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## Pour on the Gravy: Global Equities Rally as Recent Losses Fade from View

Global equity markets continued to rally, with US stocks up nearly 3.5% over the last three sessions and futures pointing to further gains amid rising expectations of a December rate cut. Most other markets were also trading higher this morning. The S&P500 is back within 1.5% of its record highs, though investors are increasingly looking for winners and losers in the AI trade as correlation within the Magnificent 7 has broken down. Weekly initial jobless claims declined and came in below expectations at 216k (vs 225k). Advanced economy bond yields were mixed but little changed overall, with Treasury yields edging higher following jobless claims. UK assets were volatile following the budget announcement, with 30y gilt yields up as much as 5 bps before reversing. The dollar inched higher at the expense of the yen, while emerging market currencies were mixed but generally traded in a narrow range.

Key Global Financial Indicators

Last updated: 11/26/25 8:36 AM	Level		Change from Market Close				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
<b>Equities</b>			%				%
S&P 500		6766	0.9	2	0	12	15
Eurostoxx 50		5619	0.8	1	-1	18	15
Nikkei 225		49559	1.8	2	-2	30	24
MSCI EM		54	0.4	0	-2	25	29
<b>Yields and Spreads</b>			bps				
US 10y Yield		4.01	1.5	-13	1	-29	-56
Germany 10y Yield		2.68	1.0	-3	6	50	32
EMBIG Sovereign Spread		276	3	7	-4	-60	-49
<b>FX / Commodities / Volatility</b>			%				
EM FX vs. USD, (+) = appreciation		46.2	0.1	0	0	6	8
Dollar index, (+) = \$ appreciation		99.7	0.1	-1	1	-7	-8
Brent Crude Oil (\$/barrel)		62.4	-0.2	-2	-5	-14	-16
VIX Index (% change in pp)		18.1	-0.4	-6	2	4	1

Colors denote **tightening**/**easing** financial conditions for observations greater than  $\pm 1.5$  standard deviations. Data source: Bloomberg.

## Mature Markets

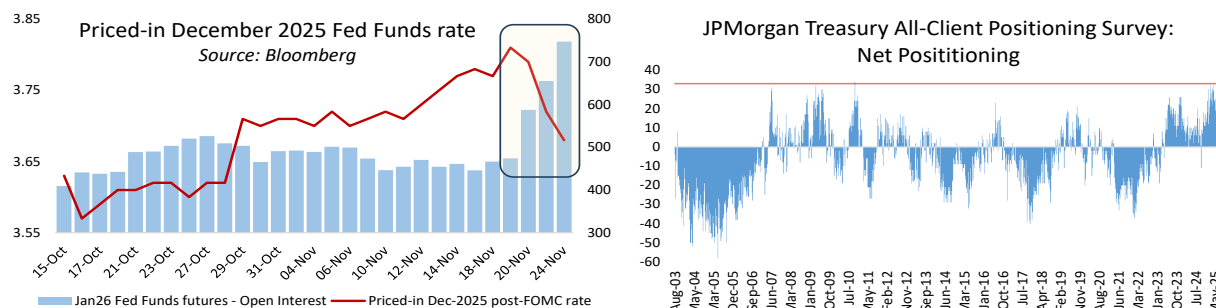
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### United States

**Initial jobless claims printed slightly below expectations.** Treasury yields ticked higher following the release. Durable goods orders were broadly in line at 0.5% m/m.

	Period	Surveyed	Actual	Prior	Revised
Initial Jobless Claims	Nov 22	225k	<b>216k</b>	220k	222k
Continuing Claims	Nov 15	1963k	<b>1960k</b>	1974k	1953k
Durable Goods Orders	Sep	0.5%	<b>0.5%</b>	2.9%	
Durables Ex Transportation	Sep	0.2%	<b>0.6%</b>	0.3%	

**Markets are increasingly pricing in a December Fed rate cut.** Following last week's delayed September jobs report and public comments by NY Fed President John Williams, futures markets have shifted in a more dovish direction. Futures are now pricing in over an 80% chance of a 25 bp rate cut on December 10, compared to just a 30% chance on November 19. Williams signaled openness to a "near-term" reduction, with many reading his comments as indicative of a broader shift by committee members. Yesterday's soft retail sales print further reinforced expectations. JPMorgan's latest client survey showing net long interest rate positions near historical highs. Treasury yields also declined marginally after news reports suggested that Kevin Hassett has emerged as the leading candidate for Fed chair.



