

GLOBAL MARKETS

WEEKLY MARKET BRIEF



Highlights.

U.S. equities posted mixed results over the week. The Dow Jones Industrial Average and the S&P 500 eked out slight gains, while the Nasdaq Composite, the S&P Mid-Cap 400, and the small-cap Russell 2000 all declined. For most of the week, markets were pressured by worries about high valuations and intensifying scrutiny of artificial intelligence-related spending, prompting investors to rotate out of growth stocks that had helped drive recent record highs. A turbulent but catalyst-light session on Friday ultimately enabled some indexes to rebound and finish the week in positive territory. Investors continued to focus on economic data. The White House warned that both October employment and inflation reports might be cancelled, while the Bureau of Labor Statistics (BLS) emphasized that determining new reporting schedules would take time. On Friday afternoon, the BLS confirmed it would publish the September jobs report on Thursday, November 20. Comments from several Federal Reserve officials, viewed as hawkish, also weighed on stocks. St. Louis Fed President Alberto Musalem argued for caution, while Cleveland Fed President Beth Hammack noted that monetary policy must stay "somewhat restrictive" due to stubborn inflation. Atlanta Fed President Raphael Bostic said on Wednesday that labour market signals were "ambiguous" and not strong enough to justify aggressive policy action, especially given persistent inflation risks. As a result, the likelihood of a rate cut at the Fed's December meeting declined to about 46% by Friday afternoon—down from around 67% the previous week and nearly 95% a month earlier, according to the CME FedWatch tool. Over in Europe, the pan-European STOXX 600 rose 2.15% benefiting from relief that the U.S. shutdown had ended, though a cooling mood around AI-linked stocks limited the advance. A disappointing batch of U.K. economic reports prompted investors to increase bets on a December rate cut by the Bank of England. Unemployment for the three months through September rose to 5%—the highest since early 2021—while wage growth excluding bonuses slowed to 4.6% from 4.8%. Meanwhile, GDP grew only 0.1% in Q3, below expectations, and contracted 0.1% in September. In Asia, Japanese equities advanced, with the Nikkei 225 up 0.20% and the TOPIX gaining 1.85%. The reopening of the U.S. government boosted global sentiment, although worries about stretched valuations in AI-exposed sectors continued to pressure Japan's tech companies. Expectations of looser fiscal policy under new Prime Minister Sanae Takaichi—and the perception that the Bank of Japan will be cautious with rate hikes—pushed the yen lower. Takaichi has signalled support for expanded, longer-horizon fiscal targets aimed at encouraging growth. Mainland Chinese markets pulled back as investors took profits after the CSI 300 hit a near four-year high the prior week. The CSI 300 fell 1.08%, while the Shanghai Composite dipped 0.18%. Fresh data signalled that China's economy slowed entering the fourth quarter. Industrial output rose 4.9% year over year in October—below expectations—while retail sales increased 2.9%, marking a fifth consecutive month of deceleration. Despite the soft October data, many economists still believe China can achieve its roughly 5% annual growth target, especially after the recent one-year trade truce agreed with the U.S. Moreover, Beijing has authorized RMB 1 trillion in new stimulus since late September, and analysts expect these measures to begin supporting activity in the near term.

Data highlights: In the U.K., unemployment rate climbed to 5.0%, exceeding both the 4.9% forecast and the previous 4.8%. U.K. GDP growth eased to 1.3%, slightly below both the forecast and prior reading of 1.4%. In the Eurozone, employment rose 0.5% year-on-year, higher than market expectations of 0.4%. Australia's unemployment rate improved to 4.3%, beating analysts' forecast of 4.4% and marking an improvement from the prior 4.5%. In China, the unemployment rate edged down to 5.1%, matching analysts' forecasts.

Week ahead: China GDP Growth Rate QoQ, Canada Inflation Rate YoY – Monday | U.K. Inflation Rate - Tuesday | U.S. Non-Farm Payroll - Thursday | Japan Inflation Rate YoY - Friday

Global Markets Overview

Treasury yields: US Treasury yields inched higher into the weekend, with the 10-year finishing at 4.15% as risk aversion deepened and investors waited for clarity on when—or even whether—the government-delayed economic data will be released. The uncertainty, amplified by the White House acknowledging that some shutdown-affected indicators may never be published, prompted markets to scale back expectations for a December Fed cut to below 50%, down sharply from earlier in the week. The shift followed a chorus of Fed officials questioning the need for a third straight reduction, citing resilient economic activity and lingering inflation risks. Across the Atlantic, UK gilt yields surged, with the 10-year jumping to 4.57% after reports that Chancellor Rachel Reeves will scrap planned income-tax hikes thanks to a significantly improved fiscal outlook from the OBR, which now sees a much smaller budget shortfall.

