

Research Markets Today

26 November 2025

Events Round-Up

US: Retail sales (m/m%), Sep: 0.2 vs. 0.4 exp.
 US: Retail sales ex auto, gas (m/m%), Sep: 0.1 vs. 0.3 exp.
 US: Retail sales control group, Sep: -0.1 vs. 0.3 exp.
 US: PPI ex food, energy (m/m%), Sep: 0.1 vs. 0.2 exp.
 US: PPI ex food, energy (y/y%), Sep: 2.6 vs. 2.7 exp.
 US: Conf. Board consumer confid., Nov: 88.7 vs. 93.4 exp.
 US: Pending home sales (m/m%), Oct: 1.9 vs. 0.2 exp.

Good Morning

There has been plenty of news overnight to digest. Oil prices are lower as a Ukraine-Russia peace deal looks closer than ever. US data released were soft and there was a report that Trump is most likely to select the most dovish candidate as the next Fed chair. The USD is broadly weaker and the 10-year rate has slipped below 4%. The NZD has pushed higher but has underperformed against EUR, GBP and JPY ahead of the RBNZ's meeting today.

A US official told ABC News that a Ukrainian delegation has agreed with the US on the terms of a potential peace deal adding "there are some minor details to be sorted out but they have agreed to a peace deal". This followed secret talks between the US army secretary and a Russian delegation in the UAE on Monday. A key question now is whether Russia accepts the slimmed down 19pt peace plan. Russian Foreign minister Lavrov said that if the plan "erased...key understandings" that President Putin thought he had reached with President Trump at Alaska, the "situation will be fundamentally different".

The market senses a possible end to the war and oil prices are down about 2%, with Brent crude trading down to USD62 per barrel. European natural gas prices have fallen to their lowest level in 18 months.

US economic data released overnight were mostly weaker than expected. ADP private payrolls fell 13.5k per week in the four weeks ending 8 November. The Conference Board measure of consumer confidence showed a chunky fall in November to 88.7, with the expectations component showing an even greater fall to 63.2. Comments left by consumers in the survey noted prices and inflation, tariffs and trade, and politics, with increased mentions of the government shutdown. The labour market indicator measuring the difference between those saying jobs were

plentiful and hard to get slipped a little but has been relatively steady over recent months.

Delayed retail sales data for September showed a weak end to the quarter, with the headline figure up just 0.2% m/m, the ex-auto and gas measure up 0.1% and the control group measure that feeds into GDP down 0.1%. Sales growth for the quarter overall was strong but there was clearly weaker momentum heading towards Q4. Delayed PPI data showed benign inflation pressure in September, dragging down the annual core figure to 2.6% y/y, the lowest since July 2024.

The only positive surprise was pending home sales for October rising 1.9% m/m.

Conviction in the Fed cutting rates in December continues to increase, with market pricing implying a greater than 80% chance. In addition to the softer data overnight, yesterday San Francisco President Daly said she supported a December rate cut. While she is a non-voter this year, she has rarely taken a public position at odds with Chair Powell. Her comments also follow NY Fed President Williams' view at the end of last week which favoured a near-term rate cut.

Bloomberg reported White House Director Hassett is the frontrunner to be the next Fed Chair, according to sources. They noted Hassett is seen as someone who would bring the president's approach to interest rate cutting to the Fed, which Trump has long wanted to control. Hassett is seen to be the most dovish contender on the short list, compared to ex-Fed official Warsh and current Fed Governor Waller. Earlier, Treasury Secretary Bessent said Trump could announce his decision on the new chair within the next month.

US Treasuries have been well supported by the soft data, lower oil prices and speculation on Hassett being the Fed Chair frontrunner. The curve is modestly flatter and the 10-year rate has traded just below 4%, down about 4bps from the NZ close.

In currency markets, the USD is broadly weaker with the DXY index down 0.4% for the day. The euro got a lift after the ABC News report on Ukraine's acceptance of the peace deal but GBP has performed even better, as positions are adjusted ahead of the UK Budget tonight. JPY also found some support against the backdrop of lower global rates. Commodity currencies are modestly higher, but have underperformed the other noted majors.

The NZD shows a modest gain, up through 0.5625. While the NZD is slightly higher overnight against AUD and CAD, it is weaker on EUR, GBP and JPY crosses.

The S&P500 is trading at its highs for the session in early afternoon trading, recovering from a modest fall earlier in the session and is currently up 0.7%, despite a near-4% fall in Nvidia, with concern that it could lose market share after a report that Meta was in talks to spend billions on Google's AI semiconductors.

The domestic rates market was quiet yesterday in the lead-up to today's RBNZ MPS. NZGB and swap yields closed the day marked 1-2bps lower. A 25bps cut is a strong consensus view and is well-priced. Focus will be on the policy outlook, where most expect the door to be left open to further possible easing but there is keen interest in the conviction of any tone here.

Ahead of that, new monthly Australian CPI data will be released. There is also keen interest in the UK Budget tonight, with tax increases required to fill a growing deficit.

