

Research Markets Outlook

10 November 2025

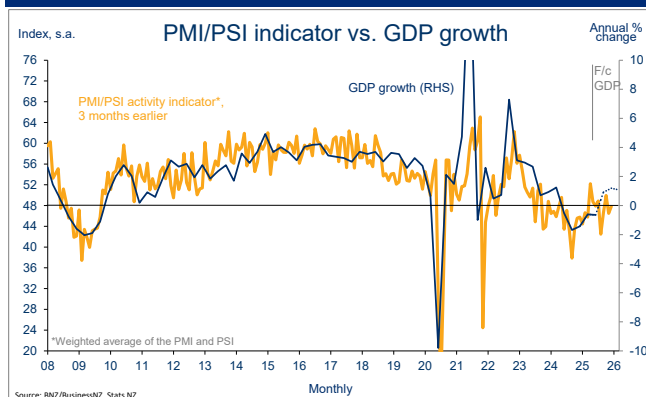
Monitoring progress

- **NZ activity indicators to be assessed for progress**
- **PMI/PSI, concrete, ECT, and tourist arrivals to monitor**
- **NZD tracking below RBNZ assumptions**
- **Inflation expectations to reflect competing pressures**

Forward looking indicators have been promising some improvement in activity. We will be monitoring this week's collection of indicators for more signs of the promise translating into actual activity.

Friday's PMI and next Monday's PSI will provide updated pulse checks on the manufacturing and service sectors. They have been generally weak with only the occasional blip higher offering any hint of improvement over recent months. The combined PMI and PSI activity index would need to lift soon to be consistent with the sort of underlying economic growth rates we and others are forecasting.

PMI/PSI pulse check due



We could say the same for concrete production. Output has been well behind year earlier levels and we wouldn't be surprised if it remained that way in Wednesday's Q3 data. But a bounce in the quarter is possible after Q2's 5.9% q/q slump. It's possible given the recent bounce in residential building consents. A lift in Q3 would be most consistent with our view that construction activity is edging off its recent lows.

Consumer confidence remains weak so it would be surprising if Thursday's electronic card transaction data for October showed any material strength. However, total transaction values have been increasing, and the balance

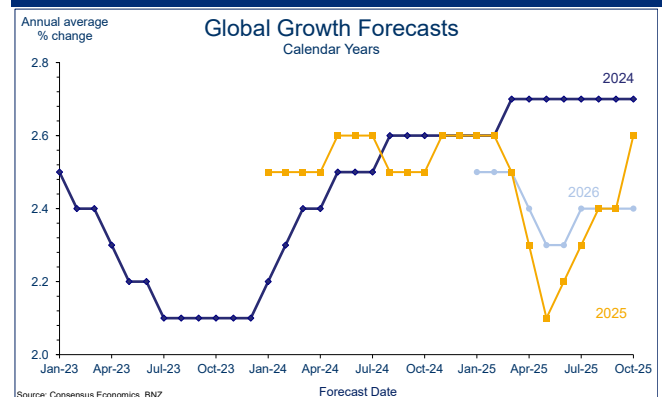
of indicators suggests modest growth continued in October.

Overseas visitor numbers are increasing. Indeed, Thursday's short-term visitor arrival numbers for September look like being up nearly 10% on a year ago. This would see visitor numbers still below September 2019 but slowly closing the gap to pre-Covid levels.

We expect more tourism growth ahead with more airline capacity into NZ over the summer season, recent visa changes, and a further rebound in consensus global economic growth forecasts for 2025 all looking supportive.

A lower NZ dollar looks the same as well as boosting spending potential by those that visit, as a budget set in foreign currency can now go further in NZ dollar terms. Conversely, a downside of a lower NZD is that it makes offshore travel for NZers more expensive.

Global growth forecasts for 2025 recover

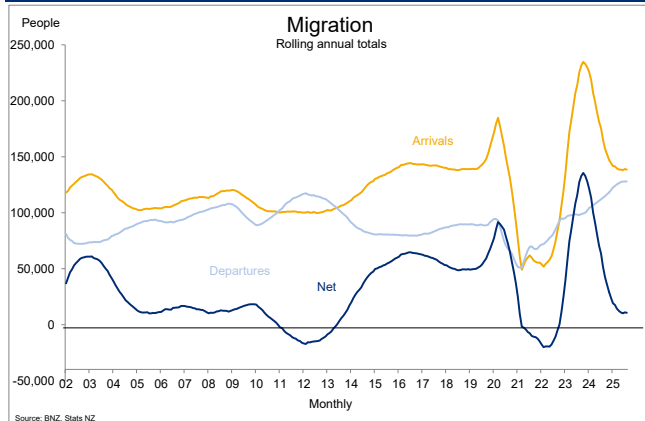


The NZ TWI is now 3.6% below what the RBNZ assumed in its August MPS. The further the NZ dollar declines the more upward pressure it will exert on local prices. If the current level persists, on our estimates it would add around 0.3% to 0.4% to the Bank's inflation forecasts over the coming year or so all other things constant. This is a factor that will act against a rapid easing in inflation ahead.

