newsquawk

Week Ahead - 3rd-7th November 2025

Highlights include US ISM PMIs, ADP, Supreme Court Tariff Hearing, RBA, BoE, OPEC-8, French Revenue Vote

- **SUN**: US clocks change (LDN-NY gap reverts to 5hrs); OPEC-8 Meeting. Australian Final PMIs (Oct)
- **MON**: Japan Culture Day Holiday; Swiss CPI (Oct), EZ, UK & US Final Manufacturing PMI (Oct), US ISM Manufacturing PMI (Oct), Construction Spending (Sep)
- **TUE**: RBA Announcement & SoMP, French Assembly Budget (PLF/Revenue) Vote; Canadian Trade Balance (Sep), New Zealand Unemployment (Q3)
- **WED**: US Supreme Court tariff hearing, Riksbank Announcement, BCB Announcement; German Industrial Orders (Sep), EZ, UK & US Composite & Services Final PMIs (Oct), EZ Producer Prices (Sep), US MBA, ADP (Oct), ISM Services PMI (Oct)
- **THU**: BoE Announcement and MPR, Norges Bank Announcement; German Industrial Output (Sep), Swedish CPIF Flash (Oct), US Challenger Layoffs (Oct)
- **FRI**: German Trade Balance (Sep), Canadian Jobs Report (Oct), US Uni. of Michigan Prelim. (Nov), Chinese Trade Balance (Oct)

OPEC-8 MEETING (SUN): The OPEC-8 (Saudi Arabia, Russia, Iraq, the UAE, Kuwait, Kazakhstan, Algeria, and Oman) are poised for an online meeting on Sunday, with sources suggesting the alliance is leaning toward another modest output increase of around 137k BPD for December. The move would extend the gradual unwinding of the 1.65mln BPD voluntary cuts implemented in 2023, as the cartel takes a cautious approach to restore market share without detrimental price action. According to Reuters sources, several producers reportedly back continuing these incremental hikes, while others favour a pause to reflect seasonal demand and ample inventories. Standard Chartered expects OPEC+ to stay the course, noting the recent shift in the Brent futures curve from contango to backwardation supports a steady approach. The decision follows the US imposition of sanctions on Russia’s two largest oil companies - Rosneft and Lukoil, which briefly lifted Brent back above USD 66/bbl after hovering at multi-month lows. Note, Saudi Crown Prince MBS is due to visit Washington in November; thus, politically intelligent decisions could be taken ahead of the visit.

US ISM MANUFACTURING/SERVICES PMI (MON/WED) : With the lack of US Government data, ISMs take on more degree of importance, with Manufacturing due Monday (3rd Nov) and Services Wednesday (5th Nov). In the flash S&P Global data, which helps shape ISM expectations, Manufacturing rose to 52.2 (exp. & prev. 52), and Services lifted to 55.2 (exp. 53.5, prev. 54.2). Within the report, it highlighted business activity growth in October was the second-fastest so far this year and was accompanied by the largest rise in new business seen in 2025 to date. Regarding employment, growth picked up, but the pace was modest, and it weakened in manufacturing. The Fed took a hawkish shift at the prior meeting, with inflation still above target while Fed Chair Powell does not see weakness in the job market accelerating. He stressed several times that a December rate cut is not a foregone conclusion and there are varying views on the future rate path at the FOMC. Going into the last meeting, some had been concerned about the uptick in services inflation, as it is not directly linked to tariffs, so the price PMIs will be watched for a gauge on current inflation in the economy, with employment watched for clues about the labour market amid the government shutdown and lack of official data.

QUARTERLY FINANCING/REFUNDING (MON/WED): The US Treasury will announce the Q4 refinancing estimates on Monday at 20:00GMT/15:00EST, ahead of the quarterly refunding announcement on Wednesday at 13:30GMT/08:30EST. For the financing estimates, the Treasury announced in July that for Q4, the Treasury expects to borrow USD 590bln in privately-held net marketable debt, assuming an end-of-December cash balance of USD 850bln. For refunding, the Treasury maintained guidance that it expects to maintain nominal coupon and FRN auction sizes for at least the next several quarters; any change to this would be of note. However, Morgan Stanley expects current coupon sizes to remain steady until February 2027. One thing to bear in mind is the Fed's end of QT, from December 1st, the Fed will start to reinvest all maturing Treasury security holdings on its balance sheet, while it will continue to let mortgage-backed securities roll off the balance sheet; however, the payments will be reinvested into Treasury bills instead of MBS. We will have a look at the upcoming buyback operations too for any changes. The prior refunding saw the Treasury note in H1'26, it plans to offer direct buyback access to a limited number of additional counterparties, based on their participation in Treasury auctions. Morgan Stanley "interpret this statement to mean that the additional eligible participants for buyback operations will be the largest participants in auctions by risk taken down".

