Markets Today

2 November 2026

Events round-up

NZ: ANZ Consumer Confidence, Oct: 96.2 vs. 97.6 prev.

JN: Tokyo CPI (y/y%), Oct: 2.8 vs. 2.7 exp.

JN: Tokyo CPI Ex Food, Energy (y/y%), Oct: 2.6 vs. 2.7 exp.

JN: BOJ Target Rate, Oct: 1.25 vs. 1.25 exp.

GE: Unemployment Claims Rate, Oct: 6.4 vs. 6.4 exp.

GE: CPI EU Harmonized (y/y%), Oct P: 2.8 vs. 3.1 exp.

EC: GDP (q/q%), 3Q A: 0.4 vs. 0.2 exp.

EC: Unemployment Rate, Sep: 6.5 vs. 6.4 exp.

CA: GDP (m/m%), Aug: 0.0 vs. 0.2 exp.

US: Employment Cost Index, 3Q: 0.8 vs. 0.8 exp.

US: MNI Chicago PMI, Oct: 55.3 vs. 56.1 exp.

CH: Manufacturing PMI, Oct: 49.3 vs. 49.8 exp.

CH: Non-manufacturing PMI, Oct: 49.7 vs. 50 exp.

Good morning

Technology shares led a global equity selloff as disappointing earnings accelerated the rotation out of the artificial intelligence trade and drove demand for safe-haven assets. The Nasdaq 100 fell more than 3%, taking it almost 10% below its October peak and close to correction territory. The S&P 500 fell close to 2%, with wide dispersion in sector returns. Treasuries rallied on the risk-off move, although most of the decline in yields came during Asian trading, and yields were little changed overnight even as equities extended losses. Currency markets were contained while oil prices tracked higher.

Gold failed to attract safe-haven demand despite the risk-off tone, falling more than 3% to around $3,800 an ounce, its lowest level in a year. That leaves gold down around 6% in October. Silver fell about 5% to just below $50 an ounce, taking its monthly decline to nearly 20%. Defensive currencies, the yen and Swiss franc, showed little net movement.

US data had little impact on price action. The employment cost index rose 0.8% in Q3, in line with expectations, leaving annual growth steady at 3.4% for a fourth straight quarter. The ECI is a better gauge of underlying wage pressure than average hourly earnings because it adjusts for shifts in the composition of employment. The broader message is that wage growth has stabilised at a pace broadly consistent with the Fed meeting its 2% inflation target over the medium term.

The risk-off tone did little to shift Fed pricing, with the market still implying around an 80% chance of a December hike. Treasury yields oscillated but finished little changed, caught between safe-haven demand and higher oil prices. The 10-year yield ended the week at 4.93%, having touched its lowest level since mid-September during Asian trading. German Bunds gained on haven demand, though French OATs underperformed, with the 10-year spread widening to 165bp. France's credit rating outlook was revised to negative by Fitch after the close.

The euro-area economy weathered the energy shock better than expected in Q3, with GDP up 0.4% q/q, above the 0.2% consensus. However, the headline overstates underlying strength. National data suggest Ireland accounted for about half the gain, while the four largest economies grew just 0.1% on average. German inflation slowed more than expected in October, to 2.8% y/y from 3.3%, after the government revived a temporary fuel-tax cut. The euro-area reading is due this week.

The Bank of Japan held its policy rate at 1.25% as expected but struck a hawkish tone. For the first time since adopting its 2% target in 2013, the BOJ judged underlying inflation to be "generally consistent" with that target. It also kept its view that inflation risks are skewed to the upside, despite the September hike. Market pricing was little changed after the meeting, with around an 80% chance of a December hike.

Net moves across currency markets were contained despite month-end flows and the weakness in equity markets. G10 currencies were mixed against the US Dollar. Oil-sensitive currencies – the CAD and NOK – outperformed at the margin. The NZD did dip towards 0.5620 but recovered to close the week little changed from the NZ close near 0.5630. Bloomberg reported global investors have reduced dollar-hedging ratios to their lowest since 2014, reflecting the increasing cost of hedging against a currency supported by elevated Fed rate expectations.

RBNZ MPC member Carl Hansen said in an interview that he is "50-50" on a December hike, citing constraints in the economy, but would see a case to move if the data showed

those constraints had eased. Hansen voted to hold the OCR last week and remains cautious on household spending given large terms-of-trade shocks. He also noted the MPC is watching global developments and how they may affect New Zealand.

NZ rates closed lower across the curve on Friday, again reflecting the soft tone across global equity markets which triggered a safe-haven flow towards fixed income. Hansen's comments had limited impact on price action though pricing for the December meeting had already softened towards 75% for a hike. 2-year rates declined a further 6bp to 3.90% and have clearly broken to the downside from the 4.0% - 4.20% range which persisted through October. It was a parallel shift for the swap curve with 10-year rates also falling 6bp to 4.51%.

There is no domestic data on the calendar today. Building approvals are due in Australia. RatingDog manufacturing PMI is released in China and the ISM manufacturing report in the US.

