

# Monthly Market Report

## November 2025

Index	Open	Close	% Change
JSE FTSE ALSI Top 40	101 936.80	103 256.80	1.29%
S&P 500	6 840.20	6 849.09	0.13%
Nasdaq Composite	23 724.96	23 365.69	-1.51%
Dow Jones Industrial	47 562.87	47 716.42	0.32%
FTSE 100	9 717.25	9 720.51	0.03%
Nikkei	52 411.34	50 253.91	-4.12%
Hang Seng	25 906.65	25 858.56	-0.19%
DAX	23 958.30	23 836.79	-0.51%
CAC 40	8 121.07	8 122.71	0.02%

Commodity	Open	Close	% Change
Gold	4 002.92	4 239.43	5.91%
Platinum	1 574.23	1 670.77	6.13%
Iron Ore	106.14	105.49	-0.61%
Brent Crude Oil	65.07	63.20	-2.87%

Currency	Open	Close	% Change
USD-ZAR	17.330	17.110	-1.27%
EUR-ZAR	19.990	19.840	-0.75%
GBP-ZAR	22.791	22.640	-0.66%

Source: Bloomberg

## Local and Global Macro Economic Perspectives



### South Africa

26.1029°S, 28.0576°E

The South African Reserve Bank cut the repo rate by 25 basis points to 6.75%, taking the prime rate to 10.25%, in a unanimous decision at its November meeting. The MPC judged that there was sufficient scope to ease the policy stance, given low underlying inflation pressure and restrictive rates weighing on growth. Governor Lesetja Kganyago noted that while inflation ticked up slightly to 3.6% in October, the increase was driven by temporary shocks and non-core items, and recent inflation data has generally come in better than expectations.

A stronger rand and lower oil price assumptions prompted modest downward revisions to the inflation outlook, with the SARB reaffirming its commitment to the 3% medium-term target. Core goods prices are benefiting from currency strength, food inflation appears to have peaked, and services inflation remains broadly stable, though housing costs warrant ongoing monitoring.

South Africa's unemployment rate eased to 31.9% in the third quarter from 33.2% in Q2, supported by job gains in construction (+130,000), community and social services (+116,000), and trade (+108,000), while employment

declined in manufacturing, finance, utilities, and transport. Despite the improvement, unemployment remains structurally high against a backdrop of subdued domestic demand and restrained business investment.



## United States

*40° 42' 24.7572" N, 74° 0' 40.554" W*

November's economic picture was unusually opaque, as the longest U.S. government shutdown in history, which lasted 43 days from 1 October to 12 November, delayed or cancelled several key data releases. Market participants relied more heavily on private-sector indicators—including ADP payroll estimates, high-frequency spending data, and corporate reports—to fill the gaps.

Against this backdrop, the Federal Reserve signalled a split view on the next policy move. Some officials, including Christopher Waller, argued that weaker labour-market signals justified a quarter-point rate cut at the upcoming December meeting, while other governors cautioned that inflation remained elevated and that premature easing could undermine Fed credibility. The November Beige Book revealed that consumer spending weakened overall, particularly among lower-income households, while higher-end retail held up, highlighting a K-shaped economy in which the upper end continues to outperform. September payrolls rose by 119,000, rebounding from a revised decline of 4,000 in August, while the unemployment rate edged up to 4.4%, its highest level in four years. Job gains were concentrated in healthcare, leisure and hospitality, and retail, whereas transportation, manufacturing, and professional services saw losses.

Late in November, reports surfaced that Kevin Hassett was the leading contender to replace Jerome Powell as Federal Reserve chair, and markets largely shrugged. Treasury yields edged lower as investors focused on the prospect of deeper rate cuts rather than institutional risks. While Hassett's close alignment with Trump and his known policy preferences could raise questions about Fed independence, the muted market reaction suggested attention remained on the path of monetary policy. By the end of the month, markets had largely priced in a rate cut at the upcoming December FOMC meeting.



