Research

Markets Today

14 October 2025

Events Round-Up

NZ: Performance of services index, Sep: 48.3 vs. 47.6 prev.

CH: Exports (USD, y/y%), Sep: 8.3 vs. 6.6 exp.

CH: Imports (USD, y/y%), Sep: 7.4 vs. 1.8 exp.

Good Morning

Cooler heads are prevailing after the US-China trade war escalated on Friday, and this has contributed to some recovery in risk assets. US equities have recovered more than half of Friday's loss and the AUD is the best major FX performer after being the worst performer on Friday. The NZD shows a small gain. The US bond market is closed for the Columbus Day holiday, but the futures market shows a small lift in yields.

After the big risk off move on Friday night following an escalation of US-China trade tensions, the mood had already brightened first thing Monday, after Trump posted on social media "Don't worry about China, it will all be fine!...the USA wants to help China, not hurt it!!!"

Overnight, US Treasury Secretary Bessent told Fox Business said there would be staff-level meetings between the US and China this week and that he believed the meeting between Trump and Xi in South Korea later this month will still be on. While Bessent outlined many ways the US could counter against China's export restrictions on critical minerals, he was optimistic that the trade war can be de-escalated.

Trump's walk-back first thing triggered a sharp rally in US equity futures as soon as Asia opened and this has been reflected in the cash market overnight. The S&P500 has bounced 1½% while the Nasdaq is up over 2%. The Euro Stoxx 600 index closed up 0.4%. Japan's market has been closed throughout much of the recent events, including the breakdown in relations of the ruling coalition, and Nikkei futures are "only" down 1.4%, paring its 5% fall at Friday's NY close.

The US bond market is closed but the futures market points to an implied nudge up in the 10-year rate from Friday's close, in the order of a few basis points to 4.06%. Philadelphia Fed President Paulsen gave her first public speech since taking on the position and on policy said she was in line with median projection, which is consistent with two more rate cuts this year. For 2026, when she becomes a voter, she was more circumspect, and her view was one of proceeding cautiously on policy.

Currency markets also show a reversal of some of Friday's moves, with much of that occurring during NZ trading hours and with only small movements overnight. The AUD, which got whacked the most on Friday given its strong links to China, has shown the strongest rebound, up 0.7% to 0.6520 with no follow-through overnight. The NZD has traded a tight range overnight, relatively steady at 0.5735. NZD/AUD has sustained yesterday's move back below 0.88.

European currencies reversed their modest gains of Friday and there has been an added move lower for EUR overnight, seeing it track down to 1.1575 and helping NZD/EUR recover to 0.4950.

Despite the recovery in risk appetite, gold prices continue to power on up. Spot gold is up over 2%, probing fresh record highs above the USD4100 mark.

Oil prices show only a small bounce-back from Friday's fall, with Brent crude up just over 1% to USD63.50 per barrel. There has been plenty of attention on the Middle East overnight, with the release of all remaining hostages in Gaza to Israel and President Trump travelling to Israel and on to Egypt for a summit with leaders from the Middle East and Europe to push forward his broader proposal to end the war.

The economic calendar has been light. Chinese export and import data were stronger than expected, with both showing decent annual gains for September. Those looking to find a negative impact of the trade war were disappointed. While exports to the US continued to show weakness, down 27% yoy, this was more than made up by stronger exports to the rest of the world.

NZ's performance of services index rose less than a point to 48.3, still well below average. Both the PMI and PSI showed higher Q3 averages compared to Q2 but consistent with economic growth struggling to gain traction. The NZ rates market was relatively quiet, with swaps and NZGB yields down 2-4bps lower across the curves, reflecting global forces.

On the economic calendar, NZ electronic card transactions data are released this morning. The key global release will be UK labour market data tonight, while Fed Chair Powell will be giving a speech on the economic outlook and monetary policy.

jason.k.wong@bnz.co.nz

Coming Up

		Period	Cons.	Prev.	NZT
NZ	Card spending total (m/m%)	Sep		0.4	10:45
AU	NAB business conditions	Sep		7	13:30
UK	Pvt earnings ex bonus (3m/y%)	Aug	4.5	4.7	19:00
UK	Unemployment rate (%)	Aug	4.7	4.7	19:00
US	NFIB small business optimism	Sep	100.6	100.8	23:00
US	Fed's Powell speaks on economy and policy				05:20

Currencies

FX Majors — Indicative overnight ranges (*)

	Last	% Day	Low	High
NZD	0.5732	+0.2	0.5719	0.5741
AUD	0.6519	+0.7	0.6505	0.6528
EUR	1.1574	-0.4	1.1558	1.1630
GBP	1.3332	-0.2	1.3315	1.3366
JPY	152.26	+0.7	151.72	152.45
CAD	1.4031	+0.2		
NZD/AUD	0.8793	-0.5		
NZD/EUR	0.4952	+0.6		
NZD/GBP	0.4299	+0.3		
NZD/JPY	87.28	+0.8		
NZD/CAD	0.8043	+0.3		
NZ TWI	66.56	+0.1		

