yieldreport Daily

Your Income Advantage

28th November 2025

Overview of the US Market

US equities extended their rally on November 28, 2025, in a shortened post-Thanksgiving session, capping a strong week despite a technical glitch at the Chicago Mercantile Exchange that disrupted futures and options trading. The S&P 500 rose 36.48 points or 0.54% to 6,849.09, marking its fifth straight gain and best weekly advance since May, reversing November's earlier slide to end the month green. The Dow Jones Industrial Average climbed 289.30 points or 0.61% to 47,716.42, while the Nasdaq Composite added 151.00 points or 0.65% to 23,365.69. This cross-asset rebound, including stocks, bonds, Bitcoin, and commodities, defied recent AI valuation concerns and CME's outage caused by a data center cooling failure, which lasted longer than a 2019 incident but saw alternative venues handle spillover.

Sector gains were broad, with Energy leading at 1.32%, followed by Consumer Discretionary at 0.90% and Communication Services at 0.72%, while Health Care lagged at -0.49%. Actives featured NVIDIA down 1.81% to 177.00 on 121.3 million volume amid AI scrutiny, Intel surging 10.19% to 40.56, Bitfarms up 12.26% to 3.48, and BigBear.ai up 5.32% to 6.34. The week's 3.7% S&P gain was fueled by Alphabet's AI model release restoring Big Tech confidence, with the index up 17% year-to-date.

Corporate highlights included Tilray Brands slumping after a one-for-10 reverse stock split. Broader sentiment reflected renewed risk appetite, with Bitcoin above $90,000 up 7% from November lows, and heavily shorted stocks surging 28% year-to-date. Volatility eased, with the Cboe Volatility Index at 16.35, down 5%. Goldman Sachs' most-shorted basket soared, while inverse ETFs plunged 84%. Barclays' Emmanuel Cau noted "don't fight the Fed and don't fight AI" as the mantra, amid dovish signals like Kevin Hassett as potential Fed chair and Fed Governor Stephen Miran's rate-cut views.

Weekly, the Morningstar US Market Index gained 3.84%, led by consumer cyclicals up 5.33% and communication services up 4.59%. Large-caps rose 3.88%, mid-caps 3.46%, small-caps 4.54%; growth up 4.52%, blend 3.67%, value 2.89%. Top gainers: Kohl's up 56.37%, Bloom Energy 21.40%, Broadcom 18.46%, Reddit 17.97%, SoFi 17.85%. Losers: Tilray down 10.27%, Zscaler 8.55%, Warner Music 7.98%, John Deere 4.67%.

Black Friday online spending hit $11.8 billion, up 9.1%, driven by AI tools like Walmart's Sparky, per Adobe, with global AI influence at $14.2 billion. Mastercard noted 10.4% e-commerce growth vs. 1.7% in-store. Hot items: LEGO, Pokemon, consoles. Investors eye December's Santa rally, with swaps pricing nearly a full quarter-point Fed cut, amid labor softness. Upcoming: ISM Manufacturing December 1, ADP Employment December 3.

Overview of the Australian Market

Australian equities closed mixed on November 28, 2025, in a low-volume session amid US holiday aftermath, snapping a four-week ASX 200 losing streak with the benchmark's best weekly gain since May. The S&P/ASX 200 dipped 3.2 points or 0.04% to 8,614.1, while the All Ordinaries rose 6.7 points or 0.08% to 8,918.7. Advancers outnumbered decliners 181 to 98 in the ASX 300, with the index up 2.4% weekly, 2.4% from intraweek low.

Eight sectors advanced, led by Consumer Staples up 1.25% to 11,943.8 on Woolworths' 3.2% rally post-JP Morgan upgrade and Endeavour up 2%.

Utilities gained 0.99% to 9,856.9, Information Technology 0.91% to 2,370.0, extending a 6% weekly surge snapping four-week losses. Materials rose 0.43% to 19,918.9, up over 5% weekly despite China property woes pressuring iron ore. Health Care up 0.11%, Industrials 0.10%. Financials fell 0.72% to 8,993.1 with big banks lower but up 0.2% weekly; Real Estate down 0.34%, Communication Services flat.

Gold Sub-Index up 1.3%, with spot gold at $4,184 lifting VanEck Goldminers ETF 10% weekly to five-week highs. Lithium and silver stocks shone: Lake Resources up 22.0%, Argosy Minerals 15.5%, Boab Metals 13.6%, Winsome Resources 13.3%, Aeris Resources 12.4%, Silver Mines 11.1%, Galan Lithium 10.4%, Polymetals Resources 10.1%. Invictus Energy up 19.0% post-AGM. Focus Minerals up 10.7%, Titan Minerals 9.6%, Select Harvests 9.5% on substantial holding. HMC Capital up 9.0%, Artrya 8.6%, New Murchison Gold 8.1%.

Losers: SKS Technologies down 5.3% post-rally, Eagers Automotive 3.7%, Qualitas 3.6%, Suncorp 3.6% on weather update, Centuria Capital 3.5% post-AGM.

Moomoo's Michael McCarthy noted US rate cut hopes drove gains but warned local repricing risks as October CPI at 3.8% year-on-year (above 3.6% poll) leaves RBA no easing room, possibly hiking. Q3 capex surged 6.4% vs. 0.5% expected.

