



Your Income Advantage

20th November 2025



Overview of the US Market

Wall Street tumbled on November 20, 2025, erasing early gains in a dramatic reversal as Nvidia's strong earnings failed to quell AI valuation fears, marking the S&P 500's biggest intraday swing since April's tariff turmoil and its fifth straight decline. The S&P 500 sank 1.56% to 6,538.76, down 5% from its October peak and below the 100-day moving average for the first time since February—its lowest close since September 11. The Nasdaq Composite plunged 2.15% to 22,078.05, widening its drop from October highs to 7.9%, while the Dow Jones Industrial Average fell 0.84% to 45,752.26. The MSCI World Index declined 1.1%, reflecting global de-risking amid speculative unwind in AI and crypto.

Sector losses were broad: Information Technology cratered 2.66%, with Nvidia sliding 3.15% despite beating forecasts—erasing a 2.4% pre-market pop—as receivables concerns and profitability doubts lingered. Consumer Discretionary dropped 1.73%, Industrials 1.70%, and Materials 1.62%. Defensive gains were limited: Consumer Staples rose 1.11%, but Health Care fell 0.62% and Utilities 0.43%. Nvidia topped actives with 340.1M volume, while Ondas Holdings (-16.40%) and Opendoor Technologies (-7.92%) tumbled. Tesla slipped 2.17%, SoFi Technologies 6.77%. The Bloomberg Magnificent 7 Total Return Index shed 1.7%, with swings over \$100 billion in Tesla, Alphabet, Apple, Microsoft, Broadcom, and Amazon.

The session's 3.6% reversal from highs underscores resurfacing AI bubble fears, per Miller Tabak's Matt Maley—questioning if massive capex yields profits, amid circular deals like Microsoft/Nvidia's \$15B Anthropic investment. Wells Fargo's Sameer Samana noted Nvidia's positivity insufficient against rich valuations and debt-financing shifts. VIX topped 26, highest since April, ahead of \$3.1T options expiration Friday. Bitcoin below \$87,000, down 4.2%, amplified risk-off, per Interactive Brokers' Steve Sosnick—as a speculation proxy signaling deleveraging.

September jobs data, delayed by shutdown, showed +119K payrolls (topping forecasts but with August revision to -4K) and unemployment at 4.4%—stale but signaling stability, per Goldman Sachs' Kay Haigh, not altering December cut odds (~40%). Fed's divide: Governor Barr urged caution on cuts with above-target inflation, Cleveland's Hammack warned of stability risks, Chicago's Goolsbee uneasy on early easing. Minutes showed splits; Morgan Stanley dropped December cut call post-jobs.

Corporate highlights: Walmart rose on raised outlook, signaling consumer resilience; Verizon layoffs amid turnaround; Abbott's \$21B Exact Sciences deal. Strategists mixed: EP Wealth's Adam Phillips sees healthy retracement, neutral on equities; City Index's Fawad Razaqzada notes macro headwinds persist; Natixis' Jack Janasiewicz flags labor fragility; Evercore's Krishna Guha eyes weak October/November reports fracturing Fed. Muddy Waters' Carson Block warns against shorting AI giants despite bubbles.

Volume reflected volatility, with upcoming Friday data: hourly earnings, Michigan inflation expectations. October CPI Wednesday showed core MM 0.3%, YY 3.0%; Philly Fed -1.7 vs poll 2; existing homes 4.1M vs 4.08M. Thursday's initial claims fell to 220K, indicating employer retention amid uncertainty.

Overview of the Australian Market

Australian shares surged on November 20, 2025, posting their biggest gain since August as mining and technology rebounded amid global AI optimism from Nvidia's strong results, though tempered by valuation doubts. The S&P/ASX 200 climbed 1.24% to 8,552.7, up from session lows but shy of highs, while the All Ordinaries rose 1.29% to 8,834.0. Small Ords gained 1.55%, All Tech 1.85%, and Emerging Companies 2.27%. Advancers trounced decliners 221-to-30 in ASX 300, reflecting broad relief.

Sector gains led: Materials jumped 2.45%, with iron ore strength boosting Champion Iron (+5.0%), Mineral Resources (+4.5%), and Fortescue (+4.2%). Lithium shone: Lontown (+9.6%) on spodumene auction and Van Eck stake, Pilbara (+5.3%). Critical minerals advanced: Iluka (+6.8%), Chalice (+6.0%). Information Technology rose 2.36%, with Block (+10.9%) on repurchase, Weebit Nano (+6.5%) rebounding. Real Estate added 1.41%, Financials 1.21%—big banks up ~1%, Macquarie +2.4%. Consumer Discretionary (+1.19%), Industrials (+0.52%), Communication Services (+0.42%), Consumer Staples (+0.33%), Health Care (+0.29%). Energy dipped 0.35%, Utilities -1.27%.

Standouts: Mayne Pharma (+20.9%) on unacceptable circumstances order; Pmet Resources (+18.2%) amid lithium strength; Healius (+6.8%) on director buy; Sonic Healthcare (+6.3%) post-AGM; Charter Hall (+6.7%) on upgrades; Netwealth (+6.4%) on substantial holder; Lifestyle Communities (+6.0%); HMC Capital (+6.0%); Deep Yellow (+6.6%) on AGM and SOL stake.

Decliners few: GQG Partners (-4.9%) post-rally pullback; Nuix (-4.2%) extending AGM losses in downtrend; Droneshield (-4.1%) on ASX query, added to downtrends; Gentrack (-3.6%), Worley (-3.2%), Catapult (-3.1%) in downtrends.

