

Monthly Capital Markets Review

November 2025



Central Bank Policies

US Federal Reserve

- Minutes reflect division, markets recalibrating:** October FOMC minutes highlighted divisions—some members favored holding rates to curb inflation, while others supported more easing. This uncertainty briefly lowered December cut odds in mid-November, but expectations surged back to about 87% by early December.
- Dovish tilt from multiple Fed voices boosted cut odds:** November speeches from key policymakers shifted market expectations sharply toward a December rate cut. Lisa Cook (Nov 3) called the meeting “live” for easing, Christopher Waller (Nov 17) highlighted labor’s “stall speed” and endorsed a cut as risk management, and John Williams (Nov 21) noted policy is “modestly restrictive” with “room for adjustment.” These remarks collectively drove FedWatch probabilities from ~40% early in the month to over 80% by month-end.
- Mixed economic signals and labor softness:** The November Beige Book showed flat activity with weaker consumer spending and labor easing—job cuts, hiring freezes, slower wage growth. The delayed September jobs report revealed nonfarm payrolls rose 119K, rebounding from a 4K August decline and beating 50K forecasts.

Key Central Banks

- Reserve Bank of Australia (RBA):** On 3rd November 2025, the RBA kept its cash rate unchanged at 3.6%, citing September inflation coming in higher than expected.
- Bank of England (BOE):** On 6th November, BOE members in a 5-4 narrow vote decided to keep the Bank Rate at 4.0% as it decided that pre-mature easing could stall progress toward the 2% inflation target.
- Central Bank of Egypt (CBE):** On 20th November, the CBE kept its overnight deposit rate steady at 21%, pausing after four consecutive cuts to curb inflationary pressures, anchor expectations, and restore the disinflation path.
- Reserve Bank of New Zealand (RBNZ):** On November 25th, the RBNZ lowered its official cash rate by 25 bps to 2.25% at its final meeting of the year. Policymakers said the decision reflected significant spare capacity in the economy and easing inflation pressures.

Performance Summary

CB Policy Rates	Nov-25	Monthly Change bps	YTD Change bps
US Fed range	3.75-4.00%	-	-50bp
Japan	0.50%	-	+25bp
ECB	2.00%	-	-100bp
UK	4.00%	-	-75bp
UAE	3.90%	-	-50bp
KSA range	4.00%- 4.50%	-	-50bp

CDS Spreads	Nov-25	Monthly Change bps	YTD Change bps
US 5Y	33	-6bp	-0bp
Abu Dhabi 5Y	28	+0bp	-15bp
Dubai 5Y	51	-1bp	-12bp
Kingdom of Saudi Arabia 5Y	66	+4bp	+1bp
France 5Y	31	-5bp	-9bp
Germany 5Y	8	-0bp	-5bp
South Korea 5Y	23	+1bp	-14bp
China 5Y	47	+8bp	-18bp
Japan 5Y	22	+2bp	+2bp
Indonesia 5Y	73	-0bp	-6bp

Fixed Income

Market Monitor

- **US Treasury yields eased in November**, with 10-year yields falling about 6 bps, supporting a 0.6% gain in the Bloomberg U.S. Aggregate Bond Index. The curve flattened modestly as investors adjusted expectations, with 2-, 5-, and 10-year yields all declining.
- **The 43-day U.S. government shutdown ended** on November 12, but uncertainty over future funding deadlines fueled volatility in Treasury markets—pushing yields lower as investors sought safety, while curve flattening signaled caution ahead of January’s potential risk.
- **November Sukuk performance continued its positive run.** Investment grade sukuks recorded a 0.16% monthly return as measured by the Dow Jones Sukuk IG Index, while high yield sukuks yielded a 0.18% monthly return as measured by the S&P HY Sukuk Index.
- **Fitch reports the global sukuk market remains robust**, with ~80% investment-grade ratings and no defaults. Total issuance climbed ~21% YoY through Q3 2025, and strong investor appetite persisted into November.

DCM Issuance

- **Sharjah Islamic Bank** raised \$500 million from sale of 5-year sukuk issue. The final return was set at 4.6% per annum.
- **Ittihad International** raised \$550mn from sale of 5-year USD sukuk issuance. The final return was priced at 7.375% per annum.
- **Government of Qatar** raised \$3bn from sale of new 10-year USD sukuk. The final return was priced at 4.25% per annum.
- **Alinma Bank** raised \$500mn from sale of USD-denominated 10-year sukuk. Final return was set at 5.792% per annum.
- **DIB Bank** raised \$1bn from sale of new 5-year USD sukuk issue. Final return was set at 4.572% per annum.
- **Kuwait Finance House** raised \$850mn from sale of new Tier-1 USD sukuk issue. Final return was set at 6.25% per annum.
- **Government of Sharjah** raised \$750mn from sale of new 10.5 USD sukuk issue. Final return was set at 5.192% per annum.

