

Research Markets Today

28 November 2025

Events Round-Up

NZ: Real retail sales (q/q%), Q3: 1.9 vs. 0.6 exp.
 NZ: ANZ activity outlook (net%), 53: vs. 45 prev.
 GE: GfK consumer confidence, Dec: -23.2 vs. -23.5 exp.
 EA: Economic confidence, Nov: 97.0 vs. 97.0 exp.

Good Morning

The overnight trading session has been quiet given the US Thanksgiving holiday, with little news or price action.

S&P500 futures are flat and the Euro Stoxx 60 index closed up just 0.1%. US 10-year Treasury futures have traded a tight range and are little changed from the NZ close. European rates show little movement. As the market fully digests the UK Budget, the 10-year UK gilt yield is up 3bps to 4.46%, reversing about half of the fall of the previous day.

President Putin said President Trump's proposals for ending the war in Ukraine could be the basis for future agreements, but no final version exists yet. He added Russia wants to agree with Ukraine eventually, but this is legally impossible now. Oil prices have been relatively steady this week and Brent crude trades just over USD63 per barrel.

There have been insignificant changes in major currencies overnight. However, the NZD is the best performing since this time yesterday, as it sustained the move higher in the wake of stronger economic data released yesterday and as rates pushed even higher in the aftermath of the RBNZ's MPS on Wednesday.

NZ real retail sales surged 1.9% q/q in Q3, extending their gain over the past year to 4.5%. Although this strong growth follows a period of weakness, it helps to balance out some of the recent negative commentary about consumer confidence and the overall health of the economy. It also adds upside risk to Q3 GDP estimates, which already anticipate a bounce-back from the rogue 0.9% contraction in Q2.

The ANZ business outlook survey, which has consistently shown more optimism than other surveys this year, reported even greater positivity, with business confidence reaching its highest level in 11 years and the key own activity indicator is at a value historically linked to very strong growth.

As is customary, post-RBNZ MPS interviews took place, and when questioned by Bloomberg about whether a significant shift in the outlook would be required for the RBNZ to lower rates further, Governor Hawkesby affirmed that such an interpretation would be consistent. This response reinforces the market's belief that Wednesday's rate cut was very likely the final one in this cycle.

Hawkesby added that "forever lowering and keeping the door open" to further easing is "just not consistent" with getting inflation back to its 2% target. He also conveyed no surprise to the market reaction, telling the NZ Herald that the RBNZ's markets team briefs the MPC on the likely reactions to different decisions they make.

The domestic rates curve moved higher and flatter, with clear sign that the market wasn't positioned for conviction developing regarding the end of the easing cycle. Traders are also anxious that a wave of mortgage fixing will add further upside pressure to short-term rates. The 2-year swap rate rose 9bps to 2.79%, taking the cumulative lift since the RBNZ's OCR cut to 20bps, while the 10-year rate rose 3bps to 3.85%. NZGB yields showed a similar movement. The OIS market prices the first full 25bps hike by the December 2026 meeting.

Interestingly, the 2-year swap rate has risen 17bps since the day before the October meeting, a period over which the OCR has been cut 75bps, a lesson that movements in interest rates can be significant and perverse around turning points in the cycle.

The tailwind of higher rates saw the NZD push up to around 0.5730, which takes it back to where it began the month, following its post MPS bounce-back. The same can be said for the NZ TWI, at 66.5. NZD crosses all pushed higher and, while most of these movements just make up for prior losses, of note NZD/JPY has risen to a level not seen since the first week of January, reaching 89.5.

On the calendar today, NZ consumer confidence and filled jobs will be released, followed by Tokyo CPI inflation data. Tonight sees the release of German CPI and Canadian Q3 GDP data, while China PMI data are released over the weekend. The market is likely to end the week on a quiet note, given the US holiday and with early Friday closes for US equities and Treasuries.

