

WEEKLY MARKETS ROUND-UP

Executive Summary

1st December 2025

Top news: ISM Manufacturing and Services PMIs resp. today and Wednesday, US PCE Inflation on Friday– last week saw a broad surge in equity markets following the Oversold conditions that were met the previous week. It was mostly driven by rising expectations of a further -0.25% rate cut by the FED at its Dec. 10th meeting, following dovish remarks from FED Governor Williams Friday 10 days ago, and slightly dovish belated September PPI and Retail Sales data last week. Generally, global equities were up between 3 and 5% on average with the S&P500, the Nasdaq100 and the Nikkei225 leading the pack. Going forward, as we enter the last month of the year (and usually a good one for risk assets), investors will focus on catching up with economic data, which have been scarce and delayed since the start of the shutdown. This week, we are hence looking forward to the US Nov. ISM PMI's, with Manufacturing due this afternoon (exp. at 49 vs 48.7 prev.) and Services planned for Wednesday (exp. 52, vs 52.4 prev.). We will then consider the Nov. ADP private Payrolls net additions (an indication while waiting for the updated NFPs) on Wednesday, exp. at 19k vs 42k last month. Finally on Friday, the belated US PCE for Sept. will finally be released (exp. at 0.2% flat MoM), and then, later on that afternoon, the Univ. of Michigan Consumer Sentiment Index, which could tick up from historical low levels (52 exp. vs 51 prev.) along with Inflation Expectations, which have been gradually coming down lately.

Equities: the rise last week was broad and powerful. Such Breath Thrusts usually lead to further strength 6-12m out (see next page). In the meantime, Dec. usually starts well, yet then dips in week 2 and 3, before reaccelerating up again.

Fixed Income: 10Y US and Bunds yields continued to soften slightly last week. The mood around the upcoming FOMC meeting will continue to have strong influence (a rather dovish one for now). Longer term yields could retrace further.

Forex: as rate cut odds increased last week, the US Dollar faded circa 1% vs the other Majors (except for USD/JPY, which ended flat). As we move towards the 10th Dec. FED meeting, the US Dollar may continue to weaken slightly.

Commodities: Brent bounced slightly last week (<+1%) yet probably remains under pressure as supply continues to increase for OPEC+ and US shale. Gold is benefiting for the higher rate cut odds and bounced back +6% last week.

| | Currencies | Price | Performance since 52 Week Low | | | Performance since 52 Week High | | | Performance | Trend | Exaggeration |
|--|------------|--------|-------------------------------|-----------|--------|--------------------------------|------------|-----------|-------------|---------|--------------|
| | | | Date Low | Low Price | Rise % | Date High | High price | Decline % | | | |
| S&P500 Index | USD | 6'849 | Apr-25 | 4'983 | 37.5% | Oct-25 | 6'891 | -0.6% | 16.4% | up | neutral |
| Nasdaq100 Index | USD | 25'435 | Apr-25 | 17'090 | 48.8% | Oct-25 | 26'120 | -2.6% | 21.0% | up | neutral |
| Dow Jones Industrials Index | USD | 47'716 | Apr-25 | 37'646 | 26.8% | Nov-25 | 48'255 | -1.1% | 12.2% | up | neutral |
| EuroStoxx50 | EUR | 5'668 | Apr-25 | 4'622 | 22.6% | Nov-25 | 5'787 | -2.1% | 15.8% | up | neutral |
| Swiss Market Index | CHF | 12'834 | Apr-25 | 10'888 | 17.9% | Mar-25 | 13'167 | -2.5% | 10.6% | neutral | slightly OB |
| Nikkei225 | JPY | 50'211 | Apr-25 | 31'137 | 61.3% | Nov-25 | 52'411 | -4.2% | 25.9% | up | neutral |
| Shanghai Composite | CNY | 3'889 | Apr-25 | 3'097 | 25.6% | Nov-25 | 4'030 | -3.5% | 16.0% | up | neutral |
| | | | | | | | | | | | |
| US 10Y Treasury Yield | % | 4.02% | Apr-25 | 3.89% | 0.1% | Jan-25 | 4.79% | -0.8% | -0.6% | neutral | slightly OS |
| German 10Y Bund Yield | % | 2.69% | Dec-24 | 2.03% | 0.7% | Mar-25 | 2.89% | -0.2% | 0.3% | neutral | neutral |
| US 20Y Treasuries (TLT ETF, 17-18Y duration)* | USD | 90 | May-25 | 82 | 10.0% | Dec-24 | 91 | -1.3% | 5.9% | neutral | slightly OB |
| US Investment Grade (LQF ETF - 8-9Y duration)* | USD | 112 | Jan-25 | 102 | 10.0% | Oct-25 | 112 | -0.4% | 8.3% | neutral | neutral |
| US High Yield (HYG ETF, 3-4Y duration)* | USD | 81 | Apr-25 | 73 | 10.7% | Nov-25 | 81 | 0.0% | 8.3% | neutral | neutral |
| EM USD Sovereigns (EMB ETF, 7-8Y duration)* | USD | 97 | Apr-25 | 84 | 14.6% | Oct-25 | 97 | -0.1% | 13.5% | neutral | neutral |
| | | | | | | | | | | | |
| EUR/USD | | 1.16 | Jan-25 | 1.02 | 13.2% | Sep-25 | 1.19 | -2.2% | 12.0% | neutral | neutral |
| GBP/USD | | 1.32 | Jan-25 | 1.22 | 8.8% | Jul-25 | 1.37 | -3.7% | 5.8% | neutral | neutral |
| USD/JPY | | 156 | Apr-25 | 141 | 10.9% | Jan-25 | 158 | -1.4% | -0.7% | up | slightly OB |
| USD/CHF | | 0.80 | Sep-25 | 0.79 | 2.2% | Jan-25 | 0.92 | -12.4% | -11.4% | neutral | neutral |
| AUD/USD | | 0.66 | Apr-25 | 0.60 | 10.1% | Sep-25 | 0.67 | -2.0% | 5.9% | neutral | neutral |
| | | | | | | | | | | | |
| Brent Oil (per Barrel) | USD | 63 | May-25 | 60 | 4.9% | Jan-25 | 82 | -23.3% | -15.5% | down | neutral |
| Gold Spot (per Ounce) | USD | 4'236 | Dec-24 | 2'585 | 63.9% | Oct-25 | 4'378 | -3.3% | 61.4% | up | slightly OB |