Energy flat weekly, coiling on Ukraine peace vs. Middle East risks. Tech's dip-buying mirrored Nasdaq. AUD/USD at 0.6528, down 0.09% but two-week highs.

Upcoming: Q3 GDP December 3, October trade December 4. Mr McCarthy flags slow burn on rate divergence.

Overview of the US Bond Market

US Treasury yields edged higher on November 28, 2025, in abbreviated trading following Thanksgiving, as markets digested the CME outage and firming Fed cut bets amid labor data. The 10-year yield rose two basis points to 4.01%, the 2-year up two to 3.49%, the 5-year up three to 3.60%, and the 30-year up two to 4.66%. This modest backup came despite a risk-on equity rally, with Treasuries still posting weekly gains pushing the two-year to 3.5% as swaps boosted easing odds over 2026.

Economic releases shaped views: November consumer confidence fell to 88.7 from revised 95.5, below 93.4 poll, highlighting job concerns; September durable goods rose 0.5% vs. 0.3% expected; initial jobless claims dropped to 216,000 below 225,000 forecast; housing starts at 1.307 million annualized missed 1.32 million. These affirmed softening labor, bolstering December cut probabilities to nearly 100% from last week's lower levels, with traders eyeing three more by end-2026. Fed's Miran reiterated large cuts needed, while Hassett's potential chair role signaled dovishness.

Bond pay forecasts dimmed for credit traders, with Options Group predicting 6% average drop for 2025 US credit sales/trading/research, investment-grade down 6.6%, high-yield 8.6%, amid tariff turbulence. Overall Wall Street pay up 6.7%, with securitized products up 11.2%. Mike Karp noted hits from tariff selloffs despite recovery. High-grade issuance hit $1.73 trillion, up 10%, spurred by AI-related deals like Meta's $30 billion.

Positioning showed caution: Vanguard S&P 500 ETF inflows at $125 billion year-to-date. Junk bonds via iShares ETF up nearly 1% weekly, reversing sour sentiment. Bloomberg Commodity Index up over 2%, silver at record. Barclays' Amarpreet Singh cited geopolitical volatility offsetting Russian supply concerns.

UK yields mixed post-budget; euro-area inflation steady ahead of December drop. China PMIs November 30 expected lackluster. US upcoming: ISM PMI December 1 at 49.0, industrial production flat December 3, core PCE 0.22% December 5.

Strategists like Marlborough's James Athey warn persistent equity downside needs reinforcing narratives amid liquidity. Mizuho's Jordan Rochester noted new Fed chair complicates strong data trades. Dealers expect steady coupon sizes August-October. CFTC data: asset managers pared longs $23.5 million per bp, leveraged funds reduced shorts.

Overview of the Australian Bond Market

Australian government bond yields ticked higher on November 28, 2025, tracking US moves in subdued trading, as persistent inflation data tempered easing bets while global Fed expectations supported risk assets. The 10-year yield rose two basis points to 4.51%, the 2-year up three to 3.80%, the 5-year up three to 4.05%, the 15-year up two to 4.80%. This followed October CPI at 3.8% year-on-year exceeding 3.6% poll, monthly at 0% vs. -0.2%, trimmed mean 3.3%, weighted median 3.4%, signaling sticky pressures.

Q3 capital expenditure jumped 6.4% quarter-on-quarter, smashing 0.5% forecast, underscoring investment strength amid resilient economy, reducing RBA cut urgency. Sources indicate RBA prepping for possible December hike for yen trajectory consistency. Prime Minister Takaichi dismissed "Truss moment" fears.

Globally, Fed cut odds near 100% for December, swaps pricing full quarter-point, pressuring USD; AUD/USD at 0.6528, eyeing 0.6580 resistance. Silver outperformed gold, up 163% since October 2023 vs. gold's 142%, with industrial demand at 689.1 million ounces, solar 243.7 million, deficit 501.4 million.

US credit pay down 6%, tariff hits noted. Euro-area inflation steady December 2; China PMIs November 30 lackluster. Upcoming AU Q3 GDP December 3, trade December 4.

Options Group's Mike Karp on turbulence; Johnson Associates eyes calmer 2026 for credit, mortgages, Treasuries. JPMorgan inflows $40-50 billion emerging debt 2026 on AI capex $628 billion 2028.

Bloomberg strategists question UK budget assumptions; BOE cut 90% December odds. CFTC: asset managers pared longs. Dealers steady auctions.

About YieldReport - Your Income Advantage

YieldReport is Australia's leading online investor platform on interest rate markets and yield investments. YieldReport provides research, data, advice, news review and insights on what's shaping the yield curve and fixed income markets. It also provides a great source of reference for pricing and performance data on yield focused investment opportunities including cash, term deposits, and government and semi-government bonds, managed funds, ETFs, corporate bonds, floating rate notes and hybrids. YieldReport insights and analyses are designed to help anyone capital allocation or investment selection – whether it be their own or whether they sit on a finance committee, board etc. – to make informed decisions about where interest rates are going and to have access to the best rates and latest performance data available on yield-oriented investments.

Explore more via the website - www.yieldreport.com.au. Find daily updates on social media platforms such as LinkedIn and Twitter.
For inquiries, please contact contact@yieldreport.com.au or call 0408 266 713.

YieldReport – Interest Rates & Yield Investment Data & Research
Level 2, Suite 208
33 Lexington Drive
Bella Vista NSW 2153

Disclaimer