



Your Income Advantage

17th November 2025



Overview of the US Market

Wall Street closed lower on November 17, 2025, as investors braced for Nvidia's earnings and a delayed September jobs report, shunning riskier assets amid uncertainty over AI valuations and Federal Reserve policy. The S&P 500 fell 0.92% to 6,672.41, breaching its 50-day moving average for the first time since late April and snapping a 138-session streak above that key technical level—its second-longest this century. The Nasdaq Composite dropped 0.84% to 22,708.07, with tech-heavy losses weighing heavily, while the Dow Jones Industrial Average slid 1.18% to 46,590.24. More than 400 S&P 500 stocks declined, reflecting broad-based selling as the gauge closed at its lowest in over a month.

Sector performance was mixed, with Communication Services rising 1.13% on gains in Alphabet, which climbed 3.1% after Warren Buffett's Berkshire Hathaway disclosed a \$4.9 billion stake in the Google parent. Utilities advanced 0.84%, providing some defensive support. However, losses dominated elsewhere: Financials fell 1.93%, Energy dropped 1.88%, Information Technology slid 1.43%, and Materials declined 1.53%. Nvidia slipped 1.88% amid news that Peter Thiel's hedge fund sold its entire stake last quarter, heightening nerves ahead of Wednesday's results. Tesla bucked the trend, rising 1.13%, but other actives like Opendoor Technologies (-3.45%) and Ondas Holdings (-12.88%) tumbled.

The pullback comes as Wall Street gears up for pivotal events: Nvidia's earnings, expected to beat estimates but scrutinized for AI monetization amid skepticism over massive capex, and Thursday's September jobs data, delayed by the government shutdown. Fed Vice Chair Philip Jefferson highlighted downside labor risks but urged caution, while Governor Christopher Waller backed a December rate cut on weak jobs. Analysts like Chris Larkin at E*Trade noted the AI trade's struggles, with Nvidia's report a potential momentum puzzle. Historical data from SentimenTrader suggests short-term losses after such moving-average breaches, averaging 1.3% maximum drawdowns two weeks out, though one-month returns average 1.9% gains.

Corporate highlights included Berkshire trimming Apple (-1.8%) and Bank of America stakes, while Amazon prepared a \$15 billion bond sale. Hedge fund filings showed split sentiment on Nvidia, with 161 funds increasing positions and 160 decreasing. Strategists remain optimistic longer-term: Morgan Stanley's Michael Wilson forecasts the S&P 500 at 7,800 by end-2026, a 16% rally on earnings growth, while UBS's Aaron Nordvik sees it breaching 7,000 by year-end, advising buying dips. Invesco views the pullback as a healthy reset, not a bubble burst, amid strong economy and Fed easing. However, Jeffrey Gundlach warned of "garbage lending" in private credit as the next crisis, echoing subprime concerns, and recommended 20% cash holdings amid overvalued assets. Bitcoin sank below \$92,000, down 1.6%, underscoring risk aversion. Volume hit 19.06 billion shares, below recent averages, with decliners outpacing advancers 4-to-1 on NYSE.

Overview of the Australian Market

Australian shares edged higher on November 17, 2025, snapping a potential fifth straight decline as late buying lifted the market to a flat close amid thin trading and ahead of RBA minutes. The S&P/ASX 200 rose 0.02% to 8,636.4, bouncing from an early 0.53% drop, while the All Ordinaries gained 0.10% to 8,915.7. The rebound reflected dip-buying after a 5% pullback from October's record high of 9,115.2, with roughly two-thirds of top 300 stocks advancing. Small Ords climbed 0.84%, All Tech surged 1.21%, and Emerging Companies added 0.40%.