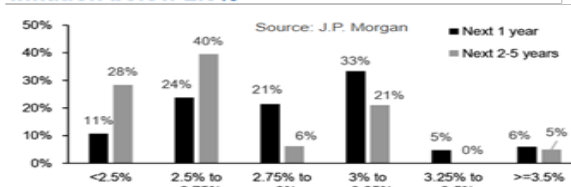
**Policy challenges may intensify as JPMorgan analysis suggests that progress towards the inflation target has stalled.** The analysts expect core inflation to remain sticky next year, with JPMorgan forecasting core CPI at 2.9% at end-2026. They also noted that there is little room for further compression of breakeven inflation rates, which had been driven by a lower-than-expected effective tariff rate amid legal challenges and weak implementation. However, going forward, they expect tariff pass-through to continue and increase while the labor market could tighten again. Correspondingly, a recent JPM client survey shows that most participants see short-run inflation above 2.75% and medium-run inflation above 2.5%, implying little confidence in a return to the Fed's 2% target even over the medium term.

**Figure 1: Year-ahead inflation expectations diverged from the rest of the curve in response to the Liberation Day shock. In recent months, inflation expectations have fallen across the curve**

1Y CPI inflation swap rate (LHS) versus 5Y seasonally-adjusted breakeven (RHS); bp both axes



**Figure 7: The median respondent in our 2026 Outlook Survey looks for 2.9% core CPI inflation next year, and very few respondents expect inflation below 2.5%**

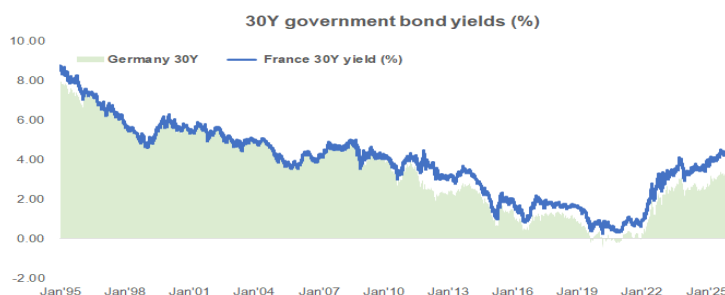


## Europe

**European equities were trading higher on positive risk sentiment.** The Stoxx 600 was up 0.4% in early morning trading before paring gains with almost all sectors trading in positive territory. Regional stock markets were also trading in the green, with France's CAC 40 outperforming. In line with the more constructive tone, European government bond spreads were tighter with both the 10y OAT-Bund spread and the 10y BTP-Bund spread at 73 bps. Elsewhere, the euro was a touch firmer against the dollar at 1.1578.

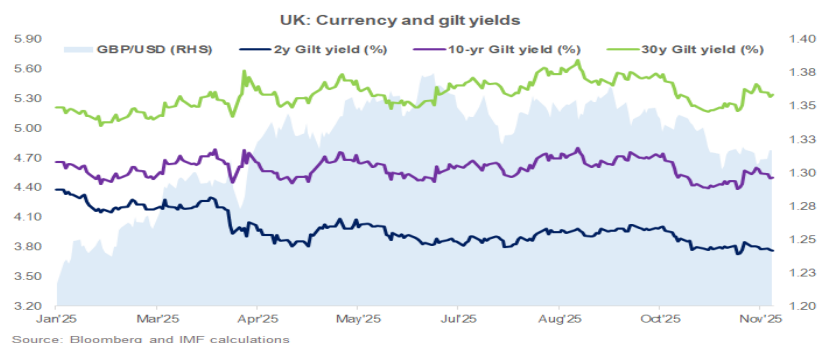
### ECB warned about risks to government bond markets in its latest Financial Stability Report (FSR).