International migration data are also due to be released on Thursday. Lower net migrant inflows have been a headwind to growth over the past year, both from a demand and a labour supply perspective.

There have been signs of stabilisation in net migrant inflows and we look for more of the same in this week's figures. But they are difficult to trust. Historical revisions, which have recently tended to be downward, will be as important to note as any initial estimate for September. They were a factor in the downward revisions to employment figures in last week's Q3 labour market data.

Big swings

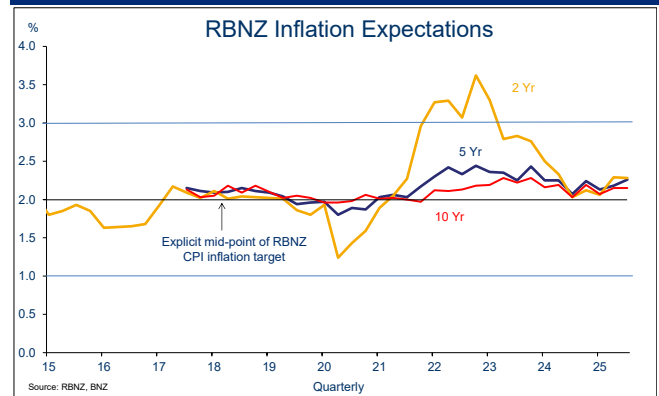


Speaking of the Q3 labour market data, RBNZ Governor Hawkesby indicated last week that it was in line with the Bank's central forecasts. We said we thought that was the case after the data was released, but it was useful to hear it confirmed when the Governor provided testimony to a parliament committee on Thursday last week.

The Q4 RBNZ Survey of Expectations is due out tomorrow afternoon. Given the Bank pays attention to its inflation expectations component, so do we. The 2, 5, and 10-year ahead readings were well behaved at 2.28%, 2.26%, and 2.15% respectively in Q3. Focus will be on the outcome of competing influences like a wide output gap and declining

commodity price inflation on the one hand and easing monetary policy, lower NZD, and higher headline inflation on the other.

Contained



REINZ's October housing report may also be released at some stage during the week. If so, there may be some improvement but, on a seasonally adjusted basis, familiar themes of reasonable sales levels and subdued prices are likely to continue.

Lastly, for the record, external MPC member Prasanna Gai speaks twice during the week. Neither talk is expected to move markets with the first drawing on material from the August MPS and a recent speech already published while in the second the RBNZ has said Professor Gai will speak about global economic uncertainty and not be discussing the immediate monetary policy outlook. The second speech will be published on the RBNZ website on Friday at 9.10am.

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Global Watch

- **US government shutdown now the longest in US history**
- **Labour market data due for the UK and Australia**
- **UK GDP seen at 0.2% q/q**
- **China monthly indicators to show latest activity pulse**

Week in Review

In Australia, the RBA was on hold at 3.6% as expected, citing the recent pick-up in inflation as the main reason for the decision. The Board remains cautious noting that some of the recent rise is likely temporary but not fully discounting the risk of more persistent inflation pressures.

The RBA's new set of forecasts in the SoMP show a meaningful upward revision to trimmed mean inflation, now expected to remain above 3% through to mid-2026 and only return to 2.6% by mid-2027 (an 18-month delay compared to the August SoMP). Revisions to the unemployment rate and GDP forecasts were minimal.

In the UK, the Bank of England MPC voted 5:4 to keep interest rates on hold at 4%, noting that inflation is 'judged to have peaked' and rates are 'likely to continue on a gradual downward path', removing the word 'careful' from its previous assessment.

Week Ahead

Offshore, the US government shutdown (underway since 1 October) has now become the longest in US history. Reports suggest some signs of progress in the stalemate, but in the meantime data releases continue to be affected.

In China, monthly activity data for October are published Friday. PMIs and trade data point to some easing in growth momentum early in Q4. Also of interest will be reports on consumer spending from the singles day shopping event on 11 November.

It is a quiet week ahead on the euro area calendar. The second estimate of Q3 GDP is Thursday. The German ZEW Survey is Tuesday.

In the UK, the coming week will see the release of UK average hourly earnings, preliminary GDP and labour market data. Wage growth has continued to ease, with private sector pay down to 4.4% (3M y/y). The BoE expects further moderation although a brief rebound is possible. October CPI (due 19 November) will be more important for rate expectations. Unemployment is set to rise to a new cycle high of 5%. The UK GDP report is expected to show only modest growth.

