Research

Markets Today

19 November 2025

Events Round-Up

US: NAHB housing market index, Nov: 38 vs. 36 exp.

Good morning

Risk sensitive assets remained under pressure overnight after the weak Asian session yesterday. There is growing caution from investors ahead of Nvidia's earnings and about the elevated valuations in the artificial intelligence sector. There are also concerns about the required capital expenditure which is reliant on issuing huge amounts of debt. The S&P is lower in afternoon trading and there have been large falls across European and Asian markets. The VIX index of implied S&P volatility, increased to 26, the highest level since the liberation day turmoil in April.

There was limited economic data to provide the market with direction. ADP private payrolls fell an average of 2.5k per week in the four weeks to 1 November. This compares with -11k in the prior four-week period and reflects a modest improvement but lingering weakness. The market looks ahead to the delayed official labour market report for September tomorrow night. The New York Fed business activity index improved marginally, but remains at depressed levels, and the employment subindex deteriorated to the lowest level since the pandemic.

Federal Reserve Governor Waller has provided a counterpoint to the recent chorus of Fed officials cautious about a December rate cut. He said the Fed should lower rates by 25bp at the FOMC next month citing a weak labour market and noted that current policy settings are impacting low- and middle-income consumers. Waller said another rate cut would represent good 'risk management' and that he isn't concerned about inflation accelerating given indicators of reduced demand for workers.

Pricing for the December FOMC is little changed with around 11bp of easing implied from futures markets. US treasuries rallied on safe haven demand through the Asian session but have since rebounded off the yield lows in line with a recovery in US equities. 10-year note yields reached a low of 4.09% before retracing to 4.12%. There was limited market reaction to the ADP jobs data. German 10-year bunds closed unchanged at 2.70% despite the near 2% decline in the Euro Stoxx index.

The long end of the JGB curve sold off with 40-year yields increasing 6bp to 3.64%. This is the highest level since the 40-year bonds were first issued in 2007. The move reflects concerns the upcoming fiscal package from Prime Minister Takaichi could pressure public finances.

Currency markets were subdued given the volatility in equities. The US dollar index struggled for direction and is largely unchanged from the NZ close yesterday. Commodity currencies outperformed at the margin within the G10 basket while the Swiss franc was relatively weak. Net moves in the major pairings were minimal. The NZD is marginally firmer on the key cross rates overnight. The exception is NZD/AUD which dipped towards 0.8700.

There was an initial sell off in NZ fixed income in the local session yesterday with market participants focused on the tap syndication of the May-2036 nominal government bond. The swap curve moved higher and steeper pre-pricing before retracing and ending unchanged. The move in swaps saw government bond yields also selloff initially before retracing. The May-2036 maturity closed 3bp lower on the day and 6bp below levels at the time of pricing for the tap. Demand for longer end bonds flattened the curve.

There was strong demand from investors in the syndication. Total book size, at final price guidance, was NZ$25 billion, a record for a NZGB transaction. NZ Debt Management issued NZ$6 billion at a spread of 12bp over the May-2035 reference line which was at the tight end of initial price guidance. The price action suggests there was unfilled demand even after issuing at the upper end of volume guidance. The weekly government bond tender on Thursday will be cancelled in line with convention.

Australian 10-year government bond futures are little changed since the local close yesterday suggesting a limited directional bias for NZ rates on the open.

The only domestic data of note today is Q3 Producer Price Indexes, which are not closely followed by market participants, given they come out after the CPI for the quarter. Q3 wage data is scheduled in Australia. UK CPI data for October will be in focus with the market pricing close to an 80% chance of a 25bp cut by the Bank of England next month. Annual headline, core and services inflation is expected to have edged lower in the month.

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Coming Up

		Period	Cons.	Prev.	NZT
NZ	PPI Output (q/q%)	3Q		0.6	10:45
AU	Wage Price Index (q/q%)	3Q	0.8	0.8	13:30
AU	Wage Price Index (y/y%)	3Q	3.4	3.4	13:30
UK	CPI (y/y%)	Oct	3.5	3.8	20:00
UK	CPI Core (y/y%)	Oct	3.4	3.5	20:00
UK	CPI Services (y/y%)	Oct	4.6	4.7	20:00
US	FOMC Meeting Minutes	Oct			08:00

