

Market Alert

Friday 24 October 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5755	0.0041
NZD/AUD	0.8833	0.0048
NZD/JPY	87.775	-0.84
NZD/EUR	0.4953	-0.0011
NZD/GBP	0.4319	0.0032
NZD/CNH	4.1015	-0.0165
AUD/USD	0.6515	0.0009
AUD/EUR	0.5607	-0.0044
EUR/USD	1.1618	0.0105
USD/CNH	7.1241	-0.0790
GBP/USD	1.3324	-0.0006
EUR/GBP	0.8717	0.0083

INT RATES	NZ	Australia
OCR/Cash	2.50%	3.60%
90 day bills	2.53%	3.55%
2 year swap	2.46%	3.27%
10 year Govt	4.09%	4.23%

Here's an interesting point ...

When the US government officially entered its shutdown on 1-October, the general feeling was that it would subtract about 0.1%-0.2% from annualized GDP growth in the 4th quarter for each week the shutdown lasted ... and its now entering its 4th week! This shutdown is the 2nd longest on record, and if it lasts past 4-November, it will be the longest on record, with talk turning to more permanent, lasting damage to the US economy amid concerns of weakening consumer confidence and a slowing in consumer spending. The good news is that tonight there will be the delayed September CPI release ... although it is expected to show a spike in US inflation from 2.9% to 3.1%.

The big news overnight ...

... was the announcement from the US

administration to impose new sanctions on Russia's two biggest oil companies, Rosneft and Lukoil, citing stalled Ukraine peace talks. The US also urged major Russian crude buyers India and China to scale back purchases.

Oil prices rallied 5.3% on the news ... now call me a cynic but wasn't there an announcement 2 days ago that the US was going to buy 1 million barrels of oil for their strategic petroleum reserves ... that will look good on the mark-to-market!

The EU also announced a fresh round of sanctions against Russia including a ban on Russian liquefied natural gas (LNG) imports.

Other commodity moves of note saw copper continue its recovery from its August low, rallying 2.2% on continuing supply concerns after 80 miners were trapped in a partial mine collapse in the Dominican Republic. This follows on from the deadly mudflow accident at Indonesia's massive Grasberg mine and the recent disruptions at Codelco's El Teniente copper mine in Chile. The bounce back in metals saw silver prices bounce back, rallying 1.25%, while gold gained 1.0%.

Equity markets were broadly positive, rallying 0.5%-1.0%, and with the US banks reaping big profits, it's not too surprising to hear that Wall Street bonuses are expected to reach new heights this year! In the world of currencies, the USD-index was flat, with the AUD and NZD making gains, the EUR and CHF flat, and the GBP and JPY weakening. The NZD/USD is back at the 0.5750 level, with 0.5765 shaping up as a key short-term resistance level. The disappointing 5-year TIPs

auction saw Treasury yields firm with the 2 and 10-years 4bps higher at 3.49% and 3.99%.

The Kansas City Fed's manufacturing index surged to a 3.5-year high, jumping from 4 to 15 in September.

China vowed to significantly increase its level of technological self-reliance incorporating tech upgrades, security, and domestic demand over the next 5-years.

The Bank of Korea left its key cash rate unchanged, with a bias remaining towards further easing.

At least my mortgage isn't funded via a Turkish bank the Central Bank of Turkey cut its key one-week repo rate by 100bps to 39.5%, as was expected. They also reduced their overnight lending rate to 42.5% and the borrowing rate to 38.0%.

Someone is racking up their air miles ...

So they can get those upgrades when they step down! After his quick jaunt to the Middle East last week, the White House has announced President Trump will be in the Far East next week, meeting with new Japanese PM Sanae Takaichi, China's President Xi, and South Korean PM Kim Min-seok.

This is all very Soprano-ish! The FBI has arrested more than 30 people, including an NBA coach and senior players, in a gambling and 'sports rigging' operation linked to multiple major crime families ... you know what they mean when they say 'major crime families!'



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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 0.9113
NZD/USD	0.5755	0.0007	0.0022	0.0041	0.0069	CHF	0.4574 0.5180
NZD/AUD	0.8833	0.0007	0.0024	0.0048	0.0097	CNY	4.0990 4.6403
NZD/JPY	87.7750	-0.17	-0.47	-0.8424	-1.57	DKK	3.6984 4.1882
NZD/EUR	0.4953	-0.0003	-0.0006	-0.0011	-0.0023	FJD	1.2972 1.4690
NZD/GBP	0.4319	0.0005	0.0017	0.0032	0.0058	HKD	4.4707 5.0629
						KRW	825.74 935.11
AU TWI	60.60					MYR	2.4324 2.7545
AUD/USD	0.6515	0.0003	0.0007	0.0009	0.0005	NOK	5.7365 6.4964
AUD/NZD	1.1320	-0.0009	-0.0032	-0.0065	-0.0132	SEK	5.4004 6.1157
AUD/JPY	99.28	-0.28	-0.81	-1.51	-2.87	SGD	0.7469 0.8458
AUD/EUR	0.5607	-0.0008	-0.0023	-0.0044	-0.0088	TWD	17.69 20.04
AUD/GBP	0.4888	0.0002	0.0005	0.0009	0.0011	ZAR	9.96 11.28
USD Index	98.94					EQUITIES	
EUR/USD	1.1618	0.0021	0.0058	0.0105	0.0190		Index
USD/JPY	152.49	-0.49	-1.40	-2.52	-4.52	NZX50	13,377
GBP/USD	1.3324	0.0001	-0.0001	-0.0006	-0.0023	ASX200	9,033
EUR/GBP	0.8717	0.0015	0.0044	0.0083	0.0155	Dow Jones	46,781
USD/CNY	7.1221	-0.0148	-0.0391	-0.0710	-0.1271	S&P 500	6,748
						FTSE100	9,579
INTEREST		New Zealand		Australia		DAX 40	24,208
RATES		Mid		Mid		Nikkei	48,642
30 day bank bills			2.65%		3.52%	COMMODITIES	
90 day bank bills			2.53%		3.55%		USD
1 year swap			2.38%		3.28%	Brent Crude	65.92
2 year swap			2.46%		3.27%	Gold	4,134.61
3 year swap			2.61%		3.31%	Silver	49.00
5 year swap			2.93%		3.50%	Iron Ore	105.55
10 year swap			3.51%		3.92%	CRB Index	379.61
3 year Govt bond			2.88%		3.40%		
5 year Govt bond			3.31%		3.61%		NZD
10 year Govt bond			4.09%		4.23%	NZ Carbon	54.50

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