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Coming up

		Period	Cons.	Prev.	NZT
AU	Building Approvals (m/m%)	Sep	4	-6.1	13:30
CH	RatingDog China PMI Mfg	Oct	52	52.1	14:45
US	ISM Manufacturing	Oct	54.7	54.5	04:00

Source: Bloomberg

Currencies

FX Majors — Indicative overnight ranges (*)

	Last	% Day	Low	High
NZD	0.5631	-0.0	0.5619	0.5652
AUD	0.7032	+0.0	0.7014	0.7041
EUR	1.1161	-0.2	1.1136	1.1206
GBP	1.3390	+0.1	1.3374	1.3434
JPY	157.57	-0.1	156.97	157.75
CAD	1.3977	-0.1		
NZD/AUD	0.8008	-0.1		
NZD/EUR	0.5045	+0.1		
NZD/GBP	0.4205	-0.2		
NZD/JPY	88.73	-0.1		
NZD/CAD	0.7870	-0.2		
NZ TWI	63.94	-0.1		

Other FX

	Last	% Day
CHF	0.8250	+0.1
SEK	9.826	-0.2
NOK	9.203	-0.5
HKD	7.845	-0.0
CNY	6.654	-0.1
SGD	1.278	-0.1
IDR	18,147	+0.1
THB	33.78	+0.1
KRW	1,334	-0.6
TWD	32.60	+0.2
PHP	63.74	-0.2

Equities

Major Indices

	Last	% Day	% Year
S&P 500	7,580	-1.8	11.1
Dow	51,770	-1.1	8.9
Nasdaq	25,437	-2.9	7.9
Stoxx 50	6,131	-1.2	7.6
FTSE	10,730	+0.1	9.9
DAX	25,818	-0.9	7.0
CAC 40	7,969	-0.0	-2.3
Nikkei	63,290	-2.1	20.8
Shanghai	3,599	-1.4	-9.7
ASX 200	8,908	+0.2	0.3
NZX 50	13,797	+0.6	1.8
VIX Index	19.42	+12.9	+14.8

Commodities

Price (Near futures, except CRB)

	Last	Net Day
Oil (Brent)	113.43	+2.4
Oil (WTI)	104.12	+0.9
Gold	3898.9	-3.6
HRC steel	1347.0	+0.4
CRB	411.1	-0.1
SGX Iron Ore	91.05	+0.3
NZ Milk '27	10.41	+0.6
NZ Milk '28	10.30	+0.5
NZ Milk '29	9.92	+0.0
WM powder	3970	+0.9
Australian Futures		
3 year bond	95.20	0.05
10 year bond	94.87	0.05

Interest Rates

Rates / Swap Yields

	Cash	3Mth	2 Yr	10 Yr
USD	4.00	4.85	4.45	4.54
AUD	4.60	4.90	4.88	5.28
NZD	2.75	3.16	3.90	4.51
EUR	2.50	2.64	3.37	3.44
GBP	3.75	3.87	4.70	4.85
JPY	1.25	1.33	1.87	2.67
CAD	2.50	2.60	3.19	3.59

Benchmark 10 Yr Bonds

	Last	Net Day
USD	4.93	-0.01
AUD	5.12	-0.05
NZD	4.81	-0.06
GER	3.32	-0.03
GBP	5.28	-0.01
JPY	2.78	-0.06
CAD	3.80	0.00

NZ Government Bonds

	Last	Chg
15-May-28	3.72	-0.05
20-Apr-29	3.96	-0.07
15-May-30	4.13	-0.07
15-May-31	4.28	-0.06
15-May-32	4.42	-0.06
14-Apr-33	4.52	-0.06
15-May-34	4.62	-0.06
15-May-35	4.72	-0.06
15-May-36	4.81	-0.06
15-May-37	4.90	-0.06
15-May-38	4.95	-0.06
15-May-41	5.17	-0.05
15-May-51	5.38	-0.05
15-May-54	5.39	-0.06

NZ BKBM and Swap Yields

	Last	Chg
BKBM 1-mth	2.93	0.00
BKBM 3-mth	3.16	0.00
1 year	3.61	-0.05
2 year	3.90	-0.06
3 year	4.03	-0.07
5 year	4.19	-0.07
7 year	4.34	-0.06
10 year	4.51	-0.06
15 year	4.72	-0.06
NZ Inflation-Indexed Bonds		
Sept-30	1.69	-0.06
Sept-35	2.47	-0.05
Sept-40	2.91	-0.06

Carbon Price

	Level	% Day	% Year
NZU	48.50	+0.0	-8.0

* These are indicative ranges from 5pm NZT; please confirm rates with your BNZ dealer

Rates at NY close

Source: Bloomberg

Policy Meeting Run

	NZD	AUD	USD
1st	2.95	4.81	4.07
2nd	3.11	4.87	4.15
3rd	3.26	4.94	4.28
4th	3.40	4.93	4.35
5th	3.54	4.93	4.43