Other FX

	Last	% Day
CHF	0.8040	+0.6
SEK	9.501	-0.1
NOK	10.086	-0.3
HKD	7.780	-0.0
CNY	7.131	-0.1
SGD	1.298	+0.1
IDR	16,573	+0.0
THB	32.55	-0.4
KRW	1,425	-0.1
TWD	30.70	+0.4
PHP	58.24	-0.0

Equities

Major Indices

	Last	% Day	% Year
S&P 500	6,651	+1.5	14.4
Dow	46,014	+1.2	7.3
Nasdaq	22,667	+2.1	22.5
Stoxx 50	5,568	+0.7	11.3
FTSE	9,443	+0.2	14.4
DAX	24,388	+0.6	25.9
CAC 40	7,934	+0.2	4.7
Nikkei	48,089	-1.0	21.4
Shanghai	3,890	-0.2	20.9
ASX 200	8,883	-0.8	7.6
NZX 50	13,352	-0.9	4.6
VIX Index	19.41	-10.4	-5.1

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	63.54	+1.3
Oil (WTI)	59.76	+1.5
Gold	4108.6	+3.3
HRC steel	814.0	+0.1
CRB	292.8	-2.2
Wheat Chic.	514.0	-0.3
Sugar	15.61	-3.3
Cotton	63.77	-0.1
Coffee	385.2	+2.8
WM powder	3610	+0.3

Australian Futures

3 year bond	96.48	0.07
10 year bond	95.70	0.01

Interest Rates

	Rates Cash	Rates 3Mth	Swap Yields 2 Yr	Swap Yields 10 Yr
USD	4.25	4.85	3.27	3.55
AUD	3.60	3.58	3.43	4.25
NZD	2.50	2.54	2.55	3.64
EUR	2.00	2.01	2.09	2.63
GBP	4.00	4.18	3.72	4.12
JPY	0.48	-0.03	0.89	1.47
CAD	2.50	4.97	2.32	2.87

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.03	0.00
AUD	4.29	-0.07
NZD	4.10	-0.04
GER	2.64	-0.01
GBP	4.66	-0.02
JPY	1.69	0.00
CAD	3.17	-0.03

Policy Meeting Run

	NZD	AUD	USD
1st	2.27	3.48	3.87
2nd	2.17	3.45	3.63
3rd	2.14	3.36	3.51
4th	2.13	3.34	3.39
5th	2.14	3.28	3.32

NZ Government Bonds

	Last	Chg
15-Apr-27	2.62	-0.01
15-May-28	2.87	-0.02
20-Apr-29	3.08	-0.02
15-May-30	3.29	-0.02
15-May-31	3.52	-0.03
15-May-32	3.71	-0.03
14-Apr-33	3.84	-0.04
15-May-34	3.99	-0.04
15-May-35	4.10	-0.04
15-May-36	4.22	-0.04
15-May-37	4.35	-0.04
15-May-41	4.72	-0.04
15-May-51	5.03	-0.04
15-May-54	5.04	-0.04

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.65	0.00
BKBM 3-mth	2.54	-0.01
1 year	2.42	-0.01
2 year	2.55	-0.02
3 year	2.73	-0.02
5 year	3.05	-0.03
7 year	3.33	-0.03
10 year	3.64	-0.03
15 year	3.96	-0.04

NZ Inflation-Indexed Bonds

Sept-30	1.51	-0.05
Sept-35	2.34	-0.05
Sept-40	2.77	-0.05

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

Rates are as of: NZT 06:57

Source: Bloomberg

NZD exchange rates

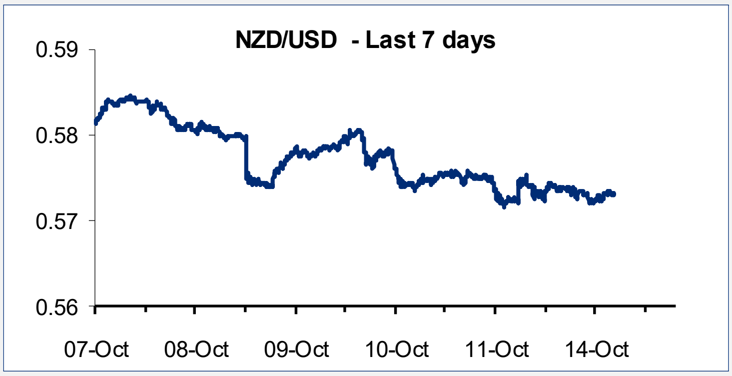
14/10/2025	6:57 am	Prev. NY close
USD	0.5732	0.5723
GBP	0.4299	0.4284
AUD	0.8793	0.8840
EUR	0.4952	0.4926
JPY	87.28	86.53
CAD	0.8043	0.8016
CHF	0.4609	0.4576
DKK	3.6980	3.6781
FJD	1.3030	1.2945
HKD	4.4593	4.4541
INR	50.83	50.76
NOK	5.7786	5.7925
PKR	161.30	161.05
PHP	33.38	33.35
PGK	2.4013	2.3727
SEK	5.4449	5.4417
SGD	0.7441	0.7422
CNY	4.0873	4.0835
THB	18.76	18.65
TOP	1.3471	1.3285
VUV	69.72	69.84
WST	1.5762	1.5730
XPF	58.66	58.77
ZAR	9.9145	10.0178

