

# Research Markets Today

19 August 2025

## Events Round-Up

NZ: Performance of services index, Jul: 48.9 vs. 47.6 prev.

US: NAHB housing market index, Aug: 32 vs. 34 exp.

## Good Morning

It has been a typically quiet start to the week for markets, with small movements across the board.

Focus is currently on the meeting at the White House between European leaders and President Trump to discuss the next steps in the Russia-Ukraine war, following the Trump-Putin meeting on Saturday. In a show of force and support for Ukraine President Zelensky, the heads of the UK, Germany, France, Italy and the EU have all made the effort to attend the meeting at short notice. Later today we'll hear more about what offer European leaders might present Putin to support an end to the war.

Oil prices are trading on a positive note, up over 1% as the leaders arrived at the White House, albeit prices are still trading not far off two-month lows, with Brent Crude trading with a USD66 per barrel handle.

Equity markets show minimal movement near recent record highs. The US S&P500 is currently flat and the Euro Stoxx 600 index closed up less than 0.1%.

US Treasury yields are slightly higher overnight, with the 10-year rate at 4.34%, up 2-3bps from last week's close and the NZ close respectively. The market is likely to be in a holding pattern until we hear from Fed Chair Powell at the end of the week at the Jackson Hole Symposium, where there will be interest in whether he opens the door to a September rate cut and how he frames the risk around the meeting. The economic calendar has been light, with the only release being US NAHB homebuilders' sentiment ticking lower, equalling the 2½ year low of 32 that it hit in June.

Getting some attention in the market was the UK 30-year inflation-linked bond rising to 2.56%, its highest level since 1998 by surpassing the peak level reached during the Liz Truss-related market meltdown in 2022. The yield has been trending higher since the market settled after that episode, in the face of continuing pressure on the UK's fiscal accounts and lingering inflation risk. Higher rates

haven't just been a UK phenomenon, with nominal 30-year government rates in Germany and France reaching 14-year highs at the end of last week,

In currency markets, after underperforming last week, the NZD has managed to hold its ground against the USD, flat relative to last week's close around 0.5920 after an overnight session in which the USD has been broadly stronger. The AUD has fallen back below 0.65, with NZD/AUD recovering to 0.9120 after probing below 0.91.

European currencies are modestly weaker overnight, seeing NZD crosses against GBP and EUR recover some of last week's losses, up to 0.4385 and 0.5080 respectively. JPY is also on the soft side, seeing NZD/JPY up modestly to 87.5.

Domestic rates pushed higher yesterday on global forces, with NZGB yields up 1-2bps across the curve and swap rates up 2-3bps. The domestic focus this week will be on Wednesday's RBNZ MPS, where a 25bps rate cut is well priced and focus will be on how much further, if at all, the easing cycle might be extended.

NZ's performance of services index rose 1.3pts to 48.9, still consistent with weak growth but at least moving in the right direction. Combined with the lift seen in the PMI, ANZ's truckometer and electronic card transactions, growth is shaping up to be a lot better in Q3 after the estimated pothole in Q2.

On the economic calendar ahead, there are mainly second-tier data releases, with the only top-tier release being Canadian CPI data.

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## Coming Up

		Period	Cons.	Prev.	NZT
NZ	PPI output (q/q%)	Q3		2.1	10:45
AU	Westpac consumer confidence	Aug		93.1	12:30
US	Housing start (k)s	Jul	1300	1393	00:30
US	Building permits (k)	Jul	1387	1393	00:30
CA	CPI (y/y%)	Jul	1.8	1.9	00:30
CA	CPI core (avg median/trim, y/y%)	Jul	3.1	3.05	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	0.5920	-0.0	0.5910	0.5943	CHF	0.8076	+0.1	S&P 500	6,446	-0.1	16.1	Oil (Brent)	66.65	+1.2
AUD	0.6490	-0.3	0.6482	0.6519	SEK	9.562	+0.1	Dow	44,919	-0.1	10.5	Oil (WTI)	63.48	+1.1
EUR	1.1659	-0.4	1.1656	1.1703	NOK	10.202	+0.1	Nasdaq	21,628	+0.0	22.7	Gold	3331.7	+0.0
GBP	1.3505	-0.4	1.3503	1.3554	HKD	7.820	-0.1	Stoxx 50	5,435	-0.3	12.3	HRC steel	832.0	+0.0
JPY	147.85	+0.4	147.12	147.99	CNY	7.185	+0.0	FTSE	9,158	+0.2	10.2	CRB	295.5	+0.2
CAD	1.3812	-0.1			SGD	1.285	+0.1	DAX	24,315	-0.2	32.7	Wheat Chic.	524.5	-0.5
NZD/AUD	0.9122	+0.3			IDR	16,198	+0.2	CAC 40	7,884	-0.5	5.8	Sugar	16.25	-1.2
NZD/EUR	0.5078	+0.4			THB	32.51	+0.2	Nikkei	43,714	+0.8	16.9	Cotton	66.42	+0.8
NZD/GBP	0.4384	+0.4			KRW	1,388	-0.1	Shanghai	3,728	+0.8	28.8	Coffee	336.1	+1.0
NZD/JPY	87.53	+0.4			TWD	30.03	+0.1	ASX 200	8,959	+0.2	12.3	WM powder	3885	-0.4
NZD/CAD	0.8177	-0.1			PHP	57.00	-0.1	NZX 50	12,971	+0.6	2.4	Australian Futures		
NZ TWI	68.51	+0.1						VIX Index	15.12	+0.2	+2.2	3 year bond	96.62	-0.02
Interest Rates												10 year bond 95.67 -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	4.50	4.85	3.53	3.81	USD	4.34 0.02	15-Apr-27	3.17	0.02	BKBM 1-mth	3.14	-0.02		
AUD	3.60	3.59	3.25	4.21	AUD	4.27 0.04	15-May-28	3.36	0.02	BKBM 3-mth	3.14	-0.01		
NZD	3.25	3.14	3.07	3.98	NZD	4.45 0.02	20-Apr-29	3.54	0.02	1 year	3.01	0.01		
EUR	2.00	2.03	2.10	2.70	GER	2.76 -0.03	15-May-30	3.73	0.02	2 year	3.07	0.02		
GBP	4.00	4.33	3.74	4.18	GBP	4.74 0.04	15-May-31	3.95	0.02	3 year	3.19	0.02		
JPY	0.48	-0.03	0.83	1.38	JPY	1.57 -0.00	15-May-32	4.11	0.02	5 year	3.45	0.03		
CAD	2.75	4.97	2.60	3.18	CAD	3.49 0.04	14-Apr-33	4.24	0.02	7 year	3.70	0.03		
							15-May-34	4.35	0.02	10 year	3.98	0.03		
							15-May-35	4.45	0.02	15 year	4.26	0.03		
							15-May-36	4.55	0.02	NZ Inflation-Indexed Bonds				
							15-May-37	4.67	0.01	Sep-30	1.94	0.01		
							15-May-41	4.96	0.02	Sep-35	2.63	0.01		
							15-May-51	5.16	0.02	Sep-40	3.05	0.01		
							15-May-54	5.19	0.02					

