

Research Markets Today

25 September 2025

Events Round-Up

AU: CPI (y/y%), Aug: 3.0 vs. 2.9 exp.

AU: CPI trimmed mean (y/y%), Aug: 2.6 vs. 2.7 prev.

GE: IFO expectations, Sep: 89.7 vs. 92.0 exp.

US: New home sales (k), Aug: 800 vs. 650 exp.

Good Morning

Markets have traded with a more cautious tone overnight without any obvious driver, seeing modest falls in US equities and modestly higher US Treasury yields. The USD is broadly stronger and the NZD has underperformed, heading down towards support at 0.58 and with fresh multi-year lows on NZD/AUD and NZD/EUR crosses.

Newsflow has been light overnight. The US S&P500 is currently down 0.3%, on track for a consecutive daily fall, the market being well overdue for a breather after its record-breaking run. The Euro Stoxx 600 index closed down 0.2%.

US Treasury yields pushed higher from early in the European trading session, with levels sustained following unusually strong home sales data. New US house sales leapt more than 20% in August, which looks implausibly large against a backdrop of broadly weaker housing market data but could be explained by greater incentives offered by builders to offload high inventories. The unusually large jump also coincided with the 30-year mortgage rate falling to the lowest level in nearly a year. The 10-year Treasury yield is currently 4.14%, up 4bps for the day and the curve has shown a roughly parallel shift higher.

In other economic news, Germany's IFO business survey for September showed the expectations index falling nearly 2pts to 89.7 against the consensus expecting a small lift, and breaking a run of more positive figures. The data suggest a patchy German economic recovery.

Oil prices are up 2½%, with Brent crude trading at a three-week high above USD69 per barrel. Some of the move has been attributed to more hawkish comments by Trump regarding Russia after he said Ukraine could win back all of its territory from Russia, raising concerns about possible disruption to Russia oil supplies.

The USD also trended higher from early in the European trading session and dollar indices are up 0.5-0.6% for the

day. The NZD has underperformed and has been flirting around 0.5810, just above key support of 0.5800, the low reached following the RBNZ's dovish pivot in August.

The AUD and Australian rates jumped higher after Australia's monthly CPI report was towards the higher end of market expectations, with annual inflation of 3.0% in August. The details on housing and services weren't market-friendly and these represent an upside risk to the inflation outlook, with underlying inflation tracking higher than RBA forecasts. The market lost confidence in the prospect of another rate cut this year and some economists changed their rate calls. The market now isn't fully pricing another rate cut until February.

NZD/AUD fell to an overnight low just under 0.8820, its lowest level in nearly three years, extending losses seen over the past month. In 2022 the intraday low reached was just over 0.87 and that is the next key support level. The lower cross rate is entirely justifiable in light of the collapse in NZ-Australian rate spreads (see comment below).

Falls in NZD/EUR and NZD/GBP have been small, but the former has fallen to a fresh 15-year low around 0.4950. NZD/JPY is flat for the day around 86.5.

Dr Anna Breman, the First Deputy Governor of Sweden's central bank, has been appointed as the new Governor of the RBNZ for a term of five years beginning 1 December. She appears to have solid credentials to lead the RBNZ and there are no immediate implications for current monetary policy, with Governor Hawkesby overseeing the next two OCR reviews before he departs from the bank.

The domestic rates market showed only small movements, with NZGB and swap yields flat to 2bps lower across the curve, with a flattening bias out to 10-years maturity. The NZ-Australian 2-year swap differential, which was positive as recently as July, has fallen to minus 74bps, the lowest since 2012. Overnight, the Australian 10-year bond future is up 3bps in yield terms, modestly extending the post-CPI move.

On the economic calendar, only second-tier US data are released, including trade, durable goods orders, jobless claims and home sales.