SWISS CPI (MON): September’s Y/Y figure was 0.2%, in line with the prior and defying newswire consensus for an uptick to 0.3%. A print that left the Q3 average at 0.2%, in-line with the SNB’s forecast from the September policy announcement; a forecast that was increased from the 0.1% view outlined in June. For Q4, the SNB looks for a 0.4% average rate, but the Minutes of September’s meeting seem to suggest that this is a function of the slight upward surprise seen in Q3 (vs the June meeting forecasts), rather than any fresh price driver. For inflation, the SNB makes clear that uncertainty is high, but all indicators point to it remaining within the target band of 0-2% throughout the entire horizon. Overall, the October release will likely pass without incident; however, we will be attentive to any deviation from the SNB’s quarterly forecast, particularly a cooler one as that could reignite talk of a move into negative rates. As it stands, the base case for Switzerland is that the easing cycle is likely over, with the Chairman outlining that “the bar to go into negative rates is higher than for a normal cut”.

RBA ANNOUNCEMENT (TUE): The RBA will decide on rates next Tuesday with a recent Reuters poll showing unanimous expectations for the central bank to maintain the Cash Rate at the current level of 3.60%, while money market pricing is also leaning heavily towards no change in rates with a 92% probability of a pause, which is a hawkish shift from pricing earlier in the week of around a 40% vs 60% probability between a 25bps cut and a hold, respectively. As a reminder, the RBA kept the Cash Rate unchanged at 3.60% in the September 30th meeting, as expected, with the decision made unanimously, while the statement noted that though inflation has fallen substantially from its 2022 peak, the decline in underlying inflation has slowed, and recent data suggested Q3 CPI may be higher than anticipated at the time of the August Statement on Monetary Policy. The Bank reiterated its focus on quarterly trimmed mean inflation as the primary guide, although Governor Bullock acknowledged that monthly CPI still provides some information. Furthermore, the Board judged that risks are now "broadly balanced," noting both upside risks from stronger domestic demand and downside risks if households become more cautious in response to external developments. The statement underlined that the Bank remains "alert to the heightened level of uncertainty" and will continue to update its assessment as data evolves. Furthermore, RBA Governor Bullock kept the central bank's options open at the post-meeting press conference as she noted that there could be a couple more rate cuts or there could not be, and didn't give forward guidance, but noted they will have more data in November. Since then, the data had been mixed as employment data was weaker than expected, as headline Employment Change missed expectations and the Unemployment Rate rose to 4.5% vs. Exp. 4.3% (Prev. 4.2%), which supported the case for cutting rates. However, the latest quarterly CPI data for Q2 and the monthly CPI for September printed firmer-than-expected across the board, which resulted in an unwinding of rate cut bets and spurred the likes of CBA and Goldman Sachs dropping their calls for a cut and now see the RBA to stand pat.

FRENCH ASSEMBLY BUDGET (TUE): The French Assembly is scheduled to hold a vote concerning just the Revenue (PLF) aspect of the budget. As a reminder, deliberations formally began following the appointment of the 2nd Lecornu administration, after it courted support from the Socialist Party (PS) by agreeing to postpone pension reform until the next Presidential cycle. The main point of contention, as things stand, is the wealth tax. PS wants to adopt a 'lighter' motion than the Zucman measure, one that has a lower implementation threshold and a higher rate, but strips out several key groups, including innovative businesses. However, the proposal has drawn pushback from members of the central government. As such, PM Lecornu has the unenviable task of attempting to find a way forward on this, not to mention numerous other fiscal components, in order to keep momentum going on budget talks. If the PS is not satisfied with the compromise or progress around it, they have threatened to censure the government; a motion that would all but certainly succeed and lead to the removal of PM Lecornu. The schedule currently has November 24th for a vote on the Social Security component (PLFSS) of the budget. Into this, the OAT-Bund 10yr yield spread has been holding on either side of the 80bps mark, vs the 88bps YTD high and 2024's 90bps peak. As a side note, if talks fail and the National Assembly is dissolved, this would have to occur by November 15th in order to allow enough time for elections to occur and the 2026 budget to be voted on before the end of 2025.

