

Research Markets Today

15 October 2025

Events Round-Up

NZ: Card spending total (m/m%), Sep: -0.4 vs. 0.4 prev.

AU: NAB business conditions, Sep: 8 vs. 8 prev.

UK: Pvt earnings ex bonus (3m/y%), Aug: 4.4 vs. 4.5 exp.

UK: Unemployment rate (%), Aug: 4.8 vs. 4.7 exp.

US: NFIB small business optimism, Sep: 98.8 vs. 100.6 exp.

Good Morning

It has been a rollercoaster ride for markets with a big swing in the USD and US equities, reflecting gyrations in risk sentiment. US equities show a modest gain, recovering from a sharp loss. A stronger USD from yesterday afternoon drove down the NZD to a fresh six-month low below 0.57 before recovering. The US 10-year rate dipped below 4% overnight and currently trades at 4.03%.

US-China trade tensions have pervaded the headlines and been a focus for the market. During the Asian trading session China issued a statement defending its rare earth export control measures, which it deemed as lawful, urging the US to correct its wrongdoings, and vowing to fight the trade war to the end. China also sanctioned the US units of South Korean shipping giant Hanwha Ocean, escalating the tit-for-tat measures related to maritime shipping. Recently the US and China have imposed a sharp lift in port fees on each other's ships.

Treasury Secretary Bessent gave an interview for the FT and blamed China for the trade war escalation and accused the country of trying to drag down the world economy. Overnight, US Trade Representative Greer told CNBC that President Trump could still meet with Xi later this month, there is a scheduled time, and he thinks they'll be able to "work through it" with China.

The negative headlines that emerged from yesterday afternoon reduced risk appetite. The NZD and AUD were at the vanguard of that move and showed steady falls to lows of 0.5683 and 0.6440 respectively before a recovery ensued.

US equity futures steadily fell and the S&P500 was down as much as 1½% soon after the open before the buy-the-dip brigade drove a sharp recovery. The US earnings season kicked off in earnest with five major banks all reporting

stronger than expected profit and revenue forecasts, fuelled by surging dealmaking and trading. The S&P500 currently shows a modest gain.

In a speech, Fed Chair Powell said the outlook hasn't changed much since the September FOMC meeting and his comments did nothing to discourage markets from pricing in high conviction that the central bank will be cutting rates at the remaining two meetings of the year. The focus of the speech was on the Fed's balance sheet. He noted the long-stated plan to stop the balance sheet runoff (QT) when reserves are somewhat above the level judged to be consistent with ample reserves and "we may approach that point in coming months".

The risk off tone last night saw the US 10-year rate steadily fall to just below 4% before reversing course. The yield currently sits at 4.03%, down slightly from the NZ close. Market reaction to Powell's speech was muted.

UK labour market data showed an ongoing easing in wage inflation, albeit from high levels, with the key private sector earnings ex bonuses figure down to a 3½ year low of 4.4% y/y for the three months to August, while the unemployment rate ticked up to a four-year high of 4.8%. The data gave some fodder for the doves on the split MPC and, while UK short rates fell a little, the market still sees only a moderate chance of the BoE cutting rates again this year.

French PM Lecornu made a concession by proposing suspending a law to raise the retirement age, to help bring some political stability to the country, marking a defeat for President Macron's economic agenda. The mood in parliament was more positive, with less talk of toppling the government. The market reacted positively, sending down the French-German 10-year bond spread 5bps to 78bps. The combination of this news and the softer UK labour market data supported a modest gain in EUR/GBP.

After their selloff, the NZD and AUD have recovered to 0.5720 and 0.6490 respectively, both still lower from this time yesterday but small changes from the NZ close. After falling to fresh multi-year lows on a number of crosses (vs EUR, GBP, CAD), the NZD has recovered modestly on these. Since the NZ close, the NZD is on the softer side of the ledger against JPY at 86.8 and against the euro at 0.4925.

Oil prices are down over 1%, not helped by the trade war but also the IEA forecast a record oversupply of oil for

2026, with world crude supply expected to exceed demand by almost 4 million barrels a day. Brent crude fell to a five-month low of USD61.50 before recovering back above USD62.

NZ data released were consistent with sluggish growth. Electronic card transactions fell 0.4% m/m in September offsetting the lift in August, although quarter average growth of 0.7% q/q was more respectable. REINZ housing market continued to portray a market with flat pricing on a seasonally adjusted basis and modest growth in sales activity. The RBNZ loosened macro prudential settings effective 1 December. With the introduction of debt-to-income restrictions last year, the bank now believes LVR settings can be less restrictive on average. For owner occupiers, the limit on the share of new lending allowed with an LVR above 80% will increase from 20% to 25%.

