

Research Markets Today

15 December 2025

Events Round-Up

NZ: Manufacturing PMI, Nov: 51.4 vs. 51.2 prev.
 NZ: Card Spending Total (m/m%), Nov: 1.9 vs. 0.2 prev.
 UK: Monthly GDP (m/m%), Oct: -0.1 vs. 0.1 exp.
 UK: Industrial Production (m/m%), Oct: 1.1 vs. 1.0 exp.

Good morning

Concerns about the outlook for artificial intelligence and technology stocks weighed on investor risk sentiment into the weekly close. A disappointing sales outlook from Broadcom fuelled investor concerns about high valuations for companies linked to the sector. The S&P fell 1% and the Nasdaq declined 1.7% while European indices also closed lower. Global government bond market yields increased and the US dollar was broadly stable against G10 currencies.

There was limited economic data to provide the market with direction. Kansas Fed President Schmid said he dissented in favour of no change to interest rates at the FOMC last week because inflation remains too high and the economy continues to show momentum. He said he prefers to keep policy modestly restrictive amid lingering inflation pressures. Chicago Fed President Goolsbee, the second dissenter to leave rates steady, said he wanted to wait for more data to be certain the impact of tariffs on inflation is transitory.

Market pricing for the Fed was little changed. There is slightly more than two 25bp cuts priced by the end of next year. US treasuries were mixed. Yields on front end bonds declined modestly while intermediate and longer end increased. 30-year treasuries reached 4.85% which is the highest level since September. 10-year notes increased 3bp to 4.18% and the 2y/10y curve extended the recent trend and steepened to +66bp, a cycle high.

The UK economy contracted 0.1% in October which was below the consensus estimate for a 0.1% gain. Monthly GDP data is often revised. But assuming there are no changes, the GDP data suggests the economy could contract in Q4. This compares with the Bank of England's projection for +0.3% for the quarter. Key labour market and CPI data is released this week ahead of the policy decision. The BOE is expected to cut rates by 25bp to 3.75% which is close to fully discounted by market pricing.

There was subdued price action across currency markets. The US dollar consolidated after the decline following the FOMC. The US dollar index retraced from an initial gain on Friday night and ended unchanged relative to the NZ close. The pound lost ground following the weaker-than-expected GDP data and closed lower against the euro. NZD/USD dipped below 0.5800 before recovering and the NZD was stable on the major cross rates.

NZ yields edged higher in the local session on Friday. There was limited market reaction to the marginal improvement in the manufacturing PMI and firm electronic card transactions data for November. In addition, there was limited movement in offshore markets. 2-year swap rates were unchanged at 3.08% with the market appearing more balanced as fresh macro account interest emerged to fade the recent selloff. 10-year NZGBs closed 3bp higher at 4.52%.

Australian 10-year government bond futures are ~2bp higher in yield terms since the local close on Friday suggesting a modest upwards bias for NZ rates on the open.

NZ services PMI is the only domestic economic data of note today. In Japan the Tankan survey will provide an update on economic activity ahead of a likely 25bp rate hike by the Bank of Japan later in the week. Monthly activity data including retail sales, industrial production and fixed asset investment is scheduled in China. CPI data for November is released in Canada.

