

Research Markets Today

21 November 2025

Events Round-Up

US: Change in nonfarm payrolls (k), Sep: 119 vs. 51 exp.
 US: Unemployment rate (%), Sep: 4.4 vs. 4.3 exp.
 US: Average hourly earnings (m/m%), Sep: 0.2 vs. 0.3 exp.
 US: Average hourly earnings (y/y%), Sep: 3.8 vs. 3.7 exp.
 US: Philly Fed business outlook, Nov: -1.7 vs. 1.0 exp.
 US: Existing home sales (m/m%), Oct: 1.2 vs. 0.5 exp.
 US: Initial jobless claims (k), wk to 21 Nov: 220 vs. 227 exp.
 EA: Consumer confidence, Nov: -14.2 vs. -14.0 exp.

Good Morning

US equities pared earlier gains and have shown a sharp, steady decline in the two hours leading up to the publication of this report. A lift in the US unemployment rate resulted in lower yields, with the shift in risk sentiment adding to that move. Commodity currencies have underperformed overnight, seeing the NZD fall back to just below 0.56.

After yesterday's NY close, Nvidia didn't disappoint, reporting strong growth in revenue and profits and increasing current quarter guidance. The result sparked a rally in risk assets, as it eased some concerns around the health of the AI sector. The S&P500 was up almost 2% in early trading, before a distinct change in market sentiment set in, resulting in a steep decline and the index is down 0.9% in early afternoon trading. A 5% gain in Nvidia has morphed into a loss of 2%.

Delayed US non-farm payrolls data showed a 119k gain for September, higher than the ~50k expected even accounting for the 33k downward revision for the previous two months. The unemployment rate unexpectedly ticked higher to 4.4%, a four-year high and, coming in at 4.44% to two decimal places, was on the verge of rounding up to 4.5%. Average hourly earnings rose 0.2% m/m, a tick lower than expected, but upward revisions meant slightly higher than expected annual wage inflation of 3.8%. The dump of initial jobless claims for recent weeks showed them remaining benign – 220k for the last week, consistent with a low-firing environment.

Expectations are that the October payrolls figures will come in very weak, flat or even negative, but those figures, alongside November, won't be released until after the December FOMC meeting.

The market took more notice of the rising unemployment rate trend than the solid jobs and jobless claims data, believing overall that the data slightly increased the odds of a December rate cut. Fed Fund futures price 10bps for December, up from 7bps yesterday. The data supported a modest fall in US Treasury yields, and the negative shift in risk sentiment added to the move, with rates down 4-5bps across the curve, with the 10-year rate currently trading at 4.09%.

Speaking after the figures, Cleveland Fed President Hammack, a known hawk, said lowering interest rates to support the labour market could extend the period of above-target inflation and increase financial stability risks. Fed Governor Barr said the Fed needed to be careful and cautious now about monetary policy as he was concerned inflation was still around 3%. Fair to say that a majority of FOMC members don't seem inclined to vote for a December rate cut at this juncture. Both JP Morgan and Morgan Stanley changed their rate calls, both now seeing the Fed on hold in December.

There was only a passing impact on the USD, with a small fall fading and little net movement. There has been modest underperformance of commodity currencies overnight, not helped by the shift down in risk sentiment. The AUD has been the weakest since the NZ close, falling below 0.6450. The NZD traded up towards 0.5640 in the wake of the US employment report, before the change in risk sentiment weighed, and it is currently languishing back below 0.56. NZD/AUD has pushed up to 0.8680.

Other NZD crosses are slightly weaker overnight although not so relative to 24 hours ago. NZD/JPY rose to 88.8 before the change in risk sentiment saw it fall back towards 88.0.

Yesterday, BoJ Board member Koeda gave a speech with hawkish undertones, suggesting that the BoJ needs to proceed with interest rate normalisation, with real rates at significantly low levels and the need to avoid unintended market distortion in the future. Her comments suggested that she is not far off voting for a rate hike, joining two other hawkish members who have previously voted to hike.

Bloomberg reported that PM Takaichi is set to unveil the largest spending plan since the pandemic era, including 17.7 trillion yen (USD112b) of spending through a supplementary budget, adding to the 4 trillion yen already budgeted for. Long-term JGB yields have been

skyrocketing this year and large stimulus plans can only add to the upward pressure. Higher long term bond yields and chatter about fiscal stimulus have done nothing to support the yen over recent weeks.

Ukraine President Zelensky said he has agreed to work on a peace plan drafted by the US and Russia “in a way that would bring about a just end to the war”. As we noted yesterday, the plan, amongst other measures, includes Ukraine giving up territory won by Russia, something Zelensky has flatly rejected in the past. Bloomberg reports that Zelensky is facing pressure by US officials to accept the deal. Oil prices pared an earlier rise and Brent crude has fallen to just over USD63 per barrel following reports of Zelensky’s agreement to work on the deal.

In the domestic rates market yesterday, NZGB yields were up 3-4bps, reversing price action seen the previous day, aided by global forces and profit taking in the aftermath of the 2036 bond syndication earlier in the week. In the swaps market the 2-year rate rose 2bps to 2.62% while the 10-year rate rose 5bps to 3.76%.

