

Research Markets Today

3 November 2025

Events Round-Up

NZ: ANZ Consumer Confidence, Oct: 92.4 vs. 94.6 prev.
 JN: Tokyo CPI Ex- Food, Energy (y/y%), Oct: 2.8 vs. 2.6 exp.
 CH: Manufacturing PMI, Oct: 49.0 vs. 49.6 exp.
 CH: Non-manufacturing PMI, Oct: 50.1 vs. 50.1 exp.
 EC: CPI Estimate (y/y%), Oct P: 2.1 vs. 2.1 exp.
 EC: CPI Core (y/y%), Oct P: 2.4 vs. 2.3 exp.
 CA: GDP (m/m%), Aug: -0.3 vs. 0 exp.
 US: MNI Chicago PMI, Oct: 43.8 vs. 42.3 exp.

Good morning

US equities ended the month on a positive note. Earnings season remains in focus for investors. The vast majority of the 60% of S&P firms that have reported results so far have exceeded analyst estimates according to Bloomberg. The S&P closed 0.3% higher extending gains for October to 2.3%. Other global equity indices were mixed. The Nikkei surged 2% to a fresh record while European stocks closed lower. Price action in global bond markets was subdued, and the US dollar extended its recent move higher.

There are growing signs of tightening liquidity across global money markets. Key secured money market rates have risen in the US and UK. While the granular reasons differ, it broadly reflects the impact of central banks unwinding of covid-era policies and an increase in government debt issuance. The US Federal Reserve will end quantitative tightening on 1 December, and the Bank of England has encouraged use of its liquidity facilities. In NZ, the RBNZ injected liquidity on Friday and open market operations are expected to become more frequent as the level of settlement cash decreases towards ample.

Kansas Federal Reserve President Schmid said he voted against the decision to reduce rates by 25bp last week due to concerns about inflation. He said the economy is showing continued momentum, the labour market is in balance and that inflation remains too high. Two regional Federal Reserve presidents (both non-voters) have also said they did not support the interest rate cut, highlighting the divergent views which led to Chair Powell saying another move in December was not a foregone conclusion.

Headline CPI in the euro area decelerated to 2.1% y/y in October which was in line with the consensus estimate.

The core reading was unchanged relative to the previous month at 2.4% and services inflation accelerated to 3.4%. Elevated services inflation, which mostly reflect domestic cost pressures, is expected to moderate but supports the on-hold stance of the European Central Bank.

European fixed income markets were broadly unchanged. 10-year bunds closed 1bp lower at 2.63%. US treasuries rallied with yields closing 2-3bp lower across the curve. 10-year notes closed at 4.09%, having reached 4.11% during last week after the FOMC.

The US dollar continued to trade higher with the dollar index reaching the highest level since August. The dollar's advance was most pronounced against continental European currencies. The NZD and AUD were little changed relative to the local close on Friday.

Tokyo CPI, which serves as a leading indicator for nationwide prices, increased more than expected in October. The core measure which excludes fresh food and energy increased 2.8%. This was above the consensus estimate and supports the case for a December rate hike. There is around a 50% chance of a 25bp hike priced for the next meeting, which was little changed after the data, although the yen received some albeit temporary support.

The official manufacturing PMI in China dipped to 49.0 in October remaining below 50 and in contractionary territory for the seventh straight month. The data may be impacted distorted by the timing of holidays. The non-manufacturing index moved trivially higher to 50.1. Soft PMI readings in part reflects subdued domestic demand.

There was a further move lower for NZ swap rates in the local session on Friday. Although not impactful for market pricing, weak consumer confidence data reinforced the subdued state of the NZ economy. Swap rates declined 1-2bp across the curve. Government bonds outperformed. 10-year NZGB closed 4bp lower at 4.05% and matched maturity swap spreads tightened further to +44bp.

Building permits for September is the only domestic release of note today. RatingDog (previously Caixin) manufacturing PMI is scheduled in China. In the US, the ISM manufacturing will be closely monitored.