**NZD exchange rates****19/08/2025 6:52 am Prev. NY close**

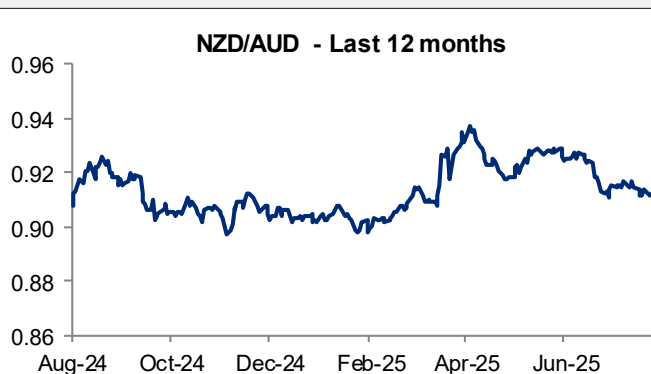
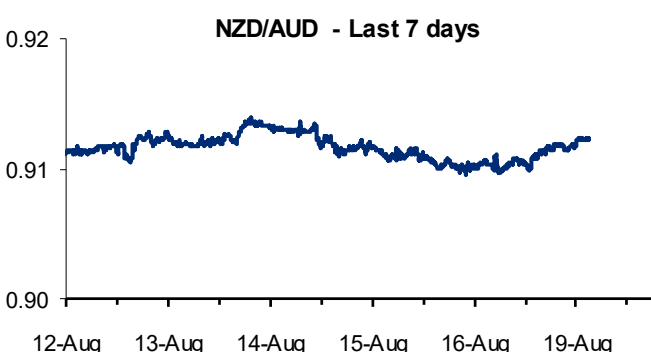
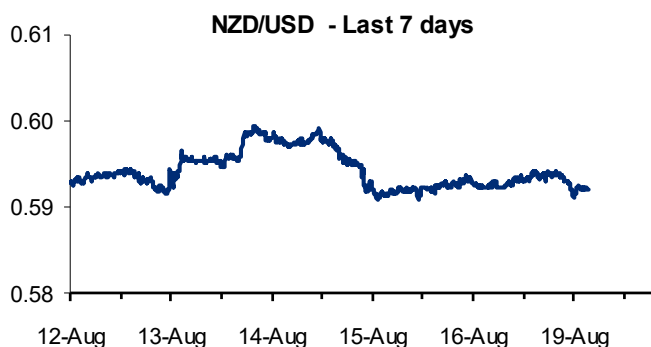
USD	0.5920	0.5922
GBP	0.4384	0.4369
AUD	0.9122	0.9101
EUR	0.5078	0.5060
JPY	87.53	87.17
CAD	0.8177	0.8184
CHF	0.4782	0.4778
DKK	3.7888	3.7766
FJD	1.3369	1.3359
HKD	4.6296	4.6334
INR	51.71	51.86
NOK	6.0382	6.0368
PKR	166.97	167.23
PHP	33.77	33.80
PGK	2.4513	2.4112
SEK	5.6582	5.6585
SGD	0.7604	0.7598
CNY	4.2534	4.2547
THB	19.22	19.20
TOP	1.3726	1.3699
VUV	70.79	70.66
WST	1.6126	1.6273
XPF	60.47	60.38
ZAR	10.4489	10.4182

**NZD/USD Forward Points**

	<b>BNZ buys NZD</b>	<b>BNZ sells NZD</b>
1 Month	7.22	7.33
3 Months	18.47	18.83
6 Months	34.14	35.14
9 Months	46.90	48.86
1 Year	56.28	60.61

**NZD/AUD Forward Points**

	<b>BNZ buys NZD</b>	<b>BNZ sells NZD</b>
1 Month	5.14	5.47
3 Months	13.40	14.31
6 Months	23.10	25.72
9 Months	31.43	36.11
1 Year	38.29	47.68



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