Market Alert

Tuesday 28 October 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5769	0.0041
NZD/AUD	0.8799	0.0050
NZD/JPY	88.170	-0.85
NZD/EUR	0.4953	-0.0010
NZD/GBP	0.4326	0.0033
NZD/CNH	4.1003	-0.0169
AUD/USD	0.6555	0.0008
AUD/EUR	0.5628	-0.0044
EUR/USD	1.1645	0.0105
USD/CNH	7.1080	-0.0790
GBP/USD	1.3334	-0.0008
EUR/GBP	0.8732	0.0083

INT RATES	NZ	Australia
OCR/Cash	2.50%	3.60%
90 day bills	2.52%	3.55%
2 year swap	2.48%	3.30%
10 year Govt	4.10%	4.29%

That old trade war thing …

May be a thing of the past … amid renewed optimism over a US-China trade deal. With the Presidents … Trump and Xi … due to meet on Thursday, US Treasury Secretary Scott Bessent confirmed there is a *"very successful framework"* in place for the meeting, while the Donald added, *"I really feel good"* about a deal with China. By all accounts, the proposed framework could include a delay in China's rare earth export restrictions, the cancellation of planned 100% tariffs on Chinese goods, and a resumption of Chinese soybean purchases.

Equity markets had a positive session, rallying 0.75%-1.75% on the trade hopes, although commodity prices are all over the place, with gold and silver prices under pressure. Silver prices are currently 3.3% lower, while gold prices are 2.5% lower on key support at USD4,000. Soybeans jumped on the trade news, rallying 2.3% while oil prices are flat.

Bond yields have spent the last couple of days bouncing about with the 2-years 1bps firmer at 3.51%, while the 10-years is 2bps lower at 4.00%. The USD-index is also a touch weaker, which has seen the AUD out-perform, trading back above the 0.6550 level, while the NZD/AUD is back at the 0.8800 level. The NZD is a touch stronger on the crosses.

Going back to last Friday, US CPI inflation rose to 3.0% in September, its highest level since January and up from 2.9% in August, although it was below forecasts at 3.1%. The latest US S&P composite PMI rose to 54.8 in October from 53.9 in September. It was the highest reading since July.

Overnight, the Dallas Fed's general business activity index for Texas manufacturing rose four points to -5.0 in October 2025, remaining in negative territory. The production index was unchanged at 5.2.

The Chinese Conference Board of Leading Economic Index (LEI) ticked down 0.1% in September, following August's 0.4% decline.

Eurozone composite PMIs rose to 52.2 in October, up from 51.2 in September, while the German Ifo business confidence gauge improved to its highest level since 2022 at 88.4, although the current conditions unexpectedly fell from 85.7 to 85.3.

RBA Governor Michelle Bullock confirmed, *"We will have to decide whether we need to cut to help the job market"*.

This week …

We have a host of central bank meetings, with the big one being the Federal Reserve's FOMC meeting … the old 'will they / won't they' … without any government data releases due to the shutdown. We also have the meeting of the Presidents … Trump and Xi Jinping … on Thursday, while we also have the Richmond Feds manufacturing and services indexes, Case-Shiller home prices, pending home sales, and Chicago PMIs. There will also be rate decisions from the ECB, the BoJ, and the Bank of Canada. Elsewhere, GDP figures are due from the individual Eurozone members, while monthly figures are due from Canada. Also, China will release its NBS PMI data, Japan will update its Tokyo CPI, employment, industrial production, retail sales and housing numbers, while we also have the latest Australian inflation update. In NZ we have the employment indicator, and business and consumer confidence – and a short week!

Daily Rates

Tuesday 28 October 2025

FX	Spot Mid	1mth	3mths	6mths	12mths
		FECs (mid)			
NZ TWI	66.90				
NZD/USD	0.5769	0.0007	0.0022	0.0041	0.0072
NZD/AUD	0.8799	0.0007	0.0025	0.0050	0.0104
NZD/JPY	88.1700	-0.16	-0.47	-0.8476	-1.53
NZD/EUR	0.4953	-0.0003	-0.0006	-0.0010	-0.0020
NZD/GBP	0.4326	0.0005	0.0017	0.0033	0.0061
AU TWI	61.00				
AUD/USD	0.6555	0.0002	0.0006	0.0008	0.0002
AUD/NZD	1.1363	-0.0010	-0.0033	-0.0068	-0.0144
AUD/JPY	100.07	-0.27	-0.82	-1.54	-2.93
AUD/EUR	0.5628	-0.0008	-0.0023	-0.0044	-0.0090
AUD/GBP	0.4915	0.0002	0.0005	0.0009	0.0009
USD Index	98.89				
EUR/USD	1.1645	0.0020	0.0058	0.0105	0.0190
USD/JPY	152.85	-0.46	-1.38	-2.54	-4.52
GBP/USD	1.3334	0.0000	-0.0002	-0.0008	-0.0025
EUR/GBP	0.8732	0.0014	0.0045	0.0083	0.0156
USD/CNY	7.1102	-0.0136	-0.0390	-0.0750	-0.1295

Spot Mid	NZD/...	AUD/...
CAD	0.8069	0.9170
CHF	0.4586	0.5213
CNY	4.0956	4.6570
DKK	3.6994	4.2041
FJD	1.2956	1.4724
HKD	4.4802	5.0915
KRW	826.42	939.18
MYR	2.4254	2.7564
NOK	5.7558	6.5412
SEK	5.4079	6.1458
SGD	0.7476	0.8496
TWD	17.67	20.08
ZAR	9.93	11.28

INTEREST RATES	New Zealand Mid	Australia Mid
30 day bank bills	2.63%	3.49%
90 day bank bills	2.52%	3.55%
1 year swap	2.40%	3.30%
2 year swap	2.48%	3.30%
3 year swap	2.64%	3.35%
5 year swap	2.97%	3.52%
10 year swap	3.55%	3.98%
3 year Govt bond	2.89%	3.45%
5 year Govt bond	3.32%	3.66%
10 year Govt bond	4.10%	4.29%

EQUITIES	Index
NZX50	13,392
ASX200	9,056
Dow Jones	47,449
S&P 500	6,862
FTSE100	9,654
DAX 40	24,309
Nikkei	50,512

COMMODITIES	USD
Brent Crude	65.71
Gold	4,005.96
Silver	46.98
Iron Ore	105.41
CRB Index	377.11

	NZD
NZ Carbon	54.90