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Coming Up

		Period	Cons.	Prev.	NZT
NZ	Performance Services Index	Nov		48.7	10:30
JN	Tankan Large Mfg Index	4Q	16	14	12:50
CH	Retail Sales (y/y%)	Nov	2.9	2.9	15:00
CH	Industrial Production (y/y%)	Nov	5	4.9	15:00
CH	Fixed Assets ExRural YTD (y/y%)	Nov	-2.3	-1.7	15:00
EC	Industrial Production SA (m/m%)	Oct		0.2	23:00
US	Empire Manufacturing	Dec	10.5	18.7	02:30
CA	CPI (y/y%)	Nov	2.2	2.2	02:30
CA	CPI Core- Median (y/y%)	Nov		2.9	02:30
CA	CPI Core- Trim (y/y%)	Nov		3	02:30
US	NAHB Housing Market Index	Dec	38	38	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	0.5804	-0.1	0.5788	0.5820	CHF	0.7958	+0.1	S&P 500	6,827	-1.1	12.8	Oil (Brent)	61.12	-0.3	
AUD	0.6653	-0.2	0.6633	0.6677	SEK	9.273	+0.2	Dow	48,458	-0.5	10.6	Oil (WTI)	57.44	-0.3	
EUR	1.1740	+0.0	1.1720	1.1750	NOK	10.134	+0.7	Nasdaq	23,195	-1.7	16.4	Gold	4300.1	+0.3	
GBP	1.3370	-0.1	1.3342	1.3399	HKD	7.785	+0.0	Stoxx 50	5,721	-0.6	15.2	HRC steel	907.0	+0.0	
JPY	155.83	+0.1	155.54	156.13	CNY	7.055	-0.0	FTSE	9,649	-0.6	16.2	CRB	298.3	-0.8	
CAD	1.3771	+0.0			SGD	1.292	-0.0	DAX	24,186	-0.4	18.5	Wheat Chic.	537.3	-0.7	
NZD/AUD	0.8725	+0.1			IDR	16,646	-0.2	CAC 40	8,069	-0.2	8.9	Sugar	15.10	+1.7	
NZD/EUR	0.4944	-0.1			THB	31.55	-0.3	Nikkei	50,837	+1.4	28.8	Cotton	63.83	-0.2	
NZD/GBP	0.4341	+0.0			KRW	1,478	+0.4	Shanghai	3,889	+0.4	14.7	Coffee	369.3	-1.8	
NZD/JPY	90.44	+0.1			TWD	31.19	-0.2	ASX 200	8,697	+1.2	4.8	WM powder	3205	+0.8	
NZD/CAD	0.7992	-0.1			PHP	59.08	+0.1	NZX 50	13,407	+0.1	5.1	Australian Futures			
NZ TWI	67.01	-0.0						VIX Index	15.74	+6.0	+14.0	3 year bond	95.87	0.00	
Interest Rates											10 year bond			95.24	-0.04
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	3.75	4.85	3.35	3.77	USD	4.18	0.03	15-Apr-27	2.85	0.00	BKBM 1-mth	2.41	0.00		
AUD	3.60	3.71	4.03	4.81	AUD	4.73	0.01	15-May-28	3.35	0.02	BKBM 3-mth	2.48	-0.00		
NZD	2.25	2.48	3.08	4.19	NZD	4.52	0.03	20-Apr-29	3.62	0.04	1 year	2.70	-0.01		
EUR	2.00	2.10	2.30	2.92	GER	2.86	0.01	15-May-30	3.85	0.04	2 year	3.08	0.00		
GBP	4.00	4.11	3.53	4.03	GBP	4.52	0.03	15-May-31	4.07	0.02	3 year	3.36	0.00		
JPY	0.48	-0.03	1.05	1.77	JPY	1.95	0.02	15-May-32	4.22	0.02	5 year	3.72	0.00		
CAD	2.25	4.97	2.51	3.22	CAD	3.44	0.01	14-Apr-33	4.31	0.02	7 year	3.95	0.01		
								15-May-34	4.42	0.02	10 year	4.19	0.02		
								15-May-35	4.52	0.03	15 year	4.47	0.02		
								15-May-36	4.60	0.03					
								15-May-37	4.69	0.04					
								15-May-41	4.96	0.04					
								15-May-51	5.19	0.04					
								15-May-54	5.19	0.03					
Carbon Price						Policy Meeting Run				NZ Inflation-Indexed Bonds					
	Level	% Day	% Year		NZD	AUD	USD								
NZU	39.94	+1.8	-36.6		1st	2.26	3.69	3.59				Sept-30	1.77 0.01		
* These are indicative ranges from 5pm NZT;					2nd	2.28	3.70	3.51				Sept-35	2.58 0.01		
please confirm rates with your BNZ dealer					3rd	2.34	3.81	3.45				Sept-40	2.99 0.01		
Rates at NY close					4th	2.45	3.85	3.32							
Source: Bloomberg					5th	2.56	3.93	3.24							

