

Research Markets Outlook

6 October 2025

RBNZ to cut

- RBNZ rate cut expected by all and sundry
- But will it be 25 or 50?
- Tomorrow's QSBO could alter the odds
- PMI to follow new orders up or not?
- Government accounts due and Fin Min to speak

The RBNZ October Monetary Policy Review (MPR) on Wednesday will garner attention this week. As we stated in last week's MPR preview, the Bank seems certain to cut the OCR at this meeting.

We expect the RBNZ to cut 25bps this week and maintain a clear easing bias. Note that the MPR offers only a few paragraphs of explanation and is not accompanied by updated forecasts. A 25bp cut would take the cash rate to 2.75%. We see a 2.50% low in the cash rate by year end, albeit with risk tilted to the downside.

Despite many indicators improving through Q3 and indications of the supply side growing more slowly than the RBNZ expected, there is a very real risk that the Bank was spooked by the weak Q2 GDP figures and cuts 50bps this week. We are not convinced that will be the outcome at this point, although it is a clear risk.

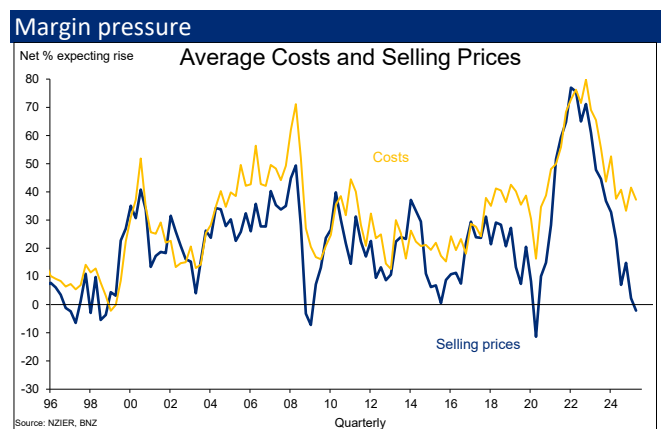
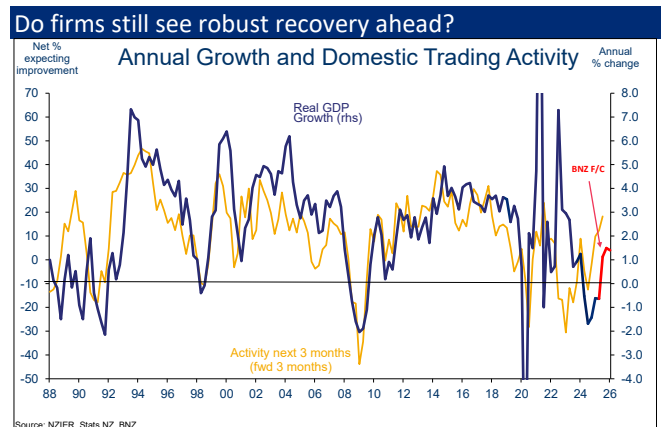
Market polls also favour a 25bp move, although are not unanimous. Polls show participants are roughly split 3 to 2 in favour of a 25bp cut over a 50bp cut. Market pricing also sees a 25bp reduction as most likely, albeit consistent with about a third chance of a larger 50bp cut being delivered.

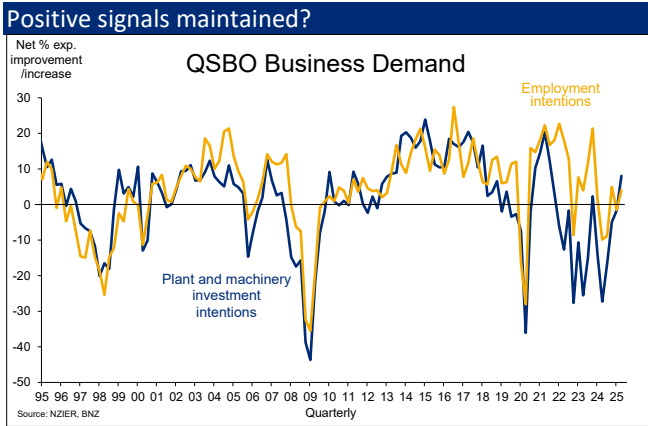
NZIER's Monetary Policy Shadow Board's view released this morning is another with the balance of opinion for a 25bp cut. The majority of members recommended a 25bp cut. But illustrating the range of views at present, several members endorsed a 50bp cut while one member supported no change.

Beyond the deliberation of the precise trajectory of the cash rate, we remain of the view that the easing cycle is looking increasingly mature and generally well discounted by the market. That is if the economy and outlook evolve broadly as we currently see it.

