

Research Markets Today

28 October 2025

Events Round-Up

GE: IFO Business Climate, Oct: 88.4 vs. 88 exp.

GE: IFO Expectations, Oct: 91.6 vs. 90 exp.

Good morning

US and Asian equity indices have reached fresh record highs, after encouraging signs from negotiations between the US and China, ahead of a leaders summit this week. Equities have been supported following benign US CPI data, which was released on Friday, and reinforced expectations for a 25bp rate cut when the Federal Reserve meets later this week. The US dollar is little changed and treasury yields are modestly higher. Gold prices fell below US\$4,000 an ounce on diminished haven demand.

Officials from the US and China said they have come to an agreement on a range of contentious issues after negotiations in Malaysia. This has raised hopes that Donald Trump and Xi Jinping will agree to extend a trade truce at their planned summit this week. China is expected to delay introducing export controls on rare earths which had previously triggered a sharp escalation in tensions between the two countries.

US treasuries are modestly higher in yield for shorter maturities, reflecting the strong risk tone, and in the absence of data amid the US government shutdown. 10-year yields traded to 4.04% - a one week high – before retracing towards 4.0%. The curve flattened at the margin.

The German Ifo index rose to 88.4 points in October which was above the median estimate from economists. The improved indicator follows the pickup in the composite PMI, which increased to a 29-month high in October, led by the services sector. German government bond markets were little changed - 10-year bunds closed at 2.62%.

Reserve Bank of Australia Governor Bullock has said the monetary policy board will rely on a new set of forecasts next week, to decide whether to ease further to support the labour market, while inflation remains sticky. She also noted the volatility in monthly data. RBA officials assess current policy settings as 'marginally tight' and Q3 CPI

data, which is released tomorrow, will be a key input into the 4 November monetary policy decision. The market interpreted Bullock's comments as relatively hawkish which supported the AUD.

Outside of the AUD, which was the best performing G10 currency, absolute moves against the US dollar have been modest overnight. Optimism about the chance for a US-China trade deal underpinned the Australasian currencies as markets opened for the week. NZD/USD traded above 0.5785 on Monday morning, but has since retraced, albeit having maintained some of the gains. The NZD was largely stable on the major crosses overnight. NZD/AUD is lower and traded below 0.8800 after Governor Bullock's comments.

NZ fixed income markets closed higher in yield in the local session on Friday aligned with moves in offshore markets in the absence of domestic data or other catalysts. The swap curve ended 2-4bp higher with a steepening bias. 10-year NZGB yields closed at 4.0%, 3bp higher on the session.

Australian 10-year bond futures are 2bp higher in yield terms, compared with the local close yesterday on Friday. With NZ fixed income markets closed for a public holiday yesterday, the change in Australian futures implies a modest upwards bias for NZ rates on the open.

Monthly filled jobs data September is the only domestic economic release of note today. Filled jobs increased 0.2% in August but this series has been consistently revised lower. The Conference Board measure of US consumer confidence is scheduled. The labour market components are likely to attract the greatest scrutiny. This is where the Federal Reserves sees the risks to the economy and there is no official data amid the government shutdown.

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Coming Up

		Period	Cons.	Prev.	NZT
NZ	Filled Jobs SA (m/m%)	Sep		0.2	10:45
US	Conf. Board Consumer Confidence	Oct	93.4	94.2	03:00
US	Conf. Board Expectations	Oct		73.4	03:00

