

KEY ECONOMIC DATA

- The establishment survey found that, in September, payroll employment increased by 199,000 new jobs from the previous month, relatively good number and better than many analysts anticipated.
- The Conference Board's index of consumer sentiment in November was down 4.9% from the previous month and down 29% from a year earlier.
- The flash November manufacturing PMI for the United States was 51.9, a decline from the previous month and the lowest reading in four months.
- Japan's real GDP declined in the third quarter. It was the first time this happened since the first quarter of 2024. Specifically, real GDP fell at an annualized rate of 1.8% from the second to the third quarter.
- The Chinese government reported that retail sales were up 2.9% in October from a year earlier. This was the slowest pace of growth in retail sales since August 2024.
- The United States and China reached an agreement on a temporary trade truce: under it, China agreed to postpone restrictions on rare earth mineral exports, resume purchase of US soybeans, and cooperate with the US to reduce fentanyl shipments.

Market expectations of a Fed cut in December surged to around 85-87% from under 40% a few weeks ago

17.2%

PERFORMANCE OF SILVER

INVESTMENT PERSPECTIVE

The macro backdrop remained resilient, despite the lack of publications due to the US government shutdown. Growth in developed economies remained positive, earnings season was solid, and policy remained incrementally supportive, even as central banks debated the pace of future rate cuts.

Despite the strong results from Nvidia, the technology sector was the worst-performing sector in November, and growth indices underperformed value by several percentage points. Pressure undoubtedly stems from growing concerns about overly optimistic profit expectations in the field of artificial intelligence (AI), given the demanding valuation levels.

It should also be noted that the sharp downward revision in the probability of a rate cut by the Fed in December had a significant impact on growth assets, given the long duration of these companies' cash flows.

Consequently, technology-heavy markets such as Korea and Taiwan, which had outperformed earlier in the year, experienced steeper pullbacks, exacerbating the drag on growth-style assets.

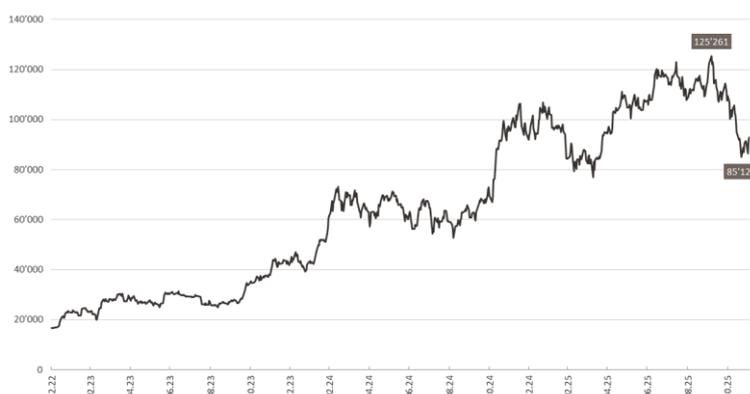
The market quickly recovered following comments from John Williams, President of the New York Fed and Vice Chair of the FOMC. He suggested that key interest rates could be lowered in December due to the weak job market, while addressing concerns about future inflation.

There has been an ongoing recalibration of market expectations around Fed policy, particularly with regard to the rising optimism and the 80–85% probability of a 25bps cut at the 9–10 December meeting — a significant increase from under 40% just weeks earlier despite the lack of fresh macro data.

The market did not provide the usual strength seen in U.S. indices in November. Volatility and a muted performance were the norm, due to macro policy uncertainty, high valuation risk and episodic geopolitical shocks. This unusual November may lead to a stronger December, as markets often rebound from a soft November.

Overall, the tone in the final trading days of November transitioned from cautious and volatile to constructive and hopeful, with liquidity returning and investors positioning for a "soft landing" scenario supported by looser monetary policy ahead. This optimism was a critical technical and psychological turning point that set the stage for a more positive market environment heading into December and the year-end period.

Bitcoin (XBTUSD)





INVESTMENT STRATEGY

Recent economic data showing weakening employment trends has fuelled optimism about rate cuts, aligning with the Fed's narrative on downside risks to the labour market. Market positioning reflected a growing belief that the Fed would prioritise supporting employment while managing inflation risks, making a rate cut in December more plausible.