The ECB described risks as “elevated” citing stretched asset valuations and high and rising government debt in some advanced economies that could test global sovereign bond markets. In addition, the report warned that reform of the Dutch pension system could result in a sell-off of longer-dated European government bonds and swaps as these traditional hold-to-maturity investors reduce their holdings of long-dated bonds. Citing the shift in the investor base for European sovereign bonds towards more price-sensitive investors, the report notes that a potential repricing of sovereign risk “would be more difficult to absorb” and could result in elevated bond market volatility. Like the IMF's October 2025 GFSR, the ECB FSR cautioned that the performance and concentration of equity markets raises the risk of a sharp correction. European government bond yields were relatively unchanged this morning with the 10y German bund yield at 2.67% and the 30y yield at 3.30%, 71 bps higher YTD.



## United Kingdom

**UK assets were volatile following the budget announcement, with some analysts pointing to backloaded revenue raising measures as a source of fiscal risk.** UK gilts yields rose 1–5 bps following initial budget headlines, led by the long end, though later pared the move and were generally volatile. The pound also lacked clear direction, though the overall moves were modest in any case. Analysts at Citi had expected markets to be focused on the fiscal headroom, which surprised to the upside at £22 bn against their expectations of £15 bn. Citi had cautioned that anything lower than £20 bn would have posed a risk to the government's credibility. In terms of broader fiscal consolidation, analysts at Deutsche Bank and Morgan Stanley noted that tax measures are backloaded and they expect these to only take effect in 2028–2029, which may drive gilt yields higher. The Office of Budget Responsibility lowered the 2026 growth forecast from 1.9% to 1.4%, while raising the inflation forecast to 2.5% from 2.1%.



## Japan

**Strong investor demand at 40y bond auction helped ease supply fears and stem rise in yields.** The bid-to-cover ratio at today's 40y JGB auction was 2.59x, compared with a 12-month average of 2.48x. Following the auction, the 40y yield fell 1 bp to 3.68%. Concerns about fiscal sustainability alongside the new fiscal package had weighed on JGBs. The 40y yield had risen to a record high of 3.745% last week and the 10y to 40y portion of the JGB curve had steepened by nearly 40 bps since the beginning of the year to 188 bps. Investors will focus on upcoming auctions for the remainder of the year to gauge market sentiment, including an auction of 2y notes on Friday, followed by sales of 5y, 10y, 20y, and 30y debt in the coming two weeks. Meanwhile, the Ministry of Finance has cut issuance of super-long bonds twice this year to reduce market volatility.

**40-Year JGB Yield Trades Near Record High**



## Emerging Markets

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**EMEA equities mostly traded higher while currencies were mixed.** In CEE, equities gained in Poland (0.2%) and Hungary (0.3%) but lost ground in Czechia (-0.2%) and Romania (-0.3%). Currencies were little changed against the euro, though the Polish zloty edged lower (-0.3%) after data showed unemployment remaining unchanged at 5.6% in October. In Türkiye, equities rebounded (0.4%) to erase yesterday's losses, with the lira steady. The South African rand extended gains (+0.4%), while equities rose 1.6% on the back of rising price of gold and other metals. Elsewhere, the cedi lost some ground (-0.4%) against the dollar (+23.7% higher YTD) ahead of the central bank decision, with the central bank expected to cut by 350 bps to 18%.

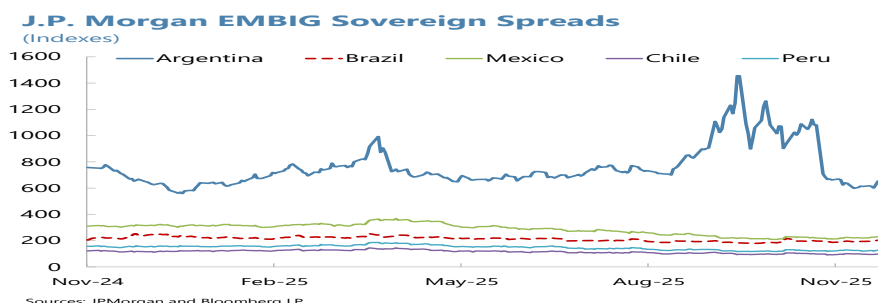
**Most Asian equity markets gained, led by Korea (+2.7%), while currencies were mixed.** The Taiwanese (POC) dollar outperformed up 0.5%. Meanwhile, sizable won depreciation has prompted verbal interventions from South Korean authorities in recent days. **Equity outflows from nonresidents and rising US investment by domestic investors have weighed on the won, which has fallen almost 4% in the fourth quarter to KRW 1473/USD, its weakest level since April.** The authorities warned against "speculative, one-sided" moves and have begun discussions with key market participants, including the state-owned National Pension Service, to establish a "new framework" for FX stability, according to Bloomberg. The won gained as much as 0.8% intraday before paring gains to about 0.1% by the end of the day.

