

# Research Markets Today

15 September 2025

## Events Round-Up

NZ: Manufacturing PMI, Aug: 49.9 vs. 52.8 prev.  
 NZ: Card spending total (m/m%), Aug: 0.4 vs. 0.6 prev.  
 UK: GDP (m/m%), Jul: 0.0 vs. 0.0 exp.  
 UK: Industrial production (m/m%), Jul: -0.9 vs. 0 exp.  
 US: U of Mich. consumer sentiment, Sep: 55.4 vs. 58.0 exp.  
 US: U. of Mich. 5-10yr inflation exp., Sep: 3.9 vs. 3.4 exp.

## Good morning

The S&P ended flat on Friday with the index consolidating near all-time highs after a solid week of gains. European markets were also little changed while stocks in Japan, South Korea and Taiwan closed at record levels. Weaker than expected US consumer confidence data did little to alter expectations for the FOMC this week. Government bonds are higher in yield with the largest moves seen in European markets. Currency markets were quiet. Oil prices were steady as US threats to sanction Russian crude didn't materialise. Gold remained near a record high with prices holding close to \$3,650 a troy ounce.

US consumer sentiment hit the lowest since May and long-term inflation expectations rose for the second straight month. University of Michigan sentiment declined to 55.4, which was below the median estimate, reflecting consumer anxiety about employment prospects and personal finances. The expectations index, which has a decent relationship with real consumption, fell to a four-month low, suggesting subdued real spending growth in Q3. 5-to 10-year inflation expectations increased to 3.9% from 3.5% the previous month.

The rally in US treasuries took a break with yields moving higher and steeper. Moves in the front end of the curve were modest – 2-year yields increased 1bp to 3.56%. 10-year notes traded 4bp higher to 4.06%, having briefly dipped below 4.0%, in the previous session. Fundamental drivers were limited given the quiet data calendar and with Federal Reserve officials in the blackout period ahead of the FOMC.

European bond markets underperformed. 10-year bund yields increased 6bp with curve steepening bias. The spread between French 10-year OATs and bunds was stable ahead of Fitch's update on France after the close of trading. Fitch downgraded France to A+ from AA-, citing

rising public debt and political instability. The ratings agency forecast the fiscal deficit to remain above 5% of GDP and expects the upcoming budget negotiations will result in less fiscal consolidation than proposed in the previous package.

Currency markets were subdued. An initial move higher for the US dollar faded and the dollar index ended unchanged from the NZ close. Absolute moves across G10 currencies were small but the NZD was marginally weaker against the pound and euro. There was little reaction in USD/JPY to a joint statement from the Japanese Ministry of Finance and US Treasury that exchange rates should be 'market determined'.

High frequency NZ activity data was mixed. The manufacturing PMI dipped to 49.9 in August. This was down 2.9 points from 52.8 in July and below the 52.5 long term average. The report suggests the manufacturing sector is struggling to gain traction after an extended period of contraction through 2023 and 2024. Separately, electronic card transactions increased in August, for the second consecutive month, and suggests some improvement albeit from a low, sub-trend base.

It was a quiet end to last week for the NZ fixed income market. The swap curve closed 0-2bp lower and flatter reflecting offshore moves. There were similar moves for the NZ government curve with 10-year bond yields ending the session 2bp lower at 4.28% which is the lowest level in twelve months. Australian 10-year government bond futures are unchanged, compared with levels at the local close on Friday, suggesting limited directional bias for NZ yields on the open.

The domestic focus today will centre on the services PMI which improved to 48.9 in July. Monthly activity data is released in China. Key domestic releases in the remainder of the week ahead include Q2 GDP and partial inflation indicators for August. Labour market data is scheduled in Australia. It is a busy week for global central banks with the Federal Reserve, Bank of Japan and Bank of England meeting. The Fed is expected to reduce rates by 25bp while the BoJ and BOE leave policy unchanged.