In Australia, labour force data due on Thursday is the focus of the week ahead. Trend employment growth has moderated this year, even as growth has increased, and the unemployment rate has edged higher. Our colleagues at NAB expect a 20k employment gain in October and the

unemployment rate to tick down to 4.4%. The RBA sees the unemployment rate stable at 4.4% over the forecast period. RBA Deputy Governor Hauser speaks Monday, when he is likely to reiterate key themes from the SoMP. Assistant Governor Jones participates in a fireside chat at the ASFA Conference (Wednesday).

Key Event Previews

Monday

AU RBA's Hauser Speech

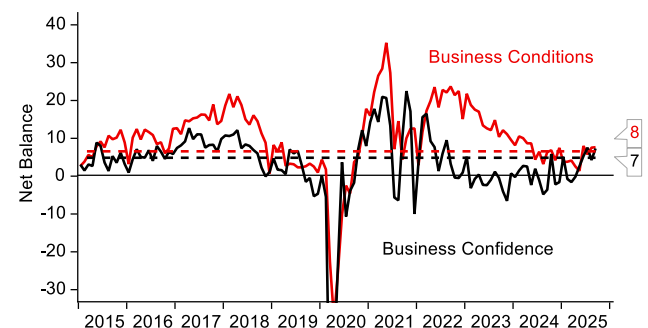
RBA Deputy Governor Andrew Hauser will deliver a speech titled *"On the Rails or Off to the Races? The Outlook for the Australian Economy"* at the UBS Australasia Conference in Sydney at 12:30pm (NZT). Given the recent release of the SoMP and lack of new data since then, NAB expect the speech to largely recap the themes outlined in the November SoMP.

UK BoE's Lombardelli Speech

Tuesday

AU NAB Business Confidence and Conditions (Oct)

NAB Business Survey



Source: National Australia Bank, National Australia Bank, Macrobond

AU Westpac Consumer Confidence

UK Weekly Average Earnings, Unemployment (Sep)

The last (August) ONS wage data showed average hourly earnings easing at a slightly faster pace than had been seen previously. While headline regular (ex-bonus earnings) eased to 4.7% 3M y/y from 4.8%, private sector regular earnings dropped from 4.7% 3M y/y to 4.4%. The BoE pays particular attention to this measure, and its own surveys continue to point to firms believing they will pay less (and below 4%) in the coming year.

While NAB continue to see earnings dropping over the medium-term, the 3/10ths decline in August raises the prospect of a modest, temporary recovery to 4.8% or so that will dent Dec BoE rate cut pricing. Unemployment is expected to rise again to a new cycle high of 5%.

EZ ZEW Survey (Nov)**US NFIB Small Business Optimism (Oct)****Wednesday****AU RBA' Jones Fireside Chat**

RBA Assistant Governor (Financial System) Brad Jones will participate in a fireside chat at the ASFA Conference in Broadbeach at 11.15am (NZT).

EZ ECB Schnabel Speech**UK BoE's Pill Speech****US Fed's Williams Keynote Speech, Paulson, Bostic****Thursday****AU Labour Force (Oct)**

Trend employment growth has slowed this year despite the pickup in growth, and the unemployment rate has bled higher. NAB don't expect the unemployment rate to

continue rising after to 2 tenths jump in September and look for a tick back down to 4.4% in October on a +20k employment gain. The RBA's November SoMP forecast saw the unemployment rate plateauing at 4.4%.

JN PPI (Oct)**UK Preliminary Q3 GDP (seen 0.2% q/q, 1.4% y/y)****US CPI (Oct)**

The release of US October CPI data is likely to be affected by the government shutdown.

EZ ECB Economic Bulletin, Q3 GDP (2nd estimate)**US Fed's Musalem Speech****Friday****CH Retail Sales, FAI, Ind Prod (Oct)****US Fed's Bostic, Schmid Speeches**

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Fixed Interest Market

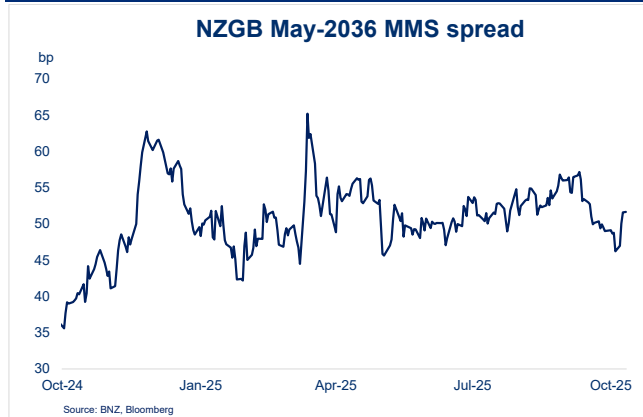
Reuters: BNZL, BNZM Bloomberg: BNZ

NZ swap rates moved modestly lower across the curve last week, increasing our confidence that the positioning driven selloff through the second half of October is complete. 2-year swap rates have retraced around 10bp from the recent peak. Q3 labour market data was soft but aligned with prior expectations and had limited impact on price action. The overnight index swap market implies around 29bp of easing by the RBNZ at the November Monetary Policy Statement. Terminal Official Cash Rate pricing has reverted to the cycle low near 2.07%.