Equities: US stocks pared back earlier weakness seen during the week at the close of trading on Friday, as investors reassessed stretched AI valuations and dialled back confidence in a near-term Fed rate cut. The S&P 500 edged up 0.08%, the Dow gained 0.41%, and the Nasdaq slipped 51.57 points. Tech names helped to soften the week's heavier declines—Microsoft rose 2.69% as enthusiasm for AI-driven and data center linked spending kept the sector in focus. Even so, persistent inflation worries and Fed officials pushing against a cut next week capped broader momentum, while markets braced for the long-delayed economic data expected to validate months of downbeat private reports. In Europe, Germany's DAX climbed 1.30% to end the week higher, despite extending Thursday's losses and ongoing concerns over lofty tech valuations and aggressive AI investment plans. As earnings season winds down, banks and tech names remained under pressure. Allianz ended the week on a high, posting a stronger-than-expected 15% jump in third-quarter net profit on Friday, building on the momentum from its upbeat full-year outlook the day before. The insurer's performance was fuelled by a robust property-and-casualty segment and notably low natural-catastrophe losses.

Currencies: The dollar index briefly hit its lowest level of the month before bouncing back to 99.3, as traders reassessed the economic outlook and awaited clarity on which long-delayed data releases will return—and which may never see daylight. Expectations for a December Fed rate cut slipped below 50%, down sharply from nearly 65% earlier in the week, after officials signalled doubts about the need for a third consecutive reduction given the economy's resilience and unresolved inflation risks. Risk-off sentiment pushed investors toward classic safe havens like the yen and Swiss franc, while the dollar strengthened against the pound amid renewed anxiety over the UK's fiscal trajectory. Still, the greenback ended the week down 0.31%.

Commodities: Gold prices slipped back to \$4,084 per ounce on Friday but still secured a weekly gain of 2.07%, as markets navigated the deep uncertainty created by the massive backlog of US economic data following the country's longest-ever government shutdown. With agencies struggling to complete disrupted surveys, concerns are mounting that key releases—most notably October CPI and jobs data—may never be published, prompting investors to dial back expectations for additional Fed easing. Sugar futures surged 6.10% to above 14.9 cents per pound, their highest level since late October, fuelled by higher oil prices and a firmer Brazilian real. Elevated crude boosts ethanol demand, encouraging Brazilian mills to divert more cane toward biofuel production and tightening the sugar supply outlook. Still, broader fundamentals point to an ample global surplus, supported by strong harvests in Brazil, India, and Thailand. Meanwhile, India approved exports of 1.5 million tons for the 2025–26 season to help stabilize domestic prices amid abundant supply.

Bond Yields	Close	% W/W	% YTD
US 10Y	4.15	1.26	-9.21
Bund 10Y	2.72	2.03	14.91
Gilt 10Y	4.57	2.42	0.13
Japan 10Y	1.71	1.73	55.31

Indices	Close	% W/W	% YTD
S&P 500	6734	0.08	14.49
EU Stoxx 600	599	2.15	18.65
FTSE 100	9698	0.16	18.66
Nikkei 225	50377	0.20	26.27

Currencies	Close	% W/W	% YTD
EURUSD	1.1621	0.48	12.24
GBPUSD	1.3171	0.07	5.23
USDJPY	154.55	0.74	-1.69
USD Index	99.30	-0.31	-8.47

Commodities	Close	% W/W	% YTD
Gold	4084	2.07	55.61
Copper	506.30	2.14	25.74
WTI Crude	60.09	0.57	-16.22
Wheat	541.50	-0.14	-11.77

Performance of Major Global Financial Assets

% Change.

W/W	1.3	2.0	2.4	1.7	2.0	1.2	0.1	-0.2	2.3	1.3	0.2	0.2	1.3	-0.3	0.5	0.1	0.7	-0.3	-1.2	0.6	2.1	2.1	-3.1	-0.1
MTD	1.7	3.3	3.7	2.5	3.3	2.6	-1.6	-3.3	0.6	-0.3	-0.2	-3.9	2.6	-0.5	0.7	0.1	0.4	-0.3	-1.4	-1.5	2.0	-0.5	0.5	-1.3
YTD	-9.2	14.9	0.1	55.3	1.8	-1.4	14.5	19.0	16.3	19.9	18.7	26.3	32.5	-8.5	12.2	5.2	-1.7	-2.7	-9.3	-16.2	55.6	25.7	33.9	-11.8
	US 10Y	BUND 10Y	GILT 10Y	JAPAN 10Y	AUSSIE 10Y	ITALY 10Y	S&P 500	NASDAQ	EU STOXX 50	DAX INDEX	FTSE 100	NIKKEI 225	HANG SENG	USD INDEX	EURUSD	GBPUSD	USDJPY	USDCNY	USDZAR	WTI CRUDE	GOLD	COPPER	COFFEE	WHEAT
	GOV. BOND YIELDS						EQUITY INDICES							CURRENCIES						COMMODITIES				

KEY: -100%



+100%

Data Sources: Bloomberg, Investing.com, Trading Economics, T. RowePrice, Standard Investment Bank

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