On the calendar today will be NZ trade data and Japan CPI, with the latter expected to show annual headline and core inflation measures around 3.0-3.1%. PMI data for Europe and the US are released tonight.

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Coming Up

		Period	Cons.	Prev.	NZT
NZ	Trade balance (ann \$b)	Oct	-2.2		10:45
JN	CPI (y/y%)	Oct	3.0	2.9	12:30
JN	CPI ex fr. food, energy (y/y%)	Oct	3.1	3.0	12:30
UK	GfK consumer confidence	Nov	-18	-17	13:01
UK	Retail sales ex auto fuel (m/m%)	Oct	-0.5	0.6	20:00
GE	Manufacturing PMI	Nov	49.8	49.6	21:30
GE	Services PMI	Nov	54.0	54.6	21:30
EC	Manufacturing PMI	Nov	50.1	50.0	22:00
EC	Services PMI	Nov	52.8	53.0	22:00
UK	Manufacturing PMI	Nov	49.2	49.7	22:30
UK	Services PMI	Nov	52	52.3	22:30
EA	Negotiated wages	Q3	2.45	3.95	23:00
CA	Retail sales ex auto (m/m%)	Sep	-0.5	0.7	02:30
US	Manufacturing PMI	Nov	52.0	52.5	03:45
US	Services PMI	Nov	54.6	54.8	03:45

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	0.5593	-0.2	0.5589	0.5639	CHF	0.8056	+0.0	S&P 500	6,587	-0.8	11.3	Oil (Brent)	63.20	-0.5
AUD	0.6445	-0.5	0.6436	0.6503	SEK	9.551	+0.0	Dow	45,821	-0.6	5.6	Oil (WTI)	58.97	-0.8
EUR	1.1530	-0.1	1.1504	1.1550	NOK	10.216	+0.4	Nasdaq	22,302	-1.1	17.6	Gold	4059.5	-0.6
GBP	1.3069	+0.1	1.3050	1.3124	HKD	7.785	-0.1	Stoxx 50	5,570	+0.5	17.8	HRC steel	856.0	+0.2
JPY	157.52	+0.2	157.11	157.89	CNY	7.115	+0.0	FTSE	9,528	+0.2	17.8	CRB	299.2	-1.4
CAD	1.4103	+0.4			SGD	1.308	+0.1	DAX	23,279	+0.5	22.5	Wheat Chic.	543.5	-1.1
NZD/AUD	0.8678	+0.3			IDR	16,736	+0.2	CAC 40	7,981	+0.3	10.9	Sugar	14.69	+0.2
NZD/EUR	0.4851	-0.1			THB	32.47	-0.0	Nikkei	49,824	+2.7	31.0	Cotton	61.82	-0.8
NZD/GBP	0.4280	-0.3			KRW	1,474	+0.4	Shanghai	3,931	-0.4	16.7	Coffee	376.1	+0.3
NZD/JPY	88.10	+0.1			TWD	31.24	+0.0	ASX 200	8,553	+1.2	2.8	WM powder	3295	-1.3
NZD/CAD	0.7888	+0.2			PHP	59.05	+0.2	NZX 50	13,439	+0.8	5.3	Australian Futures		
NZ TWI	65.42	+0.1						VIX Index	26.30	+11.2	+53.3	3 year bond	96.21	-0.05
Interest Rates												10 year bond 95.53 -0.01		
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	4.00	4.85	3.32	3.66	USD	4.10	-0.04	15-Apr-27	2.60	0.00	BKBM 1-mth	2.46	-0.03	
AUD	3.60	3.64	3.68	4.52	AUD	4.47	0.05	15-May-28	2.91	0.03	BKBM 3-mth	2.46	-0.02	
NZD	2.50	2.46	2.62	3.76	NZD	4.14	0.04	20-Apr-29	3.11	0.03	1 year	2.43	-0.00	
EUR	2.00	2.07	2.17	2.76	GER	2.72	0.01	15-May-30	3.33	0.04	2 year	2.62	0.02	
GBP	4.00	4.11	3.55	4.06	GBP	4.59	-0.02	15-May-31	3.55	0.04	3 year	2.82	0.02	
JPY	0.48	-0.03	0.94	1.60	JPY	1.82	0.05	15-May-32	3.74	0.04	5 year	3.17	0.04	
CAD	2.25	4.97	2.33	2.97	CAD	3.22	-0.03	14-Apr-33	3.88	0.04	7 year	3.45	0.05	
Carbon Price						Policy Meeting Run			15-May-34	4.02	0.04	10 year	3.76	0.05
									15-May-35	4.14	0.04	15 year	4.08	0.05
									15-May-36	4.25	0.04			
									15-May-37	4.38	0.04			
									15-May-41	4.74	0.04			
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer						NZD AUD USD			15-May-51	5.03	0.04	NZ Inflation-Indexed Bonds		
									15-May-54	5.02	0.04	Sept-30	1.36	0.01
												Sept-35	2.22	0.01
												Sept-40	2.67	0.01
Rates are as of: NZT 06:58														
Source: Bloomberg														

