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MARKET UPDATE

IN UNDER 5 MINUTES

November 2025

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TOPIC OF THE MONTH

Too Much Noise: What's Behind the Volatility Surge? The risks summarized.

Markets have grown increasingly reactive to sentiment and headlines, not fundamentals. The result: heightened volatility, driven by shifting narratives more than hard data. Here are the main noise drivers dominating recent moves.

First, Michael Burry's Exit Sparks Bearish Sentiment: Investor Michael Burry, famous for "The Big Short," shuttered his hedge fund Scion AM this month. While not linked to a clear market trigger, the move reignited fears of overvaluation especially in tech, and reflects growing concerns among contrarian investors.

Second, Is AI Boom a Bubble? Comparisons to the dot-com era are resurfacing, with stocks like Nvidia and Palantir priced far ahead of current earnings. Unlike 2000, today's AI giants are profitable and cash-rich. Still, experts warn of stretched valuations, and any shortfall in AI delivery could trigger sharp corrections.

Third, Private Credit: Private credit markets have ballooned to nearly $3 trillion, with rising concern about opaque structures and illiquidity. Jeffrey Gundlach likens it to pre-2008 subprime lending. While not systemically dangerous yet, the risk of sudden repricing is real and largely untested.

Fourth: Geopoliticals like Russia–Ukraine & U.S.–China are constant Tensions. Ukraine peace talks made headlines in November, but military action continues. Meanwhile, U.S.–China relations remain fraught despite recent tariff relief. These geopolitical shifts feed into market risk premiums - one announcement away from driving sharp sentiment swings.

IN SHORT - MARKET TWEETS

Bonds

Short end treasury yields fall on rate cut expectations

- U.S. Treasury Yields
  - 2Y: 3.50% (MoM -2.78%)
  - 10Y: 4.04% (MoM -1.46%)
  - 30Y: 4.70% (MoM +1.08%)
- Bloomberg Global Aggregate Bond Index
  - 499.98 (MoM +0.15% / YTD +7.89%)

Equities

US Tech retreats, Communication Services outperforms

- Major Indices
  - S&P 500: 6,849 (MoM -0.04% / YTD +16.71%)
  - Nasdaq100: 25,434 (MoM -2.07% / YTD +21.26%)
  - FTSE: 9,709 (MoM +0.08% / YTD +17.54%)
  - EuroStoxx50: 5,699 (MoM -0.17% / YTD +15.28%)
  - HangSeng: 26,033 (MoM -0.48% / YTD +32.66%)
- Top 3 Sectors YTD:
  - Communication Services (+34.31%), Materials (+30.25%),Technology (+19.74%)
- Bottom 3 Sectors YTD:
  - Consumer Defensive (+3.51%), Real Estate (+5.48%), Consumer Cyclical (+5.79%)

Commodities

Gold recovers and looks bullish, brent retreats on softer global demand expectations

- Gold: 4,240 (MoM +3.81% / YTD +61.53%)
- Copper: 5.30 (MoM +4.45% / YTD +31.40%)
- Brent: 62.64 (MoM -3.47% / YTD -17.50%)

FX & Digital Assets

USD weakens, BTC turns YTD negative

- DXY: 99.39 (MoM -0.49% / YTD -8.39%)
  - EURUSD 1.16 (MoM +0.16%)
  - GBPUSD 1.32 (MoM +0.49%)
  - USDCHF 0.80 (MoM -0.24%)
  - USDJPY 155 (MoM +0.98%)
- BTC: 86,836k (MoM -21.25% / YTD -7.09%)

Global Macro / Geopolitics

All eyes on FED december Meeting for rate cuts

- US Inflation: 3.0% (unchanged)
- FED Funds Rate: 3.75-4.00% (unchanged)
- Unemployment Rate: 4.4% (+0.1%)
- Non-farm payroll: 119k (September)

Middle East in Focus

- UAE regulators approved the region's first green bond fund for retail investors, expanding ESG offerings through the Abu Dhabi Securities Exchange.
- Saudi Arabia signed a $7.5 billion investment agreement with BlackRock and Brookfield, targeting infrastructure and clean energy under Vision 2030.
- Qatar's sovereign wealth fund launched a $1 billion AI and quantum computing venture fund, aiming to position Doha as a tech innovation hub.
- Bahrain finalized plans for a GCC-wide digital assets passporting regime, aiming to harmonize crypto licensing across Gulf financial centers.

WHAT'S COMING NEXT?

Markets Look to December Fed Meeting: Expectations are mounting for a rate cut at the Fed's December 10–11 meeting. Futures now imply an 84% chance of a 25bps reduction, up from 50% just weeks ago. Two key Fed officials, Vice Chair John Williams and Governor Christopher Waller, signaled openness to easing soon, citing a weakening labor market and steady inflation. ADP private payrolls have declined in recent weeks, September retail sales missed expectations, and the official unemployment rate rose to 4.4%, its highest since 2021. Core wholesale prices, as shown in the Producer Price Index, also came in soft, giving the Fed flexibility. While Chair Powell remains cautious, the data increasingly points toward a cut. Markets will be watching for confirmation and for clues about the pace of future easing into 2026.

INVESTMENTS IN FOCUS

In today's choppy environment, staying focused on fundamentals is key. History shows U.S. equities perform well when the Fed cuts rates without a recession, exactly the soft-landing scenario markets are now pricing in.
Consumer resilience remains a key pillar: household debt burdens are at 40-year lows (excluding pandemic effects), and spending has slowed but remains solid. Corporate balance sheets are also healthy, setting the stage for projected S&P 500 earnings growth of 11% in 2025 and 10% in 2026 (UBS). Quality Bonds Back in Play: Yields fell across the curve in November, and with more cuts expected, the 10-year Treasury yield could drop to 3.75% by mid-2026.
This makes quality fixed income compelling: investors can earn durable income with potential price gains if the economy slows. Treasury-heavy portfolios now offer an attractive risk-reward mix. Gold Benefits from Falling Real Yields: Lower real rates improve the appeal of gold, which offers no yield but strong protection in uncertain times. With central banks buying and inflation still above target, gold's consolidation appears to be a pause and not the end of its bull run. The Playbook: Stay Invested, Stay Disciplined. Rather than chasing headlines, investors should lean into balance. Prioritize: High-quality equities with resilient earnings and dividends, Structured Prodcuts with high capital protection for resilience, Investment-grade or goverment bonds for income and protection, Gold and real assets for hedging geopolitical or policy shocks.

DON'T LEAVE BEFORE YOU READ THIS!

Did you know?

The biggest consumer shift in history is already underway: By 2035, China and India together are expected to add more than 800 million new middle-class consumers - the largest expansion of purchasing power the world has ever seen. To put that into perspective: this new consumer wave is bigger than the entire population of Europe today. This shift will reshape everything from global trade flows to tourism, technology adoption, luxury spending, and long-term capital allocation. For investors, it's a reminder that the world's center of gravity is moving, not slowly, but at historic scale and speed.