Although U.S. breakeven inflation rates have declined moderately recently, they remain above the long-term average, signalling a modest easing of inflation expectations. Markets expect inflation to remain moderately above the Fed's target for the time being, favouring cautious policy adjustments over aggressive easing.

What can we expect from the change in leadership at the Fed in 2026? The nomination of Kevin Hasset suggests a shift towards more dovish monetary policy. As Trump's chief economic adviser, Hasset has advocated earlier and more substantial rate cuts to support growth and employment, reflecting Trump's stance on the Fed's slow easing. Markets have responded positively to the nomination, with Treasury yields falling due to expectations of cheaper borrowing costs and easier financial conditions.

If Hasset or a similarly minded candidate is confirmed, the yield curve is expected to steepen as short-term yields fall quickly with rate cuts, while longer-term yields may rise due to inflation concerns and uncertainty about the Fed's commitment to controlling inflation. This could introduce volatility and risk at the long end of the curve.

The Bitcoin plunged from over \$125,000 in early October to below \$90,000 in late November

PORTFOLIO ACTIVITY

November was a worrying month due to the sharp correction in sectors such as technology, which had previously enabled the markets to reach and exceed their historic highs.

Interest in defensive sectors such as healthcare increased, and these sectors performed extremely well in November.

Despite the volatility caused by repricing interest rate cuts and expected returns on substantial investments in artificial intelligence, we maintain a pro-risk stance, particularly with regard to equities.

We have not made any significant changes to our regional positioning. We continue to have a strong preference for emerging markets and Europe, both of which outperformed the United States in their respective local currencies last month.

After reducing our exposure to credit markets by a small amount, we have kept our allocations unchanged. However, we are aware of a situation involving a spread that offers asymmetric payoffs, where the potential for gains apart from the portable portion is becoming less attractive to us.

The prospect of a high probability of a rate cut by the Fed immediately put pressure on the US dollar, which depreciated against most currencies, particularly those of emerging markets.

We are maintaining our underweight position on the dollar and our preference for emerging countries and currencies. Following the dollar, gold has regained some ground after pausing at around \$4,000 and is currently trading at \$4,173.

	31/12/2024	30/09/2025	28/11/2025	Month-to-Date	Year-to-Date
Yields (%)				Δ In basis points	Δ In basis points
US 3-Month	4.31	3.93	3.80	-1	-52
German 3-Month	2.49	1.74	1.86	12	-62
US 2-Year	4.24	3.61	3.49	-8	-75
German 2-Year	2.08	2.02	2.03	6	-5
US 10-Year	4.57	4.15	4.01	-6	-56
German 10-Year	2.36	2.71	2.69	6	32
Currencies				Δ In %	Δ In %
EUR/USD	1.0354	1.1734	1.1598	0.5	12.0
USD/CHF	0.9074	0.7964	0.8040	(0.1)	-11.4
EUR/CHF	0.9401	0.9345	0.9322	0.4	(0.8)
GBP/USD	1.2516	1.3446	1.3235	0.6	5.7
Commodities				Δ In %	Δ In %
Oil (WTI)	\$71.7	\$62.4	\$58.6	(4.0)	(18.4)
Copper	\$402.7	\$485.7	\$518.6	1.9	28.8
Gold	\$2,625	\$3,859	\$4,239	5.9	61.5

Source: Bloomberg Finance L.P.

DISCLAIMER. The Forum Finance Group S.A. (FFG) is authorised by FINMA as asset manager and registered with the SEC as investment adviser. Although every care has been taken by The Forum Finance Group S.A. (FFG) to ensure the accuracy of the information published, no warranty can be given in respect of the accuracy, reliability, up-to-datedness, or completeness of this information. FFG disclaims, without limitation, all liability for any loss or damage of any kind, including any direct, indirect, or consequential damages, which might be incurred through the use of this document. The entire content of this document is subject to copyright with all rights reserved. You may not reproduce (in whole or in part), transmit (by electronic means or otherwise), modify, or use for any public or commercial purpose this document without the prior written permission of FFG. Please go to www.ffgg.com for our full disclaimer.