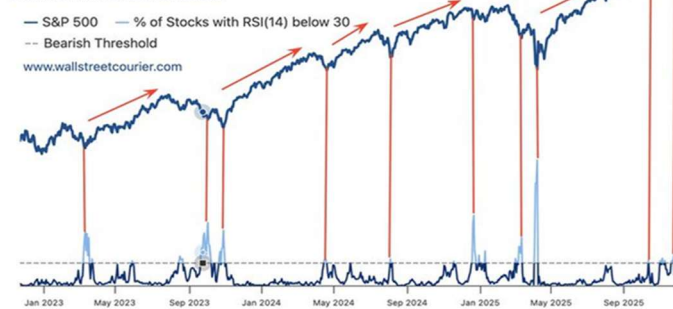
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Technical focus: Oversold conditions followed by a strong upside breadth thrust

Thursday 10 days ago, S&P500 stocks were on average quite oversold. In fact, more than 10% were very oversold with RSI (Relative Strength Index) levels below 30. As shown in the top left graph, such conditions often (not always) trigger interesting buy the dips opportunities. Since then, US equities have rallied back with amazing strength. This reacceleration mostly coincides with a sharp recovery in Dec. 10th FED rate cut odds (top-right). These now stand at 88% vs 30% 10 days ago (CME FEDWatch). Such comeback rallies often imply some short term consolidation, and seasonality would indeed suggest a slight dip, usually within the next couple of weeks, before the yearend rally reaccelerates (bot-left). That said, the upside participation last week was so strong, it almost triggered a Zweig Breadth Thrust confirmation (the 10d moving average of Advancing issues vs all issues drops below 40% and then rapidly rises back to above 61.5%, bot-right), while many other Breadth Thrust measures were also almost triggered (e.g. deGraaf BT, 55% new 20d highs / Whaley BT, 5d cumulative Advances vs Declines > 3.0X). Such Breadth reacceleration signals (especially when they come in a cluster) are usually followed by 85-90% of positive outcomes (+10-15% on average) after 6m and 90-100% (+15-25% on avg.) after 12m.

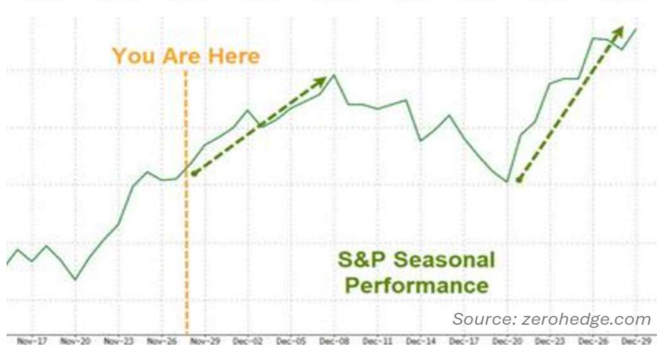
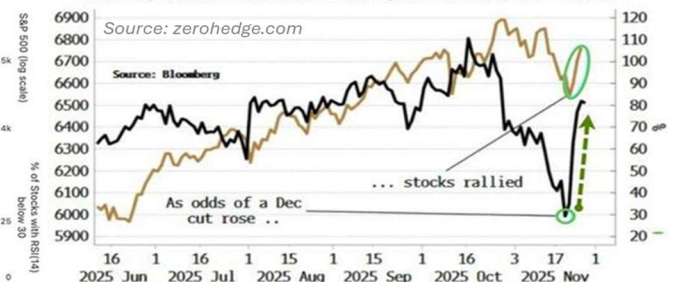
S&P 500: % of Stocks with RSI(14) below 30

Short-term oversold conditions



The Fed Put Is Alive and Well

— Probability Fed Cuts 25bps at Dec 25 Meeting (BBG Estimate), rhs — S&P, lhs



Notes:

- Trend last 6 months:** this Primis original algorithm, weighs the slope of the trend over the last 6 months vs the slope of the trend over the last 3 months yet factorised by the Fibonacci retracement ratio (0.618). Values are normalised using the average price over each period. If this combined slope is above +0.08% the trend is then "up", below -0.08% then "down", otherwise it is "neutral".
- Overbought (OB) / Oversold (OS) measures:** this Primis original algorithm is computed by comparing the difference between the 8 days moving average and the 100 days combined with the 3 days vs the 15 days one and normalises this difference by dividing it by the 1 year standard deviation (circa 260 open market days). Values above 225% or under -225% are Overbought "OB", resp. Oversold "OS", values above 100% or under -100% are "slightly OB", resp. "slightly OS", otherwise there is no relevant exaggeration and the situation is then "neutral".

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