

Market Alert

Wednesday 26 November 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5621	0.0041
NZD/AUD	0.8688	0.0057
NZD/JPY	87.655	-0.82
NZD/EUR	0.4856	-0.0009
NZD/GBP	0.4257	0.0031
NZD/CNH	3.9812	-0.0146
AUD/USD	0.6469	0.0003
AUD/EUR	0.5588	-0.0047
EUR/USD	1.1575	0.0104
USD/CNH	7.0826	-0.0765
GBP/USD	1.3204	-0.0002
EUR/GBP	0.8764	0.0080
INT RATES	NZ	Australia
OCR/Cash	2.50%	3.60%
90 day bills	2.41%	3.70%
2 year swap	2.57%	3.61%
10 year Govt	4.26%	4.54%

Well ... that's just great!

A recent BBC study has highlighted that 'these days' ... adolescence lasts into 30s! Basically, childhood lasts from birth to age 9, adolescence goes from 9 until 32, and adulthood starts at 32, and ends at 66! Well ... we all know that adolescents do stupid things ... it's just that now they can do stupid things until they're in their 30s. Mind you ... if you asked my partner ... she'd say that it can last a lot longer for some!

It's a big day today ... with the last RBNZ meeting of the year

... but the real question is will acting Governor Hawkesby leave with a nuclear bang and go 50? Unfortunately ... probably not!

Ultimately, a 25bps cut is baked-in, but the real question is how much discussion

will be on whether 2.25% is the bottom ... or whether there is another 25bps in the pipe? Perhaps more so than previously ... it will come down to the wording in the statement ... and down to what young Christian states in the Q&A.

We suspect that the MPC will likely try and align their projections with the current, a 'fiver-each-way' pricing on whether or not there'll be a further cut, while the NZD will be at the mercy of the comments in the Q&A. While it's not likely, any indication that 2.25% is the bottom will surprise and see the NZD appreciate strongly.

Overnight, currency markets treaded water with little momentum. The USD-index eased 0.5% but remains range-bound. The GBP, JPY and EUR were the biggest beneficiaries, while the antipodeans posted modest gains with the NZD firming from 0.5615 to 0.5625 and the AUD going from 0.6458 to 0.6470 ... which meant both lost ground on the crosses.

Treasury yields continued their slow grind lower after US retail sales rose less than expected, threatening consumer momentum, while the weekly ADP employment gauge pointed to a sharp contraction in the labour market which contributed to the 2 and 10-years losing 3bps to yield 3.47% and 4.00%, respectively.

Equity markets liked the positive AI outlook, on reports that Meta is in talks to spend billions on Google's AI chips, while the heightened likelihood of a possible Fed rate cut added to the buoyancy. Globally, bourses firmed 0.75% - 1.75%.

Commodity markets were broadly lower with oil falling to a 5-week low on hopes of a Ukraine-Russia peace deal, while wheat firmed 0.75% and the metals were flat.

Looking at the releases ...

- US retail sales rose 0.2% in September, compared to forecasts predicating a 0.4% rise and August's 0.6% gain.
- The ADP private employers report saw an average 13,500 jobs lost per week in the US in the 4-week period to the 8th of November, a sharp increase from the 2,500 weekly declines recorded in the previous period.
- In November, the US consumer confidence fell to its lowest level since April, dropping 6.8 pips to 88.7 while the expectations index eased 8.6 pips to 63.2.
- US producer prices rebounded from August's unexpected 0.1% decline to firm 0.3% in September.
- The Richmond Fed manufacturing index fell from -4 to -15, while business conditions contracted from -1 to -15.
- The Philly Fed's non-manufacturing index improved but remained in contractionary territory, improving from -22.0 to -16.3.
- The US budget deficit reached USD284bn in October against estimates at USD235.05bn.

The latest betting implies White House economic adviser Kevin Hassett is the frontrunner to be the next Fed Chair.



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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	65.50					CAD	0.7922 0.9120
NZD/USD	0.5621	0.0008	0.0021	0.0041	0.0070	CHF	0.4533 0.5220
NZD/AUD	0.8688	0.0010	0.0028	0.0057	0.0116	CNY	3.9808 4.5823
NZD/JPY	87.6550	-0.16	-0.44	-0.8160	-1.54	DKK	3.6249 4.1731
NZD/EUR	0.4856	-0.0002	-0.0005	-0.0009	-0.0019	FJD	1.2695 1.4616
NZD/GBP	0.4257	0.0006	0.0016	0.0031	0.0057	HKD	4.3697 5.0307
						KRW	822.77 947.24
AU TWI	60.70					MYR	2.3206 2.6717
AUD/USD	0.6469	0.0001	0.0003	0.0003	-0.0008	NOK	5.7439 6.6127
AUD/NZD	1.1505	-0.0014	-0.0038	-0.0079	-0.0163	SEK	5.3528 6.1626
AUD/JPY	100.90	-0.30	-0.84	-1.62	-3.12	SGD	0.7311 0.8417
AUD/EUR	0.5588	-0.0009	-0.0024	-0.0047	-0.0098	TWD	17.64 20.31
AUD/GBP	0.4898	0.0001	0.0002	0.0003	-0.0002	ZAR	9.66 11.12
USD Index	99.70					EQUITIES	
EUR/USD	1.1575	0.0020	0.0055	0.0104	0.0187		Index
USD/JPY	155.93	-0.49	-1.37	-2.57	-4.61	NZX50	13,480
GBP/USD	1.3204	0.0000	-0.0001	-0.0002	-0.0017	ASX200	8,537
EUR/GBP	0.8764	0.0015	0.0042	0.0080	0.0150	Dow Jones	46,993
USD/CNY	7.0845	-0.0153	-0.0381	-0.0730	-0.1318	S&P 500	6,753
						FTSE100	9,610
						DAX 40	23,465
						Nikkei	48,660
INTEREST		New Zealand		Australia		COMMODITIES	
RATES		Mid		Mid			USD
30 day bank bills		2.38%		3.60%		Brent Crude	62.31
90 day bank bills		2.41%		3.70%		Gold	4,138.57
1 year swap		2.38%		3.60%		Silver	51.24
2 year swap		2.57%		3.61%		Iron Ore	104.42
3 year swap		2.78%		3.68%		CRB Index	369.62
5 year swap		3.13%		3.86%			
10 year swap		3.75%		4.27%			
3 year Govt bond		3.04%		3.78%			
5 year Govt bond		3.50%		3.99%			NZD
10 year Govt bond		4.26%		4.54%		NZ Carbon	42.44

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