



Your Income Advantage

21st November 2025



Overview of the US Market

Wall Street closed higher on November 21, 2025, rebounding from Thursday's dramatic reversal as investors digested Nvidia's earnings beat and dovish comments from New York Fed President John Williams. The S&P 500 climbed 0.98% to 6602.99, the Nasdaq Composite rose 0.88% to 22273.08, and the Dow Jones Industrial Average gained 1.08% to 46245.41. The rally was broad-based, with nine of the 11 S&P sectors advancing, led by communication services up 2.15% and health care up 2.11%. Information technology lagged with a mere 0.07% gain, reflecting lingering AI jitters, while utilities were nearly flat at 0.01%.

Nvidia shares dipped 0.97% to 178.88 despite topping expectations, underscoring concerns about an AI bubble and circular financing deals with firms like OpenAI and Anthropic. CEO Jensen Huang pushed back against bubble fears in a post-earnings interview, emphasizing strong Blackwell demand and disciplined partnerships, but the stock's monthly decline signals investor caution amid high valuations. Other actives included Opendoor Technologies surging 9.58% on volume of 160.5 million shares, Ondas Holdings up 7.42%, and Intel gaining 2.62%. Tesla slipped 1.05%, extending losses tied to broader risk-off sentiment.

The session followed Thursday's Nasdaq 100 intraday plunge of nearly 5%, triggered by a crypto selloff with Bitcoin hitting a seven-month low, amplifying correlations between digital assets and high-beta stocks. Hedge funds scrambled to cover shorts on Friday, with Goldman's prime brokerage noting a 4.6% jump in ETF short positions unwound amid the rebound. Consumer staples and health care outperformed as defensive plays, while energy fell 0.52% on oil weakness.

September nonfarm payrolls rose 119,000 with unemployment at 4.4%, a mixed bag that initially dampened December Fed cut odds before Williams' remarks boosted them to over 70%. Core CPI held at 0.3% month-over-month, aligning with expectations but highlighting persistent inflation. Investors are eyeing Tuesday's delayed retail sales and durable goods reports for consumer health clues ahead of Black Friday, with the National Retail Federation forecasting holiday sales over \$1 trillion but at a slower 3.7-4.2% growth pace.

Strategists remain cautiously optimistic. UBS's Ulrike Hoffmann-Burchardi sees Fed cuts and AI tailwinds sustaining gains into 2026, while Nationwide's Mark Hackett calls the week's volatility a "release valve" rather than a bull market reversal. Geopolitical notes included Trump's team floating Nvidia H200 sales to China as a compromise, lifting shares intraday, though hawks oppose easing export curbs. Treasury Secretary Scott Bessent noted ongoing rare-earth talks, but no firm deals. Overall, the rebound spared a deeper rout, but brittle sentiment lingers amid AI despeculation and tariff uncertainties.

Overview of the Australian Market

Australian shares tumbled on November 21, 2025, closing at their lowest since June amid global risk-off waves from US AI jitters and reduced Fed cut expectations. The S&P/ASX 200 fell 1.59% to 8416.5, the All Ordinaries dropped 1.67% to 8686.3, and the Small Ordinaries plunged 2.99% to 3519.4. Losses spanned 10 of 11 sectors, with materials cratering 3.93% on softer commodity prices, energy down 3.11% amid oil weakness, and real estate off 1.97%. Consumer staples eked out a 0.04% gain as a defensive haven, while health care closed flat.

Big miners led the rout: Iluka Resources sank 11.55% to \$6.32, Core Lithium dropped 13.73%, and Loneer fell 13.16%, mirroring Bitcoin's slump and Nasdaq correlations that amplified despeculation fears. Mayne Pharma tanked 23.14% after FIRB blocked its \$627 million Cosette takeover, citing national interest. Retailers Accent Group and Lovisa Holdings plunged 15.42% and 13.79% on soft trading updates ahead of Black Friday. Coal names like Whitehaven and Yancoal slipped 2-4.2% on energy jitters, while uranium plays weakened despite AI demand hype.

Financials lost 0.74%, with CBA flat but peers grinding lower—down over 12% month-to-date post-earnings. WiseTech Global bucked the trend, up 4% after reaffirming guidance at its AGM despite pay protests, though still halved year-over-year amid scandals. Star Entertainment surged 22.09% on Bally's casino approval, and GQG Partners rose 5.18% in a week-long rally. DroneShield extended losses in a broader tech rout, down 0.81% sector-wide.

Local data showed Q3 wage growth at 0.8% quarterly and 3.4% annually, meeting polls but signaling sticky inflation that tempers RBA cut bets. Flash PMIs improved: manufacturing at 51.6, services at 52.7, composite at 52.6, hinting expansion but not enough to counter global drags. Japan's ¥21.3 trillion stimulus weakened the yen, pressuring AUD/USD to 0.6443, up 0.05% but near lows.

