

# Research Markets Today

17 November 2025

## Events Round-Up

NZ: Manufacturing PMI, Oct: 51.4 vs. 50.1 prev.  
CH: Retail sales (y/y%), Oct: 2.9 vs. 2.8 exp.  
CH: Industrial production (y/y%), Oct: 4.9 vs. 5.5 exp.  
CH: Fixed assets invest. (YTD, y/y%), Oct: -1.7 vs. -0.8 exp.

## Good morning

US equities rebounded from sharp decline and closed near to flat. After a weak session the previous day, the S&P had initially fallen more than 1% before recovering. Investors have cited high valuations for technology firms and reduced expectations for easing by the Federal Reserve as headwinds for the equity market. There were heavy losses for European and Asian markets earlier in the day. US treasury yields increased while the US dollar was stable on the major crosses.

Oil prices remained supported amid a pickup in geopolitical risk. Ukraine launched a major drone attack on a vital Black Sea port that handles cargo from Russia and exports from Kazakhstan. And in the Middle East, Iran seized a tanker near the Strait of Hormuz. This is set against the backdrop of tightening US sanctions on Russia which the International Energy Agency have noted pose significant risks for Russian output. Brent crude prices closed near US\$64.50 per barrel.

Several Fed officials have expressed doubt over the need for a further rate cut in December. Kansas Fed President Schmid reiterated his view that additional rate cuts could do more to ingrain higher inflation than to provide support the labour market. The chance of a 25bp cut at the December FOMC has fallen below 50% with around 10bp of easing implied from market pricing. US treasuries whipsawed. An initial sharp fall in yields, aligned weakness in equities, retraced equally quickly. 10-year notes reached a session low of 4.06% and closed at 4.15%. The front end of the curve outperformed.

UK gilt yields surged, after reports that Chancellor Rachel Reeves had decided not to raise income tax at the 26 November Budget, which reignited fiscal concerns. Yields remained higher despite indications the government made the decision after an improved fiscal forecast by the Office for Budget Responsibility (OBR). 10-year yields increased 13bp to 4.57%, the largest move since July. The pound fell

initially before paring the decline after it was revealed that OBR forecasts were the reason for the change in tax policy.

The US dollar gained against the major FX pairings although absolute moves relative the NZ close were small. There was limited impact on the Swiss franc from confirmation of a trade deal with the US that will lower tariffs on imports to 15%. This had been flagged earlier in the week and brings the commercial dispute to an end. NZD/USD outperformed within G10 currencies during the Asian session on Friday and traded up towards 0.5690. However, the NZD was confined to a narrow range against the US dollar overnight and was stable on the key crosses.

Monthly activity data in China was soft relative to expectations. Industrial production was well below the consensus estimate and raised concerns the economy is losing momentum. Fixed-asset investment shrank 1.7% in the first 10 months of the year and retail sales slowed for the fifth straight month. The statistics agency noted challenges from uncertainty about the external environment pressure from economic restructuring.

The NZ swap curve moved higher and flattened in the local session on Friday. 2-year rates increased 3bp to 2.61%. There was further position unwinding, and NZ front end rates underperformed against Australia, which consolidated after the sharp labour market driven selloff in the previous session. 10-year swap rates closed unchanged at 3.74% with the 2y/10y curve flattening to +113bp.

10-year government bonds were unchanged at 4.17% as the market looks ahead to the likely launch of the May-2036 tap syndication this week. Inflation indexed bonds underperformed at the margin and break evens pulled back from the recent highs. Australian 10-year government bond futures are ~3bp higher since the local close on Friday implying an upward bias for NZ rates on the open.

The services PMI for October is released today having edged higher to 48.3 last month. The manufacturing PMI, which was released on Friday, increased to 51.4. New orders reached the highest level since August 2022. Separately, October's Selected Prices will provide initial insights into the various segments for Q4 CPI. On the international calendar, preliminary Q3 GDP data is scheduled in Japan as well as Canadian CPI.