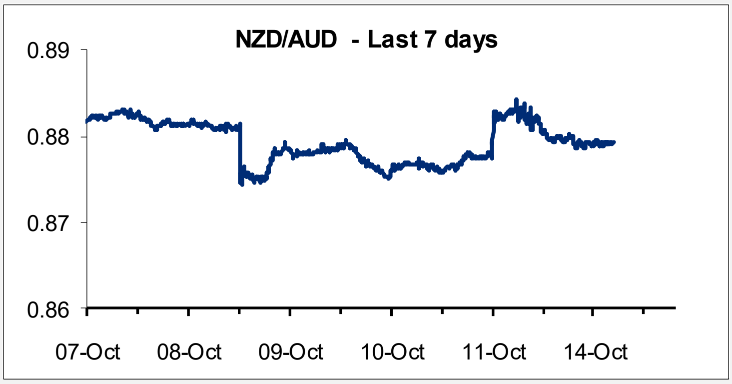
NZD/USD Forward Points

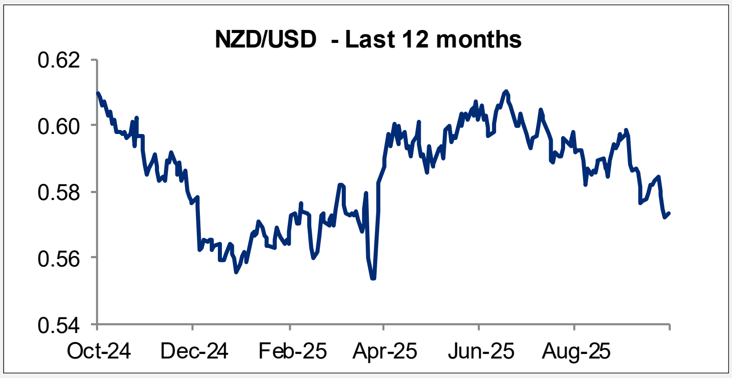
	BNZ buys NZD	BNZ sells NZD
1 Month	8.00	8.20
3 Months	21.99	22.51
6 Months	41.15	42.17
9 Months	58.16	60.16
1 Year	71.72	74.72

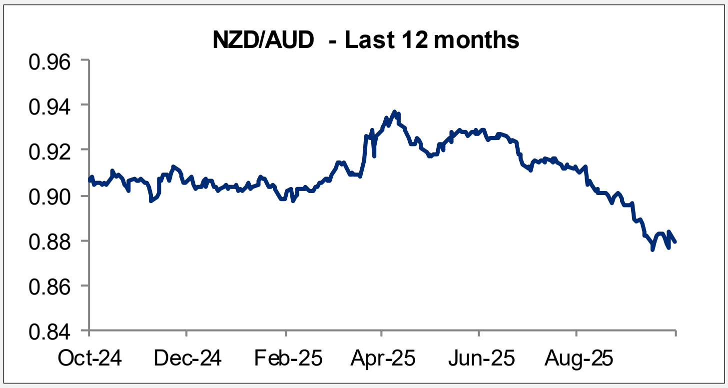
NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	8.44	8.94
3 Months	24.92	26.27
6 Months	50.95	53.98
9 Months	76.63	81.98
1 Year	101.37	109.82









Contact Details

BNZ Research

Stephen Toplis
Head of Research

Doug Steel
Senior Economist

Jason Wong
Senior Markets Strategist

Stuart Ritson
Senior Interest Rate Strategist

Matt Brunt
Economist

Mike Jones
BNZ Chief Economist
+64 9-956 0795

Main Offices

Wellington
Level 2, BNZ Place
1 Whitmore Street
Wellington Mail Centre
Lower Hutt 5045
New Zealand
Toll Free: 0800 283 269

Auckland
80 Queen Street
Private Bag 92208
Auckland 1142
New Zealand
Toll Free: 0800 283 269

Christchurch
111 Cashel Street
Christchurch 8011
New Zealand
Toll Free: 0800 854 854