

Research Markets Today

9 December 2025

Events Round-Up

JN: Schd FT pay same base (y/y%), Oct: 2.2 vs. 2.4 exp.

GE: Industrial production (m/m%), Oct: 1.8 vs. 0.3 exp.

CH: Exports (USD, y/y%), Nov: 5.9 vs. 4.0 exp.

CH: Imports (USD, y/y%), Nov: 1.9 vs. 3.0 exp.

US: NY Fed 1y inflation expectat., Nov: 3.20 vs. 3.24 prev.

Good Morning

Global rates are higher overnight, led by Europe after some hawkish commentary from the ECB's Schnabel. Higher rates have dampened spirits for equity investors, with the S&P500 down 0.4% in early afternoon trading after meeting some resistance near October's record high. The NZD is currently at 0.5775, after trading at a fresh six-week high overnight.

The ECB's Schnabel, who sits at the more hawkish end of the Governing Council, said that she was "rather comfortable" with both market and survey participants expecting that the next move is going to be a hike, albeit not anytime soon. She sees risks to the economy and inflation as tilted to the upside, signaling that new growth projections might be revised higher at the meeting next week.

Her comments kicked off a move higher in European rates that spilled over into the US Treasuries market. Money markets moved to price in about a one in three chance of the ECB hiking next year and rates were higher across the curve, led by the belly. Germany's 5-year rate rose 8bps to 2.48%, with a 6bps increase for 2 and 10-year rates.

The US 5-year rate is up 5bps from last week's close with 3-4bps rises for the 2 and 10-rates, taking the latter to 4.18%. The overnight high of 4.19% was the highest level since early September.

Hassett, front runner to become the next Fed Chair, conveyed a sense of data dependency in a CNBC interview. When asked how many more rate cuts he thought were warranted looking into 2026, he wasn't sucked into giving a number "but I can say that what you need to do is watch the data", adding "I think that Chairman Powell agrees with me on this one, that we would probably continue to get the rate down some – prudently, with an eye on the data".

In economic news, German industrial production rose a much stronger than expected 1.8% m/m in October, from an upwardly revised 1.1% in September, although the strong bounce-back needs to be seen against the 3.7% fall in August.

China trade data showed stronger than expected exports and weaker than expected imports in November, further showcasing the country's economic imbalance, as the trade surplus exceeded USD1 trillion for the eleven months to November, on track for the full year surplus to exceed last year's record high. The 29% y/y plunge in exports to the US, as a result of higher tariffs, has been more than made up from higher exports elsewhere. European officials are increasingly uneasy about the surge in exports to Europe, with recent threats of raising trade barriers to stem the flood of Chinese goods into the region.

China's Politburo made strengthening domestic demand their top economic priority for 2026, whilst repeating phrases of "proactive" fiscal policy and "moderately loose" monetary policy. Market reaction was muted, given that these measures have to date been ineffective and there is lingering doubt of a genuine commitment to address the structural imbalances facing China.

In the currency market the USD is broadly stronger overnight although moves have been modest. JPY has underperformed against the backdrop of higher global rates but the yen weakened further after reports that a 7.6 earthquake struck Japan, triggering a tsunami warning. USD/JPY has traded up towards 156. Ahead of the USD gaining strength, the NZD reached an overnight high just over 0.5790, a six-week high, and it currently sits around 0.5775. NZD cross movements have been small, although of note NZD/JPY traded above 90 for the first time this year.

The domestic rates market continues to reverberate from the late-November RBNZ MPS that caught many offguard, that has seen a significant unwinding of received swaps positions. Payside pressure in the mid-curve spread out across the short and long end, leaving rates up 10-13bps across the curve. The move has been exacerbated by higher Australian rates, as traders position for possible RBA rate hikes from early next year. NZ's 2-year rate closed up 10bps to 3.0%, taking the selloff to 41bps from levels pre the MPS. The 10-year rate rose 13bps to 4.13%.

NZGB's outperformed swaps, but rates were still up 7-11 bps across most of the curve. Since the NZ close, Australian 10-year bond futures are up 2bps in yield terms, less than the move seen in Treasuries.

The key event on the calendar today is the RBA's policy update. While no one expects any rate change, there is keen interest in the tone of the meeting and forward guidance. The last meeting communicated a neutral bias, but recent strong data on the labour market, domestic demand, and inflation raises the question of whether the bank will signal a tightening bias, allowing the option of raising the cash rate as soon as the next meeting in February. The Bank will want to maintain full optionality.

Tonight, JOLTS data for October on the labour market will be released in the US.