Sector gains led the way: Information Technology jumped 1.23%, with Technology One (+2.9%) and Wisetech Global (+1.1%) rebounding, though Xero (-0.1%) and Life360 (-0.8%) lagged. Energy rose 1.10% on Ampol (+3.8%) and Viva Energy (+3.2%). Real Estate added 0.62%, Industrials 0.34%, Consumer Discretionary 0.17%, Consumer Staples 0.13%, and Communication Services 0.11%. Materials dipped 0.12%, with BHP (-0.6%) to \$42.48 offset by Rio Tinto (+0.6%) to \$132.59 and Fortescue (+1.1%) to \$20.46. Financials fell 0.24%, dragged by Commonwealth Bank (-1.0%) to \$155.79—its lowest since mid-April—and Macquarie (-2.3%) ex-dividend. Health Care dropped 0.43%, with CSL (-0.8%), Cochlear (-0.5%), and Resmed (-2.1%) weak. Utilities slid 0.26%.

Lithium stocks shone amid a 5%+ rally in Chinese futures: Pilbara Minerals (+3.7%), Core Lithium (+12.5%), and Elevra Lithium (+2.2%) hit 12-month highs. Critical minerals also strengthened: Sunrise Energy Metals (+11.8%) after a \$46M placement, Metallium (+6.4%), Arafura Rare Earths (+5.8%), Iluka (+5.7%), and Lynas (+5.5%). Defence names rose: Elsieht (+12.9%), Droneshield (+11.6%), and Electro Optic Systems (+7.5%) on a \$20M order. Elders (+6.3%) gained post-FY25 results, Loneer (+5.9%), Novonix (+5.5%), and European Lithium (+5.3%). Domino's Pizza (+5.1%) continued its uptrend.

Decliners included precious metals amid weakness: Silver Mines (-8.6%), Kingsgate (-8.0%), and GBM Resources (-7.9%). Alliance Aviation (-5.8%) extended losses from FY26 guidance, PYC Therapeutics (-5.1%), and Felix Gold (-5.0%). IperionX fell 3.0% to \$5.44 after resuming trade, hitting \$4.24 intraday amid short-seller claims it refuted.

Prime Minister Albanese welcomed US tariff removals on 200+ Australian foods like beef, pledging zero tariffs pursuit, boosting exporters (Australia shipped \$4.16B US beef in 2024). Turkey's COP31 co-host proposal was rejected, with Australia backing a Pacific-focused bid. RBA Rate Tracker shows 6% odds for December 9 cut.

Tuesday's RBA November minutes at 11:30 AEDT could signal easing views. Wednesday brings Q3 wage price index (QQ 0.8%, YY 3.4%) and November flash PMIs (manufacturing 49.7, services 52.5). Thursday's PBoC LPR unchanged at 3%/3.5%. Friday's Australian PMIs and Saturday's US ones loom. Brokerages like Morgan Stanley favor global equities over bonds, seeing earnings-driven gains despite pullbacks.

Overview of the US Bond Market

Treasury yields dipped on November 17, 2025, as traders positioned cautiously ahead of Nvidia earnings and delayed economic data, with the 10-year yield falling 2 basis points to 4.13% and the 30-year down 2 bps to 4.73%. The 2-year held steady at 3.60%, reflecting mixed Fed signals on December cuts amid labor market concerns. The curve flattened slightly, with the 2s-10s spread narrowing, as investors sought safety in longer maturities while equities sold off. Benchmark Treasuries advanced, buoyed by Amazon's \$15 billion investment-grade bond pricing—its first in three years—highlighting robust corporate issuance despite AI spending scrutiny.

The moves underscore uncertainty from the government shutdown's data delays, with agencies catching up on key reports like September jobs (due Thursday, poll: 50,000 payrolls, 4.3% unemployment) and October CPI (Wednesday, core MM 0.3%, YY 3.0%). Fed Vice Chair Jefferson noted downside labor risks but advocated slow policy moves, while Governor Waller supported a December cut on weak jobs—contrasting hawkish tones from others. Futures traders have pared December cut odds below 50%, with swaps pricing less than a quarter-point easing by year-end. Goldman Sachs, Barclays, and Bank of America strategists expect delayed data to revive cut bets, noting a hawkish market shift during the shutdown via reduced near-term pricing and lower front-end inflation expectations.

