

Research Markets Today

29 September 2025

Events Round-Up

NZ: ANZ consumer confidence, Sep: 94.6 vs. 92.0 prev.
 JN: Tokyo CPI (y/y%), Sep: 2.5 vs. 2.8 exp.
 JN: Tokyo CPI x-fr. fd, energy (y/y%), Sep: 2.5 vs. 2.9 exp.
 CA: GDP (m/m%), Jul: 0.2 vs. 0.1 exp.
 US: Personal income (m/m%), Aug: 0.4 vs. 0.3 exp.
 US: Real personal spending (m/m%), Aug: 0.4 vs. 0.2 exp.
 US: Core PCE deflator (m/m%), Aug: 0.2 vs. 0.2 exp.
 US: Core PCE deflator (y/y%), Aug: 2.9 vs. 2.9 exp.

Good morning

After declining for three consecutive session, US equities rebounded into the end of last week with data pointing to resilience in the US economy. The market looked past President Trump's announcement of fresh industry-focused tariffs, including a 100% duty on patented pharmaceuticals. The S&P closed 0.6% higher. Major European indices made solid gains with the Euro Stoxx index advancing 1%. Sovereign bond markets were little changed, and the US dollar was modestly weaker.

US real personal spending was stronger than expected in August, increasing 0.4% on the month, compared with the 0.2% consensus estimate. Previous months were also revised higher. The consecutive gains in personal spending add to evidence of solid activity in the current quarter though the medium-term outlook will be tied to the labour market's resilience. The core PCE deflator increased 0.2%, matching expectations which kept the annual rate stable at 2.9%.

There was negligible impact on US rates from the data. Market pricing implies 22bp of easing for the October FOMC and a cumulative 41bp by the end of the year. Richmond Fed President Barkin said that while unemployment and inflation have both moved away from the goals, he sees only limited risk of further deterioration. Separately, Fed Governor Bowman said she prefers a gradual approach to rate changes and that the neutral interest rate is near 3.0%.

Price action in US treasuries was subdued. Front end yields were little changed while 10-year notes increased 1bp to 4.18%. 10-year Treasury yields are near the highest level since the beginning of September as the market looks ahead to a busy week of US economic data.

The US dollar declined modestly against G10 currencies. The pound and Scandinavian currencies made the largest gains although there was no obvious catalyst. NZD/USD oscillated in a narrow trading range and is little changed from the local close on Friday. NZD/GBP reached a fresh multi-month low and is approaching 0.4300 where the cross found a base amid the market volatility in April. Although the decline was small, NZD/EUR fell to the lowest level since 2009.

Tokyo CPI, which closely monitored as a leading indicator for nationwide price trends, was significantly softer than expected. The core measure which excludes both fresh food and energy increased at a 2.5% annual rate compared to the 2.9% consensus estimate. The undershoot was driven by one-off factors and is unlikely to materially impact the outlook for Bank of Japan policy. The market is pricing around a 50% chance for a 25bp hike in October.

NZ swap rates edged higher in the local session on Friday with little reaction to the data. Although consumer confidence increased marginally in September, it remains subdued overall and suggests some downside risk to our forecast pickup in household spending. Rates closed 1-2bp higher across the curve and are largely unchanged from the start of the week, despite higher global yields, resulting in a significant cross market outperformance. Terminal OCR pricing was stable near 2.30%.

There was limited movement for NZ government bonds. 10-year yields increased by 1bp and closed at 4.23%. Australian 10-year government bond futures are ~2bp lower in yield terms, compared with levels at the local close on Friday, suggesting limited directional bias for NZ yields on the open.

Filled jobs for August is the only domestic release of note today. ANZ business confidence and building consents are scheduled for Tuesday and Wednesday respectively. US labour market data is the main international release in the week ahead, and a potential US government shutdown at the end of the month, also looms as a potential risk event. The RBA is expected to leave rates on hold on Tuesday. Preliminary CPI data is scheduled for the euro area and PMIs are released in China ahead of the Golden Week Holiday.

