Market Alert

Tuesday 11 November 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5646	0.0043
NZD/AUD	0.8635	0.0057
NZD/JPY	86.935	-0.79
NZD/EUR	0.4884	-0.0008
NZD/GBP	0.4284	0.0033
NZD/CNH	4.0202	-0.0136
AUD/USD	0.6537	0.0006
AUD/EUR	0.5655	-0.0047
EUR/USD	1.1559	0.0107
USD/CNH	7.1214	-0.0777
GBP/USD	1.3178	-0.0004
EUR/GBP	0.8769	0.0082

INT RATES	NZ	Australia
OCR/Cash	2.50%	3.60%
90 day bills	2.47%	3.69%
2 year swap	2.52%	3.54%
10 year Govt	4.22%	4.51%

The Bee Gees ... or Chumbawamba?

Overnight, San Fran Fed President Mary Daly gave a speech ascertaining whether the current inflation environment is reminiscent of the 1970s, or the 1990s ... which got me thinking! Simply put ... is inflation like the Bee Gees ... *"staying alive, staying alive,"* or is it like Chumbawamba ... *"I get knocked down, but I get up again"*. Personally ... *"I like the whiskey drink; I like the lager drink!"* Daly also added, *"Slowing wage growth shows it's a negative demand shock in the labour market. If firms were scrambling to find workers, wages should rise. We're definitely in a low-firing, low-hiring period. The rate cuts so far have supported the labour market and kept pressure on inflation."*

US Treasury Secretary Bessent confirmed, *"The impact of the government shut down on the economy is getting worse. I expect prices to come down over the months ahead,"* while Fed Chair candidate Kevin Hassett added, *"Economic growth could be negative in the fourth quarter if the shutdown drags on."*

The Fed's Stephen Miran believes, *"The data since September suggests Fed should be more dovish than its September view. The inflation data is stale and is coming down. Some of my colleagues are at looking at backwards-looking inflation. A 50bps cut is appropriate in December ... 25bps at a minimum!"*

RBA Deputy Governor Andrew Hauser warned, *"Getting inflation down will require policy to be restrictive,"* but he then contradicted himself, stating, *"I don't think it's mad to think future rate cuts would be coming. There are different views you can take about the rate outlook."*

Now that we've had our culture fill for the day ...

What about that blooming shutdown? I hear you all asking. Well, there may be some light at the end of the tunnel after US House of Representatives Speaker Mike Johnson confirmed he thinks he has the votes to pass a stopgap confirming, *"The nightmare is finally coming to an end."* He has called all House members to return to Washington as he, *"wants a vote as soon as possible to on passing a bill to reopen the Government."*

The positive 'shutdown' news immediately impacted global equity markets with most exchanges rallying 1.0%-2.0%. The positive news flowed through to commodity market with most products gaining between 1.0%-1.5% with the star performer being silver, which rallied 4.0%, followed by gold and copper which each gained 2.8%. US Treasury yields firmed following a very strong 3-year issue, which had a bid to cover ratio of 2.85X versus the 6-month average of 2.58X, which ultimately saw the 2-years firm 3bps to 3.60% while the 10-years gained 1bps to 4.11%. In the world of currencies there isn't a great deal to report. The USD-index is largely unchanged, trading around the 99.50 level, although the AUD, up 0.6%, and the NZD, up 0.3%, were the two strongest performers against the USD, although the NZD/AUD fell down to the 0.8635 level. Apart from that, the NZD had a modest bounce on its crosses.

New Japanese PM Sanae Takaichi said Japan will scrap its annual primary budget balance target and adopt a multi-year framework to measure fiscal progress, easing its commitment to consolidation. The pro-spending leader is preparing a new stimulus package despite Japan's record debt levels.

Goldman has raised its Chinese GDP projections from 4.3% to 4.8% for 2026, and from 4.0% to 4.7% in 2027, citing resilient exports, an easing of US–China trade tensions, and renewed policy momentum from Beijing's latest 5-year plan.

Great to see the local economy doing well with record profits everywhere ... well ... in banking at least, after one bank posted a 21% increase in profit!

Daily Rates

Tuesday 11 November 2025

FX	Spot Mid	FECs (mid) 1mth	3mths	6mths	12mths		Spot Mid NZD/...	AUD/...
NZ TWI	65.50					CAD	0.7911	0.9163
NZD/USD	0.5646	0.0008	0.0022	0.0043	0.0077	CHF	0.4541	0.5261
NZD/AUD	0.8635	0.0009	0.0028	0.0057	0.0114	CNY	4.0177	4.6534
NZD/JPY	86.9350	-0.14	-0.45	-0.7949	-1.54	DKK	3.6456	4.2224
NZD/EUR	0.4884	-0.0001	-0.0005	-0.0008	-0.0022	FJD	1.2700	1.4710
NZD/GBP	0.4284	0.0006	0.0017	0.0033	0.0059	HKD	4.3871	5.0813
						KRW	821.66	951.66
AU TWI	61.10					MYR	2.3462	2.7174
AUD/USD	0.6537	0.0002	0.0004	0.0006	0.0000	NOK	5.7108	6.6143
AUD/NZD	1.1578	-0.0013	-0.0039	-0.0079	-0.0167	SEK	5.3657	6.2147
AUD/JPY	100.64	-0.27	-0.84	-1.59	-3.05	SGD	0.7349	0.8512
AUD/EUR	0.5655	-0.0008	-0.0024	-0.0047	-0.0096	TWD	17.47	20.24
AUD/GBP	0.4959	0.0002	0.0004	0.0005	0.0004	ZAR	9.67	11.20
USD Index	99.59							
EUR/USD	1.1559	0.0019	0.0057	0.0107	0.0195			
USD/JPY	153.99	-0.47	-1.39	-2.56	-4.66			
GBP/USD	1.3178	0.0000	-0.0002	-0.0004	-0.0015			
EUR/GBP	0.8769	0.0015	0.0044	0.0082	0.0156			
USD/CNY	7.1193	-0.0136	-0.0387	-0.0731	-0.1330			

EQUITIES	Index
NZX50	13,617
ASX200	8,836
Dow Jones	47,296
S&P 500	6,823
FTSE100	9,787
DAX 40	23,960
Nikkei	50,912

INTEREST RATES	New Zealand Mid	Australia Mid
30 day bank bills	2.52%	3.60%
90 day bank bills	2.47%	3.69%
1 year swap	2.37%	3.50%
2 year swap	2.52%	3.54%
3 year swap	2.70%	3.60%
5 year swap	3.03%	3.76%
10 year swap	3.63%	4.14%
3 year Govt bond	2.96%	3.72%
5 year Govt bond	3.41%	3.93%
10 year Govt bond	4.22%	4.51%

COMMODITIES	USD
Brent Crude	63.88
Gold	4,109.59
Silver	50.41
Iron Ore	103.34
CRB Index	375.09
	NZD
NZ Carbon	47.40