

Research Markets Today

24 September 2025

Events Round-Up

GE: Manufacturing PMI, Sep: 48.5 vs. 50 exp.
 GE: Services PMI, Sep: 52.2 vs. 49.5 exp.
 EA: Manufacturing PMI, Sep: 49.5 vs. 50.8 exp.
 EA: Services PMI, Sep: 51.4 vs. 50.5 exp.
 UK: Manufacturing PMI, Sep: 46.2 vs. 47.1 exp.
 UK: Services PMI, Sep: 51.9 vs. 53.5 exp.
 US: Manufacturing PMI, Sep: 52.0 vs. 51.9 exp.
 US: Services PMI, Sep: 53.9 vs. 53.9 exp.

Good morning

Global asset markets were largely stable overnight with Federal Reserve Chair Powell's first speech since the FOMC last week providing few fresh clues on the outlook for monetary policy. Major US stock indices are lower and consolidating after the recent run up to record highs. The Euro Stoxx gained 0.6% while major Asian indices were mixed. Global government bond markets were little changed overall while the US dollar was softer at the margin against G10 currencies.

US advance PMIs for September showed economic activity is holding up well. The services index retraced to 53.9 from 54.4, which was close to the consensus estimate, and remains at levels consistent with a healthy expansion. The manufacturing PMI fell to 52.0 from 53.0. The output prices index within the manufacturing survey, fell to the lowest level since the start of the year, which suggests producers are absorbing a decent portion of the tariffs.

Powell's prepared remarks noted the conflict in achieving the Fed's dual mandate role given that near-term risks to inflation are tilted to the upside and risks to employment to the downside. He characterised policy settings as 'modestly' restrictive and said policymakers faced a 'challenging situation' in deciding whether to prioritise fighting inflation or protecting jobs.

Separately Fed Governor Bowman, who voted with the majority for a 25bp cut, said officials need to act decisively to bring down rates as the labour market weakens. The market is pricing 22bp of easing for the October FOMC and a total of 44bp by the end of the year and was little changed in response to the comments from policy makers and the PMI data.

The sell-off in US treasuries since the FOMC appears to have stalled with yields 2-4bp lower across the yield curve with a curve flattening bias. The US\$69 billion 2-year auction cleared near prevailing market levels despite tepid demand from investors.

The Eurozone PMI data presented contrasting views for the manufacturing and services sectors. The manufacturing index dipped to 49.5, but the services reading advanced to 51.4, taking the composite to a 16-month high. The headline index masks regional dispersion, as a rebound in Germany offset a contraction in France, where political instability is weighing on demand. PMIs were weaker than the consensus estimate in the UK. 10-year bunds closed unchanged at 2.75% while 10-year gilt yields declined 3bp to 4.68%.

Absolute moves across G10 currencies were small in offshore trade. The pound fell immediately after the soft PMI readings but recovered to be little changed. NZD/USD was confined to a narrow range and is consolidating above the 200-day moving average after sharp post-GDP selloff last week.

It was a quiet session for NZ fixed income in the local session yesterday. Swap rates closed 1-2bp lower across the curve with 2- and 5-year rates remaining near the cycle lows. The market looks ahead to the expected announcement of the new RBNZ governor by Finance Minister Willis this afternoon. Bloomberg reported yesterday that the incoming Governor will be a woman and an international candidate.

The belly of the NZ government bond curve outperformed at the margin. 5-year bonds rallied 3bp while 10-year bond and longer closed 1bp lower. Australian 10-year government bond futures are 3bp lower in yield terms since the local close yesterday, which suggests lower NZ yields on the open.

There is no domestic data today. While not market moving, the Treasury will release the Long-term Fiscal Statement focused on dynamics over coming decades. The monthly CPI indicator in Australia is expected to pick up marginally to 2.9% compared with 2.8% in July which is broadly in line with the Reserve Bank of Australia's expectations. The IFO is released in Germany.

stuart.ritson@bnz.co.nz

Coming Up

		Period	Cons.	Prev.	NZT
AU	CPI (y/y%)	Aug	2.9	2.8	13:30
AU	CPI Trimmed Mean (y/y%)	Aug		2.7	13:30
GE	IFO Expectations	Sep	92	91.6	20:00
US	New Home Sales	Aug	650	652	02:00