## United Kingdom

*51°30'32.39" N, 0°05'33.90" E*

The UK economy grew at a slower pace in the third quarter of 2025, recording a modest 0.1% expansion according to preliminary data. This was a drop from the 0.3% growth seen in Q2 and missed the market expectation of 0.2%. The main drag on the economy was the production sector, which contracted by 0.5% for the second consecutive quarter. This decline was heavily influenced by the manufacturing sub-sector, which fell by 0.8%. A significant contributor to the manufacturing slump was the 10.3% slump in the motor vehicle and related transport equipment industries, following a major cyberattack that severely disrupted operations at Jaguar Land Rover in September. Meanwhile, the largest part of the economy, services output, also saw its growth ease to 0.2% (down from 0.4%), even though arts, entertainment, recreation, and real estate provided support. Construction growth nearly stalled at 0.1%, driven solely by repair and maintenance work offsetting a drop in new projects. On an annual basis, GDP rose 1.3%, slightly below forecasts.

The UK's annual inflation rate eased to 3.6% in October, reaching its lowest point in four months after holding steady at 3.8% for the three prior months, aligning with market expectations. The primary factor behind this slowdown was a drop in Housing and Utilities inflation (falling from 7.3% to 5.2%), driven by a reduction in the

energy price cap which lowered the rate of increase for both gas and electricity prices. Smaller price increases were also noted for services, restaurants/hotels, and clothing. However, prices continued to accelerate in the Food and Non-Alcoholic Beverages category (rising to 4.9%). On a monthly basis, the Consumer Price Index rose 0.4%, following a flat reading in September, while the core inflation rate also dropped to a six-month low of 3.4%.

The Bank of England's Monetary Policy Committee decided to keep the key interest rate unchanged at 4% with a five-to-four vote but strongly signalled that a rate cut is likely as soon as December due to a weakening labour market and the declaration by the bank that inflation has peaked. This close vote, with four members favouring an immediate cut, suggests a low bar for future reductions. Governor Andrew Bailey, who voted to hold, indicated he is leaving the door open to a cut next month, contingent on forthcoming economic data and the Chancellor's November Budget, stating that the BoE needs confirmation that inflation is firmly on track to hit its 2 per cent target. Following the decision, which came after five previous cuts since mid-2024, the pound saw a brief dip before recovering, while markets currently price in a roughly two-thirds chance of a 25bp cut at the next meeting on December 18th.

The S&P Global UK Manufacturing PMI improved to 49.7 in October 2025, up from 46.2 in September and slightly above the flash estimate of 49.6. This is the strongest reading in a year and points to conditions nearing stabilisation, driven by the first increase in output in 12 months as firms worked through backlogs, rebuilt inventories, and Jaguar Land Rover resumed operations after a cyber-attack. Production increased in consumer and intermediate goods, while the decline in investment goods output softened. However, new orders and export sales continued to fall due to weak demand across the US, EU, Asia, and the Middle East. The S&P Global UK Services PMI was revised up to 52.3 in October 2025 from the earlier estimate of 51.1, showing a clear improvement from September's five-month low of 50.8. The latest reading points to a moderate uptick in activity, supported by a rebound in order books and stronger domestic demand, even as ongoing uncertainty and delayed major spending decisions ahead of the Budget weighed on sentiment.

The UK Budget was primarily characterised by measures that increase the overall tax burden, which the Office for Budget Responsibility forecasts will reach an all-time high by 2030/2031. Key changes targeting wealth holders include the introduction of a new annual "mansion tax" (a council tax surcharge on properties valued over £2 million starting in April 2028) and the decision to extend the freeze on income tax and National Health Insurance thresholds until 2031, effectively drawing more people into higher tax brackets. Additionally, the Budget raises the tax rates on dividends, property income, and savings in the coming years, while also setting a new £2,000 annual cap on tax-efficient pension contributions made via salary sacrifice from 2029, and reducing the Cash ISA allowance to £12,000 for savers under 65 from 2027.