We think market pricing appropriately reflects the skew of risks for RBNZ monetary policy. However, there is limited domestic data in the lead up to the November meeting, which could be the catalyst, for the market to firm pricing for a larger 50bp cut. The manufacturing and services PMIs are released on Friday and Monday respectively. These series could be impactful for the policy outlook but would need to fall significantly from current already soft levels. The GDP-weighted composite index edged higher to 48.5 in September.

NZ cross market rate differentials against Australia have declined to fresh lows. The RBA left its policy rate on hold at 3.60% last week and made a meaningful upward revision to its inflation projections. Pricing for the terminal policy rate is around 3.35%. The spread between NZ and Australian 10-year swap rates has fallen to -70bp. This appears to be a bit of an overshoot, relative to the historic beta to front end differentials, as a proxy for the relative central bank policy outlook.

MMS spreads rebound from the recent lows

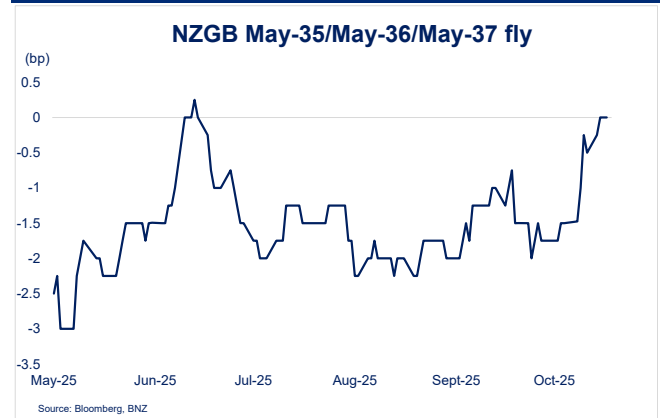


NZGB matched maturity swap spreads (MMS) tightened during October but government bonds notably underperformed swaps last week. The May-2036 NZGB spread is 5bp above the recent low, marking a sharp reversal. Spreads in comparison markets like Australia and the US, which had tightened during October, have also stabilised/retraced higher. This suggests an element of a

global driver for the reversal, as well as the market looking ahead to upcoming NZGB supply.

As previously outlined, we expect NZ Debt Management (NZDM) will undertake a tap syndication of the May-2036 nominal maturity this month. At this point, the transaction has only been confirmed as taking place before calendar year end. The most likely timing for the launch is next week which benefits from a relatively quiet economic calendar. If this is correct, the joint lead managers for the deal should be announced in the next few days. The May-2036 line has cheapened relative to its neighbours since NZDM announced the transaction late last month.

May-2036 line underperforms neighbours since late Oct



The government's financial statements for the 3-months to September 30 were mixed and are broadly tracking in line with projections from the Budget. There were limited implications for the bond programme which will be updated alongside the Half Year Economic and Fiscal Update on 16 December. The NZGB market will receive technical support from the payment of ~NZ\$1.8 billion in coupons on 15 November. Given it is a weekend, payment will be made on the next business day.

Current rates and 1-month range

	Current	Last 4-weeks range*
NZ 90d bank bills (%)	2.48	2.48 - 2.56
NZ 2yr swap (%)	2.53	2.43 - 2.64
NZ 5yr swap (%)	3.04	2.92 - 3.14
NZ 10yr swap (%)	3.64	3.51 - 3.72
2s10s swap curve (bps)	111	105 - 113
NZ 10yr swap-govt (bps)	-43	-46 - -39
NZ 10yr govt (%)	4.07	3.98 - 4.11
US 10yr govt (%)	4.10	3.93 - 4.16
NZ-US 10yr (bps)	-2	-4 - 8
NZ-AU 2yr swap (bps)	-101	-102 - -83
NZ-AU 10yr govt (bps)	-28	-28 - -14

*Indicative range over last 4 weeks

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Foreign Exchange Market

Reuters pg BNZFWFDS Bloomberg pg BNZ9

Commodity currencies weakened last week, with the NZD notably underperforming. NZD/USD dropped 1.7% to reach a new seven-month low, and the NZD fell across all key crosses, declining by 1% against the AUD and over 2% against the yen. Against the AUD and EUR, the NZD slipped to levels not seen in 12 and 15 years, respectively.

Reduced risk appetite last week led to the underperformance of commodity currencies. Declining NZ-global interest rate spreads was an additional source of downward pressure on the NZD. Notably, the NZD failed to benefit when risk appetite rose to well above-average levels, yet the currency faces significant pressure at the first hint of a downturn, particularly with the recent unravelling of the Magnificent Seven tech stocks. This clearly illustrates just how out of favour the NZD is at present, as any opportunity to sell is quickly seized upon.

