

# Research Markets Today

3 October 2025

## Events Round-Up

AU: Trade balance (\$b), Aug: 1.8 vs. 6.2 exp.

EA: Unemployment rate (%), Aug: 6.3 vs. 6.2 exp.

## Good Morning

Newsflow has been light and markets show only modest movements amidst a US government shutdown. US equities show little change and US Treasuries have traded narrow ranges, with a small flattening bias. The USD is slightly stronger overnight. The NZD has traded a narrow range and is currently 0.5820. Oil prices are lower for a fourth consecutive day.

Betting markets suggest that the US government shutdown will last at least a week and probably longer. Historically, government shutdowns have had only small impacts on the economy and markets.

The White House is looking at the government shutdown as an opportunity to permanently reduce federal jobs. Trump's press secretary Leavitt said "it's likely to be in the thousands", adding that the entire team at the White House was working to identify possible cuts and looking "at agencies that don't align with the administration's values". This ploy aims to put pressure on Democrats to vote to reopen the government.

In terms of US data releases affected by the government shutdown, the first casualty has been the weekly jobless claims release. In the absence of government data releases, private sector economic reports will be given more attention. Challenger and Co's monthly data on hiring and firing showed companies in September planned to add 177k jobs, down 71% y/y, the weakest hiring intentions for a September month since 2011. On a year-to-September basis, the historical low stretched even longer, back to 2009. On a slightly more positive note, planned job cuts were "only" 54k in September, down 26% y/y.

Another private sector company reporting employment data, Revelio Labs, showed employment gains of 60k for September and, based on its model estimates, this translates into a non-farm payrolls estimate of 38k, modestly weaker than the consensus estimate of 52k, and consistent with a slowdown in employment growth.

Treasury Bessent talked up the progress with China in trade talks, saying that his discussions with Vice Premier He "should show a pretty big breakthrough" in his next round of talks. A meeting is scheduled between Presidents Trump and Xi later this month on the sidelines of a regional summit in South Korea.

US equity markets show small movements with the S&P500 currently flat and the Nasdaq up modestly. European equities closed higher for the fifth day running, with the Euro Stoxx 600 index up 0.5% to a fresh record high.

The US 10-year Treasury has traded a range of 4.08-4.125% overnight and currently sits at the bottom end, down 2bps from the NZ close. The curve is slightly flatter.

In currency markets, net movements have been small but with broad gains for the USD overnight. The NZD is currently 0.5820, after nudging just over 0.5840 last night finding support just over 0.58. NZD/AUD recovered up through 0.88 during local trading hours and the move has been sustained overnight, pushing up to 0.8825, likely reflecting some profit taking after its big lurch down over the past month. NZD has also solidified the small gains it made against GBP and EUR yesterday. NZD/JPY is back down to 85.6 after a failed attempt to break up through 86 overnight.

Oil prices are down for a fourth consecutive day ahead of the OPEC+ meeting this weekend, where the cartel is expected restore more supply. Brent crude is down nearly 2% to a USD64 handle, a four-month low.

NZGB and swap rates were flat to slightly lower across the curve yesterday. Demand was solid for the weekly NZGB bond tender, although the market weakened somewhat following the event. The 5-year rate closed down 1bp at 3.36% and the 10-year rate closed down 3bps at 4.19%. In the swaps market, the 2-year rate was flat at 2.63% while the 10-year rate fell 2bps to 3.71%.

On the economic calendar, the key US employment report, which was scheduled for tonight, will be delayed due to the government shutdown. The ISM services survey isn't affected by the shutdown and the market expects a nudge lower to 51.7 for September.