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## Coming Up

|    |                                 | Period | Cons. | Prev. | NZT   |
|----|---------------------------------|--------|-------|-------|-------|
| NZ | Performance Services Index      | Oct    | 48.3  | 10:30 |       |
| NZ | Food Prices (m/m%)              | Oct    | -0.4  | 10:45 |       |
| JN | GDP SA (q/q%)                   | 3Q P   | -0.6  | 0.5   | 12:50 |
| US | Empire Manufacturing            | Nov    | 7.6   | 10.7  | 02:30 |
| CA | CPI (y/y%)                      | Oct    | 2.4   | 02:30 |       |
| CA | CPI core (avg median/trim y/y%) | Oct    | 3.2   | 02:30 |       |

| Currencies                      |        |             |        |                       |     | Equities            |       |        |           | Commodities                      |       |       |
|---------------------------------|--------|-------------|--------|-----------------------|-----|---------------------|-------|--------|-----------|----------------------------------|-------|-------|
| FX Majors                       |        |             |        |                       |     | Major Indices       |       |        |           | Price (Near futures, except CRB) |       |       |
| Indicative overnight ranges (*) |        |             |        |                       |     |                     |       |        |           |                                  |       |       |
|                                 | Last   | % Day       | Low    | High                  |     | Last                | % Day | % Year |           | Last                             | Net   | Day   |
| NZD                             | 0.5680 | +0.5        | 0.5668 | 0.5691                | CHF | 0.7940              | +0.1  |        | S&P 500   | 6,734                            | -0.1  | 14.7  |
| AUD                             | 0.6536 | +0.1        | 0.6504 | 0.6551                | SEK | 9.451               | +0.5  |        | Dow       | 47,147                           | -0.7  | 8.5   |
| EUR                             | 1.1621 | -0.1        | 1.1606 | 1.1654                | NOK | 10.090              | +0.6  |        | Nasdaq    | 22,901                           | +0.1  | 19.9  |
| GBP                             | 1.3172 | -0.2        | 1.3108 | 1.3200                | HKD | 7.773               | +0.0  |        | Stoxx 50  | 5,694                            | -0.9  | 17.8  |
| JPY                             | 154.54 | -0.0        | 153.62 | 154.76                | CNY | 7.099               | +0.0  |        | FTSE      | 9,698                            | -1.1  | 20.3  |
| CAD                             | 1.4025 | -0.1        |        |                       | SGD | 1.299               | -0.2  |        | DAX       | 23,877                           | -0.7  | 24.3  |
| NZD/AUD                         | 0.8690 | +0.3        |        |                       | IDR | 16,707              | -0.1  |        | CAC 40    | 8,170                            | -0.8  | 11.7  |
| NZD/EUR                         | 0.4888 | +0.6        |        |                       | THB | 32.44               | +0.3  |        | Nikkei    | 50,377                           | -1.8  | 30.4  |
| NZD/GBP                         | 0.4312 | +0.7        |        |                       | KRW | 1,454               | -0.8  |        | Shanghai  | 3,990                            | -1.0  | 18.1  |
| NZD/JPY                         | 87.78  | +0.5        |        |                       | TWD | 31.15               | +0.3  |        | ASX 200   | 8,635                            | -1.4  | 4.2   |
| NZD/CAD                         | 0.7966 | +0.4        |        |                       | PHP | 59.06               | +0.1  |        | NZX 50    | 13,464                           | -1.0  | 6.1   |
| NZ TWI                          | 66.01  | +0.5        |        |                       |     |                     |       |        | VIX Index | 19.83                            | -0.9  | +22.9 |
| Interest Rates                  |        |             |        |                       |     | NZ Government Bonds |       |        |           | Australian Futures               |       |       |
| Rates                           |        | Swap Yields |        | Benchmark 10 Yr Bonds |     |                     |       |        |           |                                  |       |       |
|                                 | Cash   | 3Mth        | 2 Yr   | 10 Yr                 |     | Last                | Net   | Day    |           |                                  |       |       |
| USD                             | 4.00   | 4.85        | 3.39   | 3.71                  | USD | 4.15                | 0.03  |        | 15-Apr-27 | 2.60                             | 0.02  |       |
| AUD                             | 3.60   | 3.65        | 3.69   | 4.52                  | AUD | 4.44                | 0.02  |        | 15-May-28 | 2.91                             | 0.02  |       |
| NZD                             | 2.50   | 2.48        | 2.61   | 3.74                  | NZD | 4.17                | -0.01 |        | 20-Apr-29 | 3.11                             | 0.01  |       |
