Article MARKET COMMENTARY

Weekly round-up: 17th November – 21st November

Eric Louw recaps the past week's events and looks ahead to the next.

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The Week That Was: 15–21 November 2025

If you blinked this week, you might have missed a lot because the financial world has been busier than a Black Friday checkout queue. From the UK's pre-Budget jitters to America's longest-ever government shutdown finally ending, and Europe quietly trying to look calm while juggling tariffs and inflation, here's what happened in simple terms.

The UK economy spent the week in suspense, waiting for the Autumn Budget on 26 November. Think of it as the season finale where the Chancellor reveals whether taxes go up, down, or sideways. Spoiler alert: we don't know yet, but speculation is rife.

Here's what we do know:

- Growth is crawling: The economy grew by just 0.1% in Q3, down from 0.3% in Q2. Manufacturing was hit hard, partly thanks to a cyberattack on Jaguar Land Rover. Yes, even cars have tech troubles now.
- Unemployment is creeping up: The jobless rate rose to 5%, the highest since the pandemic. Payrolled employees fell by 180,000 year-on-year in October.
- Inflation is cooling (slowly): Prices held at 3.8% in September, which is better than last year but still hotter than your morning coffee. The Bank of England thinks inflation has peaked and could fall to around 2.5% by April 2026. Translation: your grocery bill might stop giving you palpitations soon.
- Business confidence is perking up: The Lloyds Business Barometer jumped eight points to 50% in October. Manufacturing confidence surged too. Maybe businesses are feeling festive already, or just relieved the worst might be behind us.

Meanwhile, the ONS Business Insights Survey revealed that 26% of firms expect turnover to fall in December, while 14% expect it to rise. The rest? Probably hoping Santa brings them a good quarter.

The 43-day U.S. government shutdown ended last week on 12 November, making it the longest in American history. Economists breathed a sigh of relief, but the backlog of delayed data is still causing headaches.

Key developments this week:

> September jobs report finally arrived: After weeks of waiting, the Bureau of Labor Statistics released the September employment report on 20 November. It showed 119,000 jobs added and unemployment at 4.4%. Not terrible, but not the blockbuster number markets hoped for. The October report was cancelled, and November data won't arrive until after the Fed are due to meet in early December.
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> Rate cut bets cooled: Before the jobs data, traders were betting heavily on a December Fed rate cut. Now? Odds have dropped to about 40%. The Fed has stressed that future rate decisions will depend on the data. The data drought and resulting lack of clarity on the balance of risks adds to the likelihood that they sit tight next month and wait until the data flow resumes and the picture becomes clearer.
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> Markets threw a wobbly: U.S. stocks had a rollercoaster week. Nvidia's stellar earnings initially sent markets up sharply, but then tech stocks tanked, dragging the S&P 500 down 1.6% and the Nasdaq down 2.2%. Bitcoin also fell to its lowest since April. Moral of the story? Even AI darlings can't defy gravity forever.

Europe spent the week doing its best impression of a swan, looking serene while paddling furiously below the surface.

Highlights:

> Inflation is behaving. Euro area inflation eased to 2.1%, close to the ECB's target. Core inflation stayed at 2.4%,

thanks to sticky services prices. Economists will be keeping a watchful eye on European fiscal expansion, which could add modest inflation pressure over the medium term.

ECB President Christine Lagarde described policy as being "in a good place". This chimes with our expectation for rates to be kept on hold in December and then through 2026. Fiscal easing could prompt the ECB to hike in 2027.

Business mood improving: Surveys show sentiment picking up, helped by stabilising energy prices and calmer supply chains. Autos and industrials are enjoying modest gains, while tech and finance remain twitchy about U.S. data delays.

The week ahead

The UK's headline event is the Autumn Budget on Wednesday, 26 November. Chancellor Rachel Reeves is expected to outline measures aimed at reducing NHS waiting lists, supporting growth, and managing public debt. Alongside the Budget, the Office for Budget Responsibility (OBR) will publish updated economic and fiscal forecasts. These projections matter because they influence borrowing plans and investor confidence in UK gilts. Analysts expect a cautious tone, with productivity growth assumptions likely trimmed, signalling slower long-term GDP growth. Budget discussions are still live within the Treasury, and more surprises remain likely. Our global macro research team continue to think the government's desire to increase fiscal headroom and fund new policies mean around £30bn in fiscal consolidation is likely.

UK Inflation remains elevated at 3.6% in October, well above the Bank of England's 2% target, though forecasters see it easing below 3% next year.

Originally, markets expected the second estimate of US Q3 GDP and the Personal Income and Outlays report (including PCE inflation) on 26 November. However, the Bureau of Economic Analysis has postponed these releases, citing the backlog from the shutdown. No new dates have been confirmed yet.

This means investors will have to rely on previously published data and Fed commentary for guidance.

In the eurozone, the focus is on Germany's Ifo Business Climate Index on Monday, 24 November, a leading indicator of corporate confidence. Recent surveys point to continued weakness in manufacturing, though services remain more resilient. Investors will also monitor comments from European Central Bank officials ahead of their December meeting. The ECB has held rates at 2.15%, but markets are debating whether slowing growth could prompt a cut early next year.

While earnings season is winding down, several notable companies report this week:

- UK: EasyJet, Johnson Matthey, and PayPoint will offer insights into consumer demand and industrial trends.
- US: Retailers such as Best Buy and Dollar Tree are expected to release quarterly results, providing clues about holiday spending.
- Europe: Updates from major industrial and financial firms will help gauge the impact of slowing growth on profitability.

Between fiscal announcements in the UK, eurozone confidence indicators, and corporate updates, the week of 22–29 November remains pivotal for shaping year-end market expectations, even as U.S. data delays add uncertainty. Investors should brace for potential swings as policymakers and markets digest this dense calendar of events.

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