Market Alert

Thursday 06 November 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5663	0.0043
NZD/AUD	0.8702	0.0056
NZD/JPY	87.265	-0.80
NZD/EUR	0.4932	-0.0009
NZD/GBP	0.4342	0.0033
NZD/CNH	4.0381	-0.0143
AUD/USD	0.6506	0.0007
AUD/EUR	0.5666	-0.0048
EUR/USD	1.1482	0.0108
USD/CNH	7.1309	-0.0794
GBP/USD	1.3042	-0.0001
EUR/GBP	0.8801	0.0082

INT RATES	NZ	Australia
OCR/Cash	2.50%	3.60%
90 day bills	2.49%	3.69%
2 year swap	2.53%	3.51%
10 year Govt	4.19%	4.42%

Maybe, just maybe, he was right after all!

While there has been a lack of US 'official' releases, there has been some, and last night's releases supported Jerome Powell comments when he said that a December rate cut isn't certain, and "*far from it*".

The key releases were …

- The US ADP employment report, which saw private employers added 42k jobs in October, ending 2 months of declines and exceeding expectations for a 25k gain.
- US ISM services PMIs, which surged from 50.0 to 52.4, surpassing expectations at 50.8 to record the strongest expansion in the services sector since February.

With both indicators surging above forecasts, Treasury yields surged with the 2-years firming 5bps to 3.63% while the 10-years gapped 7bps to 4.16% to give it some breathing space above the psychological 4.00% level. The USD-index was flat and the USD mixed, rallying against the JPY, but easing a touch against the NZD and AUD.

Global equity markets made a modest bounce after yesterday's decline, rallying 0.25%-1.25%, while commodities were mixed with energy produces lower and precious metals higher … which means oil prices fell 1.4% while silver rallied 2.0%, with gold firming 1.2%.

The other data release saw …

- The NY Fed's household report confirmed total household debt in the US increased by USD197bn in Q3 to USD18.59trn, while student loan balances rose by USD15bn to USD1.65trn.
- Eurozone September PPIs 'improved' from a revised -0.4% to -0.1%. Expectations had been at 0.0%.
- Eurozone October services PMIs were confirmed at 53.0 against the preliminary print at 52.6.
- The UK's October final services PMIs firmed from 51.1 to 52.3.
- The Chinese Rating Dog Services PMIs printed in line with forecasts at 52.6, slightly below September's 52.9.
- The NZ Q3 unemployment rate rose from 5.2% to 5.3%, as was expected.
- The NZ commodity index fell 0.3% in October but rose 1.5% in NZD terms due to the weaker currency.
- NZ carbon prices plummeted after the government unveiled significant changes to the Zero Carbon Act.

The minutes from the BoJ's September meeting showed policymakers largely agreed that real interest rates remain low, and that the central bank will likely continue raising rates if its economic and price projections materialise as forecast.

Fed member and Chair hopeful Stephen Miran continued his bearish narrative stating, "*The ADP report was a welcome surprise. Job market trends pre-shutdown are still in place. The job market data indicates interest rates could be lower than current levels.*"

ECB policymaker, Francois Villeroy held the door open for a possible rate cut stating, "*ECB is not in a fixed position, we need full optionality,*" while colleague Joachim Nagel stated, "*We should be vigilant on inflation but not complacent.*"

Finally, in his first speech in a very long time, RBNZ acting-Governor Christian Hawkesby stated, "*House prices and credit growth is not raising red flags. (We) can have more baseline mortgage loan-to-value ratio settings.*"

In the political corner …

The court case against President Trump's tariffs is now before the US Supreme Court and, at the extreme, should they rule against the tariffs, the administration would be forced to stop new collections and refund the USD100bn-odd of tariffs already collected! Interestingly, China announced yesterday they would reduce US tariffs from 24% to 10%, while TACO Trump cut the tariff on Chinese fentanyl imports from 20% to 10%.

Daily Rates

Thursday 06 November 2025

FX	Spot Mid	FECs (mid) 1mth	3mths	6mths	12mths
NZ TWI	65.80				
NZD/USD	0.5663	0.0007	0.0023	0.0043	0.0079
NZD/AUD	0.8702	0.0008	0.0028	0.0056	0.0109
NZD/JPY	87.2650	-0.16	-0.46	-0.7966	-1.55
NZD/EUR	0.4932	-0.0002	-0.0006	-0.0009	-0.0021
NZD/GBP	0.4342	0.0005	0.0017	0.0033	0.0060
AU TWI	60.90				
AUD/USD	0.6506	0.0002	0.0005	0.0007	0.0002
AUD/NZD	1.1485	-0.0011	-0.0038	-0.0077	-0.0162
AUD/JPY	99.53	-0.28	-0.85	-1.59	-3.02
AUD/EUR	0.5666	-0.0008	-0.0025	-0.0048	-0.0095
AUD/GBP	0.4988	0.0001	0.0004	0.0005	0.0004
USD Index	100.23				
EUR/USD	1.1482	0.0020	0.0058	0.0108	0.0199
USD/JPY	154.08	-0.48	-1.41	-2.59	-4.72
GBP/USD	1.3042	0.0000	-0.0001	-0.0001	-0.0009
EUR/GBP	0.8801	0.0015	0.0045	0.0082	0.0155
USD/CNY	7.126	-0.0145	-0.0398	-0.0729	-0.1335

Spot Mid	NZD/...	AUD/...
CAD	0.7989	0.9182
CHF	0.4588	0.5275
CNY	4.0340	4.6362
DKK	3.6798	4.2291
FJD	1.2756	1.4660
HKD	4.4017	5.0587
KRW	815.97	937.76
MYR	2.3714	2.7254
NOK	5.7820	6.6450
SEK	5.4164	6.2249
SGD	0.7398	0.8502
TWD	17.49	20.10
ZAR	9.85	11.32

INTEREST RATES	New Zealand Mid	Australia Mid
30 day bank bills	2.57%	3.60%
90 day bank bills	2.49%	3.69%
1 year swap	2.40%	3.50%
2 year swap	2.53%	3.51%
3 year swap	2.70%	3.56%
5 year swap	3.03%	3.71%
10 year swap	3.63%	4.12%
3 year Govt bond	2.99%	3.65%
5 year Govt bond	3.43%	3.85%
10 year Govt bond	4.19%	4.42%

EQUITIES	Index
NZX50	13,621
ASX200	8,802
Dow Jones	47,352
S&P 500	6,827
FTSE100	9,777
DAX 40	24,050
Nikkei	50,212

COMMODITIES	USD
Brent Crude	63.67
Gold	3,981.18
Silver	48.12
Iron Ore	104.52
CRB Index	379.04

	NZD
NZ Carbon	45.50

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