**Most Latin American equity markets rebounded on Tuesday (MSCI Latin America +1.1%).** Mexican equities rose 1.1%. Regional currencies also posted modest gains, though the Argentine peso underperformed and weakened for the fourth consecutive session.

## Argentina

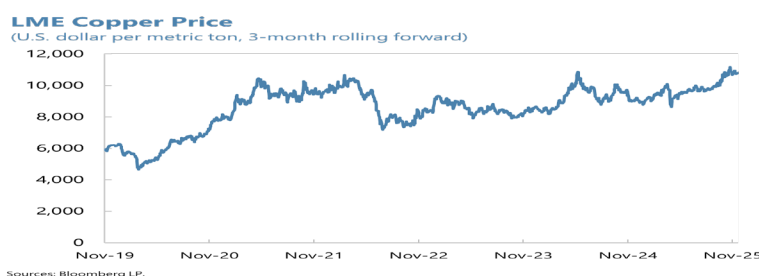
**Argentina intervened in the foreign exchange market on Tuesday, selling dollars to stem pressure on the peso,** which fell for the fourth straight session, sliding 1.6% to 1,447 per dollar, according to

Bloomberg. The decline intensified following the central bank's decision last Thursday to lower its benchmark interest rate from 22% to 20%, in line with 12-month inflation expectations of 20.8%. **Spreads on Argentina's dollar denominated debt also have been widening**, up 26 bps to 654 bps since November 20. Argentina's sovereign spreads continue to remain elevated versus regional peers, which have broadly compressed this year.



### Chile

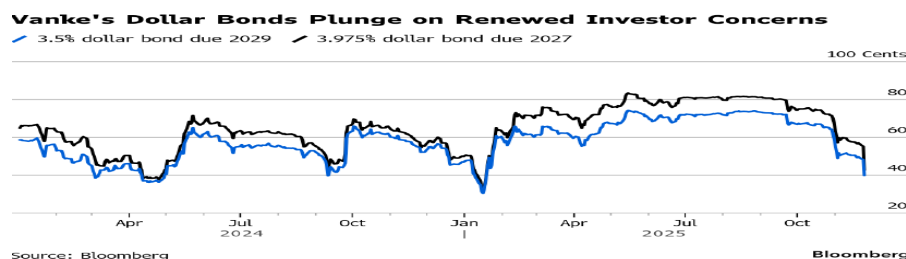
**Chile's state-owned copper producer, CODELCO, is seeking a sharp increase in its annual premium for 2026 refined metal contracts**, citing concerns over potential supply shortfalls. The company has offered Chinese buyers a premium of \$350 per ton over the London Metal Exchange prices (LME), a steep jump from the \$89 per ton agreed for 2025. The proposed hike underscores mounting supply pressures and renewed competition.



### China

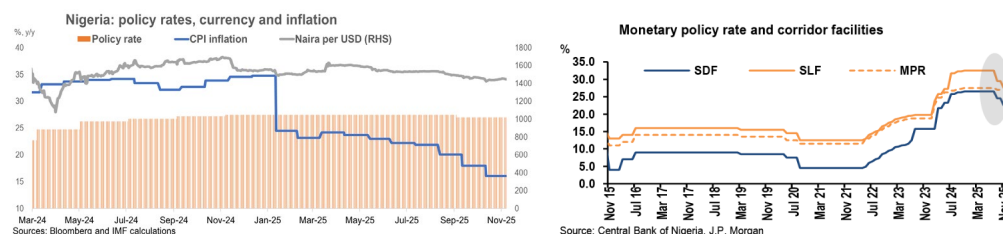
**Renewed downturn in Vanke bond prices highlight ongoing investor concerns about property sector.** Dollar bonds for the state-backed property developer and once one of China's largest developers have dropped sharply in recent weeks amid renewed investor concerns. Vanke's 2027 dollar bond further extended losses after falling a record 12 cents on Tuesday, and is trading in distressed territory near 40 cents. The company's local notes also have been under pressure, with its May 2028 RMB566 mn (\$79.9 mn) bond price falling to RMB75 and triggering a brief trading halt. Vanke is widely seen as a bellwether of China's efforts to stabilize its property sector, with creditors questioning the level of government support amid financial difficulties. Market consensus suggests little recovery for the property sector in the near term. UBS expects home prices to fall for at least another two years. Fitch Ratings expects new home sales could fall by another 15–20%. Vanke's losses expanded in the third quarter and Bloomberg is forecasting that Vanke's annual contracted sales could decline more than 40%. Chinese equities posted modest gains (CSI: +0.6%) while the RMB was unchanged both onshore and offshore.





