Research

Markets Today

25 November 2025

Events Round-Up

GE: IFO Expectations, Nov: 90.6 vs. 91.6 exp.

Good Morning

Newsflow has been light. The only market movement of note has been an extension of Friday's rally in US equities, with another solid gain to kick off the new week. Currencies and bonds show only small movements, and the NZD continues to languish just over 0.56.

US equities are on track for another solid increase, building on the recovery seen on Friday. The S&P500 is up 1.6% in early afternoon trading with a larger 2.6% gain for the Nasdaq, and Bloomberg's Magnificent Seven index up 3.5%, as concerns about a possible AI bubble fade.

Recall that Friday's rally was supported by NY Fed President Willams' speech in which he said he still sees room for a further rate cut in the near term to bring policy closer to neutral. Overnight, on Fox Business Fed Governor Waller repeated his dovish views saying he was advocating for a rate cut at the December meeting as "my concern is mainly the labour market, in terms of our dual mandate" and then "you may see a more of a meeting-by-meeting approach once you get to January", admitting that a flood of data could reveal more information about the economy and make the January decision "a little trickier".

Following Waller's reaffirmation of support for a near-term rate cut, the market has moved to move in a slightly higher chance of a December move, with the implied probability over 70%, with 18bps priced. US Treasuries continue to trade a tight range, and the 10-year rate is currently down 2bps from last week's close to 4.04%, while the 2-year rate is up less than 1bp.

Although not moving the market, President Xi initiated a call with President Trump, an unusual move, and Chinese state media provided an account of the conversation. Xi supports all efforts committed to peace between Russia and Ukraine and Xi highlighted the issue of Taiwan, seeing its return to China as an important component of the postwar international order. Trump said it was a very good call and that Xi invited him to visit Beijing in April.

The outcome of yesterday's talks on the US peace plan for Ukraine was that significant sticking points remain and there was still work to be done. Overnight, President Trump questioned on social media whether big progress is being made on peace talks and ended with "don't believe it until you see it, but something good may just be happening". Ukraine's deputy foreign minister told the FT that the US and Ukraine have drafted a new 19-point peace deal (down from 28-points) but left the most politically sensitive elements to be decided by the countries' presidents.

In economic news, Germany's IFO survey showed the business expectations index in November slipped a point to 90.6, against the consensus view for a steady result. The data suggested a cloud hung over prospects for a recovery in Germany's economy.

Currency movements have been insignificant. Relative to last week's close, the yen has been the largest mover, and even that is small, with USD/JPY up 0.3% to 156.90. The NZD has traded a range of not much more than 20 pips and currently sits just over the 0.56 mark, with no evident support from higher risk appetite. NZD cross movements have been minimal.

The domestic rates market was quiet yesterday and by the close there was little net movement in NZGB yields from the previous close, implying a small cross market under performance following the rally in US Treasuries on Friday night. Swap rates were 1-2bps lower for the day. The market is likely to remain quiet in the lead-up to Wednesday's RBNZ MPS, where a 25bps cut is a strong consensus view.

On the economic calendar, delayed US retail sales and PPI data for September are due tonight. The Conference Board's consumer survey and pending home sales are also released.

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Coming Up

		Period	Cons.	Prev.	NZT
US	Retail sales (m/m%)	Sep	0.4	0.6	02:30
US	Retail sales ex auto, gas (m/m%)	Sep	0.3	0.7	02:30
US	Retail sales control group	Sep	0.3	0.7	02:30
US	PPI ex food, energy (m/m%)	Sep	0.2	-0.1	02:30
US	PPI ex food, energy (y/y%)	Sep	2.7	2.8	02:30
US	Conf. Board consumer confid.	Nov	93.4	94.6	04:00
US	Pending home sales (m/m%)	Oct	0.1	0.0	04:00

Currencies

FX Majors — Indicative overnight ranges (*)

	Last	% Day	Low	High
NZD	0.5609	-0.1	0.5596	0.5615
AUD	0.6460	+0.1	0.6442	0.6468
EUR	1.1520	+0.1	1.1510	1.1550
GBP	1.3103	+0.0	1.3081	1.3118
JPY	156.87	+0.3	156.55	157.19
CAD	1.4113	+0.1		
NZD/AUD	0.8683	-0.1		
NZD/EUR	0.4869	-0.1		
NZD/GBP	0.4281	-0.1		
NZD/JPY	87.99	+0.2		
NZD/CAD	0.7916	+0.0		
NZ TWI	65.52	-0.1		