US SUPREME COURT TARIFF HEARING (WED): The US Supreme Court will hear oral arguments in the case challenging US President Trump's Reciprocal Tariff Policy. The hearing follows a Federal Circuit ruling that found Trump exceeded his authority under the International Emergency Economic Powers Act (IEEPA) when imposing tariffs on several trading partners, including Mexico, Canada, and China. According to EY, the Court is expected to consider whether IEEPA allows the president to impose tariffs beyond its intended scope, with arguments scheduled for the upcoming Wednesday (EY suggested oral arguments are limited to a total of one hour). Tariffs will remain in force until the Court's final decision, expected early next year. Bloomberg notes that prediction markets (PredictIt and Polymarket) currently see a roughly 60% chance that the Court will rule against President Trump, potentially exposing the government to refund claims. If the tariffs are struck down, importers could seek refunds, though legal experts cited by Bloomberg warn the process could be "messy" given complex refund claim structures.

RIKSBANK ANNOUNCEMENT (WED): Riksbank is expected to keep rates steady at 1.75% in November, in line with the rate path provided at the last meeting - no verbal change to guidance is expected. Recent data will not change much by way of policy at the Bank. In more detail, headline CPIF Y/Y cooled from the prior, but was a touch above the Riksbank's view; the core CPIF Y/Y figure cooled in line with the Bank's view. Q3 GDP was very strong, with Q/Q rising 1.1% (exp. 0.7%, prev. 0.5%) – a figure which significantly topped the Bank's own forecast (0.5%), but it is worth highlighting that the flash figure has been fairly volatile and is often subject to hefty revisions. The Bank has put heightened focus on the labour market, which has not really shown any significant signs of improvement; in September, unemployment remained elevated at 8.7%, unchanged from the prior. Overall, inflation has developed in line with the Bank's view and growth is recovering – factors which play in favour of keeping steady on the current rate path envisaged at the last meeting. Analysts at Nordea and SEB concur this view and see rates holding steady for the remainder of this year and next. To recap the last meeting, the Riksbank cut rates by 25bps (subject to hawkish dissent via Seim, who favoured no cut). The accompanying MPR indicated that the Bank is now at terminal, with the next move seen as a hike but not until late-2027.

BCB ANNOUNCEMENT (WED): The Brazilian Central Bank is expected to leave rates on hold once again at 15.00%. The prior statement noted that risks to the inflation scenarios, both to the upside and downside, continue to be higher than usual. It stated that, ensuring the convergence of inflation to the target requires a significant contractionary monetary policy for a very prolonged period, hence the BCB are expected to keep rates on hold. It also emphasised that it would not hesitate to resume the interest rate hiking cycle if needed. Pantheon Macroeconomics expects the BCB to keep rates on hold through 2025, but with modest easing possible from early 2026. Bloomberg highlights that swaps traders see a chance of a rate cut in January, but a cut is only fully priced in for March.

US PAYROLLS/ADP (WED): US non-farm payrolls were scheduled for next Friday, 7th November, but due to the ongoing US Government shutdown, it is highly unlikely we will receive the data and will mean we are yet to receive either the September or October jobs report. On this, at Fed Chair Powell's press conference on Wednesday, where he struck a very hawkish tone, he said he does not see weakness in the job market accelerating, but highlighted that they haven't seen the September payroll report. Although the Chair quipped that state-level claims data does not suggest a significant deterioration. Despite likely not receiving the public data, we will get the monthly ADP employment on 5th November. This week, ADP announced it will begin releasing a preliminary US estimate of the ADP National Employment Report weekly, each Tuesday, whereby the first print came in at 14,250, for the four weeks ending October 11th. As Powell mentioned frequently in his presser, the Committee is seemingly very split on a December decision, and another cut [in Dec.] "is far from assured", and as such, any data will be welcomed, if and when the US Government comes out of shutdown. For the record, money markets are currently pricing in a c. 70% chance of a 25bps rate cut at the next confab.

