

# Market Alert

Monday 29 September 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5773	0.0039
NZD/AUD	0.8818	0.0044
NZD/JPY	86.305	-0.92
NZD/EUR	0.4933	-0.0016
NZD/GBP	0.4307	0.0030
NZD/CNH	4.1663	-0.0225
AUD/USD	0.6546	0.0011
AUD/EUR	0.5592	-0.0047
EUR/USD	1.1697	0.0113
USD/CNH	7.1408	-0.0867
GBP/USD	1.3400	-0.0005
EUR/GBP	0.8728	0.0087
INT RATES	NZ	Australia
OCR/Cash	3.00%	3.60%
90 day bills	2.82%	3.65%
2 year swap	2.64%	3.44%
10 year Govt	4.33%	4.51%

## When did the Ryder Cup become a contact sport?

I'm not so sure ... but there was plenty of argy-bargy associated with this weekend's games! Well done to the ABs, the Black Ferns, and the Brisbane Lions, next week's Grand Final will be a belter, but let's not mention the football!

## With inflationary concerns starting to build ...

The release of the Fed's preferred inflation measure, PCE inflation, was eagerly anticipated. Ultimately, it didn't surprise, firming 0.3% in August which was in line with market expectations, while the core firmed 0.2%. On an annual basis, headline PCE inflation accelerated to its highest level in 6-months at 2.7%, while core PCE inflation held steady at 2.9%.

Looking at the other headlines ...

- The US consumer is holding up strongly, personal spending increased by 0.6% in August, picking up from 0.5% in July and above market expectations of 0.5%.
- The Atlanta Fed's Q3 GDPNow forecast firmed from 3.3% to 3.9%.
- The final September University of Michigan consumer confidence print eased from 55.4 to 55.1.
- Eurozone inflation expectations increased to their highest level in 3-months at 2.8%, from 2.6% in July. Expectations for inflation 3-years ahead were unchanged at 2.5%, while expectations for 5-years ahead increased to 2.2%.

There were a few Fed speakers over the weekend with Tom Barkin stating, "*The key to consumer spending is whether people lose their jobs or not. Spending is reasonably healthy for higher and lower income consumers. The Fed needs to hit the 2.0% target before it discusses tolerating a range around it,*" while Michelle Bowman added, "*The recent data shows we are at serious risk of already being behind the curve. It's time for the FOMC to act decisively and proactively to address decreasing labour market dynamism amid emerging signs of fragility.*"

Kevin Hassett is seen as most likely to replace Jay Powell as Fed Chair, although most economists favour Christopher Waller to lead the Fed.

In terms of market reaction, it was pretty tame with most of the moves about consolidation rather than establishing new ranges. The NZD continues to underperform its peers, remaining

weak on its crosses. US Treasury yields continued tightening into last week's range with the 2-year at 3.65%, while the 10-year firmed a pip to 4.18%. Equity markets were a sea of green firming 0.3%-0.8%, as did most commodities.

Reports over the weekend suggest OPEC will likely raise production by at least 137k bpd from next week.

## This week ...

There will be no respite into terms of the importance of the data, with fresh updates from the US with nonfarm payrolls, unemployment, average hourly earnings and JOLTS job openings. Beyond the labour updates, investors will also be alert on the risk of a possible US government shutdown this week amid the start of the new fiscal year. In Europe, we're due the latest inflation updates from the Eurozone. From the UK we have the final Q2 GDP number.

Closer to home, ahead of the Chinese National Day holiday, which will see markets closed from the 1st to 8th of October, we'll get the latest PMI and industrial profit updates. Japan will update their latest Tankan business sentiment survey, along with the BoJ's Summary of Opinions, as well as consumer confidence, industrial production, unemployment and retail sales. The major release out of the Tasman will be the RBA tomorrow, while we also have Australian trade, building permits, and household spending. From NZ we have filled jobs, business activity and confidence, building permits and commodity prices.



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# Daily Rates

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FX	Spot	FECs (mid)				Spot Mid	
	Mid	1mth	3mths	6mths	12mths	NZD/...	AUD/...
NZ TWI	66.70					CAD	0.8047 0.9126
NZD/USD	0.5773	0.0007	0.0019	0.0039	0.0071	CHF	0.4603 0.5206
NZD/AUD	0.8818	0.0006	0.0020	0.0044	0.0090	CNY	4.1171 4.6691
NZD/JPY	86.3050	-0.19	-0.49	-0.9226	-1.68	DKK	3.6812 4.1748
NZD/EUR	0.4933	-0.0004	-0.0009	-0.0016	-0.0029	FJD	1.2907 1.4638
NZD/GBP	0.4307	0.0004	0.0015	0.0030	0.0060	HKD	4.4902 5.0923
						KRW	813.53 922.63
AU TWI	60.90					MYR	2.4352 2.7618
AUD/USD	0.6546	0.0003	0.0007	0.0011	0.0012	NOK	5.7372 6.5065
AUD/NZD	1.1339	-0.0008	-0.0028	-0.0059	-0.0122	SEK	5.4237 6.1510
AUD/JPY	97.76	-0.28	-0.78	-1.53	-2.92	SGD	0.7452 0.8451
AUD/EUR	0.5592	-0.0008	-0.0024	-0.0047	-0.0091	TWD	17.58 19.94
AUD/GBP	0.4882	0.0001	0.0005	0.0010	0.0017	ZAR	10.00 11.34
USD Index	98.18					EQUITIES	
EUR/USD	1.1697	0.0022	0.0060	0.0113	0.0205		Index
USD/JPY	149.49	-0.50	-1.35	-2.59	-4.72	NZX50	13,112
GBP/USD	1.3400	0.0002	0.0001	-0.0005	-0.0028	ASX200	8,788
EUR/GBP	0.8728	0.0015	0.0043	0.0087	0.0168	Dow Jones	46,247
USD/CNY	7.1328	-0.0125	-0.0374	-0.0710	-0.1336	S&P 500	6,644
						FTSE100	9,285
INTEREST		New Zealand		Australia		DAX 30	23,739
RATES		Mid		Mid		Nikkei	45,355
30 day bank bills			2.96%		3.59%	COMMODITIES	
90 day bank bills			2.82%		3.65%		USD
1 year swap			2.59%		3.47%	Brent Crude	70.13
2 year swap			2.68%		3.47%	Gold	3,759.64
3 year swap			2.83%		3.53%	Silver	45.99
5 year swap			3.14%		3.70%	Iron Ore	105.44
10 year swap			3.73%		4.15%	CRB Index	378.53
3 year Govt bond			3.09%		3.60%		
5 year Govt bond			3.53%		3.85%		NZD
10 year Govt bond			4.33%		4.51%	NZ Carbon	57.00

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