Performance Summary

Key Interest Rates	Nov-25	Monthly Change bps	YTD Change bps
AED Rates			
UAE 1 Month	3.88%	-9bp	-36bp
UAE 3 Month	3.73%	+15bp	-71bp
UAE 6 Month	3.66%	-4bp	-79bp
UAE 12 Month	3.64%	-11bp	-72bp
USD Rates			
US 1 Month	3.93%	-2bp	-38bp
US 3 Month	3.68%	-5bp	-62bp
US 6 Month	3.77%	-5bp	-46bp
US 1 Year	3.60%	-8bp	-43bp
US 5 Year	3.60%	-9bp	-79bp
US 10 Year	4.01%	-6bp	-56bp
US 30 Year	4.66%	+1bp	-12bp
Sukuk Movement	Nov-25	Monthly Change %	YTD Change %
Dow Jones Sukuk IG Index	151.276	0.16%	7.22%
S&P Global HY Sukuk Index	198.407	0.18%	8.54%

FX Monitor

- GBP–USD traded choppily in November**, sliding early on UK fiscal concerns and BoE rate-cut expectations before rebounding as Budget clarity and softer U.S. data weakened the dollar. The pair ranged between 1.30 and 1.328, ending near 1.32 as markets priced in dovish moves from both central banks.
- US Dollar Index movement was flat on a monthly basis**, however experienced higher volatility, trading between 98 to 100+ levels. Initially, the index fell to 98 following the US government’s reopening, then climbed above 100 after the release of Fed minutes indicated a December rate cut was unlikely. Later, gains moderated as inflation eased and markets priced in a December cut.
- JPY depreciated in November vs USD** after Prime Minister Takaichi’s pro-growth stance and massive fiscal stimulus fueled expectations of higher government spending. This, combined with a mixed economic backdrop—modest growth and above-target inflation—made the Bank of Japan’s policy path less certain, driving investors toward higher-yielding assets and weakening the yen against the dollar.

FX Chart of the Month: GB Pound



Performance Summary

Forex Rates	Nov-25	Monthly Change %	YTD Change %
EUR – USD	1.160	0.5%	12.0%
USD - JPY	156.180	1.4%	-0.6%
GBP - USD	1.324	0.6%	5.7%
AUD - USD	0.655	0.1%	5.9%
USD - CHF	0.804	-0.1%	-11.4%
USD - CNH	7.071	-0.7%	-3.6%
USD - INR	89.456	0.8%	4.5%
USD - PKR	280.525	-0.2%	0.7%
USD - MAD	9.265	-0.3%	-8.5%
USD - TND	2.943	-0.3%	-7.7%
USD - EGP	47.650	0.9%	-6.3%
USD - DZD	130.131	0.0%	-4.0%
USD - MXN	18.296	-1.4%	-12.2%

Equities

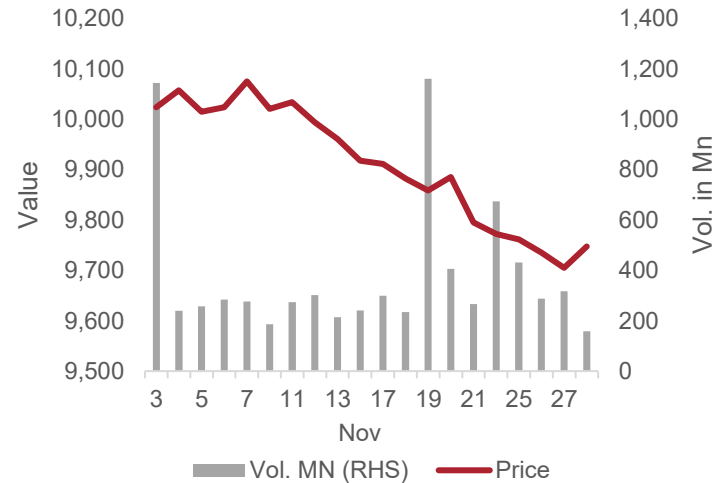
UAE Markets

- **FTSE ADXGI** decreased by 3.5% in Nov-25 with 25 securities advancing and 80 declining. Turnover for Nov-25 normalized to AED 27bn and was impacted by the acquisition of Modon by L'imad Holding in Oct-2025.
ALEFEDT (15%) & ADNOCDIST (7%) were key winners, while GHITHA (-20%) & PHX (-19%) were key losers.
- **DFMGI** decreased by 3.7% in Nov-25 with 24 shares advancing and 29 shares declining. AED 12.6Bn worth of shares were traded resulting in 10.6% decrease in turnover vs previous month.
 - TAKAFUL-EM (15%) & AIRARABIA (10%) were key winners while GULFNAV (-39%) & ENBD (-13%) were key losers.