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Coming Up

		Period	Cons.	Prev.	NZT
AU	NAB business conditions	Nov	9		13:30
AU	RBA cash rate target (%)	Dec	3.6	3.6	16:30
US	NFIB small business optimism	Nov	98.3	98.2	00:00
US	JOLTS job openings	Oct	7150	7227	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	0.5776	+0.0	0.5759	0.5792	CHF	0.8068	+0.2	S&P 500	6,840	-0.4	12.3	Oil (Brent)	62.67	-1.7
AUD	0.6626	-0.2	0.6614	0.6649	SEK	9.395	-0.0	Dow	47,770	-0.4	7.0	Oil (WTI)	59.04	-1.7
EUR	1.1637	-0.0	1.1617	1.1672	NOK	10.125	+0.2	Nasdaq	23,517	-0.2	18.4	Gold	4182.1	-0.7
GBP	1.3323	-0.0	1.3306	1.3347	HKD	7.780	-0.1	Stoxx 50	5,726	+0.0	15.0	HRC steel	908.0	+0.0
JPY	155.74	+0.3	155.11	155.99	CNY	7.072	+0.0	FTSE	9,645	-0.2	16.1	CRB	306.0	+0.7
CAD	1.3842	+0.2			SGD	1.298	+0.1	DAX	24,046	+0.1	18.0	Wheat Chic.	534.8	-0.2
NZD/AUD	0.8717	+0.2			IDR	16,695	+0.3	CAC 40	8,108	-0.1	9.2	Sugar	14.83	+0.2
NZD/EUR	0.4963	+0.0			THB	31.90	-0.0	Nikkei	50,582	+0.2	29.2	Cotton	62.13	-0.2
NZD/GBP	0.4335	+0.1			KRW	1,469	-0.2	Shanghai	3,924	+0.5	15.3	Coffee	366.8	-2.1
NZD/JPY	89.96	+0.3			TWD	31.18	-0.2	ASX 200	8,624	-0.1	2.4	WM powder	3225	+0.5
NZD/CAD	0.7995	+0.2			PHP	58.94	+0.0	NZX 50	13,486	+0.0	5.3	Australian Futures		
NZ TWI	66.88	-0.0						VIX Index	16.91	+9.7	+32.4	3 year bond	95.93	-0.02
Interest Rates												10 year bond 95.26 -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	4.00	4.85	3.39	3.77	USD	4.18	0.04	15-Apr-27	2.76	0.05	BKBM 1-mth	2.41	0.00	
AUD	3.60	3.69	4.00	4.79	AUD	4.70	0.02	15-May-28	3.25	0.09	BKBM 3-mth	2.48	0.00	
NZD	2.25	2.48	3.00	4.13	NZD	4.44	0.09	20-Apr-29	3.49	0.09	1 year	2.64	0.06	
EUR	2.00	2.08	2.29	2.90	GER	2.86	0.06	15-May-30	3.73	0.10	2 year	3.00	0.10	
GBP	4.00	4.11	3.59	4.04	GBP	4.53	0.05	15-May-31	3.95	0.11	3 year	3.25	0.11	
JPY	0.48	-0.03	1.05	1.78	JPY	1.98	0.03	15-May-32	4.12	0.10	5 year	3.61	0.13	
CAD	2.25	4.97	2.54	3.20	CAD	3.43	0.02	14-Apr-33	4.23	0.09	7 year	3.86	0.13	
								15-May-34	4.34	0.09	10 year	4.13	0.13	
								15-May-35	4.44	0.09	15 year	4.44	0.13	
								15-May-36	4.53	0.09				
								15-May-37	4.63	0.08	NZ Inflation-Indexed Bonds			
								15-May-41	4.94	0.07	Sept-30	1.60	0.05	
								15-May-51	5.21	0.08	Sept-35	2.42	0.05	
								15-May-54	5.21	0.07	Sept-40	2.83	0.05	
Carbon Price								Policy Meeting Run						
	Level	% Day	% Year			NZD	AUD	USD						
NZU	40.33	-1.9	-34.4		1st	2.25	3.61	3.67						
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer								2nd	2.27	3.64	3.60			
Rates are as of: NZT 06:56								3rd	2.29	3.68	3.53			
Source: Bloomberg								4th	2.38	3.74	3.47			
								5th	2.48	3.82	3.35			

