Research

Markets Today

4 November 2025

Events Round-Up

NZ: Building Permits (m/m%), Sep: 7.2 vs. 6.1 prev.
AU: Building Approvals (m/m%), Sep: 12 vs. 5 exp.
CH: RatingDog China PMI Mfg, Oct: 50.6 vs. 50.5 exp.
US: ISM Manufacturing, Oct: 48.7 vs. 49.2 exp.

Good morning

Risk sensitive assets are little changed. The S&P is close to flat in afternoon trading and there was limited reaction to the manufacturing ISM which continues to point towards sluggish activity in the sector. Treasury yields are higher and the recent advance in the US dollar index has taken a breather. Oil prices were stable, following the weekend announcement that OPEC+ planned to pause output increases in the first quarter of 2026, after raising production in December. Brent crude is trading close to US$65 per barrel.

The US manufacturing ISM edged lower in October and remained below the 50 level for an eighth straight month. Manufacturers continue to be concerned about the uncertainty from trade policy. The new orders and employment indices improved marginally but remain at subdued levels. Price pressures have eased. The prices paid index fell declined to 58.0 from 61.9 in September.

Federal Reserve Governor Miran, who dissented against the 25bp cut at the FOMC last week and advocated for a 50bp reduction, said monetary policy remains too restrictive. He said that signs of tightness in funding markets could be an indicator that monetary policy is too tight and that it could cause a downturn in the economy. Miran outlined that he will continue to call for a faster pace of easing by the central bank. Highlighting the divergent views within the FOMC, Chicago Fed president Goolsbee said he is concerned about inflation and is unsure about a December cut.

US treasury yields are higher across the curve with an underperformance in the long end of the curve. A brief dip after the ISM release quickly reversed. Yields are 4bp higher out to 10-years with a larger 5bp increase for 30-year bonds. 10-year notes are back at the post-FOMC yield highs near 4.12%.

The recent advance in the dollar index has lost momentum at the start of the week. Major FX pairings are little changed against the US dollar since the local close yesterday. However, commodity currencies including the NZD, AUD and CAD are all modestly weaker. NZD/USD dipped below 0.5700 in overnight trading and is weaker on the major crosses.

The RatingDog China manufacturing PMI fell to 50.6 which was near the consensus estimate. The slowdown aligned with the official PMI release on Friday which also suggested sluggish economic momentum. Business activity and exports may get marginal support going forward from reduced trade tensions with the US.

NZ residential building consents increased 7.2% in September. Although the monthly time series can be volatile, the September print builds on previous monthly increases. Current building activity is weak, but the pickup in consents provides more evidence that our forecast recovery in residential building is taking shape.

NZ swap rates steepened in the local session yesterday. 2-year rates were unchanged at 2.56% while 10-year closed at 3.69%, 2bp higher. The Australian fixed market traded heavy ahead of the central bank meeting today which set the tone for price action in NZ. 10-year NZ government bond yields increased 3bp a modest underperformance relative to swaps.

There is no NZ data today. The Reserve Bank of Australia is unanimously expected to leave rates on hold at 3.60%. The material upside surprise to Q3 CPI is likely to see the central bank leave rates on hold for some time. The Board isn’t expected to provide guidance on future changes in the policy rate instead emphasising the uncertainty from the interplay between inflation and labour market dynamics. The release of US economic data remains impacted by the government shutdown.

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Coming Up

		Period	Cons.	Prev.	NZT
US	Fed's Cook Speaks on Economy and Monetary Policy				08:00
AU	RBA Cash Rate Target	Nov	3.6	3.6	16:30

Currencies

FX Majors	Last	% Day	Low	High
NZD	0.5707	-0.3	0.5693	0.5730
AUD	0.6535	-0.2	0.6518	0.6560
EUR	1.1531	-0.1	1.1505	1.1541
GBP	1.3149	-0.0	1.3109	1.3151
JPY	154.12	+0.1	153.93	154.30
CAD	1.4053	+0.3		
NZD/AUD	0.8733	-0.1		
NZD/EUR	0.4949	-0.3		
NZD/GBP	0.4340	-0.2		
NZD/JPY	87.96	-0.2		
NZD/CAD	0.8020	+0.0		
NZ TWI	66.37	-0.2		

Indicative overnight ranges (*)