[stuart.ritson@bnz.co.nz](mailto:stuart.ritson@bnz.co.nz)

## Coming Up

		Period	Cons.	Prev.	NZT
NZ	Performance Services Index	Aug	48.9	10:30	
CH	Retail Sales (y/y%)	Aug	3.8	3.7	14:00
CH	Industrial Production (y/y%)	Aug	5.6	5.7	14:00
CH	Fixed Assets Ex Rural YTD (y/y%)	Aug	1.5	1.6	14:00
US	Empire Manufacturing	Sep	4	11.9	00:30

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	0.5956	-0.4	0.5940	0.5974	CHF	0.7966	+0.1	S&P 500	6,584	-0.0	17.7	Oil (Brent)	66.86	+0.7		
AUD	0.6649	-0.2	0.6631	0.6666	SEK	9.319	+0.1	Dow	45,834	-0.6	11.5	Oil (WTI)	62.69	+0.4		
EUR	1.1733	+0.0	1.1701	1.1748	NOK	9.861	+0.0	Nasdaq	22,141	+0.4	26.0	Gold	3657.3	+0.2		
GBP	1.3559	-0.1	1.3524	1.3575	HKD	7.779	-0.1	Stoxx 50	5,391	+0.1	12.0	HRC steel	808.0	-0.2		
JPY	147.67	+0.3	147.24	148.07	CNY	7.125	+0.1	FTSE	9,283	-0.2	12.6	CRB	301.7	+0.5		
CAD	1.3845	+0.1			SGD	1.283	+0.1	DAX	23,698	-0.0	28.0	Wheat Chic.	523.5	+0.0		
NZD/AUD	0.8958	-0.2			IDR	16,375	-0.5	CAC 40	7,825	+0.0	5.2	Sugar	15.79	-0.2		
NZD/EUR	0.5076	-0.4			THB	31.74	+0.0	Nikkei	44,768	+0.9	22.4	Cotton	65.19	-0.3		
NZD/GBP	0.4393	-0.2			KRW	1,394	+0.3	Shanghai	3,871	-0.1	43.1	Coffee	396.9	+2.8		
NZD/JPY	87.95	+0.0			TWD	30.24	-0.3	ASX 200	8,865	+0.7	9.4	WM powder	3640	+0.0		
NZD/CAD	0.8246	-0.2			PHP	57.12	-0.1	NZX 50	13,228	-0.0	3.1	Australian Futures				
NZ TWI	68.40	-0.3						VIX Index	14.76	+0.3	-13.5	3 year bond	96.56	-0.02		
Interest Rates												7 year bond			95.74	-0.03
	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	4.50	4.85	3.31	3.53	USD	4.06	0.04	15-Apr-27	2.96	0.00	BKBM 1-mth	3.08	0.00			
AUD	3.60	3.59	3.33	4.16	AUD	4.22	-0.02	15-May-28	3.16	-0.00	BKBM 3-mth	2.98	-0.01			
NZD	3.00	2.98	2.87	3.81	NZD	4.28	-0.02	20-Apr-29	3.35	-0.00	1 year	2.80	-0.01			
EUR	2.00	2.01	2.15	2.67	GER	2.72	0.06	15-May-30	3.54	-0.01	2 year	2.87	0.00			
GBP	4.00	4.26	3.75	4.12	GBP	4.67	0.07	15-May-31	3.75	-0.01	3 year	3.00	0.00			
JPY	0.48	-0.03	0.87	1.42	JPY	1.59	0.01	15-May-32	3.92	-0.02	5 year	3.28	-0.01			
CAD	2.75	4.97	2.37	2.89	CAD	3.19	0.03	14-Apr-33	4.04	-0.02	7 year	3.53	-0.02			
								15-May-34	4.17	-0.02	10 year	3.81	-0.02			
								15-May-35	4.28	-0.02	15 year	4.11	-0.02			
								15-May-36	4.38	-0.02						
								15-May-37	4.51	-0.02	NZ Inflation-Indexed Bonds					
								15-May-41	4.83	-0.03	Sept-30	1.69	-0.01			
								15-May-51	5.11	-0.03	Sept-35	2.50	-0.02			
								15-May-54	5.14	-0.03	Sept-40	2.91	-0.01			
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer																
Rates at NY close																
Source: Bloomberg																