| EUR                             | 2.00   | 2.06        | 2.19   | 2.76                  | GER | 2.72                | 0.03  |        | 15-May-30 | 3.31                             | 0.00  |       |
| GBP                             | 4.00   | 4.11        | 3.60   | 4.06                  | GBP | 4.57                | 0.14  |        | 15-May-31 | 3.55                             | -0.00 |       |
| JPY                             | 0.48   | -0.03       | 0.91   | 1.53                  | JPY | 1.71                | 0.01  |        | 15-May-32 | 3.76                             | 0.00  |       |
| CAD                             | 2.25   | 4.97        | 2.35   | 2.98                  | CAD | 3.23                | 0.04  |        | 14-Apr-33 | 3.90                             | -0.01 |       |
|                                 |        |             |        |                       |     |                     |       |        |           | 15-May-34                        | 4.05  | -0.00 |
|                                 |        |             |        |                       |     |                     |       |        |           | 15-May-35                        | 4.17  | -0.01 |
|                                 |        |             |        |                       |     |                     |       |        |           | 15-May-36                        | 4.29  | -0.01 |
|                                 |        |             |        |                       |     |                     |       |        |           | 15-May-37                        | 4.41  | -0.01 |
|                                 |        |             |        |                       |     |                     |       |        |           | 15-May-41                        | 4.78  | -0.00 |
|                                 |        |             |        |                       |     |                     |       |        |           | 15-May-51                        | 5.07  | -0.00 |
|                                 |        |             |        |                       |     |                     |       |        |           | 15-May-54                        | 5.06  | -0.01 |
|                                 |        |             |        |                       |     |                     |       |        |           | NZ BKBM and Swap Yields          |       |       |
|                                 |        |             |        |                       |     |                     |       |        |           |                                  | Last  | Chg   |
|                                 |        |             |        |                       |     |                     |       |        |           | BKBM 1-mth                       | 2.50  | 0.00  |
|                                 |        |             |        |                       |     |                     |       |        |           | BKBM 3-mth                       | 2.48  | 0.00  |
|                                 |        |             |        |                       |     |                     |       |        |           | 1 year                           | 2.42  | 0.02  |
|                                 |        |             |        |                       |     |                     |       |        |           | 2 year                           | 2.61  | 0.03  |
|                                 |        |             |        |                       |     |                     |       |        |           | 3 year                           | 2.81  | 0.03  |
|                                 |        |             |        |                       |     |                     |       |        |           | 5 year                           | 3.14  | 0.02  |
|                                 |        |             |        |                       |     |                     |       |        |           | 7 year                           | 3.42  | 0.01  |
|                                 |        |             |        |                       |     |                     |       |        |           | 10 year                          | 3.74  | 0.00  |
|                                 |        |             |        |                       |     |                     |       |        |           | 15 year                          | 4.07  | 0.01  |
|                                 |        |             |        |                       |     |                     |       |        |           | NZ Inflation-Indexed Bonds       |       |       |
|                                 |        |             |        |                       |     |                     |       |        |           | Sept-30                          | 1.33  | 0.01  |
|                                 |        |             |        |                       |     |                     |       |        |           | Sept-35                          | 2.19  | 0.00  |
|                                 |        |             |        |                       |     |                     |       |        |           | Sept-40                          | 2.65  | 0.00  |