Global Monitor

- **The S&P 500 edged up 0.1% in November**, marking its seventh consecutive monthly gain. The index faced mid-month pressure from a record-long U.S. government shutdown, AI bubble concerns, and stretched mega-cap valuations before a late-month rally, fueled by rising Fed rate-cut expectations, nudged it modestly higher.
- **The Tadawul All Share Index (TASI) plunged 9.1%**, marking its sharpest monthly drop in three years. All 21 sectors ended in negative territory, and trading volumes fell nearly 29% month-on-month, reflecting broad-based weakness across the market.

ADXGI Monthly Price-Volume



US S&P500 Monthly Price-Volume



Performance Summary

Markets Performance	Nov-25	Monthly Change %	YTD Change %
Regional			
ADX (Abu Dhabi)	9,747.17	-3.5%	3.5%
DFM (Dubai)	5,836.89	-3.7%	13.1%
TASI (Tadawul)	10,590.88	-9.1%	-12.0%
QSI (Qatar)	10,615.07	-3.1%	0.4%
BKM (Kuwait)	8,856.27	-1.9%	20.3%
MSX (Oman)	5,705.72	1.7%	24.7%
Global			
S&P 500 (US)	6,849.09	0.1%	16.4%
DAX (Germany)	23,836.79	-0.5%	19.7%
Nikkei 225 (Japan)	50,253.91	-4.1%	26.0%
Hang Seng (Hongkong)	25,858.89	-0.2%	28.9%
Nifty 50 (India)	26,202.95	1.9%	10.8%
S&P/ASX 200 (Australia)	8,614.07	-3.0%	5.6%

UAE Equities Key Developments

- **Multiply group** acquired an 83.9% share capital in Ghitha Holding PJSC as part of merger with 2PointZero Group.
- **Alpha Dhabi Holding** increased its stake in NMDC Group to 76.68% by acquiring 9.77% stake from AD Ports Group.
- **Mashreq** reported 5% YoY decline in net profit to AED1.7bn in 3Q25 due to higher taxes as assets reached AED 300bn.
- **Emaar Properties** reported 37.4% YoY increase in net profit in 3Q25 to AED4.4bn as UAE property boom drove higher sales.
- **ADNOC GAS** reported its highest 3Q net income in history at AED 4.9 billion, an 8% increase YoY.

