

Research Markets Today

20 November 2025

Events Round-Up

NZ: PPI output (q/q%), Q3: 0.2 vs. 0.6 prev.

AU: Wage price index (q/q%), Q3: 0.8 vs. 0.8 exp.

AU: Wage price index (y/y%), Q3: 3.4 vs. 3.4 exp.

UK: CPI (y/y%), Oct: 3.6 vs. 3.5 exp.

UK: CPI core (y/y%), Oct: 3.4 vs. 3.4 exp.

UK: CPI services (y/y%), Oct: 4.5 vs. 4.6 exp.

US: Trade balance (\$b), Aug: -59.6 vs. -60.4 exp.

Good Morning

The most notable market movement has been broad gains in the USD, driving the NZD below 0.56. US equities are flat ahead of Nvidia's earnings announcement, while Treasuries continue to trade a tight range.

In early afternoon trading the S&P500 is flat, following a run of four negative daily closes. Some nerves are evident, ahead of the most anticipated event of the week, the release of Nvidia's earnings due after the close. For the second most anticipated event of the week – the release of the government's Epstein files – we might have to wait a little longer, as the US Justice Department will have 30 days to release the materials with redactions, assuming Trump signs the bill passed by both the House and the Senate.

US Treasuries continue to trade a tight range. The 10-year rate is at 4.11%, little changed from the NZ close. The BLS's new release schedule of data shows the November payrolls report will now be released after the December FOMC meeting, seeing pricing shift to just 7bps worth of cuts. However, this is just seen as a timing issue regarding projected rate cuts, with pricing further down the curve not changed by much and thereby having little impact on the 2-year rate. Pressure remains on the UK gilt market ahead of the 26 November Budget, with the 10-year rate up 4bps to a five-week high of 4.60%, taking its rise over the past week to 20bps.

UK CPI data broadly aligned with market expectations, with annual headline inflation falling to 3.6%, the first drop since March and supporting a view that inflation was past its peaked. The core rate fell to 3.4% and services inflation fell to 4.5%. The data supported market expectations that the BoE would likely be in a position to cut the policy rate

at the December meeting, with pricing nudging up to 22bps.

Delayed US trade data for August showed the deficit narrowed substantially to \$59.6b, driven by a 5.1% fall in imports against a small lift in exports. The significant improvement from July reflected volatility in imports around tariff announcements and goods trade data had already been released, so the figures didn't surprise by much. The data will support a positive contribution of net exports to Q3 GDP. The latest Atlanta Fed GDPnow estimate has risen to 4.2% for Q3.

The USD is broadly stronger, with the DXY index up 0.6% for the day and trading above its 200-day moving average for the first time since March. JPY is the weakest of the majors overnight, trading at a fresh 10-month low, with USD/JPY up to 156.80. The currency has been on a weakening trend since Takaichi won the LDP leadership vote early October and at some point the MoF will be forced into some currency intervention to stem the rout. Not helping sentiment, yesterday a member of a key panel advising PM Takaichi said the BoJ isn't likely to raise its policy rate before March, as authorities will need to confirm that large-scale extra spending is boosting domestic demand.

While the NZD is not the weakest major overnight, it is the weakest of the past 24 hours, trading just below 0.56 earlier this morning, a fresh seven-month low. All gains through 2025 have now been completely eroded, with the the NZD's fall over the second half of the year, unwinding the gains over the first half. We considered 0.56 as a short-term support level, although 0.55 is the more critical support level to watch. The AUD has traded down towards 0.6450. NZD/AUD has pushed down to 0.8660. GBP and EUR are also trading heavy, against the backdrop of broad USD strength, while NZD underperformance sees NZD crosses weaker.

Oil prices are down over 2%, following the US government reporting rising inventories of oil products. Sentiment was also affected by an Axios report that the US is secretly drafting a new plan to end the Ukraine-Russia war, inspired by Trump's push for a peace deal in Gaza. A top Russian official told Axios he is optimistic about the plan. A similar Reuters report that followed said the US proposals to end the war include Ukraine giving up territory and some weapons amongst many other points. Brent crude is trading just over USD 63 per barrel.

In the domestic rates market, NZGB yields were driven lower, led by the 10-year sector, following unsatisfied demand from the 2036 bond syndication where heavy scaling took place. The longer end of the curve saw yields close down 6bps, against 2-3bps falls at the shorter end, resulting in a flatter curve. Swap rates showed similar movement, with the 2-year rate down 3bps to 2.60% and the 10-year rate down 6bps to 3.71%.

On the calendar today, minutes of the Fed's October meeting, where there were dissents on both sides, will be released this morning. Tonight sees the delayed release of the September US employment reports, where the consensus sees nonfarm payrolls up around 55k and the unemployment rate steady at 4.3%.

