

Market Alert

Thursday 23 October 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5739	0.0041
NZD/AUD	0.8847	0.0048
NZD/JPY	87.145	-0.86
NZD/EUR	0.4943	-0.0011
NZD/GBP	0.4297	0.0031
NZD/CNH	4.1015	-0.0168
AUD/USD	0.6485	0.0009
AUD/EUR	0.5586	-0.0043
EUR/USD	1.1608	0.0105
USD/CNH	7.1260	-0.0792
GBP/USD	1.3353	-0.0006
EUR/GBP	0.8690	0.0082
INT RATES	NZ	Australia
OCR/Cash	2.50%	3.60%
90 day bills	2.53%	3.54%
2 year swap	2.44%	3.26%
10 year Govt	3.96%	4.21%

I am so upset ... with the weather

And I'm also confused, I mean, are the strikes on or not? I suspect there are a few coalition politicians secretly quite happy with the weather in Wellywood this morning!

But there is always a silver lining ... and big congratulations this morning to young Damo and young Jordie!

Once again, all the excitement was in commodity markets ...

On the positive side of the ledger, oil futures rallied 2.3% as they rebounded from near their multi-year lows on reports the US and India may reach a trade deal that could see India gradually

reduce imports of Russian crude. Copper prices also rallied, gaining, 1.2%, after a few traders realised how much copper the world will need for all of these AI data centres, and let's not forget about the electricity requirements. But on the other side of the ledger, gold prices extended yesterday's declines, dropping a further 1.2%, to be 8.5% off this week's all-time high, falling momentarily to USD4000 per ounce as traders booked profits following recent record rallies.

Equity markets eased back from their dizzying heights on renewed trade risks after Reuters reported the White House is weighing curbs on software exports to China. Most exchanges are trading 0.5% to 1.5% lower.

The USD-index briefly rose above 99.00 overnight but later pared back those gains to hover around the 98.90 level, following three straight sessions of advances. To be fair, that's pretty much sums it all up ...

The 10-year US treasury yield fell to a 1-year low, dropping a further 2bps to 3.95%, with the NZ 10-govvie just above it at 3.96%. But the biggest mover in the 10-year space was the UK's 10-year gilt, which fell 7bps to 4.41% following their latest inflation release. The 2-year US treasury yield was 1bps lower at 3.45%.

UK inflation printed below expectations of 4.0% to flatline at 3.8% in September. While inflation has been an issue in the UK all year, mainly due to food inflation,

and partly April's tax and minimum wage hikes, the good news is that both food and services inflation are undershooting the BoE's forecasts, and with softer wage growth, it brings a rate cut back into play. Everything now depends on the November Autumn Budget.

ECB member Mārtiņš Kazāks suggested, *"It may be the case that the next rate move could easily be a hike as a cut."*

Ex-FOMC member Bill Dudley has called on the Fed to cut rates at its meeting next week.

Maybe there is no hope for us after all ...

After hearing that OpenAI have hired over 100 ex-investment bankers, the first headline I saw this morning was that Amazon is looking to replace hundreds of workers with robots as it ramps up automation efforts.

Oh well ... back to sleep ...



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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	0.8027
NZD/USD	0.5739	0.0007	0.0022	0.0041	0.0071	CHF	0.4566
NZD/AUD	0.8847	0.0007	0.0024	0.0048	0.0101	CNY	4.0871
NZD/JPY	87.1450	-0.17	-0.48	-0.8567	-1.57	DKK	3.6917
NZD/EUR	0.4943	-0.0003	-0.0007	-0.0011	-0.0023	FJD	1.2938
NZD/GBP	0.4297	0.0005	0.0016	0.0031	0.0059	HKD	4.4594
						KRW	821.56
AU TWI	60.70					MYR	2.4260
AUD/USD	0.6485	0.0003	0.0007	0.0009	0.0006	NOK	5.7518
AUD/NZD	1.1298	-0.0010	-0.0034	-0.0066	-0.0137	SEK	5.3974
AUD/JPY	98.47	-0.28	-0.82	-1.50	-2.85	SGD	0.7445
AUD/EUR	0.5586	-0.0008	-0.0023	-0.0043	-0.0088	TWD	17.64
AUD/GBP	0.4855	0.0002	0.0005	0.0009	0.0011	ZAR	10.00
USD Index	98.90					EQUITIES	
EUR/USD	1.1608	0.0021	0.0060	0.0105	0.0189		Index
USD/JPY	151.84	-0.49	-1.42	-2.52	-4.48	NZX50	13,306
GBP/USD	1.3353	0.0001	-0.0001	-0.0006	-0.0027	ASX200	9,030
EUR/GBP	0.8690	0.0015	0.0045	0.0082	0.0156	Dow Jones	46,551
USD/CNY	7.1257	-0.0142	-0.0393	-0.0702	-0.1279	S&P 500	6,682
						FTSE100	9,515
INTEREST		New Zealand		Australia		DAX 40	24,151
RATES		Mid		Mid		Nikkei	49,308
30 day bank bills			2.65%		3.51%	COMMODITIES	
90 day bank bills			2.53%		3.54%		USD
1 year swap			2.37%		3.28%	Brent Crude	62.65
2 year swap			2.44%		3.26%	Gold	4,086.89
3 year swap			2.60%		3.31%	Silver	48.32
5 year swap			2.91%		3.49%	Iron Ore	105.53
10 year swap			3.51%		3.94%	CRB Index	370.75
3 year Govt bond			2.87%		3.37%		
5 year Govt bond			3.29%		3.58%		NZD
10 year Govt bond			3.96%		4.21%	NZ Carbon	55.25

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