There was no market reaction to any of this and NZGBs and swaps showed little change in yield, with rates flat to down 1bp.

In the day ahead China inflation data will be released. Tonight sees euro area industrial production and the first of the Fed regional manufacturing surveys.

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Coming Up

		Period	Cons.	Prev.	NZT
CH	PPI (y/y%)	Sep	-2.3	-2.9	14:30
CH	CPI (y/y%)	Sep	-0.2	-0.4	14:30
EC	Industrial production (m/m%)	Aug	-1.6	0.3	22:00
US	Empire manufacturing	Oct	-1.9	-8.7	01:30
US	Fed Releases Beige Book				07:00

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	0.5719	-0.1	0.5683	0.5724	CHF	0.8007	-0.4	S&P 500	6,668	+0.2	13.8	Oil (Brent)	62.59	-1.2
AUD	0.6493	-0.3	0.6440	0.6497	SEK	9.533	+0.3	Dow	46,497	+0.9	8.0	Oil (WTI)	58.93	-0.9
EUR	1.1612	+0.4	1.1543	1.1615	NOK	10.147	+0.6	Nasdaq	22,646	-0.2	22.4	Gold	4138.7	+0.3
GBP	1.3330	-0.0	1.3249	1.3341	HKD	7.775	-0.1	Stoxx 50	5,552	-0.3	10.1	HRC steel	813.0	-0.1
JPY	151.72	-0.4	151.62	152.16	CNY	7.137	+0.1	FTSE	9,453	+0.1	14.0	CRB	295.5	+0.9
CAD	1.4033	-0.0			SGD	1.298	-0.0	DAX	24,237	-0.6	24.2	Wheat Chic.	517.8	+0.9
NZD/AUD	0.8808	+0.2			IDR	16,603	+0.2	CAC 40	7,920	-0.2	4.2	Sugar	15.88	+1.7
NZD/EUR	0.4925	-0.5			THB	32.66	+0.2	Nikkei	46,847	-2.6	17.4	Cotton	63.61	+0.0
NZD/GBP	0.4290	-0.1			KRW	1,428	+0.2	Shanghai	3,865	-0.6	17.7	Coffee	399.7	+3.8
NZD/JPY	86.77	-0.5			TWD	30.77	+0.2	ASX 200	8,899	+0.2	7.0	WM powder	3600	-0.3
NZD/CAD	0.8025	-0.1			PHP	58.24	-0.0	NZX 50	13,277	-0.6	3.4	Australian Futures		
NZ TWI	66.47	-0.1					VIX Index	19.42	+2.0	-1.4	3 year bond	96.53	0.05	
Interest Rates							NZ Government Bonds				NZ BKBM and Swap Yields			
	Rates		Swap Yields		Benchmark 10 Yr Bonds									
	Cash	3Mth	2 Yr	10 Yr	Last	Net Day	Last	Chg		Last	Chg			
USD	4.25	4.85	3.26	3.57	USD	4.03	-0.00	15-Apr-27	2.62	-0.00	BKBM 1-mth	2.65	0.00	
AUD	3.60	3.56	3.41	4.21	AUD	4.23	-0.06	15-May-28	2.86	-0.01	BKBM 3-mth	2.55	0.00	
NZD	2.50	2.55	2.54	3.63	NZD	4.09	-0.00	20-Apr-29	3.07	-0.01	1 year	2.42	0.00	
EUR	2.00	2.03	2.09	2.60	GER	2.61	-0.03	15-May-30	3.27	-0.02	2 year	2.54	-0.01	
GBP	4.00	4.17	3.66	4.04	GBP	4.59	-0.07	15-May-31	3.51	-0.01	3 year	2.72	-0.01	
JPY	0.48	-0.03	0.86	1.45	JPY	1.65	-0.03	15-May-32	3.70	-0.01	5 year	3.05	-0.01	
CAD	2.50	4.97	2.31	2.86	CAD	3.15	-0.02	14-Apr-33	3.84	-0.01	7 year	3.32	-0.01	
								15-May-34	3.98	-0.01	10 year	3.63	-0.01	
								15-May-35	4.09	-0.00	15 year	3.95	-0.01	
								15-May-36	4.21	-0.01	NZ Inflation-Indexed Bonds			
								15-May-37	4.34	-0.01	Sept-30	1.49	-0.01	
								15-May-41	4.71	-0.01	Sept-35	2.32	-0.01	
								15-May-51	5.01	-0.01	Sept-40	2.75	-0.02	
								15-May-54	5.03	-0.01				