Other FX	Last	% Day
CHF	0.8073	+0.3
SEK	9.478	-0.1
NOK	10.116	-0.1
HKD	7.772	+0.0
CNY	7.122	+0.0
SGD	1.305	+0.3
IDR	16,676	+0.3
THB	32.48	+0.5
KRW	1,431	+0.1
TWD	30.83	+0.3
PHP	58.79	+0.1

Equities

Major Indices	Last	% Day	% Year
S&P 500	6,847	+0.1	19.5
Dow	47,382	-0.4	12.7
Nasdaq	23,849	+0.5	30.8
Stoxx 50	5,679	+0.3	16.4
FTSE	9,701	-0.2	18.6
DAX	24,132	+0.7	25.3
CAC 40	8,110	-0.1	9.5
Nikkei	52,411	+2.1	37.7
Shanghai	3,977	+0.5	21.5
ASX 200	8,895	+0.1	8.9
NZX 50	13,556	+0.1	7.7
VIX Index	17.94	+2.9	-18.0

Commodities

Price (Near futures, except CRB)	Last	Net Day
Oil (Brent)	65.16	+0.6
Oil (WTI)	61.35	+0.6
Gold	4020.0	+0.6
HRC steel	851.0	+0.0
CRB	302.5	+0.0
Wheat Chic.	554.8	+1.1
Sugar	14.63	+1.4
Cotton	65.49	-0.1
Coffee	405.3	+3.4
WM powder	3455	+0.3
Australian Futures		
3 year bond	96.35	-0.04
10 year bond	95.64	-0.04

Interest Rates

	Rates: Cash	Rates: 3Mth	Swap Yields: 2 Yr	Swap Yields: 10 Yr
USD	4.00	4.85	3.40	3.69
AUD	3.60	3.64	3.55	4.38
NZD	2.50	2.52	2.56	3.69
EUR	2.00	2.04	2.16	2.67
GBP	4.00	4.12	3.56	3.95
JPY	0.48	-0.03	0.92	1.50
CAD	2.25	4.97	2.27	2.88

Benchmark 10 Yr Bonds	Last	Net Day
USD	4.12	0.04
AUD	4.34	0.04
NZD	4.09	0.03
GER	2.67	0.03
GBP	4.44	0.03
JPY	1.67	0.00
CAD	3.15	0.03

Policy Meeting Run	NZD	AUD	USD
1st	2.27	3.60	3.73
2nd	2.20	3.56	3.65
3rd	2.18	3.49	3.56
4th	2.15	3.47	3.50
5th	2.16	3.40	3.35

NZ Government Bonds	Last	Chg
15-Apr-27	2.60	0.01
15-May-28	2.86	0.01
20-Apr-29	3.06	0.02
15-May-30	3.27	0.02
15-May-31	3.50	0.02
15-May-32	3.69	0.02
14-Apr-33	3.83	0.02
15-May-34	3.97	0.03
15-May-35	4.09	0.03
15-May-36	4.20	0.03
15-May-37	4.32	0.03
15-May-41	4.67	0.03
15-May-51	4.96	0.03
15-May-54	4.96	0.03

NZ BKBM and Swap Yields	Last	Chg
BKBM 1-mth	2.59	-0.04
BKBM 3-mth	2.52	0.00
1 year	2.45	0.00
2 year	2.56	-0.00
3 year	2.74	0.00
5 year	3.07	0.01
7 year	3.36	0.01
10 year	3.69	0.02
15 year	4.00	0.03

NZ Inflation-Indexed Bonds		
Sept-30	1.32	0.02
Sept-35	2.18	0.02
Sept-40	2.64	0.03