NZ labour market data generally aligned with expectations, as flat employment growth led to a rise in the unemployment rate to 5.3% — its highest in nearly nine years. However, market sentiment focused more on the negative aspects of the report, largely overlooking any positive news. Notable positives included a second consecutive quarterly increase in full-time employment and a 0.9% quarter-on-quarter jump in hours worked, following six quarters of decline. Along with other data showing an upturn in job advertisements, this suggests the labour market may be at a turning point.

By Friday's close, the OIS market was pricing a terminal OCR rate of a new cycle low of 2.07% — the market seeing some chance of another 50bps cut in November and more conviction that the OCR ultimately troughs at 2% rather than 2.25%. Our view is that 2.25% will ultimately be the low for the OCR, allowing the NZD some room to recover if market pricing shifts back towards this outlook. The NZ TWI is currently running over 3.5% below the RBNZ's assumption from its August projections which, all else equal, implies 0.3-0.4% higher inflation over the next 12-18 months. The lower the TWI falls, the less inclined the RBNZ will be to cut rates, though the market is not currently considering this argument.

From a technical perspective, the NZD has moved into oversold territory, with the RSI dropping below the 30 threshold. We see near-term support at 0.56, with more critical support at 0.55. Although the oversold indicator may indicate a potential for recovery, a further decrease in risk appetite would act as a restraining force.

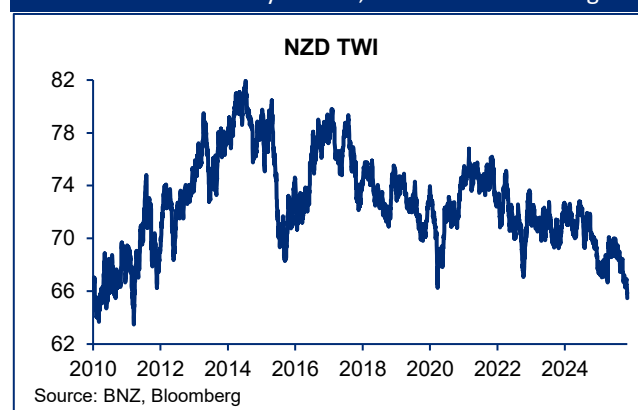
Last week, the US Supreme Court heard arguments in two cases challenging President Trump's use of emergency laws to impose country-specific tariffs. We believe there is a strong likelihood that the Supreme Court will rule against Trump. A decision is expected in 2-3 weeks, and a negative

ruling would likely see Trump seeking alternative legal avenues to maintain the tariffs. If country-specific tariffs were reversed, this would give the Fed more confidence in the inflation outlook and could open the door for further easing, which would be USD-negative.

We have no reservations about NZD/AUD falling to new lows. Persistently low NZ-Australian rate spreads are a significant headwind. The RBA's neutral policy stance last week suggests that the historically large negative rate spread will likely endure for several more months. Our fair value models are well below the current spot rate, in the low 0.80s, and the last time the NZ-Australia 2-year swap spread was at current levels, the cross rate traded below 0.80. In the short term, the path of least resistance remains to the downside.

In the week ahead the economic calendar is light, not helped by the US government shutdown. Domestic releases include the manufacturing PMI at the end of the week and card spending data and RBNZ inflation expectations data earlier in the week. UK and Australian labour market data, UK Q3 GDP, and China monthly activity indicators are the key global releases.

NZD TWI down to a 14-year low; is the RBNZ watching?



Cross Rates and Recent Ranges

	Last wk		
	Current	% chg	Last 3-wks range*
NZD/USD	0.5625	-1.7%	0.5610 - 0.5800
NZD/AUD	0.8671	-1.0%	0.8650 - 0.8860
NZD/CAD	0.7900	-1.5%	0.7890 - 0.8100
NZD/GBP	0.4274	-1.8%	0.4260 - 0.4390
NZD/EUR	0.4861	-2.0%	0.4850 - 0.4980
NZD/JPY	86.29	-2.1%	85.90 - 88.80
*Indicative range over last 3 weeks, rounded			

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Technicals

NZD/USD

Outlook: Downside risk
 ST Resistance: 0.6000 (ahead of 0.6120)
 ST Support: 0.56 (ahead of 0.55)

No change. We see support at 0.56, while 0.55 remains a more solid and critical support level. Resistance is currently far away at 0.60.

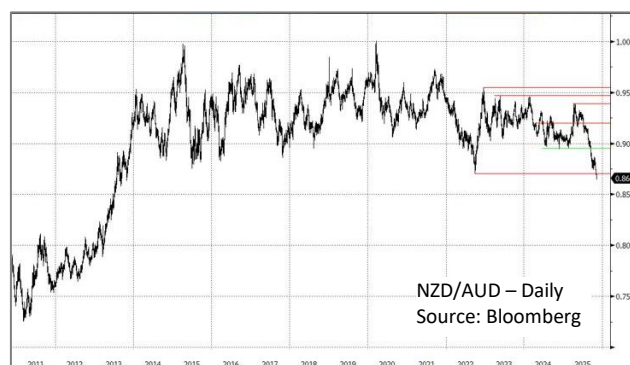


NZD/AUD

Outlook: Downside risk
 ST Resistance: 0.8950 (ahead of 0.92)
 ST Support: n/a

A break below the 2022 lows, taking the cross down to a 12-year low means that there is no obvious support level ahead; technically, it could literally be anywhere between 0.80-0.85.