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Coming Up

		Period	Cons.	Prev.	NZT
NZ	Building Permits (m/m%)	Sep	5.8	10:45	
AU	Building Approvals (m/m%)	Sep	5	-6	13:30
CH	RatingDog China PMI Mfg	Oct	50.5	51.2	14:45
US	ISM Manufacturing	Oct	49.2	49.1	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	0.5726	-0.3	0.5714	0.5733	CHF	0.8046	+0.3	S&P 500	6,840	+0.3	19.4	Oil (Brent)	64.77	+0.6	
AUD	0.6546	-0.2	0.6533	0.6553	SEK	9.491	+0.5	Dow	47,563	+0.1	13.1	Oil (WTI)	60.98	+0.7	
EUR	1.1537	-0.2	1.1522	1.1577	NOK	10.123	+0.6	Nasdaq	23,725	+0.6	30.1	Gold	3996.5	-0.5	
GBP	1.3148	+0.0	1.3097	1.3157	HKD	7.770	+0.0	Stoxx 50	5,662	-0.7	16.1	HRC steel	851.0	+0.1	
JPY	154.02	-0.1	153.89	154.41	CNY	7.120	+0.1	FTSE	9,717	-0.4	18.8	CRB	302.5	+0.6	
CAD	1.4012	+0.2			SGD	1.301	+0.0	DAX	23,958	-0.7	24.4	Wheat Chic.	548.5	+1.5	
NZD/AUD	0.8747	-0.2			IDR	16,631	-0.0	CAC 40	8,121	-0.4	9.6	Sugar	14.43	+1.1	
NZD/EUR	0.4963	-0.1			THB	32.33	-0.1	Nikkei	52,411	+2.1	37.7	Cotton	65.54	+0.6	
NZD/GBP	0.4355	-0.4			KRW	1,430	-0.1	Shanghai	3,955	-0.8	20.9	Coffee	392.1	+0.0	
NZD/JPY	88.18	-0.4			TWD	30.74	+0.1	ASX 200	8,882	-0.0	9.4	WM powder	3445	+0.6	
NZD/CAD	0.8022	-0.2			PHP	58.75	-0.2	NZX 50	13,548	+0.7	7.9	Australian Futures			
NZ TWI	66.48	-0.2						VIX Index	17.44	+3.1	-20.3	3 year bond	96.39	0.01	
Interest Rates												7 year bond			
												10 year bond			
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	3.37	3.65	USD	4.08	-0.02	15-Apr-27	2.59	-0.02		BKBM 1-mth	2.62	0.00	
AUD	3.60	3.64	3.53	4.34	AUD	4.30	-0.01	15-May-28	2.85	-0.04		BKBM 3-mth	2.52	0.01	
NZD	2.50	2.52	2.56	3.66	NZD	4.06	-0.04	20-Apr-29	3.04	-0.04		1 year	2.44	-0.01	
EUR	2.00	2.04	2.13	2.64	GER	2.63	-0.01	15-May-30	3.25	-0.04		2 year	2.56	-0.03	
GBP	4.00	4.13	3.53	3.92	GBP	4.41	-0.02	15-May-31	3.48	-0.04		3 year	2.74	-0.04	
JPY	0.48	-0.03	0.92	1.50	JPY	1.67	0.01	15-May-32	3.67	-0.04		5 year	3.07	-0.03	
CAD	2.25	4.97	2.26	2.85	CAD	3.12	-0.01	14-Apr-33	3.80	-0.03		7 year	3.35	-0.02	
									15-May-34	3.94	-0.04		10 year	3.66	-0.02
									15-May-35	4.06	-0.04		15 year	3.98	-0.02
									15-May-36	4.17	-0.04		NZ Inflation-Indexed Bonds		
									15-May-37	4.29	-0.04		Sept-30	1.30	-0.05
									15-May-41	4.63	-0.04		Sept-35	2.16	-0.05
									15-May-51	4.92	-0.04		Sept-40	2.61	-0.05
									15-May-54	4.93	-0.04				

* These are indicative ranges from 5pm NZT;
please confirm rates with your BNZ dealer