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Coming Up

		Period	Cons.	Prev.	NZT
NZ	ANZ consumer confidence	Nov	92.4	10:00	
NZ	Filled jobs (m/m%)	Oct	0.3	10:45	
JN	Tokyo CPI (y/y%)	Nov	2.7	2.8	12:30
JN	Tokyo CPI ex-fr. food, energy (y/y%)	Nov	2.8	2.8	12:30
GE	Unemployment claims (%)	Nov	6.3	6.3	21:55
GE	CPI EU harmonised (y/y%)	Nov	2.4	2.3	02:00
CA	GDP (ann'l sd q/q%)	Q3	0.5	-1.6	02:30
Sunday					
CH	Manufacturing PMI	Nov	49.2	49.0	14:30
CH	Non-manufacturing PMI	Nov	50.0	50.1	14:30

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	0.5722	+0.4	0.5709	0.5730	CHF	0.8050	+0.1	S&P 500	6,813	+0.7	13.6	Oil (Brent)	63.17	+0.1		
AUD	0.6530	+0.2	0.6522	0.6534	SEK	9.484	-0.1	Dow	47,427	+0.7	6.0	Oil (WTI)	58.91	+0.4		
EUR	1.1594	-0.0	1.1577	1.1605	NOK	10.160	-0.4	Nasdaq	23,215	+0.8	21.8	Gold	4153.6	-0.3		
GBP	1.3234	-0.1	1.3210	1.3264	HKD	7.780	+0.0	Stoxx 50	5,653	-0.0	19.4	HRC steel	904.0	+0.2		
JPY	156.34	-0.1	155.92	156.40	CNY	7.080	+0.1	FTSE	9,694	+0.0	17.2	CRB	297.9	+1.2		
CAD	1.4031	-0.1			SGD	1.297	-0.0	DAX	23,768	+0.2	23.4	Wheat Chic.	540.5	+0.2		
NZD/AUD	0.8763	+0.2			IDR	16,636	-0.2	CAC 40	8,099	+0.0	13.4	Sugar	15.14	+1.5		
NZD/EUR	0.4935	+0.4			THB	32.24	+0.0	Nikkei	50,167	+1.2	30.8	Cotton	62.77	+0.5		
NZD/GBP	0.4324	+0.5			KRW	1,462	-0.4	Shanghai	3,875	+0.3	17.1	Coffee	379.7	-0.9		
NZD/JPY	89.46	+0.4			TWD	31.35	-0.0	ASX 200	8,617	+0.1	2.0	WM powder	3180	-0.6		
NZD/CAD	0.8029	+0.3			PHP	58.78	-0.1	NZX 50	13,432	-1.0	2.9	Australian Futures				
NZ TWI	66.51	+0.4						VIX Index	17.21	+0.1	+23.8	3 year bond	96.13	0.03		
Interest Rates												10 year bond			95.50	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	3.27	3.58	USD	3.99	0.00	15-Apr-27		2.73	0.07	BKBM 1-mth	2.39	0.01		
AUD	3.60	3.67	3.77	4.57	AUD	4.49	-0.03	15-May-28		3.08	0.09	BKBM 3-mth	2.44	0.02		
NZD	2.25	2.44	2.79	3.85	NZD	4.23	0.02	20-Apr-29		3.29	0.09	1 year	2.53	0.04		
EUR	2.00	2.07	2.17	2.73	GER	2.68	0.01	15-May-30		3.50	0.08	2 year	2.79	0.09		
GBP	4.00	4.11	3.51	3.96	GBP	4.45	0.03	15-May-31		3.71	0.07	3 year	3.00	0.10		
JPY	0.48	-0.03	0.96	1.61	JPY	1.80	-0.01	15-May-32		3.89	0.06	5 year	3.33	0.09		
CAD	2.25	4.97	2.28	2.90	CAD	3.14	-0.00	14-Apr-33		4.00	0.04	7 year	3.58	0.06		
Carbon Price						Policy Meeting Run						10 year			3.85	0.03
	Level	% Day	% Year		NZD	AUD	USD				15 year			4.17	0.02	
NZU	39.50	-3.7	-38.3	1st	2.23	3.60	3.68	15-May-36		4.34	0.01	NZ Inflation-Indexed Bonds				
* These are indicative ranges from 5pm NZT;						2nd	2.23	3.58	3.60	15-May-37	4.46	0.01	Sept-30	1.47	0.06	
please confirm rates with your BNZ dealer						3rd	2.22	3.58	3.52	15-May-41	4.81	-0.00	Sept-35	2.32	0.05	
Rates are as of: NZT 06:56						4th	2.28	3.60	3.45	15-May-51	5.10	-0.00	Sept-40	2.76	0.04	
Source: Bloomberg						5th	2.34	3.60	3.29	15-May-54	5.09	-0.00				

