

Weekly Money Market Report

9 November 2025



Central Banks on Hold Amid Diverging Economic Data

Market Commentary

Markets ended the week on a softer tone, with equities drifting lower as concerns over stretched tech valuations persisted despite mixed U.S. economic data. Manufacturing remained in contraction while services surprised to the upside, but investors stayed cautious ahead of the December Fed meeting. In FX, the USD weakened against both the EUR and JPY as expectations for a near term U.S. rate cut remained intact, while the GBP initially slipped following the Bank of England's decision and guidance before recovering into Friday's close. Gold was down on the week but recovered on Friday, supported by a softer dollar.

United States

Manufacturing Sector Remains in Contraction

U.S. manufacturing weakened again in October, marking the eighth consecutive month of contraction. The ISM Manufacturing Index slipped by 0.4 points to 48.7, remaining below the 50 level that signals expansion. Output dropped sharply and employment continued to decline for a ninth straight month as companies cut staff. Price pressures eased as the prices paid index fell to 58.0, its lowest since early tariff periods, indicating softer input-cost inflation. Inventories fell at the fastest pace in a year and backlogs shrank, pointing to subdued demand. Out of eighteen industries, twelve reported contraction, mainly textiles and apparel, while only a few, including primary metals, recorded growth.

Services PMI Surpasses Forecasts

In the U.S., the ISM Services PMI increased to 52.4 in October from 50.0, beating expectations and marking the strongest services sector expansion since February. Activity and new orders strengthened, signaling improving demand. However, employment remained in contraction territory due to uncertainty over the sustainability of growth. Survey respondents frequently mentioned the federal government shutdown as a drag on business activity and a risk for future layoffs. Meanwhile, price pressures intensified, with the prices paid index rising as companies reported higher input cost burdens from tariffs. Overall, the data point to a resilient but cost-squeezed services sector, with ongoing risks tied to labor and policy uncertainty.

ADP Report Shows Pickup in Private Sector Hiring

U.S. private sector hiring picked up in October, with 42,000 jobs added after two months of declines, according to ADP. This represents a recovery from September's revised loss of 29,000 jobs and a small drop in August. Because the government shutdown has halted the release of official labor market data, investors and economists are relying more on private sources such as ADP for direction. Most of the job gains came from trade, transportation and utilities, as well as education and health. Finance and construction also added workers. In contrast, information technology, leisure and hospitality, professional services and manufacturing all reduced their workforce. The data also showed that large companies were responsible for most of the hiring, while small and medium sized firms cut jobs. Weakness in the labor market was cited by the Fed as a reason for cutting rates in the previous meeting, however Chair Jerome Powell along with other speakers warned that a December cut is not necessarily set in stone. Despite the positive job report, as well as warnings by Fed speakers, markets still overwhelmingly favor a rate cut for the December meeting.

The Greenback was last seen trading at 99.56.

United Kingdom

Bank of England Maintain Policy Rate

The Bank of England kept interest rates at 4% in a narrow decision that pointed toward a possible cut in December. Five members of the Monetary Policy Committee, including Governor Andrew Bailey, voted to hold rates steady, while four supported a reduction to 3.75%. The bank said September inflation of 3.8% was likely the peak, and meeting minutes showed Bailey was the most dovish among those who favored no change, noting

that inflation risks had eased and become more balanced. He said rates are still expected to trend lower, but the committee needs clear evidence that inflation is moving back toward the 2% target before cutting again. Although the decision broke the pattern of quarterly rate reductions since August 2024, the BOE signaled that a December cut is on the table, with policymakers set to receive the government’s autumn budget and two further rounds of inflation and labor market data beforehand. Markets are slightly favoring a December rate cut, with nearly 15 bps of easing priced in.

The GBP/USD currency pair was last seen trading at 1.3157.

Switzerland

Inflation Falls Amid Currency Strength

Swiss inflation slowed significantly in October, falling to 0.1% YoY from 0.2% in September and far below expectations. Core inflation also eased to 0.5% from 0.7%, reflecting widespread softness in price pressures. The decline stemmed mainly from cheaper imports due to a strong Swiss franc, which remains near multi-year highs.

The USD/CHF currency pair was last seen trading at 0.8048.

Asia-Pacific

RBA Keeps Rate Unchanged

The Reserve Bank of Australia kept the cash rate at 3.6% and warned that inflation pressures are reemerging, with house prices, rents and services expected to rise faster through 2026. The board unanimously agreed that rates should remain unchanged and did not consider a cut, with Governor Michele Bullock cautioning that easing too soon could prevent inflation from continuing to fall. She said the path ahead is uncertain, noting it is possible rates stay on hold or move slightly lower, but policymakers are not committed to any specific trajectory. Core inflation climbed to 3% in September, its first acceleration since 2022, and updated RBA forecasts now show headline inflation rising to 3.7% by mid 2026 and core inflation to 3.2%, meaning the bank will no longer reach its earlier projection of 2.5% by 2027. Bullock added that the labor market remains tight despite a recent rise in unemployment, while Treasurer Jim Chalmers said unemployment and inflation are still relatively low but acknowledged that households and businesses may have hoped for another rate cut.

The AUD/USD currency pair was last seen trading at 0.6491.

Kuwait

Kuwaiti Dinar

USD/KWD closed last week at 0.30605.

Rates – November 9th, 2025

Currencies	Previous Week Levels				This Week's Expected Range		3-Month
	Open	Low	High	Close	Minimum	Maximum	Forward
EUR	1.1534	1.1468	1.1591	1.1565	1.1460	1.1670	1.1622
GBP	1.3138	1.3007	1.3174	1.3157	1.3095	1.3300	1.3155
JPY	153.99	152.80	154.48	153.40	152.05	154.50	152.03
CHF	0.8041	0.8030	0.8124	0.8048	0.7930	0.8125	0.7964

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