Research

Markets Today

27 November 2025

Events Round-Up

AU: CPI (y/y%), Oct: 3.8 vs. 3.6 exp.
AU: CPI trimmed mean (y/y%), Oct: 3.3 vs. 2.9 exp.
NZ: RBNZ Official Cash Rate (%), Nov: 2.25 vs. 2.25 exp.
US: Initial Jobless Claims, 22 Nov: 216 vs. 225 exp.
US: Durable goods orders (m/m%), Sep: 0.5 vs. 0.5 exp.
US: Durables ex transport. (m/m%), Sep: 0.6 vs. 0.2 exp.
US: Chicago PMI, Nov: 36.3 vs. 43.6 exp.

Good morning

Upbeat investor risk sentiment has supported further solid gains for global equities. The S&P is close to 1% higher in afternoon trade and is on track for a fourth consecutive session of gains, having bounced back from last week's selloff. Risk appetite has been supported in recent sessions by growing expectations for an interest-rate cut by the Federal Reserve next month. The US dollar was broadly stable against G10 currencies and treasury yields edged higher.

There was limited economic data to provide the market with direction. Initial jobless claims fell slightly despite expectations for a modest increase. Core US durable orders for September beat the consensus estimate but the data is largely stale by this point. Treasury yields increased following the claims data, led by the front end of the curve, though moves were not large. 10-year yields have since retraced and are little changed at 4.01%.

UK Chancellor Rachel Reeves delivered her widely anticipated Autumn Budget. Taxes were increased by £26 billion which will be used to cover higher welfare spending and to bolster fiscal headroom against future shocks. This will take the overall tax burden to 38% of GDP by the end of the parliament which is an all-time high. The Office for Budget Responsibility published its forecasts ahead of the Budget to a 'technical error' contributing to market volatility.

The pound gained and gilt yields fell, led by the longer maturities, after the Budget announcement. The bond market was comforted by the wider fiscal headroom, a smaller borrowing projection and a decrease in the supply of long-dated gilts. 30-year yields declined 11bp to 5.17%.

The US dollar is little changed against the euro and modestly weaker against the yen in offshore trading. The NZD consolidated after the hawkish cut by the RBNZ contributed to a sharp appreciation in the local session yesterday. The move higher faded ahead of 0.5700 and NZD/USD has oscillated in a narrow range around 0.5680 overnight. The NZD maintained the solid gains made on key cross rates after the RBNZ yesterday.

Australia released its first full monthly CPI report which in time will become the primary measure of inflation. The RBA will continue to forecast and focus on the quarterly trimmed mean measure in the near-term. In any case, headline CPI increased at 0.3% in October taking the annual rate to 3.8% which was higher than the consensus estimate. The trimmed mean measure was also above expectations. The data contributed to a sharp selloff in Australian rates and supported the AUD.

The RBNZ cut rates by 25bp to 2.25% which was in line with expectations and fully discounted by market pricing. The decision was reached by 5-1 majority. The dissenter preferred to leave rates on hold which was the alternative option discussed by the Committee. The modelled OCR track reaches a 2.20% trough in mid-2026 signalling a marginal easing bias. Future moves in the OCR will be data dependent, but the hurdle for further easing appears high.

The modestly hawkish RBNZ tone contributed to a selloff in NZ fixed income in the local session yesterday. The swap curve moved higher and flatter. 2-year rates increased 11bp to 2.70%, the highest level in two months as pricing for the terminal OCR lifted to 2.21%. 10-year rates closed 6bp higher at 3.81%, flattening the 2y/10y curve to +111bp from the recent +117bp peak. There was similar price action for government bonds with 10-year yields closing 6bp higher at 4.32%.

NZ Debt Management (NZDM) released the monthly tender schedule for December and will offer NZ$900m nominal bonds in the month. There will be two tenders before the seasonal pause in issuance. In the weekly tender today, NZDM will offer NZ$450million of nominal bonds May-30 ($225m) and May-34 ($225m). A small parcel of Sep-2040 inflation-indexed bonds will also be tendered.