## **Eurozone**

51°30'32.39" N 0°05'33.90" E

Despite ongoing trade uncertainty, the bloc's economy has shown modest resilience, supported by a firm labour market and inflation that has stayed close to the ECB's 2% target throughout the year. Country-level figures continue to diverge widely, with France unchanged at 0.8%, Germany rising to 2.6%, Spain easing to 3.1% and Italy slipping to 1.1%, but in aggregate they point to Eurozone inflation holding steady at 2.1% YoY ahead of the ECB's December 18<sup>th</sup> meeting. Consumer expectations for prices, income and spending remain stable, and financial markets see almost no chance of a policy move next month and only limited odds of one final cut by mid-2026. While some policymakers warn that falling energy prices could push inflation below target in 2026, the European Central Bank has made clear it is in no hurry to act, noting that underlying price pressures remain elevated.

The Eurozone's October PMI data showed a mixed but stabilising picture across sectors. The manufacturing PMI printed at the neutral 50.0 level, up slightly from September's 49.8, signalling a levelling-off after months of mild deterioration. Output rose for an eighth consecutive month, but demand remained weak, with new orders essentially flat and export orders declining for a fourth month running. By contrast, the services sector strengthened, with the PMI rising to 52.6 from 51.3, marking the fastest expansion since August 2024. New orders grew at their strongest pace since April 2023, prompting a renewed rise in staffing after a brief decline in September and resulting in the fastest rate of job creation since June 2024. Service providers also reported the first increase in backlogs in 18 months, pointing to firmer underlying demand. Despite the improvement in activity and new work, business confidence softened to a five-month low amid continued external uncertainty.



## China

31° 14' 12.3" N, 121° 30' 31.5" E

The People's Bank of China (PBOC) kept its benchmark Loan Prime Rates (LPRs) unchanged for the sixth consecutive month, a move that was widely expected after the central bank had held its key seven-day reverse repo rate steady. The one-year LPR was maintained at 3.0% and the five-year LPR was held at 3.5%. The LPR, which is determined by recommendations from 20 commercial banks and used to set mortgage rates, had previously been cut aggressively over the last three years to record lows in an attempt to combat low inflation and boost economic growth. However, those rate cuts yielded limited results, leading Beijing to shift its focus toward fiscal support. The decision to hold rates comes despite recent economic data for October indicating that the Chinese economy remains pressured by sluggish export demand and soft performance in the local manufacturing and consumer spending sectors.

China's consumer prices rose 0.2% year-over-year in October 2025, marking the first increase since June, rebounding sharply from the 0.3% decline in September and exceeding expectations for a flat reading. This surge, the fastest pace since January, was primarily driven by an acceleration in non-food inflation (up 0.9%), which benefited from boosted domestic demand stemming from expanded consumer trade-in programs and strong spending during the Golden Week holiday. Non-food categories like healthcare and education saw faster price growth, and the decline in transport costs slowed. Furthermore, the drop in food prices was the smallest in three months. Reflecting this broader inflationary pressure, core inflation, excluding food and energy, jumped to 1.2%, the highest level in 20 months. On a monthly basis, consumer prices also increased by 0.2%, the highest level in three months.

The RatingDog China General Manufacturing PMI declined to 50.6 in October 2025, a decrease from September's six-month high of 51.2, falling short of the 50.9 market consensus. This moderation in factory activity was a result of slower growth in both new orders and output, despite domestic demand continuing to support overall order books. However, export sales declined at the fastest rate since May due to increasing trade uncertainty. Conversely, there was a positive development in the labour market, as employment rose for the first time in seven months and at its quickest pace in over two years, while purchasing activity continued to increase for the fourth consecutive month. Business sentiment slipped to a six-month low reflecting growing concerns over trade. The Services PMI eased to 52.6 in October 2025, a slight decline from 52.9 in September, though it still marginally exceeded market expectations of 52.5. This reading marked the slowest expansion in the Chinese services sector since July, primarily due to a modest decline in foreign sales amidst rising global trade uncertainty. Domestically, however, demand improved, keeping total new orders in expansion at a faster pace of growth.