Broader macro risks loom: Jeffrey Gundlach flagged private credit as the next crisis, citing "garbage lending" akin to 2006 subprime, with Tricolor Holdings' collapse as a warning. He sees mismatches in illiquid assets sold as safe, recommending 20% cash amid overvalued equities and speculative AI bets. In credit, big tech's debt surge—highlighted by Janus Henderson—could stall spreads as AI arms race leverages up, though fundamentals remain robust. Treasury Secretary Scott Bessent's comments on ongoing US-China talks for tariff truce extensions (expiring soon, potential 90-day add) add geopolitical layers, potentially easing inflation pressures if deals hold.

Yields traded in narrow ranges during the shutdown, per Bloomberg data, but alternative indicators like jobless claims and ADP reports paint weak labor, supporting UBS's Ulrike Hoffmann-Burchardi's view for a December cut. Minutes from October's Fed meeting, out Wednesday, could clarify Powell's stance amid internal splits. Asset managers trimmed long Treasury futures positions last week, per CFTC, by \$23.5 million per bp, focused on 5s and 30s, while leveraged funds reduced shorts in bonds.

Primary dealers expect steady coupon auction sizes for August-October, aligning with April guidance: 10-year at \$42 billion (up \$1B), 5-year at \$70 billion (up \$1B). Oil slipped 0.5% to \$59.76, gold fell 1% to \$4,042, and the dollar rose 0.3%, pressuring yields lower. Tuesday's releases include August durable goods (0.2%) and September TIC flows, potentially signaling foreign demand. A soft jobs print Thursday could rally Treasuries, per Interactive Brokers' Jose Torres, but strength might hit bonds and stocks. Overall, while near-term hawkishness prevails, resilient economy and AI skepticism keep yields anchored, with diversification urged amid concentration risks.

Overview of the Australian Bond Market

Australian government bond yields rose modestly on November 17, 2025, as the market consolidated gains amid light trading and ahead of RBA minutes, with the 10-year yield up 4 basis points to 4.48% and the 2-year climbing 2 bps to 3.70%. The 5-year added 3 bps to 3.97%, while the 15-year rose 4 bps to 4.77%. The curve steepened slightly, reflecting caution on domestic data and global risk-off tones from Wall Street's slide, though local equities eked out gains.

The uptick aligns with broader uncertainty: RBA minutes Tuesday at 11:30 AEDT may clarify November's hold at 4.35%, with Rate Tracker implying just 6% December cut odds. Q3 wage data Wednesday (QQ 0.8%, YY 3.4%) could influence inflation views—stronger prints might delay easing, while softness supports cuts amid sluggish demand. Flash PMIs Wednesday (manufacturing 49.7, services 52.5) will gauge activity; sub-50 manufacturing signals contraction, potentially pressuring yields lower if growth concerns mount.

Prime Minister Albanese pushes for zero US tariffs post-Trump's removal on Australian beef (2024 exports \$4.16B) could ease import costs, aiding disinflation. Globally, US shutdown delays like September jobs (Thursday, 50,000 payrolls) and October CPI (Wednesday, core MM 0.3%) keep Fed cuts in flux—below-50% December odds support higher-for-longer rates, lifting Aussie yields via dollar strength (AUD/USD -0.21% to 0.6523). PBoC's unchanged LPR Thursday (3%/3.5%) underscores China's disinflation, potentially exporting deflation via cheap goods, as Oxford Economics estimates 10% Chinese export price drop cuts US producer prices 0.1-0.2%, benefiting global bonds.

Domestically, lithium and critical minerals strength (Pilbara +3.7%) reflects China stimulus hopes, but precious metals weakness (Silver Mines -8.6%) ties to gold's 1% drop. Defence gains (Droneshield +11.6%) highlight security spending. COP31 standoff with Turkey persists, with Australia rejecting co-hosting—default to Germany could shift focus from Pacific climate risks.

Asset flows show caution: dealers expect steady US auction sizes, but local issuance remains key. Oil -0.5% to \$59.76 and gold -1% to \$4,042 pressure commodity-linked yields. Tuesday's leading index (October, -0.03%) precedes wages; soft data could rally bonds. Overall, while RBA hawkishness prevails short-term, resilient US economy and AI skepticism (Nvidia Wednesday) keep yields biased higher, with diversification urged amid trade tensions.

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