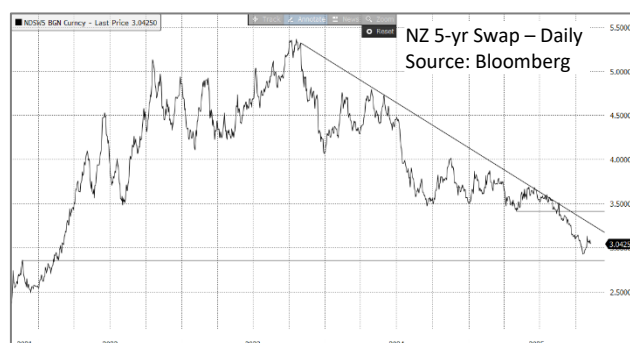
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NZ 5-year Swap Rate

Outlook: Lower
 ST Resistance: 3.26
 ST Support: 2.85

5-year swap trended slightly lower last week and sits near the middle of our current band.

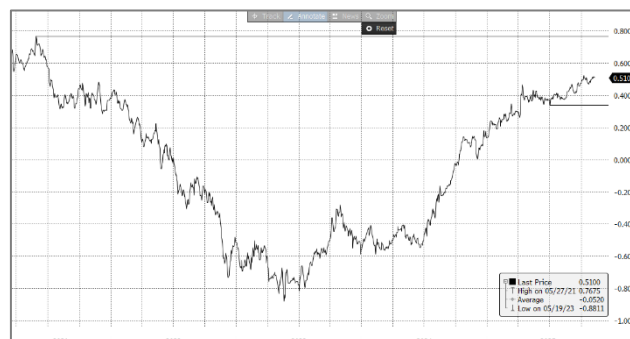


NZ 2-year - 5-year Swap Spread (yield curve)

Outlook: Higher
 ST Resistance: 0.76
 ST Support: 0.26

2x5 swap spread remains stable around the middle of the range.

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Quarterly Forecasts

Forecasts as at 10 November 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	0.5	0.7	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	-4.2	-3.7	-3.6	-3.4	-3.4	-3.3	-3.2	-3.2	-3.2
CPI (q/q)	0.5	0.9	0.5	1.0	0.3	0.5	0.5	0.7	0.3	0.6
Employment	-0.3	-0.1	-0.2	0.0	0.3	0.5	0.7	0.8	0.7	0.6
Unemployment rate %	5.1	5.1	5.2	5.3	5.3	5.3	5.1	4.9	4.8	4.7
Pr. avg hourly earnings (ann %)	4.0	3.8	4.6	4.1	3.4	4.1	3.2	3.2	3.4	3.3
Trading partner GDP (ann %)	3.2	3.2	3.3	2.9	2.4	2.4	2.5	2.8	2.9	2.9
CPI (y/y)	2.2	2.5	2.7	3.0	2.8	2.3	2.3	2.0	2.0	2.1
GDP (production s.a., y/y)	-1.4	-0.6	-0.6	0.9	1.2	1.1	2.9	3.1	3.0	2.7

Interest Rates

Historical data - qtr average

Forecast data - end quarter

	Cash	Government Stock			Swaps			US Rates		Spread
		90 Day	5 Year	10 Year	2 Year	5 Year	10 Year	SOFR	US 10 yr	NZ-US
		Bank Bills						3 month		Ten year
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	2.25	2.40	3.25	4.20	2.50	2.95	3.75	3.50	4.25	0.00
2026 Mar	2.25	2.40	3.30	4.20	2.60	3.00	3.75	3.45	4.10	0.10
Jun	2.25	2.40	3.45	4.20	2.85	3.20	3.80	3.25	4.00	0.20
Sep	2.25	2.40	3.70	4.30	3.20	3.45	3.90	3.00	4.00	0.30
Dec	2.25	2.55	3.95	4.35	3.60	3.75	4.00	2.95	4.00	0.35

Exchange Rates (End Period)

USD Forecasts

	NZD/USD	AUD/USD	EUR/USD	GBP/USD	USD/JPY
Current	0.56	0.65	1.16	1.31	154
Dec-25	0.59	0.67	1.19	1.35	146
Mar-26	0.60	0.69	1.20	1.35	144
Jun-26	0.62	0.71	1.21	1.36	140
Sept-26	0.63	0.72	1.23	1.38	135
Dec-26	0.63	0.71	1.22	1.37	135
Mar-27	0.63	0.70	1.21	1.36	135
Jun-27	0.62	0.69	1.20	1.35	135