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## Coming Up

			Period Cons. Prev.		NZT
US	Change in nonfarm payrolls (k)	Sep	52	22	01:30
US	Unemployment rate (%)	Sep	4.3	4.3	01:30
US	Avg hourly earnings (m/m%)	Sep	0.3	0.3	01:30
US	Avg hourly earnings (y/y%)	Sep	3.7	3.7	01:30
US	ISM services index	Sep	51.7	52.0	03:00

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	0.5818	+0.0	0.5803	0.5843	CHF	0.7983	+0.2	S&P 500	6,714	+0.0	17.6	Oil (Brent)	64.11	-1.9
AUD	0.6594	-0.3	0.6577	0.6625	SEK	9.411	+0.3	Dow	46,496	+0.1	10.2	Oil (WTI)	60.50	-2.1
EUR	1.1716	-0.1	1.1683	1.1758	NOK	9.994	+0.7	Nasdaq	22,827	+0.3	27.3	Gold	3841.1	-0.7
GBP	1.3439	-0.3	1.3401	1.3510	HKD	7.783	+0.0	Stoxx 50	5,646	+1.2	13.8	HRC steel	805.0	-0.1
JPY	147.16	+0.1	146.60	147.51	CNY	7.121	-0.0	FTSE	9,428	-0.2	13.7	CRB	300.5	-0.0
CAD	1.3967	+0.2			SGD	1.289	+0.1	DAX	24,423	+1.3	27.4	Wheat Chic.	532.8	+1.0
NZD/AUD	0.8823	+0.3			IDR	16,598	-0.2	CAC 40	8,057	+1.1	6.3	Sugar	16.40	+1.7
NZD/EUR	0.4966	+0.2			THB	32.48	+0.3	Nikkei	44,937	+0.9	16.6	Cotton	63.15	-0.3
NZD/GBP	0.4329	+0.3			KRW	1,406	+0.2	Shanghai	3,883	+0.5	19.1	Coffee	378.1	-1.5
NZD/JPY	85.62	+0.1			TWD	30.41	-0.1	ASX 200	8,946	+1.1	9.0	WM powder	3615	-0.4
NZD/CAD	0.8126	+0.2			PHP	58.11	-0.1	NZX 50	13,452	+0.1	7.0	Australian Futures		
NZ TWI	67.08	+0.1						VIX Index	16.52	+1.4	-12.6	3 year bond	96.44	0.04
Interest Rates												3 year bond		
												10 year bond		
												95.66		
												0.02		
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	4.25	4.85	3.33	3.60	USD	4.08	-0.01	15-Apr-27	2.71	-0.00	BKBM 1-mth	2.90	-0.01	
AUD	3.60	3.61	3.44	4.27	AUD	4.34	-0.03	15-May-28	2.93	-0.00	BKBM 3-mth	2.77	-0.00	
NZD	3.00	2.77	2.63	3.71	NZD	4.19	-0.03	20-Apr-29	3.14	-0.00	1 year	2.56	-0.00	
EUR	2.00	2.02	2.14	2.67	GER	2.70	-0.01	15-May-30	3.36	-0.01	2 year	2.63	-0.00	
GBP	4.00	4.20	3.76	4.15	GBP	4.71	0.01	15-May-31	3.59	-0.02	3 year	2.80	-0.01	
JPY	0.48	-0.03	0.95	1.52	JPY	1.66	0.01	15-May-32	3.79	-0.02	5 year	3.13	-0.01	
CAD	2.50	4.97	2.31	2.86	CAD	3.17	-0.01	14-Apr-33	3.93	-0.03	7 year	3.40	-0.02	
						Policy Meeting Run			15-May-34	4.08	-0.03	10 year	3.71	-0.02
									15-May-35	4.19	-0.03	15 year	4.02	-0.02
									15-May-36	4.31	-0.02	NZ Inflation-Indexed Bonds		
									15-May-37	4.44	-0.02	Sept-30	1.58	-0.01
									15-May-41	4.77	-0.02	Sept-35	2.41	-0.01
									15-May-51	5.05	-0.01	Sept-40	2.83	-0.01
									15-May-54	5.07	-0.01			