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	0.5857	-0.2	0.5845	0.5869	CHF	0.7913	-0.1	S&P 500	6,653	-0.6	16.3	Oil (Brent)	67.53	+1.4	
AUD	0.6596	-0.1	0.6584	0.6615	SEK	9.332	-0.2	Dow	46,255	-0.3	9.8	Oil (WTI)	63.32	+1.7	
EUR	1.1813	+0.1	1.1780	1.1818	NOK	9.898	-0.2	Nasdaq	22,565	-1.0	25.5	Gold	3778.5	+0.9	
GBP	1.3517	+0.0	1.3487	1.3537	HKD	7.775	+0.1	Stoxx 50	5,472	+0.6	12.0	HRC steel	809.0	-0.2	
JPY	147.53	-0.1	147.46	147.93	CNY	7.113	-0.0	FTSE	9,223	-0.0	11.7	CRB	297.8	-0.4	
CAD	1.3843	+0.2			SGD	1.283	+0.1	DAX	23,611	+0.4	25.3	Wheat Chic.	539.0	+1.8	
NZD/AUD	0.8880	-0.1			IDR	16,688	+0.5	CAC 40	7,872	+0.5	4.8	Sugar	15.66	+2.7	
NZD/EUR	0.4958	-0.3			THB	31.86	+0.2	Nikkei	45,494	+1.0	19.9	Cotton	64.24	-0.1	
NZD/GBP	0.4333	-0.2			KRW	1,394	+0.2	Shanghai	3,822	-0.2	39.0	Coffee	350.2	-4.2	
NZD/JPY	86.41	-0.3			TWD	30.30	+0.2	ASX 200	8,846	+0.4	8.6	WM powder	3640	+0.4	
NZD/CAD	0.8108	-0.0			PHP	57.29	+0.4	NZX 50	13,137	-0.0	6.8	Australian Futures			
NZ TWI	67.37	-0.2						VIX Index	16.93	+5.2	+6.5	3 year bond	96.54	-0.01	
											10 year bond			95.72	0.04
Interest Rates															
	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	4.25	4.85	3.34	3.59	USD	4.11	-0.04	15-Apr-27	2.75	-0.02	BKBM 1-mth	2.97	-0.01		
AUD	3.60	3.56	3.32	4.17	AUD	4.26	-0.00	15-May-28	2.98	-0.02	BKBM 3-mth	2.83	-0.01		
NZD	3.00	2.83	2.66	3.73	NZD	4.22	-0.01	20-Apr-29	3.18	-0.02	1 year	2.60	-0.01		
EUR	2.00	2.00	2.15	2.70	GER	2.75	0.00	15-May-30	3.39	-0.03	2 year	2.66	-0.01		
GBP	4.00	4.23	3.74	4.13	GBP	4.68	-0.03	15-May-31	3.63	-0.02	3 year	2.82	-0.02		
JPY	0.48	-0.03	0.93	1.47	JPY	1.65	0.00	15-May-32	3.83	-0.01	5 year	3.14	-0.02		
CAD	2.50	4.97	2.30	2.86	CAD	3.18	-0.02	14-Apr-33	3.98	-0.01	7 year	3.42	-0.02		
									15-May-34	4.12	-0.01	10 year	3.73	-0.02	
									15-May-35	4.22	-0.01	15 year	4.03	-0.02	
									15-May-36	4.33	-0.01				
									15-May-37	4.46	-0.01				
									15-May-41	4.78	-0.01				
									15-May-51	5.06	-0.01				
									15-May-54	5.09	-0.01				
							Policy Meeting Run				NZ Inflation-Indexed Bonds				
							NZD	AUD	USD						
							1st	2.68	3.59	3.87			Sept-30	1.59	0.01
							2nd	2.41	3.40	3.66			Sept-35	2.42	0.00
							3rd	2.33	3.35	3.54			Sept-40	2.84	-0.01
							4th	2.31	3.24	3.42					
							5th	2.29	3.21	3.36					
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer Rates are as of: NZT 06:30 Source: Bloomberg															