UK gilts and GBP could move significantly in either direction. In the US, there will be the delayed releases of September durable goods orders, while timelier jobless claims and Chicago PMI data will be released.

jason.k.wong@bnz.co.nz

Coming Up

		Period	Cons.	Prev.	NZT
AU	CPI (y/y%)	Oct	3.6	3.5	13:30
AU	CPI trimmed mean (y/y%)	Oct	2.9	2.8	13:30
NZ	RBNZ Official Cash Rate (%)	Nov	2.25	2.5	14:00
UK	UK Budget				01:30
US	Initial Jobless Claims	22-Nov	225	220	02:30
US	Durable goods orders (m/m%)	Sep	0.5	2.9	02:30
US	Durables ex transport. (m/m%)	Sep	0.2	0.3	02:30
US	Chicago PMI	Nov	43.6	43.8	03:45

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	0.5628	+0.3	0.5591	0.5628	CHF	0.8067	-0.2	S&P 500	6,755	+0.8	12.8	Oil (Brent)	62.24	-1.8		
AUD	0.6475	+0.2	0.6436	0.6475	SEK	9.524	-0.3	Dow	46,993	+1.2	5.0	Oil (WTI)	57.73	-1.9		
EUR	1.1583	+0.5	1.1515	1.1584	NOK	10.217	-0.2	Nasdaq	22,964	+0.4	20.5	Gold	4147.5	+1.3		
GBP	1.3203	+0.7	1.3098	1.3202	HKD	7.777	-0.1	Stoxx 50	5,574	+0.8	16.1	HRC steel	854.0	+0.1		
JPY	155.89	-0.6	155.81	156.80	CNY	7.085	-0.3	FTSE	9,610	+0.8	15.9	CRB	296.0	+0.1		
CAD	1.4091	-0.1			SGD	1.301	-0.4	DAX	23,465	+1.0	20.9	Wheat Chic.	540.0	+1.0		
NZD/AUD	0.8692	+0.1			IDR	16,657	-0.3	CAC 40	8,026	+0.8	10.6	Sugar	14.91	+0.6		
NZD/EUR	0.4859	-0.2			THB	32.25	-0.4	Nikkei	48,660	+0.1	26.6	Cotton	61.44	+0.1		
NZD/GBP	0.4263	-0.4			KRW	1,468	-0.5	Shanghai	3,870	+0.9	18.6	Coffee	382.7	+1.6		
NZD/JPY	87.73	-0.3			TWD	31.45	-0.0	ASX 200	8,537	+0.1	2.1	WM powder	3240	-1.2		
NZD/CAD	0.7930	+0.2			PHP	58.92	+0.1	NZX 50	13,480	-0.1	2.8	Australian Futures				
NZ TWI	65.54	-0.1						VIX Index	19.07	-7.1	+30.6	3 year bond	96.24	0.00		
Interest Rates										10 year bond					95.57	0.01
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	4.00	4.85	3.26	3.58	USD	3.99	-0.03	15-Apr-27	2.59	-0.01	BKBM 1-mth	2.38	-0.01			
AUD	3.60	3.65	3.66	4.48	AUD	4.43	-0.02	15-May-28	2.90	-0.01	BKBM 3-mth	2.41	0.00			
NZD	2.50	2.41	2.59	3.75	NZD	4.15	-0.02	20-Apr-29	3.11	-0.01	1 year	2.41	0.01			
EUR	2.00	2.06	2.16	2.73	GER	2.67	-0.02	15-May-30	3.34	-0.01	2 year	2.59	-0.01			
GBP	4.00	4.11	3.52	3.99	GBP	4.49	-0.04	15-May-31	3.56	-0.01	3 year	2.80	-0.01			
JPY	0.48	-0.03	0.96	1.61	JPY	1.81	0.03	15-May-32	3.76	-0.02	5 year	3.15	-0.02			
CAD	2.25	4.97	2.27	2.89	CAD	3.14	-0.03	14-Apr-33	3.90	-0.02	7 year	3.44	-0.02			
								15-May-34	4.03	-0.02	10 year	3.75	-0.02			
								15-May-35	4.15	-0.02	15 year	4.08	-0.02			
								15-May-36	4.27	-0.02						
								15-May-37	4.39	-0.02	NZ Inflation-Indexed Bonds					
								15-May-41	4.75	-0.02	Sept-30	1.39	0.00			
								15-May-51	5.04	-0.02	Sept-35	2.25	-0.00			
								15-May-54	5.04	-0.02	Sept-40	2.70	-0.00			
Carbon Price					Policy Meeting Run											
	Level	% Day	% Year		NZD	AUD	USD									
NZU	42.44	-3.0	-33.7		1st	2.24	3.60	3.68								
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer					2nd	2.15	3.54	3.61								
Rates are as of: NZT 06:56					3rd	2.13	3.53	3.51								
Source: Bloomberg					4th	2.11	3.49	3.44								
					5th	2.12	3.49	3.27								