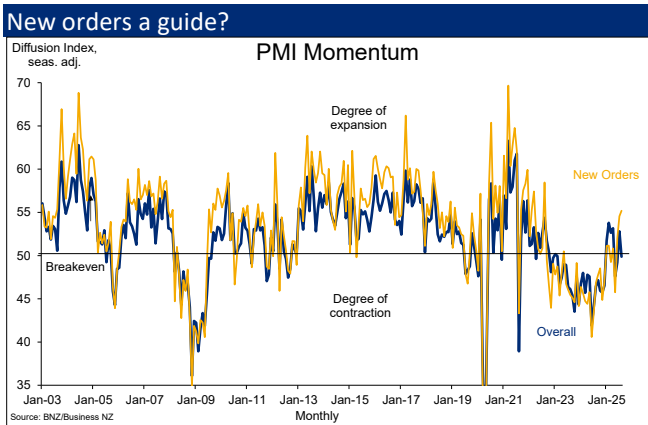
The NZIER Quarterly Survey of Business Opinion (QSBO) is due for release tomorrow. It has the potential to alter thoughts on the economy and outlook for interest rates.

We are interested in the QSBO activity indicators as timely guidance to the economic recovery and the survey's range of tightness variables. The latter will help assessment of resource use pressures and their implications for medium term inflation. Pricing indicators in the QSBO have been soft and will be monitored for any change, while upward pressure on costs has been persistent. We will also be interested to see if investment and employment intentions maintain their recent positivity.





The PMI is due for release on Friday. It is after this week’s RBNZ decision but still important to assess the latest pulse in the manufacturing sector. The PMI eased from 52.8 to 49.9 in August, although new orders strengthened. Eyes on this week’s September reading to see if recent new orders strength has continued and broadened or not.



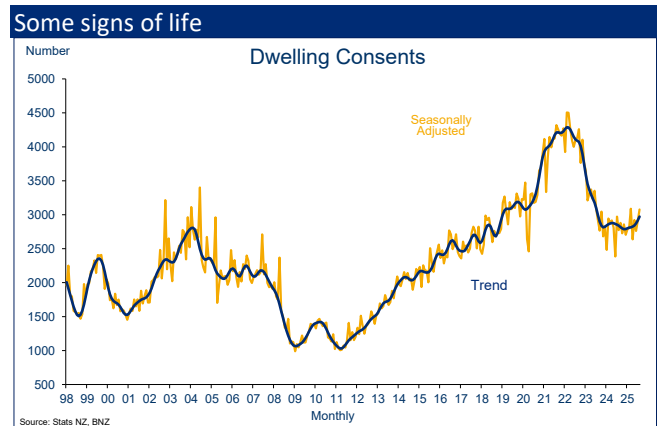
We have nudged our Q3 CPI quarterly forecast up to 1.0%, from 0.9%. This follows from Stats NZ’s method updates published last week which included more detail on early childhood education rebates. Our Q3 annual CPI forecast remains unchanged at 3.0% although it is now at greater risk of edging above the RBNZ’s target band than before, given rounding. Vagaries of rounding also sees our higher Q3 quarterly estimate round up our annual CPI forecasts by a tick over coming quarters, including Q4 edging up to 2.8% from 2.7%.

The RBNZ has, rightly in our view, looked through higher expected near-term inflation as it is viewed as transitory. However, if higher near-term inflation were to linger for a while it would raise the chance of filtering into inflation expectations and become more important for policy.

Offshore, we are watching the US government shutdown. Previous similar events have typically been short and tended to not have major implications for NZ.

Separately, last week the US announced 10% tariffs on all imported sawn timber, including from NZ. Sawn timber was exempt from the ‘reciprocal’ tariffs. The 10% is lower than that broad-based baseline of 15% tariff on other NZ goods and reportedly lower than the industry feared. But it is still an impost and a headwind for the industry. About a third of NZ’s sawn timber exports head to the US, which were valued at about \$370m over the past 12 months.

Last week’s NZ residential building consents for August showed some signs of life. The number of residential consents rose 5.8% m/m, adding to July’s 5.3% m/m gain. Current building activity is weak, however a push higher in consents provides more evidence that our forecast recovery in residential building is taking shape.



Non-residential building consents remain very volatile month to month, but the broad picture remains soft with the annual value of non-residential consents down about 5% on a year earlier.

Turning to the rest of this week’s data and event schedule there are a few things to keep an eye on:

- ANZ commodity price indexes are released this afternoon and are expected to show that annual inflation in New Zealand’s major primary product prices continued to ease in September.
- The latest GDT dairy auction takes place early Wednesday morning. A record start to NZ’s production season has seen a lift in forecast product volumes available providing a headwind to near term pricing. The balance of indicators suggests a moderate price decline.
- The Government Financial Statements for the year ended June 2025 are to be published on Thursday. The fiscal deficit for the 11 months to May was tracking close to Budget baselines. The full year accounts will be line up against the Budget projections of a \$10.2b deficit (2.3% of GDP) and net core crown debt of \$185.6b (42.7% of GDP).

- Finance Minister, Nicola Willis, is speaking at a Bloomberg event on Friday to 'share her vision for the economy as the coalition government prepares for its third year in office.' There will also be a Q&A session. Worth tuning into as the government starts to develop the bones of its Half Year Economic and Fiscal Update due in December, while also looking ahead to next year's Budget, and general election with recent polls very close.