Commodities

Oil Price Movement – November 2025



Performance Summary

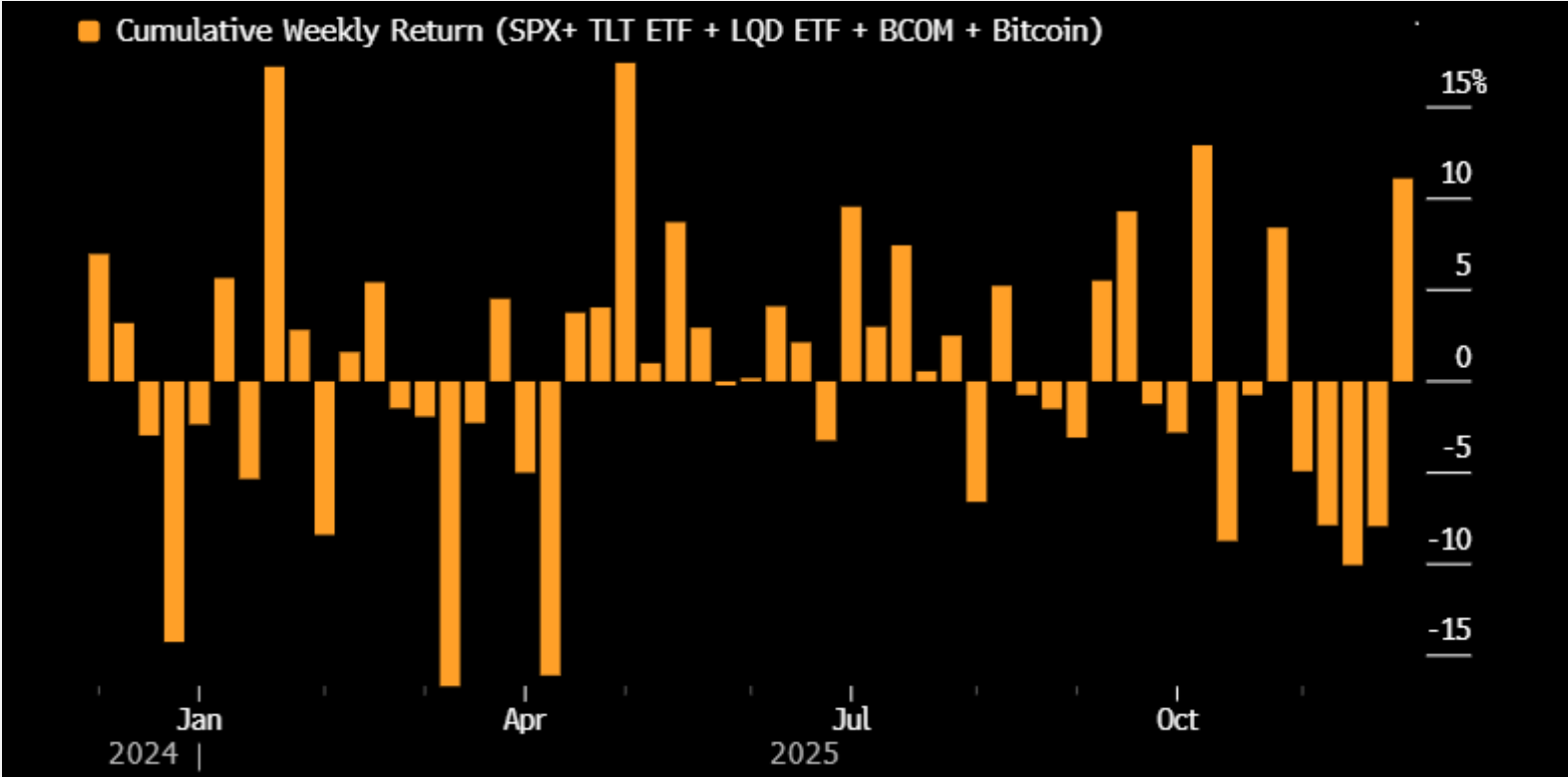
Commodities	Nov-25	Monthly Change %	YTD Change %
Brent (USD/bbl)	62.39	-3.7%	-17.3%
WTI (USD/bbl)	59.20	-3.7%	-18.3%
Nat. Gas (USD/MMBtu)	4.85	17.6%	33.5%
Gold (USD/oz)	4,239.43	5.9%	61.5%
Silver (USD/oz)	56.50	16.0%	95.5%
Copper (USD/MT)	11,189.00	2.8%	27.6%
Wheat (USD/bu)	538.50	0.8%	-2.4%
Corn (USD/bu)	447.75	3.8%	-2.3%
Bitcoin	109,428.01	-4.5%	16.8%

Oil & Gold Commentary – November 2025

- Oil prices continued its decline in November**, with Brent trading between \$61–\$64 and ending near \$62, about 4% down since last month. Market sentiment was shaped by OPEC+ maintaining its pause on quota increases, mixed global demand signals, and geopolitical risks. U.S. inventory draws offered temporary support, but elevated global stockpiles kept pressure on prices. Traders now await EIA, IEA, and OPEC reports for clarity on supply-demand dynamics heading into 2026.
- Gold rose by 5.9% in November, after testing record highs earlier in the month.** Spot gold hovered around \$4,200 per ounce, easing slightly from the \$4,300 peak as investors weighed softer inflation expectations against uncertainty over the Fed’s policy path. Demand remained supported by central bank buying and geopolitical risks, but profit-taking and a stronger dollar capped gains. Traders now await the Fed’s December decision for cues on real rates and bullion’s near-term trajectory.

Chart of the Month

November Ends With An Everything Rally



Source: Bloomberg

- Tech bubble fears fade, late-November rally:** Equities, bonds, commodities, and Bitcoin all rallied strongly in the last week of November, driven by easing volatility and growing expectations of a December Fed rate cut. Stocks surged despite AI valuation concerns, leaving bearish bets deeply wrong—leveraged short vehicles tied to volatility have lost over 80% this year.
- Last week November's moves echo recent cycles in which big bouts of turbulence ended up as a buying opportunity. "Don't fight the Fed and don't fight AI" remains the market mantra," Barclays strategist Emmanuel Cau said. "Stocks and all the liquidity-driven markets have rebounded with the probability of a Fed cut in December, while concerns about AI bubble have abated."

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