## Japan

35° 40' 34.55" N, 139° 46' 26.21" E

Japanese inflation indicators advanced in October, reinforcing expectations that the Bank of Japan may resume rate hikes in the near term. Core CPI rose 3.0% YoY, its fastest pace since July and in line with expectations, marking the 43rd consecutive month above the BOJ's 2% target. The BOJ's preferred "core-core" measure, excluding both fresh food and energy, edged up to 3.1% from 3.0% in September. While some food categories such as rice showed easing price pressures, broader inflation momentum remained firm. BOJ Governor Kazuo Ueda emphasised the need to monitor the impact of a weaker yen on underlying inflation as the bank "gradually raises interest rates" toward achieving the target through sustainable wage-driven price growth. Newly elected Prime Minister Sanae Takaichi reiterated her preference for accommodative policy but stressed the importance of inflation supported by wage gains rather than cost pressures.

The policy backdrop is complicated by weakening growth: GDP contracted 0.4% q/q in Q3, the first decline in six quarters, as Japan absorbs the impact of U.S. tariffs. With inflation still above target and two BOJ board members already dissenting in favour of a hike towards a 0.75% policy rate, the December 18–19 meeting will be closely watched for a potential further rate hike.

Japan's October PMI data highlighted a widening divergence between a contracting manufacturing sector and a still-expanding services sector with composite PMI rising 51.5 in October. Manufacturing PMI was revised down to 48.2, declining from 48.5 in September and marking the sharpest deterioration since March 2024. The sector faced its steepest drop in new orders in nearly 2 years, reflecting tighter client budgets, soft domestic demand, and weak export trends. Output continued to fall, particularly in automotive and semiconductor-related production. Cost pressures intensified, with input inflation rising to a four-month high on higher labour, material, and transport costs. In the services sector, PMI came in at 53.1, marginally below September's 53.3 reading, signalling continued expansion. New orders rose at the weakest pace in 16 months, and foreign demand remained negative. Hiring slowed, and capacity pressures eased. Input costs accelerated sharply, prompting the fastest increase in selling prices since June. Business confidence stayed positive, albeit softer than in September.



## India

20° 35' 16" N, 78° 57' 46" E

India's economy expanded by 8.2% YoY in the third quarter, the fastest pace in 18 months and well above the consensus forecast of 7.3%, despite the partial impact of the 50% U.S. tariffs that came into effect in August. The acceleration was driven by stronger manufacturing and construction output, robust consumer spending, and front-loaded production ahead of the festive season. The government's late-September goods and services tax (GST) reductions helped cushion the tariff impact by stimulating domestic demand, though the external sector remains a drag. India's goods trade deficit widened to a record level in October, driven by weak exports and higher gold imports following the tax cuts and festive season buying. Looking ahead, the IMF expects growth to moderate to 6.6% in FY26 and 6.2% in FY27 amid ongoing trade frictions, but notes that domestic demand, public investment and easing inflation should keep India's growth outlook resilient.

India's consumer inflation dropped sharply to a record low of 0.25% YoY in October, significantly below expectations and well under the RBI's 2–6% target band for a second consecutive month. The decline was driven primarily by steep falls in food prices and the full impact of goods and services tax (GST) cuts on a wide range of consumer goods. September inflation was also revised lower to 1.44%. Food inflation fell 5.0% YoY, with vegetable prices down nearly 28%. However, core inflation remained elevated at 4.4% YoY, supported by a sharp rise in domestic gold prices, which jumped nearly 5% in the month and offset some of the effects of tax reductions.

The inflation backdrop has strengthened expectations of monetary easing. Economists anticipate the Reserve Bank of India will cut rates in December, with some forecasting an additional move in early 2026. The central bank has already delivered 100bps of cuts in this year, and policymakers have indicated that current macro conditions provide room to support growth further. The RBI's rate-setting committee meets between the 3<sup>rd</sup> and 5<sup>th</sup> of December.