# 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**

	<u> </u>				
		Period	Cons	. Prev.	NZT
CA	Retail Sales Ex Auto (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%)				03:00

Currencies						Equities			Commodities					
FX Majors Indicative overnight ranges (*)			Othe	Other FX			Major Indices			Price (Near futures, except CRB)				
	Last	% Day	Low	High		Last	% Day		Last	% Day	% Year		Last	Net Day
NZD	0.5745	+0.1	0.5738	0.5761	CHF	0.7956	-0.1	S&P 500	6,697	-0.5	14.5	Oil (Brent)	62.76	+2.3
AUD	0.6492	+0.1	0.6479	0.6512	SEK	9.403	-0.3	Dow	46,680	-0.5	8.7	Oil (WTI)	58.70	+2.5
EUR	1.1613	+0.1	1.1577	1.1622	NOK	10.019	-0.4	Nasdaq	22,654	-1.2	22.0	Gold	4028.0	-1.5
GBP	1.3369	-0.0	1.3306	1.3385	HKD	7.772	-0.0	Stoxx 50	5,639	-0.8	14.2	HRC steel	813.0	+0.0
JPY	151.79	-0.1	151.51	152.05	CNY	7.126	+0.0	FTSE	9,515	+0.9	14.5	CRB	295.4	-0.4
CAD	1.3983	-0.3			SGD	1.298	-0.1	DAX	24,151	-0.7	24.3	Wheat Chic.	518.5	+0.3
NZD/AUD	0.8849	+0.0			IDR	16,585	-0.0	CAC 40	8,207	-0.6	8.9	Sugar	15.13	-0.7
NZD/EUR	0.4947	-0.1			THB	32.80	-0.1	Nikkei	49,308	-0.0	29.4	Cotton	63.85	-0.9
NZD/GBP	0.4297	+0.1			KRW	1,431	-0.1	Shanghai	3,914	-0.1	19.1	Coffee	422.6	+2.0
NZD/JPY	87.20	-0.0			TWD	30.74	+0.3	ASX 200	9,030	-0.7	9.9	WM powder	3495	-1.5
NZD/CAD	0.8033	-0.2			PHP	58.43	+0.3	NZX 50	13,306	-0.5	4.1	Australian Fu	tures	
NZ TWI	66.73	+0.0						VIX Index	19.12	+7.0	+5.1	3 year bond	96.65	0.00
Interest I	Rates											10 year bond	95.87	-0.01
Rates Swap Yields			Benc	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	4.25	4.85	3.22	3.51	USD	3.95	-0.01	15-Apr-27		2.53	0.02	BKBM 1-mth	2.64	0.00
AUD	3.60	3.49	3.32	4.13	AUD	4.11	-0.01	15-May-28		2.75	0.02	BKBM 3-mth	2.52	0.00
NZD	2.50	2.52	2.47	3.52	NZD	3.96	-0.00	20-Apr-29		2.94	0.01	1 year	2.39	0.01
EUR	2.00	2.04	2.07	2.58	GER	2.56	0.01	15-May-30		3.14	0.00	2 year	2.47	0.00
GBP	4.00	4.15	3.53	3.92	GBP	4.42	-0.06	15-May-31		3.38	0.00	3 year	2.62	0.00
JPY	0.51	-0.03	0.91	1.47	JPY	1.65	-0.02	15-May-32		3.57	0.00	5 year	2.94	0.00
CAD	2.50	4.97	2.25	2.81	CAD	3.07	-0.01	14-Apr-33		3.70	-0.00	7 year	3.22	-0.00
								15-May-34		3.85	-0.01	10 year	3.52	-0.01
					Policy M	eeting Run	ı	15-May-35		3.96	-0.00	15 year	3.85	-0.01
					NZI	AUD	USD	15-May-36		4.07	-0.00			
					1st 2.25	3.44	3.87	15-May-37		4.19 -0.00 NZ Infla			ndexed Bo	onds
* These are indicative ranges from 5pm NZT; 2nd 2.15 3.38 3.63			15-May-41		4.56	-0.00	Sept-30	1.35	0.01					
please confirm rates with your BNZ dealer 3rd 2.12 3.26 3.47			15-May-51		4.86	-0.00	Sept-35	2.21	0.02					
Rates are as of: NZT 06:10 4th 2.10 3.22 3.34				15-May-54		4.87	-0.00	Sept-40	2.66	0.01				
Source: Bloomberg 5th 2.10 3.15 3.26								•						

0.58

0.57

0.56 -

16-Oct

16-Oct

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					

# 0.89 NZD/AUD - Last 7 days 0.88

18-Oct

18-Oct

17-Oct

17-Oct

NZD/USD - Last 7 days

21-Oct

22-Oct

22-Oct

23-Oct

23-Oct

# **NZD/USD Forward Points**

	<b>BNZ</b> 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 Voor	70.61	73 30

NZD/USD - Last 12 months				
0.60	A MALLANDAN AND AND AND AND AND AND AND AND AN			
0.58 -	My will " PIN			
0.56	" hammand			
0.54 Oct-24	Dec-24 Feb-25 Apr-25 Jun-25 Aug-25			

21-Oct

# **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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