NZD Forecasts

	NZD/USD	NZD/AUD	NZD/EUR	NZD/GBP	NZD/JPY	TWI-17
Current	0.56	0.87	0.49	0.43	86.5	65.5
Dec-25	0.59	0.88	0.50	0.44	86.1	67.6
Mar-26	0.60	0.87	0.50	0.44	86.4	68.0
Jun-26	0.62	0.87	0.51	0.46	86.4	69.2
Sept-26	0.63	0.88	0.51	0.46	85.1	69.8
Dec-26	0.63	0.89	0.52	0.46	85.1	69.8
Mar-27	0.63	0.90	0.52	0.46	85.1	70.0
Jun-27	0.62	0.90	0.52	0.46	83.7	69.1

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 10 November 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	2.6	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	1.3	6.7	-0.4	-5.1	-0.6	6.4	4.3
Stocks - ppts 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	2.1	3.3	-1.0	-1.2	1.3	3.3	2.5
Exports	5.7	8.6	3.3	2.5	4.3	11.5	4.7	2.5	4.2	3.7
Imports	4.2	-1.4	1.5	4.6	5.0	-0.7	1.6	3.2	5.5	3.4
Real Expenditure GDP	4.0	1.3	-0.7	1.2	3.0	1.8	-0.4	0.9	2.6	2.5
GDP (production)	3.5	1.4	-1.1	0.6	2.9	1.8	-0.6	0.2	2.5	2.5
GDP - annual % change (q/q)	3.0	1.2	-0.6	1.1	2.7	0.9	-1.4	1.2	3.0	2.4
Output Gap (ann avg, % dev)	2.1	1.1	-0.8	-1.5	-0.4	1.3	-0.4	-1.4	-0.6	-0.2
Nominal Expenditure GDP - \$bn	394	417	432	453	477	412	427	447	472	493
Prices and Employment - annual % change										
CPI	6.7	4.0	2.5	2.3	2.1	4.7	2.2	2.8	2.0	2.1
Employment	2.9	0.9	-0.9	0.6	2.8	2.7	-1.2	-0.1	2.7	2.0
Unemployment Rate %	3.5	4.4	5.1	5.3	4.7	4.0	5.1	5.3	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	-0.1	1.0	0.6	-1.1	-0.3	1.1	0.7	0.1
Unit Labour Costs (ann av %)	5.5	7.0	4.6	2.4	2.7	7.5	5.0	2.7	2.4	3.2
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	-15.2	-15.3	-25.8	-20.0	-15.3	-15.3	-15.8
Current Account - % of GDP	-8.3	-5.7	-4.2	-3.4	-3.2	-6.3	-4.7	-3.4	-3.2	-3.2
Government Accounts - June Yr, % of GDP										
OBEGAL ex ACC (core op. balance) (Treasury forecasts)	-1.8	-2.1	-2.1	-2.6	-1.7					
Net Core Crown Debt (ex NZS) (Treasury forecasts)	38.7	41.8	41.8	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	0.60	0.63	0.62	0.57	0.59	0.63	0.62
USD/JPY	134	150	149	144	135	144	154	146	135	133
EUR/USD	1.07	1.09	1.08	1.20	1.21	1.09	1.05	1.19	1.22	1.20
NZD/AUD	0.93	0.93	0.91	0.87	0.90	0.93	0.91	0.88	0.89	0.90
NZD/GBP	0.51	0.48	0.44	0.44	0.46	0.49	0.45	0.44	0.46	0.47
NZD/EUR	0.58	0.56	0.53	0.50	0.52	0.57	0.55	0.50	0.52	0.52
NZD/YEN	83.0	91.1	85.4	86.4	85.1	89.5	88.4	86.1	85.1	82.5
TWI	71.0	71.2	67.9	68.0	70.0	72.0	68.5	67.6	69.8	69.2
Overnight Cash Rate (end qtr)	4.75	5.50	3.75	2.25	2.50	5.50	4.25	2.25	2.25	4.00
90-day Bank Bill Rate	5.16	5.64	3.60	2.40	3.05	5.63	4.26	2.40	2.55	4.15
5-year Govt Bond	4.40	4.60	4.00	3.30	4.10	4.50	3.90	3.25	3.95	4.10
10-year Govt Bond	4.35	4.60	4.50	4.20	4.40	4.65	4.45	4.20	4.35	4.50
2-year Swap	5.15	4.91	3.35	2.60	3.90	4.93	3.53	2.50	3.60	4.00
5-year Swap	4.50	4.40	3.65	3.00	3.95	4.43	3.63	2.95	3.75	4.10
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	0.10	0.40	0.65	0.05	-0.05	0.35	0.50
⁽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 10 November				Thursday (continued)			
AU RBA's Hauser Speaks				AU Employment Change Oct	20.0k	20.0k	14.9k
JN BOJ Summary of Opinions (Oct. MPM)				AU Unemployment Rate Oct	4.40%	4.40%	4.50%
UK BOE's Lombardelli Speaks				UK GDP QoQ 3Q P	0.20%		0.30%
Tuesday 11 November				UK GDP YoY 3Q P	1.40%		1.40%
US Fed's Daly & Musalem Speak				UK Monthly GDP (MoM) Sep	0.00%		0.10%
AU Westpac Consumer Conf Index Nov			92.1	UK Industrial Production MoM Sep	-0.20%		0.40%
AU NAB Business Confidence Oct			7	UK Trade Balance GBP/Mn Sep	-£3100m		-£3386m
AU NAB Business Conditions Oct			8	EC ECB Publishes Economic Bulletin			
NZ 2Yr Inflation Expectation 4Q			2.28%	EC Industrial Production SA MoM Sep	0.80%		-1.20%
UK Private Earnings ex Bonus 3M/YoY Sep	4.20%		4.40%	Friday 14 November			
UK ILO Unemployment Rate 3Mths Sep	4.90%		4.80%	UK BOE's Greene Speaks			
UK Payrolled Employees Monthly Change Oct	-3k		-10k	EC ECB's Elderson, Escriva & Vujcic Speak			
UK BOE's Greene Speaks				US Initial Jobless Claims 8-Nov	225k		
EC ECB's Vujcic & Sleijpen Speak				US Core CPI YoY Oct	3.00%		3.00%
GE ZEW Survey Expectations Nov	41		39.3	US Fed's Musalem & Hammack Speak			
Wednesday 12 November				NZ RBNZ MPC Member Gai Speaks			
US NFIB Small Business Optimism Oct	98.5		98.8	NZ BusinessNZ Manufacturing PMI Oct			49.9
EC ECB's Schnabel, Kocher & Escriva Speak				CH Retail Sales YoY Oct	2.80%		3.00%
NZ Ready-mixed Concrete Production Q3				CH Industrial Production YoY Oct	5.50%		6.50%
AU RBA's Jones Speaks				CH Fixed Assets Ex Rural YTD YoY Oct	-0.80%		-0.50%
AU Home Loans Value QoQ 3Q	2.60%		2.00%	CH Surveyed Jobless Rate Oct	5.20%		5.20%
AU Owner-Occupier Loan Value QoQ 3Q			2.40%	EC GDP SA QoQ 3Q S	0.20%		0.20%
AU Investor Loan Value QoQ 3Q			1.40%	EC Trade Balance SA Sep			9.7b
US Fed's Barr Speaks				EC Employment YoY 3Q P			0.60%
Thursday 13 November				Saturday 15 November			
EC ECB's Guindos & Villeroy Speak				US Retail Sales Advance MoM Oct	-0.20%		
UK BOE's Pill Speaks				US PPI Ex Food and Energy YoY Oct	2.60%		
US Fed's Williams, Bostic & Others Speak				US Fed's Bostic & Schmid Speak			
NZ Card Spending Total MoM Oct			-0.40%	EC ECB's Lane Speaks			
NZ Net Migration SA Sep			460	Sunday 16 November			
JN PPI YoY Oct	2.50%		2.70%	EC ECB's Schnabel Speaks			