Currencies

FX Majors / **Indicative overnight ranges (*)**

	Last	% Day	Low	High
NZD	0.5658	+0.0	0.5647	0.5675
AUD	0.6501	+0.1	0.6475	0.6512
EUR	1.1573	-0.2	1.1573	1.1608
GBP	1.3141	-0.1	1.3134	1.3177
JPY	155.60	+0.2	154.87	155.58
CAD	1.3998	-0.4		
NZD/AUD	0.8703	-0.1		
NZD/EUR	0.4889	+0.2		
NZD/GBP	0.4306	+0.1		
NZD/JPY	88.04	+0.2		
NZD/CAD	0.7920	-0.4		
NZ TWI	65.92	+0.0		

Other FX

	Last	% Day
CHF	0.8000	+0.5
SEK	9.486	+0.1
NOK	10.121	+0.1
HKD	7.784	+0.1
CNY	7.110	+0.0
SGD	1.303	-0.1
IDR	16,751	+0.1
THB	32.39	-0.2
KRW	1,462	+0.1
TWD	31.20	+0.1
PHP	59.00	+0.1

Equities

Major Indices

	Last	% Day	% Year
S&P 500	6,628	-0.7	12.5
Dow	46,082	-1.1	6.2
Nasdaq	22,434	-1.1	19.4
Stoxx 50	5,535	-1.9	15.5
FTSE	9,552	-1.3	17.8
DAX	23,181	-1.7	20.8
CAC 40	7,968	-1.9	9.5
Nikkei	48,703	-3.2	26.8
Shanghai	3,940	-0.8	18.5
ASX 200	8,469	-1.9	1.1
NZX 50	13,343	-1.2	4.1
VIX Index	23.95	+7.0	+53.7

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	64.01	-0.3
Oil (WTI)	59.93	+0.1
Gold	4067.2	-0.2
HRC steel	855.0	+0.0
CRB	301.6	-0.2
Wheat Chic.	562.0	+0.4
Sugar	14.71	-0.6
Cotton	62.75	+0.7
Coffee	388.5	+3.2
WM powder	3360	-0.4

Australian Futures

	Last	Net Day
3 year bond	96.24	0.04
10 year bond	95.55	0.03

Interest Rates

	Rates		Swap Yields	
	Cash	3Mth	2 Yr	10 Yr
USD	4.00	4.85	3.37	3.69
AUD	3.60	3.65	3.64	4.50
NZD	2.50	2.49	2.62	3.76
EUR	2.00	2.05	2.19	2.76
GBP	4.00	4.11	3.56	4.03
JPY	0.48	-0.03	0.90	1.57
CAD	2.25	4.97	2.36	3.00

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.13	-0.01
AUD	4.44	-0.04
NZD	4.16	-0.02
GER	2.71	-0.01
GBP	4.55	0.02
JPY	1.75	0.01
CAD	3.25	0.02

Policy Meeting Run

	NZD	AUD	USD
1st	2.26	3.59	3.77
2nd	2.18	3.53	3.67
3rd	2.15	3.51	3.56
4th	2.13	3.47	3.49
5th	2.14	3.47	3.34

NZ Government Bonds

	Last	Chg
15-Apr-27	2.62	0.02
15-May-28	2.91	-0.00
20-Apr-29	3.10	-0.01
15-May-30	3.32	-0.01
15-May-31	3.55	-0.02
15-May-32	3.75	-0.02
14-Apr-33	3.90	-0.02
15-May-34	4.04	-0.02
15-May-35	4.16	-0.02
15-May-36	4.28	-0.03
15-May-37	4.40	-0.03
15-May-41	4.76	-0.03
15-May-51	5.05	-0.03
15-May-54	5.04	-0.03

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.50	0.00
BKBM 3-mth	2.49	-0.01
1 year	2.45	0.00
2 year	2.62	-0.00
3 year	2.83	0.00
5 year	3.17	0.00
7 year	3.45	-0.00
10 year	3.76	-0.00
15 year	4.09	-0.00