Other FX

	Last	% Day
CHF	0.8086	+0.0
SEK	9.557	+0.1
NOK	10.236	-0.2
HKD	7.782	-0.0
CNY	7.103	-0.0
SGD	1.305	-0.2
IDR	16,699	-0.1
THB	32.39	-0.0
KRW	1,476	+0.3
TWD	31.45	+0.1
PHP	58.88	+0.1

Equities

Major Indices

	Last	% Day	% Year
S&P 500	6,703	+1.5	12.3
Dow	46,500	+0.5	5.0
Nasdaq	22,845	+2.6	20.2
Stoxx 50	5,529	+0.2	15.4
FTSE	9,535	-0.1	15.4
DAX	23,239	+0.6	20.3
CAC 40	7,960	-0.3	9.7
Nikkei	48,626	-2.4	25.4
Shanghai	3,837	+0.0	17.4
ASX 200	8,525	+1.3	1.3
NZX 50	13,500	+0.6	2.3
VIX Index	20.81	-11.2	+36.5

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	62.95	+0.6
Oil (WTI)	58.46	+0.7
Gold	4094.5	+0.4
HRC steel	855.0	-0.2
CRB	295.6	-0.7
Wheat Chic.	534.3	-0.9
Sugar	14.85	+0.5
Cotton	61.48	+0.2
Coffee	376.4	+1.9
WM powder	3280	-0.9

Australian Futures

3 year bond	96.24	0.02
10 year bond	95.55	0.02

Interest Rates

	Rates: Cash	Rates: 3Mth	Swap Yields: 2 Yr	Swap Yields: 10 Yr
USD	4.00	4.85	3.29	3.61
AUD	3.60	3.65	3.67	4.50
NZD	2.50	2.41	2.60	3.77
EUR	2.00	2.05	2.16	2.74
GBP	4.00	4.11	3.55	4.03
JPY	0.48	-0.03	0.94	1.58
CAD	2.25	4.97	2.29	2.92

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.04	-0.03
AUD	4.44	-0.02
NZD	4.17	0.00
GER	2.69	-0.01
GBP	4.54	-0.01
JPY	1.78	0.00
CAD	3.18	-0.02

NZ Government Bonds

	Last	Chg
15-Apr-27	2.60	0.00
15-May-28	2.91	-0.01
20-Apr-29	3.12	-0.00
15-May-30	3.35	0.00
15-May-31	3.58	-0.00
15-May-32	3.77	0.00
14-Apr-33	3.91	-0.00
15-May-34	4.05	-0.00
15-May-35	4.17	0.00
15-May-36	4.28	0.00
15-May-37	4.41	0.00
15-May-41	4.77	0.00
15-May-51	5.06	0.00
15-May-54	5.05	0.00

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.39	-0.04
BKBM 3-mth	2.41	-0.03
1 year	2.40	-0.02
2 year	2.60	-0.01
3 year	2.81	-0.01
5 year	3.17	-0.02
7 year	3.46	-0.02
10 year	3.77	-0.02
15 year	4.10	-0.01

NZ Inflation-Indexed Bonds

Sept-30	1.39	0.03
Sept-35	2.26	0.04
Sept-40	2.71	0.04

Carbon Price

	Level	% Day	% Year
NZU	43.75	-5.9	-31.6

Policy Meeting Run

	NZD	AUD	USD
1st	2.23	3.59	3.70
2nd	2.15	3.54	3.63
3rd	2.12	3.53	3.53
4th	2.10	3.50	3.45
5th	2.11	3.50	3.29

