



Your Income Advantage

11th November 2025



Overview of the US Market

Wall Street closed higher on November 11, 2025, buoyed by optimism that the US government shutdown—the longest in history—is nearing an end, potentially unlocking delayed economic data to guide Federal Reserve policy. The Dow Jones Industrial Average surged 1.18% to 47,927.96, marking its strongest gain in weeks, while the S&P 500 edged up 0.21% to 6,846.61, erasing earlier losses amid broad-based buying. The Nasdaq Composite slipped 0.25% to 23,468.30, weighed down by tech sector weakness as investors digested mixed corporate developments.

Sector performance highlighted a rotation into defensive and cyclical areas, with Health Care leading gains at 2.33%, driven by Pfizer's 4.59% rise on positive updates. Energy climbed 1.29% amid rebounding oil prices, and Consumer Staples advanced 1.20%. Information Technology lagged with a 0.72% drop, pressured by Nvidia's 2.96% decline after SoftBank Group sold its entire stake for \$5.83 billion to fund AI ventures. Other actives included Opendoor Technologies up 6.40% on heavy volume of 224.9 million shares, and BigBear.ai Holdings gaining 6.13%.

The Senate's passage of a temporary funding bill, set for House consideration as early as Wednesday, fueled market relief. President Donald Trump has endorsed the measure, which would reopen most agencies through January 30. This comes amid private data like ADP's report showing labor market cooling; heightening anticipation for official releases such as the delayed September jobs report, potentially out early next week. Analysts like Jim Reid at Deutsche Bank noted parallels to the 2013 shutdown, suggesting quick data flow could clarify Fed rate-cut odds.

Corporate earnings painted an upbeat picture, with FedEx jumping over 5% on improved profit forecasts, signaling economic resilience. Mentions of "economic slowdown" in calls hit lows not seen since 2007, per Bloomberg data, despite the shutdown's data blackout. Strategists remain bullish: JPMorgan's Andrew Tyler called for buying the dip, citing liquidity boosts from reopening, while UBS's Ulrike Hoffmann-Burchardi highlighted Fed easing, robust profits, and AI spending as rally drivers.

Still, volatility lingers with Nvidia's earnings on November 19 looming, and Bitcoin down 2.7% amid crypto fatigue. Historical data from CFRA's Sam Stovall shows the S&P 500 averaging 2.3% gains a month post-shutdown, potentially pushing it toward 7,000 by mid-December. Investors eye upcoming data deluge, including non-farm payrolls on November 14 and core CPI on November 20, for Fed cues in a year of high returns and elevated valuations.

Overview of the Australian Market

Australian shares closed lower on November 11, 2025, dragged by a sharp sell-off in financials amid banking updates, though resources and utilities provided some offset. The S&P/ASX 200 dipped 0.19% to 8,818.8, while the All Ordinaries fell 0.12% to 9,098.4. The session started higher on US shutdown optimism but reversed as Commonwealth Bank tumbled, wiping out broader gains despite positive consumer sentiment data.

Financials led declines, down 1.97%, with CBA plunging 6.6% after its September quarter update showed \$2.6 billion unaudited cash profit but flagged rising costs and net interest margin pressure. Bendigo and Adelaide Bank dropped 8.5% on a 3.2% earnings slip, while NAB fell 1.3%.

Westpac edged up, and ANZ hit a record above \$38. Investors rotated into resources, up 1.01%, buoyed by lithium and gold strength. Lontown Resources surged 7.8%, Pilbara Minerals 7.5%, and Northern Star over 3% as gold hit three-week highs near \$A6,340/oz.

Utilities rose 1.71%, Energy 1.33% with Santos up 2.5% despite oil dips, and Real Estate gained 1.15%. Health Care slipped 0.03%, and Information Technology fell 0.30%, with Life360 down 5.2% despite upbeat Q3 but amid a \$A183.8 million takeover flag. Standouts included Lights & Wonder rocketing 11% post-quarterly rally and Mayfield Group up 18.1% on placement news.

Economic data boosted sentiment: Westpac Consumer Sentiment jumped 12.8 points to 103.8, the first optimistic reading in 44 months, driven by home price gains. NAB Business Confidence eased to 6 but conditions improved to 9, with capacity utilization at 83.4% hinting at inflation risks. AMP's My Bui noted recovery underway, likely keeping the RBA on hold next month, though softening labor signals loom.

Commentary highlighted fund flows into gold and resources, funding sales in health and tech. Pepperstone's Chris Weston cited end-of-rate-cut cycle pressures on banks, expecting competition to rise. Broader optimism ties to US reopening, potentially rebounding global growth, but local budget concerns and China's data dump Friday add caution.