Rates at NY close

Source: Bloomberg

NZD exchange rates

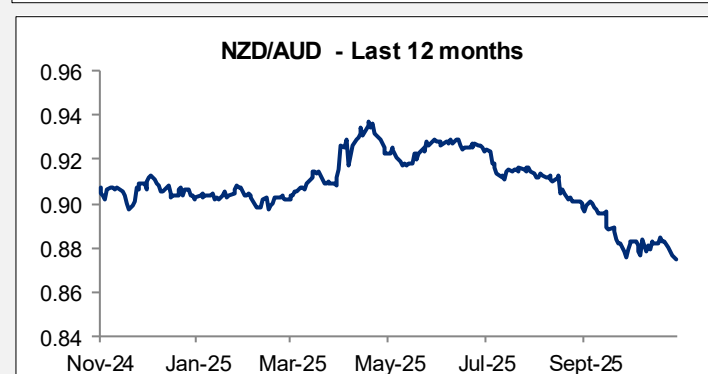
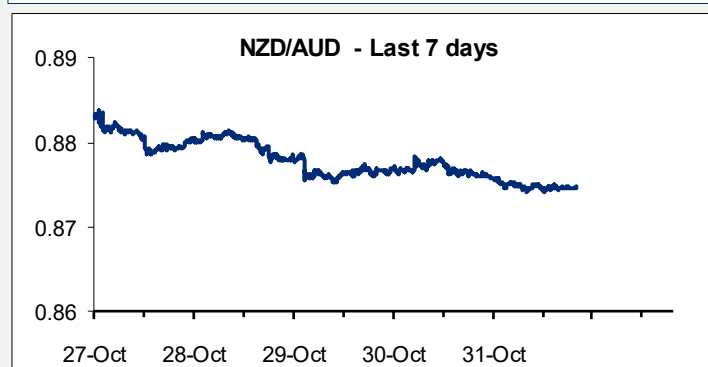
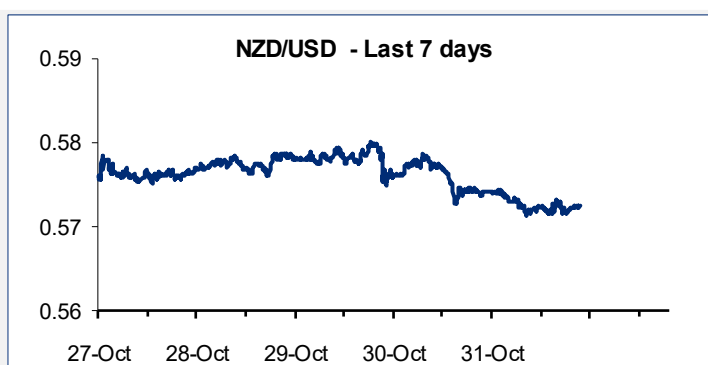
1/11/2025	NY close	Prev. NY close
USD	0.5726	0.5742
GBP	0.4355	0.4366
AUD	0.8747	0.8760
EUR	0.4963	0.4965
JPY	88.18	88.50
CAD	0.8022	0.8031
CHF	0.4606	0.4605
DKK	3.7050	3.7074
FJD	1.3080	1.3152
HKD	4.4477	4.4615
INR	50.81	50.93
NOK	5.7942	5.7770
PKR	160.83	161.39
PHP	33.71	33.71
PGK	2.4081	2.4065
SEK	5.4324	5.4226
SGD	0.7447	0.7469
CNY	4.0751	4.0828
THB	18.51	18.59
TOP	1.3427	1.3495
VUV	69.70	69.83
WST	1.5896	1.5778
XPF	59.10	59.25
ZAR	9.9211	9.9252

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	7.05	7.35
3 Months	22.15	22.65
6 Months	42.13	43.25
9 Months	60.53	62.53
1 Year	75.16	77.84

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	7.50	8.19
3 Months	26.86	27.93
6 Months	53.70	56.59
9 Months	81.93	86.06
1 Year	106.71	115.78



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