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Global Watch

- **Quiet week in the global economic calendar**
- **US government shutdown in place**
- **FOMC and ECB minutes released**
- **Many Fed speakers on the circuit**

Week in Review

In the US, the federal government shutdown took effect from 1 October. The shutdown has already delayed the release of weekly jobless claims, factory orders, and non-farm payrolls. There has been very little market response.

The key event in Australia last week was the RBA meeting where the cash rate was left on hold. While the decision was in line with expectations the board shifted their tone more hawkish noting that private demand is “...recovering a little more rapidly than expected” and “...inflation in the September quarter may be higher than expected at the time of the August Statement on Monetary Policy. Our colleagues at NAB expect trimmed mean inflation materially above the RBA’s August forecast at 0.9% q/q. NAB expect the RBA to remain on hold until May.

Week Ahead

The US government shutdown is the political focus in its own right and also puts a large caveat over the US calendar. CPI on 15 October is the next key data date in jeopardy. Private sector data continues uninterrupted, with University of Michigan Consumer Sentiment data Friday. As does the (self-funded) Fed. The September Minutes are released Wednesday and there is a reasonably full roster of FOMC speakers scheduled. Their approach under an absence of official data, if the shutdown proves protracted, will be in focus.

In Europe, among other appearances from ECB officials, President Christine Lagarde will testify to lawmakers in the European Parliament on Monday. The account of the September meeting is published on Thursday. EU Finance ministers meet in Luxembourg to discuss topics such as budget and Russia’s war on Ukraine on Friday

In the UK, BoE Governor Bailey speaks on Monday and Chief Economist Pill delivers the annual Maxwell Fry lecture on Wednesday.

China Golden Week holidays through Wednesday, with reports on consumer holiday spending likely to garner interest. Credit data is due in the week from Thursday.

It is a much quieter week in Australia, kicked off by a public holiday for much of the country on Monday. The Westpac-

Melbourne Institute Consumer Confidence measure is published Tuesday. From the RBA, Governor Bullock appears alongside Assistant governor Kent at Senate Estimates on Friday. Expect the messaging to be similar to the post meeting press conference.

Selected Economic Events Preview

Monday 6

AU Public Holiday (NSW, QLD, SA, ACT)

EZ Retail Sales (Aug)

Tuesday 7

AU Consumer Confidence

Confidence fell back in September, led by assessments of economic conditions, but perceptions on family finances sustained a marked improvement. Also worth a look is household unemployment expectations, which have crept back up a bit over recent months. Evolution within the survey sample might also be of interest, given it straddled the RBA’s more hawkish hold last Tuesday.

Wednesday 8

JN Labour costs

US FOMC Minutes

The Minutes should prove interesting given the September dots showed a clear division within the committee on the appropriate path forward. Focus will be on the characterisation of that discussion as well as the extent of alignment against Governor Miran’s view of the need for 150bp of cuts this year and a lower neutral rate.

Thursday 9

EU ECB Meeting Minutes

Friday 10

AU RBA’s Bullock at Senate estimates

RBA Governor Bullock and Assistant Governor (Financial Markets) Kent appear in front of the Senate economics committee. On the policy outlook, expect similar framing to the post meeting press conference, with little new data since then. Although monthly household spending for August does suggest that risks on the sustainability of the pickup in consumption growth remain two sided.

US UMich Sentiment

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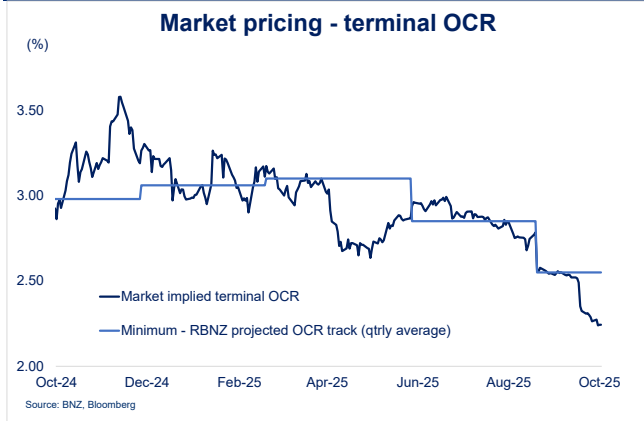
Fixed Interest Market

Reuters: BNZL, BNZM Bloomberg: BNZ

NZ swap rates reached fresh cycle lows last week which was associated with the terminal Official Cash Rate (OCR) declining to about 2.25%. There was limited additional information in the domestic dataflow, to materially alter the outlook for RBNZ monetary policy, in the leadup to the review on Wednesday. We expect a 25bps cut, and a further 25bps reduction to the OCR in November, before an extended pause at 2.50%.