NZD exchange rates

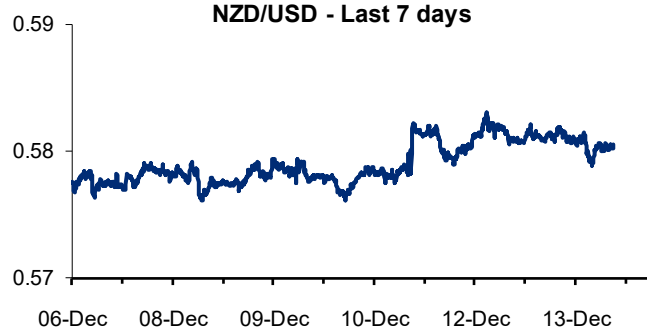
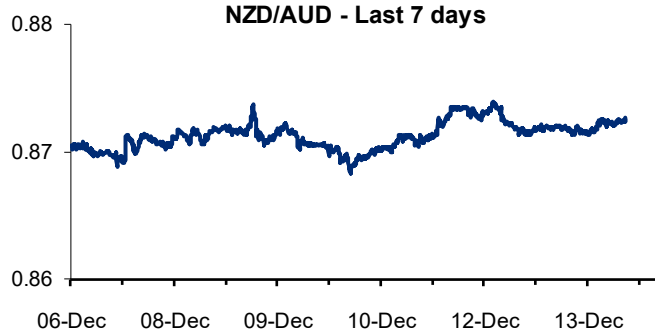
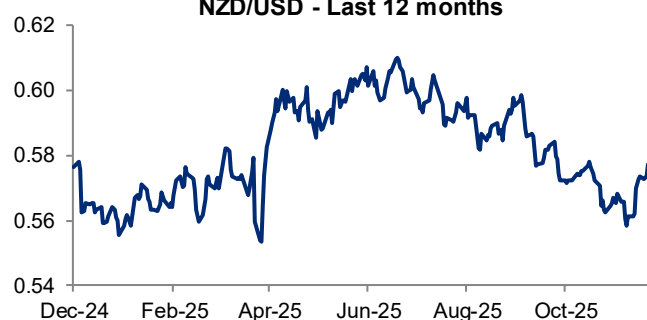
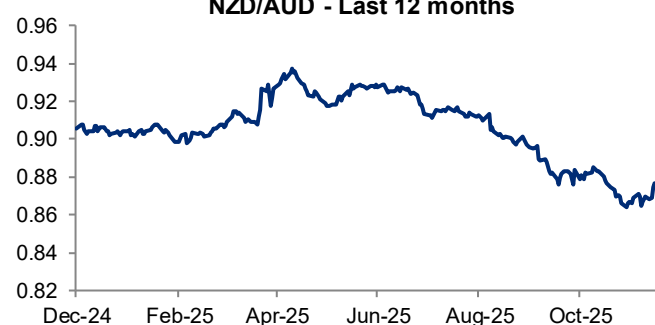
13/12/2025	NY close	Prev. NY close
USD	0.5804	0.5809
GBP	0.4341	0.4339
AUD	0.8725	0.8717
EUR	0.4944	0.4949
JPY	90.44	90.38
CAD	0.7992	0.8000
CHF	0.4621	0.4620
DKK	3.6947	3.6964
FJD	1.3201	1.3223
HKD	4.5205	4.5206
INR	52.51	52.49
NOK	5.8849	5.8488
PKR	162.77	162.86
PHP	34.31	34.27
PGK	2.4658	2.4677
SEK	5.3845	5.3744
SGD	0.7501	0.7506
CNY	4.0968	4.0995
THB	18.34	18.45
TOP	1.3829	1.3857
VUV	70.51	70.54
WST	1.5969	1.6138
XPF	59.01	59.43
ZAR	9.8054	9.7998

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	7.11	7.33
3 Months	19.90	20.40
6 Months	37.15	38.15
9 Months	48.59	50.59
1 Year	54.74	57.66

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	9.51	10.03
3 Months	28.58	29.82
6 Months	59.47	62.05
9 Months	89.84	94.37
1 Year	116.28	125.63

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

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