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

Rates are as of: NZT 06:04

Source: Bloomberg

NZD exchange rates

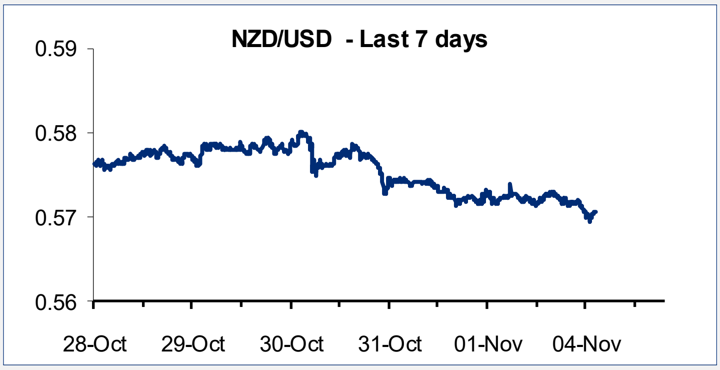
4/11/2025	6:04 am	Prev. NY close
USD	0.5707	0.5724
GBP	0.4340	0.4352
AUD	0.8733	0.8746
EUR	0.4949	0.4961
JPY	87.96	88.14
CAD	0.8020	0.8019
CHF	0.4607	0.4606
DKK	3.6949	3.7050
FJD	1.3009	1.3080
HKD	4.4356	4.4477
INR	50.67	50.81
NOK	5.7733	5.7942
PKR	160.35	160.89
PHP	33.56	33.71
PGK	2.3612	2.4081
SEK	5.4090	5.4324
SGD	0.7445	0.7447
CNY	4.0647	4.0751
THB	18.53	18.51
TOP	1.3598	1.3427
VUV	69.59	69.70
WST	1.5804	1.5896
XPF	58.94	59.10
ZAR	9.8738	9.9211

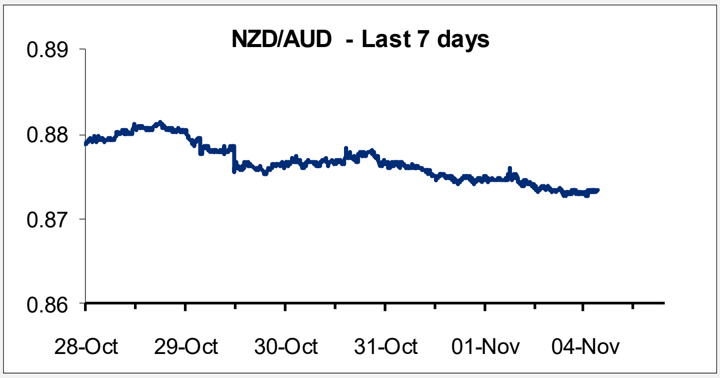
NZD/USD Forward Points

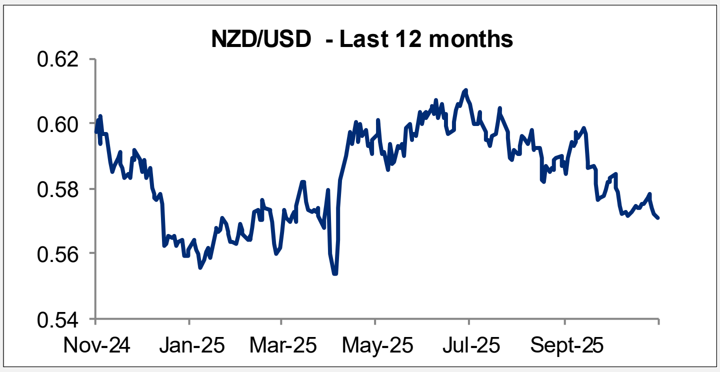
	BNZ buys NZD	BNZ sells NZD
1 Month	7.20	7.40
3 Months	22.33	22.79
6 Months	42.36	43.36
9 Months	60.72	62.72
1 Year	75.92	78.56

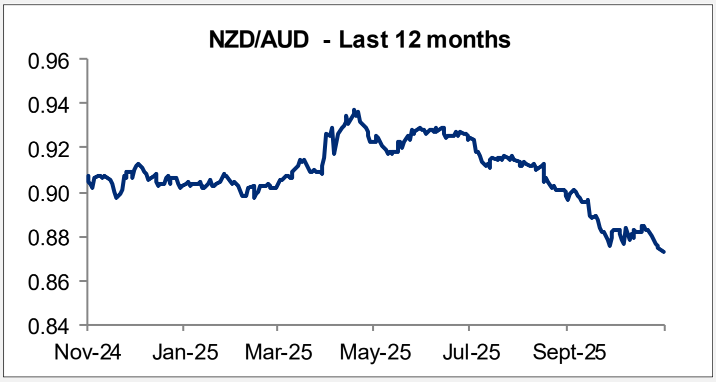
NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	7.85	8.30
3 Months	27.07	28.32
6 Months	54.32	56.92
9 Months	81.96	86.39
1 Year	108.01	116.74









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