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

Rates are as of: NZT 06:30

Source: Bloomberg

NZD exchange rates

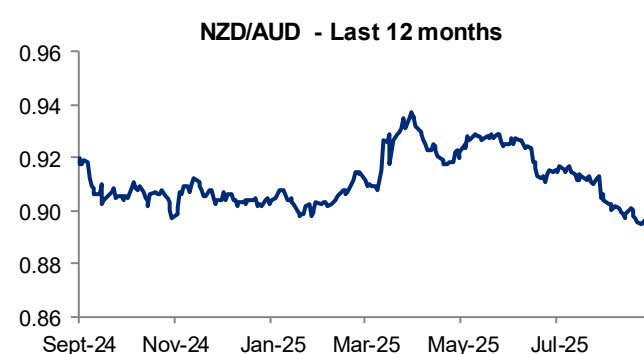
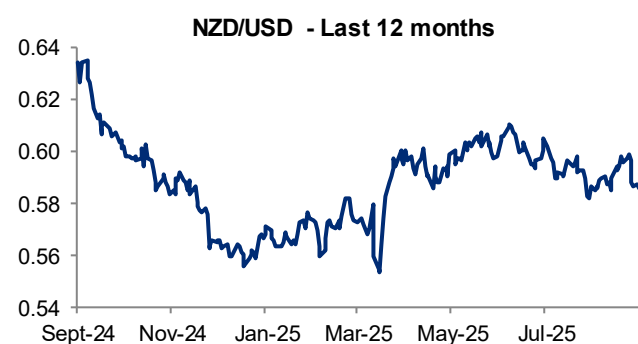
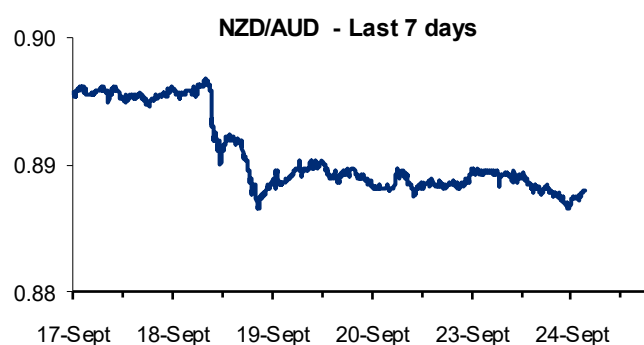
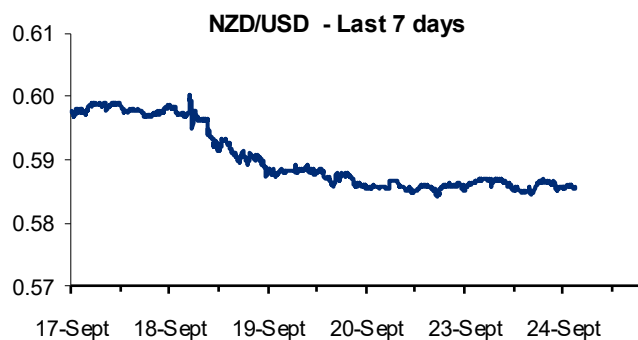
24/09/2025	6:30 am	Prev. NY close
USD	0.5857	0.5868
GBP	0.4333	0.4342
AUD	0.8880	0.8892
EUR	0.4958	0.4972
JPY	86.41	86.68
CAD	0.8108	0.8108
CHF	0.4635	0.4650
DKK	3.7005	3.7106
FJD	1.3186	1.3249
HKD	4.5538	4.5596
INR	51.98	51.82
NOK	5.7972	5.8175
PKR	164.82	165.13
PHP	33.55	33.48
PGK	2.4465	2.4099
SEK	5.4659	5.4856
SGD	0.7515	0.7523
CNY	4.1660	4.1748
THB	18.63	18.66
TOP	1.3621	1.3726
VUV	69.84	70.17
WST	1.5998	1.6010
XPF	59.38	59.57
ZAR	10.1013	10.1669

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	7.02	7.19
3 Months	20.24	20.64
6 Months	37.35	38.35
9 Months	53.72	55.54
1 Year	66.47	69.21

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	6.07	6.48
3 Months	19.45	20.37
6 Months	38.16	40.67
9 Months	58.07	62.81
1 Year	77.18	83.95



Contact Details

BNZ Research

Stephen Toplis

Head of Research
+64 4 474 6905

Doug Steel

Senior Economist
+64 4 474 6923

Jason Wong

Senior Markets Strategist
+64 4 924 7652

Stuart Ritson

Senior Interest Rate Strategist
+64 9 9248601

Mike Jones

BNZ Chief Economist
+64 9-956 0795

Main Offices

Wellington

Level 4, Spark Central
42-52 Willis Street
Private Bag 39806
Wellington Mail Centre
Lower Hutt 5045
New Zealand
Toll Free: 0800 283 269

Auckland

80 Queen Street
Private Bag 92208
Auckland 1142
New Zealand
Toll Free: 0800 283 269

Christchurch

111 Cashel Street
Christchurch 8011
New Zealand
Toll Free: 0800 854 854

This document has been produced by Bank of New Zealand (BNZ). BNZ is a registered bank in New Zealand and is only authorised to offer products and services to customers in New Zealand.

Analyst Disclaimer: The Information accurately reflects the personal views of the author(s) about the securities, issuers and other subject matters discussed, and is based upon sources reasonably believed to be reliable and accurate. The views of the author(s) do not necessarily reflect the views of the NAB Group. No part of the compensation of the author(s) was, is, or will be, directly or indirectly, related to any specific recommendations or views expressed.

BNZ maintains an effective information barrier between the research analysts and its private side operations. Private side functions are physically segregated from the research analysts and have no control over their remuneration or budget. The research functions do not report directly or indirectly to any private side function. The Research analyst might have received help from the issuer subject in the research report.

New Zealand: The information in this publication is provided for general information purposes only, and is a summary based on selective information which may not be complete for your purposes. This publication does not constitute any advice or recommendation with respect to any matter discussed in it, and its contents should not be relied on or used as a basis for entering into any products described in it. Bank of New Zealand recommends recipients seek independent advice prior to acting in relation to any of the matters discussed in this publication.

Any statements as to past performance do not represent future performance, and no statements as to future matters are guaranteed to be accurate or reliable.

Neither Bank of New Zealand nor any person involved in this publication accepts any liability for any loss or damage whatsoever which may directly or indirectly result from any advice, opinion, information, representation or omission, whether negligent or otherwise, contained in this publication.

USA: If this document is distributed in the United States, such distribution is by nabSecurities, LLC. This document is not intended as an offer or solicitation for the purchase or sale of any securities, financial instrument or product or to provide financial services. It is not the intention of nabSecurities to create legal relations on the basis of information provided herein.