BOE ANNOUNCEMENT (THU): Expectations are for the BoE to keep the Bank Rate at 4.0%, according to 54/63 surveyed by

Reuters, with markets assigning a 31% chance of such an outcome. The decision to do so is expected to be via a 6-3 vote split vs. the 7-2 decision in September, which saw dovish dissent from Dhingra and Taylor. The BoE has largely been priced on hold since the August meeting, which saw a "hawkish" cut as more policymakers than expected put their weight behind an unchanged move on account of concerns over the stickiness of inflation in the UK. In terms of economic developments since the prior meeting, inflation data for September came in softer-than-expected, with Y/Y CPI failing to hit the 4% projection that some had been fearful of. However, this has not been enough to cement calls for immediate action by the BoE, given that inflation is still nearly double the MPC's target and wage growth is inconsistent with the Bank's mandate. Whilst the BoE can often wrongfoot the market, policymakers have failed to talk up the possibility of policy loosening in November, with rate-setters waiting to see the outcome of the November 26th budget. Press reporting ahead of the event is indicative of a potential tax hike/low growth budget, which would likely need to be met with a looser approach by the MPC. However, until the budget is actually announced, policymakers will not act on such assumptions. Looking beyond November, the aforementioned September CPI report added to expectations of a cut in December, with such an outcome priced at around 64%. Alongside the decision itself, the MPC will be releasing its latest MPR with Morgan Stanley of the view that the MPC's medium-term forecasts will align with the August MPR.

NORGES BANK ANNOUNCEMENT (THU): Norges Bank is expected to keep rates steady at the November policy meeting, in line with the MPR provided in the prior confab; currently, the Key Policy Rate is at 4.00%. The latest inflation dataset will not change much for policymakers; September's readings were a little lower than expected, with Core Y/Y printing at 3.0% (exp. 3.1%) whilst the headline figures were incrementally firmer. On the activity side of things, the NSA Unemployment Rate for September printed in line with expectations at 2.1% - an improvement from the prior. Retail Sales fell 0.5%, with consumers remaining cautious. Sticking with activity, the Business Tendency Survey painted a slightly pessimistic picture of the Norwegian economy, as manufacturers reported weak growth in production in Q3. On the other hand, the latest government budget proposal for 2026 saw the Norwegian economy in a positive light. In brief, the measures proposed appear to focus less on domestic demand and so will likely have an immaterial impact on policymakers at the Bank. Given all of the above, there has been little to sway policymakers away from the current MPR, which points towards some chance of loosening in Q2'26 (3.92%); the first full cut is indicated in Q4'26 (3.74%); SEB sees a cut in June 2026. Analysts at Nordea also see the Bank keeping rates steady, with the accompanying commentary to largely reiterate what was seen in the prior meeting. As a reminder of the last meeting, Norges Bank cut rates by 25bps and highlighted that policymakers judged that a somewhat higher policy rate will likely be needed ahead compared with the outlook in June. Governor Bache highlighted that "we do not envisage a large decrease in the policy rate ahead".

CANADIAN JOBS REPORT (FRI): The report will be gauged to see how the Canadian labour market is faring amid heightened trade tensions between the US and Canada. The BoC this week noted that the labour market remains soft. Employment gains in September followed two months of sizable losses, and job losses continue to build in trade-sensitive sectors. It noted that hiring has been weak across the economy, while the unemployment rate remained at 7.1% in September, and wage growth has slowed. It noted how slower population growth means fewer new jobs are needed to keep the employment rate steady. The BoC cut rates at this week's meeting, taking rates to 2.25%, matching the bottom-end of the BoC's neutral rate estimate. It also signalled that the BoC is done with rate cuts, suggesting policy is about right, while also warning of structural damage from the trade conflict, which limits the role monetary policy can play to boost demand, while maintaining low inflation - so it is unlikely this specific report will have much shape of BoC rate cut expectations, unless a downward trend resumes.

CHINESE TRADE BALANCE (FRI): There are currently no expectations for China's October Trade Balance data. Last month's release showed a narrower surplus, with exports and imports growth both surprising to the upside, with the data released following the Chinese mid-Autumn festival. According to ING, trade growth is expected to moderate in October, with exports seen slowing to 4.0% Y/Y (prev. 8.3%) and imports edging down to 3.2% Y/Y (prev. 7.4%), resulting in a rebound of the surplus to around USD 101bln (prev. USD 90.45bln). Desks notes that the easing reflects a normalisation in global shipping activity after earlier front-loading ahead of US tariff risks. The upcoming data could prove to be stale following the recent Xi–Trump meeting, which helped de-escalate trade tensions and reduce immediate policy uncertainty, which likely impacted import/export behaviour.

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