

Research Markets Today

23 October 2025

Events Round-Up

UK: CPI (y/y%), Sep: 3.8 vs. 4.0 exp.

UK: CPI Core (y/y%), Sep: 3.5 vs. 3.7 exp.

UK: CPI Services (y/y%), Sep: 4.7 vs. 4.8 exp.

Good morning

Risk sensitive assets have traded with a soft tone overnight. Outside of the FTSE, which gained after softer than expected UK CPI data, major equity indices have declined. Stocks in Asia fell and the Euro Stoxx closed 0.8% lower while US equity indices have registered losses in afternoon trading. Absolute moves across currency and rate markets have been small with limited economic data or other catalysts to prove direction. Oil prices sustained recent gains with Brent crude near US\$62.70 per barrel.

Gold prices extended lower. This follows a decline the previous day where prices dropped by 6%, the largest fall in more than ten years. Spot gold slipped below US\$4020 per ounce and has fallen more than 8% from the record high earlier in the week. The sharp move appears to be driven by the unwinding of extended positioning after an almost one-way advance through this year. Prices are still 55% higher since January.

There was limited movement across most global government bond markets. 10-year US treasury yields are consolidating near the lowest level since early April, as the US government shutdown nears the second-longest on record. The US\$13 billion 20-Year treasury auction saw decent demand and cleared around 1.5bp through the prevailing market levels.

UK headline CPI rose 3.8% in September from a year earlier, which was below the consensus estimate for a 4.0% increase. Core and services price inflation were also below expectations. Market pricing indicates an increased chance of easing by the Bank of England (BOE) rate following the release, which is the last important data point, before the 6 November meeting. There is 18bp of easing priced by the end of 2025, up from below 10bp at the previous close. Gilts rallied and the pound fell.

Japan's newly appointed Prime Minister, Sanae Takaichi, has ordered a range of measures aimed at easing the impact of inflation on households and companies. The size

of the package, which will include subsidies for electricity and gas charges, has not been announced and it is unclear if additional bond issuance will be required to provide funding. Japanese government bond yields were little changed, and the yen was not impacted by the announcement.

The US dollar gained in European trading, but the move fully unwound. There were limited catalysts and G10 currencies are little changed against the US dollar compared with the NZ close yesterday. The pound dropped sharply following the UK CPI data, before retracing the initial move, through the remainder of the offshore session. NZD/USD traded above 0.5760 before pulling back and the NZD is stable on the major crosses.

It was a quiet local session yesterday for NZ fixed income with limited movement in the swap and government curves. There was a marginal flattening bias for NZGBs. 2-year yields closed 2bp higher at 2.53% while 10-year bonds ended unchanged at 3.96%. Australian 10-year bond futures are unchanged from the local close yesterday implying limited directional bias for NZ rates on the open.

NZ Debt Management will undertake the weekly government bond tender today. The NZ\$450 million of issuance will be split across the May-30 (\$225m), May-36 (\$175m) and May-2054 (\$50m) lines. After a dearth of issuance into the ultras, the May-2054 line has featured two weeks in a row suggesting a pickup in indicated demand. The NZGB 10y/30y curve has retraced from the recent peak near 95bp.

There is no domestic or regional economic data today. International releases are largely second tier and are unlikely to be market moving. The US Department of Labor has halted the publication of national initial jobless claims data, which would typically be released on Thursday evening (NZT), amid the government shutdown. US existing home sales are expected to increase with lower mortgage rates providing support.