NZD exchange rates

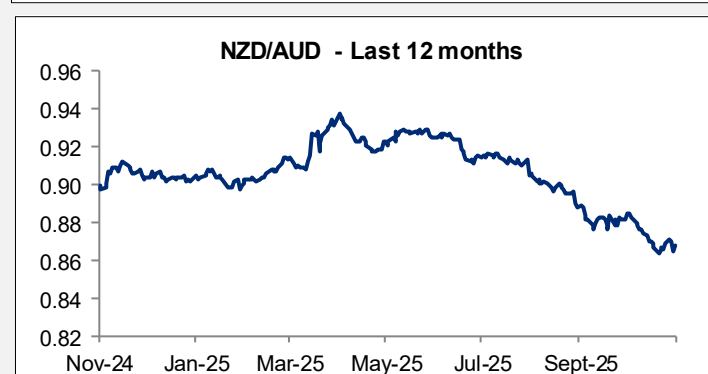
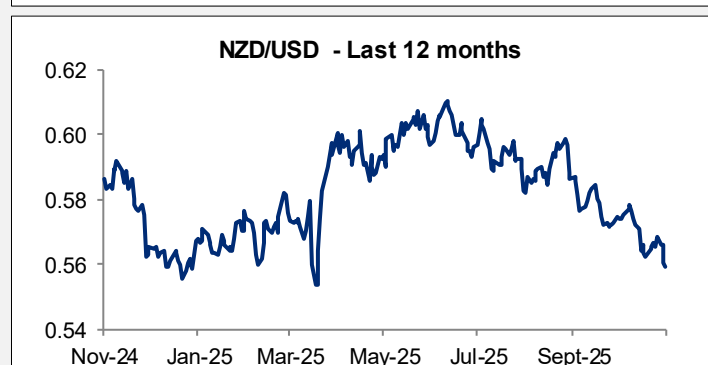
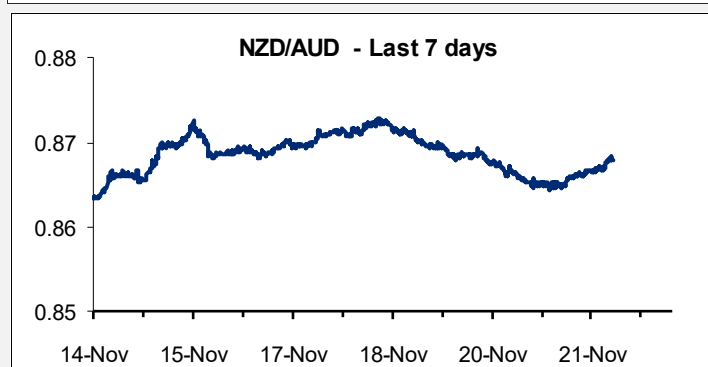
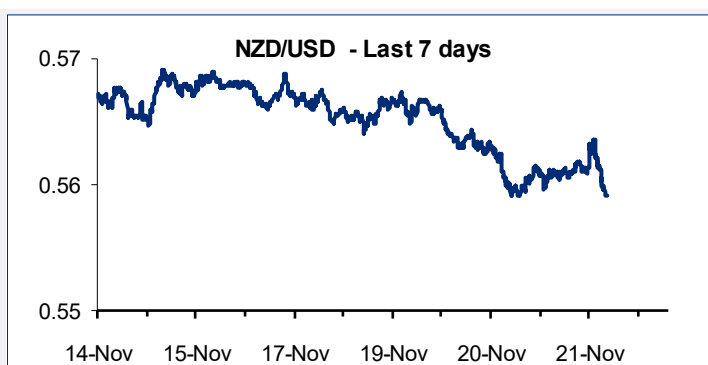
21/11/2025	6:58 am	Prev. NY close
USD	0.5593	0.5604
GBP	0.4280	0.4291
AUD	0.8678	0.8651
EUR	0.4851	0.4857
JPY	88.10	88.07
CAD	0.7888	0.7874
CHF	0.4519	0.4514
DKK	3.6324	3.6275
FJD	1.2847	1.2889
HKD	4.3655	4.3659
INR	49.76	49.64
NOK	5.7210	5.7024
PKR	157.40	157.30
PHP	33.12	33.03
PGK	2.3727	2.3706
SEK	5.3474	5.3500
SGD	0.7332	0.7324
CNY	3.9891	3.9867
THB	18.20	18.16
TOP	1.3390	1.3378
VUV	68.45	68.35
WST	1.5673	1.5616
XPF	57.95	57.89
ZAR	9.6423	9.6370

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	7.39	7.59
3 Months	22.28	22.67
6 Months	42.35	43.35
9 Months	58.86	60.86
1 Year	72.17	74.92

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	8.86	9.30
3 Months	27.89	28.94
6 Months	57.04	59.64
9 Months	85.71	90.76
1 Year	115.31	122.19



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