

Market Alert

Monday 01 December 2025

CURRENCIES	Spot	6mths
NZD/USD	0.5734	0.0039
NZD/AUD	0.8752	0.0055
NZD/JPY	89.500	-0.84
NZD/EUR	0.4944	-0.0011
NZD/GBP	0.4332	0.0030
NZD/CNH	4.0567	-0.0168
AUD/USD	0.6549	0.0000
AUD/EUR	0.5644	-0.0052
EUR/USD	1.1595	0.0100
USD/CNH	7.0699	-0.0774
GBP/USD	1.3236	-0.0004
EUR/GBP	0.8759	0.0075

INT RATES	NZ	Australia
OCR/Cash	2.25%	3.60%
90 day bills	2.45%	3.71%
2 year swap	2.85%	3.78%
10 year Govt	4.37%	4.63%

Pinch punch ... it's the first of the month.

Or when I was at school, an additional excuse for the older boys to give the younger ones a bit of a slap. But let's celebrate ... it's the 1st of December ... and in a couple of weeks we'll all be on holiday complaining about how hot it is!

With the Thanksgiving holiday ...

... last week it was a lacklustre month-end close, with many traders taking the extra day off to stretch it out for a 4-day mini-break. But while some may be slowly setting up for the start of the week, I'm sure it won't be like that at the RBNZ, with today marking the official start of a new tenure of Anna Breman, who officially takes the reigns as the new Reserve Bank Governor.

The weeks close saw the USD-index ease back towards a 2-week low on increased chances that the Fed will cut interest rates at this month's FOMC meeting, although trading was subdued. This saw the NZD/USD grind a touch higher into mid-0.5730's, while AUD/USD reclaimed the 0.6550's. EUR/USD continued its recent recovery, closing in on the 1.1600 handle, while the JPY continued to weaken.

Treasury yields recovered from the recent buying, with the 2-years firming 2bps to 3.50% while the 10-year yield is 3bps higher at 4.02%.

Equity markets closed November in a positive mood, with the US exchanges gaining 0.5%-0.75%, while the European bourses were broadly 0.25% higher. Commodities also had a broadly positive session, with silver extending its rally, soaring above a record USD56 per ounce amid mounting supply concerns and growing expectations of further Fed cuts. Oil prices closed the week lower, although futures prices have opened this morning 1.0% higher with talk of OPEC+ pausing planned supply increases.

Last Friday saw Canadian GDP surge to 2.6% in Q3, rebounding sharply from Q2's revised 1.8% decline. I'm sure we can expect something similar in NZ when we get our Q3 update on 18 December. Beyond that, German inflation flatlined at 2.3% in November, below forecasts at 2.4%. there was also an added positive after unemployment dropped by 25.7k to lower the number of those unemployed to 2.885m. The unemployment rate remained unchanged at 6.3%.

Over the weekend China released their PMIs which showed that while manufacturing activity edged higher, it remains in contractionary territory after the NBS manufacturing PMIs firmed to 49.2 in November, above October's 6-month low of 49.0. It was the 8th straight month of decline in factory activity, with new orders, foreign sales, and employment all remaining weak, while cost pressures continued to mount.

If you were worried about the US consumer ... don't be! According to Adobe Analytics, Americans spent a record USD12bn online on Black Friday this year and are expected to spend over a trillion dollars for the first time this holiday season!

The week ahead ...

Is all about the US catching up with the 'missed' releases from their 6-week holiday shutout. Included in the mix will be September's PCE price indices, import export prices, industrial production, and personal income and spending. We also have some more update releases with ISM PMIs, the Michigan consumer confidence, the ADP and Challenger labour number, while Fed Chair Jerome Powell is scheduled to speak overnight. Beyond the US, the Eurozone will unveil its November CPI and PPIs, the unemployment rate and retail sales, while the UK will update their consumer credit. Australia will release Q3 GDP, their trade numbers, inventories, and the Melbourne Institutes inflation gauge, while in NZ we have building permits, terms of trade, commodity prices, and building volumes.



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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	66.60					CAD	0.8010
NZD/USD	0.5734	0.0008	0.0021	0.0039	0.0063	CHF	0.4607
NZD/AUD	0.8752	0.0010	0.0028	0.0055	0.0108	CNY	4.0582
NZD/JPY	89.5000	-0.19	-0.44	-0.8443	-1.67	DKK	3.6895
NZD/EUR	0.4944	-0.0002	-0.0005	-0.0011	-0.0026	FJD	1.2856
NZD/GBP	0.4332	0.0006	0.0016	0.0030	0.0049	HKD	4.4620
						KRW	841.01
AU TWI	61.20					MYR	2.3669
AUD/USD	0.6549	0.0002	0.0003	0.0000	-0.0018	NOK	5.7868
AUD/NZD	1.1434	-0.0014	-0.0037	-0.0081	-0.0167	SEK	5.4026
AUD/JPY	101.90	-0.34	-0.84	-1.67	-3.28	SGD	0.7426
AUD/EUR	0.5644	-0.0008	-0.0025	-0.0052	-0.0109	TWD	17.98
AUD/GBP	0.4947	0.0001	0.0002	0.0000	-0.0012	ZAR	9.80
USD Index	99.48					EQUITIES	
EUR/USD	1.1595	0.0020	0.0052	0.0100	0.0181		Index
USD/JPY	156.05	-0.55	-1.34	-2.56	-4.58	NZX50	13,489
GBP/USD	1.3236	0.0000	-0.0001	-0.0004	-0.0020	ASX200	8,614
EUR/GBP	0.8759	0.0015	0.0039	0.0075	0.0141	Dow Jones	47,716
USD/CNY	7.075	-0.0156	-0.0381	-0.0726	-0.1316	S&P 500	6,849
						FTSE100	9,721
INTEREST		New Zealand		Australia		DAX 40	23,837
RATES		Mid		Mid		Nikkei	50,254
						COMMODITIES	
30 day bank bills			2.39%		3.60%		USD
90 day bank bills			2.45%		3.71%	Brent Crude	62.38
1 year swap			2.52%		3.66%	Gold	4,230.37
2 year swap			2.85%		3.78%	Silver	56.71
3 year swap			3.08%		3.86%	Iron Ore	106.09
5 year swap			3.40%		3.98%	CRB Index	376.65
10 year swap			3.90%		4.34%		
3 year Govt bond			3.30%		3.92%		NZD
5 year Govt bond			3.72%		4.12%	NZ Carbon	40.25
10 year Govt bond			4.37%		4.63%		

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