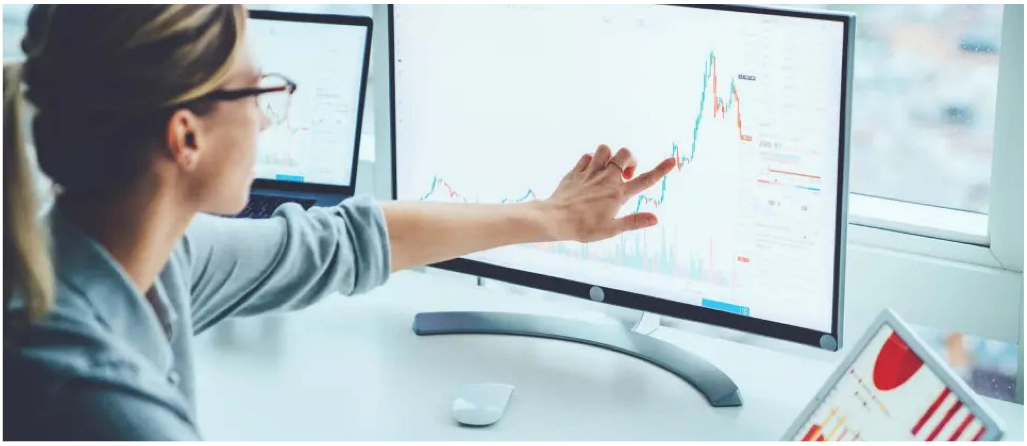

Article MARKET COMMENTARY

Weekly round-up: 24th November – 28th November

Darren Ripton recaps the past week's events and looks ahead to the next.

Author

Darren Ripton

Head of MPS

Duration: 5 Mins Date: 28 Nov 2025

The week that was!

The long-awaited UK Budget of 2025

On 26 November 2025, Chancellor Rachel Reeves delivered the

UK Budget, a financial plan that sets out how the government will raise and spend money. Slightly annoyingly for the Chancellor, the Office for Budget Responsibility (OBR) accidentally released it's report on the impact of the Budget circa an hour before she started speaking, so there were fewer surprises than she may have wished!

Key Policy Measures in the 2025 Budget

The headline announcement was a package of tax rises worth £26 billion. These measures aim to strengthen the government's finances and reduce borrowing. The main changes include:

> Freezing Income Tax and National Insurance Thresholds: These thresholds will remain unchanged for three years. This means as wages rise, more people will pay higher taxes—a process called "fiscal drag."
>
> Higher Dividend Tax Rates: The tax on dividends will rise by two percentage points, making it more expensive for investors who earn income from shares.
>
> Property Levy: A new levy will apply to properties worth over £2 million, targeting wealthier homeowners.
>
> Gambling Duties: Online gambling will face higher taxes, while bingo remains exempt. This measure is expected to raise hundreds of millions of pounds.

No Change to Income Tax Rates

Reeves emphasized that the actual tax rates—such as 20% for basic rate and 40% for higher rate—will not increase. Instead, the freeze on thresholds will gradually raise tax bills for many households. Economists note that this approach raises similar revenue to a small increase in tax rates but is less visible to taxpayers.

One of the most notable changes for savers is the adjustment to Cash ISAs:

Annual Cash ISA Limit Cut to £12,000: Previously, savers could put up to £20,000 per year into ISAs tax-free.

From April 2026, the limit for Cash ISAs will drop to £12,000, although savers over the age of 65 will continue to be able to contribute £20,000.

Stocks & Shares ISAs: Contribution limits remain unchanged at £20,000.

The areas that benefit most from UK Budget 2025 spending policy are those tied to Labour's priorities of improving public services and supporting long-term growth.

Key areas of benefit included:

Health and Social Care

NHS Funding Boost: Additional resources were allocated to reduce waiting times and improve staffing levels in hospitals and GP services.

Social Care Support: Increased funding for local authorities to strengthen care for the elderly and vulnerable.

Education and Skills

Schools: Extra funding for schools to maintain standards and address teacher shortages.

Vocational Training: Investment in skills programs to boost productivity and help workers adapt to changing job markets.

Infrastructure

Transport: Continued investment in rail upgrades and regional connectivity projects.

Digital Infrastructure: Ongoing investment in broadband and 5G rollout to improve connectivity nationwide.

Welfare and Child Support

Scrapping the Two-Child Limit: Families can now claim benefits for all children, reversing a policy that limited support to two children. This is expected to reduce child poverty and increase household incomes for larger families.