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Coming Up

		Period	Cons.	Prev.	NZT
NZ	Filled Jobs SA (m/m%)	Aug	0.2	10:45	
EC	Economic Confidence	Sep	95.2	22:00	
US	Pending Home Sales (m/m%)	Aug	0.1	-0.4	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	0.5775	+0.1	0.5754	0.5776	CHF	0.7979	-0.2	S&P 500	6,644	+0.6	15.6	Oil (Brent)	70.13	+0.5
AUD	0.6546	+0.0	0.6521	0.6552	SEK	9.408	-0.6	Dow	46,247	+0.7	9.7	Oil (WTI)	65.72	+0.3
EUR	1.1702	+0.3	1.1662	1.1707	NOK	9.976	-0.6	Nasdaq	22,484	+0.4	23.6	Gold	3776.2	+0.5
GBP	1.3402	+0.4	1.3344	1.3413	HKD	7.780	-0.1	Stoxx 50	5,500	+1.0	9.3	HRC steel	805.0	-1.2
JPY	149.51	-0.2	149.41	149.95	CNY	7.135	+0.0	FTSE	9,285	+0.8	12.1	CRB	305.0	+0.6
CAD	1.3943	-0.0			SGD	1.292	-0.2	DAX	23,739	+0.9	23.4	Wheat Chic.	538.3	-1.4
NZD/AUD	0.8821	+0.0			IDR	16,738	-0.1	CAC 40	7,871	+1.0	1.7	Sugar	15.87	+0.7
NZD/EUR	0.4935	-0.2			THB	32.25	+0.2	Nikkei	45,355	-0.9	13.9	Cotton	63.95	+0.0
NZD/GBP	0.4309	-0.3			KRW	1,410	+0.0	Shanghai	3,828	-0.7	27.6	Coffee	378.1	+1.8
NZD/JPY	86.33	-0.1			TWD	30.52	+0.3	ASX 200	8,788	+0.2	7.0	WM powder	3590	-0.7
NZD/CAD	0.8051	+0.1			PHP	58.15	+0.1	NZX 50	13,112	-0.3	5.3	Australian Futures		
NZ TWI	66.76	+0.0						VIX Index	15.29	-8.7	-0.5	3 year bond	96.39	-0.04
												10 year bond	95.59	0.02
Interest Rates														
	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	3.43	3.68	USD	4.18	0.01	15-Apr-27	2.75	0.02	BKBM 1-mth	2.96	0.00	
AUD	3.60	3.60	3.47	4.31	AUD	4.39	0.04	15-May-28	2.97	0.01	BKBM 3-mth	2.82	0.00	
NZD	3.00	2.82	2.68	3.73	NZD	4.23	0.01	20-Apr-29	3.18	0.02	1 year	2.59	-0.01	
EUR	2.00	1.98	2.17	2.72	GER	2.75	-0.03	15-May-30	3.40	0.02	2 year	2.68	0.01	
GBP	4.00	4.22	3.79	4.19	GBP	4.75	-0.01	15-May-31	3.63	0.01	3 year	2.83	0.02	
JPY	0.48	-0.03	0.93	1.48	JPY	1.65	0.00	15-May-32	3.83	0.01	5 year	3.14	0.02	
CAD	2.50	4.97	2.36	2.91	CAD	3.23	0.00	14-Apr-33	3.98	0.01	7 year	3.42	0.01	
									15-May-34	4.12	0.01	10 year	3.73	0.01
									15-May-35	4.23	0.01	15 year	4.04	0.01
									15-May-36	4.34	0.01	NZ Inflation-Indexed Bonds		
									15-May-37	4.46	0.00	Sept-30	1.59	-0.01
									15-May-41	4.79	0.00	Sept-35	2.43	-0.00
									15-May-51	5.07	-0.00	Sept-40	2.86	-0.00
									15-May-54	5.09	0.00			
* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer														
Rates at NY close														
Source: Bloomberg														

