

Weekly Money Market Report

23 November 2025



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Global Markets Struggle for Direction as Mixed Data Clouds Outlook

Market Commentary

Global markets ended the week on a cautious note as mixed data across major economies shaped expectations around central bank policy paths. In the U.S., stronger than expected September nonfarm payrolls (+119K) along with a speech from Fed's William's weighed on rate-cut bets, while gold traded lower reaching \$4,040/oz and equities declined, with S&P 500 down 1.7%, the Dow nearly 1.8%, and the Nasdaq 2.3% for the week. Meanwhile, Eurozone Composite PMI held at 52.4, signaling steady expansion driven by robust services activity despite softening export demand and rising cost pressures. In the UK, data pointed to a cooling economy: retail sales fell 1.1% MoM, while the Services PMI eased to 50.5 and Manufacturing PMI improved slightly to 50.2, highlighting softer demand, reduced hiring, and cautious corporate sentiment ahead of the Budget. Across Asia-Pacific, the RBA minutes showed policymakers turning more cautious as inflation remains sticky, while recent Australian labor data continued to outperform expectations; Japan, however, saw GDP contract 0.4% q/q, with weaker consumption offset partly by government spending and infrastructure outlays.

North America

Unemployment Claims Rises, Markets Reassess December Rate Odds

Unemployment claims in the U.S. rose more than expected from mid-September to mid-October, according to delayed labor department data. Initial jobless claims reached 232,000 in the week ending October 18, up from 219,000 in late September and above the 223,000 expected. Continuing claims edged up to 1.957 million. While the Federal Reserve previously pointed to labor market softness when cutting rates, several officials have since downplayed the likelihood of another cut in December, citing persistent inflation despite the government shutdown delaying key data releases.

FOMC Minutes Shows Divided Views

Minutes from the Federal Reserve's October meeting indicate "strongly different views" amongst policymakers regarding a potential further rate cut in December. Whilst most participants judged additional easing could be appropriate, several favored holding the federal funds rate steady at 3.75%-4.00% for the remainder of the year. The October decision to cut rates by 25 basis points exposed a rare three-way split, with trump ally Stephen Miran advocating a 50-bps reduction and Kansas City Fed president Jeff Schmid calling for no change. The absence of October Labor Data, delayed by a government shutdown, adds uncertainty ahead of the December 9 to 10 FOMC meeting.

U.S. Labor Market Rebounds Strongly with Largest Job Gains in Five Months

U.S. non-farm payrolls rose by 119K in September, rebounding sharply from the revised 4K decline recorded in August and comfortably beating market expectations of 50K. This marks the strongest monthly job gain in five months, driven primarily by broad hiring in the health care sector, which added 43K positions, including ambulatory services (+23K) and hospitals (+16K). Food services and drinking places also contributed significantly with 37K new jobs, while social assistance added another 14K. However, the overall picture was mixed, as transportation and warehousing shed 25K jobs, with notable losses in storage (-11K) and courier services (-7K). Federal government employment continued its downward trend, falling by 3K in September and extending cumulative losses to 97K since January, while the manufacturing sector also contracted, shedding 6K jobs. The release was delayed due to the longest federal government shutdown in US history, and the October report has

been cancelled. Overall, the data highlights uneven labor market momentum, with strong service sector hiring offset by persistent weakness in transportation, government, and manufacturing. The Green back was last seen trading at 100.18.

Europe

Eurozone PMI Holds Steady Amid Diverging Sector Trends

The Eurozone Composite PMI came in at 52.4 in November, just below October's 52.5 but still consistent with steady economic expansion. The latest print marks one of the strongest two-and-a-half-year periods of monthly improvement, thanks largely to robust growth in the services sector, which recorded its fastest output increase in 18 months. Meanwhile, manufacturing expanded only marginally and at one of its slowest paces during the current nine-month growth streak. New orders weakened due to softer export demand, and firms held employment levels steady as hiring caution increased. Backlogs continued to decline, while input costs rose at the fastest pace since March, although output-price inflation eased to a one-year low. Business sentiment improved in November, signaling rising confidence even with mixed demand signals. Overall, the data reflects a resilient services-led recovery but highlights vulnerabilities in manufacturing and external demand.

The EUR/USD currency pair was last seen trading at 1.1511.