In summary

The Budget follows a "spend now, tax later" strategy prioritizing near-term spending on essential services while delaying some fiscal tightening. This reflects Labour's commitment to social investment and rebuilding public services without triggering immediate austerity. The Chancellor announced that the government's financial safety net known as the "fiscal buffer" will rise to £22 billion, up from £15 billion previously. This buffer is designed to protect the government's key fiscal rule, which limits borrowing. By increasing the buffer, Reeves aims to reassure investors and credit rating agencies that the UK can handle unexpected shocks.

Data from further afield

Although it was a holiday shortened week in the US (due to Thanksgiving) there were still some important data releases

US Initial Jobless Claims, layoffs slowed

Initial jobless claims count how many people in the United States file for unemployment benefits for the first time in a given week. Think of it as an early alarm bell for layoffs. If claims go up sharply, more people are losing jobs. If claims fall, fewer people are being laid off, and the labour market looks healthier. For the week ending 22 November, initial claims fell by 6,000 to 216,000, which is the lowest level since mid April. Economists had expected 225,000. Meanwhile, people already on benefits (known as "continuing claims") were slightly lower at 1.96 million, from the revised 1.97 million in the prior week.

US Consumer Confidence, households turned more cautious

The Conference Board Consumer Confidence Index is a monthly survey that asks Americans how they feel about the economy today and over the next six months. High confidence often means people are more willing to spend on big items (cars, appliances, holidays). Lower confidence can signal that households are tightening their belts. In the US, consumer spending makes up about two thirds of economic activity. When confidence drops, people may delay purchases, which can slow growth and pressure company revenues. In November, the index fell sharply to 88.7, down 6.8 points from October the biggest drop since April and weaker than all economist forecasts tracked by Bloomberg.

Inflation in Germany, France and Italy seems to be easing, but Spain remains higher

Headline inflation is a broad guide to how quickly prices are rising within an economy. It is measured through the monitoring of a broad basket of goods and services. Provisional Inflation numbers for November were released on Friday, and in the main they provided evidence that inflation is cooling in countries such as Germany & France where prices fell more quickly than had been expected (-0.2% & -0.5% month on month respectively). This meant that France's year on year inflation rate is a meagre

0.8%, while Germany's yearly rate firmed a little more than expected to 2.6%. Italy's Inflation rate continues to hover around similar levels as France at 1.1%, while Spain's inflation rate of 3.1% continues to remain relatively high, although it did soften from the 3.2% reported last month and this will provide some comfort to the European Central Bank (ECB).

What is on the slate for next week!

Eurozone Inflation

On Tuesday, 2nd December, the European Commission will release its flash estimate for Eurozone inflation for November. This is one of the most closely watched economic indicators in Europe because it tells us how fast prices are rising across the 20 countries that use the euro. Inflation is tracked using the Harmonised Index of Consumer Prices (HICP). It covers everyday costs like food, energy, housing, and services. The European Central Bank (ECB) aims to keep inflation close to 2%, as this level is considered healthy for growth without eroding purchasing power. Economists expectations are for the month on month rate to fall by 0.3%, while the year on year level will remains relatively stable at 2.1%

US Manufacturing Data

On Monday 1st December we receive two important data releases concerning the health of the US Manufacturing sectors. The final reading of the S&P Global US Manufacturing Purchasing Managers index (PMI) for November and the ISM Manufacturing PMI. Both of these Indices undertake a survey of Purchasing Managers and provide a dispersion measure which provides a view on the condition of the sector. A reading above 50 means the sector is expanding whilst a measure below 50 suggests contraction

The S&P Global US Manufacturing PMI initial release came in at 51.9 for November a little down on the 52.5 final number of October but still in expansionary territory and most economists believe that this is likely to be reaffirmed in Monday's release.

The ISM Manufacturing PMI covers more detail in it's survey with inputs on prices, employments and overall orders. This survey has painted a more challenged picture of the Manufacturing Sector with eight straight months on contraction with the index falling to 48.7 in October, with new orders and employment showing weakness while pricing pressures had eased. Economists are estimating that there will be some improvements evidenced in Novembers release but the index level at 49 still suggests contraction.

This article is designed to provide you with information only. It is not designed to provide you with financial advice. Please seek financial advice if you are still unsure about your options. There may be a charge for this. Remember, tax treatment depends on your individual circumstances and may be subject to change in the future. And the value of investments can go down as well as up, and could be worth less than what was paid in. This information is based on our understanding in November 2025. Aberdeen is not responsible for the information, accuracy and views of external sources.

Back to top

Risk warning

The value of your investments can go down as well as up and you may get back less than you paid in. Tax rules can always change in the future. Your own circumstances and where you live in the UK could have an impact on tax treatment.