and ISM services survey will be closely watched.

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Coming Up

		Period	Cons.	Prev.	NZT
AU	GDP (q/q%)	Q3	0.7	0.6	13:30
CH	RatingDog China PMI services	Nov	52.1	52.6	14:45
US	ADP employment change (k)	Nov	10	42	02:15
US	Industrial production (m/m%)	Sep	0.1	0.1	03:15
US	ISM services index	Nov	52.0	52.4	04:00

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	0.5731	+0.0	0.5711	0.5745	CHF	0.8040	-0.1	S&P 500	6,836	+0.3	13.0	Oil (Brent)	62.78	-0.6
AUD	0.6559	+0.2	0.6543	0.6571	SEK	9.444	-0.1	Dow	47,455	+0.4	6.0	Oil (WTI)	58.94	-0.7
EUR	1.1607	-0.0	1.1591	1.1623	NOK	10.146	+0.1	Nasdaq	23,410	+0.6	20.6	Gold	4188.2	-1.2
GBP	1.3195	-0.1	1.3180	1.3221	HKD	7.784	-0.1	Stoxx 50	5,686	+0.3	17.3	HRC steel	901.0	-0.2
JPY	155.96	+0.3	155.64	156.18	CNY	7.071	-0.0	FTSE	9,702	-0.0	16.7	CRB	302.7	+0.4
CAD	1.3985	-0.1			SGD	1.298	+0.1	DAX	23,711	+0.5	18.9	Wheat Chic.	542.5	+1.4
NZD/AUD	0.8738	-0.2			IDR	16,625	-0.2	CAC 40	8,075	-0.3	11.6	Sugar	14.96	+1.3
NZD/EUR	0.4938	+0.1			THB	32.06	+0.3	Nikkei	49,303	+0.0	25.6	Cotton	62.83	-0.1
NZD/GBP	0.4343	+0.2			KRW	1,469	+0.1	Shanghai	3,898	-0.4	15.9	Coffee	372.7	-1.8
NZD/JPY	89.38	+0.4			TWD	31.40	-0.1	ASX 200	8,580	+0.2	1.0	WM powder	3220	+0.9
NZD/CAD	0.8015	-0.1			PHP	58.52	-0.0	NZX 50	13,503	+0.4	3.1	Australian Futures		
NZ TWI	66.53	+0.0						VIX Index	16.67	-3.3	+25.0	3 year bond	96.05	-0.03
Interest Rates														
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	3.32	3.68	USD	4.09	0.01	15-Apr-27	2.74	-0.01	BKBM 1-mth	2.41	0.01	
AUD	3.60	3.67	3.85	4.68	AUD	4.61	0.06	15-May-28	3.20	0.01	BKBM 3-mth	2.47	0.01	
NZD	2.25	2.47	2.86	4.05	NZD	4.37	0.05	20-Apr-29	3.43	0.02	1 year	2.54	-0.01	
EUR	2.00	2.06	2.19	2.79	GER	2.75	-0.00	15-May-30	3.66	0.04	2 year	2.86	-0.03	
GBP	4.00	4.11	3.51	3.98	GBP	4.47	-0.01	15-May-31	3.88	0.05	3 year	3.13	-0.01	
JPY	0.48	-0.03	0.99	1.69	JPY	1.87	-0.01	15-May-32	4.05	0.05	5 year	3.50	0.02	
CAD	2.25	4.97	2.33	3.01	CAD	3.24	-0.01	14-Apr-33	4.16	0.05	7 year	3.77	0.04	
Carbon Price					Policy Meeting Run			15-May-34	4.28	0.06	10 year	4.05	0.05	
	Level	% Day	% Year		NZD	AUD	USD	15-May-35	4.37	0.05	15 year	4.36	0.05	
NZU	41.70	+1.7	-34.9		1st 2.22	3.60	3.67	15-May-36	4.47	0.05	NZ Inflation-Indexed Bonds			
* These are indicative ranges from 5pm NZT;					2nd 2.21	3.59	3.59	15-May-37	4.57	0.05	Sept-30	1.57	0.01	
please confirm rates with your BNZ dealer					3rd 2.20	3.59	3.51	15-May-41	4.91	0.05	Sept-35	2.40	0.02	
Rates are as of: NZT 06:55					4th 2.25	3.63	3.45	15-May-54	5.19	0.06	Sept-40	2.82	0.02	
Source: Bloomberg					5th 2.33	3.64	3.31							