Although recent data haven't altered the outlook, the weaker NZ dollar is contributing to easier monetary conditions. The trade weighted index has declined to the lowest level since the market volatility in April and is below the RBNZ's projection from the August Monetary Policy Statement (MPS). Pricing in the overnight index swap market implies about a 30% chance of a 50bps rate cut by the RBNZ on Wednesday, appropriately reflecting the risk of a larger cut, given the subdued economic recovery.

Terminal OCR pricing deviating from the RBNZ model track

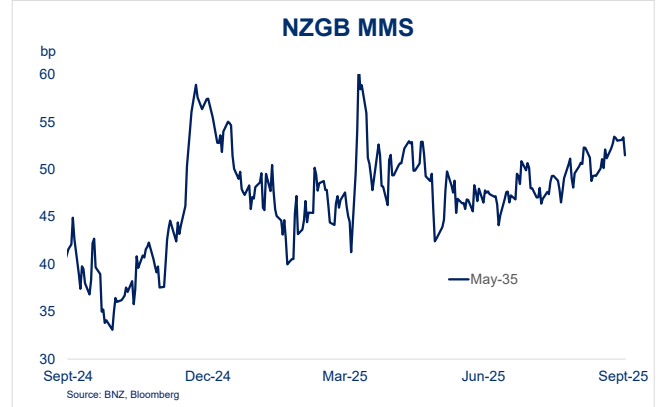


The Quarterly Survey of Business Opinion (QSBO) is scheduled one day ahead of the RBNZ meeting, and provides a rich data set, which could impact the decision. If activity and tightness indicators are sufficiently weak in the QSBO, raising concerns about the recovery and medium-term inflation, it could tip the balance towards a larger 50bps cut. However, we think a measured approach is preferred with Q3 CPI and labour market data to be released ahead of the November MPS.

The market implied terminal OCR is well below the 2.55% trough in the RBNZ's modelled OCR track from the August MPS as illustrated in the above chart. The move lower in terminal pricing fairly represents the balance of risks in our opinion but appears to have incorporated enough easing for now. The 2y/10y swap curve has steepened back to the April and multi-month peak near 110bps. The steepening was driven by longer maturities with the front end anchored by the RBNZ easing cycle.

¹ A quantitative model for NZGB ASW spreads – April 2025

10-year NZGB MMS drifting wider



10-year NZ government bonds have underperformed swaps in recent sessions. Matched maturity swap (MMS) spreads have drifted towards the top end of the +45bp to +55bp range that has prevailed since April. Although spreads were wider in December, after the surprise increase in borrowing requirements at HYEPU, and more recently in the 'liberation day' volatility, we think there is room for some bond performance from current levels.

A combination of improved valuations as spreads widen towards the top of the trading range, the absence of any significant near-term upcoming nominal NZGB supply events and positive carry dynamics, suggest there is potential for bond outperformance. This thesis is supported by our medium-term model¹, which has a fair value estimate for 10-year MMS, around 10bp tighter than current levels.

Current rates and 1-month range

	Current	Last 4-weeks range*
NZ 90d bank bills (%)	2.74	2.74 - 3.01
NZ 2yr swap (%)	2.64	2.62 - 2.91
NZ 5yr swap (%)	3.13	3.10 - 3.35
NZ 10yr swap (%)	3.72	0.00 - 3.94
2s10s swap curve (bps)	108	96 - 110
NZ 10yr swap-govt (bps)	-49	-50 - -46
NZ 10yr govt (%)	4.21	0.00 - 0.00
US 10yr govt (%)	4.12	3.99 - 4.20
NZ-US 10yr (bps)	9	3 - 27
NZ-AU 2yr swap (bps)	-82	-84 - -39
NZ-AU 10yr govt (bps)	-12	-16 - 7

*Indicative range over last 4 weeks

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Foreign Exchange Market

Reuters pg BNZFWDS Bloomberg pg BNZ9

The NZD performed better last week, rebounding from a five-month low. NZD/USD climbed 1% to 0.5830, and NZD/CAD also increased by 1%. Against EUR and GBP, the NZD posted modest gains of about 0.5%, while NZD/AUD edged slightly higher to 0.8830 after recovering from a mid-week dip to a new three-year low. The yen was the strongest among major currencies, fuelled by rising speculation of a BoJ rate hike later this month; consequently, NZD/JPY fell by less than 0.5% to 86.0.

Last week, the US government entered a shutdown due to a failure by Republicans and Democrats to reach an agreement on federal funding for the new fiscal year, which began on 1 October. Historically, such shutdowns do not last long—rarely exceeding a month at their worst—and their overall impact on the economy and markets tends to be minor. For financial markets, the greatest effect is the lack of official economic data, leading to increased focus on private sector releases.

US dollar indices recorded a modest decline last week, reversing most of the previous week’s gains. NZD/USD rebounded from its five-month low of 0.5754 at the end of the prior week, returning to the 0.58 range. The main risk event this week is the RBNZ Monetary Policy Review on Wednesday, where an OCR cut is expected. The primary uncertainty is the size of the cut—either 25 or 50bps. Of 25 economists surveyed by Bloomberg, 15 anticipate a 25bps cut (with BNZ among them), while the OIS market is pricing in 33bps, indicating a market leaning towards a 25bps reduction.