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

Rates are as of: NZT 06:54

Source: Bloomberg

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NZD exchange rates

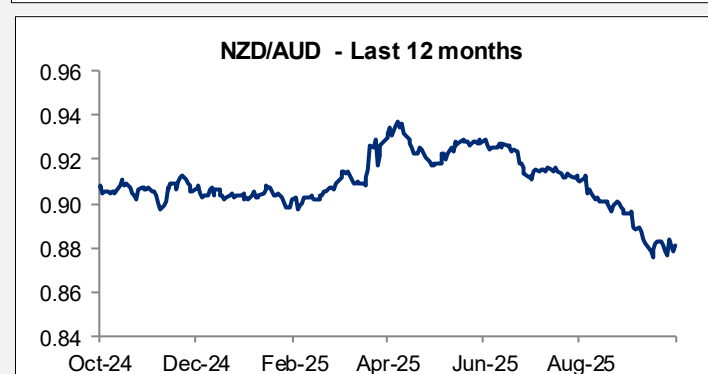
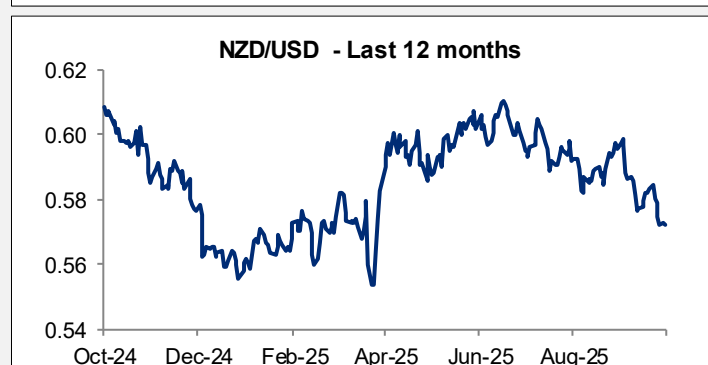
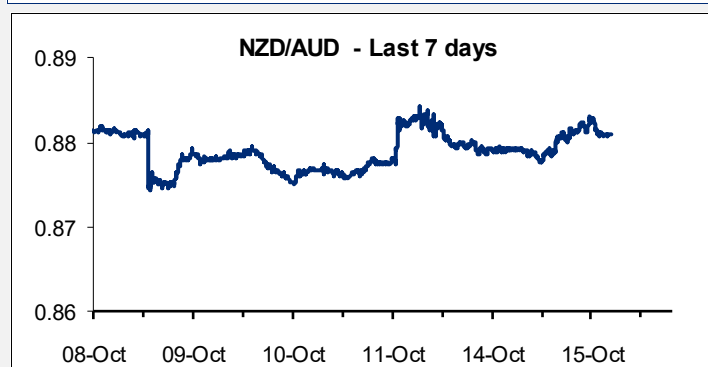
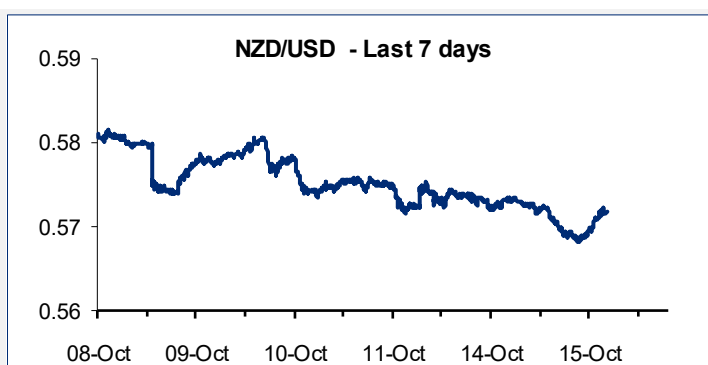
15/10/2025	6:54 am	Prev. NY close
USD	0.5719	0.5725
GBP	0.4290	0.4294
AUD	0.8808	0.8787
EUR	0.4925	0.4948
JPY	86.77	87.18
CAD	0.8025	0.8036
CHF	0.4580	0.4603
DKK	3.6789	3.6951
FJD	1.2975	1.3065
HKD	4.4447	4.4543
INR	50.77	50.77
NOK	5.8032	5.7749
PKR	160.88	161.11
PHP	33.30	33.34
PGK	2.3861	2.3984
SEK	5.4529	5.4422
SGD	0.7423	0.7434
CNY	4.0800	4.0824
THB	18.75	18.73
TOP	1.3249	1.3455
VUV	70.18	69.64
WST	1.5727	1.5849
XPF	58.91	58.60
ZAR	9.9291	9.9148

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	7.76	7.96
3 Months	21.92	22.43
6 Months	40.84	41.85
9 Months	57.49	59.49
1 Year	71.08	73.82

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	8.19	8.64
3 Months	25.22	26.35
6 Months	50.98	53.74
9 Months	76.68	81.33
1 Year	101.69	108.66



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