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Coming Up

		Period	Cons.	Prev.	NZT
US	FOMC minutes of Oct meeting	Oct			08:00
US	Change in nonfarm payrolls (k)	Sep	54	22	02:30
US	Unemployment rate (%)	Sep	4.3	4.3	02:30
US	Average hourly earnings (m/m%)	Sep	0.3	0.3	02:30
US	Average hourly earnings (y/y%)	Sep	3.7	3.7	02:30
US	Philly Fed business outlook	Nov	1	-12.8	02:30
EC	Consumer confidence	Nov	-14	-14.2	04:00
US	Existing home sales (m/m%)	Oct	0.5	1.5	04:00

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	0.5597	-1.1	0.5590	0.5644	CHF	0.8050 +0.7	S&P 500	6,623 +0.1 11.9		Oil (Brent)	63.37	-2.3
AUD	0.6462	-0.7	0.6451	0.6497	SEK	9.559 +0.9	Dow	46,046 -0.1 6.4		Oil (WTI)	59.35	-2.3
EUR	1.1533	-0.4	1.1526	1.1597	NOK	10.189 +0.8	Nasdaq	22,498 +0.3 18.5		Gold	4081.6	+0.3
GBP	1.3069	-0.6	1.3057	1.3155	HKD	7.791 +0.1	Stoxx 50	5,542 +0.1 16.6		HRC steel	855.0	+0.1
JPY	156.77	+0.8	155.33	156.87	CNY	7.115 +0.1	FTSE	9,507 -0.5 17.4		CRB	303.4	+0.6
CAD	1.4056	+0.5			SGD	1.307 +0.4	DAX	23,163 -0.1 21.5		Wheat Chic.	549.5	-1.7
NZD/AUD	0.8661	-0.4			IDR	16,708 -0.3	CAC 40	7,954 -0.2 10.0		Sugar	14.67	-0.2
NZD/EUR	0.4853	-0.7			THB	32.48 +0.2	Nikkei	48,538 -0.3 26.6		Cotton	62.58	+0.0
NZD/GBP	0.4283	-0.5			KRW	1,468 +0.4	Shanghai	3,947 +0.2 18.0		Coffee	376.0	-3.0
NZD/JPY	87.74	-0.3			TWD	31.23 +0.1	ASX 200	8,448 -0.3 1.5		WM powder	3340	-0.9
NZD/CAD	0.7867	-0.6			PHP	58.93 -0.1	NZX 50	13,327 -0.1 4.6		Australian Futures		
NZ TWI	65.39	-0.8					VIX Index	24.39 -1.2 +49.2		3 year bond	96.26	0.02
Interest Rates						NZ Government Bonds				10 year bond		
Rates		Swap Yields			Benchmark 10 Yr Bonds							
	Cash	3Mth	2 Yr	10 Yr		Last Net Day		Last	Chg		Last	Chg
USD	4.00	4.85	3.36	3.67	USD	4.11 -0.00	15-Apr-27	2.60	-0.02	BKBM 1-mth	2.49	-0.01
AUD	3.60	3.65	3.65	4.51	AUD	4.42 -0.02	15-May-28	2.88	-0.03	BKBM 3-mth	2.48	-0.01
NZD	2.50	2.48	2.60	3.71	NZD	4.10 -0.06	20-Apr-29	3.08	-0.03	1 year	2.43	-0.02
EUR	2.00	2.05	2.18	2.77	GER	2.71 0.01	15-May-30	3.29	-0.03	2 year	2.60	-0.03
GBP	4.00	4.11	3.57	4.08	GBP	4.60 0.05	15-May-31	3.51	-0.04	3 year	2.79	-0.03
JPY	0.48	-0.03	0.92	1.59	JPY	1.77 0.03	15-May-32	3.71	-0.05	5 year	3.13	-0.04
CAD	2.25	4.97	2.35	2.99	CAD	3.24 -0.01	14-Apr-33	3.84	-0.05	7 year	3.41	-0.05
							15-May-34	3.98	-0.06	10 year	3.71	-0.06
							15-May-35	4.10	-0.06	15 year	4.03	-0.06
							15-May-36	4.21	-0.06	NZ Inflation-Indexed Bonds		
							15-May-37	4.34	-0.06	Sept-30	1.35	-0.02
							15-May-41	4.70	-0.06	Sept-35	2.21	-0.02
							15-May-51	4.99	-0.06	Sept-40	2.66	-0.02
							15-May-54	4.98	-0.06			