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	0.5765	+0.2	0.5752	0.5771	CHF	0.7956	+0.0	S&P 500	6,860	+1.0	18.1	Oil (Brent)	65.94	-0.0
AUD	0.6556	+0.7	0.6533	0.6560	SEK	9.386	-0.1	Dow	47,424	+0.5	12.6	Oil (WTI)	61.63	+0.1
EUR	1.1639	+0.1	1.1618	1.1651	NOK	9.987	-0.3	Nasdaq	23,590	+1.7	27.4	Gold	3971.3	-3.6
GBP	1.3337	+0.2	1.3311	1.3353	HKD	7.767	-0.0	Stoxx 50	5,711	+0.6	15.5	HRC steel	814.0	+0.2
JPY	153.00	+0.1	152.57	153.20	CNY	7.108	-0.2	FTSE	9,654	+0.1	17.0	CRB	303.0	-0.7
CAD	1.3994	-0.0			SGD	1.297	-0.2	DAX	24,309	+0.3	24.9	Wheat Chic.	544.8	+3.2
NZD/AUD	0.8793	-0.4			IDR	16,621	+0.1	CAC 40	8,239	+0.2	9.9	Sugar	14.47	-3.3
NZD/EUR	0.4953	+0.2			THB	32.66	-0.1	Nikkei	50,512	+2.5	30.8	Cotton	64.61	+0.6
NZD/GBP	0.4323	+0.0			KRW	1,432	-0.4	Shanghai	3,997	+1.2	21.1	Coffee	391.4	-2.9
NZD/JPY	88.20	+0.4			TWD	30.72	-0.3	ASX 200	9,056	+0.4	10.1	WM powder	3480	+0.1
NZD/CAD	0.8068	+0.3			PHP	58.91	+0.5	NZX 50	13,392	+0.1	4.9	Australian Futures		
NZ TWI	66.83	+0.1						VIX Index	15.97	-2.4	-21.4	3 year bond	96.58	-0.04
Interest Rates												10 year bond 95.83 -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	4.25	4.85	3.27	3.56	USD	3.99	-0.01	15-Apr-27	2.53	0.00	BKBM 1-mth	2.63	0.00	
AUD	3.60	3.50	3.39	4.19	AUD	4.18	0.04	15-May-28	2.77	0.00	BKBM 3-mth	2.52	0.00	
NZD	2.50	2.52	2.50	3.58	NZD	4.00	0.00	20-Apr-29	2.97	0.00	1 year	2.40	0.00	
EUR	2.00	2.07	2.12	2.61	GER	2.62	-0.01	15-May-30	3.17	0.00	2 year	2.50	0.00	
GBP	4.00	4.14	3.55	3.92	GBP	4.40	-0.03	15-May-31	3.41	0.00	3 year	2.66	0.00	
JPY	0.48	-0.03	0.92	1.49	JPY	1.67	0.01	15-May-32	3.60	0.00	5 year	2.99	0.00	
CAD	2.50	4.97	2.22	2.80	CAD	3.06	-0.03	14-Apr-33	3.74	0.00	7 year	3.27	0.00	
								15-May-34	3.89	0.00	10 year	3.58	0.00	
								15-May-35	4.00	0.00	15 year	3.89	0.00	
								15-May-36	4.11	0.00	NZ Inflation-Indexed Bonds			
								15-May-37	4.24	0.00	Sept-30	1.36	0.00	
								15-May-41	4.60	0.00	Sept-35	2.22	0.00	
								15-May-51	4.90	0.00	Sept-40	2.68	0.00	
								15-May-54	4.91	0.00				
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer														
Rates are as of: NZT 06:13														
Source: Bloomberg														