NZ Inflation-Indexed Bonds

	Last	Chg
Sept-30	1.37	0.02
Sept-35	2.23	0.02
Sept-40	2.68	0.02

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

Rates are as of: NZT 06:21

Source: Bloomberg

NZD exchange rates

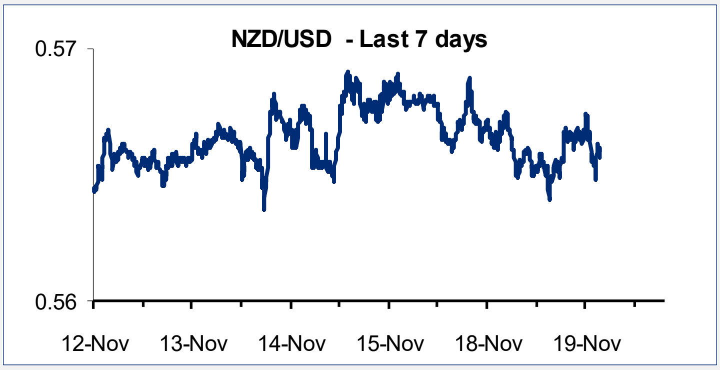
19/11/2025	6:21 am	Prev. NY close
USD	0.5658	0.5658
GBP	0.4306	0.4301
AUD	0.8703	0.8713
EUR	0.4889	0.4881
JPY	88.04	87.85
CAD	0.7920	0.7952
CHF	0.4526	0.4505
DKK	3.6514	3.6453
FJD	1.2971	1.2980
HKD	4.4042	4.3988
INR	50.14	50.15
NOK	5.7264	5.7186
PKR	158.82	158.82
PHP	33.38	33.34
PGK	2.3924	2.4138
SEK	5.3672	5.3598
SGD	0.7370	0.7374
CNY	4.0227	4.0215
THB	18.35	18.35
TOP	1.3510	1.3510
VUV	68.96	68.93
WST	1.5775	1.5778
XPF	58.36	58.31
ZAR	9.7266	9.7164

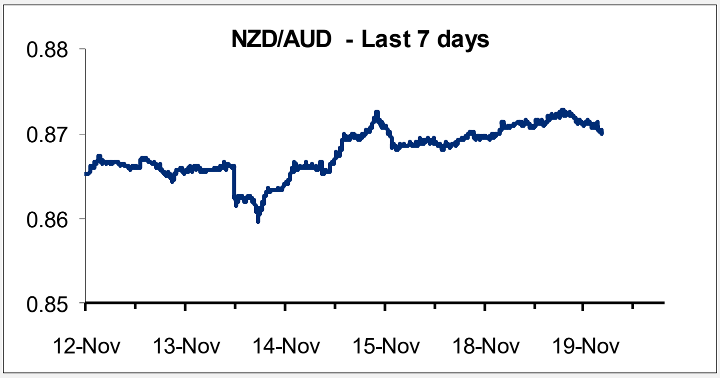
NZD/USD Forward Points

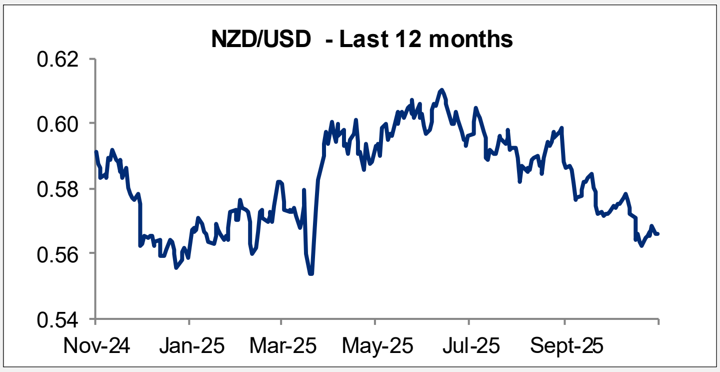
	BNZ buys NZD	BNZ sells NZD
1 Month	7.91	8.10
3 Months	22.40	22.80
6 Months	42.35	43.35
9 Months	60.04	62.04
1 Year	73.74	76.22

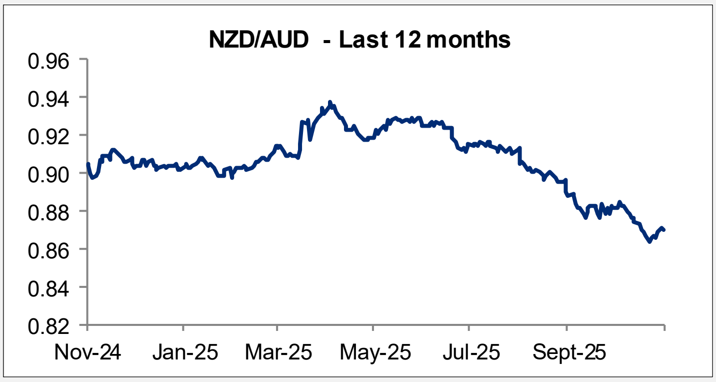
NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	9.36	9.79
3 Months	27.82	28.84
6 Months	55.91	58.53
9 Months	85.18	89.97
1 Year	113.42	119.84









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