Upcoming: October employment (+20.3k, unemployment 4.4%) on November 13, seen as bullish for spending but watchful for RBA. NZX 50 fell 0.10%, Nikkei 0.14%. AUD/USD eased 0.21% to 0.6522, influenced by US yields and dollar strength.

Overview of the US Bond Market

Bond trading was subdued on November 11, 2025, with the US Treasury market closed for Veterans Day, but futures advanced as investors positioned for the government shutdown's end and a flood of delayed economic data. Treasury futures rose, with the 10-year note contract up 33 basis points to 113.02%, reflecting bets on renewed data clarity influencing Federal Reserve decisions. Yields on cash Treasuries, last quoted Friday, and showed the 10-year at 4.12%, down from recent peaks, amid expectations for labor and inflation figures to shape rate-cut probabilities.

The shutdown's resolution, with the Senate passing a funding bill and the House poised to act Wednesday, has traders anticipating releases like September's non-farm payrolls (forecast +50k) on November 14, industrial production on November 10, and October core CPI (+0.3% m/m) on November 20. Private indicators, such as ADP's labor slowdown, have filled the void, bolstering cases for Fed easing. Swap markets price in potential December cuts, though Chair Jerome Powell's recent caution underscores data dependency.

Positioning data reveals caution: JPMorgan's client survey showed net longs shrinking to two-month lows, with asset managers trimming \$23.5 million per basis point across tenors in CFTC data through July 22—wait, recent flows indicate reduced longs in 5-year and bond contracts, while leveraged funds pared shorts. This reflects crosscurrents—resilient economy versus shutdown disruptions—amid Trump's tariff policies, though deals with allies have eased some uncertainty.

Strategists like Cameron Crise at Bloomberg note Nvidia's November 19 earnings as a risk, but emphasize data resumption could affirm GDP rebound, per UBP's Carlos Casanova estimating 0.4-1% Q4 hit with post-shutdown bounce. Dealers expect steady coupon auction sizes for August-October, signaling Treasury's confidence. Oil's 1.3% rise to \$60.92 supported inflation hedges, while gold climbed 0.3% to \$4,128.45, underscoring safe-haven demand.

Broader macro views remain constructive: HSBC, Morgan Stanley, and UBS hold bullish outlooks on earnings and AI tailwinds, even as valuations stretch. Yet, Goldman Sachs warns tariffs could pressure equities and bonds if unresolved, advocating diversification. With the dollar little changed and euro up 0.2%, bonds may see volatility from upcoming jobless claims (November 13, +225k forecast) and retail sales data, testing the Fed's higher-for-longer stance in a slowing labor market.

Overview of the Australian Bond Market

Australian government bonds firmed slightly on November 11, 2025, with yields edging lower amid US shutdown progress and domestic data signaling economic resilience. The 10-year yield fell 3 basis points to 4.36%, the 2-year unchanged at 3.62%, and the 15-year down 3 to 4.67%. Trading reflected caution ahead of key releases, with investors eyeing potential RBA hold amid improving sentiment.

Westpac's consumer index hit 103.8, a 44-month high, and NAB's business conditions rose to 9, underscoring recovery per AMP's My Bui, though labor softening raises questions. Capacity at 83.4% flags inflation, likely delaying RBA cuts. Globally, US reopening optimism boosted risk appetite, but delayed data like September non-farm payrolls (+50k forecast November 14) and October CPI (+0.3% core m/m November 20) could inject volatility, influencing Fed paths and AUD flows.

Positioning shows mixed bets: Reuters notes AUD/USD paused at 0.6516-0.6537 on US yield gains, but gold lifts and USD/CNH retreats aided recovery. Bulls eye monthly wick and DMA holds, though RSIs and cloud resistance concern longs. Broader macro ties to US: Senate bill advances, House vote Wednesday, per Bloomberg, with post-shutdown GDP rebound estimated 0.4-1% Q4 hit but quick bounce.

Strategists like Investec's Philip Shaw see data deluge as a "huge market event," aligning Fed and economy views. UBP's Carlos Casanova highlights rebound pricing. In commodities, gold's rise supports haven demand, copper up 0.5%, Brent down 0.25%. Betashares reported minor short sales in green bonds, signaling low conviction.

With China's data Friday (industrial +5.5%, retail +2.8%) and AU employment November 13 (+20.3k, 4.4% unemployment), bonds may see pressure if growth strengthens. RBA's steady stance amid home prices at 15-year highs contrasts Fed cut bets, but tariff risks from Trump linger, per Treasury's Bessent on China truce talks. Overall, yields reflect balanced outlook, with diversification urged amid AI-driven equity highs.

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