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

Rates are as of: NZT 06:56

Source: Bloomberg

**NZD exchange rates****3/10/2025 6:56 am Prev. NY close**

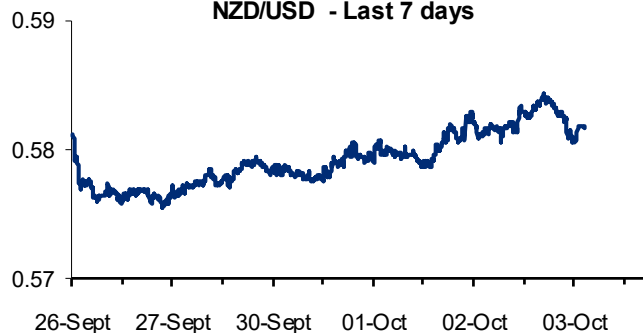
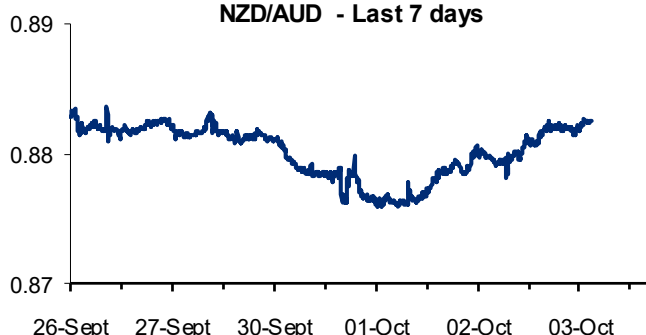
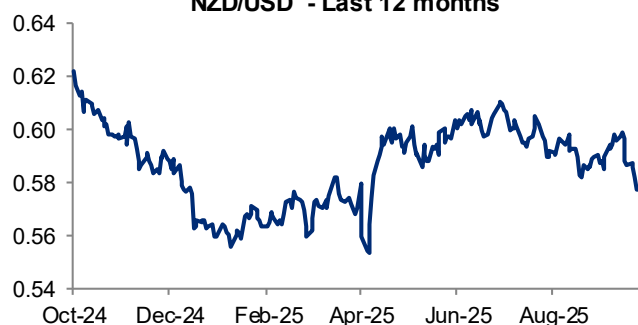
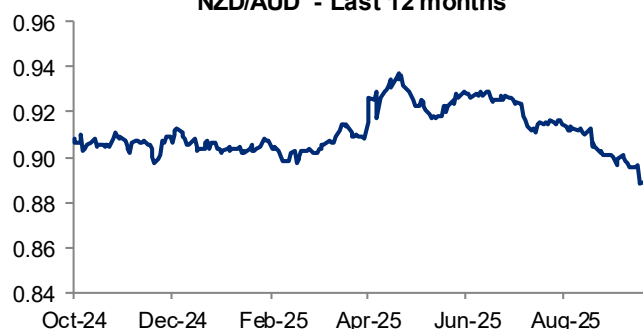
USD	0.5818	0.5817
GBP	0.4329	0.4316
AUD	0.8823	0.8796
EUR	0.4966	0.4958
JPY	85.62	85.55
CAD	0.8126	0.8106
CHF	0.4643	0.4637
DKK	3.7071	3.7019
FJD	1.3118	1.3134
HKD	4.5281	4.5267
INR	51.60	51.65
NOK	5.8125	5.7710
PKR	163.72	163.70
PHP	33.80	33.83
PGK	2.4353	2.4057
SEK	5.4714	5.4576
SGD	0.7501	0.7493
CNY	4.1438	4.1431
THB	18.83	18.82
TOP	1.3657	1.3778
VUV	69.67	69.87
WST	1.5919	1.5975
XPF	59.18	59.15
ZAR	10.0646	10.0241

**NZD/USD Forward Points**

	<b>BNZ buys NZD</b>	<b>BNZ sells NZD</b>
1 Month	7.13	7.27
3 Months	20.43	20.87
6 Months	38.40	39.40
9 Months	54.35	56.30
1 Year	67.55	70.38

**NZD/AUD Forward Points**

	<b>BNZ buys NZD</b>	<b>BNZ sells NZD</b>
1 Month	6.98	7.23
3 Months	21.84	22.73
6 Months	45.05	47.51
9 Months	68.43	72.63
1 Year	91.67	98.33

**NZD/USD - Last 7 days****NZD/AUD - Last 7 days****NZD/USD - Last 12 months****NZD/AUD - Last 12 months**

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