NZD exchange rates

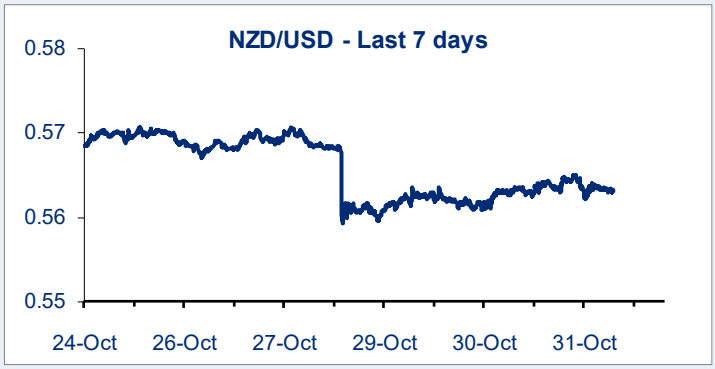
31/10/2026	NY close	Prev. NY close
USD	0.5631	0.5634
GBP	0.4205	0.4212
AUD	0.8008	0.8014
EUR	0.5045	0.5039
JPY	88.73	88.85
CAD	0.7870	0.7881
CHF	0.4646	0.4645
DKK	3.7715	3.7666
FJD	1.2634	1.2624
HKD	4.4174	4.4203
INR	53.47	53.67
NOK	5.1823	5.2087
PKR	155.82	155.98
PHP	35.89	35.97
PGK	2.5251	2.5299
SEK	5.5330	5.5444
SGD	0.7196	0.7210
CNY	3.7474	3.7529
THB	18.97	19.02
TOP	1.3423	1.3235
VUV	67.36	67.23
WST	1.5521	1.5530
XPF	60.18	60.10
ZAR	9.4091	9.3613

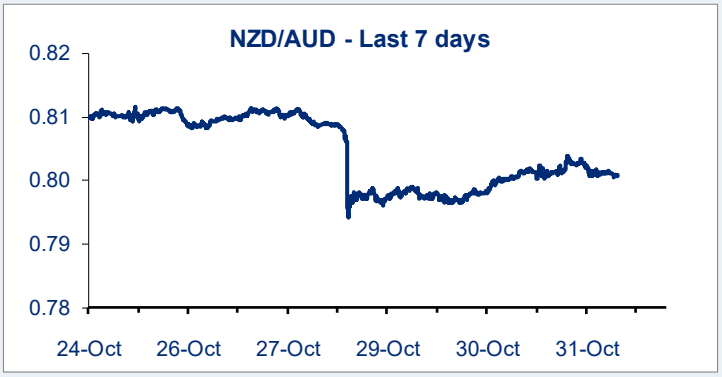
NZD/USD Forward Points

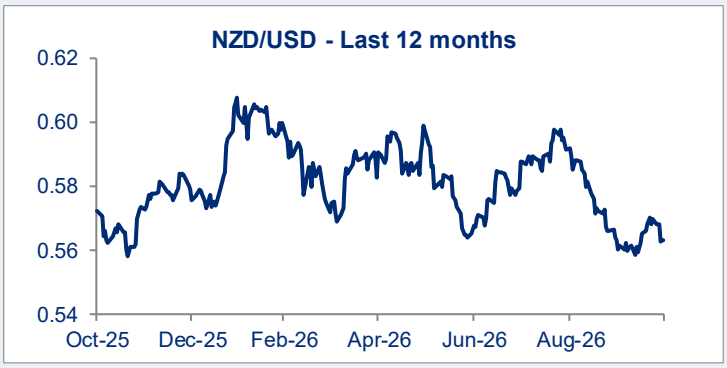
	BNZ buys NZD	BNZ sells NZD
1 Month	5.79	6.03
3 Months	17.43	17.93
6 Months	32.14	33.26
9 Months	45.20	47.20
1 Year	55.99	59.59

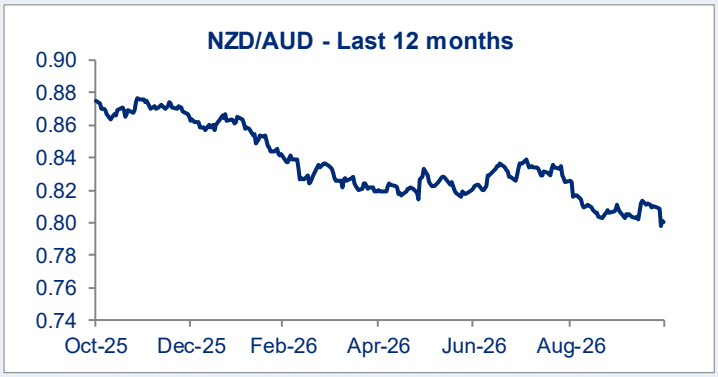
NZD/AUD Forward Points

	BNZ buys NZD	BNZ sells NZD
1 Month	13.24	13.78
3 Months	38.88	39.93
6 Months	71.92	74.33
9 Months	99.69	103.93
1 Year	121.58	128.44









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