

Market Alert

Tuesday 18 November 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5658	0.0043
NZD/AUD	0.8711	0.0056
NZD/JPY	87.740	-0.84
NZD/EUR	0.4880	-0.0010
NZD/GBP	0.4298	0.0032
NZD/CNH	4.0213	-0.0137
AUD/USD	0.6494	0.0006
AUD/EUR	0.5601	-0.0048
EUR/USD	1.1594	0.0109
USD/CNH	7.1089	-0.0768
GBP/USD	1.3164	0.0000
EUR/GBP	0.8805	0.0082
INT RATES	NZ	Australia
OCR/Cash	2.50%	3.60%
90 day bills	2.50%	3.70%
2 year swap	2.62%	3.67%
10 year Govt	4.30%	4.59%

I don't believe it!

Not only did the bloody pommies beat us at 'egg' and netball over the weekend ... but we've let one into the country as well!

As an equal opportunity's employer, we feel it's only fair that we hire an English person every now and then ... and we can all live with that ... we need to help people, and they can't help being English ... but when they start getting nationalised? Strewth, they'll let anyone in these days! Mind you, he did sit through a 3-hour ceremony, so he deserves something for that!

There wasn't a great deal of data ...

...released overnight, let's skim through it...

- The NY Empire State Manufacturing Index jumped from 10.7 to 18.7 in

November, its highest level in a year and ahead of forecasts at 6.

- The European Commission upgraded its Eurozone growth forecast from 0.9% to 1.3%.

- Japanese GDP contracted for the first time in six quarters, falling from an annualised 2.3% to 1.8% in Q3. It was less severe than expected, but was driven by tariff-hit exports, weak consumption, and housing softness.

- With uncertainty surrounding the UK budget, average house prices fell 1.8% in the 4 weeks to 8-November. It was the steepest seasonal drop since 2012, lowering annual prices by 0.5% from 12 months ago.

- New Zealand food prices fell 0.3% in October following on from September's 0.4% contraction, although prices remain 4.7% higher than they were a year ago.

- NZ services PMIs firmed from 48.3 to 48.7 in October, although they remain in contractionary territory.

I'm not saying it's a bubble but ... Nvidia is trading at 20x its forward earnings ... and it should be noted our very own (of sorts) Peter Thiel's hedge fund sold its entire stake during Q3! Berkshire Hathaway also disclosed Alphabet is the fund's 10th-largest holding with a new USD4.3bn stake ... with Alphabet up 46% this year! Ultimately, after all of that, global equity markets are currently trading 0.75%-1.5% lower.

US treasury yields were steady on the day, with the 2-years flatlining at 3.61% while the 10-years eased 1bp to

4.14%. Interestingly, JGB yields rallied across the board, with the 10-year yield climbing to its highest level since 2008 at 1.73%, while the 20-years reached its highest level since 1999. But despite the stronger-than-expected growth data and higher yields, the JPY remains under pressure after PM Takaichi urged the BoJ to maintain low interest rates. This saw USD/JPY rally above 155.00, NZD/JPY close in on the 88.00 handle, and AUD/JPY trade at 101.15. The DXY continues to hold the 99.00 level, with the NZD/USD and AUD/USD a touch lower.

Atlanta Fed President Raphael Bostic cautioned against a December rate cut, stating, "I want the incoming data to dictate whether additional easing is appropriate. Policy should not be pre-committed." Fed colleague Philip Jefferson added, "It's unclear how much official data will come before our next meeting. The balance of risks has shifted in recent months, with increased potential downside risk to employment. Current Fed policy is still somewhat restrictive."

Some food for thought!

RBA board member Renée Fry-McKibbin suggested critics may have misrepresented the RBA stance on its dual mandate of "equal consideration" with price stability and full employment – but it's not an equal weighting. That distinction implies policymakers must assess both objectives, but they are not required to balance them mechanically in every scenario!



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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	65.90					CAD	0.7940 0.9117
NZD/USD	0.5658	0.0008	0.0023	0.0043	0.0072	CHF	0.4500 0.5168
NZD/AUD	0.8711	0.0010	0.0028	0.0056	0.0116	CNY	4.0248 4.6254
NZD/JPY	87.7400	-0.14	-0.45	-0.8381	-1.62	DKK	3.6432 4.1830
NZD/EUR	0.4880	-0.0001	-0.0005	-0.0010	-0.0022	FJD	1.2747 1.4636
NZD/GBP	0.4298	0.0006	0.0017	0.0032	0.0057	HKD	4.3969 5.0484
						KRW	826.48 948.93
AU TWI	61.10					MYR	2.3461 2.6937
AUD/USD	0.6494	0.0002	0.0004	0.0006	-0.0003	NOK	5.7127 6.5591
AUD/NZD	1.1473	-0.0013	-0.0038	-0.0079	-0.0165	SEK	5.3562 6.1498
AUD/JPY	100.86	-0.27	-0.84	-1.61	-3.13	SGD	0.7369 0.8460
AUD/EUR	0.5601	-0.0008	-0.0025	-0.0048	-0.0097	TWD	17.62 20.23
AUD/GBP	0.4933	0.0002	0.0003	0.0004	0.0001	ZAR	9.71 11.15
USD Index	99.50					EQUITIES	
EUR/USD	1.1594	0.0019	0.0059	0.0109	0.0198		Index
USD/JPY	155.08	-0.47	-1.41	-2.62	-4.76	NZX50	13,499
GBP/USD	1.3164	-0.0001	0.0000	0.0000	-0.0010	ASX200	8,636
EUR/GBP	0.8805	0.0015	0.0044	0.0082	0.0153	Dow Jones	46,692
USD/CNY	7.1074	-0.0138	-0.0410	-0.0739	-0.1342	S&P 500	6,676
						FTSE100	9,675
INTEREST		New Zealand		Australia		DAX 40	23,591
RATES		Mid		Mid		Nikkei	50,324
30 day bank bills			2.50%		3.60%	COMMODITIES	
90 day bank bills			2.50%		3.70%		USD
1 year swap			2.42%		3.58%	Brent Crude	64.26
2 year swap			2.62%		3.67%	Gold	4,055.34
3 year swap			2.82%		3.72%	Silver	50.47
5 year swap			3.16%		3.91%	Iron Ore	103.95
10 year swap			3.75%		4.31%	CRB Index	377.16
3 year Govt bond			3.05%		3.81%		
5 year Govt bond			3.50%		4.03%		NZD
10 year Govt bond			4.30%		4.59%	NZ Carbon	41.50

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