Recall that the NZD suffered a notable drop following the release of poor Q2 GDP data on 18 September. The market’s reaction was unusually negative for such historical data, with expectations of a more extended RBNZ easing cycle being priced in. We have previously argued that the reported 0.9% contraction overstates NZ’s economic weakness. The data overlooks the strong positive impact of the country’s terms of trade, as seen in the more encouraging real gross national disposable income figures, which showed a 0.9% q/q expansion and annual growth of 2.2%. Additionally, the RBNZ’s nowcast for GDP suggests a 0.7% q/q rebound for Q3.

Uncertainty over how the RBNZ will interpret recent GDP figures and incorporate them into its updated forecasts has contributed to speculation about this week’s policy response. A 50bps cut would likely trigger a kneejerk negative reaction in the NZD, while a 25bps cut could have the opposite effect. Furthermore, the tone of the minutes could also influence the NZD’s response.

Our current foreign exchange forecasts incorporate a low OCR of 2.5% for this cycle. If the OCR is ultimately reduced further, there is downside risk to our year-end NZD/USD

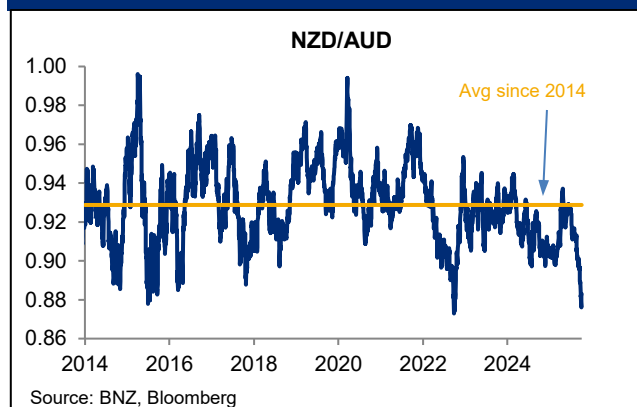
target of 0.6150. This downside risk also extends to our NZD cross rate projections.

Last week, NZD/AUD dropped to a new three-year low of 0.8758 after the RBA maintained steady rates and adopted a slightly more hawkish tone. However, the cross rate subsequently recovered above 0.88. For our current views, please refer to the comprehensive update on the cross rate we published [last week](#).

The yen’s relative strength last week was attributed to the BoJ’s most dovish board member adopting a more hawkish stance in a speech. Coupled with recent economic data, this increased expectations that the BoJ might resume tightening policy at month’s end. However, the weekend election of Takaichi as the new LDP leader and soon-to-be PM has weakened the yen this morning, as she is expected to favour accommodative policy settings, which are typically negative for the currency. This development could temporarily limit further NZD/JPY weakness in the near term.

Besides the RBNZ meeting, tomorrow’s QSBO release will offer extensive data on activity indicators, expectations, and pricing trends. Based on last week’s ANZ survey, some improvement in activity indicators is anticipated. Elsewhere, the global economic calendar is relatively light this week, even more so given the US government shutdown.

NZD/AUD deep near the bottom end of decade range



Cross Rates and Recent Ranges

	Last wk		
	Current	% chg	Last 3-wks range*
NZD/USD	0.5777	-1.4%	0.5750 - 0.6010
NZD/AUD	0.8818	-0.7%	0.8810 - 0.9020
NZD/CAD	0.8050	-0.2%	0.8030 - 0.8270
NZD/GBP	0.4313	-0.9%	0.4300 - 0.4410
NZD/EUR	0.4935	-1.0%	0.4930 - 0.5100
NZD/JPY	86.34	-0.4%	86.20 - 88.10

*Indicative range over last 3 w weeks, rounded

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Technicals

NZD/USD

Outlook: Downside risk
 ST Resistance: 0.6000 (ahead of 0.6120)
 ST Support: 0.5750 (ahead of 0.56)

With better performance last week we've raised support to 0.5750, a few pips under the recent five-month low, but another test of that level would bring 0.56 into play.

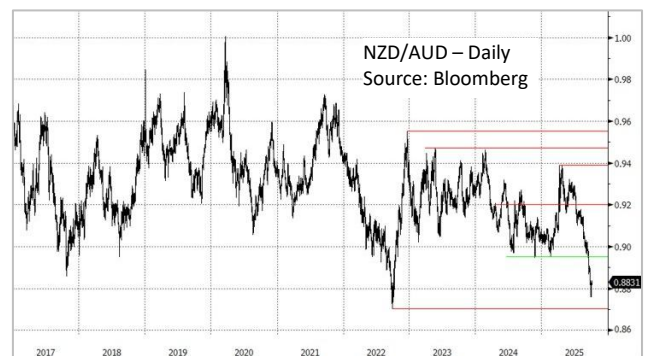


NZD/AUD

Outlook: Downside risk
 ST Resistance: 0.8950 (ahead of 0.92)
 ST Support: 0.87

There was a clear break below 0.88 last week before a modest recovery. We'll lower support to 0.87, and below that there is a massive gulf to the next support level.