## Nigeria










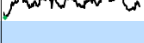


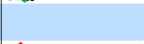







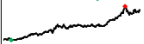

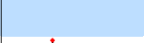


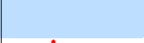

The naira continued to edge higher (+0.6% to NGN1446.38/\$) after the central bank of Nigeria (CBN) surprisingly kept its policy rate unchanged at 27% (vs 26.5% expected). Policymakers explained that the “decision was underpinned by the need to sustain the progress made so far towards achieving stable inflation.” The CPI printed at 16.1%/y in October, down from 18% amid lower food prices and a stable naira, alongside an index rebasing earlier in the year, according to Bloomberg. Oxford Economics now see the CBN cutting rates by 100 bps in February, with Bloomberg also expecting rate cuts early in the year. JP Morgan expects no rate cut until July 2026 but notes that CBN has effectively eased by moving back to an asymmetric corridor of +50/-450 bps around the main policy rate, from +250/-250bps previously. They also reduced the standing deposit and lending facility rates by 200 bps to 22.5% and 27.5%.



*This monitor is prepared under the guidance of Jason Wu (Assistant Director), Charles Cohen (Advisor), Caio Ferreira (Deputy Division Chief), Sheheryar Malik (Deputy Division Chief), and Saad Siddiqui (Deputy Division Chief). Fabio Cortes (Senior Economist), Timothy Chu (Financial Sector Expert-New York Representative), Sanjay Hazarika (Senior Financial Sector Expert), Esti Kemp (Senior Financial Sector Expert), Johannes S. Kramer (Senior Financial Sector Expert), Benjamin Mosk (Senior Financial Sector Expert), Sonal Patel (Senior Financial Sector Expert-London Representative), Patrick Schneider (Financial Sector Expert), and Jeff Williams (Senior Financial Sector Expert) are the lead editors of this monitor. The contributors are Sally Chen (IMF Resident Representative in Hong Kong), Yingyuan Chen (Financial Sector Expert), Andrew Ferrante (Research Analyst), Deepali Gautam (Senior Research Officer), Zixuan Huang (Economist – EP), Harrison Kraus (Research Analyst), Yiran Li (Senior Research Analyst), Xiang-Li Lim (Financial Sector Expert), Corrado Macchiarelli (Economist), Kleopatra Nikolaou (Senior Financial Sector Expert), Silvia L. Ramirez (Senior Financial Sector Expert), Francesco de Rossi (Senior Financial Sector Expert-London Representative), Lawrence Tang (Senior Economist), Dmitry Yakovlev (Senior Research Officer), Akihiko Yokoyama (Senior Financial Sector Expert), and Jing Zhao (Economic Analyst). Jeremie Benzaken (Administrative Coordinator) and Srujana Tyler (Administrative Coordinator) are responsible for the word processing and production of this monitor.*

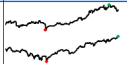
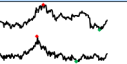
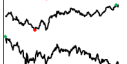

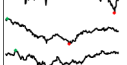
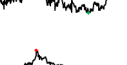

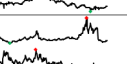

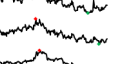

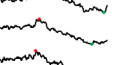
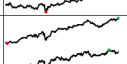
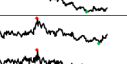

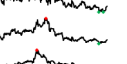
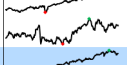
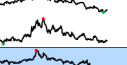