BetaShares' David Bassanese notes no AI bubble evidence yet, but warns RBA cut hopes dashed—Christmas rally hinges on US AI boom. Monash's Zareh Ghazarian highlights G20 focus on security, climate, trade sans Trump. Albanese advances ties at summit, meets Modi; affirms Indo-Pacific commitment with Wong-Jaishankar dialogue.

AUD/USD +0.02% to 0.6481, below 200-DMA. Thursday's PBoC LPR unchanged (3%/3.5%); Friday's AU PMIs (manufacturing 51.6 actual vs prior 49.7), US jobs (poll unavailable, but prior context). Wall Street like Morgan Stanley eyes earnings over bonds despite pullbacks.

Overview of the US Bond Market

Treasury yields declined on November 20, 2025, extending gains amid equity routs and AI unwind, with the 10-year yield down 4 basis points to 4.08% and the 2-year falling 5 bps to 3.53%, steepening the 2s-10s curve as haven bids surged. The 30-year dipped little, while 5-year yields slid 3 bps to 3.65%. Benchmarks rallied, contrasting stock plunges, as VIX spiked above 26 and Bitcoin's drop signaled de-risking—boosting safety demand despite mixed jobs data.

The slide incorporates macro uncertainty: September payrolls +119K (beating polls but with August revision to -4K) and 4.4% unemployment underscore labor fragility, per Raymond James' Eugenio Aleman—potentially fracturing Fed consensus, yet not derailing ~40% December cut odds per futures.

Governor Barr cautioned on further easing with above-target inflation, Cleveland's Hammack flagged stability risks from labor support, Chicago's Goolsbee uneasy on cuts amid stalled progress. Minutes revealed divides; Morgan Stanley axed December cut forecast post-jobs, noting resilience. Swaps imply <25 bps easing by year-end, reflecting hawkish lean during shutdown data gaps.

Credit caution mounts: hyperscaler issuance \$121B YTD fuels bubble fears, per JPMorgan's Daniel Pinto—predicting corrections amid unproven AI returns, as Nvidia's receivables spooked despite beats. Circular financing (e.g., Microsoft/Nvidia's \$15B Anthropic) raises sustainability doubts, potentially widening spreads—Bokeh's Kimberly Forrest questions payment delays on "flying off shelves" chips. Private credit woes persist, with Gundlach's warnings echoing.

Positioning: asset managers trimmed longs \$23.5M per bp last week, per CFTC—focused on 5s/30s; leveraged cut bond shorts. JPMorgan survey: net longs at two-month lows.

Dealers anticipate steady auctions: 10-year \$42B (up \$1B), 5-year \$70B (up \$1B). Oil -0.5% to \$59.14, gold little changed amid Ukraine peace hints potentially easing Russian supply curbs—Ziembra notes markets shrugging sanctions for now via shadow channels.

Initial claims fell to 220K, signaling retention despite uncertainty. Wednesday's CPI core MM 0.3%, YY 3.0%; Philly Fed -1.7; homes 4.1M. Friday's earnings, Michigan inflation key—hot prints could pressure yields higher, per BNP's James Egelhof/Andrew Husby maintaining December cut despite unemployment rise. Overall, inflation persistence curbs near-term easing, but labor data supports insurance cuts—with diversification urged amid AI skepticism and data limbo.

Overview of the Australian Bond Market

Australian government bond yields edged mixed on November 20, 2025, amid global volatility and equity rebounds, with the 10-year yield up 1 basis point to 4.42% and the 2-year rising 1 bp to 3.65%. The 5-year held flat at 3.90%, while the 15-year added 1 bp to 4.73%, slightly steepening the curve as haven flows eased post-Nvidia relief. Benchmarks showed modest pressure, aligning with ASX's 1.24% surge, though AI doubts lingered.

Movements reflect macro flux: Q3 wages 0.8% QQ, 3.4% YY matched polls, signaling steady inflation—potentially delaying RBA cuts, with Rate Tracker low for December. November PMIs Friday (manufacturing 51.6 vs 49.7 prior) indicate expansion; services 52.7 vs 52.5—stronger could lift yields via growth optimism. Composite leading index October +0.11% vs -0.03 prior suggests mild improvement.

Globally, US reversal (S&P -1.56%) post-Nvidia underscores AI profitability skepticism, per Miller Tabak's Matt Maley—questioning capex returns amid circular deals, potentially pressuring credit. Fed split: Barr cautious on cuts with above-2% inflation, Hammack warns of stability risks, Goolsbee uneasy but jobs +119K (beating but stale) and 4.4% unemployment keep ~40% December odds. Minutes detail divides; Morgan Stanley dropped cut call. Swaps <25 bps easing year-end.

Domestically, mining/tech gains tie to Nvidia halo, but gold little changed tempers yields. Bitcoin's 4.2% drop amplifies risk-off signals. PBoC LPR Thursday unchanged (3%/3.5%) highlights disinflation export risks.

Asset caution: dealers eye steady US auctions amid data catch-up. Oil -0.5% to \$59.14 on Ukraine peace hints easing Russian supply curbs—Ziemba notes markets dismissing sanctions via shadows.

October CPI Wednesday core MM 0.3%, YY 3.0%; Philly Fed -1.7; homes 4.1M. Friday's US jobs, Michigan inflation key—hot could widen spreads, per BNP's Egelhof/Husby maintaining December cut despite unemployment. Overall, sticky inflation curbs easing, but labor supports—with diversification urged amid AI fog and data gaps.

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