**NZD exchange rates**

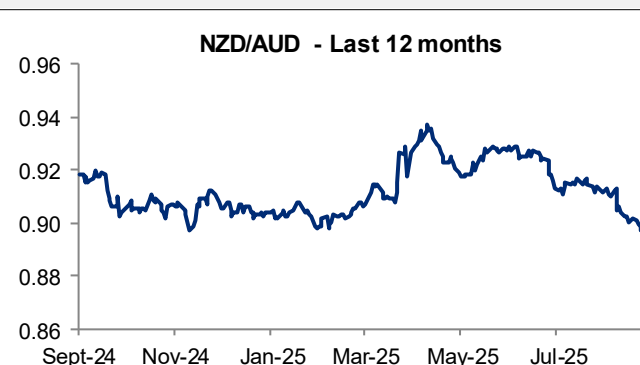
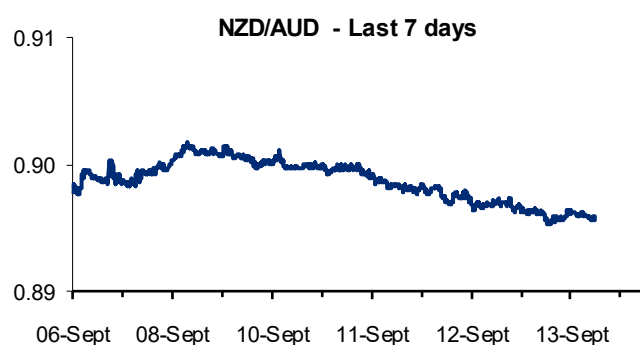
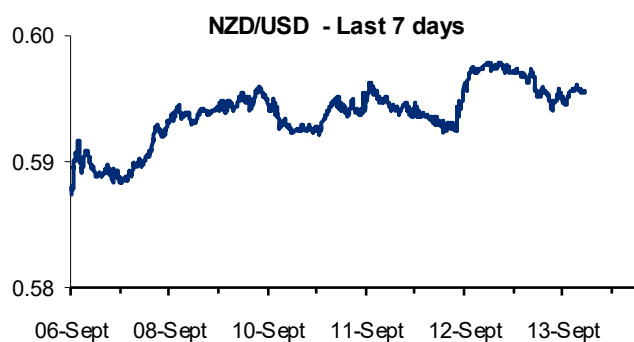
13/09/2025	NY close	Prev. NY close
USD	0.5956	0.5976
GBP	0.4393	0.4403
AUD	0.8958	0.8974
EUR	0.5076	0.5093
JPY	87.95	87.97
CAD	0.8246	0.8267
CHF	0.4743	0.4755
DKK	3.7873	3.8013
FJD	1.3362	1.3478
HKD	4.6317	4.6546
INR	52.56	52.85
NOK	5.8710	5.8920
PKR	167.63	168.26
PHP	34.01	34.19
PGK	2.4829	2.4715
SEK	5.5487	5.5611
SGD	0.7641	0.7658
CNY	4.2422	4.2541
THB	18.88	19.03
TOP	1.3872	1.4131
VUV	70.75	71.33
WST	1.6297	1.6227
XPF	60.57	60.95
ZAR	10.3545	10.3754

**NZD/USD Forward Points**

	BNZ buys NZD	BNZ sells NZD
1 Month	5.95	6.17
3 Months	18.25	18.80
6 Months	33.80	34.80
9 Months	46.64	48.64
1 Year	55.70	58.49

**NZD/AUD Forward Points**

	BNZ buys NZD	BNZ sells NZD
1 Month	4.91	5.36
3 Months	16.31	17.39
6 Months	32.01	34.37
9 Months	47.15	51.29
1 Year	61.07	67.80



## Contact Details

### BNZ Research

**Stephen Toplis**  
Head of Research  
+64 4 474 6905

**Doug Steel**  
Senior Economist  
+64 4 474 6923

**Jason Wong**  
Senior Markets Strategist  
+64 4 924 7652

**Stuart Ritson**  
Senior Interest Rate Strategist  
+64 9 9248601

**Mike Jones**  
BNZ Chief Economist  
+64 9-956 0795

### Main Offices

**Wellington**  
Level 4, Spark Central  
42-52 Willis Street  
Private Bag 39806  
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

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