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NZ 5-year Swap Rate

Outlook: Lower
 ST Resistance: 3.40
 ST Support: 2.85

5-year swap remained stable last week. We may look at the downtrend as new resistance in the near future.



NZ 2-year - 5-year Swap Spread (yield curve)

Outlook: Higher
 ST Resistance: 0.76
 ST Support: 0.26

2x5 swap spread steepened slightly last week and closed at the highest level in this cycle.

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Quarterly Forecasts

Forecasts as at 6 October 2025

Key Economic Forecasts

Quarterly % change unless otherwise specified

Forecasts

	Dec-24	Mar-25	Jun-25	Sept-25	Dec-25	Mar-26	Jun-26	Sept-26	Dec-26	Mar-27
GDP (production s.a.)	0.4	0.9	-0.9	0.7	0.8	0.8	0.8	0.7	0.6	0.6
Retail trade (real s.a.)	1.0	0.8	0.5	0.8	1.2	1.1	0.9	0.8	0.7	0.7
Current account (ann, % GDP)	-4.7	-4.3	-3.7	-3.6	-3.4	-3.3	-3.1	-3.1	-3.1	-3.1
CPI (q/q)	0.5	0.9	0.5	1.0	0.3	0.5	0.5	0.5	0.3	0.6
Employment	-0.2	0.0	-0.1	0.3	0.6	0.7	0.7	0.6	0.5	0.5
Unemployment rate %	5.1	5.1	5.2	5.3	5.2	5.1	5.0	4.8	4.8	4.7
Pr. avg hourly earnings (ann %)	4.0	3.8	4.6	4.1	3.4	4.1	3.1	3.2	3.4	3.3
Trading partner GDP (ann %)	3.2	3.2	3.0	2.6	2.3	2.4	2.5	2.7	2.9	2.9
CPI (y/y)	2.2	2.5	2.7	3.0	2.8	2.3	2.2	1.7	1.7	1.8
GDP (production s.a., y/y)	-1.4	-0.6	-0.6	1.1	1.5	1.4	3.2	3.2	3.0	2.7

Interest Rates

Historical data - qtr average

Forecast data - end quarter

	Cash	Government Stock			Swaps			US Rates		Spread NZ-US Ten year
		90 Day Bank Bills	5 Year	10 Year	2 Year	5 Year	10 Year	SOFR 3 month	US 10 yr	
2024 Mar	5.50	5.66	4.44	4.68	4.92	4.40	4.45	5.30	4.15	0.53
Jun	5.50	5.63	4.56	4.74	5.01	4.53	4.60	5.35	4.45	0.30
Sep	5.33	5.30	3.96	4.31	4.05	3.80	4.05	5.05	3.95	0.37
Dec	4.42	4.44	4.00	4.47	3.65	3.74	4.10	4.50	4.30	0.19
2025 Mar	3.92	3.84	3.99	4.58	3.47	3.71	4.15	4.30	4.45	0.13
Jun	3.33	3.38	3.85	4.55	3.19	3.57	4.10	4.30	4.35	0.19
Sep	3.08	3.09	3.67	4.42	2.99	3.40	3.95	4.20	4.25	0.17
Forecasts										
Dec	2.50	2.65	3.40	4.35	2.70	3.10	3.90	3.50	4.25	0.10
2026 Mar	2.50	2.65	3.50	4.30	2.85	3.20	3.85	3.45	4.10	0.20
Jun	2.50	2.65	3.65	4.40	3.10	3.40	4.00	3.25	4.00	0.30
Sep	2.50	2.65	3.90	4.40	3.45	3.65	4.00	3.00	4.00	0.40
Dec	2.50	2.80	4.25	4.45	4.00	4.05	4.10	2.95	4.00	0.45

Exchange Rates (End Period)

USD Forecasts

	NZD/USD	AUD/USD	EUR/USD	GBP/USD	USD/JPY
Current	0.60	0.66	1.17	1.36	148
Dec-25	0.62	0.68	1.23	1.38	138
Mar-26	0.64	0.71	1.24	1.39	130
Jun-26	0.65	0.72	1.26	1.41	128
Sept-26	0.67	0.73	1.27	1.44	126
Dec-26	0.67	0.73	1.28	1.45	126
Mar-27	0.68	0.74	1.26	1.45	124
Jun-27	0.69	0.75	1.25	1.44	121