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

Rates at NY close

Source: Bloomberg

**NZD exchange rates**

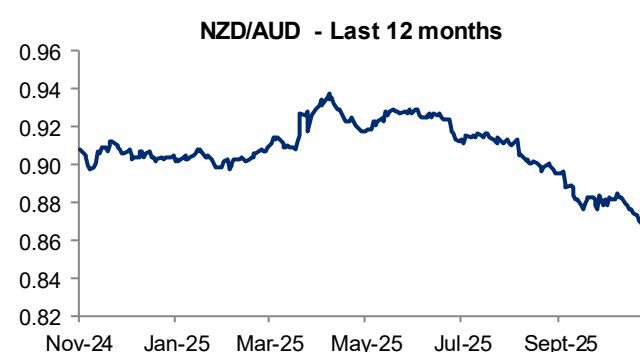
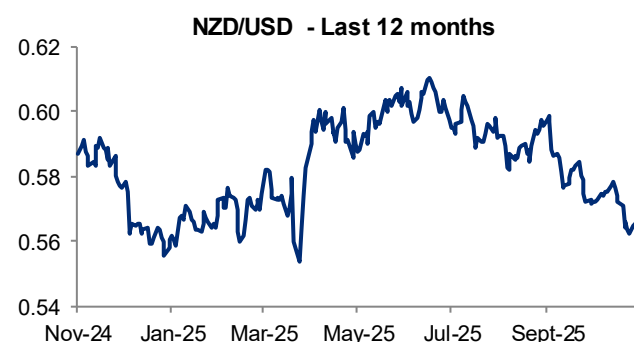
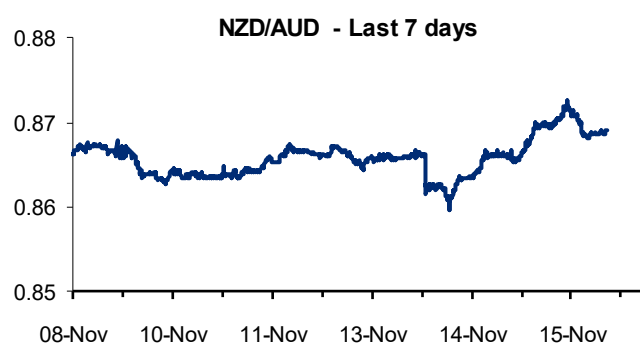
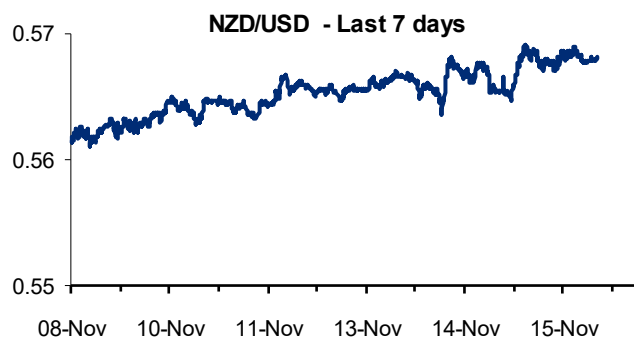
| 15/11/2025 | NY close | Prev. NY close |
|------------|----------|----------------|
| USD        | 0.5680   | 0.5655         |
| GBP        | 0.4312   | 0.4287         |
| AUD        | 0.8690   | 0.8661         |
| EUR        | 0.4888   | 0.4861         |
| JPY        | 87.78    | 87.40          |
| CAD        | 0.7966   | 0.7937         |
| CHF        | 0.4512   | 0.4484         |
| DKK        | 3.6514   | 3.6301         |
| FJD        | 1.2949   | 1.2949         |
| HKD        | 4.4167   | 4.3947         |
| INR        | 50.42    | 50.14          |
| NOK        | 5.7333   | 5.6698         |
| PKR        | 159.49   | 158.74         |
| PHP        | 33.56    | 33.37          |
| PGK        | 2.4251   | 2.3871         |
| SEK        | 5.3703   | 5.3197         |
| SGD        | 0.7379   | 0.7355         |
| CNY        | 4.0338   | 4.0128         |
| THB        | 18.41    | 18.26          |
| TOP        | 1.3506   | 1.3564         |
| VUV        | 69.22    | 68.91          |
| WST        | 1.5854   | 1.5800         |
| XPF        | 58.49    | 58.18          |
| ZAR        | 9.7108   | 9.6376         |

**NZD/USD Forward Points**

|          | BNZ buys NZD | BNZ sells NZD |
|----------|--------------|---------------|
| 1 Month  | 7.42         | 7.68          |
| 3 Months | 22.52        | 23.02         |
| 6 Months | 43.01        | 44.03         |
| 9 Months | 61.11        | 63.18         |
| 1 Year   | 75.53        | 78.61         |

**NZD/AUD Forward Points**

|          | BNZ buys NZD | BNZ sells NZD |
|----------|--------------|---------------|
| 1 Month  | 8.60         | 9.15          |
| 3 Months | 27.87        | 29.32         |
| 6 Months | 57.29        | 60.04         |
| 9 Months | 87.59        | 91.83         |
| 1 Year   | 116.24       | 124.45        |



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