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

Rates are as of: NZT 07:01

Source: Bloomberg

NZD exchange rates

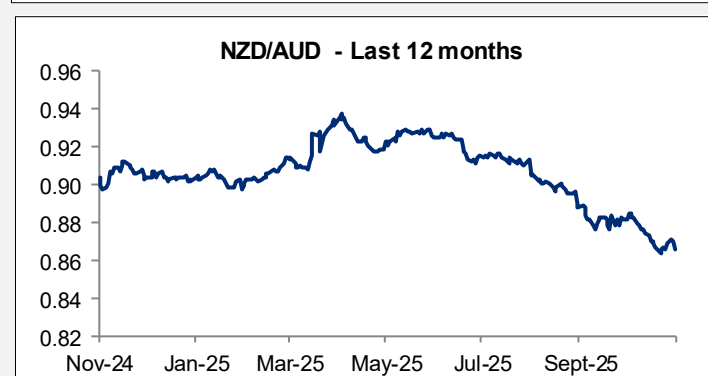
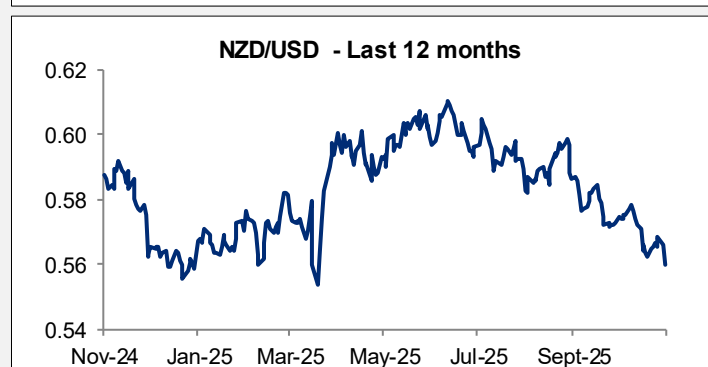
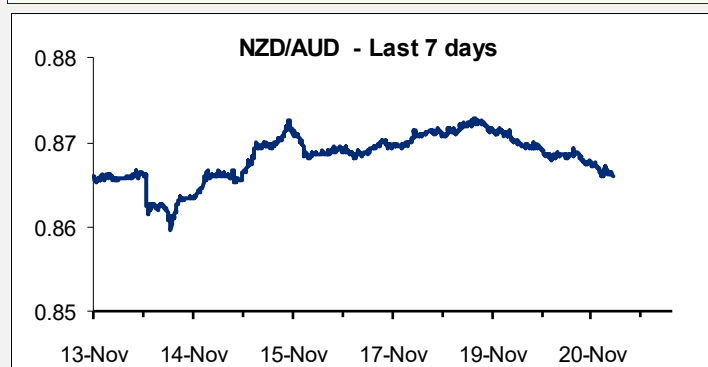
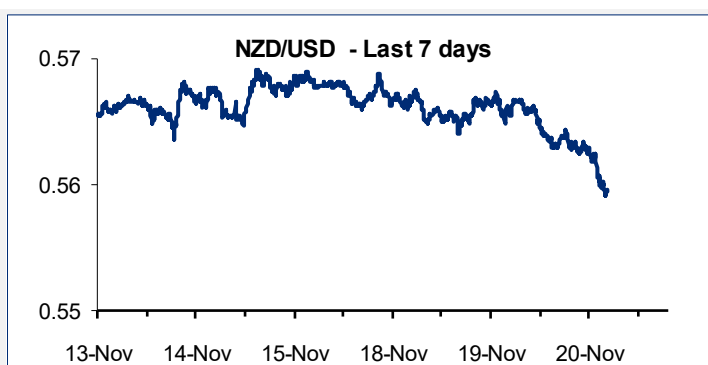
20/11/2025	7:01 am	Prev. NY close
USD	0.5597	0.5658
GBP	0.4283	0.4304
AUD	0.8661	0.8695
EUR	0.4853	0.4886
JPY	87.74	87.99
CAD	0.7867	0.7915
CHF	0.4507	0.4525
DKK	3.6239	3.6488
FJD	1.2781	1.2938
HKD	4.3590	4.4046
INR	49.58	50.14
NOK	5.7018	5.7197
PKR	157.11	158.82
PHP	32.99	33.38
PGK	2.3666	2.3853
SEK	5.3469	5.3586
SGD	0.7314	0.7366
CNY	3.9814	4.0225
THB	18.14	18.35
TOP	1.3361	1.3468
VUV	68.22	68.93
WST	1.5598	1.5732
XPF	57.82	58.34
ZAR	9.6500	9.7233

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	7.65	7.85
3 Months	22.78	23.18
6 Months	42.12	43.11
9 Months	59.47	61.48
1 Year	73.16	75.65

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	9.12	9.57
3 Months	28.54	29.61
6 Months	55.88	58.52
9 Months	85.09	90.03
1 Year	114.08	120.58



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