The Fed will release the Beige book covering October and early November soon after we go to print this morning. The market will be looking for further evidence to support a December rate cut. The domestic focus will centre on Q3 retail sales data, and the ANZ business confidence survey scheduled today. Confidence measures are the only data of note this evening with market activity likely reduced due to US Thanksgiving.

stuart.ritson@bnz.co.nz

Coming Up

		Period	Cons.	Prev.	NZT
US	Fed Releases Beige Book				08:00
NZ	Retail Sales Ex Inflation (q/q%)	3Q	0.6	0.5	10:45
NZ	ANZ Activity Outlook	Nov		44.6	13:00
GE	GfK Consumer Confidence	Dec	-23.5	-24.1	20:00
EC	Economic Confidence	Nov	97	96.8	23:00

Currencies

FX Majors — Indicative overnight ranges (*)

	Last	% Day	Low	High
NZD	0.5690	+1.2	0.5663	0.5694
AUD	0.6513	+0.7	0.6484	0.6517
EUR	1.1586	+0.1	1.1547	1.1601
GBP	1.3220	+0.4	1.3125	1.3238
JPY	156.44	+0.2	156.05	156.74
CAD	1.4051	-0.3		
NZD/AUD	0.8736	+0.6		
NZD/EUR	0.4911	+1.1		
NZD/GBP	0.4304	+0.8		
NZD/JPY	89.01	+1.5		
NZD/CAD	0.7995	+0.9		
NZ TWI	66.18	+1.0		

Other FX

	Last	% Day
CHF	0.8050	-0.3
SEK	9.504	-0.3
NOK	10.207	-0.2
HKD	7.777	+0.0
CNY	7.075	-0.1
SGD	1.298	-0.3
IDR	16,664	+0.0
THB	32.23	-0.1
KRW	1,469	+0.0
TWD	31.35	-0.3
PHP	58.87	-0.1

Equities

Major Indices

	Last	% Day	% Year
S&P 500	6,829	+0.9	13.4
Dow	47,489	+0.8	5.9
Nasdaq	23,224	+0.9	21.1
Stoxx 50	5,656	+1.5	18.8
FTSE	9,692	+0.9	17.4
DAX	23,726	+1.1	23.0
CAC 40	8,096	+0.9	12.5
Nikkei	49,559	+1.8	30.0
Shanghai	3,864	-0.2	18.5
ASX 200	8,607	+0.8	2.4
NZX 50	13,562	+0.6	2.6
VIX Index	17.45	-6.0	+23.8

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	62.72	+0.4
Oil (WTI)	58.29	+0.6
Gold	4164.5	+0.6
HRC steel	904.0	+0.2
CRB	294.4	-0.5
Wheat Chic.	544.0	+0.9
Sugar	15.12	+1.5
Cotton	62.43	+1.6
Coffee	379.3	-1.1
WM powder	3200	-1.2

Australian Futures

3 year bond	96.09	-0.14
10 year bond	95.50	-0.06

Interest Rates

	Rates Cash	Rates 3Mth	Swap Yields 2 Yr	Swap Yields 10 Yr
USD	4.00	4.85	3.28	3.59
AUD	3.60	3.66	3.76	4.56
NZD	2.25	2.41	2.70	3.82
EUR	2.00	2.07	2.16	2.73
GBP	4.00	4.11	3.50	3.94
JPY	0.48	-0.03	0.96	1.61
CAD	2.25	4.97	2.28	2.90

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.00	0.01
AUD	4.53	0.10
NZD	4.21	0.06
GER	2.67	-0.00
GBP	4.42	-0.07
JPY	1.81	0.00
CAD	3.14	-0.01

NZ Government Bonds

	Last	Chg
15-Apr-27	2.66	0.08
15-May-28	2.99	0.10
20-Apr-29	3.20	0.09
15-May-30	3.42	0.09
15-May-31	3.64	0.08
15-May-32	3.83	0.07
14-Apr-33	3.96	0.06
15-May-34	4.09	0.06
15-May-35	4.21	0.06
15-May-36	4.33	0.06
15-May-37	4.45	0.06
15-May-41	4.81	0.06
15-May-51	5.10	0.06
15-May-54	5.09	0.06

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.38	0.00
BKBM 3-mth	2.41	0.01
1 year	2.49	0.08
2 year	2.70	0.11
3 year	2.91	0.11
5 year	3.25	0.10
7 year	3.52	0.09
10 year	3.82	0.07
15 year	4.15	0.07

NZ Inflation-Indexed Bonds

Sept-30	1.41	0.02
Sept-35	2.27	0.02
Sept-40	2.72	0.02

Carbon Price

	Level	% Day	% Year
NZU	41.00	-3.4	-36.0

Policy Meeting Run

	NZD	AUD	USD
1st	2.26	3.60	3.68
2nd	2.22	3.59	3.61
3rd	2.21	3.58	3.52
4th	2.20	3.58	3.45
5th	2.22	3.58	3.29