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Coming Up

		Period	Cons.	Prev.	NZT
CA	Retail Sales ExAuto (m/m%)	Aug	1.3	-1.2	01:30
EC	Consumer Confidence	Oct P	-15	-14.9	03:00
US	Existing Home Sales (m/m%)	Sep	1.5	-0.2	03:00

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NZD exchange rates

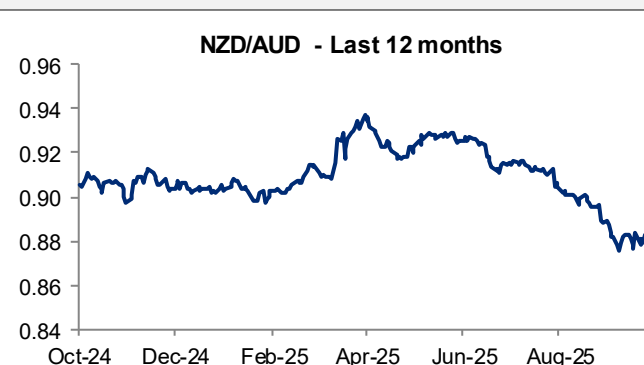
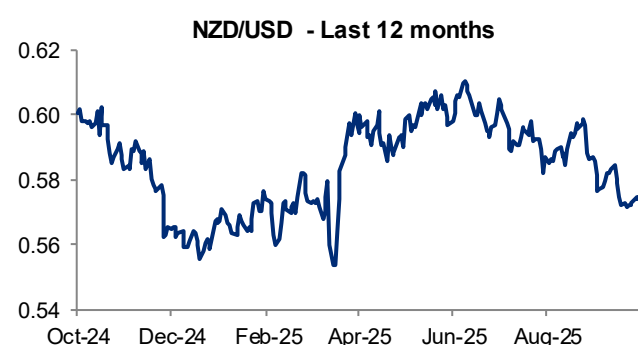
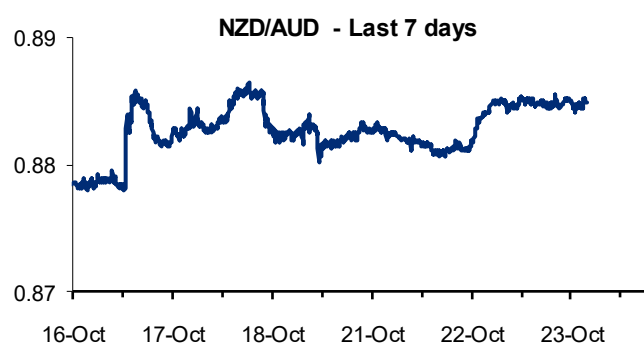
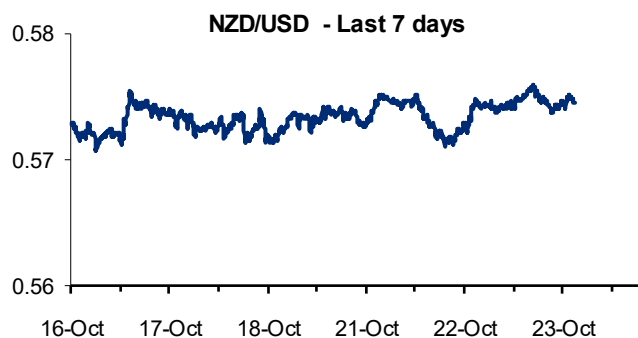
23/10/2025	6:10 am	Prev. NY close
USD	0.5745	0.5741
GBP	0.4297	0.4294
AUD	0.8849	0.8849
EUR	0.4947	0.4949
JPY	87.20	87.22
CAD	0.8033	0.8051
CHF	0.4571	0.4572
DKK	3.6951	3.6965
FJD	1.3168	1.3176
HKD	4.4648	4.4618
INR	50.52	50.51
NOK	5.7561	5.7760
PKR	161.48	161.55
PHP	33.57	33.43
PGK	2.3928	2.3694
SEK	5.4016	5.4104
SGD	0.7454	0.7455
CNY	4.0940	4.0903
THB	18.89	18.81
TOP	1.3502	1.3492
VUV	70.05	69.89
WST	1.5849	1.5901
XPF	59.15	59.15
ZAR	10.0118	9.9884

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	7.25	7.45
3 Months	22.40	22.81
6 Months	40.61	41.61
9 Months	56.89	58.89
1 Year	70.61	73.39

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	7.30	7.83
3 Months	25.10	26.27
6 Months	48.38	51.28
9 Months	71.98	77.08
1 Year	96.58	103.72



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