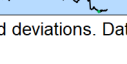



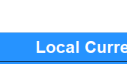



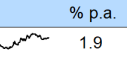

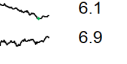
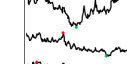
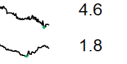
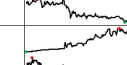
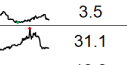
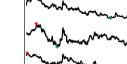
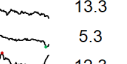
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## Global Financial Indicators

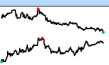
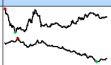
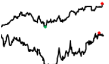
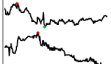
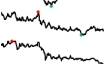
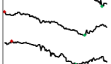
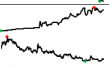
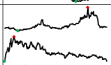
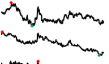
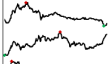
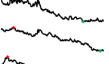
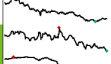
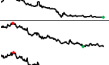
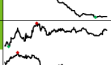
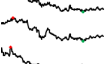
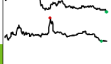
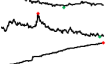
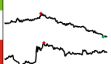












11/26/25 8:37 AM	Level		Change				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
<b>Equities</b>			%				%
United States		6,785	0.9	2.1	-0.1	12.7	15
Europe		5,618	0.8	1.4	-1.0	18.0	15
Japan		49,559	1.8	1.8	-1.9	30.0	24
China		4,518	0.6	-1.5	-4.2	15.6	15
Asia Ex Japan		92	0.2	-0.5	-2.8	24.7	27
Emerging Markets		54	0.4	-0.4	-2.3	24.9	29
<b>Interest Rates</b>			basis points				
US 10y Yield		4.0	2	-12	1	-29	-55
Germany 10y Yield		2.7	1	-3	6	50	32
Japan 10y Yield		1.8	0	4	15	74	71
UK 10y Yield		4.5	-2	-13	5	12	-9
<b>Credit Spreads</b>			basis points				
US Investment Grade		117	-1	-3	4	-1	-3
US High Yield		354	-2	-7	11	45	25
<b>Exchange Rates</b>			%				
USD/Majors		99.7	0.1	-0.5	0.8	-6.8	-8
EUR/USD		1.16	-0.1	0.2	-0.7	10.2	12
USD/JPY		156.6	0.4	-0.3	2.5	2.3	0
EM/USD		46.2	0.1	0.2	0.4	5.7	8
<b>Commodities</b>			%				
Brent Crude Oil (\$/barrel)		62.4	-0.2	-1.8	-4.3	-11.3	-13
Industrials Metals (index)		152.4	1.3	1.4	-0.9	5.2	9
Agriculture (index)		56.3	0.3	-0.1	2.7	-0.4	-1
Gold (\$/ounce)		4156.1	0.6	1.9	4.4	57.8	58
Bitcoin (\$/coin)		86679.0	-0.4	1.8	-23.5	-5.4	-8
<b>Implied Volatility</b>			%				
VIX Index (% change in pp)		18.2	-0.4	-5.5	1.8	4.1	0.8
Global FX Volatility		7.1	0.0	-0.1	0.0	-1.7	-2.1
<b>EA Sovereign Spreads</b>			10-Year spread vs. Germany (bps)				
Greece		60	0	-1	-5	-29	-25
Italy		72	-1	-2	-7	-56	-44
France		73	-1	-2	-8	-14	-10
Spain		48	-1	-2	-5	-27	-21

Colors denote **tightening**/**easing** financial conditions for observations greater than  $\pm 1.5$  standard deviations. Data source: Bloomberg.