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

Rates are as of: NZT 06:19

Source: Bloomberg

NZD exchange rates

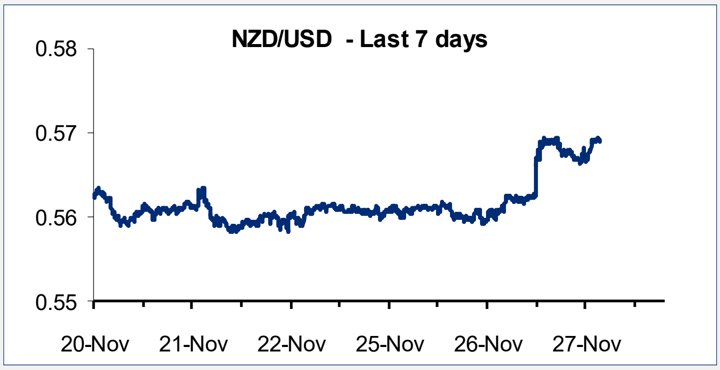
27/11/2025	6:19 am	Prev. NY close
USD	0.5690	0.5621
GBP	0.4304	0.4269
AUD	0.8736	0.8689
EUR	0.4911	0.4858
JPY	89.01	87.72
CAD	0.7995	0.7924
CHF	0.4580	0.4539
DKK	3.6679	3.6285
FJD	1.2976	1.2922
HKD	4.4252	4.3706
INR	50.79	50.15
NOK	5.8079	5.7498
PKR	159.65	157.74
PHP	33.49	33.12
PGK	2.4141	2.3828
SEK	5.4079	5.3589
SGD	0.7383	0.7315
CNY	4.0258	3.9823
THB	18.34	18.16
TOP	1.3599	1.3435
VUV	69.96	69.21
WST	1.5893	1.5705
XPF	58.66	57.99
ZAR	9.7382	9.6791

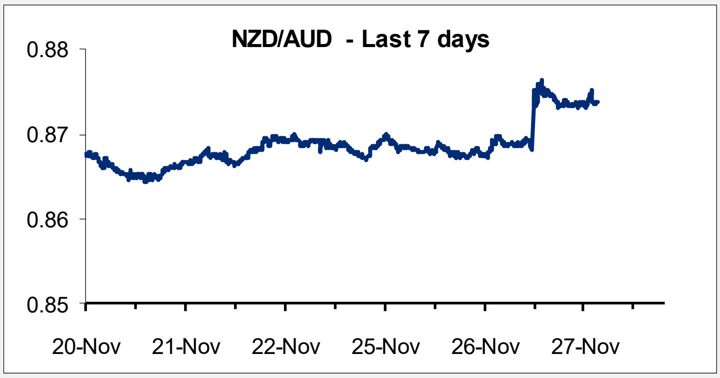
NZD/USD Forward Points

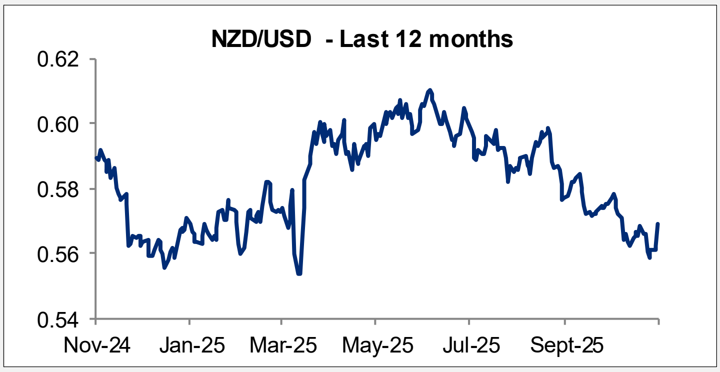
	BNZ buys NZD	BNZ sells NZD
1 Month	7.88	8.07
3 Months	20.92	21.33
6 Months	39.71	40.71
9 Months	55.49	57.41
1 Year	67.07	69.43

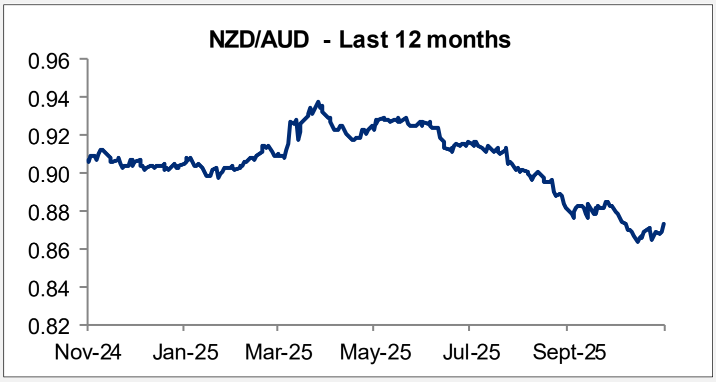
NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	10.17	10.64
3 Months	28.01	29.03
6 Months	56.93	59.67
9 Months	87.22	92.22
1 Year	116.67	123.03









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