NZD Forecasts

	NZD/USD	NZD/AUD	NZD/EUR	NZD/GBP	NZD/JPY	TWI-17
Current	0.60	0.90	0.51	0.44	87.9	68.4
Dec-25	0.62	0.91	0.50	0.45	84.6	69.4
Mar-26	0.64	0.90	0.52	0.46	83.2	71.0
Jun-26	0.65	0.90	0.52	0.46	83.2	71.4
Sept-26	0.67	0.92	0.53	0.47	84.4	73.1
Dec-26	0.67	0.92	0.52	0.46	84.4	73.0
Mar-27	0.68	0.92	0.54	0.47	84.3	73.7
Jun-27	0.69	0.92	0.55	0.48	83.5	74.5

TWI Weights

15.6% 18.4% 9.2% 3.9% 5.5%

Source for all tables: Stats NZ, Bloomberg, Reuters, RBNZ, BNZ

Annual Forecasts

Forecasts as at 6 October 2025	March Years					December Years				
	Actuals			Forecasts		Actuals		Forecasts		
	2023	2024	2025	2026	2027	2023	2024	2025	2026	2027
GDP - annual average % change										
Private Consumption	3.4	0.9	-0.1	2.5	2.9	0.9	-0.3	2.1	2.9	2.4
Government Consumption	2.7	1.3	0.3	0.4	-0.4	0.1	0.4	1.3	-0.9	0.4
Total Investment	3.3	-1.1	-5.2	1.1	6.5	-0.4	-5.1	-0.7	6.2	4.3
Stocks - pts cont'n to growth	0.3	-1.5	0.2	0.6	0.2	-1.3	0.2	0.3	0.4	0.0
GNE	3.7	-1.1	-1.1	2.0	3.3	-1.0	-1.2	1.2	3.2	2.5
Exports	5.7	8.6	3.3	2.4	4.3	11.5	4.7	2.5	4.2	3.7
Imports	4.2	-1.4	1.5	4.1	4.8	-0.7	1.6	2.9	5.2	3.4
Real Expenditure GDP	4.0	1.3	-0.7	1.2	3.0	1.8	-0.4	0.9	2.7	2.5
GDP (production)	3.5	1.4	-1.1	0.8	3.0	1.8	-0.6	0.4	2.7	2.5
<i>GDP - annual % change (q/q)</i>	3.0	1.2	-0.6	1.4	2.7	0.9	-1.4	1.5	3.0	2.4
Output Gap (ann avg, % dev)	2.1	1.1	-0.8	-1.4	-0.3	1.3	-0.4	-1.4	-0.5	-0.1
Nominal Expenditure GDP - \$bn	394	417	432	453	478	412	427	448	472	494
Prices and Employment - annual % change										
CPI	6.7	4.0	2.5	2.3	1.8	4.7	2.2	2.8	1.7	2.1
Employment	2.9	0.9	-0.7	1.5	2.3	2.7	-1.2	0.8	2.5	1.9
Unemployment Rate %	3.5	4.4	5.1	5.1	4.7	4.0	5.1	5.2	4.8	4.7
Wages - ave. hr. ord. time earnings (private sector)	8.2	4.8	3.8	4.1	3.3	6.6	4.0	3.4	3.4	3.2
Productivity (ann av %)	1.4	-1.0	-0.2	0.7	0.6	-1.1	-0.3	0.9	0.5	0.4
Unit Labour Costs (ann av %)	5.5	7.0	4.7	2.9	2.7	7.5	5.1	3.1	2.7	2.8
House Prices (stratified, mth)	-12.8	2.8	-0.6	1.0	4.6	0.6	-0.8	0.8	4.4	4.3
External Balance										
Current Account - \$bn	-32.6	-23.8	-18.3	-15.0	-14.7	-25.8	-20.0	-15.3	-14.6	-14.9
Current Account - % of GDP	-8.3	-5.7	-4.3	-3.3	-3.1	-6.3	-4.7	-3.4	-3.1	-3.0
Government Accounts - June Yr, % of GDP										
OBEGAL ex ACC (core op. balance) (Treasury forecasts)	-1.8	-2.1	-2.3	-2.6	-1.7					
Net Core Crown Debt (ex NZS) (Treasury forecasts)	38.7	41.7	42.7	43.9	45.7					
Bond Programme - \$bn (Treasury forecasts)	28.0	39.3	43.0	38.0	36.0					
Bond Programme - % of GDP	7.1	9.4	10.0	8.4	7.5					
Financial Variables ⁽¹⁾										
NZD/USD	0.62	0.61	0.57	0.64	0.68	0.62	0.57	0.62	0.67	0.68
USD/JPY	134	150	149	130	124	144	154	138	126	123
EUR/USD	1.07	1.09	1.08	1.24	1.26	1.09	1.05	1.23	1.28	1.23
NZD/AUD	0.93	0.93	0.91	0.90	0.92	0.93	0.91	0.91	0.92	0.92
NZD/GBP	0.51	0.48	0.44	0.46	0.47	0.49	0.45	0.45	0.46	0.48
NZD/EUR	0.58	0.56	0.53	0.52	0.54	0.57	0.55	0.50	0.52	0.55
NZD/YEN	83.0	91.1	85.4	83.2	84.3	89.5	88.4	84.6	84.4	83.6
TWI	71.0	71.2	67.9	71.0	73.7	72.0	68.5	69.4	73.0	73.9
Overnight Cash Rate (end qtr)	4.75	5.50	3.75	2.50	2.75	5.50	4.25	2.50	2.50	4.00
90-day Bank Bill Rate	5.16	5.64	3.60	2.65	3.30	5.63	4.26	2.65	2.80	4.15
5-year Govt Bond	4.40	4.60	4.00	3.50	4.20	4.50	3.90	3.40	4.25	4.15
10-year Govt Bond	4.35	4.60	4.50	4.30	4.50	4.65	4.45	4.35	4.45	4.60
2-year Swap	5.15	4.91	3.35	2.85	4.00	4.93	3.53	2.70	4.00	4.00
5-year Swap	4.50	4.40	3.65	3.20	4.05	4.43	3.63	3.10	4.05	4.15
US 10-year Bonds	3.65	4.20	4.25	4.10	4.00	4.00	4.40	4.25	4.00	4.00
NZ-US 10-year Spread	0.70	0.40	0.25	0.20	0.50	0.65	0.05	0.10	0.45	0.60