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

Rates are as of: NZT 06:56

Source: Bloomberg

NZD exchange rates

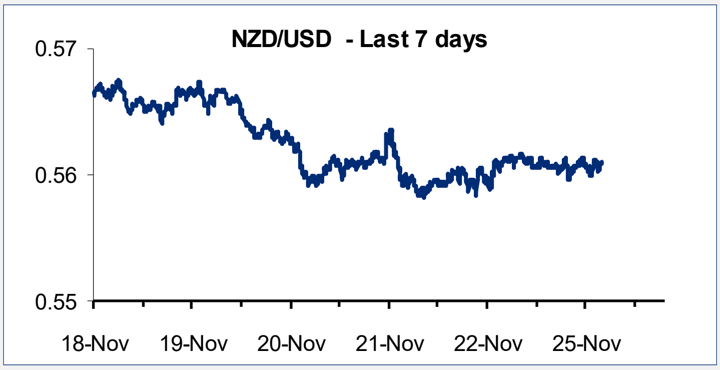
25/11/2025	6:56 am	Prev. NY close
USD	0.5609	0.5612
GBP	0.4281	0.4284
AUD	0.8683	0.8694
EUR	0.4869	0.4874
JPY	87.99	87.78
CAD	0.7916	0.7913
CHF	0.4533	0.4536
DKK	3.6347	3.6401
FJD	1.2845	1.2883
HKD	4.3630	4.3680
INR	50.04	50.18
NOK	5.7399	5.7542
PKR	157.35	157.53
PHP	33.01	33.02
PGK	2.3728	2.3749
SEK	5.3579	5.3601
SGD	0.7318	0.7339
CNY	3.9828	3.9874
THB	18.21	18.23
TOP	1.3407	1.3423
VUV	69.17	68.72
WST	1.5670	1.5685
XPF	57.97	58.04
ZAR	9.7133	9.7527

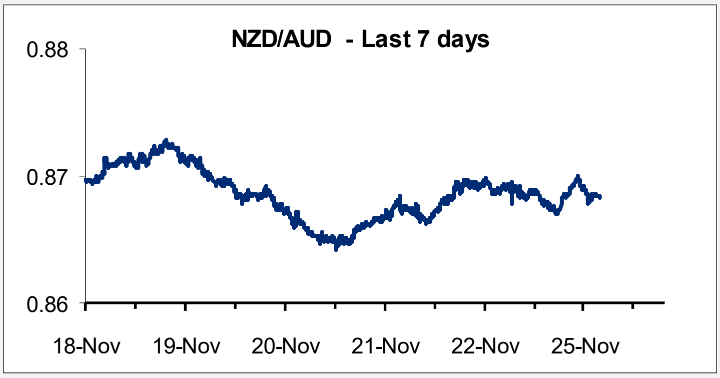
NZD/USD Forward Points

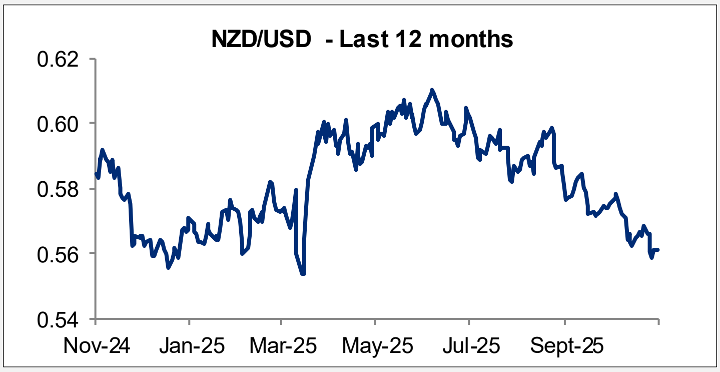
	BNZ buys NZD	BNZ sells NZD
1 Month	7.97	8.17
3 Months	21.71	22.11
6 Months	41.34	42.33
9 Months	58.32	60.08
1 Year	71.41	73.92

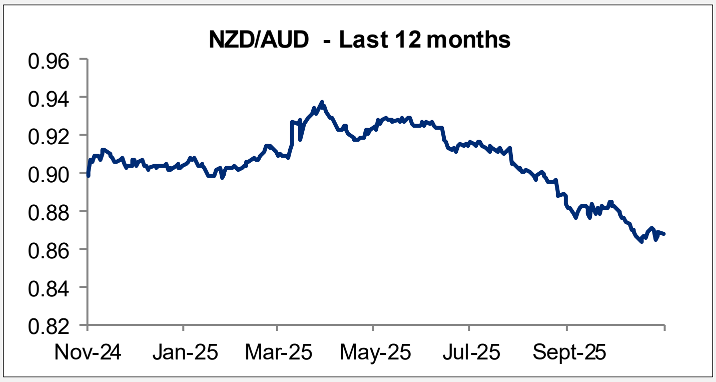
NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	9.77	10.24
3 Months	27.99	29.01
6 Months	57.01	59.59
9 Months	87.13	91.43
1 Year	116.94	123.33









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