



MONTHLY MARKET REPORT SUMMARY: NOVEMBER 2025

Global share markets paused in November after a strong six-month rally, as concerns over AI-related valuations and surging capex weighed on sentiment. US shares were volatile, with profit-taking in technology despite strong earnings, while European and UK shares outperformed. Australian shares underperformed again, pressured by persistent inflation and rising rate expectations. Emerging markets retreated after recent strength, though year-to-date returns remain robust. Property and infrastructure outperformed globally, while Australian listed property lagged. Bond yields reflected mixed signals from central banks, with US yields easing late in the month and Australian yields rising. Commodities were mixed: gold surged on volatility, copper edged higher, while oil declined. The AUD strengthened modestly on widening rate differentials.



KEY SECTOR TAKEAWAYS

GLOBAL DEVELOPED SHARES



Unhedged global shares rose 0.2% in AUD terms in November, bringing 12-months returns to 16.5%. US shares were pressured by profit-taking in AI-related stocks, with Nvidia down 12.0% and Microsoft off 5.0%, despite strong earnings. Europe and UK shares outperformed and were supported by currency appreciation. From a sector perspective, IT was the weakest global sector, while healthcare, insurance, and utilities rallied as investors rotated to defensive exposures. Banks remain the standout for the year, driven by a surge in European banks from cheap valuations.

AUSTRALIAN SHARES



Australian shares fell 2.7% in November, bringing 12-month returns to 5.5%. Underperformance reflected persistent inflation and repricing of interest rate expectations. Large-caps lagged, down 3.3% as large companies continue to feel the brunt of weak earnings growth and poor earnings guidance, while mid-caps gained 0.3%. Banks fell 7.0% in November, weighing on the broader market, while resources and healthcare posted positive returns.



KEY SECTOR TAKEAWAYS

EMERGING MARKETS



Emerging markets fell 2.6% in AUD terms in November, bringing 12-month returns to 28.7%. South Korea fell 7.9% and Taiwan dropped 5.0% after strong prior month gains, while China declined 2.5%. Brazil bucked the trend, rising 7.7%, supported by diplomatic progress and easing of US tariffs.

PROPERTY AND INFRASTRUCTURE



Hedged global listed property rose 2.1% in November, bringing 12-month returns to 2.1% as well. Hedged global listed infrastructure gained 3.2%, bringing 12-month returns to 7.9%. Australian listed property fell 3.9%, dragged down by Goodman Group (-10.0%) and other major AREITs. Year-to-date, AREITs have underperformed global peers by almost 2.0%.

GLOBAL FIXED INTEREST



US 10-year yields eased late in November to 4.06%, following dovish Fed commentary and weaker labour data. Markets now expect a December rate cut and 2–3 further cuts to 3.0% by late 2026. Japanese 10-year yields surged toward 2.0%, their highest in 17 years, as markets priced a December hike.



KEY SECTOR TAKEAWAYS

AUSTRALIAN FIXED INTEREST



Australian 10-year yields rose to 4.53%, as inflation surprised to the upside and growth strengthened. The Bloomberg AusBond Composite Index fell 0.9% in November, bringing 12-months returns to 4.4%.

COMMODITIES



Gold surged to US\$4,219.30/oz, up more than 60% year-to-date, supported by equity market volatility. Copper rose 0.9% in November on structural demand and cyclical improvement. Brent crude fell 3.0%, based on excess supply and weak demand. Iron ore held above US\$104/t, defying expectations.

CURRENCIES

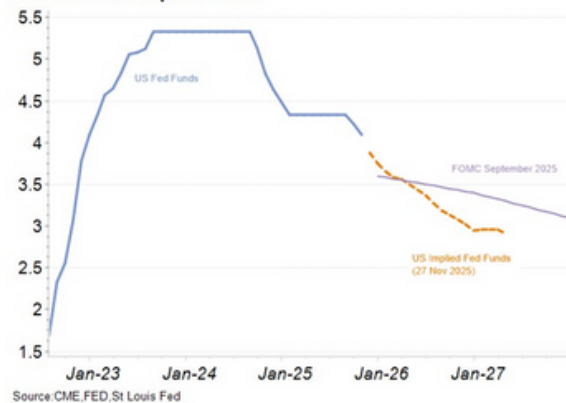


The USD weakened in November as markets priced in Fed cuts. The USD is down 12.0% against the Euro and 6.0% versus the GBP and AUD in 2025. The Yen remained near the upper end of the 140–160 range to the USD, despite a likely December rate hike.