## Emerging Market Financial Indicators

	Equity Markets							Bond Spreads on USD Debt (EMBIG)						
	Level		Change (in %)					Level		Change (in basis points)				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD	Last 12m	Latest	7 Days	30 Days	12 M	YTD	
								basis points						
China		4,518	0.6	-1.5	-4.2	15.6	14.8		102	7	9	-1	6	
Indonesia		8,602	0.9	2.3	6.0	18.7	21.5		101	12	9	0	10	
India		85,610	1.2	0.5	1.0	6.7	9.6		95	3	5	11	9	
Philippines		6,005	0.5	3.3	1.2	-10.4	-8.0		87	11	12	-2	8	
Thailand		1,261	-0.6	-0.9	-4.7	-11.8	-9.9							
Malaysia		1,625	0.8	0.0	0.4	1.3	-1.1		65	3	6	-3	-5	
Argentina		2,865,760	3.8	-2.1	38.0	27.2	13.1		664	40	-422	-85	27	
Brazil		156,557	0.4	0.0	7.1	20.5	30.2		209	5	6	0	-38	
Chile		9,969	1.5	1.0	8.5	52.0	48.6		103	8	4	-17	-10	
Colombia		2,034	1.7	-1.3	4.5	46.2	47.5		283	42	25	-40	-43	
Mexico		63,215	1.1	2.0	3.4	27.1	27.7		228	8	13	-75	-84	
Peru		2,284	-0.1	2.1	0.0	26.3	34.7		104	5	5	-43	-37	
Hungary		109,175	0.5	1.8	4.8	36.4	37.6		150	11	20	-14	-5	
Poland		110,969	0.5	0.7	-0.4	39.5	39.4		96	10	4	-24	-16	
Romania		22,828	-0.3	-1.6	1.3	34.4	36.5		207	12	6	-23	-28	
South Africa		111,609	1.2	-0.4	1.1	30.7	32.7		240	12	-8	-45	-53	
Türkiye		10,908	0.5	0.0	-0.3	13.2	11.0		258	5	0	-4	-1	
EM total		54	1.6	-0.4	-2.3	24.9	28.8		287	5	4	-84	-77	

Colors denote **tightening/easing** financial conditions for observations greater than  $\pm 1.5$  standard deviations. Data source: Bloomberg.

11/26/2025 8:34 AM	Exchange Rates							Local Currency Bond Yields (GBI EM)						
	Level		Change (in %)					Level		Change (in basis points)				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
	vs. USD		(+) = EM appreciation					% p.a.						
China		7.08	0.1	0.5	0.4	2.4	3.1		1.9	0	1	-4	-12	17
Indonesia		16662	0.0	0.2	-0.3	-4.4	-3.4		6.1	1	8	17	-82	-93
India		89	-0.1	-0.8	-1.1	-5.5	-4.1		6.9	-2	-5	12	-29	-40
Philippines		59	0.1	0.1	0.1	0.2	-1.7		4.6	0	-1	-4	-32	-23
Thailand		32	0.2	0.5	1.5	7.6	5.8		1.8	-1	-4	-2	-72	-58
Malaysia		4.14	0.0	0.3	1.8	7.8	8.1		3.5	2	2	-3	-36	-36
Argentina		1448	-0.1	-2.9	-1.1	-30.5	-28.8		31.1	-32	-53	-1428	280	191
Brazil		5.38	0.2	-0.8	0.0	8.1	14.9		13.3	-21	-29	-39	-1	-268
Chile		932	0.4	0.0	1.1	5.0	6.8		5.3	7	9	-11	-18	-41
Colombia		3804	0.3	-2.4	1.2	15.7	15.8		12.3	5	26	75	170	52
Mexico		18.37	0.1	-0.2	0.2	12.4	13.4		8.8	-3	3	13	-114	-151
Peru		3.4	0.4	0.0	0.4	11.9	11.0		5.9	-1	-12	-15	-69	-73
Uruguay		40	0.1	0.2	0.4	8.1	10.7		7.8	-1	-1	-1	-174	-184
Hungary		330	0.1	0.2	1.0	18.5	20.4		6.7	-2	-4	19	55	27
Poland		3.66	-0.2	0.2	-0.6	12.2	13.0		4.6	-4	-11	-18	-62	-95
Romania		4.4	0.0	0.2	-0.7	7.9	9.2		6.8	0	-2	-23	-40	-44
Russia		78.5	0.6	2.6	1.0	34.2	44.6							
South Africa		17.1	0.4	0.3	0.5	6.1	9.9		9.0	-5	-4	-35	-129	-150
Türkiye		42.45	0.0	-0.3	-1.4	-18.4	-16.7		32.2	-29	-50	-11	230	250
US (DXY; 5y UST)		100	0.0	-0.5	0.8	-6.8	-8.1		3.58	1	-13	-3	-61	-81

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