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Weekly Money Market Report
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>NBK Treasury
+965 22216603
tsd_list@nbk.com

Longest U.S. Government Shutdown in History Ends

Market Commentary

Global sentiment was cautious as mixed data guided market expectations. In the United States, the end of the record-long government shutdown offered some relief, though the absence of October CPI and labor-market releases leaves the Fed approaching the December meeting with constrained visibility. Data from the United Kingdom remained soft, with cooling retail activity, a rise in unemployment, and Q3 GDP slowing to 0.1%, weighed by a sharp manufacturing decline linked to the Jaguar Land Rover cyber incident. The Eurozone delivered modest improvement, with Q3 GDP rising 0.2% q/q, supported by gains in Spain, France, and the Netherlands, while Germany stagnated and Italy's industrial sector stalled. Annual growth of 1.4% underscored regional resilience despite ongoing geopolitical and trade pressures. In Australia, unemployment edged down to 4.3% on strong full-time hiring, reinforcing the RBA's decision to maintain its policy stance. China saw industrial production rise 4.9% y/y in October, the slowest pace since August 2024, reflecting softer manufacturing and mining activity during the Golden Week period, though output remained broad-based with 29 of 41 industries recording growth. Overall, markets balanced selective pockets of strength with persistent policy uncertainty across major economies.

United States

U.S. Government Reopens

The U.S. government has reopened after the House and Senate passed a funding bill, supported by several Democratic defections, ending the longest shutdown in history. The deal, which lasts through January 30, restores operations without the enhanced healthcare subsidies Democrats had sought and includes reinstatement of furloughed federal workers, along with a controversial measure allowing certain Republican senators to sue over Jan. 6 investigations. Around 800,000 federal employees will resume receiving pay, and Supplemental Nutrition Assistance Program (SNAP) benefits are fully funded through next September, with distributions resuming quickly. However, the shutdown created major data gaps: October inflation and jobs reports may never be released, leaving the Federal Reserve with limited information ahead of its December rate-cut decision.

The U.S. dollar index was last seen trading at 99.299.

United Kingdom

Retail Sales

UK retail sales rose 1.5% year-on-year in October 2025, slowing from 2% in September to the weakest growth in five months as shoppers delayed spending ahead of Black Friday and possible tax hikes. Food sales growth eased to 3.5%, while non-food sales barely rose 0.1%, weighed by mild weather and anticipation of discounts. The British Retail Consortium's (BRC) Helen Dickinson said retailers are counting on Black Friday for a rebound, cautioning that upcoming fiscal measures may hurt consumer confidence. She added that many consumers deferred purchases of toys, electronics, and clothing, though furniture and homeware sales benefited from holiday preparations.

Labor Market

New official figures from the Office for National Statistics (ONS) indicate a weakening UK labor market, with the unemployment rate rising to 5% in the three months to September, a post-pandemic high and its highest level since August 2016. This increase, which exceeded analyst expectations, has fueled speculation that the Bank of England's Monetary Policy Committee may approve an interest rate cut when it meets in December. Average wage growth slowed to 4.6% in the third quarter, and the estimated number of people on company payrolls fell sharply by 180,000 in the year to October. While the ONS noted the figure should be treated with caution, various political figures blamed the government's policies for the weakening jobs market.

UK GDP Misses Growth Expectations for Q3

The UK economy grew by just 0.1% in Q3 2025, slowing from Q2 and missing expectations as a 0.5% contraction in the production sector, including sharp declines in manufacturing (-0.8%) and mining (-1.5%), weighed on overall activity. Manufacturing was hit particularly hard by a 10.3% drop in motor vehicle output following a major cyberattack at Jaguar Land Rover. The services sector grew 0.2%, supported by arts, entertainment, recreation, and real estate, though professional and technical services weakened. Construction rose only 0.1%, with gains in repair and maintenance offset by falling new work. On the expenditure side, investment, consumer spending, and net trade improved, but declines in valuables and inventories limited overall growth. Annually, GDP rose 1.3%, just below expectations.

The GBP/USD currency pair was last seen trading at 1.3168

Eurozone

Spain Leads GDP Growth in the Eurozone, While German Growth Stagnates

The Eurozone economy grew modestly in Q3 2025, with GDP rising 0.2% quarter-on-quarter, slightly improving from 0.1% in Q2. Spain led the bloc with a solid 0.6% gain driven by strong consumer spending and investment, while France grew 0.5% due to a sharp rebound in exports, and the Netherlands expanded 0.4%. In contrast, Germany showed no growth amid weaker external demand, and Italy also stalled as industrial activity contracted and services remained flat. Annually, GDP increased by 1.4%, a touch above the earlier estimate but slower than Q2's 1.5%. Overall, the data highlights the region's resilience despite geopolitical and trade uncertainty, easing immediate pressure on the ECB for further rate cuts.

The EUR/USD currency pair was last seen trading at 1.1620.

Asia-Pacific

Australia Unemployment

New data from the Australian Bureau of Statistics on Thursday showed the unemployment rate slipping to 4.3 percent, helped by 42,000 people joining the workforce. Full time employment increased by 55,300 positions, while part-time roles declined by 13,100, keeping the participation rate near its historic high of 67 percent. The result was stronger than the Reserve Bank of Australia's earlier forecast of 4.4 percent. The RBA left the cash rate at 3.6 percent in November, noting higher than expected inflation and a labor market that remains a little tight. Markets now expect the central bank to keep rates unchanged throughout 2026.

The AUD/USD currency pair was last seen trading at 0.6536

China Inflation

In China, headline CPI rose 0.2% year-on-year in October 2025, surprising to the upside versus expectations for a flat reading and rebounding from a 0.3% decline in September. This marks the first return to positive consumer inflation since June and the fastest pace since January. Non-food prices accelerated to 0.9% from 0.7%, supported by trade-in schemes and stronger Golden Week holiday spending, which together shored up domestic demand. Housing, clothing, healthcare, and education all saw continued price gains, while transportation costs still fell but at a slower rate. Food prices remained a drag but recorded their smallest decline in three months. Core inflation, excluding food and energy, climbed to 1.2% year-on-year, the highest in 20 months after 1.0% in September. On a month-on-month basis, CPI also rose 0.2%, building on a 0.1% increase previously and hitting a three-month high.

China Industrial Production

China's industrial production rose 4.9% year-on-year in October 2025, easing from 6.5% in September and falling short of expectations, marking the slowest pace since August 2024. The slowdown was driven by softer manufacturing and mining activity, partly influenced by the Golden Week holiday, though utilities output accelerated notably. Despite the moderation, 29 of 41 major manufacturing industries still posted growth, with strong gains in autos, electronics, shipbuilding, chemicals, and energy-related sectors. Over the first ten months of the year, industrial production increased 6.1%, while output edged up 0.17% month-on-month, reflecting steady but cooling momentum.

The USD/CNY currency pair was last seen trading at 7.0992.

Kuwait

Kuwaiti Dinar

USD/KWD closed last week at 0.30585.

Rates – Nov 16th, 2025

	Previous Week Levels				This Week's Expected Range		3-Month
Currencies	Open	Low	High	Close	Minimum	Maximum	Forward
EUR	1.1565	1.1538	1.1655	1.1620	1.1550	1.1700	1.1679
GBP	1.3148	1.3081	1.3215	1.3168	1.3075	1.3250	1.3168
JPY	153.22	153.22	155.04	154.54	153.00	155.50	153.13
CHF	0.8052	0.7876	0.8072	0.7937	0.7880	0.8040	0.7853