ECONOMIC HIGHLIGHTS

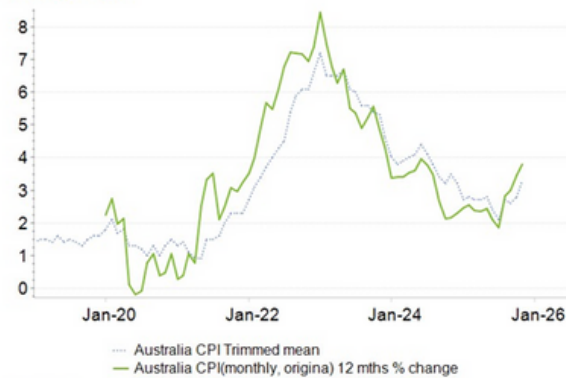
US Fed funds expectations



UNITED STATES: LABOUR, CONFIDENCE AND POLICY

September payrolls, which was released late due to the US government shutdown, added 119,000 jobs, but broader trends show weakening demand and rising layoffs, with unemployment rising to 4.4%. Consumer confidence fell sharply to 88.7 in November from 95.5 in October, which is the lowest since April, and was driven by job concerns and financial uncertainty. Markets expect a December rate cut and 2-3 further cuts to 3.0% by late 2026.

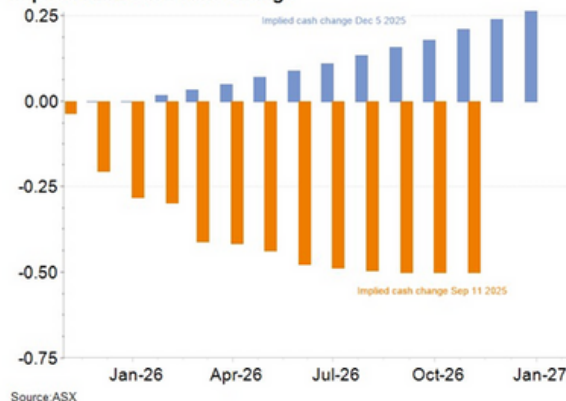
Australia CPI



AUSTRALIA: INFLATION, POLICY AND GROWTH

October inflation data showed the CPI at 3.8%, with core inflation at 3.3%, which is worse than expected and well above the RBA's target band. The RBA expects core inflation to return to the 2%-3% target range only in the second half of 2026. Markets are now factoring in a 100% chance of a 25-basis point rate hike by late 2026. Further, a recent NAB business survey and the September quarter GDP release points to a broadening out of activity, driven by increased household spending and private investment, which could prove inflationary.

Implied RBA Cash Rate change



ASSET CLASS RETURNS

	Month Return (%)	1 Year Return (%)	3 Year Return (p.a %)	5 Year Return (p.a %)
Australian Cash	0.3	4.0	4.1	2.6
Australian Bonds	-0.9	4.4	3.2	-0.4
Global Bonds (Hedged)	0.2	3.8	3.6	-0.5
Australian Shares	-2.7	5.5	9.7	9.9
Global Shares (Unhedged)	0.2	16.5	20.2	15.7
Global Shares (Hedged)	0.3	15.8	18.0	12.7
Emerging Markets	-2.6	28.7	15.5	7.5
Global Infrastructure (Hedged)	3.2	7.9	7.1	7.2
Australian Listed Property	-3.9	0.8	12.7	8.5
Global Listed Property (Hedged)	2.1	2.1	5.2	3.9
AUD / USD	-0.3	0.3	-0.8	-2.4

GLOBAL SECTOR RETURNS

	Month Return (%)	1 Year Return (%)	3 Year Return (p.a %)	5 Year Return (p.a %)
Consumer Staples	3.9	5.2	5.3	5.3
Consumer Discretionary	-1.7	9.8	17.2	7.9
Energy	2.6	4.8	4.9	20.5
Financials	2.1	17.8	20.8	16.9
Health Care	8.1	8.7	6.3	7.3
Industrials	-1.5	15.2	18.7	12.1
Information Tech	-4.7	24.6	32.3	19.1
Materials	4.1	11.0	8.5	7.6
Telecom	4.2	36.5	34.6	14.2
Utilities	2.2	19.4	13.4	9.2



AUSTRALIAN SECTOR RETURNS

	Month Return (%)	1 Year Return (%)	3 Year Return (p.a %)	5 Year Return (p.a %)
Consumer Staples	1.4	5.6	1.1	2.3
Consumer Discretionary	-2.6	5.3	13.9	9.5
Energy	-0.9	5.2	-3.0	7.0
Financials	-6.5	3.8	15.7	15.2
Health Care	1.7	-19.4	-4.2	-2.4
Industrials	-0.2	18.4	13.8	10.5
Information Tech	-10.8	-15.4	16.4	4.0
Materials	1.7	22.9	8.1	12.2
Telecom	-2.5	10.7	11.5	10.8
Utilities	-2.1	14.9	11.1	13.4



CONCLUSION

- Global shares paused in November, after a strong six-month rally, as AI-related valuations and capex concerns weighed on sentiment, despite strong earnings outside the tech sector.
- Australian shares underperformed on persistent inflation and rising rate expectations, though mid-caps outperformed large-caps.
- Emerging markets retreated after strong prior gains, with declines led by Korea and Taiwan, while Brazil rallied.
- Global property and infrastructure outperformed, while Australian listed property lagged, dragged down by Goodman Group and other major AREITs.
- Bonds reflected mixed signals: US yields eased on dovish Fed commentary, while Australian yields rose on inflation surprises.
- Gold surged on volatility, copper edged higher on structural demand, and oil declined on excess supply.
- The AUD strengthened modestly, while the USD weakened, on widening rate differentials.

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