NZD exchange rates

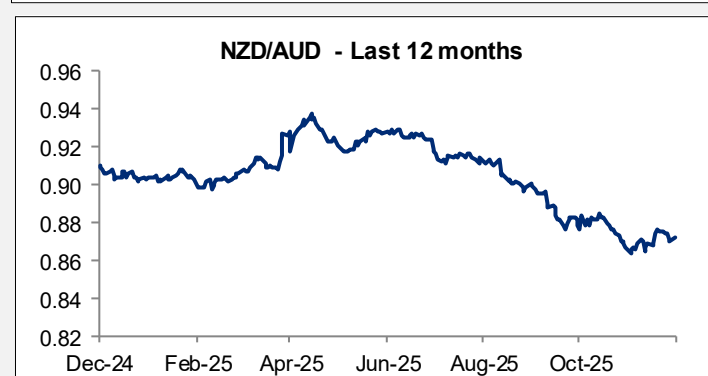
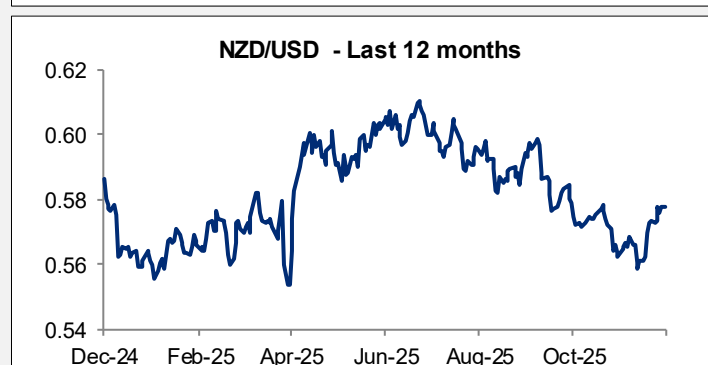
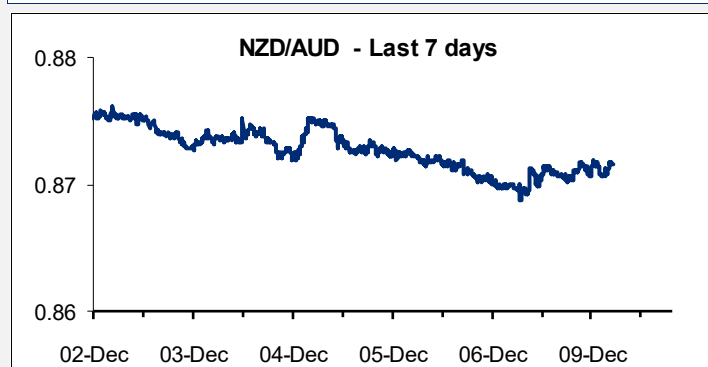
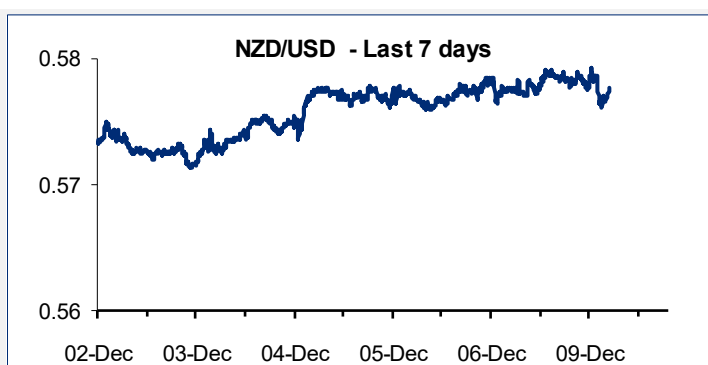
9/12/2025	6:56 am	Prev. NY close
USD	0.5776	0.5776
GBP	0.4335	0.4334
AUD	0.8717	0.8699
EUR	0.4963	0.4961
JPY	89.96	89.72
CAD	0.7995	0.7981
CHF	0.4660	0.4649
DKK	3.7054	3.7055
FJD	1.3071	1.3196
HKD	4.4868	4.4964
INR	51.96	51.98
NOK	5.8448	5.8380
PKR	161.74	161.99
PHP	33.99	34.10
PGK	2.4478	2.4621
SEK	5.4257	5.4287
SGD	0.7487	0.7486
CNY	4.0784	4.0843
THB	18.37	18.51
TOP	1.3896	1.3792
VUV	70.16	70.54
WST	1.6037	1.6104
XPF	59.31	59.34
ZAR	9.8301	9.7810

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	7.60	7.80
3 Months	20.09	20.55
6 Months	38.30	39.30
9 Months	52.24	54.03
1 Year	61.92	63.93

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	10.24	10.70
3 Months	28.44	29.57
6 Months	58.97	61.54
9 Months	90.58	95.18
1 Year	121.81	127.31



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