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Rates at NY close

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NZD exchange rates

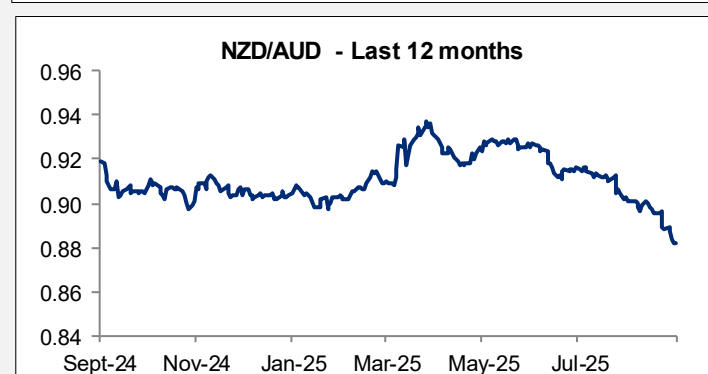
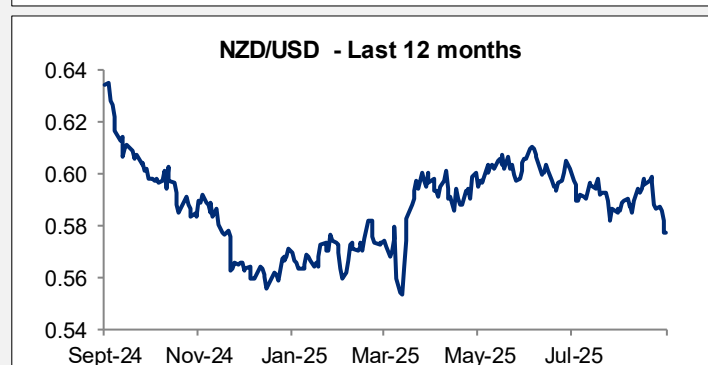
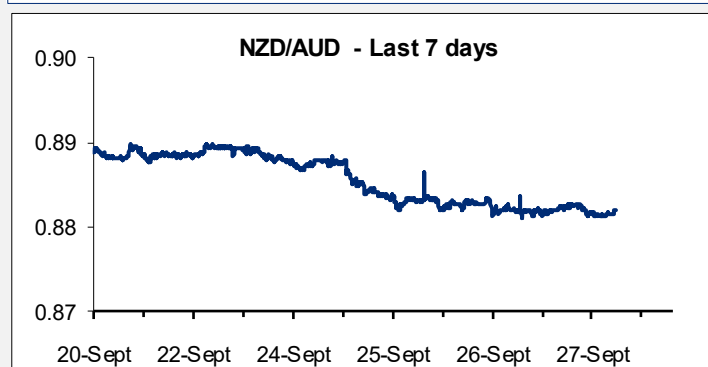
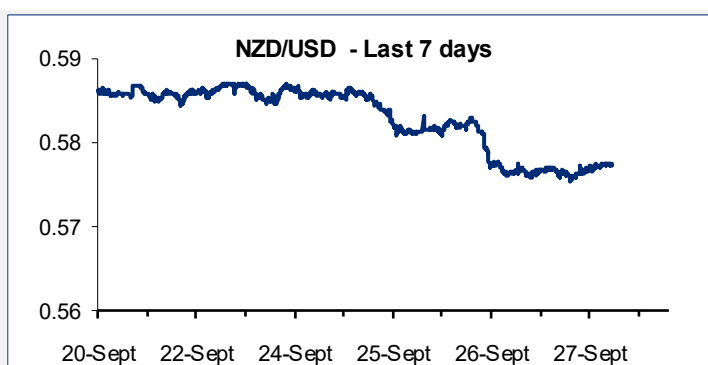
27/09/2025	NY close	Prev. NY close
USD	0.5775	0.5767
GBP	0.4309	0.4321
AUD	0.8821	0.8818
EUR	0.4935	0.4943
JPY	86.33	86.39
CAD	0.8051	0.8039
CHF	0.4605	0.4612
DKK	3.6813	3.6899
FJD	1.3121	1.3071
HKD	4.4904	4.4887
INR	51.21	51.14
NOK	5.7581	5.7884
PKR	162.42	162.29
PHP	33.55	33.51
PGK	2.3940	2.3811
SEK	5.4303	5.4566
SGD	0.7456	0.7461
CNY	4.1180	4.1141
THB	18.61	18.53
TOP	1.3518	1.3611
VUV	69.10	69.19
WST	1.5948	1.5759
XPF	58.79	58.85
ZAR	10.0067	10.0499

NZD/USD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	6.78	6.99
3 Months	19.90	20.40
6 Months	38.57	39.57
9 Months	55.79	57.79
1 Year	69.70	73.52

NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	6.10	6.60
3 Months	20.50	21.58
6 Months	43.17	45.63
9 Months	66.37	70.50
1 Year	88.33	96.55



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