NZD exchange rates

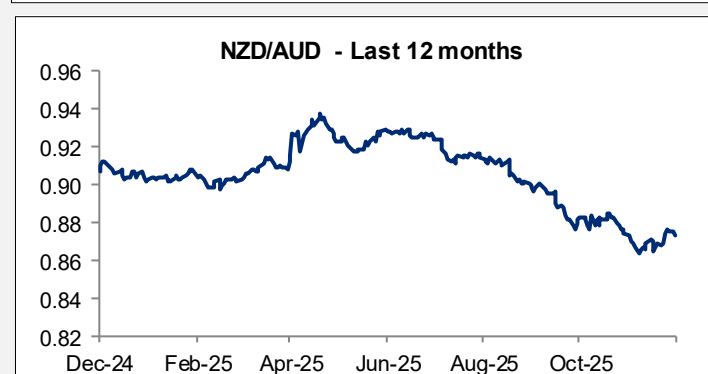
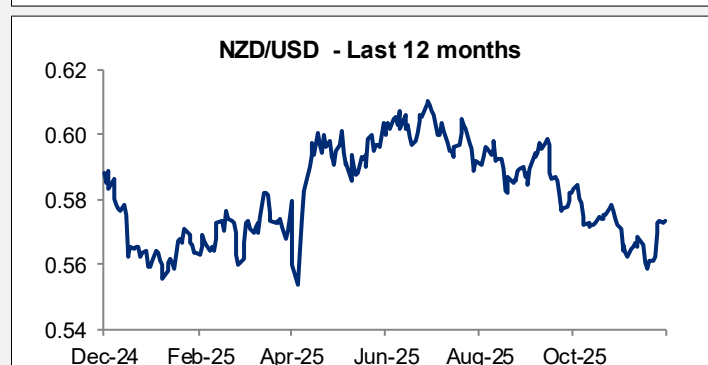
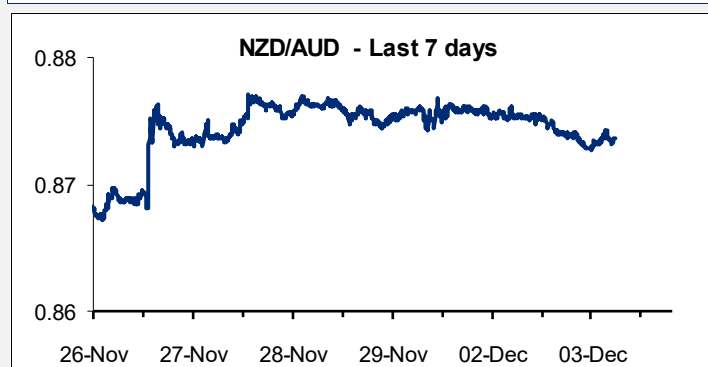
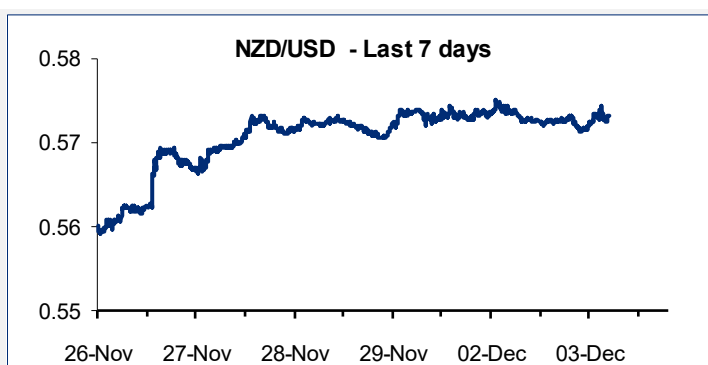
3/12/2025	6:55 am	Prev. NY close
USD	0.5731	0.5729
GBP	0.4343	0.4336
AUD	0.8738	0.8755
EUR	0.4938	0.4935
JPY	89.38	89.06
CAD	0.8015	0.8020
CHF	0.4611	0.4610
DKK	3.6895	3.6852
FJD	1.3120	1.3113
HKD	4.4622	4.4620
INR	51.52	51.31
NOK	5.8174	5.8047
PKR	160.75	160.70
PHP	33.55	33.54
PGK	2.4412	2.4525
SEK	5.4147	5.4152
SGD	0.7438	0.7428
CNY	4.0532	4.0515
THB	18.35	18.33
TOP	1.3710	1.3702
VUV	70.17	70.15
WST	1.6017	1.5961
XPF	58.98	58.94
ZAR	9.8182	9.7917

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	7.71	7.92
3 Months	20.72	21.13
6 Months	39.69	40.68
9 Months	55.10	56.85
1 Year	65.82	68.08

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	9.78	10.26
3 Months	28.22	29.28
6 Months	58.44	60.98
9 Months	89.48	94.00
1 Year	119.69	125.66



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