NZD exchange rates

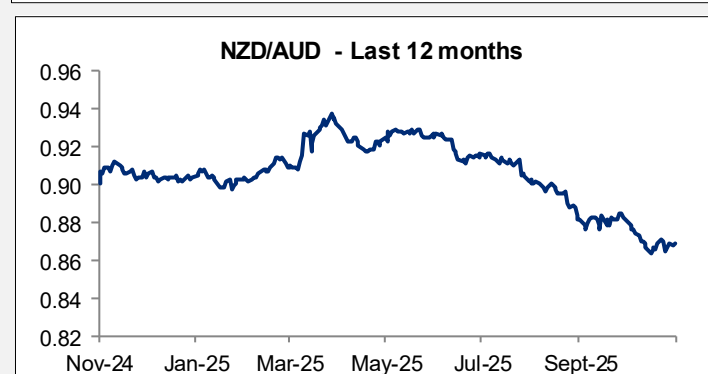
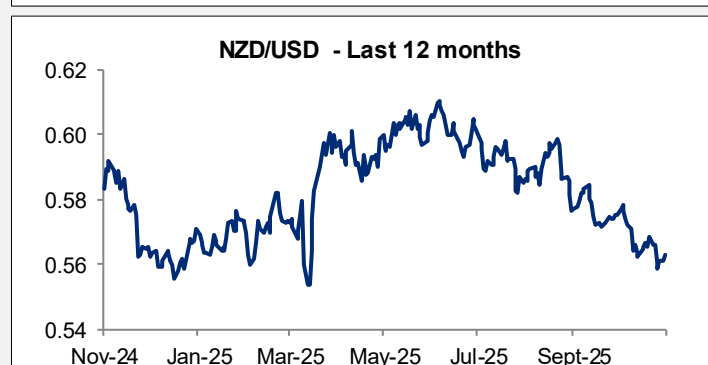
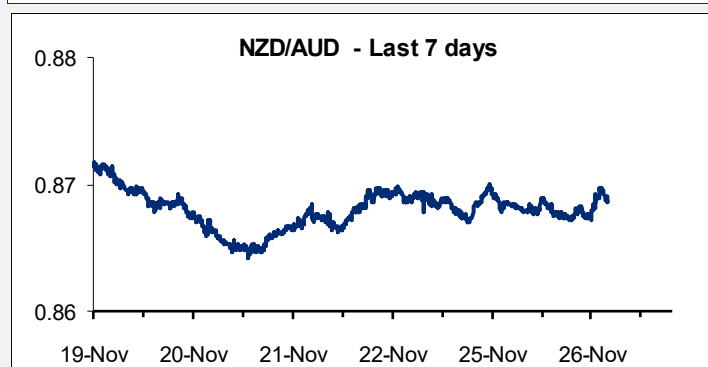
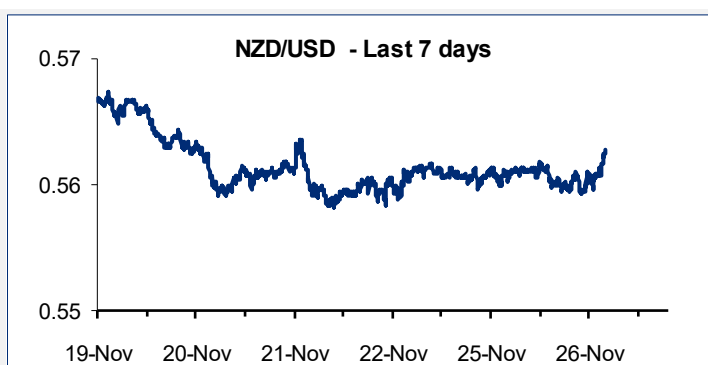
26/11/2025	6:56 am	Prev. NY close
USD	0.5628	0.5611
GBP	0.4263	0.4282
AUD	0.8692	0.8680
EUR	0.4859	0.4870
JPY	87.73	88.03
CAD	0.7930	0.7916
CHF	0.4538	0.4536
DKK	3.6261	3.6373
FJD	1.2863	1.2866
HKD	4.3678	4.3663
INR	50.11	50.07
NOK	5.7488	5.7436
PKR	157.60	157.50
PHP	33.09	33.04
PGK	2.3807	2.3715
SEK	5.3570	5.3618
SGD	0.7310	0.7323
CNY	3.9788	3.9855
THB	18.15	18.23
TOP	1.3426	1.3475
VUV	69.24	69.13
WST	1.5696	1.5648
XPF	57.94	58.03
ZAR	9.6709	9.7050

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	7.88	8.08
3 Months	21.01	21.41
6 Months	40.50	41.50
9 Months	57.27	58.83
1 Year	69.93	72.17

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	10.04	10.54
3 Months	27.87	28.97
6 Months	57.15	60.03
9 Months	87.54	91.87
1 Year	116.48	123.51



Contact Details

BNZ Research

Stephen Toplis
Head of Research

Doug Steel
Senior Economist

Jason Wong
Senior Markets Strategist

Stuart Ritson
Senior Interest Rate Strategist

Matt Brunt
Economist

Mike Jones
BNZ Chief Economist
+64 9-956 0795

Main Offices

Wellington
Level 2, BNZ Place
1 Whitmore Street
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

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