⁽¹⁾ Average for the last month in the quarter

Source: Statistics NZ, BNZ, RBNZ, NZ Treasury

Key Upcoming Events

All times and dates NZT

	Median	Fcast	Last		Median	Fcast	Last
Monday 06 October				JN	Eco Watchers Survey Outlook SA Sep	47.9	47.5
NZ			0.70%	GE	Industrial Production SA MoM Aug	-1.00%	1.30%
EC				Thursday 09 October			
EC				US	Fed's Musalem, Barr & Others Speak		
EC	-7.7		-9.2	UK	BOE's Pill & Mann Speak		
EC	0.10%		-0.50%	US	FOMC Meeting Minutes Sep-17		
Tuesday 07 October				NZ	Government 12-Month Financial Statements		
EC				GE	Trade Balance SA Aug	15.2b	14.8b
UK				EC	ECB's Escriva & Villeroy Speak		
NZ				Friday 10 October			
US				EC	ECB Account of Sept. 10-11 Rate Decision		
AU			95.4	US	Fed's Powell, Bowman & Others Speak		
JN	1.20%		1.40%	US	Initial Jobless Claims Oct-04	227k	
AU			0.10%	US	Continuing Claims Sep-27	1925k	
GE	1.40%		-2.90%	US	Wholesale Trade Sales MoM Aug	0.60%	1.40%
Wednesday 08 October				NZ	BusinessNZ Manufacturing PMI Sep		49.9
US	-\$61.0b		-\$78.3b	AU	RBA's Bullock and Kent Speak		
US			0.30%	NZ	Minister of Finance Willis Speaks		
US			5.90%	EC	ECB's Escriva Speaks		
NZ				Saturday 11 October			
US				CA	Unemployment Rate Sep	7.20%	7.10%
US			3.20%	US	Fed's Goolsbee & Musalem Speak		
EC				US	U. of Mich. Sentiment Oct P	54	55.1
JN	2.20%		3.10%	EC	ECB's Kazaks Speaks		
JN	2.50%		2.40%				
NZ	2.75%	2.75%	3.00%				

Historical Data

	Today	Week Ago	Month Ago	Year Ago		Today	Week Ago	Month Ago	Year Ago
CASH AND BANK BILLS					SWAP RATES				
Call	3.00	3.00	3.00	5.25	2 years	2.64	2.65	2.88	3.64
1mth	2.85	2.94	3.10	4.99	3 years	2.80	2.80	3.01	3.54
2mth	2.84	2.90	3.02	4.89	4 years	2.97	2.97	3.16	3.55
3mth	2.72	2.79	3.00	4.78	5 years	3.13	3.12	3.30	3.63
6mth	2.71	2.77	2.93	4.56	10 years	3.72	3.71	3.86	3.99
GOVERNMENT STOCK					FOREIGN EXCHANGE				
04/27	2.73	2.72	2.95	3.70	NZD/USD	0.5818	0.5777	0.5940	0.6125
05/30	3.38	3.38	3.57	3.96	NZD/AUD	0.8833	0.8785	0.9011	0.9065
05/32	3.80	3.81	3.97	4.18	NZD/JPY	86.93	85.82	87.60	90.76
05/35	4.21	4.21	4.35	4.42	NZD/EUR	0.4962	0.4927	0.5050	0.5581
04/37	4.46	4.45	4.58	4.60	NZD/GBP	0.4329	0.4301	0.4385	0.4681
05/41	4.80	4.77	4.91	4.81	NZD/CAD	0.8122	0.8037	0.8198	0.8341
05/54	5.09	5.08	5.22	4.97	TWI	67.2	66.8	68.3	70.5
GLOBAL CREDIT INDICES (ITRXX)									
Nth America 5Y	51	52	50	54					
Europe 5Y	55	56	53	58					

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