Historical Data

	Today	Week Ago	Month Ago	Year Ago		Today	Week Ago	Month Ago	Year Ago
CASH AND BANK BILLS					SWAP RATES				
Call	2.50	2.50	2.50	4.75	2 years	2.53	2.56	2.55	3.84
1mth	2.54	2.58	2.65	4.62	3 years	2.72	2.74	2.73	3.82
2mth	2.47	2.51	2.60	4.49	4 years	2.89	2.91	2.90	3.87
3mth	2.48	2.53	2.54	4.45	5 years	3.04	3.07	3.05	3.94
6mth	2.47	2.52	2.52	4.23	10 years	3.64	3.69	3.64	4.27
GOVERNMENT STOCK					FOREIGN EXCHANGE				
04/27	2.56	2.60	2.62	3.95	NZD/USD	0.5625	0.5707	0.5725	0.5964
05/30	3.25	3.27	3.29	4.24	NZD/AUD	0.8662	0.8730	0.8788	0.9072
05/32	3.67	3.69	3.71	4.46	NZD/JPY	86.52	88.00	87.17	91.67
05/35	4.08	4.09	4.10	4.68	NZD/EUR	0.4865	0.4954	0.4949	0.5597
04/37	4.32	4.32	4.35	4.83	NZD/GBP	0.4276	0.4343	0.4294	0.4635
05/41	4.69	4.67	4.72	5.01	NZD/CAD	0.7902	0.8020	0.8035	0.8304
05/54	4.98	4.96	5.04	5.17	TWI	65.5	66.5	66.5	70.0
GLOBAL CREDIT INDICES (ITRXX)									
Nth America 5Y	53	53	57	47					
Europe 5Y	57	55	59	54					

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