United Kingdom

UK Retail Sales Slide as Consumers Delay Spending

UK retail sales unexpectedly fell by 1.1% MoM in October, breaking a rising trend and sharply missing expectations for a flat reading. The decline followed a strong 0.7% upward revision for September, making October the first monthly drop since May. Much of the weakness came from supermarkets, which saw sales fall for the second consecutive month, while clothing stores also posted softer numbers as consumers delayed purchases ahead of Black Friday promotions. Online and mail-order retailers reported weaker demand as customers held back spending in anticipation of larger discounts. Over the three months to October, however, sales were still up 1.1%, and 0.4% higher YoY, suggesting a modest underlying improvement. On an annual basis, gains slowed significantly to 0.2%, marking the weakest rise since May and easing from September's 1% increase. Overall, the report underscores a cautious consumer environment heading into the holiday season.

UK PMI Signals Slowing Momentum as Demand Softens Across Sectors

UK PMI data for November signaled a mixed but still mildly expansionary picture across the economy, with the Services PMI easing to 50.5 and the Manufacturing PMI rising to 50.2. The services sector cooled from October's 52.3, marking the slowest expansion in its seven-month growth streak as new business contracted for the first time since July amid caution surrounding the November Budget. Hiring softened notably, with many firms opting not to replace departing staff in response to weaker demand and uncertainty around policy direction. In contrast, manufacturing showed a modest improvement, with output expanding for a second month and new orders rising for the first time in over a year, supported by stronger domestic demand. However, manufacturers continued to flag subdued global demand and rising overseas competition, which kept employment trends weak. On the price front, both sectors saw easing inflation pressures, with services output inflation slowing due to competitive pricing and manufacturing input costs falling to a one-year low. Despite softer demand indicators, business confidence improved slightly, suggesting firms expect conditions to stabilize heading into early 2026.

The GBP/USD currency pair was last seen trading at 1.3094.

Asia-Pacific

Australia RBA Meeting Minutes

Minutes from the Reserve Bank of Australia's November meeting showed policy makers growing more cautious about future rate cuts as inflation remained sticky and the labor market stayed resilient. The bank kept rates on hold at 3.6%, a widely expected decision after a stronger than expected third quarter inflation reading. Officials warned that firmer demand and solid employment growth could rekindle price pressures and limit the scope for further easing, while additional cuts would only be considered if the labor market weakened or the economic recovery slowed more than anticipated. Recent data showed October job gains far exceeding expectations and unemployment falling from a near four year high, underscoring ongoing labor market strength. Australia will also begin publishing full monthly consumer price index reports later this month, giving the RBA more timely insight into inflation. Markets now expect rates to remain steady at 3.6% through 2026.

The AUD/USD currency pair was last seen trading at 0.6454.

Japan's Economy Contracts in Q3 as Weak Consumption and Trade Drag Growth

Japan's economy contracted 0.4% q/q in Q3 2025, its first quarterly decline since Q1 of 2024, after a revised 0.6% expansion in Q2. The pullback was slightly better than expectations but reflected weaker private consumption as households faced higher rice prices and rising utility bills. Net trade dragged on growth, with exports dropping 1.2% after the U.S. imposed new 15% tariffs on most Japanese goods, while imports were nearly flat. Offsetting some of the weakness, government spending and business investment posted their strongest increases in over a year due to front-loaded public works and corporate capacity upgrades. The data comes as Prime Minister Takaichi prepares a new stimulus package to ease living-cost pressures and support exporters hit by U.S. tariffs.

The USD/JPY currency pair was last seen trading at 156.39.

Kuwait

Kuwaiti Dinar

USD/KWD closed last week at 0.30630.

Rates – Nov 23th, 2025

Currencies	Previous Week Levels				This Week's Expected Range		3-Month
	Open	Low	High	Close	Minimum	Maximum	Forward
EUR	1.1620	1.1488	1.1624	1.1511	1.1400	1.1610	1.1568
GBP	1.3135	1.3034	1.3193	1.3094	1.3000	1.3190	1.3090
JPY	154.40	154.40	157.89	156.39	154.80	157.90	154.97
CHF	0.7933	0.7917	0.8098	0.8084	0.8000	0.8200	0.8001

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