NZD exchange rates**28/11/2025 6:56 am Prev. NY close**

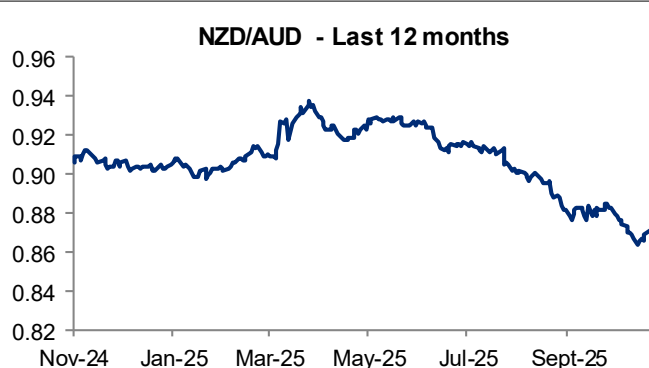
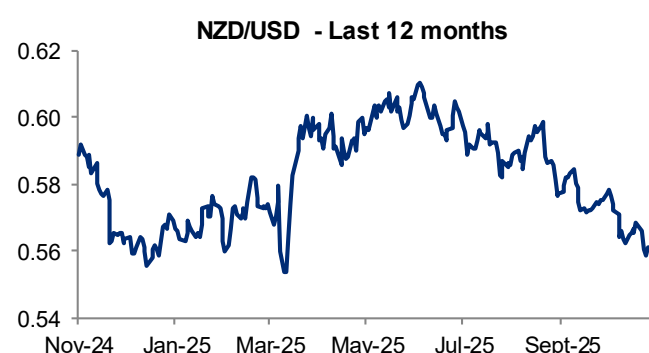
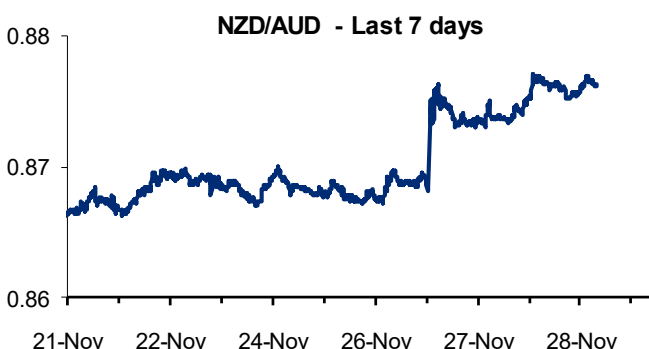
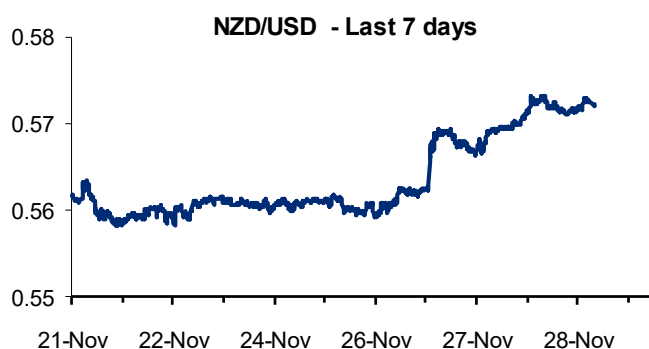
USD	0.5722	0.5699
GBP	0.4324	0.4304
AUD	0.8763	0.8743
EUR	0.4935	0.4915
JPY	89.46	89.17
CAD	0.8029	0.8004
CHF	0.4608	0.4584
DKK	3.6868	3.6707
FJD	1.3089	1.3044
HKD	4.4538	4.4329
INR	51.13	50.87
NOK	5.8183	5.8146
PKR	160.61	159.90
PHP	33.66	33.55
PGK	2.4508	2.4148
SEK	5.4282	5.4126
SGD	0.7425	0.7394
CNY	4.0528	4.0327
THB	18.46	18.37
TOP	1.3706	1.3621
VUV	70.17	70.01
WST	1.6030	1.5915
XPF	58.93	58.73
ZAR	9.8152	9.7684

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	8.26	8.62
3 Months	20.88	21.38
6 Months	39.65	40.74
9 Months	54.30	56.30
1 Year	64.31	67.30

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	10.07	10.90
3 Months	27.74	29.22
6 Months	57.19	60.43
9 Months	86.44	91.53
1 Year	112.86	122.78



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