NZD exchange rates

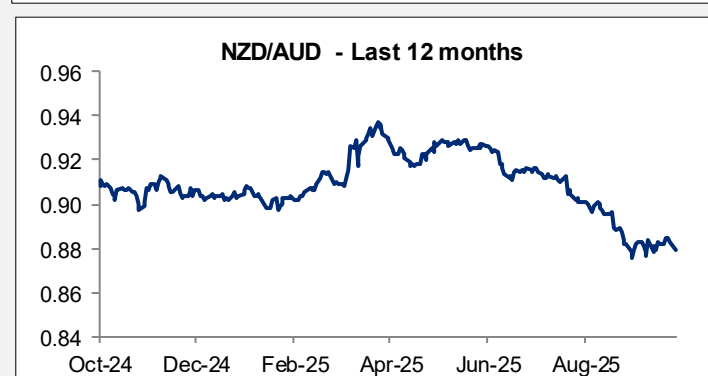
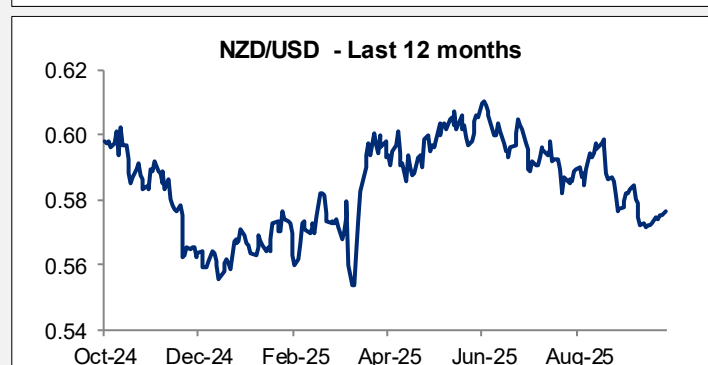
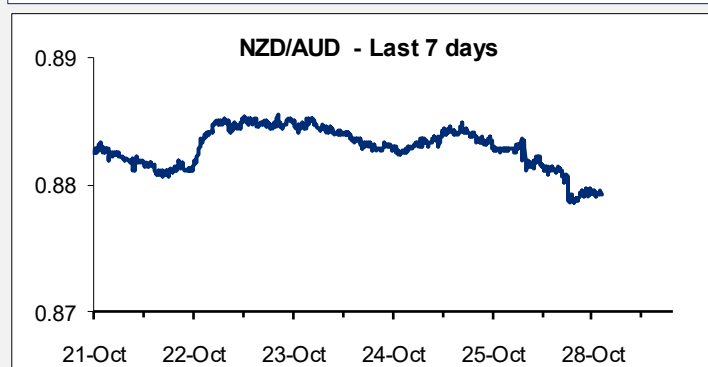
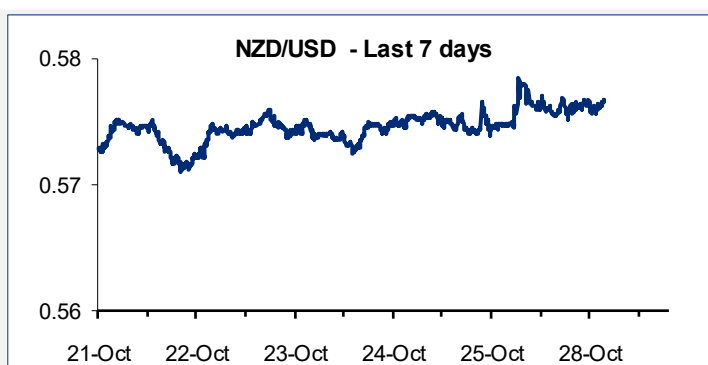
28/10/2025	6:13 am	Prev. NY close
USD	0.5765	0.5750
GBP	0.4323	0.4320
AUD	0.8793	0.8828
EUR	0.4953	0.4945
JPY	88.20	87.89
CAD	0.8068	0.8048
CHF	0.4587	0.4575
DKK	3.6997	3.6930
FJD	1.3177	1.3050
HKD	4.4778	4.4677
INR	50.87	50.51
NOK	5.7576	5.7580
PKR	161.98	161.62
PHP	33.96	33.71
PGK	2.4111	2.4190
SEK	5.4111	5.4035
SGD	0.7475	0.7468
CNY	4.0979	4.0954
THB	18.86	18.84
TOP	1.3413	1.3378
VUV	70.26	70.19
WST	1.5836	1.5846
XPF	59.35	59.17
ZAR	9.9344	9.9280

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	6.95	7.15
3 Months	21.74	22.16
6 Months	40.73	41.73
9 Months	57.67	59.63
1 Year	71.79	74.48

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	7.24	7.72
3 Months	25.05	26.20
6 Months	50.63	53.34
9 Months	75.75	80.62
1 Year	100.92	108.07



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