PM Modi's G20 sideline meet with Albanese pledged deeper ties in defense, energy, and tech, amid US boycott over South Africa issues. Reuters noted G20 declaration adoption despite US absence, stressing climate and debt relief—snubbing Trump's stance. Domestically, IG's Tony Sycamore flagged potential "sinister" downturn after October highs. Morningstar's weekly update saw US parallels, with tech down 4.79% globally, but local resilience in staples. Black Friday looms with delayed US retail data, testing consumer spend amid labor slowdowns and tariffs.

Overview of the US Bond Market

Bond traders boosted bets on Federal Reserve easing after New York Fed President John Williams signaled potential near-term cuts without inflation risks, sending Treasury yields lower on November 21, 2025. The 10-year note yield fell 8 basis points to 4.06%, the 2-year dropped 11 basis points to 3.51%, and the 30-year eased 5 basis points to 4.71%. The curve steepened slightly to +55 basis points in 2s-10s, reflecting growth optimism tempered by policy support expectations. A solid \$44 billion 7-year auction met strong demand, with yields awarded at 3.85%, below expectations, underscoring haven flows amid equity volatility.

The move reversed part of Thursday's yield spike tied to a risk-off cascade from crypto and AI stocks, where the VIX hit April highs. September jobs data showed 119,000 added payrolls and 4.4% unemployment, initially pushing December cut odds below 40% before Williams' dovish tone flipped them to 70% via CME FedWatch. Core CPI at 0.3% month-over-month met forecasts, but persistent wage pressures from Australia's data echoed global concerns, blending into US views on labor resilience. Philly Fed business index disappointed at -1.7 versus 2 expected, while existing home sales edged up to 4.1 million, signaling housing stability but no boom.

Geopolitically, Trump's H200 chip float to China as a tariff compromise added uncertainty, with Bessent confirming ongoing talks on rare-earths and a potential 90-day truce extension—factors that could ease supply-chain inflation but risk hawkish backlash. Boston Fed's Susan Collins and Dallas' Lorie Logan urged steady rates, highlighting internal debate ahead of December's meeting.

JPMorgan's client survey showed net longs shrinking to two-month lows, with asset managers paring \$23.5 million per basis point across tenors, concentrated in 5s and bonds, while leveraged funds trimmed shorts.

Primary dealers expect steady coupon sizes for August-October auctions, aligning with April guidance, but macro crosscurrents cloud the outlook: resilient consumer confidence from Michigan's 51.0 reading contrasts slowing jobs, potentially justifying a pause. Oil's 1.81% drop on Ukraine peace hopes eased inflation fears, supporting lower yields, while gold's 0.20% gain reflected safe-haven bids. EUR/USD slipped 0.18% amid DAX weakness, pressuring cross-asset flows. Overall, the yield dip reflects recalibrated Fed bets, but high valuations and G20 fissures—like US boycott over South Africa—keep volatility elevated, with upcoming retail sales pivotal for holiday spending amid tariff overhangs.

Overview of the Australian Bond Market

Australian government bond yields dipped modestly on November 21, 2025, tracking US Treasuries lower amid rebounding equities and recalibrated global rate bets. The 10-year yield edged down to 4.46%, the 5-year to 3.94%, the 2-year to 3.68%, and the 15-year held at 4.77%. Curve dynamics showed mild steepening, with 2s-10s at +78 basis points, reflecting growth resilience but dovish central bank tilts after mixed US data.

The move echoed Wall Street's Friday rally, where Williams' cut hints overshadowed September's 119,000 payrolls and 4.4% unemployment, boosting AUD/USD 0.20%. Local Q3 wages rose 0.8% quarterly, aligning with RBA's inflation vigilance, while flash PMIs signaled expansion—manufacturing at 51.6 diffusion index—bolstering case for steady rates. Yet, global AI de-speculation and crypto plunge amplified risk aversion, drawing safe-haven bids into bonds.

Geopolitically, G20's climate-focused declaration sans US input, amid Trump's South Africa boycott, highlights multilateral strains that could fuel tariff risks, pressuring yields via trade channels. Modi's Albanese meet emphasized critical minerals and energy ties, potentially easing supply inflation but underscoring dependencies. Japan's stimulus package strained its yields, indirectly supporting AUD crosses.

RBA faces crosswinds: persistent wages echo US core CPI at 0.3%, tempering cuts, but consumer sentiment slumps and delayed US retail sales loom as Black Friday tests spending. Oil's drop on Ukraine hopes eased pressures, while gold's gain reflected havens. EUR/USD's slip amid ECB's Muller on 2% inflation vigilance added cross-currency flows.

Dealers anticipate steady issuance, but macro blends in: resilient PMIs contrast labor slowdowns, with Oxford's Pearce noting employment risks to holidays. UBS strategists maintain bull views on earnings, but IG's Sycamore warns post-peak sinister turns. Yields' dip signals recalibration, but G20 fissures and tariff truces—Bessent on China extensions—keep volatility high, with upcoming durable goods pivotal for global demand.

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