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Coming Up

		Period	Cons.	Prev.	NZT
GE	GfK Consumer Confidence	Oct	-23.3	-23.6	18:00
US	Goods trade balance (\$b)	Aug	-96	-104	00:30
US	Durable goods orders (m/m%)	Aug	-0.3	-2.8	00:30
US	Durables ex transport (m/m%)	Aug	0.0	1.0	00:30
US	Initial Jobless Claims	20-Sept	233	231	00:30
US	Existing home sales (m/m%)	Aug	-1.4	2.0	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	0.5811	-0.8	0.5808	0.5858	CHF	0.7956	+0.5	S&P 500	6,631	-0.4	15.7	Oil (Brent)	69.30	+2.5
AUD	0.6579	-0.3	0.6575	0.6623	SEK	9.411	+0.9	Dow	46,138	-0.3	9.3	Oil (WTI)	64.99	+2.5
EUR	1.1735	-0.7	1.1728	1.1795	NOK	9.952	+0.6	Nasdaq	22,476	-0.4	24.4	Gold	3731.6	-1.4
GBP	1.3452	-0.6	1.3427	1.3502	HKD	7.779	+0.0	Stoxx 50	5,465	-0.1	10.6	HRC steel	823.0	-0.6
JPY	148.85	+0.8	148.01	148.85	CNY	7.132	+0.3	FTSE	9,250	+0.3	11.7	CRB	299.9	+0.7
CAD	1.3903	+0.5			SGD	1.289	+0.5	DAX	23,667	+0.2	24.6	Wheat Chic.	537.8	-0.2
NZD/AUD	0.8833	-0.5			IDR	16,685	-0.0	CAC 40	7,827	-0.6	2.9	Sugar	15.64	-0.1
NZD/EUR	0.4952	-0.1			THB	32.12	+0.8	Nikkei	45,630	+0.3	20.5	Cotton	64.04	-0.5
NZD/GBP	0.4320	-0.3			KRW	1,405	+0.7	Shanghai	3,854	+0.8	34.6	Coffee	367.8	+5.3
NZD/JPY	86.50	+0.0			TWD	30.34	+0.1	ASX 200	8,764	-0.9	7.9	WM powder	3610	-0.8
NZD/CAD	0.8079	-0.3			PHP	57.47	+0.3	NZX 50	13,181	+0.3	7.8	Australian Futures		
NZ TWI	67.07	-0.5						VIX Index	16.80	+1.0	+9.2	3 year bond	96.47	-0.07
Interest Rates												10 year bond 95.63 -0.09		
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	3.37	3.63	USD	4.15	0.04	15-Apr-27	2.75	-0.00	BKBM 1-mth	2.98	0.01	
AUD	3.60	3.55	3.42	4.26	AUD	4.29	0.02	15-May-28	2.97	-0.00	BKBM 3-mth	2.83	0.00	
NZD	3.00	2.83	2.67	3.70	NZD	4.20	-0.02	20-Apr-29	3.17	-0.01	1 year	2.60	0.00	
EUR	2.00	2.00	2.15	2.71	GER	2.75	-0.00	15-May-30	3.38	-0.01	2 year	2.67	0.00	
GBP	4.00	4.23	3.73	4.12	GBP	4.67	-0.01	15-May-31	3.62	-0.01	3 year	2.81	-0.00	
JPY	0.48	-0.03	0.93	1.47	JPY	1.65	-0.01	15-May-32	3.81	-0.02	5 year	3.12	-0.02	
CAD	2.50	4.97	2.31	2.88	CAD	3.20	0.01	14-Apr-33	3.95	-0.02	7 year	3.39	-0.02	
								15-May-34	4.09	-0.02	10 year	3.70	-0.02	
								15-May-35	4.20	-0.02	15 year	4.00	-0.02	
								15-May-36	4.32	-0.01	NZ Inflation-Indexed Bonds			
								15-May-37	4.45	-0.01	Sept-30	1.58	-0.01	
								15-May-41	4.78	-0.00	Sept-35	2.42	-0.00	
								15-May-51	5.06	0.00	Sept-40	2.85	0.01	
								15-May-54	5.08	-0.00				

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

Rates are as of: NZT 06:50

Source: Bloomberg

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NZD exchange rates

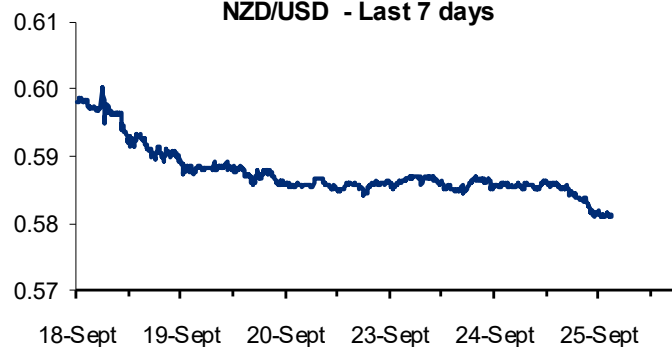
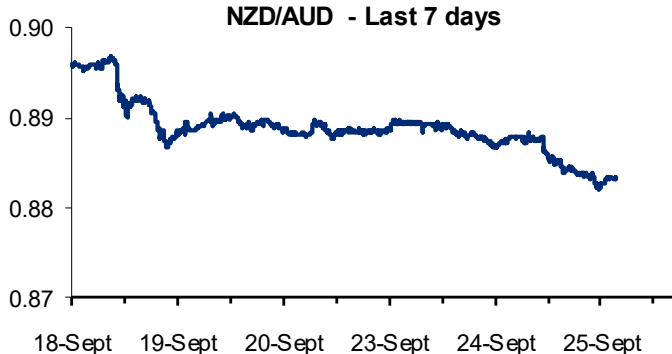
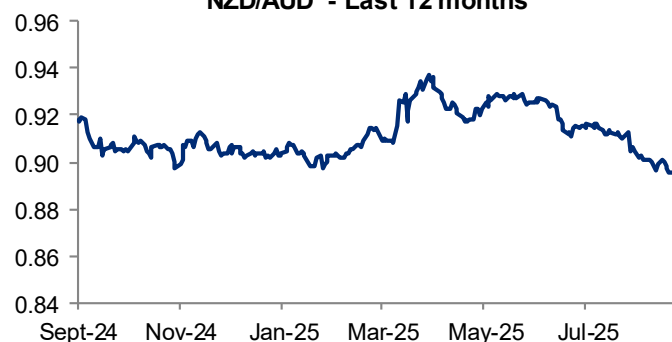
25/09/2025 6:50 am	Prev. NY close
USD	0.5811
GBP	0.4320
AUD	0.8833
EUR	0.4952
JPY	86.50
CAD	0.8079
CHF	0.4623
DKK	3.6956
FJD	1.3114
HKD	4.5200
INR	51.54
NOK	5.7812
PKR	163.52
PHP	33.40
PGK	2.4273
SEK	5.4677
SGD	0.7490
CNY	4.1445
THB	18.60
TOP	1.3577
VUV	69.36
WST	1.5879
XPF	59.10
ZAR	10.0819

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	6.85	7.03
3 Months	20.01	20.41
6 Months	37.57	38.57
9 Months	54.19	56.01
1 Year	67.67	70.33

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	5.97	6.41
3 Months	20.23	21.13
6 Months	41.79	44.28
9 Months	64.51	68.86
1 Year	86.68	93.27

NZD/USD - Last 7 days**NZD/AUD - Last 7 days****NZD/USD - Last 12 months****NZD/AUD - Last 12 months**

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