

# Market Alert

Friday 26 September 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5765	0.0039
NZD/AUD	0.8819	0.0043
NZD/JPY	86.335	-0.93
NZD/EUR	0.4944	-0.0016
NZD/GBP	0.4322	0.0030
NZD/CNH	4.1663	-0.0202
AUD/USD	0.6536	0.0011
AUD/EUR	0.5605	-0.0046
EUR/USD	1.1660	0.0115
USD/CNH	7.1452	-0.0826
GBP/USD	1.3335	-0.0004
EUR/GBP	0.8740	0.0088
INT RATES	NZ	Australia
OCR/Cash	3.00%	3.60%
90 day bills	2.82%	3.65%
2 year swap	2.64%	3.46%
10 year Govt	4.32%	4.47%

## It was very chilly this morning ...

not the weather ... but perhaps I shouldn't have had that extra pint last night!

## And speaking of a cold chill ...

The NZD/USD rate is feeling a very cold blast at the moment ... because it can't find a friend for love nor money! The NZD/USD is down 0.9% this morning, making it the biggest mover among the major currencies versus the USD. This weakness is amongst a broader risk-off move, with equities markets under pressure. The NZD initially tried to rally into the northern hemisphere open, but failed to breach resistance at 0.5941, and with the US Q2 GDP print revised sharply higher, the USD rallied strongly breaching the 98.00 level. The GBP, AUD, EUR and JPY all weakened in the 0.6%-0.8% range, which meant the NZD was

under pressure on the crosses as well. Needless to say, exporters will be happy, and now is the time to decide on levels to strategically lift cover ... if you are in doubt, feel free to give your friendly treasury advisor a call!

The final revision to GDP confirmed the US economy expand at an annualized 3.8% in Q2, which was a significant boost on much higher than the second estimate at 3.3%. It was the US economies strongest performance since Q3 2023, with the revision predominately driven by stronger consumer spending.

Further good news for the US economy was found in the initial claims number, which fell by 14k to 218k, which was well below at 235k. This saw the 4-week moving average eased from 240k to 237.5k. The other US headline saw durable goods orders rose by 2.9% in August to USD312.1bn.

The positive US date saw treasury yields spike with the 2-years surging 6bps to 3.67% while the 10-years broke through resistance at 4.15% rallying 2bps to 4.18%. This is quite a bounce from last week's 5-month low at 3.99%.

Looking at the other headlines this morning ...

- The Swiss National Bank left its policy rate unchanged at 0.00% and reaffirmed its readiness to intervene in FX markets if needed. Inflationary pressure remains subdued at 0.2%.
- Mexican central bank cuts rates by 25bps to 7.50%, as was expected.
- German consumer confidence edged up to -22.3 in October 2025, ahead of

expectations at -23.3 and slightly ahead of the prior -23.5.

Slightly concerning, a Bloomberg report stated that European diplomats have 'privately' warned Russia that NATO is ready to respond to further violations of its airspace with full force, including shooting down Russian planes. Commodities spiked 0.2%-0.5% on the news while cryptos tumbled to session lows.

Fed member Mary Daly confirmed, "We are in a trade-off space, we need to balance risks. I think a little more cutting will be needed over time. The Fed should not go all the way to neutral, it's too risky. The US economy is in okay shape. The Fed needs to monitor for both inflation and labour market weakness."

## This should answer the RBNZ's question ...

As to why the transmission mechanism has been delayed, and why the domestic recovery has been delayed ... a survey of the main banks by the RBNZ showed that a significant numbers of borrowers have accelerated their principal payments as interest rates have fallen, paying off more of their home loans than they were required to by this point in their loan term. Hurt by the OCR spike to 5.50%, households are protecting themselves with more than 40.0% of home loan customers ahead in their mortgage payment by at least 6 months, and 48.0% had a savings buffer of NZD5k or more.



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# Daily Rates

Friday 26 September 2025

FX	Spot	FECs (mid)				Spot Mid	
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	67.10					CAD	0.8034 0.9111
NZD/USD	0.5765	0.0007	0.0020	0.0039	0.0067	CHF	0.4609 0.5229
NZD/AUD	0.8819	0.0006	0.0020	0.0043	0.0082	CNY	4.1198 4.6722
NZD/JPY	86.3350	-0.18	-0.49	-0.9301	-1.74	DKK	3.6883 4.1830
NZD/EUR	0.4944	-0.0004	-0.0009	-0.0016	-0.0033	FJD	1.2847 1.4570
NZD/GBP	0.4322	0.0004	0.0014	0.0030	0.0056	HKD	4.4855 5.0871
						KRW	812.40 921.37
AU TWI	61.20					MYR	2.4280 2.7536
AUD/USD	0.6536	0.0003	0.0007	0.0011	0.0012	NOK	5.7882 6.5646
AUD/NZD	1.1335	-0.0008	-0.0027	-0.0058	-0.0128	SEK	5.4563 6.1882
AUD/JPY	98.10	-0.27	-0.78	-1.53	-2.88	SGD	0.7457 0.8458
AUD/EUR	0.5605	-0.0008	-0.0023	-0.0046	-0.0091	TWD	17.59 19.95
AUD/GBP	0.4899	0.0001	0.0005	0.0009	0.0016	ZAR	10.06 11.41
USD Index	98.50					EQUITIES	
EUR/USD	1.1660	0.0022	0.0060	0.0115	0.0210		Index
USD/JPY	149.76	-0.48	-1.36	-2.60	-4.69	NZX50	13,154
GBP/USD	1.3335	0.0002	0.0001	-0.0004	-0.0022	ASX200	8,773
EUR/GBP	0.8740	0.0014	0.0044	0.0088	0.0171	Dow Jones	45,947
USD/CNY	7.1338	-0.0143	-0.0405	-0.0760	-0.1361	S&P 500	6,598
						FTSE100	9,214
						DAX 30	23,535
						Nikkei	45,755
INTEREST		New Zealand		Australia		COMMODITIES	
RATES		Mid		Mid			USD
30 day bank bills		2.96%		3.60%		Brent Crude	69.61
90 day bank bills		2.82%		3.65%		Gold	3,748.97
1 year swap		2.60%		3.47%		Silver	45.18
2 year swap		2.67%		3.47%		Iron Ore	105.54
3 year swap		2.81%		3.54%		CRB Index	376.40
5 year swap		3.13%		3.91%			
10 year swap		3.71%		4.31%			
3 year Govt bond		3.07%		3.57%			
5 year Govt bond		3.52%		3.81%			NZD
10 year Govt bond		4.32%		4.47%		NZ Carbon	56.15

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